



2016-2017 Budget & Financial Plan

ADOPTED BUDGET



Future BART Station



Recreation Center Pool



Bob McGuire Park



Recreation Center Field

City of Milpitas
CALIFORNIA



2016-2017 Adopted Budget

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TABLE OF CONTENTS

Letter of Transmittal

Vision, Values and Goals	1
Budget Message	3

Five Year General Fund Forecast

Fiscal Year 2016-17 through Fiscal Year 2021-22	21
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Budget Guidelines and Fiscal Policies

Awards	27
Budget Guidelines	29
Budget Preparation Process and Timeline	32
Fiscal Policies	36

Resolutions

Resolution Adopting the Appropriations Limit	39
Joint Resolution Adopting the Final Budget	41
Classification Plan Amendment	44

General Information

Organization Chart	49
City History	50
Demographic Profile	51
Vicinity Map	57
City Council, Board and Commissions	58
Directory of Officials	60
Gann Limit Analysis	61
Computation of Legal Bonded Debt Margin	62
Authorized Positions by Division	63

Funded Permanent Positions by Department	64
--	----

Financial Information

Fund Structure	65
Budget Summary	66
Distribution of Revenues	68
Distribution of Expenditures	68
General Fund Revenue Assumptions	69
Revenues by Fund (Summary)	70
Revenues by Fund (Detail)	72
History of Property Tax Revenue	83
History of Transient Occupancy Tax Revenue	83
Property Tax, Comparison with Other Jurisdictions	84
Transient Occupancy Tax, Comparison with Other Jurisdictions	85
History of Sales Tax Revenue	86
History of Building Permit Revenue	86
Sales Tax Revenue, Comparison with Other Jurisdictions	87
Building Permit Revenue, Comparison with Other Jurisdictions	88
History of Intergovernmental Revenue	89
History of "Other" Tax Revenue	89
Franchise Fees, Comparison with Other Jurisdictions	90
Expenditures by Fund (Summary)	91
Expenditures by Fund (Detail)	92
Expenditures by Function	97
Internal Cost Allocation by Function Schedule	100
Operating Transfers Statement	102

Budgets Narrative and Summary

City Council	107
City Manager	113
City Clerk	117
City Attorney	121
Building and Safety	127

Information Services	133
Human Resources	139
Recreation	147
Finance	153
Public Works	159
Engineering	165
Planning & Neighborhood Svcs	171
Police	177
Fire	183
Non-Departmental	189

Capital Budget

Capital Budget Summary	193
Community Improvement Projects	194
Park Improvement Projects	198
Street Improvement Projects	201
Water Improvement Projects	205
Sewer Improvement Projects	208
Storm Drain Improvement Projects	210

Appendix

Budget and Budgetary Accounting	213
Fund Descriptions	218
Revenue Descriptions	221
Expenditure Descriptions	224
List of Funds	231
List of Departments/Divisions/Functions	233
List of Revenues	235
List of Expenditures	239
Abbreviations and Acronyms	241
Glossary of Terms	243
Index	249

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City of Milpitas

Community Vision

Milpitas will preserve its close-knit community and rich cultural diversity as it moves with innovation into the future by supporting sustainable growth and development, ensuring public safety, enhancing the environment and natural landscape, and nurturing landscape, and nurturing family and community connections.

Organizational Mission

The City of Milpitas is committed to accomplishing the community's vision by providing fiscally sound, superior services.

Our Values

- *Superior Customer Service*
- *Open Communication*
- *Integrity and Accountability*
- *Trust and Respect*
- *Recognition and Celebration*

Our Goals

- *Superior Customer Service*
- *Public Safety*
- *Growth and Economic Development*
- *Community Connections*
- *Regional Partnerships*
- *Environment*
- *Fiscal Responsibility*

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CITY OF MILPITAS

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July 18, 2016

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

Members of the City Council:

It is with great pleasure that I present the Adopted Budget for Fiscal Year 2016-17 ("FY 2016-17"). This document includes both the City's operating and capital improvement budget for all activities including major funds such as the City's water and sewer utility operations. The FY 2016-17 budget was developed to incorporate the City Council's priorities and policy direction listed below.

Policy Direction

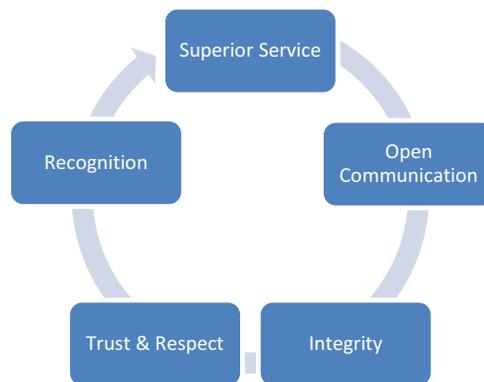
- Continue restoring, maintaining and enhancing a high level of vital community services.
- Sustaining a focus on public safety, infrastructure improvements, roadways & facility maintenance, forward-looking city planning, and fiscal strength.
- Maintaining and improving high quality of life standards.
- Fortifying fiscal strategies to ensure readiness in the face of economic uncertainties and securing revenue streams that cannot be subjected to State takeaways.
- Effecting a reliable revenue stream for capital improvement projects and public safety enhancements.
- Keeping on the path of continual improvements via the evaluation of City functions with an eye on eliminating duplications and achieving cost efficiencies.
- Promoting economic development strategies to recruit and retain businesses.
- Moving ahead with the commercial and residential development synergy in the Midtown and Transit areas surrounding the new light rail system and BART system.
- Finding ways to alleviate traffic congestion and improving overall circulation.

The FY 2016-17 Adopted Budget presents a balanced General Fund without the need to draw upon reserves in the near term. In fact, the budget firms up reserves as a cautious and proactive measure given the certainty of future rising costs. With this posture of careful fiscal planning and cost control, the City's financial condition has been steadied since the 2008-09 "Great Recession". The road to recovery has been long and hard coming off of the 2012 State imposed dissolution of Redevelopment Agencies that led to the loss of \$7 million in annual operating cost reimbursements from the Milpitas Redevelopment Agency (RDA) to the General Fund. Consequently, staffing and resources were drastically cut, preventing the City from completing several major infrastructure, economic development and affordable housing projects. In particular, the City weathered these economic challenges by reducing general operating costs, negotiating employee concessions, realizing savings from attrition, employee layoffs, staff outsourcing, and the reorganization and restructuring of non-core programs. These cost cutting

measures, albeit painful, were necessary to stabilize the General Fund’s financial condition. The City’s challenge, as for many cities, is to maintain service delivery in this “new normal” environment that brings with it rising cost pressures combined with narrow and limited income streams.

The primary focus of the FY 2016-17 budget remains consistent - to sustain core services by responsibly restoring staffing levels while maximizing overall organizational efficiency and cost savings. The City still faces considerable long-term fiscal challenges. These include: instituting reliable funding sources to upgrade or rehabilitate aging infrastructure; addressing significant statewide storm water mandates; maintaining and improving public safety services; and enhancing open public spaces. Cost pressures compel us to keep long term liabilities in check, manage escalating pension costs, and fund rising medical insurance premiums. These challenge areas are common to most municipalities.

This past year the City completed its mission to renew its Strategic Plan, last updated in 1993. The plan was founded on the City vision that promotes a close-knit, culturally diverse, safe, clean and beautiful city, rich with community connections. This essential plan sets forth the values and goals of the city as follows:



This strategic plan comes with a solid underpinning of goals upon which this, and future budgets, will be founded. These goals are relevant to all departments and include: Superior Customer Service - Public Safety - Economic Development - Community Connections - Regional Partnerships - Environmental Consciousness - Fiscal Responsibility. The resources outlined in this fiscal plan further the mission, values and goals described above.

Being named as one of Silicon Valley’s fastest growing Cities, Milpitas is in the midst of an exciting urban transformation. Much anticipation surrounds the 2018-19 opening of the Bay Area Rapid Transit (“BART”)’s Milpitas Station that will ultimately connect to the Berryessa Station in San Jose. This substantial development led to the adoption of the City’s Transit Area Specific Plan (“TASP”) in 2008. Expectations of this plan have been realized this year with the transformation of an aged industrial area to higher intensity transit-oriented district with housing, office, and retail. In the end result, the City anticipates the addition of more than 6,000 units of high density housing to support the large public investment in transit facilities.

With the BART transit station “coming to town,” Milpitas has begun to experience the expected synergies of attracting both hotels and restaurants. Furthermore, private developments have agreed to add community benefits, and have been conditioned to add new parks and recreation open spaces along with related funding given the heightened demand that comes with new housing. Furthermore, the re-establishment of the economic development function in recent years could not have been better timed as the City is postured as an ideal venue for investment and regional partnerships.

As the City continues to grow, we remain committed to keeping Milpitas a City where people desire to live, play and raise families. The community investments outlined in this budget will provide needed improvements throughout the City and in every neighborhood for all to enjoy.

PROCESS & BUDGET HIGHLIGHTS

The budget process is an exercise in fiscal strategic planning that involves close coordination between the executive team and a score of staff budget representatives. This budget year, staff was asked to submit requests on an unfiltered basis for discussing resource needs comprehensively from both a short and long-term perspective. Doing so fostered a healthy conversation of demands and resources, promoted a robust discussion of priorities and provided a tool to assist future planning and assessments. During the budget process, the various departments did just that, submitting requests, both for position restorations, equipment, and service needs, that far exceeded the City's limited resources. In fact, funding all requests as initially submitted would have required several millions of dollars (over \$3M) of revenue beyond what has been ultimately included in the adopted budget. The budget before you places an emphasis of the highest priority goals while keeping service delivery standards whole.

After much internal deliberation, trade-offs and prioritization, staff brought to City Council a draft FY 2016-17 General Fund Budget with estimated revenues and other financing sources exceeding expenditures by \$1.1 million. At the budget study session, staff presented a variety of budgetary "decision points" for City Council discussion and direction before crafting the proposed budget presented at the budget hearing. Additionally, a recommendation was made to the City Council to add three Community Facility District (CFD) funded safety positions within the police and fire departments. Council supported this proposal and additionally provided direction on several "decision points" items, all of which are detailed below and have been integrated into the adopted budget. All staffing changes incorporated in this budget are discussed below in the Budget Highlight section. Furthermore, at the public hearing of May 17th, Council directed staff to update three capital improvement projects for a total amount of \$375,000. These three projects include accelerating funding for the city gateway tree planting project and increasing funding for the midtown street light and utility undergrounding projects. Considering all updates made as a result of the study session and budget hearing input, the adopted General Fund budget remains balanced with projected revenues over expenditures equaling \$194,000.

The City experienced revenue increases, compared to budget and current year estimates, in property tax revenue, sales tax, planning, and building inspection revenue as the local economy continues its upward trajectory and development activity gains steam. Transient Occupancy Tax (Hotel tax) reflects an increase over the prior year budget but is scaled down below current projections which reflect extraordinary events. Property tax estimates are based on assessed value information provided by the County Assessor's office. Sales tax revenue is based upon regional and local trends, specific city data and specialist provided data. Building permit and inspection revenues are based on developer trends and anticipated building activities provided by Building staff. Hotel tax revenue estimates are based upon historical trends.

General Fund expenditures reflect a 7.9% or \$6 million increase compared to the current adopted budget. Of the \$6 million increase, personnel increased by \$4.4 million, or 7%, due to, increased employer contributions to pension plans; employee benefits, salary pursuant to contracts negotiated with employee groups, and staffing additions/ reclassifications. Materials & services increased by \$1.7 million, or 11%, mostly in the areas of development related contractual services and maintenance. Increases in City Attorney contract costs are offset by salary savings with the department coming in below the prior year budget. Lastly, the City Clerk budget reflects cyclical election costs planned specifically for FY 2016-17.

General Fund revenue, including operational transfers, approximate \$82.8 million, an 8.2% or \$6.2 million increase compared to the current adopted budget. The projected growth for Property

Tax and Sales Tax revenue is 6.8% and 2.5% over budget and 3.3% and 10.9% over current year estimates respectively. Transient Occupancy Tax (Hotel Tax) is projected to be 8.9% over the prior year budget but 5% under current estimates. Hotel Tax will remain strong but is not expected to duplicate a banner year that included the extraordinary “Super Bowl 50” and other events. Property Tax, a primary revenue source, will experience growth of over \$1 million reflecting economic stability. Sales Tax is projected to experience healthy gains in addition to the cessation of the “triple-flip” borrowing of sales tax revenue imposed by the State ten years ago. License, permits and charges for services are bolstered by an expected robust development activity.

The FY 2016-17 Adopted Budget funds an additional 11 full time equivalent positions (FTEs) (net of 12 funded FTEs, 2 defunded FTEs, and 1 net add in the current year). These additional positions include 1 Police Officer, 1 Police Dispatcher, 1 Fire Inspector, 1 Associate Civil Engineer, 1 Public Works Manager, 1 Asst. Water Operator, 3 Maintenance Workers, 1 Economic Development Specialist, 1 Information Services Systems Administrator, and 1 Senior Accountant. The defunded FTEs include 1 vacant Assistant City Manager and 1 Maintenance Worker. All of the additional positions are core to the City’s mission and vital to upholding standards as the demand for City’s services intensifies with growing population and development. It should be noted that FTEs in the Adopted Budget fall well short of the number of positions requested by the departments. As such, the resulting staffing was measured on service priority with a focus on Safety, Maintenance, Economic Development and related support services.

Beyond operations as viewed through the lens of the General Fund, we would be remiss not to highlight the substantial investment the City is making in community infrastructure and improvements as outlined in the five-year Capital Improvement Program (CIP). The adopted budget appropriates \$44.2 million in capital improvements including streets, roadways, parks, community facilities, water, sewer and storm systems, among others. Over the Five-Year plan, the CIP quantifies \$271 million in identified infrastructure improvements over a variety of categories and operations described more below. Of the \$271 million, \$58 million has no identified funding, an indication of the need to seek alternative and or additional revenue sources necessary to address long term improvements and replacements.

In summary, the FY 2016-17 operating and capital budgets were prioritized to improve City’s core services and ensure their delivery in the most cost effective and beneficial manner to the community. Capital improvement projects were prioritized to those most necessary. Staff believes these priorities reflect the City Council’s policy direction.

CITYWIDE BUDGET OVERVIEW

The total Adopted Budget for FY 2016-17 is \$166,966,225. This is a 21.9% increase from the FY 2015-16 Adopted Budget. Excluding the City’s FY 2016-17 Capital Improvement Budget, the total operating budget is \$122,752,969, a 7.2% increase from last year. The total annual budget includes the City’s Water and Sewer Utility enterprise budgets of \$46,352,865 and \$16,400,111, respectively. Water appropriations are significantly higher with the inclusion of much needed infrastructure improvements anticipated for revenue bond financing. It also includes the Housing Authority’s budget of \$451,381.

The total annual budget for capital improvements for FY 2016-17 is \$44,213,256. It is significant to note that \$23,010,000 of this total represents water infrastructure projects. A separate Five-Year 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 2016-17 can be found on pages 193 through 211 of this document.

The General Fund budget is \$82,648,715, an increase of 7.9% compared to last year. Salaries and Benefits show an increase of 7% or \$4.4 million for the variety of reasons noted in the

summary above - pension costs, medical premiums, labor contract factors and the additional funding of FTEs as described in the Budget Highlight section. The anticipated increase of medical insurance premium is projected conservatively at 8% in January 2017. One major cost factor, for this next year and the foreseeable future, are employer's pension California Public Employee Retirement System ("CalPERS") contribution rates. FY 2016-17 rates are 30.59% and 41.44% of payroll for the Miscellaneous Employees group and Public Safety Employees group respectively. This is a 7% and 5% increase respectively. It should be noted that various employee groups still contribute toward the employer's portion of the CalPERS - currently approximating 4% of payroll. The non-personnel budget for the General Fund in FY 2016-17 increases 11.3% or \$1.6 million compared to the prior year adopted budget. The increase is due to contractual services (mostly in connection with fee based development activity), elections, utility charges, and staff training.

The Water utility fund budget is \$46,352,865, an increase of \$22 million from last year, primarily due to significant water system improvements for FY 2016-17 of \$23 million identified in the water rate study. When taking capital projects out of the equation, water operations increased by \$2.6 million or 13% due to operating costs increase. The increase in operating cost is primarily due to increased water purchase costs from outside agencies.

The Sewer utility fund budget is \$16,400,111, a modest increase of \$197,000, or 1% from last year. Capital improvement project costs in this arena remained relatively level at \$6.4 million. 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 71% of the Sewer Fund budget. This treatment plant is due for major upgrades which will play heavily into the need to fund infrastructure in the coming years.

The following chart provides the historical operating performance trend of the General Fund revenues and expenditures from FY 2006-07 through budget projections for FY 2015-16 and FY 2016-17.



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 over 70,000. 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. We are cautiously managing this economic road to recovery while cognizant of the need to remain in a state of fiscal readiness.

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 outperforming the state and nation. Beyond the residential equation. Much is happening in Milpitas from a perspective of private investment. 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, office equipment, electronic equipment, and auto sales. Top sales producing entities include manufacturing employers such as Cisco Systems, Inc., KLA-Tencor Corporation, SanDisk Corporation, Linear Technology, and Flextronics. Other key retailers include South Bay Honda, Toyota/Scion, Marshall Stores, Safeway, Home Depot, Wal-Mart and Best Buy. 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 smart growth, high density mixed-use housing and retail 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, a parking garage, and a 103-unit senior housing apartment building. Major residential development realized in recent years include the Centria West project which introduced 366 condominium dwelling units. Other developments completed include 200 apartment units developed by Shea Homes. In the near term we also expect the introduction of an assisted living complex approximating 200 units in the first phases. The Planning department will be updating this specific plan in the next 12 to 24 months.

Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008, and updated it in 2011, 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 3,800 housing units in the Transit Area that are under various stages of development.

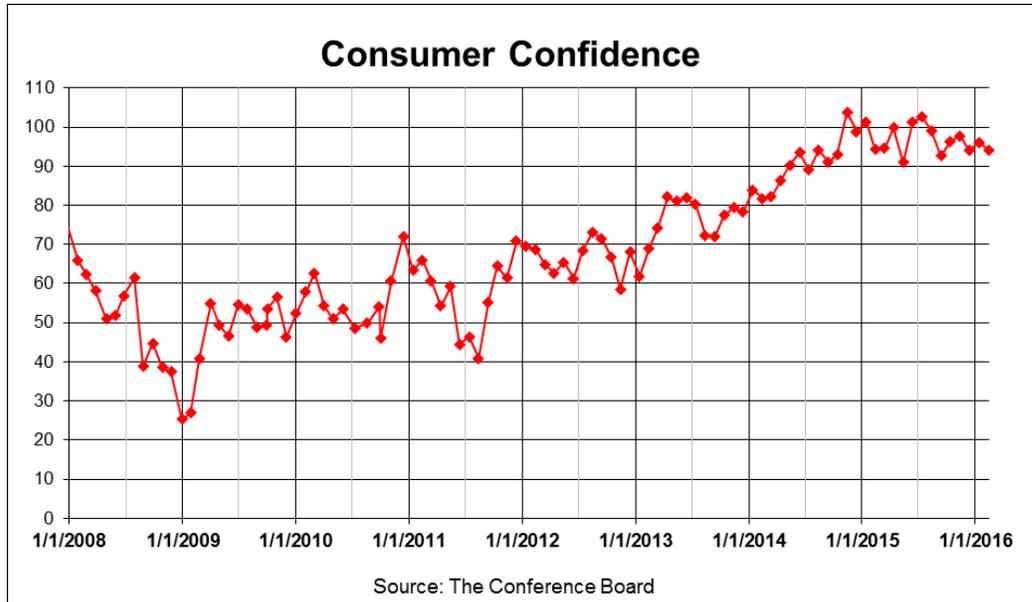
Residential Development – An improving economy and high median home prices led to a heightened interest in residential developments. Outside of the Midtown and Transit Area, there are several residential developments that are either under construction or completed and occupied. These projects include Cobblestone (27 Single Family Detached and 5 live/work units), Prynt (20 townhomes and 5 live/work units) and Waterstone (84 single family detached units). An adopted policy of City Council no longer allows for rezoning of commercial and industrial lots to residential outside of the two specific plan areas.

Non-residential Development – FY 2015-16 was also a busy year for commercial development and expansion. Flextronics, Cisco, KLA Tencor, Micron Technology, Inc., and SGI invested millions in tenant improvements of their buildings. Property owners of the former LifeScan campus and Tasman Tech Park invested in revamping their buildings and outdoor spaces in order to attract new tenants. Micron, a local company, has expanded at the Tasman Tech Park. As for hotel projects and developments, Holiday Inn is under construction.

Super Bowl 50 was successful for our City both in sales tax and also in rising hotel rates. The promotional activities that the City implemented such as TV, print, radio, and social media campaigns such as #shopmilpitas50 played a big part in attraction and retention of the Super Bowl patrons and visitors to our City.

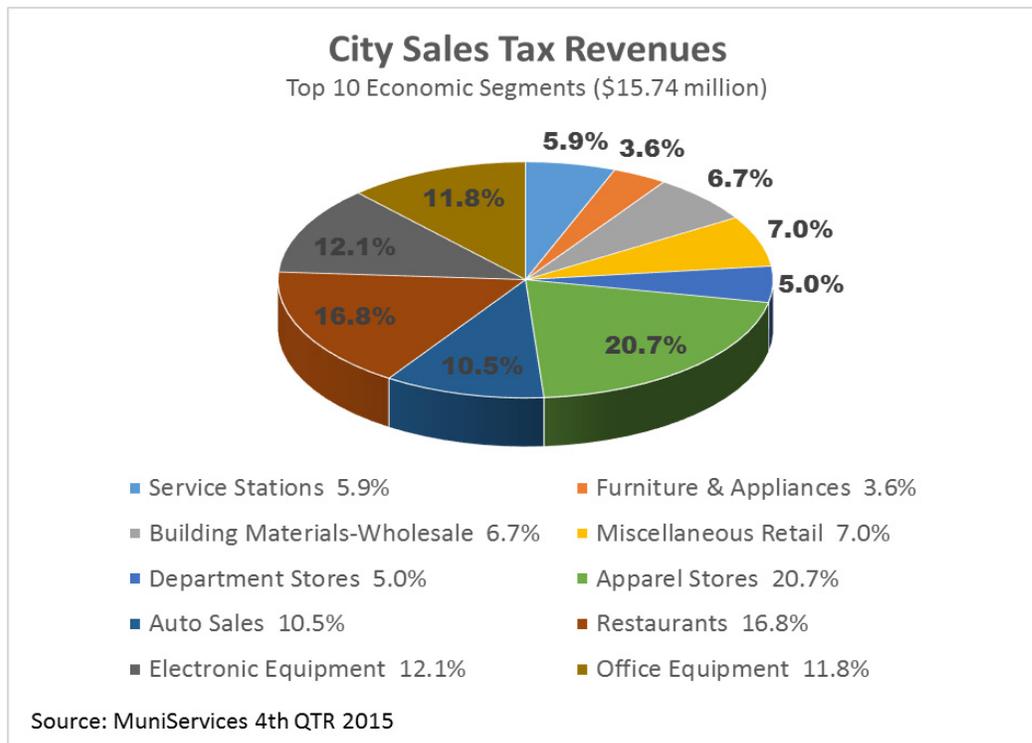
Consumer Confidence Level Trends

The latest consumer confidence survey report showed that the U.S. consumer sentiment is still high, but on a slight decrease starting March 2015 reflecting a moderate downward slope up to April 2016. From the high of 103.8 in January 2015, April 2016 reflects a rating of 94.2. 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 \$18.9 million, with the top ten economic segments generating about \$15.74 million. The sales tax revenue generated from economic segments such as apparel stores, auto sales, and miscellaneous retail increased over a year ago while the department stores segment decreased.



PERS Stabilization Reserve Enhancements in the Next Five Years

Many cities face the challenge of covering increasing pension costs and managing ensuing unfunded liabilities. Milpitas is not spared from this fiscal difficulty. The advent of new accounting standards reveals the magnitude of liabilities all cities face. Furthermore, recent pension assumption changes accelerate funding requirements in the near term. These costs exist as monetary threats that oblige us to maintain a posture of fiscal diligence.

The General Fund currently has a \$5.4 million PERS Rate Pension Stabilization reserve, a prudent policy to handle contingencies in any given year. Rising pension rates are a certainty in the five-year term. As we move into FY 2016-17, the budget plans to strengthen these pension reserve levels, by approximately \$2.5 million, using “triple flip” dollars - a one-time final State sales tax adjustment or “true-up” resulting from California’s ten year old recessionary recovery program. This adjustment was originally anticipated in FY 2015-16 but was deferred by the State to FY 2016-17.

The five year forecast included in this budget document uses this one-time revenue to increase existing pension stabilization reserves as proactive fiscal measure. This strategy mitigates near term pension costs and helps the City stay on course in light of these cost pressures.

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 2015-16 Adopted Budget and the FY 2016-17 Adopted Budget.

Fund	Adopted Budget FY 15-16	Adopted Budget FY 16-17	Over (Under) Prior Year
General	\$ 76,593,808	\$ 82,648,715	\$ 6,054,907
Measure I TOT	166,279	338,989	172,710
Housing Authority	958,093	451,381	(506,712)
Special Revenue	5,949,504	5,935,908	(13,596)
Capital Project	12,331,960	14,838,256	2,506,296
Water	24,726,266	46,352,865	21,626,599
Sewer	16,202,546	16,400,111	197,565
Total	\$ 136,928,456	\$ 166,966,225	\$ 30,037,769

Revenue Estimates for Fiscal Year 2016-17

Compared to the FY 2015-16 budget, FY 2016-17 revenue and other financing sources (including the use of fund balances) are estimated to increase by \$30 million. This is mainly due to overall increased general fund revenues, utilities service fees, and funding for capital improvement projects. The Water Fund plays a significant role this year in the overall revenue change given the expectation of incoming bond financing proceeds to fund related capital improvements.

In FY 2016-17, General Fund revenue and other financing sources are projected to be \$82.6 million, approximately \$6 million more than last year’s budget of \$76.6 million. Increases revolve around the City’s major revenue sources as mentioned above and the projection assumption factors of the major revenue sources are discussed below.

General Fund Revenue Estimates

Below is a comparison between the FY 2015-16 adopted budget, FY 2015-16 revised budget, and FY 2016-17 adopted budget.

General Fund Revenue	Adopted Budget FY 15-16	Revised Budget FY 15-16	Adopted Budget FY 16-17	Adopted Chg	Revised Chg
				% change FY16-17 to FY15-16	% change FY16-17 to FY15-16
Property Tax	20,327	21,005	21,706	6.78%	3.34%
RPTTF distributions	4,353	4,704	5,010	15.09%	6.51%
Sale & Use Tax	21,490	19,863	22,019	2.46%	10.85%
Hotel/Motel Tax	8,018	9,189	8,731	8.89%	-4.98%
Other Taxes	4,449	4,560	4,610	3.62%	1.10%
Permit & Inspection	6,498	6,651	6,869	5.71%	3.28%
Fines & Forfeitures	408	409	431	5.64%	5.38%
Interest Income	141	322	302	114.18%	-6.21%
Intergovernmental	956	1,081	1,046	9.41%	-3.24%
Charges for Services	5,762	5,707	6,883	19.46%	20.61%
Other Revenue	85	74	120	41.18%	62.16%
Operating Transfers	4,107	4,469	4,921	19.82%	10.11%
Total	76,594	78,034	82,648	7.90%	5.91%

FY 2016-17 General Fund revenues and other financing sources is projected to increase by 7.9% (compared to 7.5% last year) or \$6 million more than the FY 2015-16 adopted budget revenue. When compared to the FY 2015-16 revised revenue projection, it is estimated to increase 5.9% or \$4.6 million. Some of the changes include the following:

Sales tax revenues for FY 2016-17 are revised to be 2.46% above budget and 10.85% above current year estimates. This healthy gain is partially attributed to the cessation of the “triple-flip” borrowing of sales tax revenue imposed by the State ten 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. Regarding the sales tax “triple-flip”, this budget excludes the impact of a one-time final adjustment or “true-up” estimated at \$2.5 million. This adjustment was originally anticipated in FY 2015-16 but was deferred by the State to FY 2016-17. Staff is proposing that this one-time revenue be used to increase existing pension stabilization reserves as a proactive fiscal measure. The five-year forecast presumes this fiscal strategy to mitigate near term pension costs. Other gains stem from a continued economic growth in the region and City.

Property tax revenues are estimated to increase by 6.78% in FY 2016-17 above the current adopted budget and 3.34% above revised current year projections. The increase is partially attributed to normal inflationary factors (capped by Proposition 13 at the lower of 2% or California Consumer Price Index), property turnover, and to new residential units adding to overall assessed valuations of secured properties. The projection is founded on 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. As one of the taxing agencies, the City will receive its estimated share of approximately \$5 million in FY 2016-17. In FY 2015-16, the revised estimate on residual distributions equaled \$4.7 million.

Hotel/motel Transient Occupancy Tax revenue will remain strong but is not expected to duplicate a banner year that included the extraordinary public events noted above. This revenue source is projected to increase \$713,000 or 8.9% from the FY 2015-16 budget but is projected to decrease 4.98% or \$458,000 when compared with the revised FY 2015-16 budgeted revenue. The hotels in the local area continue to have high occupancy rates, and it is anticipated that these positive trends will continue in FY 2016-17. The five-year forecast anticipates several hotels coming on-line within the next five years.

Charges for services is anticipated to increase by 19.46% from the FY 2015-16 budget and increase 20.6% from the FY 2015-16 revised revenue. This represents dollar increases of \$1.12 million and \$1.18 million respectively. 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. This particular budget year, development activity is expected to increase materially in line with the addition of both staffing and contract-based resources activated as a result of higher demand. Planning, Building and Safety related service charges make up the bulk of these increases and point directly to several key developments, highlighted below, and to the rapid pace of growth in the City.

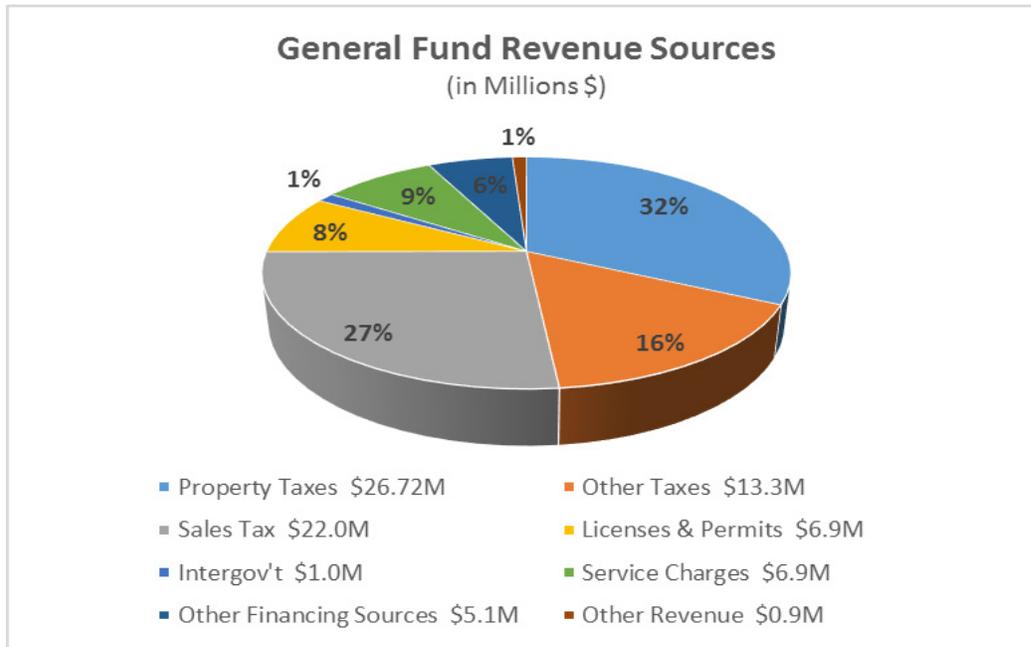
Permit and Inspection revenue for FY 2016-17 is revised to be \$371,000 more than budget with the continued intensified development activities in and around the Transit Area. In FY 2016-17, building permit and inspection revenues are projected to be \$6.9 million, an increase of 3.2% or \$218,000 over the FY 2015-16 revised revenue. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.

Operating transfers are internal transfers between funds primarily to recognize shared, and supporting, operating costs and capital budget contributions between funds. Compared to the FY 2015-16 Adopted Budget, net operating transfers in FY 2016-17 are projected to increase by \$814,000 including 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 \$715,000 from the Community Facilities District 2008-1 Fund ("CFD 2008-1") to help offset the costs of increased police officers. These CFD reimbursements increased by \$515,000 in line with costs for increased safety, maintenance, landscaping and general service demands that result from the burgeoning growth in this development zone.

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 compiled an updated Cost Allocation Plan (CAP) to calculate the percentage of costs that should be allocated to each major program and major operating fund. The CAP also provides the basis for City fee updates and charges for each fiscal year. The factors included in this plan were applied to the FY 2016-17 adopted budget.

Each City service program receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs, in addition to any one programs direct costs (salaries/benefits/supplies/contracts) are allocated to all service programs to derive the fully-burdened cost of providing City services. These indirect costs are also assigned to other operating funds such as Water and Sewer utility funds, based on the level of support these operations receive. These cost allocations are necessary to ensure proper cost accounting so that all operating funds share administrative and overhead costs equitably. A summary internal cost allocations by function for FY 2016-17 can be found on pages 100 to 101.

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



Utility Rates

The City recently completed a new utility water rate study with new rates and a new rate structure going into effect this current year. The new rates take into consideration advancing long overdue capital improvement projects, the cost of operations, the impact of the California drought and the projected cost of water. The recently adopted water rate plan contemplates annual rate increases that are based on a number of factors including the current mix of customers, a fixed-fee/variable consumption model, new cost factors, and future projections of demand & supply.

The State of California has mandated 20% in consumption conservation given the dramatic drought conditions in play. 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 20% from Santa Clara Valley Water District (SCVWD), the City's two main water suppliers. Furthermore, the City's CIP has scheduled out nearly \$100 million (much of which is dependent on external grants and financing) in significant and vital capital improvement projects designed to maintain, fortify, diversify, and enhance the City's water system capabilities. These capital projects include \$15 million of potential costs to finance water supply augmentation. In total, the City's CIP includes \$23 million of funding in FY 2016-17 and over \$100 million over the course of the next five years.

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. The City is also responsible for improvements on the City's core system as well. Consequently, this past year the City implemented sewer rate increase of approximately 4% for single family, our primary customer base.

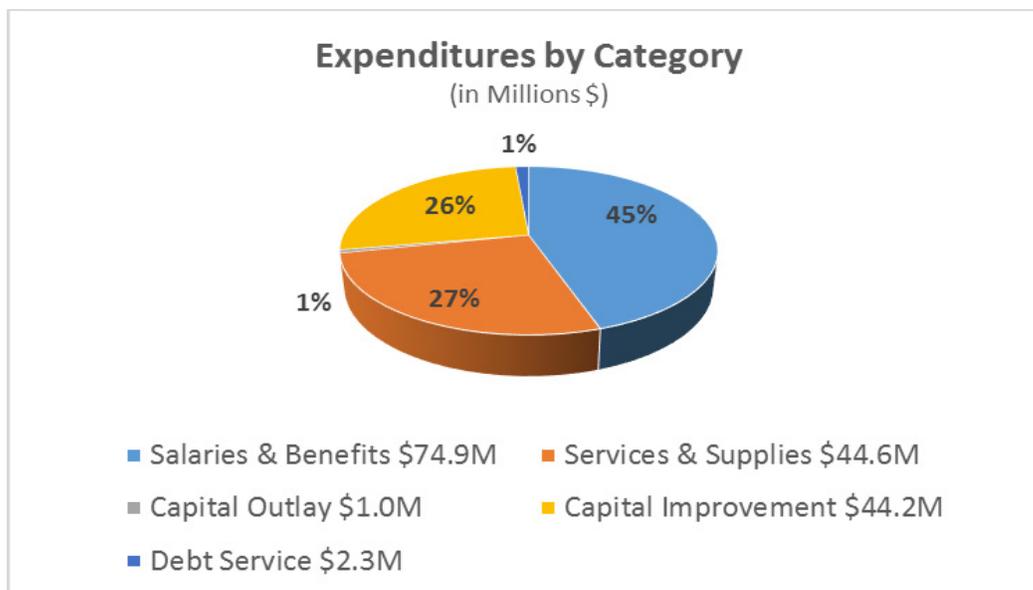
In the adopted FY 2016-17 Budget, approximately 72% or \$16.9 million of the water fund budget and 71% or \$11.6 million of the sewer fund budget are attributed to outside agencies' costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the SCVWD and the SFPUC which are projected to increase an average of 26%. City's Water operation cost and capital improvement project cost are approximately \$6 million and \$23 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 \$4.6 million. The Sewer budget also includes a debt service cost of \$684,000.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 2015-16 and FY 2016-17 is as follows:

Fund	Adopted Budget FY 15-16	Adopted Budget FY 16-17	Over (Under) Prior Year
Salaries & Benefits	\$ 69,478,009	\$ 74,906,999	\$ 5,428,990
Services & Supplies	42,992,400	44,630,148	1,637,748
Capital Outlay	1,276,087	956,822	(319,265)
Subtotal	\$ 113,746,496	\$ 120,493,969	\$ 6,747,473
Capital Improvement	22,421,960	44,213,256	21,791,296
Debt Service	760,000	2,259,000	1,499,000
Total Appropriations	\$ 136,928,456	\$ 166,966,225	\$ 30,037,769

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



Total expenditures represent an overall 22% increase from FY 2015-16 mostly due to enterprise based capital projects and financing debt service. Operating expenditures, excluding capital improvement and debt service, increased by 5.9% compared to 9.7% last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to increase by 7.8%. Compared to last fiscal year's budget, the total citywide increase is \$5.4 million. The increase reflects increased employer's contribution to CalPERS, increased health insurance premiums, agreed upon labor contracts, increased funding for temporary positions and an additional 11 FTEs. The CalPERS employer contribution percentages for the next five years are expected to increase over 20%, a significant cost factor for the City. In addition, the FY 2016-17 budget includes pre-funding of retiree medical benefits approximating \$3.5 million citywide and the General Fund's share is \$3.0 million.

The City's services will be staffed by 339.25 full time employees and 73.75 FTE of temporary/seasonal employees. The funded full time employee count increased by 11 positions, funded by both general and enterprise funds in the continuing effort to restore staffing to those levels necessary to serve our community. This growth has much to do with staying in line with this developing and dynamic City. The historical number of authorized positions and funded positions can be found on pages 63 and 64 of this document. The detail for each department's funded positions can be found in their respective sections on pages 107 through 187.

Services and supplies are expected to increase by \$1.6 million or 3.8% citywide. The services and supplies budget include services that are provided by outside parties. The increase is due to several factors including: increases in outside agencies' costs such as wholesale water purchase; the City's share of the San Jose-Santa Clara Regional Wastewater Facility's operating cost; development consulting services, and utility costs.

Capital Outlay includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 2016-17 is \$1.0 million which includes the funding of three police vehicles, one Fire Battalion Chief vehicle, replacement of four defibrillators, four pieces of exercise equipment in Recreation, one Building Inspection vehicle, one Utility Maintenance vehicle, and a backhoe/tractor. All the vehicles and equipment to be replaced are fully depreciated and will be primarily funded by the Equipment Replacement Fund. Other capital outlay includes replacement of technology equipment and water meters.

Debt Service for FY 2016-17 equals \$2,259,000, of which \$684,000 is for the only outstanding bond of the City, the 2006 Certificates of Participation ("COPS") and \$75,000 is for the repayment of an inter-fund loan. The remaining \$1.5 million anticipates the issuance of a Water revenue bond financing to fund water systems infrastructure as laid out in both the recent water rate study and the five year CIP. 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 \$564 million. The 2006 Certificates of Participation ("COPS") has an outstanding balance of \$6,055,000 and the 2015 Tax Allocation Refunding Bonds has an outstanding balance of \$120,415,000. 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 3.7% 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 14-15 audited results was at 630%.

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

Sewer Fund			
Year Ending, June 30	Total Principal		Total Interest
2017	\$	450,000	\$ 233,193
2018		470,000	216,055
2019		485,000	198,028
2020		505,000	179,028
2021		525,000	159,006
2022-2026		2,955,000	454,676
2026-2027		665,000	13,965
Total	\$	6,055,000	\$ 1,453,950

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 2016-17 by Project Category is as follows:

Project Category	Adopted Budget	Percentage of Total
Community Improvements	4,245,000	9.60%
Park Improvements	2,175,000	4.92%
Street Improvements	6,878,256	15.56%
Water improvements	23,110,000	52.27%
Sewer Improvements	6,440,000	14.57%
Storm Drain Improvements	1,365,000	3.09%
Total	\$ 44,213,256	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 \$5,000 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 2016-17 Capital Improvement Program funding is \$21.8 million more than the FY 2015-16 CIP, primarily due to \$23 million of funding for major water improvements including a water augmentation plan in year one. Other key projects include, among others – Recycle water on city site conversions – Vital Police System Upgrades - Higuera Park picnic improvements – Dempsey Road storm drain replacements – Street resurfacing – Electric charging stations pilot program.

The City is pleased to report the completion of some major improvements this past year, not the least of which is keeping pace with road resurfacing, the major renovation of the City Sports fields and the full renovation of the City pools at the athletic center.

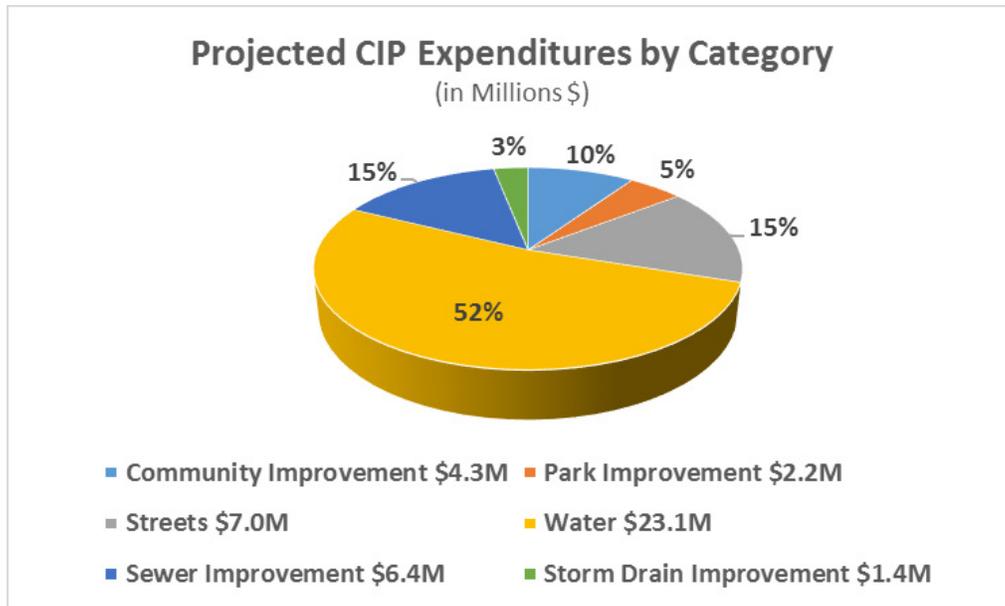
The funding for FY 2016-17 capital improvement projects is primarily from the fund balances of various funds such as park fund, General Government Capital Project Fund, 2% Transient Occupancy Tax Fund, and utility funds. Approximately 10% of the funding comes from outside sources such special assessments, 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 2016-17 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 Proposed Budget only incorporates funding for the FY 2016-17 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.

The chart below provides an overview of the City's anticipated capital improvement projects by category in fiscal years 2017-2021:



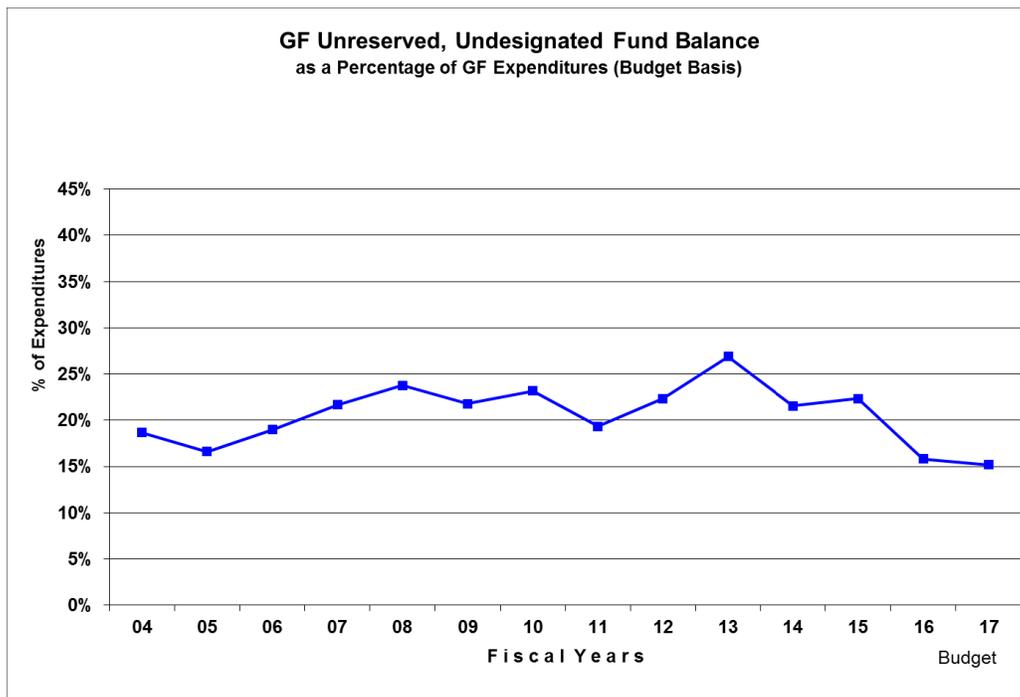
The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 2016-17. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2016-2021 prepared by the Engineering Department may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or the City's website.

FUND BALANCES

An important resource for a City is the fund balance or reserve that is available for future appropriations and unexpected emergencies. A summary of the revenue, expenditures, transfers, and fund balances is shown in the Financial Information section of the Budget. The Water Fund is anticipated to cover its resource needs for capital improvement projects through generated fees and anticipated financing proceeds. The Sewer Fund also covers its current year capital needs through generated fees. The Capital Project Fund Balance is expected to increase significantly, by \$20 million, in anticipated TASP fees to be collected on several hundred additional dwelling unit developments in that area as noted above. There are no significant changes to the fund balances of the General Fund and other funds.

The projected percentage of the estimated unassigned fund balance for the General Fund is 15.2% 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:

The fund balances are further divided into subcategories to indicate the portion that is non-spendable, restricted, committed, assigned and unassigned based on a hierarchy of constraint. Non-spendable 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.



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 has 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 2016-17 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,



Thomas C. Williams
City Manager

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 and points out areas of both opportunity and risk as we navigate fiscal cycles. These long term forecasts provide an invaluable planning tool and are an indication of sound fiscal planning and strategy.

General Fund Five Year Forecast (Thousands)

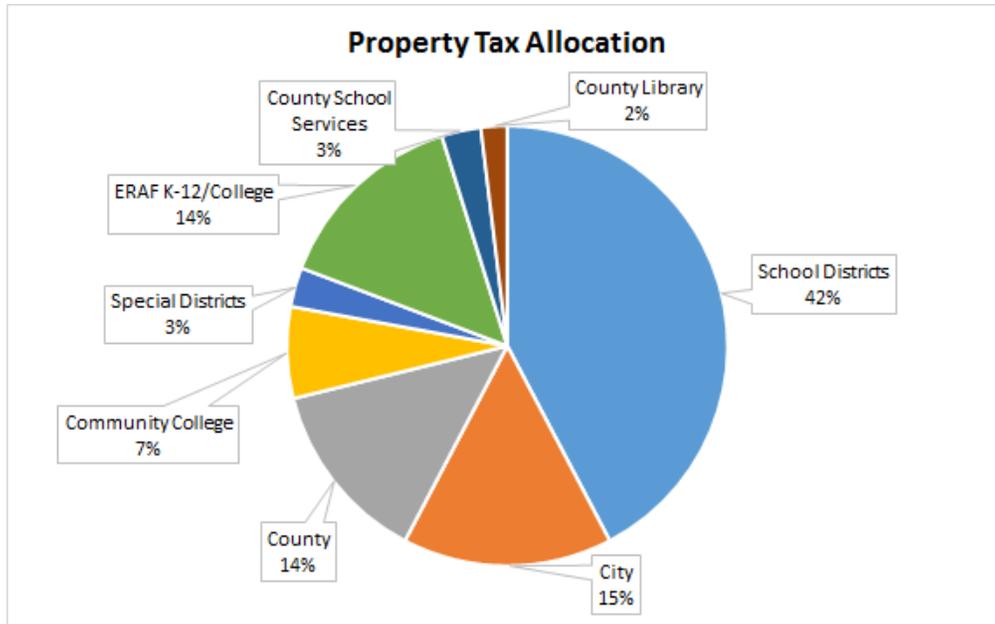
	Year 1	Year 2	Year 3	Year 4	Year 5	
	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
Estimated Revenues						
Property Tax	21,706	22,503	23,330	24,181	25,003	25,853
RPTTF distribution	5,010	5,198	5,393	5,595	5,791	5,994
Sales & Use Tax	22,019	22,856	23,724	24,625	25,426	26,253
Other Taxes	4,610	4,722	4,837	4,954	5,075	5,177
Hotel/Motel Tax	8,731	9,295	10,165	10,447	10,963	11,439
License & Permits	6,869	7,009	7,168	7,331	7,496	7,648
Charges for Services	6,883	7,033	7,224	7,402	7,583	7,730
Other Revenues	1,900	1,531	1,543	1,556	1,569	1,583
Operating Transfers	5,115	5,607	5,876	6,134	6,311	6,465
Total Revenue Sources	82,843	85,754	89,260	92,225	95,217	98,142
Estimated Expenditures						
Salaries	40,903	41,271	42,510	43,678	44,769	45,776
Benefits	25,378	27,347	29,553	31,791	33,234	34,767
Supplies & Contractual Services	16,368	16,594	17,099	17,443	17,782	17,967
Total Estimated Expenditures	82,649	85,212	89,162	92,912	95,785	98,510
Net Sources over Expenditures	194	542	98	(687)	(568)	(368)

Property tax revenues are expected to increase 3.67% in FY 16-17 based on County assessed valuations. Future assumptions follow and average 5 year growth percentage of 3% using the following pattern: in FY 17-18 & FY 18-19, 3.7% in FY 19-20 & FY 20-21, and 3.4% and in FY 21-22 3.2%. 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 a 10 years' average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at a rate of 2 to 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. Added assessed valuation from new housing and the reassessment of existing properties with change of ownerships factor into the forecast. To this point, staff has taken a conservative perspective on the projections.

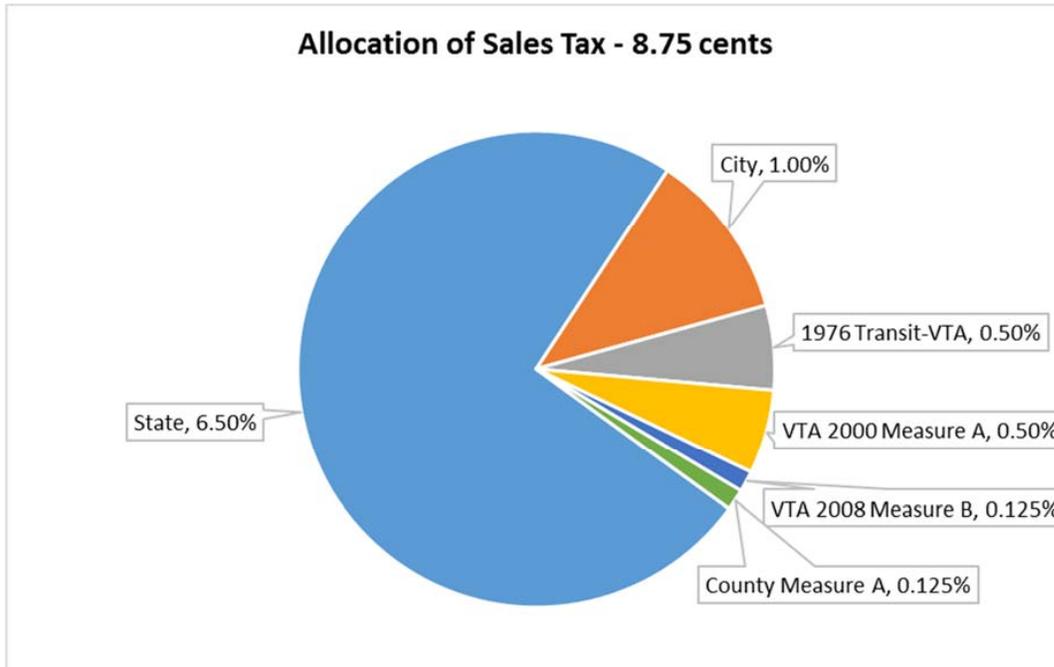
RPTTF distributions represent distributions of the residual property tax revenue attributing to the former RDA after satisfying the approved obligations of the RDA. The distributions are expected to increase 3.75% in FY 16-17 and taper off between 3% and 3.5% in subsequent years. The growth rate of the distributions was assisted by 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.

Allocation of Property Tax 1% Base Rate

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.



Sales tax revenues are projected to increase 3.8% in the next two years through FY 19-20 and 3.25% for FY 20-21 and 3% for FY 20-22. The projected increase in sales tax revenues is in line with consumer price index and historical averages. 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 consumer generated sales tax revenue. The chart on the next page 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 2.5% over the five year term.

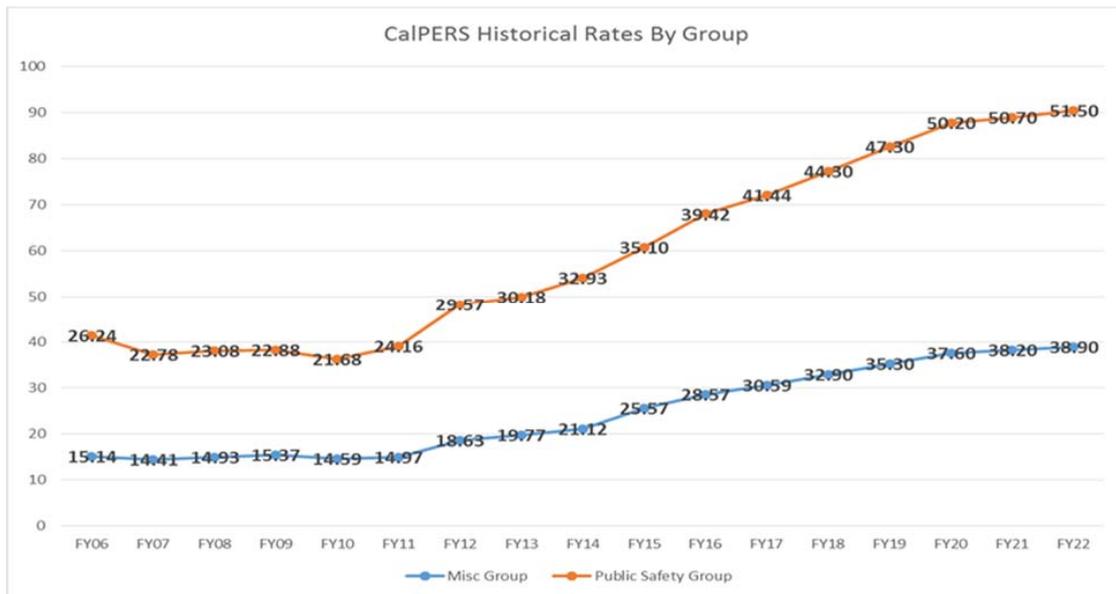
Hotel tax revenues are projected to increase in a robust fashion given recent trends and anticipated new business openings. 6.5% to 9.4% in the next two years through FY 18-19, 2.8% for FY 19-20; 4.9% and 4.3% for the subsequent two years. The growth rate is projected to be higher in FY 17-18 and FY 18-19, 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.

Licenses 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 2.5% 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 licenses 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 2.0% to 2.5% 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 3.4% average increase over the next five years.

Salaries and benefits Salaries are anticipated to increase moderately over 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 from 7% to 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 nearly 8% in FY 16-17 and gradually tapering off in future years. 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% to 3% 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.

USE OF ENHANCED PENSION RESERVES TO MITIGATE KNOWN INCREASES

The FY 2016-17 Budget strengthens and uses pension reserves to mitigate cost increases over the five-year forecast term. As discussed in the budget transmittal letter, the City is using the following strategy:

Step 1: Sales Tax is projected to experience a healthy one-time gain as a result of the culmination of the “triple-flip” borrowing of sales tax revenue imposed by the State ten years ago. Regarding the sales tax “triple-flip”, this budget projection excludes the impact of this one-time final adjustment or “true-up” estimated at \$2.5 million. This adjustment was originally anticipated in FY 15-16 but was deferred by the State to FY 16-17.

Step 2: Once received in FY 16-17, the budget anticipates using this one-time revenue towards increasing existing pension stabilization reserves as a proactive fiscal measure. The five-year forecast projects this fiscal strategy forward to mitigate near term pension costs. The chart below displays this use of pension stabilization reserves as it evolves through the next five years.

	16-17	17-18	18-19	19-20	20-21	21-22
Estimated Revenue	82,843	85,754	89,260	92,225	95,217	98,142
Estimated Expenditures	82,649	85,212	89,162	92,912	95,785	98,510
Revenue Over Exp	194	542	98	(687)	(568)	(368)
PERS Reserve (Replenish)/Apply	(194)	(542)	(98)	687	568	368
Net After PERS Reserve	0	0	0	0	0	0

In summary – the five year forecast presents a balanced plan. That said, it also prognosticates the need to remain cautious, diligent, be cost conscious, and to remain on a posture of readiness. The proposal to establish and utilize pension reserves is both an opportunity and challenge area that the City must manage closely with responsive flexibility as the five year plan progresses.

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Milpitas
California**

For the Fiscal Year Beginning

July 1, 2015

A handwritten signature in black ink, appearing to read 'Jeffrey R. Egan'.

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, 2015. 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.

*California Society of
Municipal Finance Officers*

Certificate of Award

*Operating Budget Excellence Award
Fiscal Year 2015-2016*

Presented to the

City of Milpitas

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 23, 2016



Handwritten signature of Jesse Takahashi in black ink.

Jesse Takahashi
CSMFO President

Handwritten signature of Michael Gomez in black ink.

Michael Gomez, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

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. 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. 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 coordinating the operating budget creation process on behalf of the City Manager, synchronizing the operating budget with the annual capital plan, developing a five-year forecast, establishing budget and fiscal policy, providing periodic budget status reports to the City Manager and the City Council, and developing internal monthly budget management reports for the Department Heads to facilitate control and compliance with the budget.

The Department Heads are responsible for assisting in the development of annual budgets and monitoring their respective budgets for compliance with the intent of Council priorities to insure 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

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;
- 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;
- A description of the service levels to be provided under the proposed budget will be included;
- A statement of the services reduced or eliminated and the services improved or added, as compared to the current year, will be included;
- 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 and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$20,000 or less. No expenditures may be made from any unassigned fund balances without an appropriation by the City Council.

The City shall have the authority to make revisions involving transfers from appropriated contingency reserves accounts less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year (\$550,000 in FY 2016-17), 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.

Prior approval of the City Council is required for changes that:

- Increase the overall appropriation level within any one Fund.
- Transfer or reallocate appropriations between different Funds.
- Cause an increase in permanent personnel authorized/funded positions or changes in classifications for personnel from the classes or personnel count approved in the adopted Budget.
- Cause the aggregate amount of contract change orders to exceed \$100,000 and/or exceed prior approved appropriation levels for the subject contract.
- Cause transfers from appropriated contingent reserves account to exceed the aggregate amount of \$550,000 during fiscal year.
- Result in changes not consistent with the purpose and intent of the Budget as adopted.

The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time the number of permanent, full-time employees authorized by the City Council is 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. These will take effect through the public agenda meeting process.

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 Re-appropriations

Outstanding encumbrances at prior fiscal year-end will automatically be carried over to current year's budgets.

Unspent appropriations that are authorized and funded by grant revenues from prior fiscal year will automatically be carried over to current year's budgets.

Incomplete multiple year project (capital improvement project) balances will automatically be appropriated.

Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of the fiscal year may be re-appropriated for continued use in the subsequent fiscal year. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2015-16 are subject to carry-over into FY 2016-17. These include capital project appropriation carryovers.

9. Budget Monitoring and Reporting

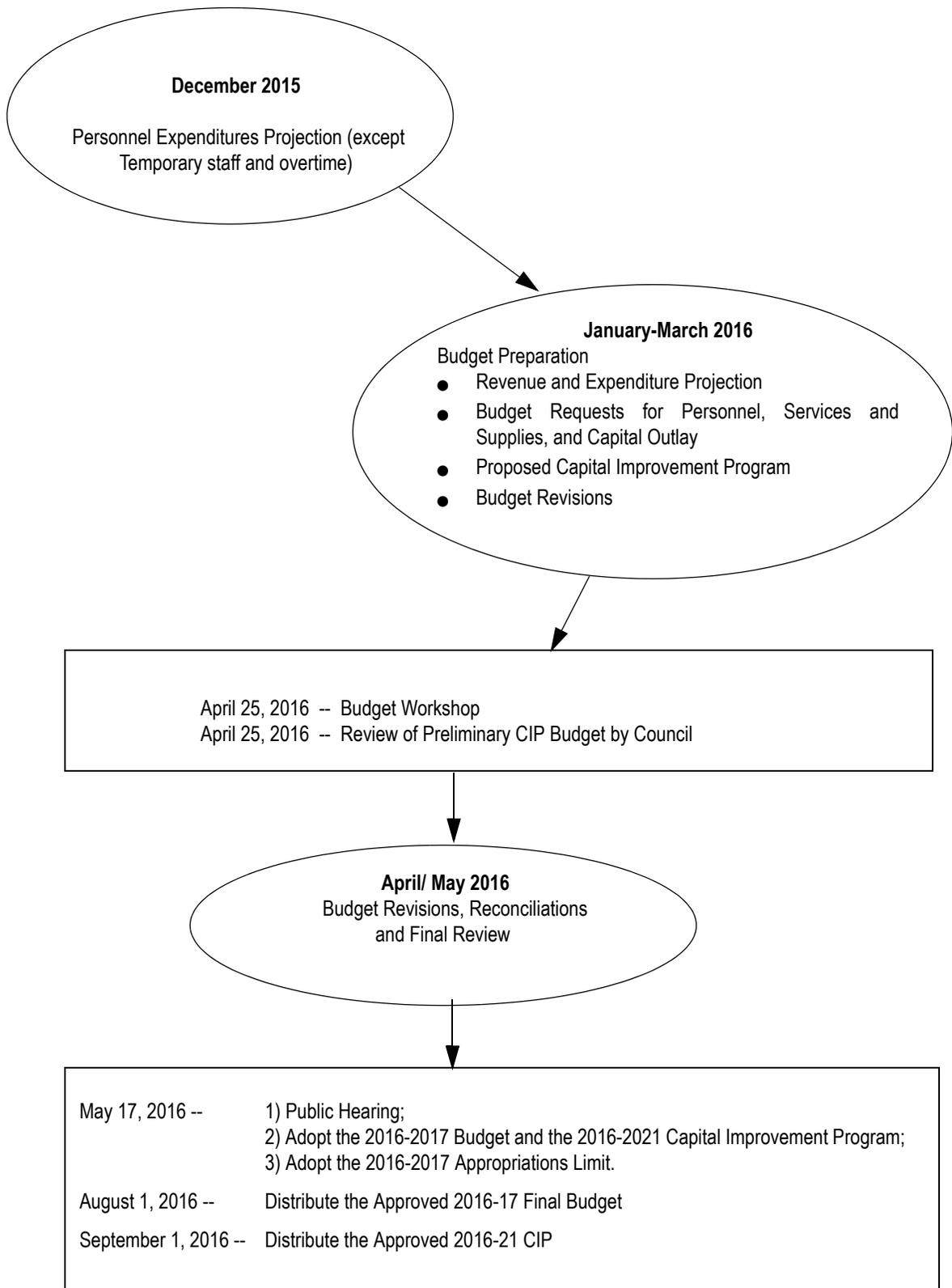
General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

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. Key reserve policies for various funds are described in detail in the document entitled "City of Milpitas Fiscal Policies".

City of Milpitas 2016-2017 Budget Process



CITY OF MILPITAS

**BUDGET PREPARATION TIMELINE
2016-2017 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	11/10/15	Issue request for Capital Improvement Program(CIP) projects to Department Heads	CIP Staff, Finance Budget Team
2	11/23/15	Distribute inventory list and capital outlay request packet.	Budget Manager
3	12/11/15	New Capital Improvement Program (CIP) projects requests are due.	Senior Management Staff
4	01/05/16	Meetings with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Management Staff
5	01/06/16	2016-17 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	City Manager, Director of Financial Services, Budget Manager, Budget Liaisons
6	01/06/16 - 01/12/16	Budget Liaison Training	Budget Liaisons and Budget Manager
7	01/19/16 - 01/22/16	Budget projection for Non-Departmental.	Director of Financial Services, Finance Manager, Budget Manager
8	01/22/16	Requests for new positions, reclassifications and reallocation of existing positions (including Salary Allocation by Fund) due to Finance, with the City Manager's initials.	Budget Liaisons
9	01/25/16	<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
10	01/25/16 - 01/29/16	Complete Non-Department Budget BRASS entry.	Budget Manager

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
11	01/25/16 - 01/29/16	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
12	01/26/16 - 02/05/16	Review new classification or reclassification requests.	HR Director
13	02/01/16	Print and distribute Budget Proformas to Budget Units for review.	Budget Manager
14	02/05/16	<ul style="list-style-type: none">• All budget preparation information due to Finance: narratives, org charts, and mission statements.• Any changes to Budget Proformas are also due to Finance.	Budget Liaisons
15	02/05/16	HR completes review of new classification or reclassification requests and provides those results to Finance.	HR Director
16	02/16/16 - 02/22/16	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
17	02/18/16 - 02/23/16	Review draft CIP document and consider funding feasibility.	City Manager, Director of Financial Services, Public Works Director, Director of Engineering, Finance Manager, Budget Manager
18	02/29/16 - 03/11/16	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
19	02/29/16 - 03/04/16	Review Proposed CIP document by Finance.	Director of Financial Services, Finance Manager, CIP Accountant
20	03/07/16	Review Draft Parks projects in the CIP Budget.	PRCRC
21	03/23/16	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Public Work Director
22	03/25/16	Publish Draft 2016-2021 Capital Improvement Program and distribute.	CIP Staff

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
23	03/28/16 - 04/01/16	Budget Reconciliation: Operating Budget and CIP.	Budget Manager, CIP Staff
24	04/04/16 - 04/08/16	Draft the Transmittal Letter.	Director of Financial Services, Budget Manager
25	04/25/16	Budget Workshop.	City Council, Senior Management Staff
26	05/02/16 - 05/09/16	Review the Transmittal Letter.	City Manager
27	05/02/16 - 05/09/16	Final review of proposed budget.	Director of Financial Services, Finance Manager, Budget Manager
28	05/09/16	Review the Draft 2016-2021 Capital Improvement Program.	City Council
29	05/11/16	Distribute the Proposed 2016-17 Operating Budget and Financial Plan.	Finance Budget Team
30	05/06/16	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
31	05/17/16	1) Public Hearing; 2) Adopt the recommended 2016-2017 Proposed Budget and Financial Plan and the 2016-2021 Capital Improvement Program; 3) Adopt the 2016-2017 Appropriations Limit Resolution.	City Council, Senior Management Staff
32	07/01/16	Fill out Personnel Action Forms for those employees whose split funding or job function will be different in FY 16-17 and send the forms to HR.	Budget Liaisons
33	08/01/16	Distribute the Approved 2016-2017 Operating Budget and Financial Plan.	Finance Budget Team
34	09/01/16	Distribute the Approved 2016-2021 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. 8542

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE
APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2016-17**

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 2016-2017 of \$92,443,330. The calculation is attached hereto as Attachment No.1 ("FY 2016-2017 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.

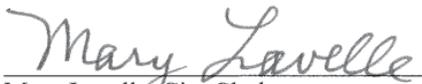
NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

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 2016-17 shall be \$92,443,330, 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 2016-2017 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 17th day of May 2016, by the following vote:

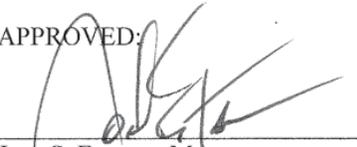
AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo, Giordano, and Grilli
NOES: (0) None
ABSENT: (0) None
ABSTAIN: (0) None

ATTEST:



Mary Lavelle, City Clerk

APPROVED:



Jose S. Esteves, Mayor

APPROVED AS TO FORM:



Christopher J. Diaz, City Attorney

Attachment No. 1

**City of Milpitas
FY 2016-2017 APPROPRIATIONS LIMIT**

Per Capita Change	1.05370
* Population Change	1.01860
Calculation Factor FY 16-17 1.0537×1.0186	1.07330
FY 15-16 limit $\$86,130,096 \times 1.07330$	92,443,330
Appropriations Subject to Limit	<u>64,753,724</u>
Appropriations under Limit	<u><u>27,689,606</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 2016-2017 appropriations limit, the population growth of the City and the California Per Capita Personal Income change were used.

RESOLUTION NO. 8541 / HA 19

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE HOUSING AUTHORITY COMMISSION OF THE CITY OF MILPITAS APPROVING THE 2016-2021 CAPITAL IMPROVEMENT PROGRAM AND THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2016-2017

WHEREAS, the City Manager submitted a 2016-2017 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 Commission (“Authority”) reviewed the City Manager’s 2016-2017 Proposed Budget and Financial Plan; and

WHEREAS, the City Council has reviewed the 2016-2021 Capital Improvement Program (“CIP”); and

WHEREAS, on May 17, 2016, the first year, or FY 2016-17, of the CIP is appropriated as part of the 2016-17 Proposed Budget and Financial Plan.

NOW, THEREFORE, the City Council of the City of Milpitas and the Milpitas Housing Authority Commission 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 City Council hereby approves and adopts the 2016-2021 Capital Improvement Program.
3. The annual Budget and Financial Plan, inclusive of capital improvement appropriations, for the City of Milpitas for fiscal 2016-2017 is hereby reaffirmed and adopted totaling \$166,966,225 for all appropriated funds.
4. Appropriations and estimated fund balances are hereby allocated for the various purposes designated in the 2016-2017 Final Budget.
5. The budgets for all departments for the period July 1, 2016 through June 30, 2017, inclusively contained in this 2016-2017 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2016-2017.
6. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of fiscal 2015-2016 may be re-appropriated for continued use in fiscal 2016-2017. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2015-16 are subject to carry-over into FY 2016-17.
7. 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.

8. 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. When revisions involve transfers from appropriated contingency reserves accounts less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year (\$550,000 in FY 2016-17), 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.
 - ii. When revisions involve transfers, or reallocations, within any one fund among the various departments or projects, provided that the amount of transfer in any single instance does not exceed \$20,000.
 - iii. To allocate, redistribute and/or appropriate monies between department and non-department divisions so as to reflect the budgetary savings achieved through concessions from City employees on total compensation.
 - 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 Budget hearing.
 - b. Prior Council Approval Required. Prior approval of the City Council is required if any of the following are involved:
 - i. An increase in overall appropriation level within any one Fund.
 - ii. The transfers or reallocation of appropriations between different Funds.
 - iii. 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.
 - iv. Contract change orders which would cause the aggregate contract amount to exceed \$100,000 and/or exceed prior approved appropriation levels for the subject contract.
 - v. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
 - vi. Transfers from appropriated contingent reserves account, which would cause the aggregate amount of \$550,000 during Fiscal Year 2016-2017, to be exceeded.

- c. 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.
9. The Finance Director has determined that certain City Council approved Building & Safety Department fees are in need of adjustment. Pursuant to City Council Resolution No. 8368, passed on May 19, 2015 the Finance Director is authorized to administratively adjust said fees without further City Council approval, provided the adjustment is based on the Cost Allocation Methodology set forth and described in Resolution No. 8368 and does not exceed the cost of providing the services for which they are imposed. The adjustments to certain Building and Safety Department fees are based on the Cost Allocation Methodology set forth in Resolution No. 8368 and do not exceed the cost of providing the services for which they are imposed.
10. Information establishing the current budget situation and steps to be taken to present balanced City Budgets has been presented during this meeting of May 17, 2016, and in prior budget presentations.
11. There is no potential impact on the environment from this action per Section 15061(b) (3) of the CEQA Guidelines or this action does not constitute a project under CEQA per Section 15378(b)(4).

PASSED AND ADOPTED this 17th day of May 2016, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo, Giordano, and Grilli

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:



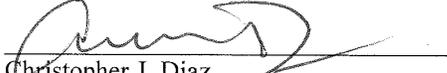
Mary Lavelle
City Clerk/Authority Secretary

APPROVED:



Jose S. Esteves
Mayor/Chair

APPROVED AS TO FORM:



Christopher J. Diaz
City Attorney/Authority Counsel

RESOLUTION NO. 8543

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, TO ESTABLISH NEW
CLASSIFICATIONS**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, 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, 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, 2016, as follows:

**A. ESTABLISH NEW CLASSIFICATIONS WITH THE FOLLOWING TITLES
AND SALARY RANGES:**

<u>Title</u>	<u>Proposed Salary Range</u>	<u>Bargaining Unit</u>
*Senior Public Works Lead	\$ 81,498.85 - \$ 99,061.53/yr	MEA
*Economic Development Specialist	\$ 77,907.00 - \$ 94,040.00/yr	Mid-Mgmt./Conf.
*Police Evidence Technician	\$ 70,965.44 - \$ 86,259.42/yr	MPOA
*Police Captain	\$123,743.10 - \$209,906.06/yr	Unrepresented Police
**Assistant Finance Director	\$122,036.20 - \$170,776.19/yr	Unrepresented Misc
**Building Department Director	\$149,325.18 - \$194,210.87/yr	Unrepresented Misc
**Principal Civil Engineer	\$114,736.18 - \$149,224.92/yr	Unrepresented Misc
**Staff Assistant	\$ 10.00 - \$ 18.56/hr	N/A, Temporary
**Special Project Associate	\$ 20.00 - \$ 50.00/hr	N/A, Temporary

*Initiated in the FY 2016-17 Budget Process

**Operational Classification plan updates with no newly funded FTE or budget appropriation required

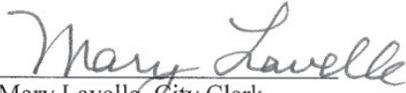
B. TITLE CHANGES

- Change title of Police Commander to Police Captain.
 - Change title of Police Property Clerk to Police Evidence Technician.
3. The City Council directs the Human Resources Director to create job descriptions to include in the Classification Plan and submit them to the City Manager for approval on or before the date of position activation.

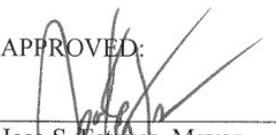
PASSED AND ADOPTED this 17th day of May 2016 by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo,
Giordano, and Grilli
NOES: (0) None
ABSENT: (0) None
ABSTAIN: (0) None

ATTEST:



Mary Lavelle, City Clerk

APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:



Christopher J. Diaz, City Attorney

RESOLUTION NO. 8544

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
RESOLUTION NO. 1626, THE CLASSIFICATION PLAN, FOR BUDGETARY
RECLASSIFICATIONS AND POSITION AUTHORIZATIONS**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, 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, transfer of duties, new job responsibilities, and adjustments to salary ranges; and

WHEREAS, the annual budget process necessitates changes in position authorizations that result from modifications made to the Classification Plan.

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, 2016, as follows:

A. ESTABLISH THE FOLLOWING POSITION RECLASSIFICATIONS

- a. Reclassify one Maintenance Worker III to Public Works Manager in the Public Works Department.
- b. Reclassify one Office Assistant II to Office Specialist in the Police Department.
- c. Reclassify one Confidential Fiscal Assistant to Fiscal Assistant in the Finance Department.
- d. Reclassify four existing Public Works positions to four Sr. Public Works Lead Workers in the Public Works Department.

B. AUTHORIZE THE FOLLOWING POSITIONS

- a. Authorize one Fire Prevention Inspector position in the Fire Department.
- b. Authorize one Senior Accountant position in the Finance Department.
- c. Authorize one Economic Development Specialist position in the City Manager's Office.
- d. Authorize one Assistant Water Operator position in the Public Works Department.
- e. Authorize one Associate Civil Engineer position in the Engineering Department.
- f. *Authorize one Assistant Finance Director position in the Finance Department.
- g. *Authorize one Building Department Director position in the Building and Safety Department.

*No new funding or budget appropriation required. These updates are likely to result in defunding of related existing positions.

PASSED AND ADOPTED this 17th day of May 2016, by the following vote:

AYES: (5) Mayor Esteves, Vice Mayor Montano, Councilmembers Barbadillo,
Giordano, and Grilli

NOES: (0) None

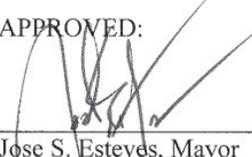
ABSENT: (0) None

ABSTAIN: (0) None

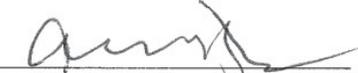
ATTEST:


Mary Lavelle, City Clerk

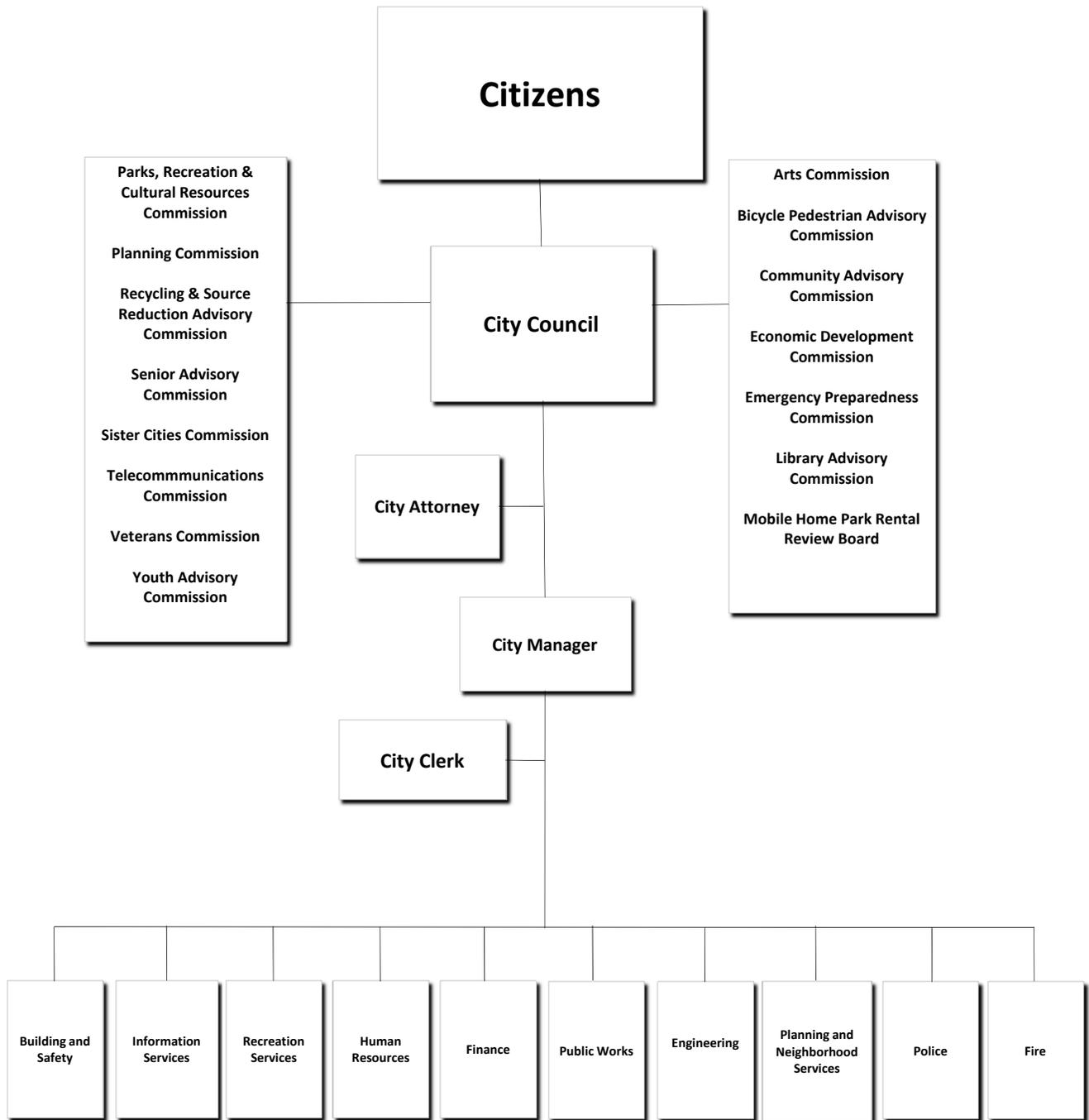
APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

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City History

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

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

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

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



Higuera Adobe

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



Alviso Adobe

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

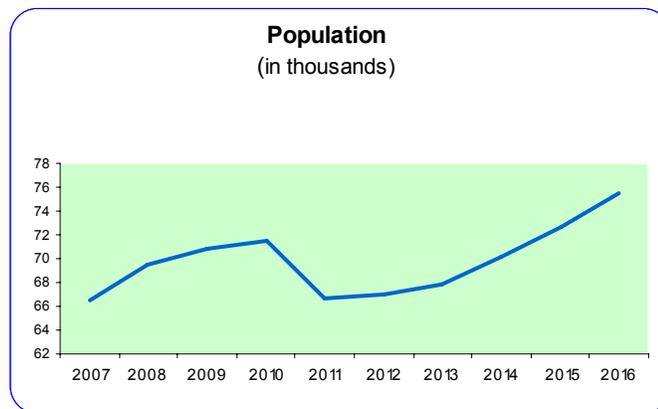
On January 26, 1954, the city was officially incorporated, after fighting off annexation attempts by neighboring San Jose. Ten years later, populations grew to 7,000.

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

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 75,521 are family-centered communities that embrace cultural diversity, quality schooling, and 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 over 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 2014-15		
<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Assessed Value</u>
Cisco Technology Inc.	\$985,547,362	7.01%
Milpitas Mills LP	304,166,632	2.16%
KLA Tencor Corporation	244,697,337	1.74%
California Diversified	160,198,610	1.14%
Essex Portfolio	131,424,789	0.93%
Hudson Campus Center LLC	121,691,718	0.87%
Headway Technologies Inc.	111,314,729	0.79%
Linear Technology Corporation	107,602,501	0.77%
Fair Murphy LLC	105,345,742	0.75%
Spus6 Murphy Crossing LP	95,431,300	0.68%

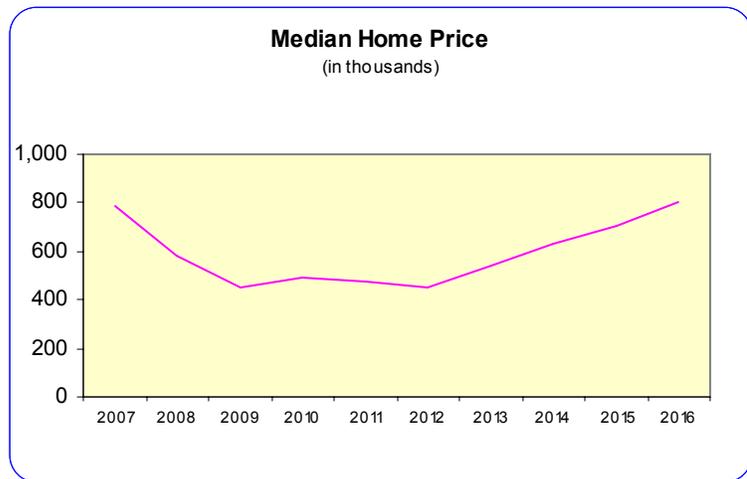
General Information Demographic Profile

Milpitas' neighborhoods are dotted with over 20,000 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.

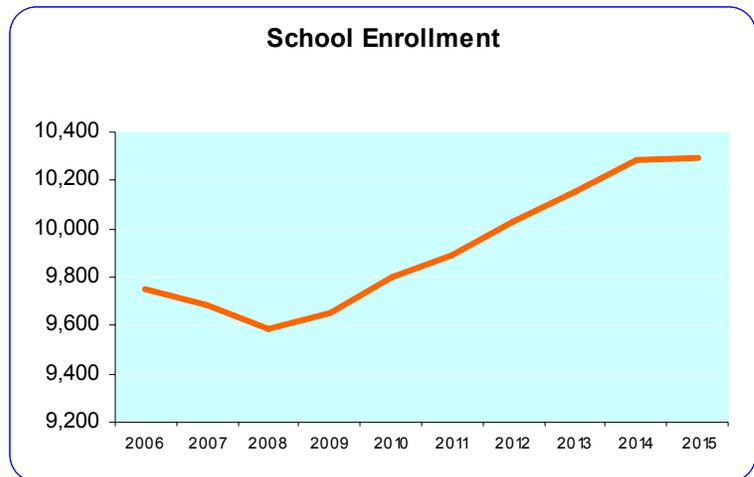


Milpitas' average household income is \$94,218. The percentage of households with incomes more than \$75,000 is close to 74 percent. About 47% of the households earn more than \$100,000 annually.

Close to 67 percent of Milpitan's own their own home. Rental prices vary from \$1,995 to \$2,995 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$2,995 to \$3,500. The median price of a home as of April 2016 in Milpitas is \$801,000. 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.



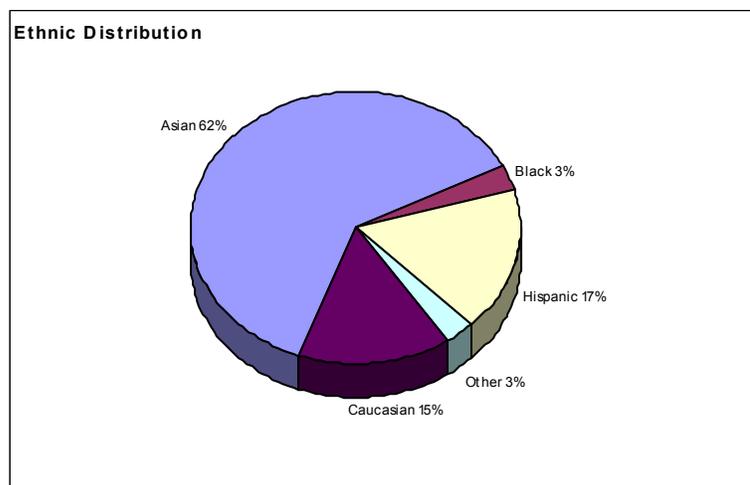
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 10,291.



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 \$167 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	14,451
		Commercial	2,069
Population (estimated*)	75,521	Recycled Water	204
Land Area (Square Miles)	13.6	Average Daily Consumption	
Miles of Streets	128	(in million gallons)	7.8
Number of Street Lights	4,581	Miles of Water Mains	203
Fire Protection		Sewer Utility	
Number of Stations	4	Miles of Sanitary Sewers	173
Number of Firefighters	54	Miles of Storm Drains	99
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	87	Parks and Recreation	
Crossing Guard Posts	43	Acres of Parkland	180
Number of Police Patrol Vehicles	34	Number of Parks	33
Employees		Number of Swimming Pools	3
Permanent	451	Number of Tennis Courts	21
Temporary (FTE)	74		

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

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City Council

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

Commissions/Board

Arts Commission

Daniel Bobay
Christina Driggers
Robert Gill
Robin Hays
Cyd Mathias
Harriett McGuire
Nicole Phan
Doris Roth
Tess Santos
Lu Qiang Shu
Becky Strauss
Marsha Tran

**Bicycle Pedestrian
Advisory Commission**

William Barnes
Kristal Caidoy
Bernel Hallera
Chris Lee
Jose Leon
Christine Sanchez
Philip Tuet

**Community Advisory
Commission**

Thelma Batilo
Evan Bell
Mike Bilbao
George Chen
Vishal Gandhi
Ashish Kathapurkar
Michael Lee
Oscar Leon
Michelle Manassau
Syed Mohsin
Jose Rosario
Ashok Sharma
Van Lan Truong

**Economic Development
Commission**

Ricardo Ablaza
Dhaval J. Brahmhatt
Melanie Holthaus
Minh Nguyen
Cat-Tuong Nguyen
Bob Nunez
Teri Owens
Donald Peoples
Raghu Reddy
Michael Strle
Charlene Tsao
Anna Wang
Warren Wettenstein

**Emergency Preparedness
Commission**

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

Library Advisory Commission

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

Commissions/Board

Parks, Recreation and Cultural

Resources Commission

Satish Bansal
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

Echo Arthur
Manpreet Badesha
Kashmir Gill
Eddie Inamdar
Yue George Liu
Marta Martinez
Christopher Salian
Brian Shreve
Mandeep Singh

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
Dipak Awasthi
Carla Bayot
Peter Chang
Nolan Chen
Dennis Grilli
Mikayla Horyza
Mary Llamas
Barry Manogaran

Telecommunications Commission

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

Veterans Commission

Ed Ackerman
Dana Arbaugh
William Devereux
Arthur Ebright
Andre Ramones
Liliana Ramos
John Schmidt
Allen Thomas
Denny Weisgerber

Youth Advisory Commission

Madeline Cacao
Jashandeep Chahal
Emerald Gilana
Amanda Jimenez
Sabina King
Christie Maly
Alan Pham
Sahil Sandhu
Clare Sern
Ravit Sharma
Crystal Tran
Claudia Wang
Jenna Zarbis

Directory of Officials
Fiscal Year 2016 – 2017

City Manager
Thomas C. Williams

Police Chief

Steve Pangelinan

Director of Financial Services

Russell Morreale

Fire Chief

Robert Mihovich

City Clerk

Mary Lavelle

City Attorney

Christopher Diaz

Chief Information Officer

Mike Luu

Human Resources Director

Tina Murphy

Director of Engineering

Steven Machida

Planning & Neighborhood Services Director

Bradley Misner

Chief Building Official

Keyvan Irannejad

Public Works Director

Nina Hawk

Recreation Services Manager

Renee Lorentzen

Economic Development Manager

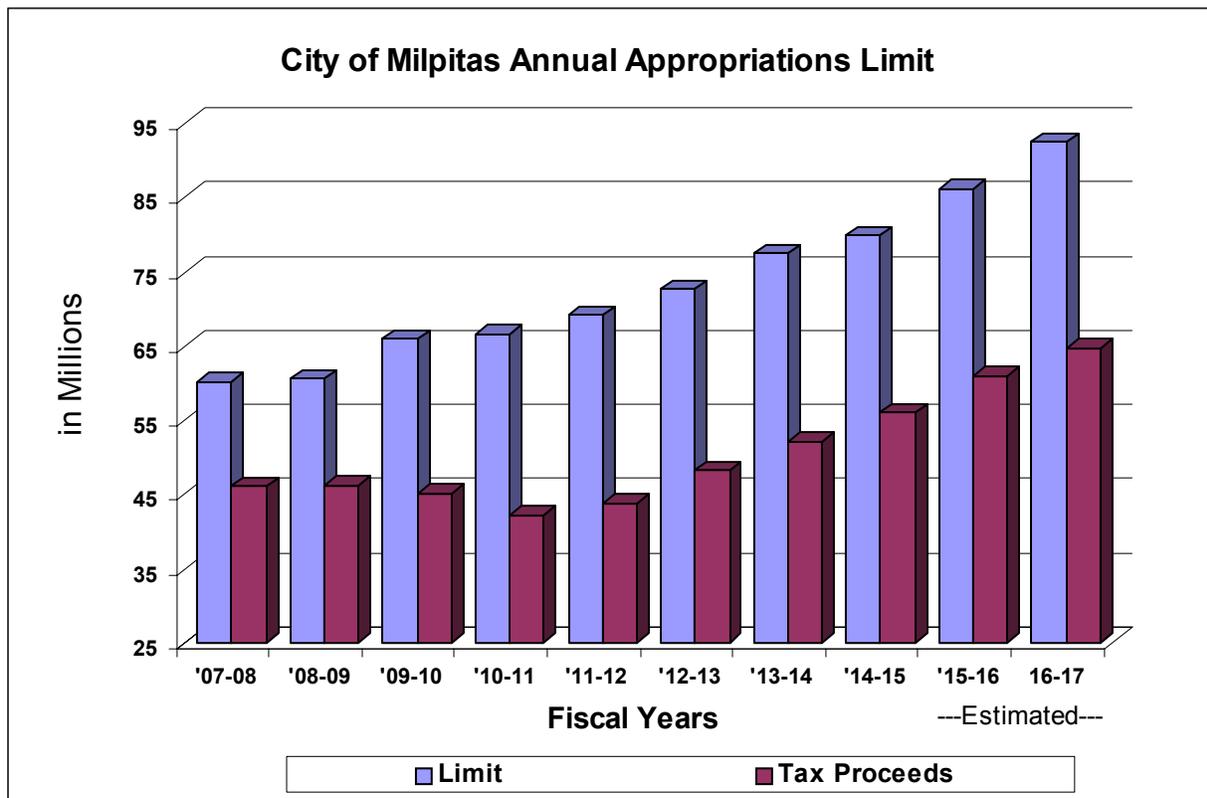
Edesa Bitbadal

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 FY2016-17 has been computed to be \$92,443,330. Appropriations subject to the limitation in FY2016-17 budget total \$64,753,724 that is \$27,689,606 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2007-2008. 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, 2016

ASSESSED VALUATION (NET) ¹ :	<u>\$15,058,758,945</u>	
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) ² :		<u>\$564,703,460</u>
AMOUNT OF DEBT SUBJECT TO LIMIT:		
Total Bonded Debt	\$126,470,000	
Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$126,470,000	
Amount of debt subject to limit		<u>-0-</u>
LEGAL BONDED DEBT MARGIN:		<u>\$564,703,460</u>

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

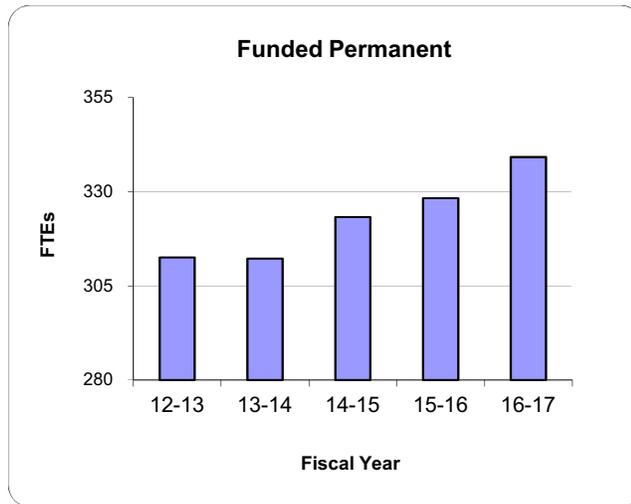
² California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing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

Authorized Positions by Division

	13 - 14		14 - 15		15 - 16		Change		16 - 17	
	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	1.00	5.00	1.00	1.00	0.00	6.00	1.00
114 City Clerk	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
City Manager	<u>13.00</u>	<u>0.00</u>	<u>13.00</u>	<u>1.00</u>	<u>13.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>14.00</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	3.00	23.00	2.00	24.00	3.00	0.00	2.00	24.00	5.00
Building and Safety	<u>28.00</u>	<u>3.00</u>	<u>23.00</u>	<u>2.00</u>	<u>24.00</u>	<u>3.00</u>	<u>0.00</u>	<u>2.00</u>	<u>24.00</u>	<u>5.00</u>
112 Information Services	15.00	0.00	15.00	0.00	14.00	1.50	0.00	0.00	14.00	1.50
Information Systems	<u>15.00</u>	<u>0.00</u>	<u>15.00</u>	<u>0.00</u>	<u>14.00</u>	<u>1.50</u>	<u>0.00</u>	<u>0.00</u>	<u>14.00</u>	<u>1.50</u>
115 Human Resources	6.00	0.75	6.00	0.75	6.00	0.75	0.00	0.00	6.00	0.75
Human Resources	<u>6.00</u>	<u>0.75</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	31.25	25.50	32.25	17.75	33.25	0.00	2.75	17.75	36.00
Recreation Services	<u>25.50</u>	<u>31.25</u>	<u>25.50</u>	<u>32.25</u>	<u>17.75</u>	<u>33.25</u>	<u>0.00</u>	<u>2.75</u>	<u>17.75</u>	<u>36.00</u>
300 Finance Administration	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
310 Finance Operations	20.50	1.00	20.50	2.00	20.50	2.00	1.00	1.00	21.50	3.00
Finance	<u>27.50</u>	<u>1.00</u>	<u>27.50</u>	<u>2.00</u>	<u>27.50</u>	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>	<u>28.50</u>	<u>3.00</u>
420 Public Works	89.00	5.00	90.00	5.00	90.00	5.00	2.00	(1.50)	92.00	3.50
Public Works	<u>89.00</u>	<u>5.00</u>	<u>90.00</u>	<u>5.00</u>	<u>90.00</u>	<u>5.00</u>	<u>2.00</u>	<u>(1.50)</u>	<u>92.00</u>	<u>3.50</u>
650 Engineering	28.00	2.00	32.00	4.50	33.00	4.25	2.00	0.25	35.00	4.50
Engineering	<u>28.00</u>	<u>2.00</u>	<u>32.00</u>	<u>4.50</u>	<u>33.00</u>	<u>4.25</u>	<u>2.00</u>	<u>0.25</u>	<u>35.00</u>	<u>4.50</u>
510 Planning & Nghbrhd	17.50	1.00	18.50	3.00	17.00	3.25	0.00	(0.25)	17.00	3.00
Planning & Nghbrhd Srves	<u>17.50</u>	<u>1.00</u>	<u>18.50</u>	<u>3.00</u>	<u>17.00</u>	<u>3.25</u>	<u>0.00</u>	<u>(0.25)</u>	<u>17.00</u>	<u>3.00</u>
700 Police Administration	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710 Police Technical Services	29.50	1.00	30.00	1.00	30.00	1.00	0.00	0.50	30.00	1.50
720 Police Field Services	75.00	13.00	75.00	13.00	72.00	13.00	0.00	0.00	72.00	13.00
730 Special Operations	14.00	0.00	14.00	0.00	17.00	0.00	0.00	0.00	17.00	0.00
Police	<u>121.50</u>	<u>14.00</u>	<u>122.00</u>	<u>14.00</u>	<u>122.00</u>	<u>14.00</u>	<u>0.00</u>	<u>0.50</u>	<u>122.00</u>	<u>14.50</u>
800 Fire Administration	4.00	0.50	4.00	0.50	2.00	0.50	0.00	0.00	2.00	0.50
810 Emerg Resp & Prep Div	66.00	0.00	66.00	0.00	65.00	0.00	0.00	0.00	65.00	0.00
820 Prevention Division	10.00	0.50	10.00	0.50	9.00	0.50	1.00	0.00	10.00	0.50
Fire	<u>80.00</u>	<u>1.00</u>	<u>80.00</u>	<u>1.00</u>	<u>76.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>77.00</u>	<u>1.00</u>
TOTAL	<u>455.00</u>	<u>59.00</u>	<u>456.50</u>	<u>65.50</u>	<u>444.25</u>	<u>69.00</u>	<u>7.00</u>	<u>4.75</u>	<u>451.25</u>	<u>73.75</u>

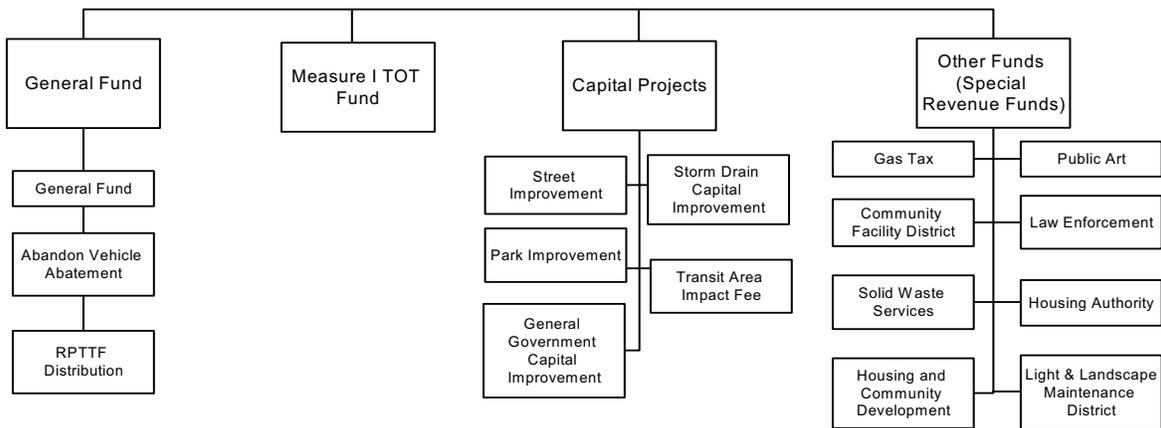
Funded Permanent Positions by Department

	12-13		13-14		14-15		15-16		16-17
	Funded	Change	Funded	Change	Funded	Change	Funded	Change	Approved
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	2.00	4.00	0.00	4.00	0.00	4.00
City Clerk	3.00	(1.00)	2.00	0.00	2.00	0.00	2.00	0.00	2.00
City Manager	10.00	(1.00)	9.00	2.00	11.00	0.00	11.00	0.00	11.00
City Attorney	3.00	0.00	3.00	0.00	3.00	0.00	3.00	(2.00)	1.00
Building and Safety	14.00	3.00	17.00	0.00	17.00	1.00	18.00	0.00	18.00
Information Services	10.25	(0.25)	10.00	0.00	10.00	(1.00)	9.00	1.00	10.00
Human Resources	3.00	0.00	3.00	0.00	3.00	1.00	4.00	0.00	4.00
Recreation Services	13.75	(1.00)	12.75	1.00	13.75	1.00	14.75	1.00	15.75
Finance	21.50	0.00	21.50	0.00	21.50	1.00	22.50	1.00	23.50
Public Works	40.00	0.00	40.00	1.00	41.00	0.00	41.00	5.00	46.00
Engineering	19.00	2.00	21.00	2.00	23.00	0.00	23.00	2.00	25.00
Planning & Nghbrhd Srves	10.00	0.00	10.00	1.00	11.00	0.00	11.00	0.00	11.00
Police	104.00	1.00	105.00	3.00	108.00	1.00	109.00	2.00	111.00
Fire	64.00	(4.00)	60.00	1.00	61.00	1.00	62.00	1.00	63.00
TOTAL	312.50	(0.25)	312.25	11.00	323.25	5.00	328.25	11.00	339.25

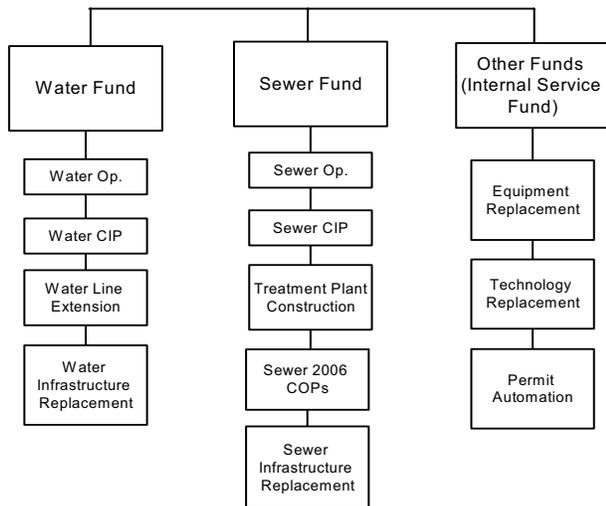


City of Milpitas Fund Structure By Budgetary Basis

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	26,716,000	26,716,000	0
TAXES OTHER THAN PROPERTY	38,347,000	35,360,000	2,372,000
LICENSES AND PERMITS	6,869,000	6,869,000	0
FINES AND FORFEITS	431,000	431,000	0
USE OF MONEY AND PROPERTY	3,250,400	302,000	28,000
INTERGOVERNMENTAL	3,419,086	1,047,000	0
CHARGES FOR CURRENT SERVICES	56,420,700	6,882,700	0
OTHER REVENUE	56,259,200	120,000	0
sub-total	191,712,386	77,727,700	2,400,000
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	(1,718,862)	(193,986)	(361,011)
(INCREASE) DECREASE IN CIP RSRV	(23,027,300)	0	0
OPERATING TRANSFERS IN	12,608,256	5,415,000	600,000
OPERATING TRANSFERS OUT	(12,608,256)	(300,000)	(2,300,000)
sub-total	(24,746,162)	4,921,015	(2,061,011)
TOTAL	166,966,225	82,648,715	338,989
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	74,906,999	66,281,068	194,016
SUPPLIES & CONTRACTUAL SERVICES	44,630,148	16,321,488	144,973
CAPITAL OUTLAY	956,822	46,159	0
sub-total	120,493,969	82,648,715	338,989
CAPITAL IMPROVEMENTS	44,213,256	0	0
DEBT SERVICE	2,259,000	0	0
sub-total	46,472,256	0	0
TOTAL	166,966,225	82,648,715	338,989
FUND BALANCE			
FUND BALANCE 7/1/2016	190,301,451	38,621,605	10,545,346
NET CHANGES IN FUND BALANCE	24,746,162	193,986	361,011
FUND BALANCE 6/30/2017	215,047,613	38,815,591	10,906,357
RESTRICTED	30,038,271	18,044,605	0
COMMITTED FOR PERS	5,432,000	5,432,000	0
RESTRICTED FOR CIP	120,134,300	0	0
ASSIGNED	17,260,357	2,800,000	10,906,357
UNASSIGNED, UNRESTRICTED	42,182,685	12,538,986	0
TOTAL	215,047,613	38,815,591	10,906,357

(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	615,000	0	0	0
0	0	0	0	0
0	0	0	0	0
341,000	150,300	1,905,100	186,000	338,000
0	1,882,086	490,000	0	0
175,000	3,428,000	0	27,357,000	18,578,000
285,000	1,791,000	26,960,000	26,045,000	1,058,200
<u>801,000</u>	<u>7,866,386</u>	<u>29,355,100</u>	<u>53,588,000</u>	<u>19,974,200</u>
(349,619)	2,078,778	0	(526,135)	(2,366,889)
0	0	(20,085,100)	(3,851,000)	908,800
0	300,000	6,168,256	125,000	0
0	(4,309,256)	(600,000)	(2,983,000)	(2,116,000)
<u>(349,619)</u>	<u>(1,930,478)</u>	<u>(14,516,844)</u>	<u>(7,235,135)</u>	<u>(3,574,089)</u>
<u>451,381</u>	<u>5,935,908</u>	<u>14,838,256</u>	<u>46,352,865</u>	<u>16,400,111</u>
324,018	1,747,782	0	3,549,318	2,810,797
127,363	3,526,663	0	18,073,947	6,435,714
0	661,463	0	219,600	29,600
<u>451,381</u>	<u>5,935,908</u>	<u>0</u>	<u>21,842,865</u>	<u>9,276,111</u>
0	0	14,763,256	23,010,000	6,440,000
0	0	75,000	1,500,000	684,000
<u>0</u>	<u>0</u>	<u>14,838,256</u>	<u>24,510,000</u>	<u>7,124,000</u>
<u>451,381</u>	<u>5,935,908</u>	<u>14,838,256</u>	<u>46,352,865</u>	<u>16,400,111</u>
6,500,000	17,118,500	60,152,000	19,478,000	37,886,000
349,619	(2,078,778)	20,085,100	4,377,135	1,458,089
<u>6,849,619</u>	<u>15,039,722</u>	<u>80,237,100</u>	<u>23,855,135</u>	<u>39,344,089</u>
6,849,619	5,144,047	0	0	0
0	0	0	0	0
0	0	76,782,100	17,751,000	25,601,200
0	99,000	3,455,000	0	0
0	9,796,675	0	6,104,135	13,742,889
<u>6,849,619</u>	<u>15,039,722</u>	<u>80,237,100</u>	<u>23,855,135</u>	<u>39,344,089</u>

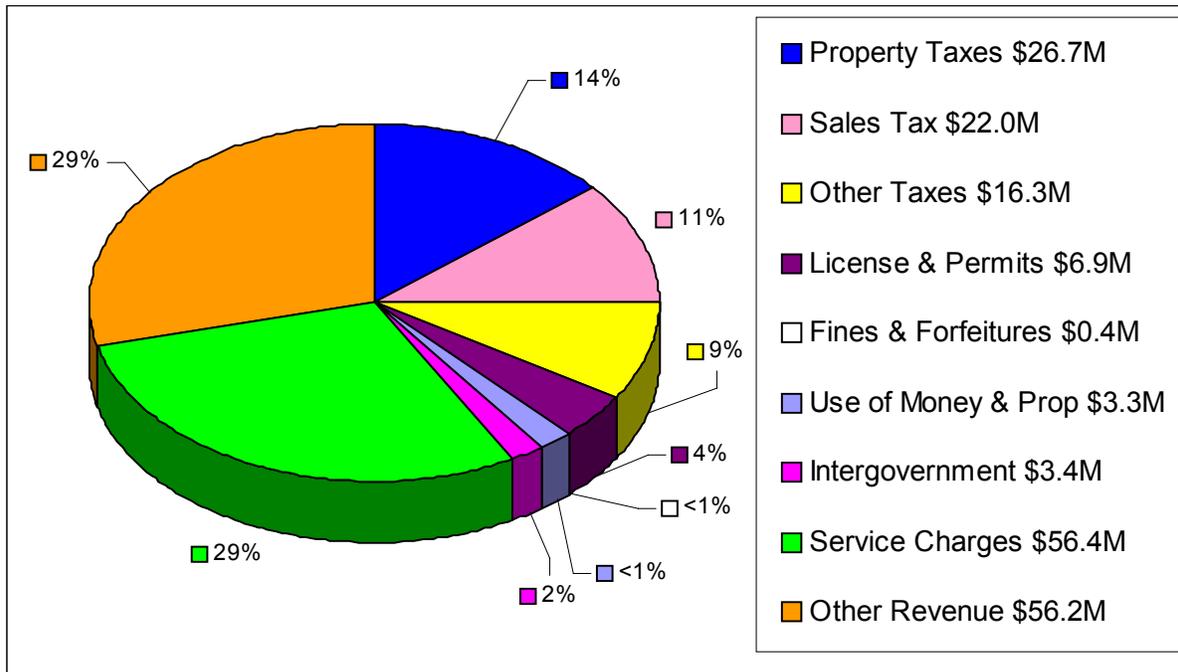
(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(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.

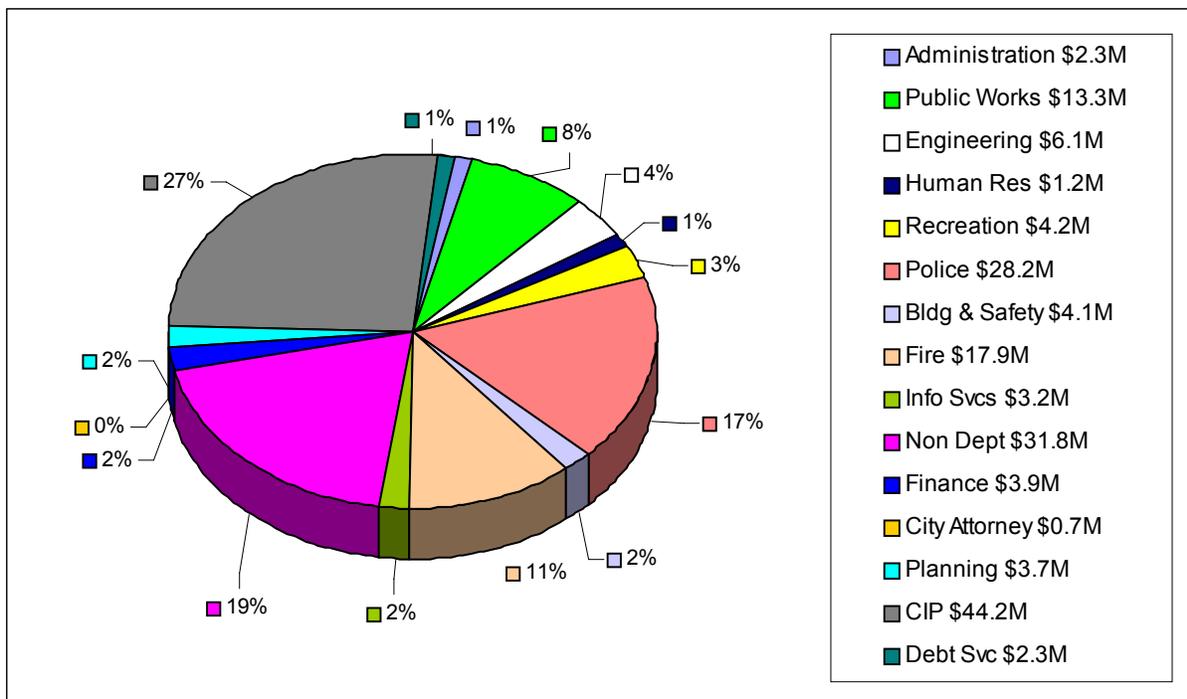
Distribution of Revenues

2016-2017
(All Funds)



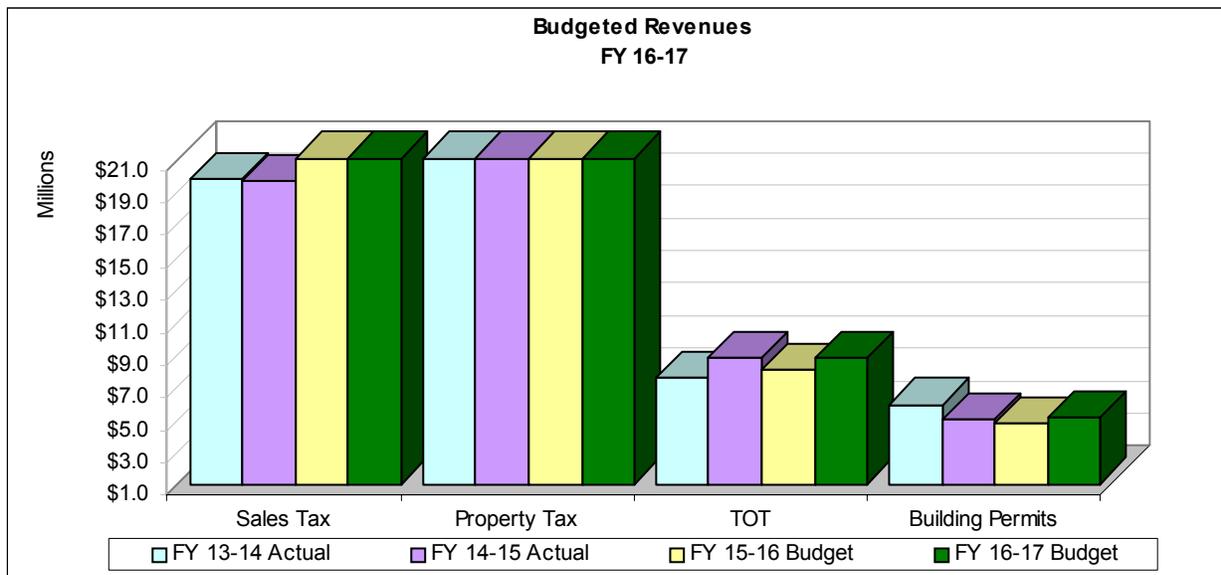
Distribution of Expenditures

2016-2017
(All Funds)



General Fund Revenue Assumptions

CPI	Projected to be in the 2 to 3% increase range based on the average urban Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas. CPI is only applied to non-major revenues and only after specific annual trends have been reviewed.
Sales Tax	Staff's assumption for FY 16-17 sales tax revenue is a 10.85% increase from the FY 15-16 revised estimate. The reason for the increase is related both projected growth trends as well as the culmination of the "triple-flip" borrowing of sales tax revenue that originated from the State budget deficit 10 years ago. Furthermore, In FY 15-16, the final year adjustment for the triple flip was deferred to September 2016, causing the 15-16 year to come under initial projections. In FY 16-17 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 3.34% in FY 16-17 from the FY 15-16 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 \$5.01 million in FY 16-17.
Transient Occupancy Tax (TOT)	Transient Occupancy tax revenue is projected to increase \$713,000 or 8.89% from the FY 15-16 budget but is projected to decrease 4.98% or \$458,000 when compared with the revised FY 15-16 revenue. Hotels are performing strongly but the FY 15-16 trend is considered a peak period performance with the extraordinary realization of the Super Bowl and other major regional events. All 19 hotels in the local area continue to have high occupancy rates, and it is anticipated that the trends will continue in FY 16-17.
Building Permits	Building Permit and Inspection revenue for FY 15-16 is revised to be \$372,000 more than budget due to intensified development activities. In FY 16-17, building permit and inspection revenues are projected to be \$6.9 million, an increase of 3.3% or \$218,000 over the FY 15-16 revised revenue. It is anticipated that residential developments will continue at a high level similar to FY 15-16 and TASP growth will be strong. 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 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
100 General Fund	73,075,651	67,852,401	76,353,808	82,602,700
102 Measure I TOT	1,312,452	477,965	1,448,000	700,000
103 1452-1474 S. Main	0	293,497	200,000	200,000
105 Abandon Veh Abatement	80,697	87,942	40,000	40,000
150 Redevelopment Administration	319,356	195,572	0	0
211 H-Hetch Ground Lease	21,662	(2,515)	12,500	17,000
212 Public Art Fund-Restricted	649	0	0	0
213 Public Art Fund-Nonrestricted	12,947	1,059	0	6,000
214 Community Planning Fee Fund	0	224,708	200,000	1,000
221 Gas Tax Fund	560,490	197,323	39,000	(1,432,414)
235 95-1 Lighting/Lscape Dist	(74,962)	229,484	210,000	263,744
236 98-1 Lighting/Lscape Dist	(23,522)	23,337	38,000	39,000
237 05 Community Fclty Dist	433,540	521,097	750,000	606,000
238 08 Community Fclty Dist	0	96,765	0	0
250 HCD Fund	370,862	413,162	375,000	375,000
251 HCD Loan	2,217	1,560	0	2,000
261 Supplemental Law Enforcement	131,842	138,514	0	0
262 State Asset Seizure	6,520	21,882	0	10,000
263 Federal Asset Seizure	709	682	0	1,800
267 Justice Assistance Grant	(861)	0	0	0
269 Grant Fund	168	15,973	0	0
280 Solid Waste Services	707,267	781,266	654,000	689,000
295 Housing Authority	(3,057,838)	962,460	30,000	801,000
310 Street Fund	(217,981)	(376,811)	23,000	29,000
311 Street CIP	1,359,337	5,368,591	3,521,960	6,090,000
312 Traffic Impact Fee	(903,466)	88,327	(170,960)	257,000
314 Vehicle Registration Fee	93,437	122,379	(450,000)	(50,000)
315 Calaveras Widening Impact Fee	127,226	11,350	0	100
316 Montague Widening Impact Fee	337,348	16,436	0	0
317 Milpitas Business Park Impact Fee	723,188	507,734	0	8,000
318 1997 TABs	0	276,640	0	0
319 2003 TABs	0	3,465,859	0	0
320 Park Improvement Fund	165,052	(682,221)	(2,253,000)	125,000
321 Park Improvement CIP	2,170,000	2,550,000	5,875,000	1,275,000
322 Midtown Park Fund	(305,441)	(1,262,275)	(3,519,000)	(556,000)
330 General Government	(2,635,296)	16,876,934	(1,860,000)	(4,618,000)
331 General Government CIP	5,189,288	1,078,000	760,000	5,058,256
332 RPTTF Distribution Fund	(1,552,855)	(7,358,741)	44,000	0
340 Storm Drain Development	661,104	(243,747)	(737,000)	(165,000)
341 Storm Drain CIP	0	760,000	1,950,000	1,365,000
350 Transit Area Impact Fee Fund	10,918,768	10,622,492	8,000	25,170,000
351 Transit Area Impact Fee CIP Fund	0	650,000	0	935,000
352 Piper Montague Infrastructure	26,315	0	0	0
400 Water M & O Fund	18,714,675	15,161,260	17,147,000	23,869,000
401 Water CIP	1,400,000	3,992,772	4,000,000	23,010,000
402 Water Line Extension Fund	327,695	(10,013)	15,000	(654,000)
403 Water Bonds	0	0	0	4,505,000

Financial Information Revenues by Fund (Summary)

	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
450 Sewer M & O Fund	6,584,847	11,286,136	7,857,000	12,327,000
451 Sewer CIP	7,500,000	8,275,919	6,315,000	6,440,000
452 Treatment Plant Construction	(1,701,755)	(2,031,152)	(1,446,000)	64,200
453 Sewer 2006 COPS	0	1	0	0
455 Sewer Infrastructure Replmnt	29,270	(1,476,794)	28,000	(973,000)
500 Equipment Mgmt Fund	1,938,741	2,074,732	2,444,442	2,471,000
505 Information Tec Replmt	300,022	300,052	300,000	300,000
506 Permit Automation Fund	570,102	341,895	405,000	508,000
TOTAL	125,699,470	142,919,888	120,607,750	191,712,386

Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	17,433,699	20,004,943	19,767,000	21,247,000
3030 Property Taxes, Supplement	509,932	738,326	560,000	459,000
3050 Property Taxes, RPTTF Distribution	9,663,929	4,183,647	4,353,000	5,010,000
sub-total	<u>27,607,560</u>	<u>24,926,915</u>	<u>24,680,000</u>	<u>26,716,000</u>
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	19,766,138	19,572,356	21,490,000	22,019,000
3120 Real Estate Transfer Tax	552,238	955,298	580,000	624,000
3131 Electric Franchise	1,227,238	1,320,261	1,240,000	1,320,000
3132 Gas Franchise	154,141	157,159	156,000	156,000
3133 Garbage Franchise-Commercial	1,034,577	1,089,917	1,045,000	1,050,000
3134 Garbage Franchise-NonCommercial	460,531	456,397	470,000	470,000
3137 Nitrogen Gas Franchise	48,969	48,969	49,000	49,000
3138 CATV Franchise	527,684	586,026	560,000	586,000
3140 Business License Tax	334,139	309,027	349,000	355,000
3150 Hotel/Motel Tax	7,473,691	8,733,319	8,018,000	8,731,000
sub-total	<u>31,579,345</u>	<u>33,228,729</u>	<u>33,957,000</u>	<u>35,360,000</u>
LICENSES AND PERMITS				
3210 Building Permits	5,881,934	4,934,766	4,755,808	5,109,000
3220 Fire Permits	1,402,422	1,070,023	1,340,000	1,340,000
3240 Life Safety Annual Permits	359,499	342,742	275,000	275,000
3250 Fire Inspections	133,977	170,385	127,000	145,000
sub-total	<u>7,777,832</u>	<u>6,517,917</u>	<u>6,497,808</u>	<u>6,869,000</u>
FINES AND FORFEITS				
3301 Vehicle Code Fines	137,865	152,092	142,000	150,000
3302 Other Court Fines	130,910	156,527	163,000	143,000
3305 Booking Fees	12,688	13,196	8,000	17,000
3306 NBO Violation Fees	3,150	9,970	4,000	18,000
3307 Impound Fees	65,922	65,134	61,000	77,000
3308 Animal Violations	9,162	13,652	10,000	6,000
3309 False Alarm Fee	55,700	42,800	20,000	20,000
sub-total	<u>415,396</u>	<u>453,371</u>	<u>408,000</u>	<u>431,000</u>
USE OF MONEY AND PROPERTY				
3431 Pooled Investment Interest (Nonalloc)	49,581	78,621	0	0
3433 Other Interest Income	158,912	15,075	0	148,000
3434 Pooled Interest Allocation	176,057	172,990	141,000	154,000
sub-total	<u>384,551</u>	<u>266,686</u>	<u>141,000</u>	<u>302,000</u>
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	30,356	29,323	30,000	30,000
3521 Homeowners Property Tax Relief	119,506	123,677	120,000	124,000
3556 Federal Contributions-Recreation	6,195	5,000	5,000	0
3557 Federal Contributions-Police	12,430	16,283	0	0
3558 Federal Contributions-Fire	55,180	0	0	0
3562 POST Grant	3,790	7,555	0	0
3567 State Contributions-Police	81,000	151,750	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
3568 State Contributions-Fire	2,754	0	0	0
3575 County Cont-Public Works	550,020	550,102	400,000	450,000
3576 County Contributions-Recreation	77,085	78,578	86,000	80,000
3577 County Contributions-Police	65,691	104,017	105,000	128,000
3578 County Contributions-Fire	0	34,975	0	0
3581 Other Restricted Grants-General Gov't	326,744	163,466	170,000	170,000
3582 SB90 Grant	22,082	718,033	0	25,000
3586 Other Restricted Grants-Recreation	750	0	0	0
sub-total	1,353,584	1,982,759	916,000	1,007,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	217,061	156,221	160,000	184,000
3602 Sales of Maps and Documents-Gen Gov't	487	738	0	0
3603 Rents, Leases and Concessions-Gen Gov't	90,061	99,456	82,000	270,000
3604 B L Processing Fee	147,986	163,631	106,000	127,000
3608 PJ Legal Overhead Charge	0	1,128	0	0
3609 PJ Legal Reimbursement	0	1,069	0	0
3611 PJ Overhead Charges-PW/E	728,177	1,023,383	1,012,000	1,118,000
3612 PJ Labor Reimbursement-PW/E	322,451	436,713	440,000	486,000
3613 PJ Vendor Reimbursement-PW/E	4,263	36,605	120,000	215,000
3616 Engineering Plan Check Fee	4,455	755	0	1,000
3617 Planning Fees	3,575	6,470	4,000	4,000
3618 Sales of Maps and Doc-PW/Engr	418	1,913	1,000	1,000
3619 Rent,Lease & Concession-PW/Eng	28,000	28,000	28,000	25,000
3631 PJ Overhead Charges - Fire	17,917	9,919	11,000	13,000
3632 PJ Labor Reimbursement - Fire	13,713	8,323	5,000	6,000
3633 Fire Cost Recovery	0	107,858	0	26,000
3634 Unwanted Alarms-Fire	18,300	45,000	15,000	20,000
3637 Fire Service Charges	235,676	201,934	240,000	254,000
3638 Sale of Maps & Documents-Fire	60	30	0	0
3639 Fire Electroinc Archieve Charge	14,625	13,600	12,000	10,000
3641 Police Service Charges	657,082	658,538	592,000	613,000
3643 Fingerprints	933	1,138	2,000	2,000
3644 Sales of Maps & Documents-Police	10,078	11,564	10,000	10,000
3645 Police Cost Recovery	(7)	1,540	0	0
3646 Rents, Leases & Concessions-Police	0	27,865	0	0
3647 DUI-Police Cost Recovery	14,737	16,108	13,000	13,000
3648 PJ Overhead Charges-Police	3,187	853	0	0
3649 PJ Labor Reimb - Police	2,327	639	0	1,000
3651 Rents, Leases & Concessions-Recreation	238,006	292,311	300,000	323,000
3652 Recreation Fees	1,688,810	1,707,580	1,800,000	1,870,000
3653 Senior Nutrition Fees	27,155	27,356	27,000	27,000
3655 Sales of Merchandise Recreation	83	461	0	0
3656 Recreation Transaction Fees	4,393	31,854	20,000	30,000
3661 Sales of Maps & Documents-Building	0	15	0	0
3662 Records Retention Fee-Building	61,049	62,794	60,000	60,000
3663 Building Service Charges	1,432	1,261	0	0
3665 PJ Overhead Charges-Building	282,001	36,561	0	0
3666 PJ Labor Reimbursement-Building	128,728	17,442	0	0
3667 Building State Mandated Standard Fee	18,094	12,558	10,000	10,000
3672 Public Works Cost Recovery	118,334	64,565	20,000	20,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
3681 PJ Overhead Charge-Planning	211,498	405,869	270,000	365,700
3682 PJ Labor Reimbursement-Planning	94,972	143,034	100,000	159,000
3683 PJ Vendor Reimbursement-Planning	22,395	50,401	60,000	375,000
3685 Housing & Neighborhood Services	16,738	12,848	12,000	12,000
3686 Planning Plan Check Fee	21,210	12,560	12,000	12,000
3691 Fire GIS Mapping	328	0	0	0
3692 Fire Automation Fee	22,215	23,457	18,000	20,000
3693 Rent, Lease and Concession - FIRE	20,950	0	0	0
sub-total	<u>5,513,952</u>	<u>5,963,917</u>	<u>5,562,000</u>	<u>6,682,700</u>
OTHER REVENUE				
3710 Development	14,200	17,661	10,000	15,000
3730 Recycling	299	0	0	0
3750 Donations	60,826	15,869	0	0
3770 Sale of Property, Plant and Equipment	6,807	6,593	0	5,000
3790 Miscellaneous Other Revenue	140,287	183,761	75,500	100,000
sub-total	<u>222,419</u>	<u>223,883</u>	<u>85,500</u>	<u>120,000</u>
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	256,917	223,252	277,000	282,000
3812 Op Trfs in from Water Fund	1,829,179	2,366,459	2,347,000	2,633,000
3815 Op Trfs in from Sewer Fund	1,572,651	1,527,385	1,575,000	1,641,000
3819 Op Trfs in from Other	2,216	207,859	207,500	859,000
3822 Op Trfs in from General Gov't Fund	0	976	0	0
sub-total	<u>3,660,963</u>	<u>4,325,931</u>	<u>4,406,500</u>	<u>5,415,000</u>
OPERATING TRANSFERS OUT				
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	(300,000)	(300,000)
3922 Op Trfs Out To the General Government Fund	0	(9,800,000)	0	0
3985 Extraordinary Item	(5,083,523)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(356,428)	(237,708)	0	0
sub-total	<u>(5,439,951)</u>	<u>(10,037,708)</u>	<u>(300,000)</u>	<u>(300,000)</u>
TOTAL (100)	<u><u>73,075,651</u></u>	<u><u>67,852,401</u></u>	<u><u>76,353,808</u></u>	<u><u>82,602,700</u></u>
MEASURE I TOT (102)				
3150 Hotel/Motel Tax	1,862,618	2,183,330	2,007,000	2,372,000
3431 Pooled Investment Interest (Nonalloc)	4,684	(8,189)	0	(4,000)
3433 Other Interest Income	0	32,500	0	0
3434 Pooled Interest Allocation	45,150	20,325	41,000	32,000
3822 Op Trfs in from General Gov't Fund	0	0	0	600,000
3909 Op Trfs Out To the Street Improvement Fund	0	(1,600,000)	0	(2,150,000)
3922 Op Trfs Out To the General Government Fund	(600,000)	(150,000)	(600,000)	(150,000)
TOTAL (102)	<u><u>1,312,452</u></u>	<u><u>477,965</u></u>	<u><u>1,448,000</u></u>	<u><u>700,000</u></u>
1452-1474 S. MAIN (103)				
3431 Pooled Investment Interest (Nonalloc)	0	38	0	0
3434 Pooled Interest Allocation	0	155	0	0
3603 Rents, Leases and Concessions-Gen Gov't	0	293,304	200,000	200,000
TOTAL (103)	<u><u>0</u></u>	<u><u>293,497</u></u>	<u><u>200,000</u></u>	<u><u>200,000</u></u>
ABANDON VEH ABATEMENT (105)				
3577 County Contributions-Police	43,625	45,806	40,000	40,000
3899 Op Trfs in from Subsidiary CIP Fund	37,072	42,136	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
TOTAL (105)	<u>80,697</u>	<u>87,942</u>	<u>40,000</u>	<u>40,000</u>
REDEVELOPMENT ADMINISTRATION (150)				
3899 Op Trfs in from Subsidiary CIP Fund	319,356	195,572	0	0
TOTAL (150)	<u>319,356</u>	<u>195,572</u>	<u>0</u>	<u>0</u>
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment Interest (Nonalloc)	51,559	5,921	20,000	17,000
3433 Other Interest Income	(28,034)	(1,104)	0	0
3434 Pooled Interest Allocation	354	526	0	0
3901 Op Trfs Out To the General Fund	(2,216)	(7,859)	(7,500)	0
TOTAL (211)	<u>21,662</u>	<u>(2,515)</u>	<u>12,500</u>	<u>17,000</u>
PUBLIC ART FUND-RESTRICTED (212)				
3431 Pooled Investment Interest (Nonalloc)	(272)	0	0	0
3433 Other Interest Income	614	0	0	0
3434 Pooled Interest Allocation	280	0	0	0
3602 Sales of Maps and Documents-Gen Gov't	28	0	0	0
TOTAL (212)	<u>649</u>	<u>0</u>	<u>0</u>	<u>0</u>
PUBLIC ART FUND-NONRESTRICTED (213)				
3431 Pooled Investment Interest (Nonalloc)	61	(2)	0	0
3433 Other Interest Income	0	183	0	0
3434 Pooled Interest Allocation	886	879	0	0
3750 Donations	12,000	0	0	6,000
TOTAL (213)	<u>12,947</u>	<u>1,059</u>	<u>0</u>	<u>6,000</u>
COMMUNITY PLANNING FEE FUND (214)				
3431 Pooled Investment Interest (Nonalloc)	0	443	0	0
3434 Pooled Interest Allocation	0	712	0	1,000
3617 Planning Fees	0	223,553	200,000	200,000
3922 Op Trfs Out To the General Government Fund	0	0	0	(200,000)
TOTAL (214)	<u>0</u>	<u>224,708</u>	<u>200,000</u>	<u>1,000</u>
GAS TAX FUND (221)				
3431 Pooled Investment Interest (Nonalloc)	1,816	1,244	0	1,500
3434 Pooled Interest Allocation	15,679	19,812	10,000	28,000
3543 Sec 2103-Gas Tax	987,838	662,371	1,013,000	171,250
3545 Sec 2105-Gas Tax	482,238	387,570	334,000	453,473
3546 Sec 2106-Gas Tax	249,552	260,246	226,000	226,144
3547 Sec 2107-Gas Tax	515,867	496,018	498,000	629,719
3548 Sec 2107.5-Gas Tax	7,500	7,500	8,000	7,500
3909 Op Trfs Out To the Street Improvement Fund	(600,000)	(1,598,085)	0	(2,950,000)
3922 Op Trfs Out To the General Government Fund	(1,100,000)	0	(2,050,000)	0
3939 Appn Trfs out to Street Fund	0	(39,352)	0	0
TOTAL (221)	<u>560,490</u>	<u>197,323</u>	<u>39,000</u>	<u>(1,432,414)</u>
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment Interest (Nonalloc)	(233)	(111)	0	0
3433 Other Interest Income	200	153	0	0
3434 Pooled Interest Allocation	1,142	514	0	1,000
3720 Special Assessments	273,929	273,929	285,000	281,000
3922 Op Trfs Out To the General Government Fund	(350,000)	(45,000)	(75,000)	(18,256)

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
TOTAL (235)	(74,962)	229,484	210,000	263,744
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment Interest (Nonalloc)	(53)	(33)	0	0
3433 Other Interest Income	27	20	0	0
3434 Pooled Interest Allocation	279	124	0	0
3720 Special Assessments	36,225	36,225	38,000	39,000
3922 Op Trfs Out To the General Government Fund	(60,000)	(13,000)	0	0
TOTAL (236)	(23,522)	23,337	38,000	39,000
05 COMMUNITY FCLTY DIST (237)				
3431 Pooled Investment Interest (Nonalloc)	(322)	(253)	0	0
3433 Other Interest Income	292	236	0	0
3434 Pooled Interest Allocation	1,600	828	0	0
3720 Special Assessments	431,970	720,286	750,000	750,000
3901 Op Trfs Out To the General Fund	0	(200,000)	0	(144,000)
TOTAL (237)	433,540	521,097	750,000	606,000
08 COMMUNITY FCLTY DIST (238)				
3431 Pooled Investment Interest (Nonalloc)	0	186	0	0
3434 Pooled Interest Allocation	0	373	0	0
3720 Special Assessments	0	96,206	200,000	715,000
3901 Op Trfs Out To the General Fund	0	0	(200,000)	(715,000)
TOTAL (238)	0	96,765	0	0
HCD FUND (250)				
3559 Federal Contributions-Planning	370,862	413,162	375,000	375,000
TOTAL (250)	370,862	413,162	375,000	375,000
HCD LOAN (251)				
3431 Pooled Investment Interest (Nonalloc)	301	(301)	0	0
3433 Other Interest Income	1,766	1,862	0	2,000
3790 Miscellaneous Other Revenue	150	0	0	0
TOTAL (251)	2,217	1,560	0	2,000
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment Interest (Nonalloc)	107	73	0	0
3434 Pooled Interest Allocation	754	693	0	0
3567 State Contributions-Police	105,581	61,548	0	0
3577 County Contributions-Police	25,400	76,200	0	0
TOTAL (261)	131,842	138,514	0	0
STATE ASSET SEIZURE (262)				
3431 Pooled Investment Interest (Nonalloc)	26	23	0	0
3434 Pooled Interest Allocation	586	645	0	0
3567 State Contributions-Police	5,909	21,214	0	10,000
TOTAL (262)	6,520	21,882	0	10,000
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment Interest (Nonalloc)	41	(9)	0	800
3434 Pooled Interest Allocation	668	691	0	1,000
TOTAL (263)	709	682	0	1,800

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
JUSTICE ASSISTANCE GRANT (267)				
3431 Pooled Investment Interest (Nonalloc)	0	0	0	0
3434 Pooled Interest Allocation	4	0	0	0
3557 Federal Contributions-Police	(865)	0	0	0
TOTAL (267)	(861)	0	0	0
GRANT FUND (269)				
3431 Pooled Investment Interest (Nonalloc)	0	64	0	0
3434 Pooled Interest Allocation	168	333	0	0
3558 Federal Contributions-Fire	0	4,620	0	0
3578 County Contributions-Fire	0	10,955	0	0
TOTAL (269)	168	15,973	0	0
SOLID WASTE SERVICES (280)				
3135 Solid Waste-Community Relations	169,245	165,077	166,000	165,000
3136 Solid Waste-HHW-Contract & Public	285,032	249,499	257,000	250,000
3139 County-wide AB 939 Fee	154,950	187,105	170,000	200,000
3431 Pooled Investment Interest (Nonalloc)	919	569	0	0
3434 Pooled Interest Allocation	11,458	13,074	13,000	17,000
3565 State Contri-Public Works	13,155	14,435	0	9,000
3615 Public Works and Engr Fees	111,340	111,847	110,000	110,000
3671 Public Works Service Charges	213,334	259,800	215,000	220,000
3790 Miscellaneous Other Revenue	4,750	3,111	0	0
3901 Op Trfs Out To the General Fund	(256,917)	(223,252)	(277,000)	(282,000)
TOTAL (280)	707,267	781,266	654,000	689,000
HOUSING AUTHORITY (295)				
3431 Pooled Investment Interest (Nonalloc)	3,733	1,028	0	0
3433 Other Interest Income	167,557	751,624	0	285,000
3434 Pooled Interest Allocation	32,969	37,811	30,000	56,000
3603 Rents, Leases and Concessions-Gen Gov't	187,570	171,997	0	175,000
3740 Reimbursements	568,160	0	0	285,000
3790 Miscellaneous Other Revenue	314,021	0	0	0
3985 Extraordinary Item	(4,331,849)	0	0	0
TOTAL (295)	(3,057,838)	962,460	30,000	801,000
STREET FUND (310)				
3431 Pooled Investment Interest (Nonalloc)	1,741	2,017	0	0
3433 Other Interest Income	26,749	3,619	0	0
3434 Pooled Interest Allocation	34,023	29,453	23,000	29,000
3565 State Contri-Public Works	19,506	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(300,000)	(411,900)	0	0
TOTAL (310)	(217,981)	(376,811)	23,000	29,000
STREET CIP (311)				
3565 State Contri-Public Works	7,180	160,015	0	0
3575 County Cont-Public Works	452,157	393,164	0	0
3802 Op Trfs in from Gas Tax Fund	600,000	1,598,085	2,050,000	2,950,000
3812 Op Trfs in from Water Fund	0	225,000	100,000	250,000
3815 Op Trfs in from Sewer Fund	0	225,000	100,000	250,000
3824 Op Trfs in Transit Area Fund	0	0	0	40,000
3826 Op Trfs in from Measure I TOT Fund	0	1,600,000	600,000	2,150,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
3832 Appn Transfers in from Gas Tax	0	39,352	0	0
3899 Op Trfs in from Subsidiary CIP Fund	305,100	1,127,975	671,960	450,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(5,100)	0	0	0
TOTAL (311)	1,359,337	5,368,591	3,521,960	6,090,000
TRAFFIC IMPACT FEE (312)				
3431 Pooled Investment Interest (Nonalloc)	(2,365)	(3,369)	0	0
3434 Pooled Interest Allocation	17,723	4,691	11,000	7,000
3710 Development	262,096	752,925	0	250,000
3954 Appn Trfs Out Transit Area Fund	0	(500,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,180,921)	(165,920)	(181,960)	0
TOTAL (312)	(903,466)	88,327	(170,960)	257,000
VEHICLE REGISTRATION FEE (314)				
3431 Pooled Investment Interest (Nonalloc)	182	260	0	0
3434 Pooled Interest Allocation	1,062	1,406	0	0
3575 County Cont-Public Works	392,193	420,713	0	400,000
3922 Op Trfs Out To the General Government Fund	(300,000)	0	(450,000)	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(300,000)	0	(450,000)
TOTAL (314)	93,437	122,379	(450,000)	(50,000)
CALAVERAS WIDENING IMPACT FEE (315)				
3431 Pooled Investment Interest (Nonalloc)	0	276	0	100
3434 Pooled Interest Allocation	679	857	0	0
3710 Development	0	10,218	0	0
3899 Op Trfs in from Subsidiary CIP Fund	126,547	0	0	0
TOTAL (315)	127,226	11,350	0	100
MONTAGUE WIDENING IMPACT FEE (316)				
3431 Pooled Investment Interest (Nonalloc)	0	704	0	0
3434 Pooled Interest Allocation	1,882	2,187	0	0
3710 Development	0	13,545	0	0
3899 Op Trfs in from Subsidiary CIP Fund	335,466	0	0	0
TOTAL (316)	337,348	16,436	0	0
MILPITAS BUSINESS PARK IMPACT FEE (317)				
3431 Pooled Investment Interest (Nonalloc)	0	2,449	0	0
3434 Pooled Interest Allocation	4,280	5,286	0	8,000
3710 Development	0	500,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	718,908	0	0	0
TOTAL (317)	723,188	507,734	0	8,000
1997 TABS (318)				
3432 Cash with Fiscal Agents	0	0	0	0
3848 Appn Transfers in from Tax Allocation	0	526,795	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(250,155)	0	0
TOTAL (318)	0	276,640	0	0
2003 TABS (319)				
3431 Pooled Investment Interest (Nonalloc)	0	27	0	0
3848 Appn Transfers in from Tax Allocation	0	3,465,832	0	0
TOTAL (319)	0	3,465,859	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment Interest (Nonalloc)	4,802	2,023	0	0
3433 Other Interest Income	49,555	4,693	0	167,000
3434 Pooled Interest Allocation	58,811	78,364	62,000	83,000
3710 Development	1,801,884	782,700	0	1,000,000
3899 Op Trfs in from Subsidiary CIP Fund	350,000	0	0	0
3922 Op Trfs Out To the General Government Fund	0	(300,000)	0	(300,000)
3924 Op Trfs Out To the Transit Area Impact Fund	0	0	0	(150,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,100,000)	(1,250,000)	(2,315,000)	(675,000)
TOTAL (320)	<u>165,052</u>	<u>(682,221)</u>	<u>(2,253,000)</u>	<u>125,000</u>
PARK IMPROVEMENT CIP (321)				
3575 County Cont-Public Works	70,000	0	0	0
3824 Op Trfs in Transit Area Fund	0	300,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,450,000	2,250,000	5,875,000	1,275,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(350,000)	0	0	0
TOTAL (321)	<u>2,170,000</u>	<u>2,550,000</u>	<u>5,875,000</u>	<u>1,275,000</u>
MIDTOWN PARK FUND (322)				
3431 Pooled Investment Interest (Nonalloc)	2,042	(1,523)	0	0
3434 Pooled Interest Allocation	42,516	39,248	41,000	44,000
3922 Op Trfs Out To the General Government Fund	0	(300,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(350,000)	(1,000,000)	(3,560,000)	(600,000)
TOTAL (322)	<u>(305,441)</u>	<u>(1,262,275)</u>	<u>(3,519,000)</u>	<u>(556,000)</u>
GENERAL GOVERNMENT (330)				
3431 Pooled Investment Interest (Nonalloc)	21,932	(3,116)	0	0
3433 Other Interest Income	14,179	(14,179)	0	0
3434 Pooled Interest Allocation	28,593	25,589	25,000	162,000
3801 Op Trfs in from General Fund	0	9,800,000	0	0
3823 Op Trfs in Storm Drain Fund	0	0	0	150,000
3899 Op Trfs in from Subsidiary CIP Fund	0	7,404,616	0	200,000
3901 Op Trfs Out To the General Fund	0	(976)	0	0
3923 Op Trfs Out To the Storm Drain Fund	0	(235,000)	0	(830,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,700,000)	(100,000)	(1,885,000)	(4,300,000)
TOTAL (330)	<u>(2,635,296)</u>	<u>16,876,934</u>	<u>(1,860,000)</u>	<u>(4,618,000)</u>
GENERAL GOVERNMENT CIP (331)				
3565 State Contri-Public Works	79,288	0	0	0
3567 State Contributions-Police	0	0	0	90,000
3710 Development	0	0	0	500,000
3760 Developer Contribution	0	0	0	100,000
3802 Op Trfs in from Gas Tax Fund	1,100,000	0	0	0
3810 Op Trfs in from Park Improvement	0	600,000	0	300,000
3812 Op Trfs in from Water Fund	0	0	0	100,000
3815 Op Trfs in from Sewer Fund	0	0	0	100,000
3817 Op Trfs in from Equipment Replacement	0	170,000	0	0
3819 Op Trfs in from Other	0	0	0	200,000
3826 Op Trfs in from Measure I TOT Fund	600,000	150,000	0	150,000
3827 Op Trfs in from LLMD Fund	410,000	58,000	75,000	18,256
3829 Op Trfs in from Vehicle Registration Fee	300,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	2,700,000	100,000	685,000	4,300,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
3926 Op Trfs Out to Measure I TOT	0	0	0	(600,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(200,000)
TOTAL (331)	5,189,288	1,078,000	760,000	5,058,256
RPTTF DISTRIBUTION FUND (332)				
3434 Pooled Interest Allocation	56,353	45,874	44,000	0
3985 Extraordinary Item	(1,609,208)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(7,404,616)	0	0
TOTAL (332)	(1,552,855)	(7,358,741)	44,000	0
STORM DRAIN DEVELOPMENT (340)				
3431 Pooled Investment Interest (Nonalloc)	1,531	689	0	0
3434 Pooled Interest Allocation	12,279	14,335	13,000	20,000
3710 Development	647,295	266,228	0	500,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(525,000)	(750,000)	(685,000)
TOTAL (340)	661,104	(243,747)	(737,000)	(165,000)
STORM DRAIN CIP (341)				
3822 Op Trfs in from General Gov't Fund	0	235,000	0	830,000
3899 Op Trfs in from Subsidiary CIP Fund	0	525,000	1,950,000	685,000
3923 Op Trfs Out To the Storm Drain Fund	0	0	0	(150,000)
TOTAL (341)	0	760,000	1,950,000	1,365,000
TRANSIT AREA IMPACT FEE FUND (350)				
3431 Pooled Investment Interest (Nonalloc)	1,826	10,471	0	1,274,000
3433 Other Interest Income	13,358	(13,358)	0	0
3434 Pooled Interest Allocation	39,916	47,941	48,000	111,000
3710 Development	11,263,420	9,288,357	0	24,360,000
3845 Appn Transfers in from Sewer Fund	0	1,739,081	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	150,000
3910 Op Trfs Out To the Park Improvement Fund	0	(300,000)	0	0
3955 Appn Trfs Out Eco Dev Corp	(828,464)	0	0	0
3985 Extraordinary Item	428,713	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(150,000)	(40,000)	(725,000)
TOTAL (350)	10,918,768	10,622,492	8,000	25,170,000
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3760 Developer Contribution	0	0	0	250,000
3810 Op Trfs in from Park Improvement	0	0	0	150,000
3849 Other Appn Transfers In	0	500,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	150,000	0	725,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(190,000)
TOTAL (351)	0	650,000	0	935,000
PIPER MONTAGUE INFRASTRUCTURE (352)				
3740 Reimbursements	26,315	0	0	0
TOTAL (352)	26,315	0	0	0
WATER M & O FUND (400)				
3431 Pooled Investment Interest (Nonalloc)	13,189	6,469	0	0
3433 Other Interest Income	60,595	10,544	0	0
3434 Pooled Interest Allocation	117,988	138,275	113,000	165,000
3575 County Cont-Public Works	20,570	0	0	0

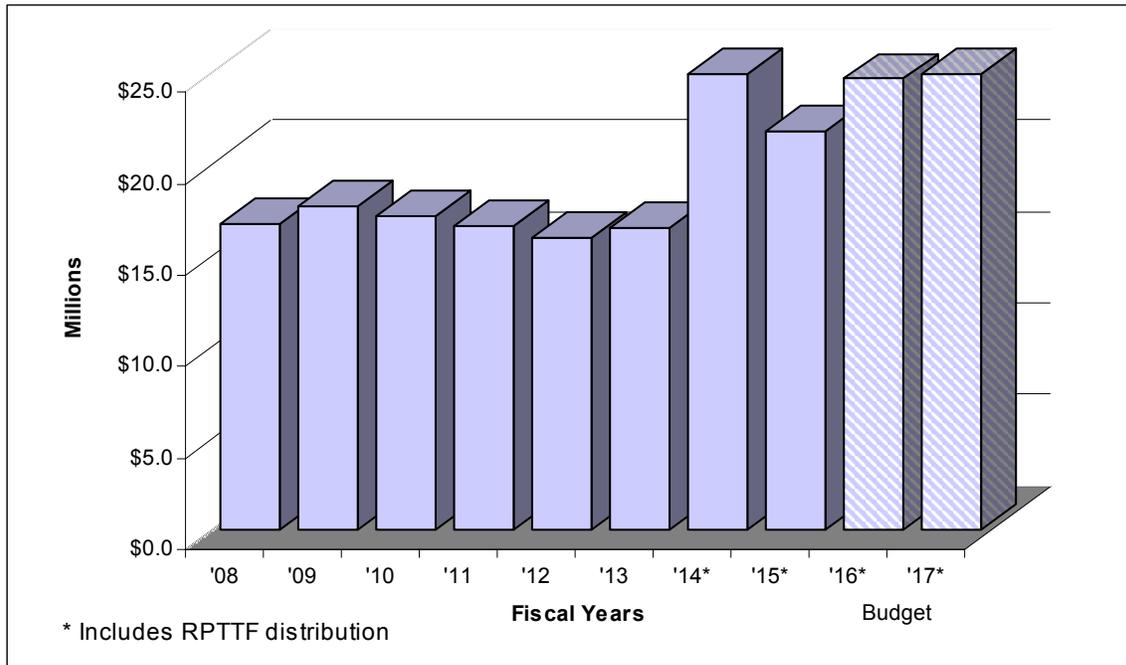
Financial Information Revenues by Fund (Detail)

Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
3585 Other Res Grant-Public Works	36,708	127,466	36,000	0
3622 Water Service Agreements	88,137	738	0	0
3623 Metered Water Sales	20,969,568	20,873,376	23,200,000	27,293,000
3626 Construction Water	124,329	86,179	100,000	60,000
3627 Water & Sewer Reimbursements	1,054	0	0	0
3672 Public Works Cost Recovery	8,476	8,479	0	4,000
3790 Miscellaneous Other Revenue	153,240	143,965	145,000	130,000
3899 Op Trfs in from Subsidiary CIP Fund	0	2,000,000	0	0
3901 Op Trfs Out To the General Fund	(1,829,179)	(2,366,459)	(2,347,000)	(2,633,000)
3909 Op Trfs Out To the Street Improvement Fund	0	(225,000)	(100,000)	(250,000)
3922 Op Trfs Out To the General Government Fund	0	0	0	(100,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,050,000)	(5,642,772)	(4,000,000)	(800,000)
TOTAL (400)	18,714,675	15,161,260	17,147,000	23,869,000
WATER CIP (401)				
3815 Op Trfs in from Sewer Fund	0	0	0	125,000
3899 Op Trfs in from Subsidiary CIP Fund	1,400,000	5,992,772	4,000,000	22,885,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(2,000,000)	0	0
TOTAL (401)	1,400,000	3,992,772	4,000,000	23,010,000
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment Interest (Nonalloc)	1,824	328	0	0
3434 Pooled Interest Allocation	13,536	15,713	15,000	21,000
3710 Development	652,711	314,326	0	906,000
3790 Miscellaneous Other Revenue	9,624	9,621	0	9,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(350,000)	(350,000)	0	(1,590,000)
TOTAL (402)	327,695	(10,013)	15,000	(654,000)
WATER BONDS (403)				
3970 Bond Proceeds	0	0	0	25,000,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(20,495,000)
TOTAL (403)	0	0	0	4,505,000
RECYCLED WATER FUND (406)				
SEWER M & O FUND (450)				
3030 Property Taxes, Supplement	8,564	0	0	0
3431 Pooled Investment Interest (Nonalloc)	6,300	6,920	0	6,000
3433 Other Interest Income	307,332	36,987	0	100,000
3434 Pooled Interest Allocation	82,088	96,244	87,000	135,000
3628 Sewer Service Charges	12,687,777	14,362,865	14,200,000	18,578,000
3790 Miscellaneous Other Revenue	65,438	78,439	60,000	64,000
3901 Op Trfs Out To the General Fund	(1,572,651)	(1,527,385)	(1,575,000)	(1,641,000)
3909 Op Trfs Out To the Street Improvement Fund	0	(225,000)	(100,000)	(250,000)
3912 Op Trfs Out To the Water Fund	0	0	0	(125,000)
3922 Op Trfs Out To the General Government Fund	0	0	0	(100,000)
3981 Contributions-Proprietary Fund	0	4,472,066	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(5,000,000)	(6,015,000)	(4,815,000)	(4,440,000)
TOTAL (450)	6,584,847	11,286,136	7,857,000	12,327,000
SEWER CIP (451)				
3899 Op Trfs in from Subsidiary CIP Fund	7,500,000	10,015,000	6,315,000	6,440,000

Financial Information Revenues by Fund (Detail)

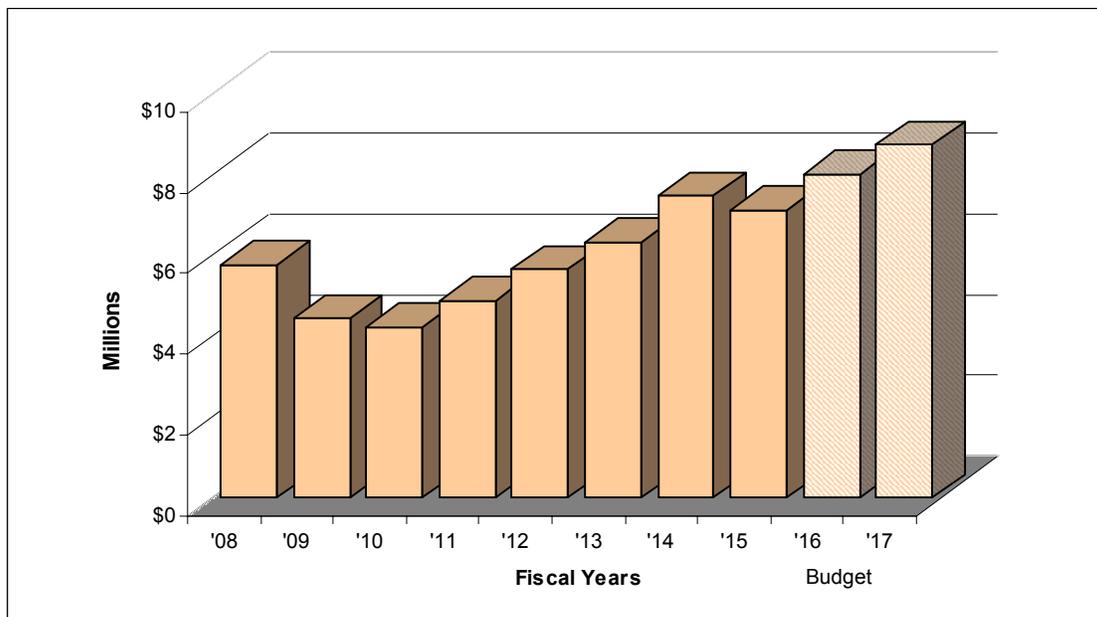
Description	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
3954 Appn Trfs Out Transit Area Fund	0	(1,739,081)	0	0
TOTAL (451)	7,500,000	8,275,919	6,315,000	6,440,000
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment Interest (Nonalloc)	2,641	(2,745)	0	13,000
3434 Pooled Interest Allocation	55,057	50,775	54,000	57,000
3710 Development	740,546	420,818	0	994,200
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,500,000)	(2,500,000)	(1,500,000)	(1,000,000)
TOTAL (452)	(1,701,755)	(2,031,152)	(1,446,000)	64,200
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment Interest (Nonalloc)	2,886	(2,239)	0	0
3434 Pooled Interest Allocation	26,385	25,444	28,000	27,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(1,500,000)	0	(1,000,000)
TOTAL (455)	29,270	(1,476,794)	28,000	(973,000)
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment Interest (Nonalloc)	3,183	1,714	0	0
3433 Other Interest Income	27,834	3,872	0	0
3434 Pooled Interest Allocation	53,196	56,203	54,000	73,000
3619 Rent,Lease & Concession-PW/Eng	1,200	1,200	0	0
3671 Public Works Service Charges	1,938,322	2,269,821	2,390,442	2,398,000
3672 Public Works Cost Recovery	7,123	61,298	0	0
3770 Sale of Property, Plant and Equipment	37,300	2,125	0	0
3790 Miscellaneous Other Revenue	239	0	0	0
3922 Op Trfs Out To the General Government Fund	0	(170,000)	0	0
3981 Contributions-Proprietary Fund	170,345	148,498	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(300,000)	(300,000)	0	0
TOTAL (500)	1,938,741	2,074,732	2,444,442	2,471,000
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment Interest (Nonalloc)	0	14	0	0
3434 Pooled Interest Allocation	22	45	0	0
3601 General Government Service Charges	0	(7)	0	0
3801 Op Trfs in from General Fund	0	0	300,000	300,000
3899 Op Trfs in from Subsidiary CIP Fund	300,000	300,000	0	0
TOTAL (505)	300,022	300,052	300,000	300,000
PERMIT AUTOMATION FUND (506)				
3431 Pooled Investment Interest (Nonalloc)	1,087	264	0	0
3434 Pooled Interest Allocation	3,500	5,501	5,000	8,000
3601 General Government Service Charges	565,514	336,130	400,000	500,000
TOTAL (506)	570,102	341,895	405,000	508,000
TOTAL	125,699,470	142,919,888	120,607,750	191,712,386

History of Property Tax Revenue General Fund 2008 through 2017



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

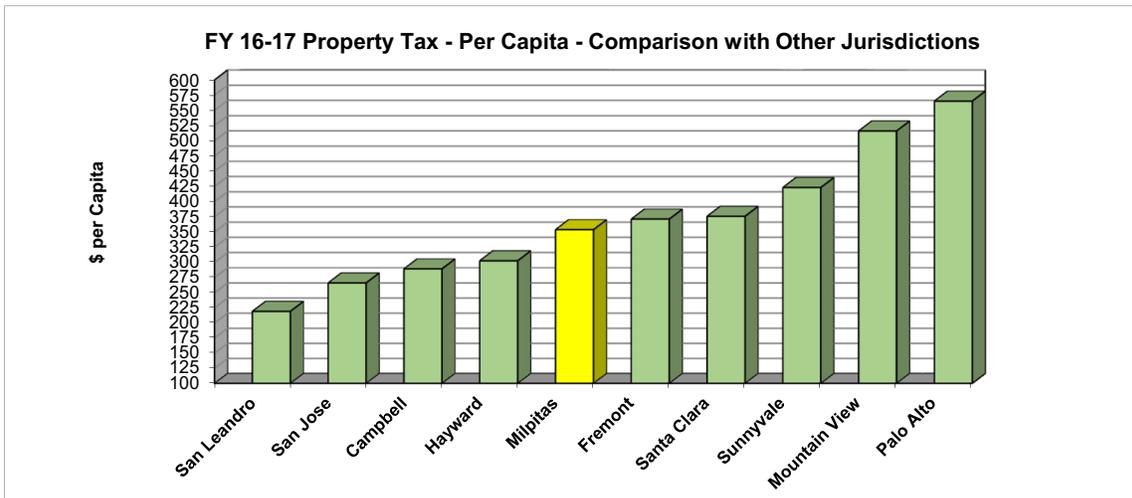
History of Transient Occupancy Tax Revenue General Fund 2008 through 2017



The City of Milpitas Transient Occupancy Rate is currently 10%

Property Tax, Comparison with Other Jurisdictions FY 2012-13 through FY 2016-17

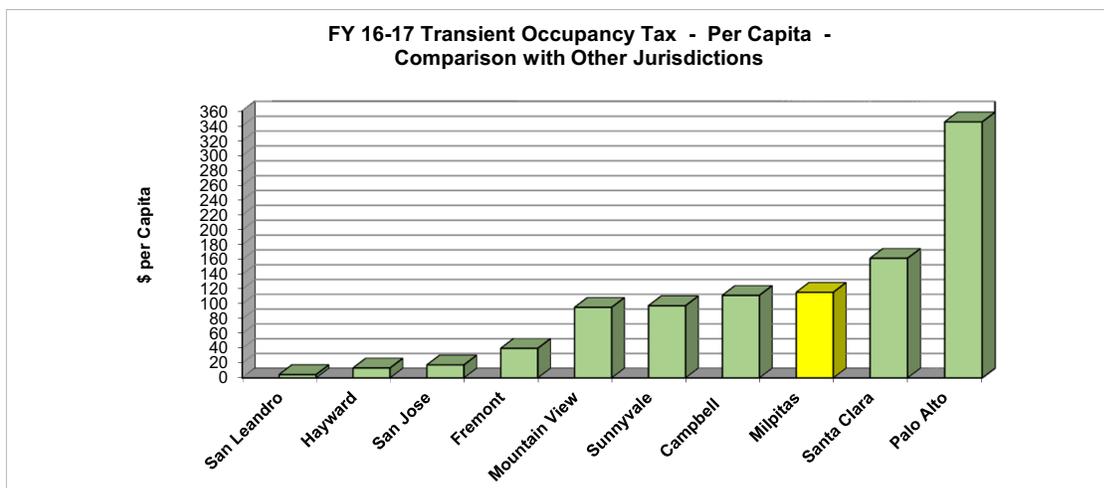
City	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budgeted 2015-16	Budgeted 2016-17
Milpitas	\$16,509,264	\$27,607,560	\$24,926,915	\$24,680,000	\$26,716,000
% of General Fund	26%	38%	36%	32%	32%
Per Capita	246.91	406.92	343.32	332.88	353.76
Campbell	\$9,728,905	\$10,195,501	\$11,240,729	\$11,731,000	\$12,320,000
% of General Fund	25%	24%	25%	25%	26%
Per Capita	238.10	252.53	267.68	280.26	289.31
Fremont	\$74,048,000	\$70,146,000	\$75,028,000	\$80,312,000	\$85,116,000
% of General Fund	52%	48%	48%	48%	48%
Per Capita	340.58	318.95	334.99	354.50	371.16
Hayward	\$39,181,000	\$38,971,000	\$42,128,306	\$43,521,000	\$46,005,000
% of General Fund	32%	30%	32%	32%	33%
Per Capita	262.36	270.28	286.27	290.92	302.66
Mountain View	\$28,122,360	\$31,120,547	\$35,173,321	\$35,932,400	\$40,208,100
% of General Fund	29%	30%	33%	34%	34%
Per Capita	373.59	408.08	458.10	461.18	515.98
* Palo Alto	\$28,742,000	\$30,587,000	\$34,116,747	\$35,967,000	\$37,853,000
% of General Fund	17%	18%	18%	20%	19%
Per Capita	446.28	466.66	509.31	536.93	565.09
San Jose	\$205,016,137	\$233,644,896	\$247,258,146	\$255,210,000	\$270,625,000
% of General Fund	23%	23%	24%	22%	26%
Per Capita	208.44	237.55	247.13	251.07	266.24
San Leandro	\$17,631,582	\$18,514,127	\$18,900,000	\$19,000,000	\$19,400,000
% of General Fund	22%	22%	21%	20%	20%
Per Capita	203.25	215.15	216.72	216.65	219.21
Santa Clara	\$31,747,458	\$39,138,491	\$37,576,165	\$38,704,661	\$46,503,477
% of General Fund	20%	23%	21%	21%	23%
Per Capita	267.21	336.05	309.96	319.94	375.78
Sunnyvale	\$44,555,857	\$50,293,385	\$54,940,570	\$61,748,736	\$62,777,052
% of General Fund	29%	31%	37%	35%	36%
Per Capita	311.81	342.00	374.69	416.18	423.11



* Palo Alto General Fund Revenue includes transfers.

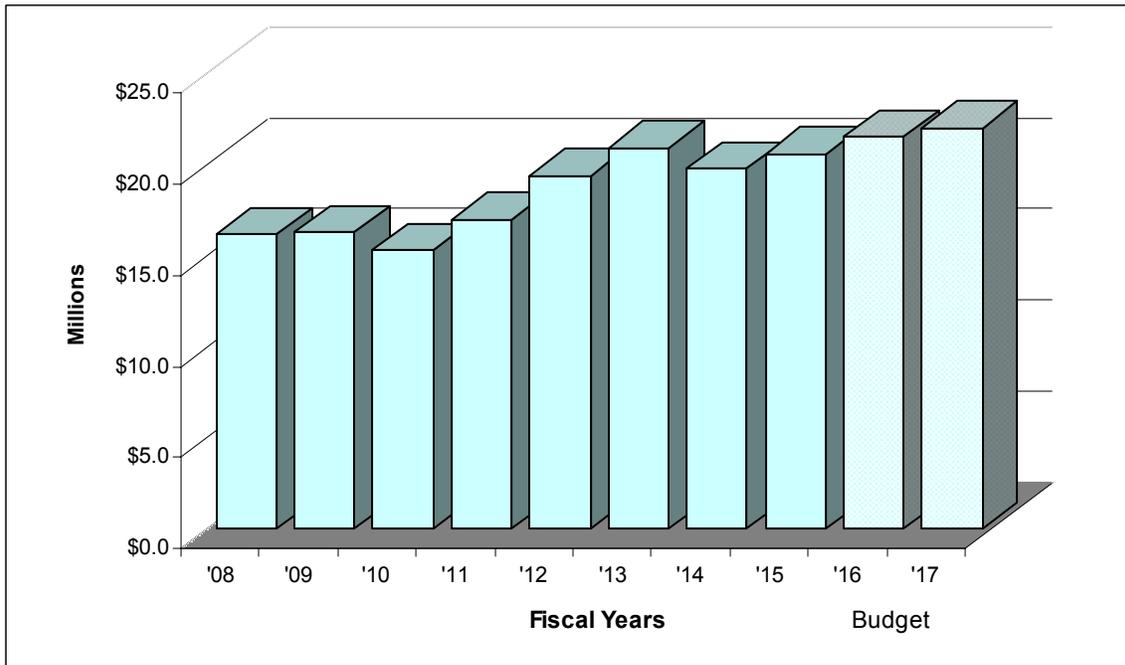
Transient Occupancy Tax, Comparison with Other Jurisdictions FY 2012-13 through FY 2016-17

City	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budgeted 2015-16	Budgeted 2016-17
Milpitas	\$6,343,000	\$7,473,691	\$8,733,319	\$8,018,000	\$8,731,000
% of General Fund	10%	10%	13%	10%	11%
Per Capita	94.86	110.16	120.28	108.15	115.61
Campbell	\$2,875,976	\$3,417,412	\$4,091,923	\$4,500,000	\$4,750,000
% of General Fund	7%	8%	9%	10%	10%
Per Capita	70.39	84.65	97.44	107.51	111.54
Fremont	\$4,872,000	\$6,155,000	\$7,181,000	\$7,729,000	\$9,165,000
% of General Fund	3%	4%	5%	5%	5%
Per Capita	22.41	27.99	32.06	34.12	39.97
Hayward	\$1,678,589	\$1,918,000	\$2,033,057	\$1,996,000	\$2,036,000
% of General Fund	1%	1%	2%	1%	1%
Per Capita	11.24	13.30	13.82	13.34	13.39
Mountain View	\$4,668,303	\$5,594,909	\$6,559,072	\$6,486,200	\$7,429,200
% of General Fund	5%	5%	6%	6%	6%
Per Capita	62.02	73.37	85.43	83.25	95.34
Palo Alto	\$10,794,000	\$12,255,000	\$16,699,331	\$21,991,000	\$23,134,000
% of General Fund	6%	7%	9%	12%	12%
Per Capita	167.60	186.97	249.30	328.29	345.36
San Jose	\$10,103,383	\$11,873,017	\$14,797,674	\$14,700,000	\$17,821,000
% of General Fund	1%	1%	1%	1%	2%
Per Capita	10.27	12.07	14.79	14.46	17.53
San Leandro	\$426,575	\$472,247	\$540,000	\$400,000	\$400,000
% of General Fund	0.53%	0.56%	0.59%	0.42%	0.42%
Per Capita	4.92	5.49	6.19	4.56	4.52
Santa Clara	\$13,046,576	\$15,140,910	\$17,843,363	\$17,300,000	\$20,000,000
% of General Fund	8%	9%	10%	9%	10%
Per Capita	109.81	130.00	147.19	143.01	161.61
Sunnyvale	\$9,016,052	\$10,858,671	\$14,137,069	\$16,383,291	\$14,471,479
% of General Fund	6%	7%	9%	9%	8%
Per Capita	63.10	73.84	96.41	110.42	97.54



History of Sales Tax Revenue

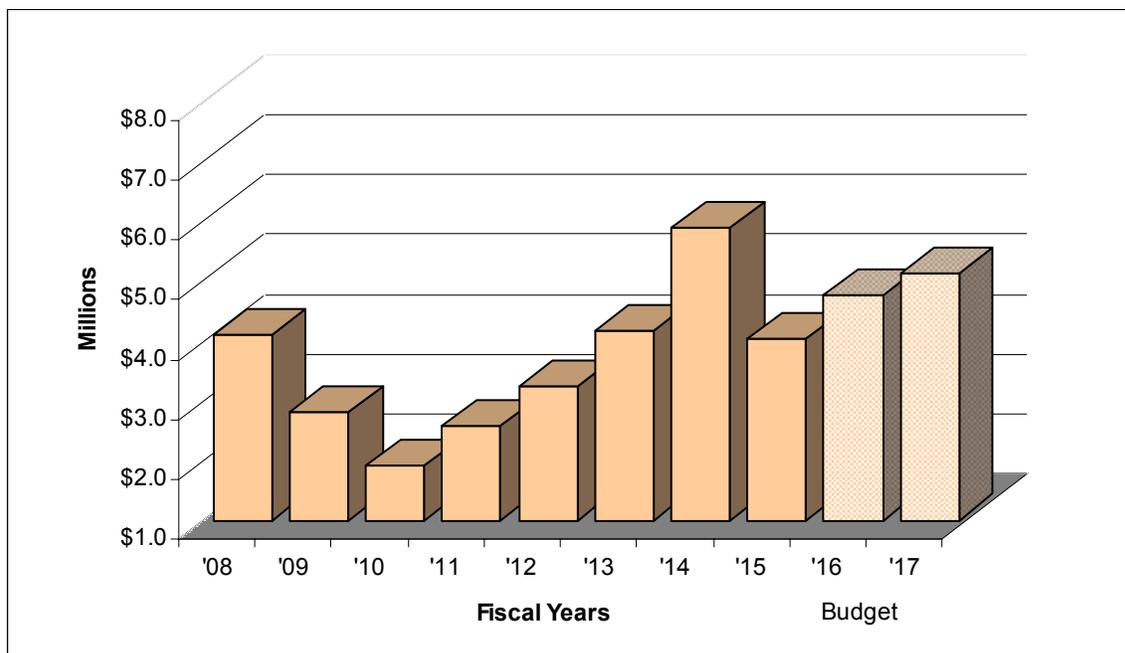
General Fund
2008 through 2017



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

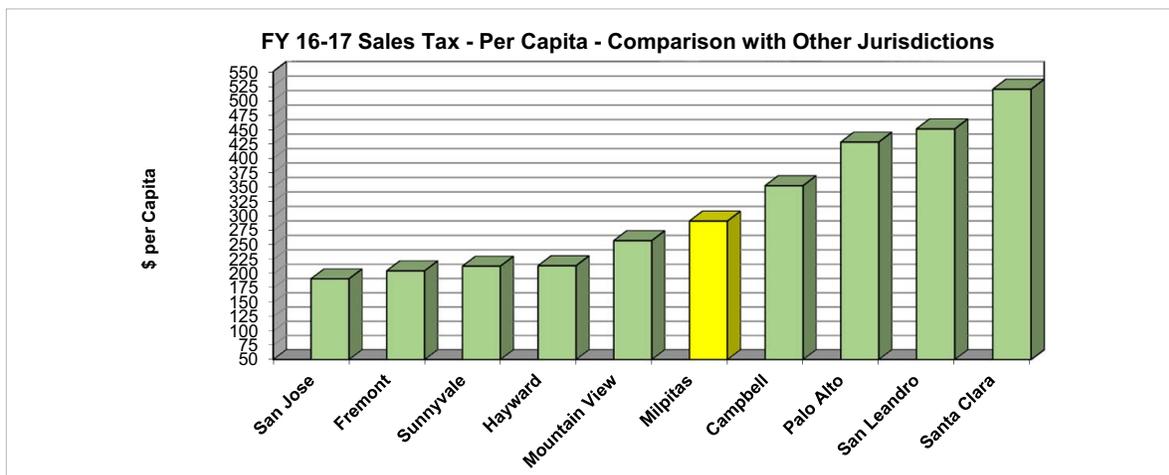
History of Building Permit Revenue

General Fund
2008 through 2017



Sales Tax Revenue, Comparison with Other Jurisdictions FY 2012-13 through FY 2016-17

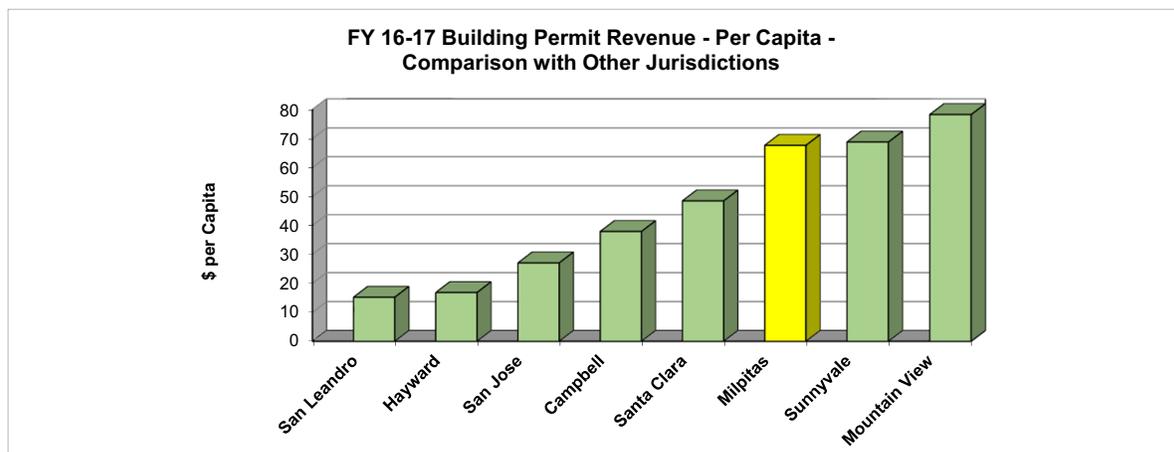
City	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budgeted 2015-16	Budgeted 2016-17
Milpitas	\$20,908,000	\$19,766,138	\$19,572,356	\$21,490,000	\$22,019,000
% of General Fund	32%	27%	29%	28%	27%
Per Capita	312.69	291.34	269.57	289.86	291.56
Campbell	\$12,649,769	\$13,115,263	\$13,915,291	\$14,850,000	\$15,022,000
% of General Fund	32%	31%	31%	32%	31%
Per Capita	309.59	324.85	331.37	354.78	352.76
Fremont	\$34,404,000	\$38,862,000	\$40,744,000	\$47,337,000	\$47,143,000
% of General Fund	24%	27%	26%	28%	27%
Per Capita	158.24	176.70	181.92	208.95	205.57
Hayward	\$28,534,000	\$31,019,000	\$31,058,161	\$34,064,000	\$32,600,000
% of General Fund	23%	24%	23%	25%	23%
Per Capita	191.07	215.13	211.05	227.71	214.47
Mountain View	\$16,744,001	\$16,935,660	\$19,773,384	\$19,379,690	\$20,090,800
% of General Fund	17%	17%	18%	18%	17%
Per Capita	222.44	222.08	257.53	248.73	257.82
* Palo Alto	\$25,606,000	\$29,424,000	\$29,675,408	\$28,430,000	\$28,668,000
% of General Fund	15%	17%	16%	15%	15%
Per Capita	397.59	448.92	443.01	424.42	427.97
San Jose	\$163,751,105	\$173,411,643	\$180,406,910	\$190,260,000	\$194,695,553
% of General Fund	19%	17%	17%	16%	19%
Per Capita	166.49	176.31	180.31	187.18	191.54
San Leandro	\$26,578,839	\$29,097,614	\$32,900,000	\$40,300,000	\$39,900,000
% of General Fund	33%	34%	36%	42%	42%
Per Capita	306.39	338.14	377.25	459.52	450.85
Santa Clara	\$44,351,020	\$46,735,959	\$49,933,155	\$52,690,000	\$64,267,475
% of General Fund	28%	27%	27%	29%	32%
Per Capita	373.28	401.28	411.89	435.55	519.32
Sunnyvale	\$30,028,067	\$30,194,827	\$29,676,176	\$30,352,481	\$31,698,678
% of General Fund	20%	19%	20%	17%	18%
Per Capita	210.14	205.33	202.39	204.57	213.64



* Palo Alto General Fund Revenue includes transfers.

Building Permit Revenue, Comparison with Other Jurisdictions FY 2012-13 through FY 2016-17

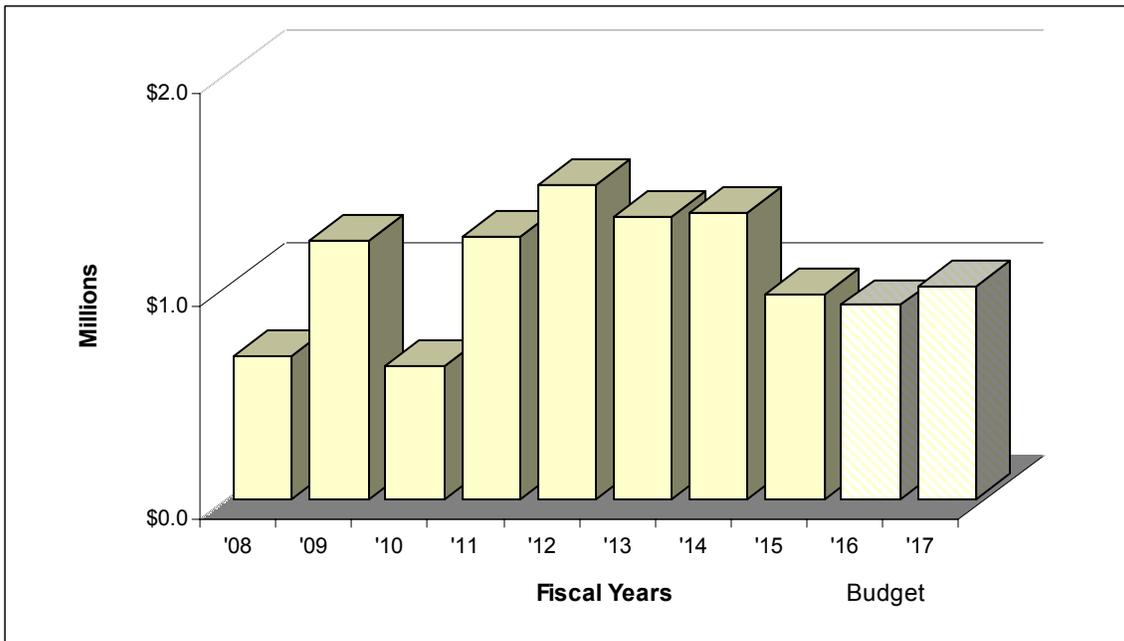
City	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budgeted 2015-16	Budgeted 2016-17
Milpitas	\$4,143,000	\$5,881,934	\$4,934,766	\$4,755,808	\$5,109,000
% of General Fund	6%	8%	7%	6%	6%
Per Capita	61.96	86.70	67.97	64.15	67.65
Campbell	\$1,046,860	\$1,857,564	\$1,180,622	\$1,690,497	\$1,614,000
% of General Fund	3%	4%	3%	4%	3%
Per Capita	25.62	46.01	28.11	40.39	37.90
Fremont *	\$4,762,923	\$6,433,000	\$7,358,626	\$6,999,342	N/A
% of General Fund	3%	4%	4%	4%	N/A
Per Capita	21.91	29.25	32.86	30.90	N/A
Hayward	\$1,574,611	\$1,437,000	\$2,499,636	\$2,306,000	\$2,556,000
% of General Fund	1%	1%	2%	2%	2%
Per Capita	10.54	9.97	16.99	15.41	16.82
Mountain View *	\$4,187,401	\$5,545,293	\$6,222,485	\$5,818,000	\$6,100,000
% of General Fund	4%	5%	6%	5%	5%
Per Capita	55.63	72.72	81.04	74.67	78.28
Palo Alto	\$5,773,982	\$5,085,894	\$4,641,442	\$5,635,015	N/A
% of General Fund	3%	3%	3%	3%	N/A
Per Capita	89.65	77.60	69.29	84.12	N/A
San Jose	\$27,065,790	\$32,457,234	\$27,437,791	\$26,000,000	\$27,500,000
% of General Fund	3%	3%	3%	2%	3%
Per Capita	27.52	33.00	27.42	25.58	27.05
San Leandro	\$1,015,614	\$1,598,457	\$1,410,000	\$1,345,000	\$1,345,000
% of General Fund	1%	2%	2%	1%	1%
Per Capita	11.71	18.58	16.17	15.34	15.20
Santa Clara	\$2,769,715	\$2,881,893	\$4,404,007	\$4,500,000	\$6,000,000
% of General Fund	2%	2%	2%	2%	3%
Per Capita	23.31	24.74	36.33	37.20	48.48
Sunnyvale *	\$3,586,960	\$11,734,734	\$12,154,616	\$11,658,558	\$10,206,592
% of General Fund	2%	7%	8%	7%	6%
Per Capita	25.10	79.80	82.89	78.58	68.79



* 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

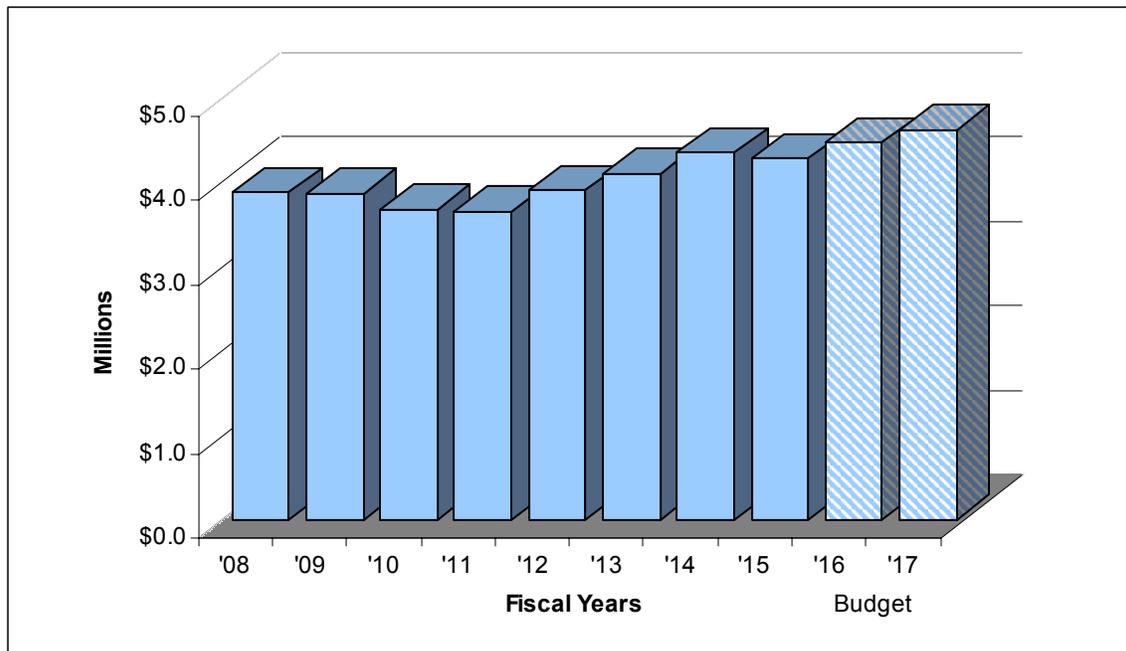
General Fund 2008 through 2017



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

History of "Other" Tax Revenue

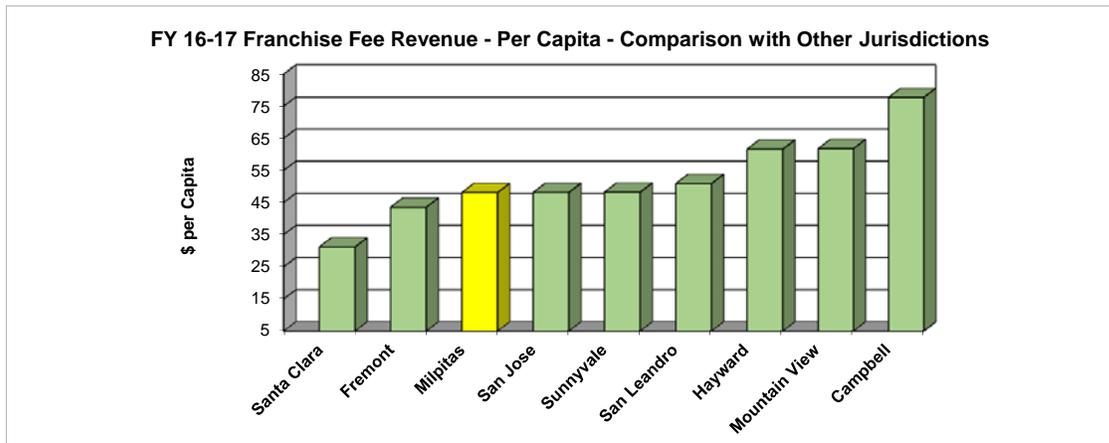
General Fund 2008 through 2017



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

Franchise Fees, Comparison with Other Jurisdictions FY 2012-13 through FY 2016-17

City	Actual 2012-13	Actual 2013-14	Actual 2014-15	Budgeted 2015-16	Budgeted 2016-17
Milpitas	\$3,270,000	\$3,453,140	\$3,658,729	\$3,520,000	\$3,631,000
% of General Fund	5%	5%	5%	5%	4%
Per Capita	48.91	50.90	50.39	47.48	48.08
Campbell	\$2,620,764	\$2,917,263	\$3,322,031	\$2,850,500	\$3,310,000
% of General Fund	7%	7%	7%	6%	7%
Per Capita	64.14	72.26	79.11	68.10	77.73
Fremont	\$8,471,000	\$8,925,000	\$9,299,000	\$9,420,000	\$9,978,000
% of General Fund	6%	6%	6%	6%	6%
Per Capita	38.96	40.58	41.52	41.58	43.51
Hayward	\$9,688,000	\$9,765,000	\$10,128,000	\$9,585,000	\$9,362,000
% of General Fund	8%	7%	8%	7%	7%
Per Capita	64.87	67.73	68.82	64.07	61.59
Mountain View	\$4,001,224	\$4,364,961	\$4,529,685	\$4,673,110	\$4,811,920
% of General Fund	4%	4%	4%	4%	4%
Per Capita	53.15	57.24	58.99	59.98	61.75
Palo Alto¹	\$1,201,328	\$465,480	\$1,860,312	\$1,700,000	N/A
% of General Fund	0.72%	0.27%	1.00%	0.92%	N/A
Per Capita	18.65	7.10	27.77	25.38	N/A
San Jose	\$43,741,122	\$45,748,758	\$46,908,554	\$47,582,232	\$48,916,811
% of General Fund	5%	5%	4%	4%	5%
Per Capita	44.47	46.51	46.88	46.81	48.12
San Leandro	\$4,424,238	\$4,581,921	\$4,800,000	\$4,500,000	\$4,500,000
% of General Fund	6%	5%	5%	5%	5%
Per Capita	51.00	53.25	55.04	51.31	50.85
Santa Clara	\$3,342,501	\$3,515,786	\$3,698,326	\$3,593,935	\$3,853,800
% of General Fund	2%	2%	2%	2%	2%
Per Capita	28.13	30.19	30.51	29.71	31.14
Sunnyvale	\$6,461,568	\$6,694,336	\$6,897,803	\$7,011,274	\$7,153,717
% of General Fund	4%	4%	5%	4%	4%
Per Capita	45.22	45.52	47.04	47.25	48.21



¹ Only cable franchise fees are included.

Expenditures by Fund (Summary)

	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
100 General Fund	62,340,177	67,812,185	76,344,332	82,459,856
102 Measure I TOT	116,005	100,619	166,279	338,989
103 1452-1474 S. Main	0	32,913	40,000	40,363
105 Abandon Veh Abatement	82,480	84,397	22,500	22,500
150 Redevelopment Administration	349,187	194,021	186,976	125,996
211 H-Hetch Ground Lease	29,366	30,165	37,000	35,000
212 Public Art Fund-Restricted	105,261	0	0	0
213 Public Art Fund-Nonrestricted	29,543	16,249	22,000	22,000
214 Community Planning Fee Fund	0	2,260	0	0
235 95-1 Lighting/Lscape Dist	188,407	231,630	249,222	238,939
236 98-1 Lighting/Lscape Dist	21,149	43,652	36,700	33,200
237 05 Community Fclty Dist	653,198	640,251	812,102	992,197
238 08 Community Fclty Dist	0	2,298	5,000	5,000
250 HCD Fund	372,038	413,162	483,646	400,000
251 HCD Loan	168,857	10,363	250,000	350,000
261 Supplemental Law Enforcement	126,162	171,793	0	0
262 State Asset Seizure	12,357	46,864	30,000	38,159
263 Federal Asset Seizure	0	22,075	30,000	38,159
269 Grant Fund	0	10,955	0	0
280 Solid Waste Services	579,102	678,282	760,241	715,929
295 Housing Authority	477,807	414,997	958,093	451,381
310 Street Fund	4,906	2,935	0	0
311 Street CIP	1,493,488	5,833,744	3,521,960	6,090,000
320 Park Improvement Fund	361,776	0	0	0
321 Park Improvement CIP	963,417	1,433,855	5,875,000	1,275,000
331 General Government CIP	3,315,485	1,582,690	760,000	5,058,256
341 Storm Drain CIP	118,468	343,275	1,950,000	1,365,000
350 Transit Area Impact Fee Fund	954,151	10,491,521	225,000	75,000
351 Transit Area Impact Fee CIP Fund	19,608	103,650	0	975,000
352 Piper Montague Infrastructure	26,315	0	0	0
400 Water M & O Fund	15,813,957	17,735,953	20,726,266	23,342,865
401 Water CIP	605,860	608,374	4,000,000	23,010,000
450 Sewer M & O Fund	8,484,430	5,911,823	9,887,546	9,960,111
451 Sewer CIP	4,799,661	4,530,244	6,315,000	6,440,000
500 Equipment Mgnt Fund	1,784,054	2,224,661	2,505,218	2,114,405
505 Information Tec Replmt	187,953	226,111	248,000	157,500
506 Permit Automation Fund	44,132	281,850	480,375	795,420
TOTAL	<u>104,628,758</u>	<u>122,269,818</u>	<u>136,928,456</u>	<u>166,966,225</u>

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	260,004	174,012	0	0	0	434,016
City Manager	814,203	359,714	0	0	0	1,173,917
City Clerk	364,748	228,500	0	0	0	593,248
City Attorney	155,730	564,800	0	0	0	720,530
Building Inspection Services	2,195,247	74,464	28,000	0	0	2,297,711
Plan Checking	567,942	21,450	0	0	0	589,392
Building Administration	289,048	20,830	0	0	0	309,878
Permit Center	649,206	6,450	0	0	0	655,656
Information Services	1,601,570	851,098	0	0	0	2,452,668
Human Resources	736,001	474,062	0	0	0	1,210,063
Recreation Administration	1,052,235	106,574	0	0	0	1,158,809
Senior Citizen Services	495,937	228,140	0	0	0	724,077
Pre-K Enrichment	0	150,000	0	0	0	150,000
Youth Programs	521,962	37,440	0	0	0	559,402
Special Events	109,583	91,645	0	0	0	201,228
Marketing	115,470	35,500	0	0	0	150,970
Performing Arts	0	5,850	0	0	0	5,850
General Classes	0	266,759	0	0	0	266,759
Aquatics	316,915	13,800	0	0	0	330,715
Sports & Fitness	237,186	206,417	0	0	0	443,603
Adult Sports	0	11,860	0	0	0	11,860
Volunteer Services	39,790	2,500	0	0	0	42,290
Finance Administration	841,843	141,000	0	0	0	982,843
Finance Operations	1,499,891	65,100	0	0	0	1,564,991
Public Works Administration	617,930	28,608	0	0	0	646,538
Street Maintenance	800,679	383,383	0	0	0	1,184,062
Park Maintenance	32,085	1,248,468	0	0	0	1,280,553
Trees & Landscape Mnt	36,255	443,000	0	0	0	479,255
Facilities Maintenance	1,161,958	1,266,791	0	0	0	2,428,749
Engineering Administration	211,876	16,221	0	0	0	228,097
Design & Construction	751,575	22,079	0	0	0	773,654
Land Development	933,744	342,768	0	0	0	1,276,512
Traffic Engineering	382,622	91,115	0	0	0	473,737
Utility Engineering	0	163,000	0	0	0	163,000
Planning	1,141,601	533,990	0	0	0	1,675,591
Neighborhood Services	536,479	460,597	0	0	0	997,076
Police Administration	805,154	19,800	0	0	0	824,954
Records	1,295,573	176,152	0	0	0	1,471,725
Personnel & Training	294,528	138,035	0	0	0	432,563
Communications	3,072,624	277,567	0	0	0	3,350,191
Patrol Services	15,090,415	363,036	8,159	0	0	15,461,610
Traffic	1,642,842	95,672	0	0	0	1,738,514
Crossing Guards	438,050	2,000	0	0	0	440,050

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Community Relations	532,502	19,730	0	0	0	552,232
Investigations	3,513,736	280,991	0	0	0	3,794,727
Fire Administration	525,676	62,104	0	0	0	587,780
A/B/C Battalions Operations	13,283,809	1,720,713	0	0	0	15,004,522
Disaster Prep & Public Ed	188,614	37,440	0	0	0	226,054
Prevention Div Admin	450,556	49,976	0	0	0	500,532
Fire Inspection, Plan Check & Investigation	1,474,838	59,140	10,000	0	0	1,543,978
Non-Departmental	4,084,270	3,808,854	0	0	0	7,893,124
sub-total (100)	66,164,502	16,249,195	46,159	0	0	82,459,856
MEASURE I TOT						
Recreation Administration	63,960	0	0	0	0	63,960
Special Events	46,408	20,000	0	0	0	66,408
Performing Arts	0	48,400	0	0	0	48,400
Facilities Maintenance	83,648	15,000	0	0	0	98,648
Non-Departmental	0	61,573	0	0	0	61,573
sub-total (102)	194,016	144,973	0	0	0	338,989
1452-1474 S. MAIN						
Non-Departmental	0	40,363	0	0	0	40,363
sub-total (103)	0	40,363	0	0	0	40,363
ABANDON VEH ABATEMENT						
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	22,500	0	0	0	0	22,500
REDEVELOPMENT ADMINISTRATION						
City Manager	22,538	0	0	0	0	22,538
City Clerk	2,170	0	0	0	0	2,170
City Attorney Human	3,176	0	0	0	0	3,176
Resources Finance	2,656	0	0	0	0	2,656
Administration Finance	46,788	0	0	0	0	46,788
Operations Non-Departmental	16,738	0	0	0	0	16,738
sub-total (150)	94,066	31,930	0	0	0	125,996
H-HETCH GROUND LEASE						
Non-Departmental	0	35,000	0	0	0	35,000
sub-total (211)	0	35,000	0	0	0	35,000
PUBLIC ART FUND- NONRESTRICTED						
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	42,439	0	0	0	0	42,439
Trees & Landscape Mnt	0	196,500	0	0	0	196,500
sub-total (235)	42,439	196,500	0	0	0	238,939

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
sub-total (236)	0	33,200	0	0	0	33,200
05 COMMUNITY FCLTY DIST						
Street Maintenance	262,797	0	0	0	0	262,797
Park Maintenance	0	534,500	0	0	0	534,500
Trees & Landscape Mnt	60,900	126,000	0	0	0	186,900
Non-Departmental	0	8,000	0	0	0	8,000
sub-total (237)	323,697	668,500	0	0	0	992,197
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	0	378,000	0	0	0	378,000
Non-Departmental	0	7,000	0	0	0	7,000
sub-total (250)	15,000	385,000	0	0	0	400,000
HCD LOAN						
Neighborhood Services	0	350,000	0	0	0	350,000
sub-total (251)	0	350,000	0	0	0	350,000
STATE ASSET SEIZURE						
Patrol Services	0	0	8,159	0	0	8,159
Investigations	0	0	30,000	0	0	30,000
sub-total (262)	0	0	38,159	0	0	38,159
FEDERAL ASSET SEIZURE						
Patrol Services	0	0	8,159	0	0	8,159
Investigations	0	0	30,000	0	0	30,000
sub-total (263)	0	0	38,159	0	0	38,159
SOLID WASTE SERVICES						
Public Works Administration	0	1,275	0	0	0	1,275
Utility Engineering	201,504	469,450	0	0	0	670,954
Non-Departmental	8,000	35,700	0	0	0	43,700
sub-total (280)	209,504	506,425	0	0	0	715,929
HOUSING AUTHORITY						
Finance Operations	74,246	0	0	0	0	74,246
Planning	0	1,000	0	0	0	1,000
Neighborhood Services	249,772	6,000	0	0	0	255,772
Non-Departmental	0	120,363	0	0	0	120,363
sub-total (295)	324,018	127,363	0	0	0	451,381
STREET CIP						
Capital Improvement Projects	0	0	0	0	6,090,000	6,090,000
sub-total (311)	0	0	0	0	6,090,000	6,090,000
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	1,275,000	1,275,000
sub-total (321)	0	0	0	0	1,275,000	1,275,000

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	5,058,256	5,058,256
sub-total (331)	0	0	0	0	5,058,256	5,058,256
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	1,365,000	1,365,000
sub-total (341)	0	0	0	0	1,365,000	1,365,000
TRANSIT AREA IMPACT FEE FUND						
Debt Service	0	0	0	75,000	0	75,000
sub-total (350)	0	0	0	75,000	0	75,000
TRANSIT AREA IMPACT FEE CIP FUND						
Capital Improvement Projects	0	0	0	0	975,000	975,000
sub-total (351)	0	0	0	0	975,000	975,000
WATER M & O FUND						
City Manager	58,542	0	0	0	0	58,542
Finance Operations	689,030	125,090	30,000	0	0	844,120
Public Works Administration	251,371	5,099	0	0	0	256,470
Utility Maintenance	1,411,056	519,916	189,600	0	0	2,120,572
Engineering Administration	69,322	0	0	0	0	69,322
Utility Engineering	792,632	782,700	0	0	0	1,575,332
Non-Departmental	277,365	16,641,142	0	0	0	16,918,507
Debt Service	0	0	0	1,500,000	0	1,500,000
sub-total (400)	3,549,318	18,073,947	219,600	1,500,000	0	23,342,865
WATER CIP						
Capital Improvement Projects	0	0	0	0	23,010,000	23,010,000
sub-total (401)	0	0	0	0	23,010,000	23,010,000
RECYCLED WATER FUND						
SEWER M & O FUND						
City Manager	58,542	0	0	0	0	58,542
Information Services	0	12,000	0	0	0	12,000
Finance Operations	206,774	123,260	0	0	0	330,034
Public Works Administration	330,205	4,333	0	0	0	334,538
Utility Maintenance	1,273,243	221,864	29,600	0	0	1,524,707
Engineering Administration	69,322	0	0	0	0	69,322
Utility Engineering	643,346	126,600	0	0	0	769,946
Non-Departmental	229,365	5,947,657	0	0	0	6,177,022
Debt Service	0	0	0	684,000	0	684,000
sub-total (450)	2,810,797	6,435,714	29,600	684,000	0	9,960,111
SEWER CIP						
Capital Improvement Projects	0	0	0	0	6,440,000	6,440,000
sub-total (451)	0	0	0	0	6,440,000	6,440,000
EQUIPMENT MGNT FUND						
Fleet Maintenance	753,532	885,311	0	0	0	1,638,843
Non-Departmental	0	47,917	0	0	0	47,917
Equipment to be Depreciated	0	0	427,645	0	0	427,645

Financial Information Expenditures by Fund (Detail)

<u>Fund/Function</u>	<u>Personnel Services</u>	<u>Supplies & Contractual Svcs</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Total</u>
sub-total (500)	753,532	933,228	427,645	0	0	2,114,405
INFORMATION TEC REPLMT						
Information Services	0	0	157,500	0	0	157,500
sub-total (505)	0	0	157,500	0	0	157,500
PERMIT AUTOMATION FUND						
Plan Checking	158,838	0	0	0	0	158,838
Permit Center	0	62,300	0	0	0	62,300
Information Services	244,772	313,510	0	0	0	558,282
Prevention Div Admin	0	16,000	0	0	0	16,000
sub-total (506)	403,610	391,810	0	0	0	795,420
TOTAL	<u>74,906,999</u>	<u>44,630,148</u>	<u>956,822</u>	<u>2,259,000</u>	<u>44,213,256</u>	<u>166,966,225</u>

Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
City Council	434,016	-	-	-	-	434,016
City Manager	1,196,455	-	58,542	58,542	-	1,313,539
City Clerk	595,418	-	-	-	-	595,418
City Attorney	723,706	-	-	-	-	723,706
Building Inspection Services	2,297,711	-	-	-	-	2,297,711
Plan Checking	589,392	-	-	-	158,838	748,230
Building Administration	309,878	-	-	-	-	309,878
Permit Center	655,656	-	-	-	62,300	717,956
Information Services	2,452,668	-	-	12,000	715,782	3,180,450
Human Resources	1,212,719	-	-	-	-	1,212,719
Recreation Administration	1,158,809	-	-	-	63,960	1,222,769
Senior Citizen Services	724,077	-	-	-	-	724,077
Pre-K Enrichment	150,000	-	-	-	-	150,000
Youth Programs	559,402	-	-	-	-	559,402
Special Events	201,228	-	-	-	66,408	267,636
Marketing	150,970	-	-	-	-	150,970
Performing Arts	5,850	-	-	-	48,400	54,250
General Classes	266,759	-	-	-	-	266,759
Aquatics	330,715	-	-	-	-	330,715
Sports & Fitness	443,603	-	-	-	-	443,603
Adult Sports	11,860	-	-	-	-	11,860
Volunteer Services	42,290	-	-	-	-	42,290
Finance Administration	1,029,631	-	-	-	-	1,029,631
Finance Operations	1,581,729	74,246	844,120	330,034	15,000	2,845,129
Public Works Administration	646,538	-	256,470	334,538	1,275	1,238,821
Street Maintenance	1,184,062	-	-	-	305,236	1,489,298
Utility Maintenance	-	-	2,120,572	1,524,707	-	3,645,279
Park Maintenance	1,280,553	-	-	-	534,500	1,815,053
Trees & Landscape Mnt	479,255	-	-	-	416,600	895,855
Fleet Maintenance	-	-	-	-	1,638,843	1,638,843
Facilities Maintenance	2,428,749	-	-	-	98,648	2,527,397
Engineering Administration	228,097	-	69,322	69,322	-	366,741
Design & Construction	773,654	-	-	-	-	773,654
Land Development	1,276,512	-	-	-	-	1,276,512
Traffic Engineering	473,737	-	-	-	-	473,737
Utility Engineering	163,000	-	1,575,332	769,946	670,954	3,179,232

Financial Information Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
Planning	1,675,591	1,000	-	-	-	1,676,591
Neighborhood Services	997,076	255,772	-	-	728,000	1,980,848
Police Administration	824,954	-	-	-	-	824,954
Records	1,471,725	-	-	-	-	1,471,725
Personnel & Training	432,563	-	-	-	-	432,563
Communications	3,350,191	-	-	-	-	3,350,191
Community Relations	552,232	-	-	-	-	552,232
Patrol Services	15,461,610	-	-	-	16,318	15,477,928
Traffic	1,761,014	-	-	-	-	1,761,014
Crossing Guards	440,050	-	-	-	-	440,050
Investigations	3,794,727	-	-	-	60,000	3,854,727
Fire Administration	587,780	-	-	-	-	587,780
A/B/C Battalions Operations	15,004,522	-	-	-	-	15,004,522
Prevention Div Admin	500,532	-	-	-	16,000	516,532
Fire Insp, Plan Check & Invg	1,543,978	-	-	-	-	1,543,978
Disaster Prep & Public Ed	226,054	-	-	-	-	226,054
Non-Departmental	7,965,417	120,363	16,918,507	6,177,022	230,190	31,411,499
Debt Service	-	-	1,500,000	684,000	75,000	2,259,000
Equipment to be dprciated	-	-	-	-	427,645	427,645
Capital Improvement Project	-	-	23,010,000	6,440,000	14,763,256	44,213,256
TOTAL	82,648,715	451,381	46,352,865	16,400,111	21,113,153	166,966,225

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Internal Cost Allocation by Function Schedule

Indirect Costs					
	Police	Fire	Water	Sewer	Solid Waste
Legislation & Policy	15,906	17,231	18,557	10,604	30,486
General Administration					
City Manager	104,446	104,446	104,446	104,446	52,223
City Clerk	32,477	35,184	37,890	21,652	62,248
City Attorney	43,422	43,422	43,422	43,422	43,422
Human Resources	454,171	258,336	82,417	64,251	4,583
General Liability	206,915	117,695	37,548	29,272	2,088
Financial Services	695,928	470,403	586,516	304,186	18,041
Information Technology					
Citywide Support	759,781	432,169	137,876	107,485	7,668
Telephones	78,733	14,089	9,116	9,116	829
Cell Phones	5,372	4,395	3,419	3,907	
Retiree Medical Reserve and Other Non-Department					
Salaries & Benefits	944,375	638,338	795,904	412,781	24,482
Leave Cashout	233,114	277,501	20,961		6,197
Audit Fees	22,686	15,335	19,120	9,916	588
Uncollectible Accounts/ Collection Fee	3,703	3,316			
Contingent Reserve	151,242	102,230	127,464	66,107	3,921
Contractual Services	32,541	21,996	27,425	14,223	844
Facilities Maintenance	525,385	371,609	194,307	137,192	3,541
Utilities	558,477	395,015	206,545	145,833	3,764
Building Occupancy - Direct			80,113	79,316	11,601
Building Occupancy - Indirect	548,227	311,835	99,486	77,556	5,533
TOTAL INDIRECT COSTS	5,416,902	3,634,546	2,632,533	1,641,264	282,059
TOTAL DIRECT COSTS	27,616,482	18,666,996	23,274,714	12,070,997	715,929
TOTAL COSTS	33,033,384	22,301,541	25,907,247	13,712,261	997,988
INDIRECT COST RATE	19.6%	19.5%	11.3%	13.6%	39.4%

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, LLM, 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
2,651	23,859	26,510	78,204	67,600	291,609
104,446	104,446	156,668	52,223	156,668	1,044,455
5,413	48,716	54,129	159,680	138,029	595,418
43,422	65,134	43,422	108,556	246,060	723,706
75,001	65,626	97,918	64,584	45,834	1,212,719
34,169	29,898	44,610	29,424	20,881	552,501
99,133	101,947	94,431	79,896	80,296	2,530,778
125,468	109,785	163,806	108,042	76,675	2,028,755
13,260	17,404	14,089	13,260	11,603	181,500
8,302	3,419	9,767	2,442	977	42,000
134,524	138,342	128,143	108,419	108,962	3,434,270
33,050	10,202	23,255	34,919	10,801	650,000
3,232	3,323	3,078	2,604	2,618	82,500
	3,082	2,331	37,035	1,533	51,000
21,544	22,156	20,522	17,363	17,450	550,000
4,635	4,767	4,416	3,736	3,755	118,337
34,799	856,161	213,304	49,899	42,552	2,428,749
36,991	910,087	226,739	53,042	45,232	2,581,726
		(70,838)	(100,192)		
90,533	79,216	118,196	77,959	55,326	1,463,866
870,574	2,597,569	1,374,497	981,094	1,132,851	20,563,889
3,933,890	4,045,563	3,747,307	3,170,504	3,186,395	100,428,777
4,804,463	6,643,132	5,121,804	4,151,599	4,319,245	120,992,665
22.1%	64.2%	36.7%	30.9%	35.6%	20.5%

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 CIP Fund for:
	Midtown Parking Garage (3407)
	150,000
	sub-total
	<u>150,000</u>
From the Measure I TOT	To the Street Improvement CIP Fund for:
	Street Resurfacing Project (4284)
	2,150,000
	sub-total
	<u>2,150,000</u>
From the Community Planning Fee Fund	To the General Government CIP Fund for:
	City General Plan Update (3416)
	200,000
	sub-total
	<u>200,000</u>
From the Gas Tax Fund	To the Street Improvement CIP Fund for:
	Bridge Improvement (4271)
	750,000
	Electrical Vehical Charging Stations (4276)
	300,000
	Minor Traffic Improvements 2016 (4279)
	100,000
	ADA Curb Ramp Transition Program 2016 (4283)
	300,000
	Street Resurfacing Project 2017 (4284)
	1,500,000
	sub-total
	<u>2,950,000</u>
From the 95-1 Lighting/Lscape Dist	To the General Government CIP Fund for:
	McCarthy Blvd Landscape & Lighting (3402)
	18,256
	sub-total
	<u>18,256</u>
From the 05 Community Fclty Dist	To the General Fund for:
	Operating Cost Reimbursement
	144,000
	sub-total
	<u>144,000</u>
From the 08 Community Fclty Dist	To the General Fund for:
	Operating Cost Reimbursement
	715,000
	sub-total
	<u>715,000</u>
From the Solid Waste Services	To the General Fund for:
	Operating Cost Reimbursement
	282,000
	sub-total
	<u>282,000</u>
* From the Vehicle Registration Fee	To the Street Improvement CIP Fund for:
	Street Resurfacing Project 2017 (4284)
	450,000
	sub-total
	<u>450,000</u>
* From the Park Improvement Fund	To the General Government CIP Fund for:
	Recycled Water On-Site Conversions (3417)
	300,000
	sub-total
	<u>300,000</u>
* From the Park Improvement Fund	To the Park Improvement CIP Fund for:
	Alviso Adobe Renovation (5055)
	50,000
	Weller House Acquisition (5106)
	25,000
	Higuera Adobe Park Picnic (5097)
	300,000
	Park Access Improvement & Resurfacing (5105)
	300,000
	sub-total
	<u>675,000</u>

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
* From the Park Improvement Fund	To the Transit Area Impact Fund for: Berryessa Creek Trail, Reach 4, 5, 6A (2007)
	150,000
	sub-total 150,000
* From the Midtown Park Fund	To the Park Improvement CIP Fund for: Higuera Adobe Park Picnic (5097)
	300,000
	Park Access Improvement & Resurfacing (5105)
	300,000
	sub-total 600,000
* From the General Government	To the Storm Drain CIP Fund for: Dempsey Rd Storm Drain Replacement (3709)
	830,000
	sub-total 830,000
* From the General Government	To the General Government CIP Fund for:
	Technology Projects (3427)
	100,000
	Shuttle/Circulation Study (3428)
	60,000
	Recycled Water On-Site Conversions (3417)
	500,000
	Performing Arts Facility (3429)
	20,000
	Midtown Street Light Project (3430)
	250,000
	City Building Improvements (3406)
	625,000
	Street Resurfacing Project 2014 (3412)
	335,000
	City Standard Details, Guidelines & Specs Update (3418)
	100,000
	Public Safety Communications Equipment (3419)
	270,000
	Public Safety Equipment (3420)
	100,000
	Replacement Fire Station Alert System (3421)
	220,000
	City Building Roofing Repairs (3422)
	100,000
	Police Records Management System (3423)
	700,000
	Citywide Park Playground Rehabilitation (3424)
	500,000
	Utility Undergrounding 2017 (3425)
	250,000
	Annual Sidewalk, Curb & Gutter Repair (3426)
	170,000
	sub-total 4,300,000
* From the General Government CIP	To the General Government Fund for: Defunding Street Resurfacing Project 2014 (3412)
	200,000
	sub-total 200,000
From the General Government CIP	To the Measure I TOT fund for: Defunding Fire Station Improvements (3403)
	600,000
	sub-total 600,000
* From the Storm Drain Development	To the Storm Drain CIP Fund for: Storm Drain System Rehabilitation (3700)
	335,000
	Trash Removal Devices (3713)
	350,000
	sub-total 685,000
* From the Storm Drain CIP	To the General Government Fund for: Defunding Penitencia Pump Station Improvements (3710)
	150,000
	sub-total 150,000
* From the Transit Area Impact Fee Fund	To the TASP Fee Fund for: Transit Area Specific Plan Update (2006)
	375,000
	Berryessa Creek Trail, Reach 4,5,6A (2007)
	150,000

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
Montague Expwy Pedestrian Overcrossing at Piper (2008)	100,000
SCVWD Second Water Supply Turnout (2009)	100,000
sub-total	725,000
* From the Transit Area Impact Fee CIP Fund	
To the TASP Fee Fund for: Defunding Lower Penitencia Creek Ped. Bridge (2005)	150,000
sub-total	150,000
* From the Transit Area Impact Fee CIP Fund	
To the Street Improvement CIP Fund for: TASP Underground Utility Dist.(4281)	40,000
sub-total	40,000
From the Water M & O Fund	
To the General Fund for: Operating Cost Reimbursement	2,633,000
sub-total	2,633,000
From the Water M & O Fund	
To the General Government CIP Fund for: Annual Sidewalk Curb & Gutter Repair (3426)	100,000
sub-total	100,000
From the Water M & O Fund	
To the Street Improvement CIP Fund for: Street Resurfacing 2017 (4284)	250,000
sub-total	250,000
* From the Water M & O Fund	
To the Water CIP Fund for: BART Project-Water Improvements (7125) Water Conservation Program (7126)	200,000 600,000
sub-total	800,000
* From the Water Line Extension Fund	
To the Water CIP Fund for: Abel St Pipeline Extension (7117) Recycled Water Pipeline Infill (4128)	90,000 1,500,000
sub-total	1,590,000
* From the Water Bonds	
To the Water CIP Fund for: Water System Seismic Improvements (7100) Water Valve Replacement (7130) Well Upgrade Project (7076) Automated Water Meter Replacement (7121) Recycled Water Pipeline Segment 1 (7129)	5,400,000 200,000 3,000,000 2,045,000 9,850,000
sub-total	20,495,000
From the Sewer M & O Fund	
To the General Fund for: Operating Cost Reimbursement	1,641,000
sub-total	1,641,000
From the Sewer M & O Fund	
To the General Government CIP Fund for: Annual Sidewalk Curb & Gutter Repair (3426)	100,000
sub-total	100,000
From the Sewer M & O Fund	
To the Street Improvement CIP Fund for: Street Resurfacing 2017 (4284)	250,000
sub-total	250,000

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
* From the Sewer M & O Fund	To the Sewer CIP Fund for:
	Minor Sewer Projects 2016 (6122) 50,000
	Sanitary Sewer Condition Assessment (6119) 165,000
	Sanitary Sewer Overflow Improvements (6123) 25,000
	SJ/Santa Clara Regional Waste Water (6118) 4,200,000
	sub-total 4,440,000
From the Sewer M & O Fund	To the Water CIP Fund for:
	Cathodic Protection Improvements (7115) 125,000
	sub-total 125,000
* From the Treatment Plant Construction	To the Sewer CIP Fund for:
	SJ/Santa Clara Regional Waste Water (6118) 1,000,000
	sub-total 1,000,000
* From the Sewer Infrastructure Replmnt	To the Sewer CIP Fund for:
	SJ/Santa Clara Regional Waste Water (6118) 1,000,000
	sub-total 1,000,000
	TOTAL TRANSFERS: 51,188,256

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

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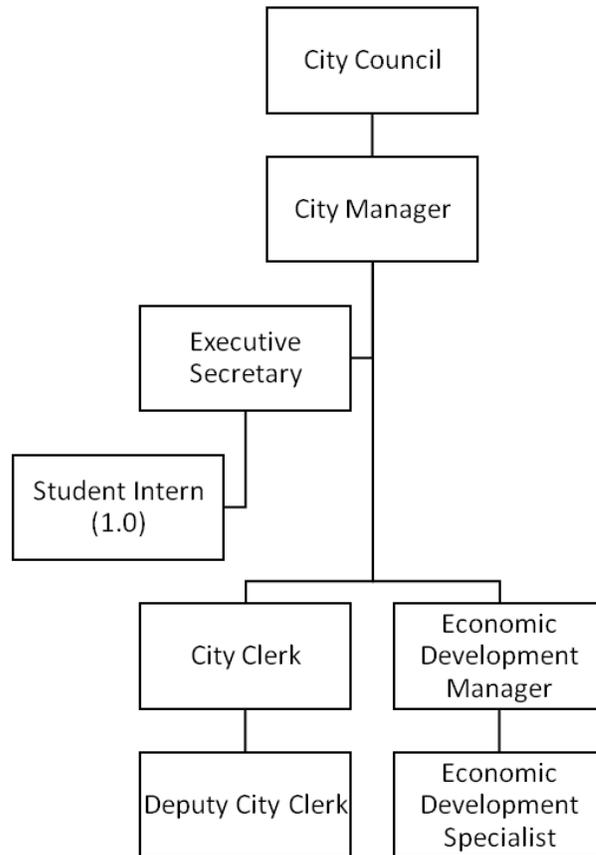
Mission Statements

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 Departments.

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
2015-2016 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 2016-17.	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. Reduced General Fund cost by \$3.2 million.	x	x		x	
2016-2017 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 2017-18.	x	x		x	x
4. Provide sound fiscal policies and economic stability for the City.		x	x	x	
5. Review and adopt policies to increase efficiency for service delivery.	x	x		x	

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
City Council Meetings	22	29	33	22
Commission Meetings	132	137	124	126
Subcommittee Meetings	45	49	49	73
County/Regional Agency/Association Meetings	260	260	260	260

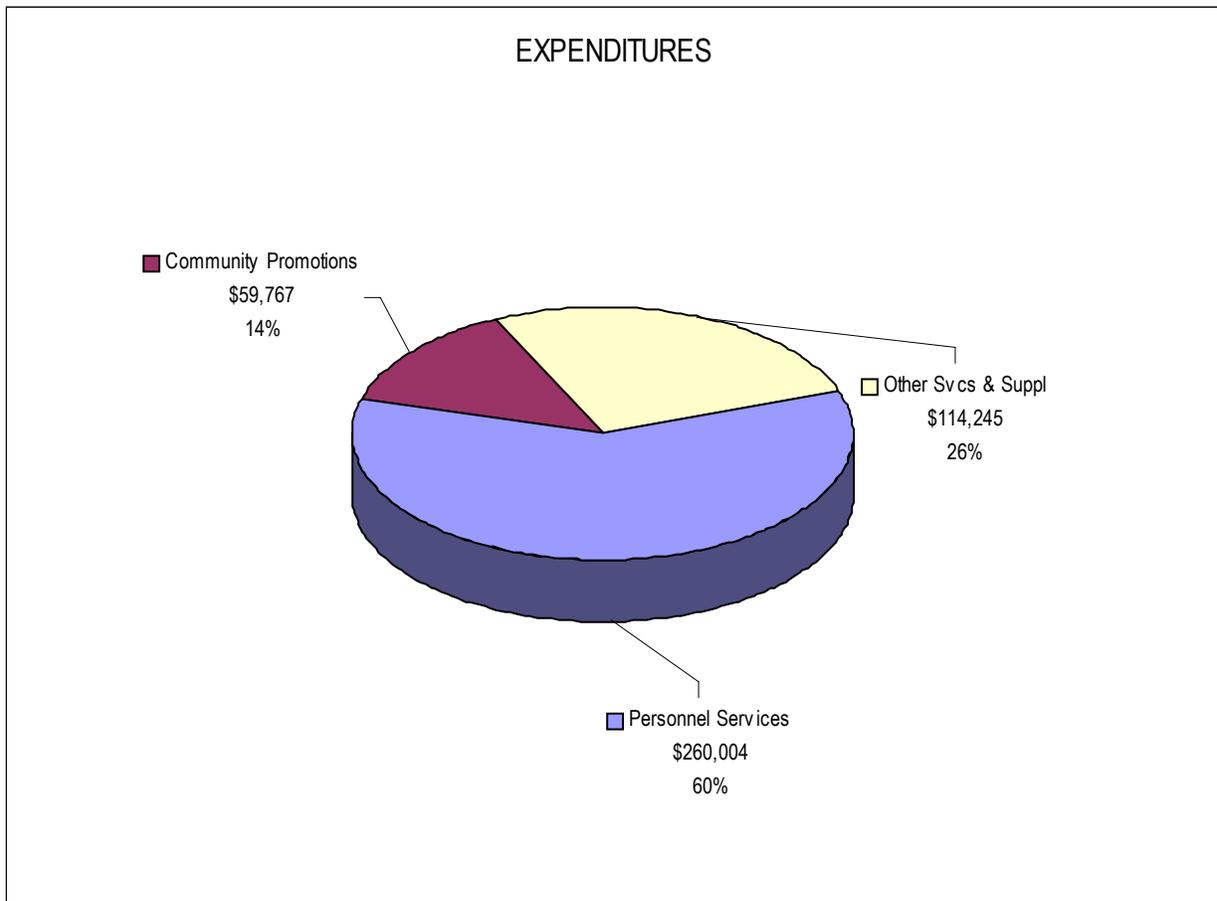
Personnel Allotment of 5 FTE

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

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to restoration of group insurance benefits and increased PERS contribution rate.
Services and Supplies / Community Promotions	No significant changes.
Capital Outlay	None



Budgets Narrative and Summary City Council

	<u>Actual 2013-14</u>	<u>Actual 2014-15</u>	<u>Budget 2015-16</u>	<u>Approved 2016-17</u>
PERSONNEL SERVICES				
4111 Permanent Salaries	54,267	56,880	56,994	56,994
4112 Temporary Salaries	3,075	2,425	4,400	19,200
4121 Allowances	38,700	37,198	38,700	50,700
4131 PERS	8,997	12,609	20,926	22,114
4132 Group Insurance	405	434	420	109,200
4133 Medicare	1,016	1,115	1,434	1,434
4135 Worker's Compensation	248	176	296	296
4139 PARS	565	445	66	66
4151 Compensation Reduction	(8,727)	(3,692)	0	0
sub-total	<u>98,546</u>	<u>107,591</u>	<u>123,236</u>	<u>260,004</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	97,657	25,901	77,340	59,767
4220 Supplies	3,235	3,934	4,000	4,500
4230 Services	10,526	10,500	0	25,000
4501 Memberships and Dues	46,349	47,666	54,656	56,145
4503 Training	1,605	8,237	10,500	10,600
4520 Commissions and Boards	2,931	3,224	18,000	18,000
sub-total	<u>162,302</u>	<u>99,462</u>	<u>164,496</u>	<u>174,012</u>
TOTAL	<u><u>260,847</u></u>	<u><u>207,053</u></u>	<u><u>287,732</u></u>	<u><u>434,016</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
2015-2016 Accomplishments					
1. Implemented City Council priorities for fiscal year 2015-16.	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. Began 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	
2016-2017 Goals					
1. Implement City Council priorities for fiscal year 2016-17.	x	x		x	x
2. Provide leadership to municipal organization.	x	x	x	x	x
3. Continue to improve service delivery, permit streamlining and customer satisfaction.	x	x		x	
4. Implement financial strategies that ensure cost effective service delivery.		x	x	x	x
5. Continue to improve the economic base and fiscal health of the City.		x		x	x
6. Implement Citywide Planning Process.	x	x	x	x	x

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
City Council Meetings	26	23	23	23
Capital Improvement Program Projects Completed	15	10	8	10
Conduct meetings with developers	83	85	45	50

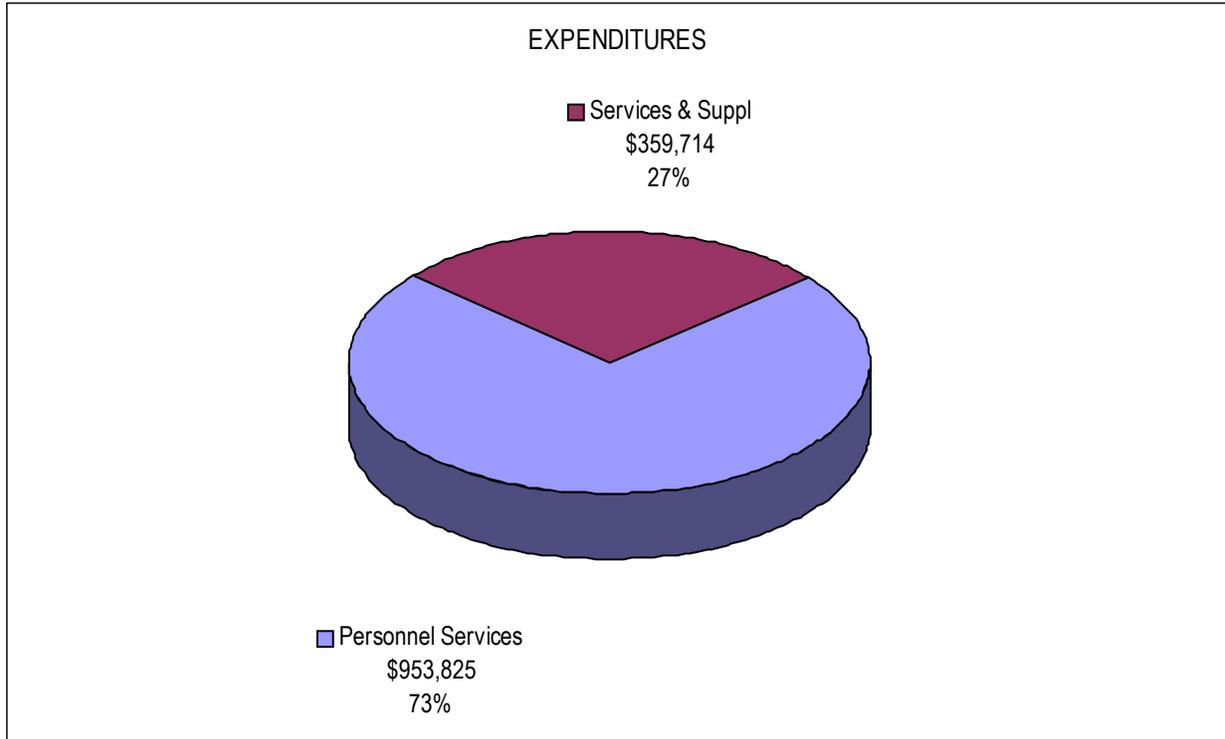
Personnel Allotment of 7 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Manager	1	1		Economic Dev. Specialist	1	1	
Assistant City Manager	1		1	Executive Secretary	2	1	1
Economic Dev. Manager	1	1		Temporary Positions (FTE)	1	1	
				TOTAL	7	5	2

Staff Change(s): Defund Assistant City Manager position and fund one Economic Development Specialist.

Expenditure Analysis

Personnel Services	Decrease attributed to defunding of Assistant City Manager position, offset by funding of Economic Development Specialist.
Services and Supplies	Increase attributed to contractual services.
Capital Outlay	None

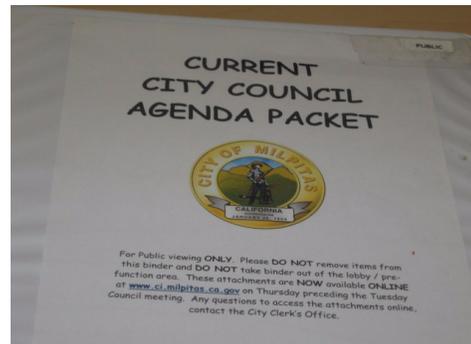


	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	330,620	612,044	719,014	651,116
4112 Temporary Salaries	3,375	12,813	30,000	30,000
4113 Overtime	(295)	2,493	0	0
4121 Allowances	1,800	3,150	0	0
4124 Leave Cashout	9,601	25,630	0	0
4131 PERS	76,511	153,811	195,670	168,878
4132 Group Insurance	38,879	64,458	84,912	65,592
4133 Medicare	4,941	9,354	10,919	7,713
4135 Worker's Compensation	1,336	2,129	3,722	2,620
4138 Deferred Comp-Employer	0	1,044	3,600	2,700
4139 PARS	50	190	450	450
4161 Retiree Medical Reserve	15,936	34,092	35,748	24,756
sub-total	<u>482,754</u>	<u>921,208</u>	<u>1,084,035</u>	<u>953,825</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	0	5,000	7,000
4211 Equip Replacement Amortization	2,950	3,146	3,309	3,234
4220 Supplies	5,256	6,940	7,000	7,000
4230 Services	88,716	184,472	135,000	305,000
4501 Memberships and Dues	670	9,120	23,480	25,980
4503 Training	1,333	1,515	10,500	11,500
4520 Commissions and Boards	0	130	0	0
sub-total	<u>98,925</u>	<u>205,323</u>	<u>184,289</u>	<u>359,714</u>
TOTAL	<u><u>581,679</u></u>	<u><u>1,126,531</u></u>	<u><u>1,268,324</u></u>	<u><u>1,313,539</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, Housing Authority and Successor Agency.

- Ensures municipal records are readily available and accessible to all and serve as main source point of information for residents, City officials and staff, and other governments.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government ordinance.
- Provides centralized records management, including creating and retention of all meeting agendas and minutes of all City Council and other entity meetings.
- Coordinates outreach and tracking of appointments to 14 City Commissions.
- Maintains codification of ordinances, i.e. ensures publication of Milpitas Municipal Code.
- Administers municipal elections, including candidate filing in November of even years, and receives required campaign finance reports on semi-annual basis.
- Receives and files annual Form 700/ Statements of Economic Interest for all designated employees, Commissioners, and elected officials.
- Responsible for requests for Rental of City Hall facilities.
- Operates a U.S. Passport Acceptance Agency for passport applications.
- Conducts Administrative Hearings, upon request, for Parking Citation violations.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2015-2016 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for 22 regular meetings and additional special meetings, when called.	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 400 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. 4, 2016.	x		x		
6. Continued Passport Application Acceptance program.	x	x	x		
7. Assisted residents with Notice of Intent for possible ballot measure(s)	x		x		
2016-2017 Goals					
1. Prepare all City Council, Housing Authority, Public Financing Authority, EDC meetings' agendas and minutes.	x				
2. Administer all procedures for Municipal Election on November 8, 2016 for candidates and ballot measure(s).	x	x	x	x	
3. Continue Passport Acceptance Agency program with service by appointment only.	x			x	
4. Provide new 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 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 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
City Council agenda items processed	338	364	310	300
Passport applications accepted	1,605	1,624	2,100	2,200
# of Candidates assisted in Municipal Election	N/A	8	N/A	10
# of Administrative Hearings conducted for Parking Violation Citation appeals	7	0	0	4

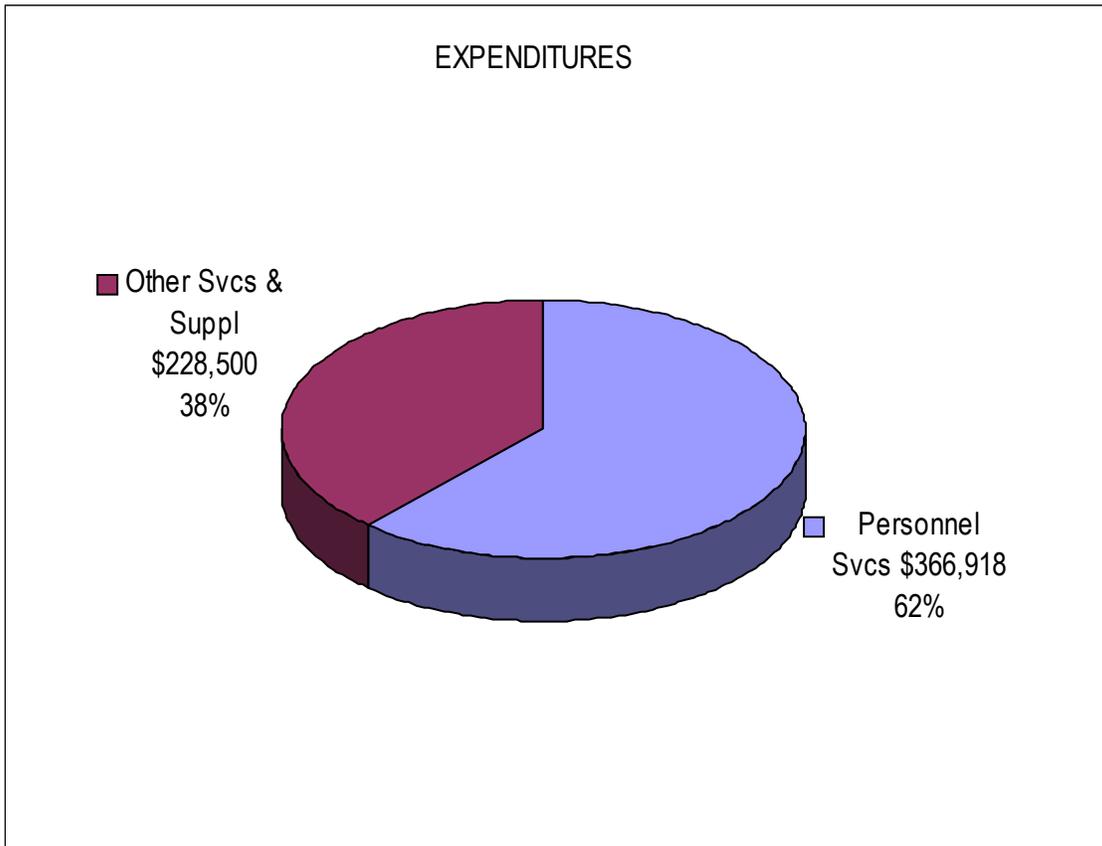
Personnel Allotment of 3 FTE

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

Staff Change(s): None.

Expenditure Analysis

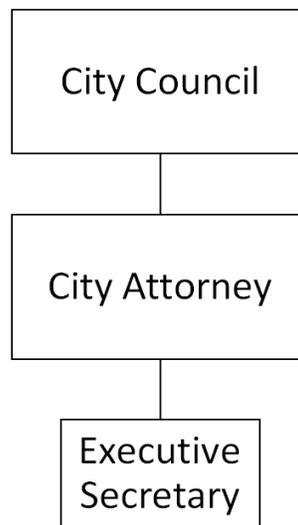
Personnel Services	Increase due to increased PERS employer contribution rate.
Services and Supplies	Increase due to cost related to Municipal Election scheduled on November 8, 2016
Capital Outlay	None



	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	230,806	216,777	239,766	236,667
4112 Temporary Salaries	0	390	0	0
4121 Allowances	0	692	0	0
4124 Leave Cashout	0	32,921	0	0
4131 PERS	27,261	37,494	54,460	68,292
4132 Group Insurance	45,104	36,870	42,456	43,680
4133 Medicare	2,039	2,587	3,504	3,461
4135 Worker's Compensation	947	685	1,196	1,179
4138 Deferred Comp-Employer	1,800	895	1,800	1,800
4139 PARS	0	6	0	0
4161 Retiree Medical Reserve	11,309	11,530	11,998	11,839
sub-total	<u>319,267</u>	<u>340,847</u>	<u>355,180</u>	<u>366,918</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	1,485	1,206	3,000	3,000
4230 Services	22,372	14,123	25,000	30,000
4280 Elections	0	197,011	0	190,000
4501 Memberships and Dues	906	530	1,200	1,500
4503 Training	1,613	1,013	4,000	4,000
sub-total	<u>26,375</u>	<u>213,882</u>	<u>33,200</u>	<u>228,500</u>
TOTAL	<u><u>345,642</u></u>	<u><u>554,729</u></u>	<u><u>388,380</u></u>	<u><u>595,418</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.



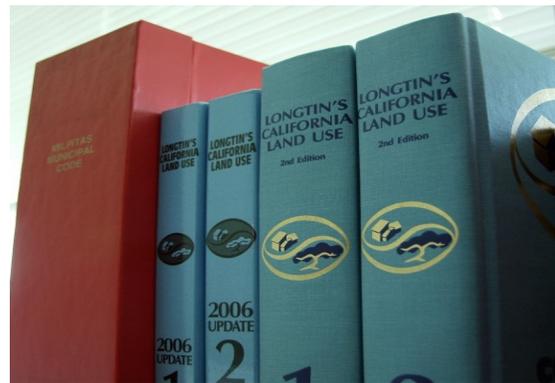
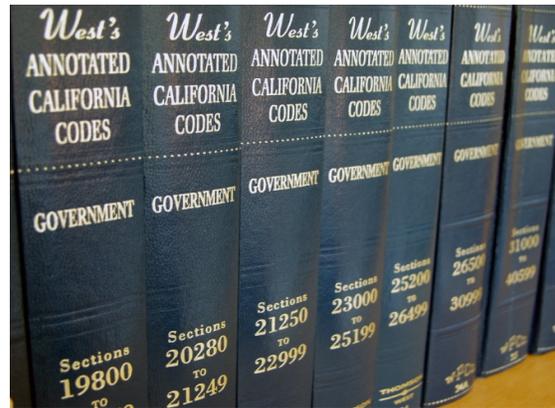
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DEPARTMENT: Office of the City Attorney	CITY ATTORNEY: Christopher J. Diaz
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Description: This department provides general legal advice and services to the City Council, RDA Successor Agency, Housing 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 development agreements with developers and provides guidance in all personnel matters. This department represents the City in litigation.

Services

- General legal advice
- Employee labor group negotiations; personnel advice
- Litigation
- Employee legal training
- Compliance advice related to current and forthcoming Federal and State regulations
- Housing Authority and RDA successor agency legal services
- Land use advice and document preparation
- Conflict of Interest and Open Government guidance



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2015-2016 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. Provided legal training to staff, commissions, etc.			X	X	
4. Advised/prepared documents for numerous Planning projects.	X	X	X	X	
5. Handled/supervised numerous administrative and court actions.	X			X	X
6. Advised/prepared documents for District Centre Pointe & Houret Court project entitlements and zone change.	X	X		X	
7. Advised on various ordinances, including Special Events, Single Use Plastic Bags, Water Rates Adjustment, and Administrative Citation Process ordinances.	X	X		X	X
2016-2017 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 re: odor mitigation project.	X	X		X	X
5. Provide ongoing advice re: TASP, including BART project.	X	X		X	X
6. Complete City Council Handbook update.	X			X	X
7. Update various Municipal Code sections, as authorized.	X	X		X	X

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Agenda contracts drafted/reviewed/edited	107	126	71	80
Ordinances/resolutions drafted/reviewed/edited	120	117	70	80
Court /administrative proceeding appearances	36	31	37	35
Contract complaints/agenda contracts	0/107	0/126	0/71	0/80
% of documents timely produced for agenda	100	100	100	100

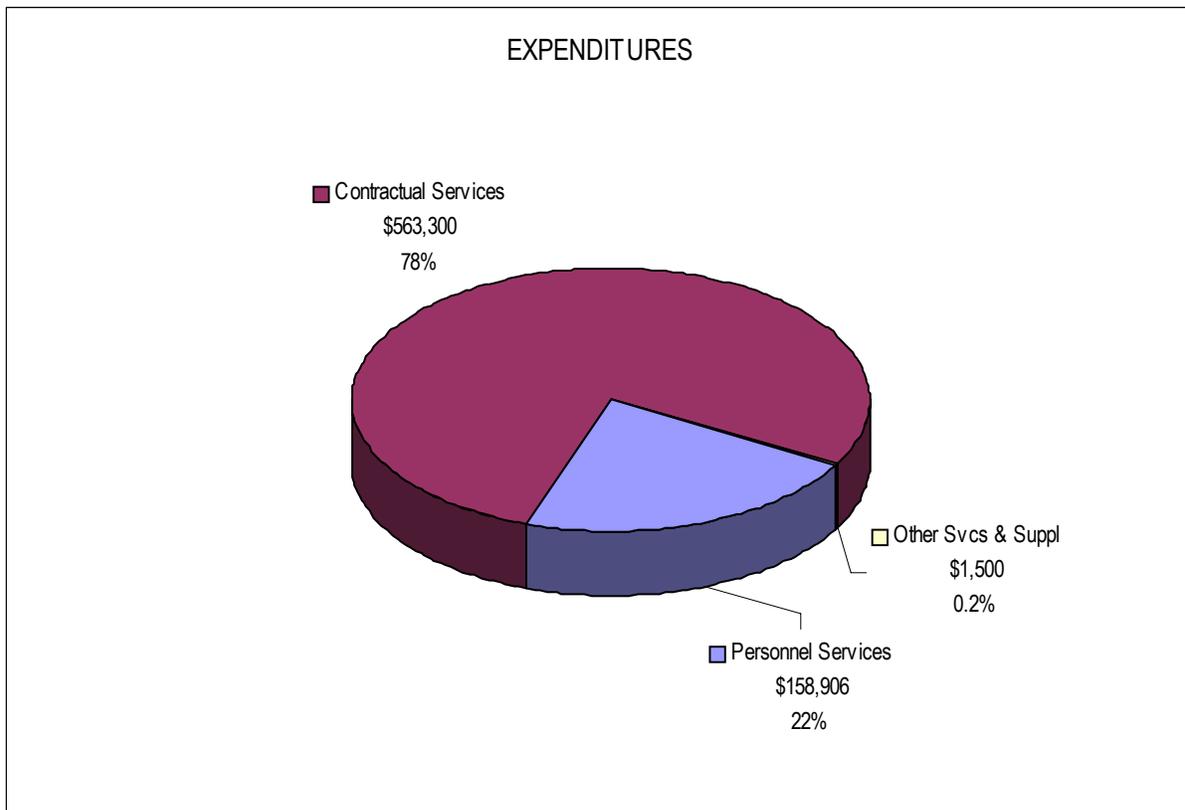
Personnel Allotment of 4 FTE

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	1	3

Staff Change(s): Defund City Attorney and Assistant City Attorney.

Expenditure Analysis

Personnel Services	Decrease due to defunding of City Attorney and Assistant City Attorney.
Services and Supplies	Increased contractual services as a result of the move to outside law firm model.
Capital Outlay	No change.



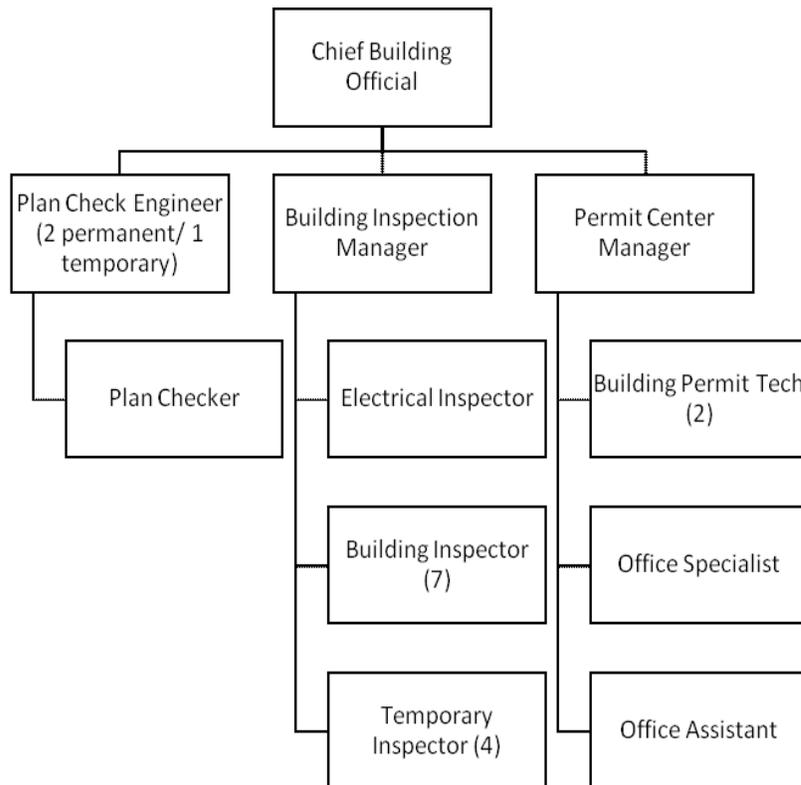
	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	435,253	462,971	475,732	102,564
4112 Temporary Salaries	672	1,725	0	0
4121 Allowances	1,800	1,385	0	0
4124 Leave Cashout	9,159	19,666	0	0
4131 PERS	96,131	124,754	148,610	27,058
4132 Group Insurance	70,420	72,652	63,684	21,840
4133 Medicare	6,448	7,055	6,944	1,504
4135 Worker's Compensation	1,872	1,355	2,326	456
4138 Deferred Comp-Employer	905	1,212	2,700	900
4139 PARS	10	29	0	0
4161 Retiree Medical Reserve	22,200	22,644	23,244	4,584
sub-total	<u>644,871</u>	<u>715,448</u>	<u>723,240</u>	<u>158,906</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	13,062	13,700	14,000	1,500
4230 Services	638,902	210,194	106,000	563,300
4410 Communications	1,740	1,322	1,400	0
4501 Memberships and Dues	1,150	860	1,700	0
4503 Training	3,339	3,232	5,700	0
sub-total	<u>658,193</u>	<u>229,308</u>	<u>128,800</u>	<u>564,800</u>
TOTAL	<u><u>1,303,064</u></u>	<u><u>944,755</u></u>	<u><u>852,040</u></u>	<u><u>723,706</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 improvement, 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 construction and safeguard citizens of the City through enforcement of California Building Codes, State and Federal regulations. We work to promote and ensure that new 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, parks and community projects are constructed in accordance with approved plans and applicable State and local regulations.
- Schedules inspections, provides access to inspection results and plan check status using Integrated Voice Recognition System (IVR), on-line or by phone.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance using “One Point of Contact” approach.
- Issues permits, including permits submitted by fax, on-line, and by mail.
- Processes permit applications, collects permit fees, performs records research, and maintains the building plans and records.
- Provides permit submittal information to the public and responds to codes-related questions in person, by telephone, e-mails and through web site.
- Provides general information related to City services and operations. Directs customers to proper City staff members, Departments and outside agencies.
- Provides and updates submittal requirements, checklists, design guidelines and pamphlets to explain how to obtain permits and comply with construction requirements.
- Develops and updates easy-to-follow web site allowing customers to receive up-to-date information on code requirements, submit permit applications, 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
2015-2016 Accomplishments					
1. Continued to enhanced public outreach by sending e-Newsletters to more than 3,000 customers and using social media.	X	X			X
2. Continued to improve automation of inspection reporting and time tracking.	X	X	X	X	
3. Continued to utilize same plan checker and inspector from project start to finish.	X	X	X	X	X
4. Increased the range of project types available for online plan submittal.	X	X	X	X	X
5. Improved the inspection efficiency by enhancing the field permitting software.	X	X	X	X	
6. Continued cross-training of staff to improve consistency and efficiency	X		X	X	X
7. Provided efficient permitting process for issuance of over 3,000 permits.	X	X	X	X	X
2016-2017 Goals					
1. Continue to improve automation of inspection reporting and time tracking systems.	X	X			X
2. Continue to improve on-line plan submittal and electronic plan review.	X	X	X	X	
3. Streamline and automate occupancy certification process.	X	X	X	X	
4. Continue cross-training of staff to improve consistency and efficiency.	X		X	X	
5. Continue to utilize same plan checker and inspector from project start to finish.	X	X	X	X	X
6. Improve coordination and efficiency with other departments involved in plan review.	X	X	X	X	X

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
New Construction Valuation (Millions)	\$378	\$254	\$255	\$255
Total Building Permits Issued/Avg. Permits Issued per day	4,534/17	4,216/16	4,200/16	4,200/16
Total Plan Checks /% Express Plan Checks *	1,397/46	1,253/37	1,500/42	1,500/42
Number of Customers Served/Avg. Waiting Time to assist customers (minutes)	4,625/1.5	5,492/1.5	5,500/1.5	5,500/1.5
Daily Inspections per Inspector/Avg. Min. **	10/35	10/35	9/45	9/45
Customer Survey overall rating Excellent / Good	99%	99%	99%	99%
Plan Checks completed on schedule	90%	90%	85%	87%
Inspections completed on requested time	99%	96%	97%	97%
Accuracy of building plan check	99%	98%	98%	98%
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.

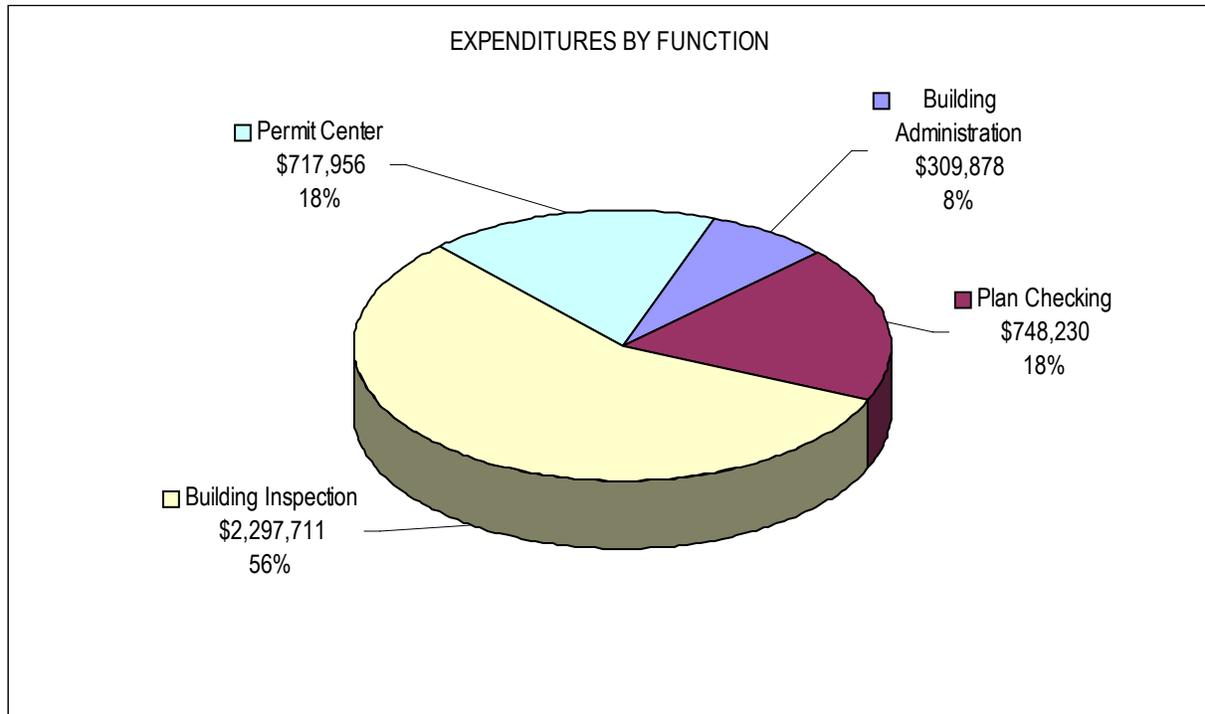
Personnel Allotment of 29 FTE

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)	5	5	
Permit Center Manager	1	1					
				TOTAL	29	23	6

Staff Change (s): Fund one dedicated temporary Building Inspector and one temporary Plan Check Engineer.

Expenditure Analysis

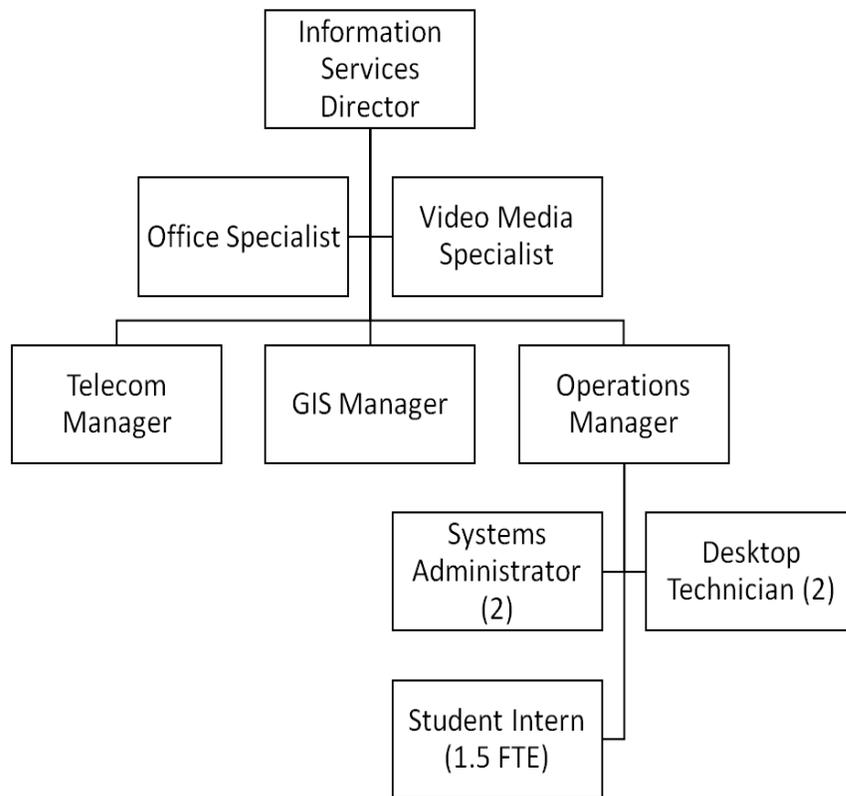
Personnel Services	Increase attributed to increased PERS employer contribution rate and additional temporary inspectors funded by developers.
Services and Supplies	Increase mainly due to purchase of new Building Code books.
Capital Outlay	Replacement of one vehicle.



	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	1,599,085	1,516,628	1,889,950	1,897,754
4112 Temporary Salaries	281,852	284,343	307,752	528,688
4113 Overtime	17,710	13,510	55,000	70,000
4124 Leave Cashout	47,318	75,635	0	0
4131 PERS	173,802	262,872	518,591	661,114
4132 Group Insurance	313,998	335,634	445,803	502,320
4133 Medicare	27,845	27,357	32,126	35,453
4135 Worker's Compensation	36,347	23,113	27,422	28,507
4138 Deferred Comp-Employer	1,800	6,289	16,200	16,200
4139 PARS	1,343	285	0	0
4161 Retiree Medical Reserve	88,824	84,310	109,688	120,245
sub-total	<u>2,589,925</u>	<u>2,629,977</u>	<u>3,402,532</u>	<u>3,860,281</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	21,595	23,392	24,224	37,464
4220 Supplies	8,767	9,420	27,675	31,550
4230 Services	39,439	35,625	65,550	65,550
4501 Memberships and Dues	1,321	1,175	1,530	1,530
4503 Training	10,125	8,857	26,500	49,400
sub-total	<u>81,246</u>	<u>78,469</u>	<u>145,479</u>	<u>185,494</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	28,000
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,000</u>
TOTAL	<u><u>2,671,171</u></u>	<u><u>2,708,445</u></u>	<u><u>3,548,011</u></u>	<u><u>4,073,775</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
2015-2016 Accomplishments					
1. Completed CAD system Upgrade.	X	X			X
2. Completed Website re-design.	X	X		X	
3. Completed aerial survey.	X	X		X	
4. Completed upgrade of PCs for Police and Fire.	X	X		X	X
5. Offsite and online training.	X		X		
2016-2017 Goals					
1. Complete CAD system upgrade.	X	X		X	X
2. Complete Records Management System Upgrade.	X	X		X	X
3. Complete Citywide MS Office Deployment.	X		X	X	X
4. Security System Replacement at City Hall.	X			X	

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Network Availability ^A	99.9%	99.9%	99.99%	99.99%
Percent of service requests completed within 1 hour	60.00%	60.00%	65.00%	70.00%
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)	75%	75%	80%	80%

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

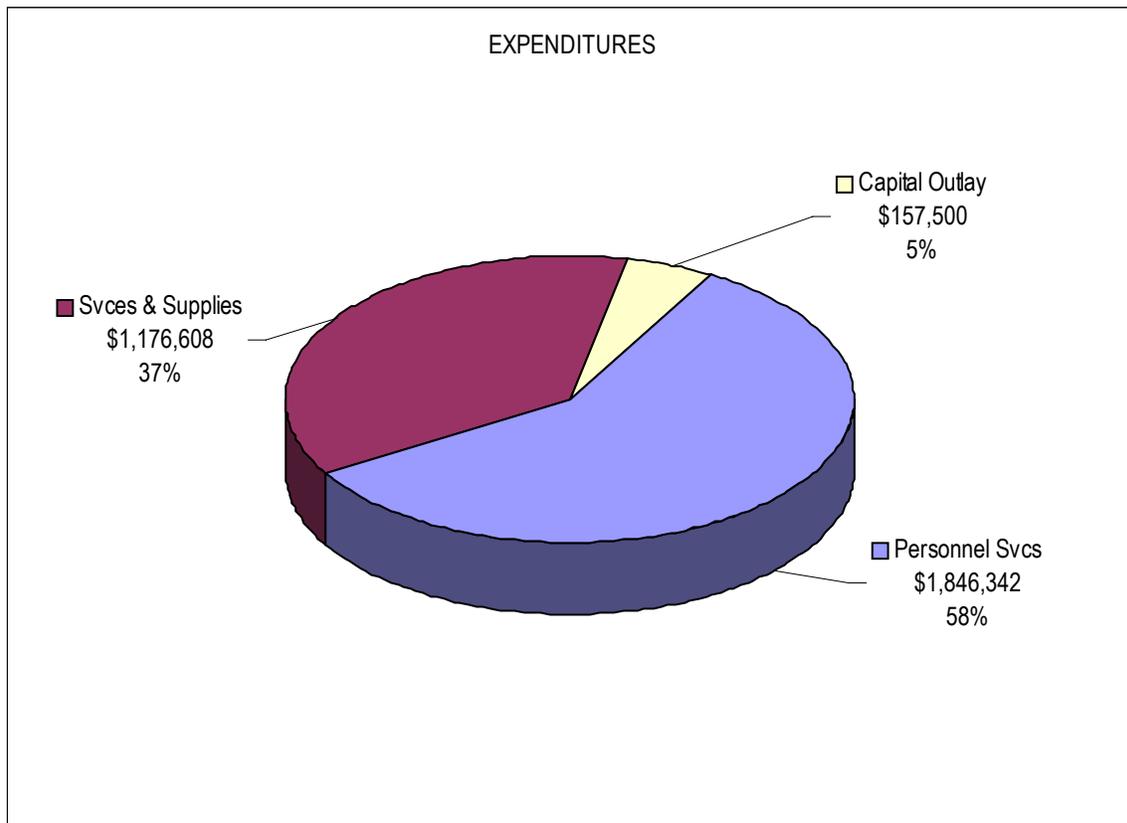
Personnel Allotment of 15.5 FTE

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	2	2				
TOTAL					15.5	11.5	4

Staff Change(s): Fund one Systems Administrator.

Expenditure Analysis

Personnel Services	Increase attributed to restoration of employees' concession, increased PERS employer contribution rate and 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.

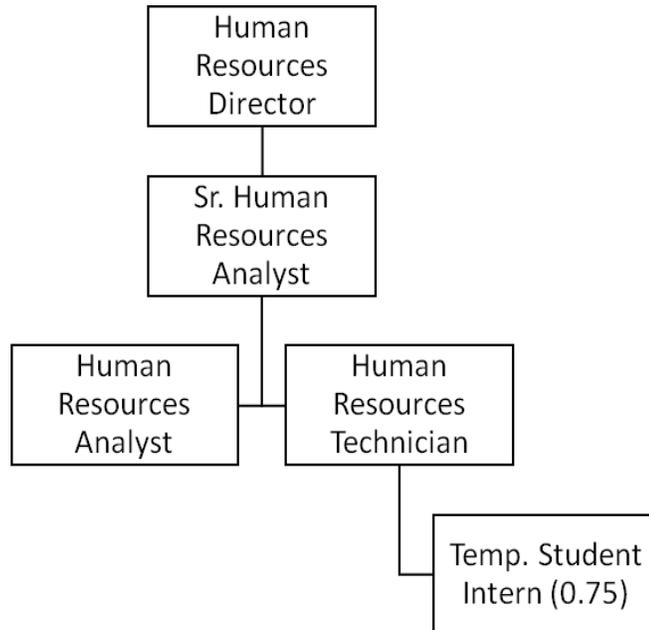


	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	1,052,092	1,018,183	1,032,350	1,152,040
4112 Temporary Salaries	15,968	2,453	75,000	75,000
4113 Overtime	(243)	0	0	0
4121 Allowances	0	2,135	0	0
4124 Leave Cashout	68,492	57,535	0	0
4131 PERS	91,188	156,838	248,600	309,304
4132 Group Insurance	149,945	138,664	191,052	218,400
4133 Medicare	16,463	15,709	15,090	17,930
4135 Worker's Compensation	4,596	3,405	5,142	6,115
4138 Deferred Comp-Employer	5,858	5,625	8,100	9,000
4139 PARS	240	36	0	1,125
4161 Retiree Medical Reserve	54,584	56,852	51,440	57,428
sub-total	<u>1,459,183</u>	<u>1,457,433</u>	<u>1,626,774</u>	<u>1,846,342</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	8,208	8,754	9,207	8,999
4220 Supplies	15,662	20,929	14,520	15,246
4230 Services	508,107	472,914	973,382	924,389
4410 Communications	148,634	161,413	212,857	223,500
4501 Memberships and Dues	80	0	0	0
4503 Training	3,807	5,542	4,260	4,474
sub-total	<u>684,498</u>	<u>669,552</u>	<u>1,214,226</u>	<u>1,176,608</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	207,482	314,075	150,000	157,500
sub-total	<u>207,482</u>	<u>314,075</u>	<u>150,000</u>	<u>157,500</u>
TOTAL	<u><u>2,351,163</u></u>	<u><u>2,441,060</u></u>	<u><u>2,991,000</u></u>	<u><u>3,180,450</u></u>

Mission Statement

The Human Resources Department is committed to:

Providing excellent service to all customers; 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, promoting balance between work and family, and a friendly work environment.



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DEPARTMENT:	Human Resources	HR DIRECTOR: Tina Murphy
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Description: The Human Resources Department is a centralized full-service department that provides Citywide services related to: 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.

- Recruitment - The Human Resources (HR) Department is committed to finding high-quality candidates in a timely manner. The department takes an aggressive approach in identifying and recruiting the most qualified candidates for City positions.
- Benefit Administration - The HR Department provides benefits administration to approximately 350 active employees with an excellent benefit package that includes medical coverage through CalPERS Health. 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 (TPA). Staff works closely with our TPA to ensure that all injured employees receive 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 applicants, employees, retirees, and residents with dignity and respect. We strive to ensure equal employment opportunities and a workplace free of discrimination and harassment. We encourage positive employer-employee relations and maintain a high level of service to those we serve.
- Training - The HR Department coordinates Citywide training on topics such as customer service, employee safety, benefits, harassment

prevention, ergonomics, leadership to provide professional and personal development opportunities for employees.



Human Resources

	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2015-2016 Accomplishments					
1. Held successful Open Enrollment with multiple employee centered events and informational sessions.	x	x		x	
2. Updated City's Harassment Prevention Policy (SOP #001) and Anti-Discrimination/Harassment Prevention Training	x	x	x	x	
3. Updated new employee benefits packet; enhanced online benefit forms; updated the Family Medical Leave Act (FMLA) Policy and forms.	x	x		x	
4. Increased recruitment advertisements on social media sites, including LinkedIn, Twitter (@MilpitasCityJob), and Facebook.	x	x		x	x
5. Successfully completed a total of 34 recruitments. Hired 18 new full-time and 49 new part-time employees and promoted 22 employees; provided new employees with new employee orientation; held 5 new employee Meet and Greet breakfasts.	x	x	x	x	x
6. Developed and distributed monthly Human Resources Employee Newsletters as a means of providing ongoing employee information.	x	x	x	x	x
7. Provide ongoing professional training to employees i.e., Customer Service Training, professional workshops, legally mandated training, wellness lunch & learns, CalPERS webinars	x	x	x		
8. Developed policy and implemented Paid Sick Leave for part-time employees in compliance with AB1522 Healthy Workplaces, Healthy Families Act of 2014.	x		x	x	
9. Implemented components of the Affordable Care Act (ACA) and developed ACA policy.	x			x	
2016-2017 Goals					
1. Effectively transition City-wide Volunteer Management program to Human Resources Department.	x	x		x	
2. Implement on-line requisition tracking system.	x	x		x	
3. Continue to streamline and enhance employee benefits administration by providing information to current and prospective employees through City's website, social media, and intranet sites.	x	x	x	x	x
4. Administer Personnel Action Form (PAF) process for routine items (e.g., longevity and step increases) to increase efficiency and timely data entry.	x			x	x
5. Host City employee recognition events.	x				x
6. Continue to improve the Performance Appraisal Review (PAR) Forms to effectively evaluate employee performance.	x	x		x	
7. Negotiate successor MOU for five bargaining units (MEA, ProTech, Mid-Con, POA, and IAFF).	x	x	x		
8. Conduct Classification and Compensation Study.	x	x	x		x
9. Implement job analyses for new and updated job descriptions.		x	x	x	
10. Prepare new City of Milpitas recruitment video.	x	x			x
11. Review, streamline, and update Human Resources policies and practices.	x	x		x	

Human Resources

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Average time to fill a vacancy. Number of days from posting job announcement to extending an offer.	N/A	N/A	90 days	90 days
Percentage of recruitments completed within established timelines. *	N/A	N/A	N/A	90%
Percentage of Customer Satisfaction Survey overall ratings Satisfied/Very Satisfied.	N/A	85%	80%	85%
Percentage of Training Satisfaction Survey overall ratings Good/Excellent. *	N/A	N/A	N/A	85%

*New Performance Measures effective 2016-17

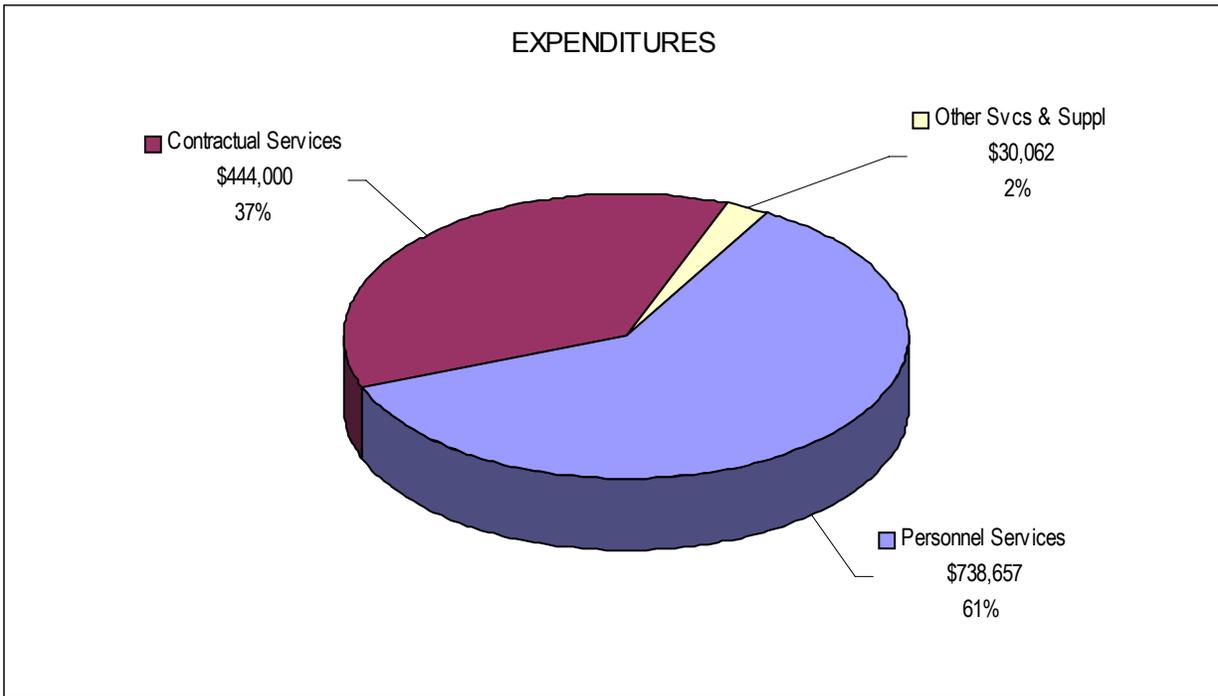
Personnel Allotment of 6.75 FTE

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): None.

Expenditure Analysis

Personnel Services	Increase due to PERS contribution rate.
Services and Supplies	Increase due to additional contractual services, training, and administrative costs.
Capital Outlay	None.



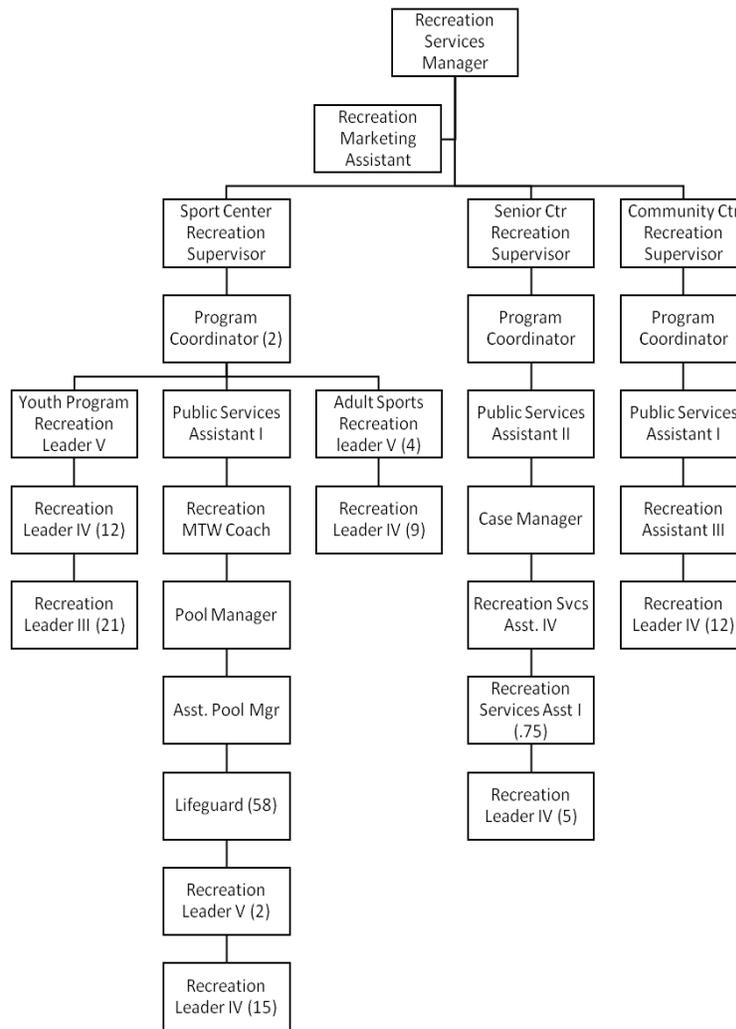
	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	348,563	349,162	466,844	459,695
4112 Temporary Salaries	25,748	32,928	25,600	26,520
4113 Overtime	0	460	1,000	1,000
4121 Allowances	2,507	1,385	0	0
4124 Leave Cashout	8,210	97,654	0	0
4131 PERS	40,290	57,997	108,688	128,570
4132 Group Insurance	50,266	57,926	84,912	87,360
4133 Medicare	5,528	7,027	7,189	6,709
4135 Worker's Compensation	1,584	1,126	2,426	2,295
4138 Deferred Comp-Employer	0	1,125	3,600	3,600
4139 PARS	385	289	384	0
4161 Retiree Medical Reserve	17,460	17,460	22,908	22,908
sub-total	<u>500,542</u>	<u>624,539</u>	<u>723,551</u>	<u>738,657</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	7,044	33	6,000	6,000
4220 Supplies	4,965	4,095	3,000	4,000
4230 Services	356,415	404,697	429,800	445,500
4501 Memberships and Dues	205	1,162	2,212	1,562
4503 Training	3,128	5,974	7,000	17,000
sub-total	<u>371,757</u>	<u>415,960</u>	<u>448,012</u>	<u>474,062</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	185	0	0	0
sub-total	<u>185</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>872,484</u></u>	<u><u>1,040,499</u></u>	<u><u>1,171,563</u></u>	<u><u>1,212,719</u></u>

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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**

Description: The department 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. 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.

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 five City Commissions. Provides a volunteer program where over 600 individuals serve their community.
- 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.
- 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.



Recreation

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2015-2016 Accomplishments					
1. Expanded the After the Bell after school program to include Spangler Elementary School.	x	x		x	
2. Promoted Recreation's Registration System, ActiveNet, and as a result increased online enrollment from 8% to 28%.	x	x	x	x	
3. Increased registration in Pre-K Enrichment classes by 60%.	x	x		x	
4. Increased the Adopt-A-Spot program participation from one, to four parks having a local organization/business sponsor.		x		x	x
2016-2017 Goals					
1. Offer a web based training/workshop through the Milpitas Volunteer Partner Program on Emergency Volunteer Centers to be better prepared for City-wide emergencies.	x	x		x	x
2. Provide two new non-traditional youth sports classes/camps such as futsal, indoor soccer, lacrosse and cricket.	x	x		x	
3. Diversify Senior Center programming by including six new classes and/or to expand center membership.	x	x		x	
4. Increase participation in the summer recreation swim program by 15%.	x	x		x	

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Recreation Program and Class Fees	\$1,688,810	\$1,707,580	\$1,800,000	1,800,000
Senior Center Membership	1,660	1,504	1,600	1,680
Facility Rental Revenue	\$238,006	\$292,311	\$300,000	300,000

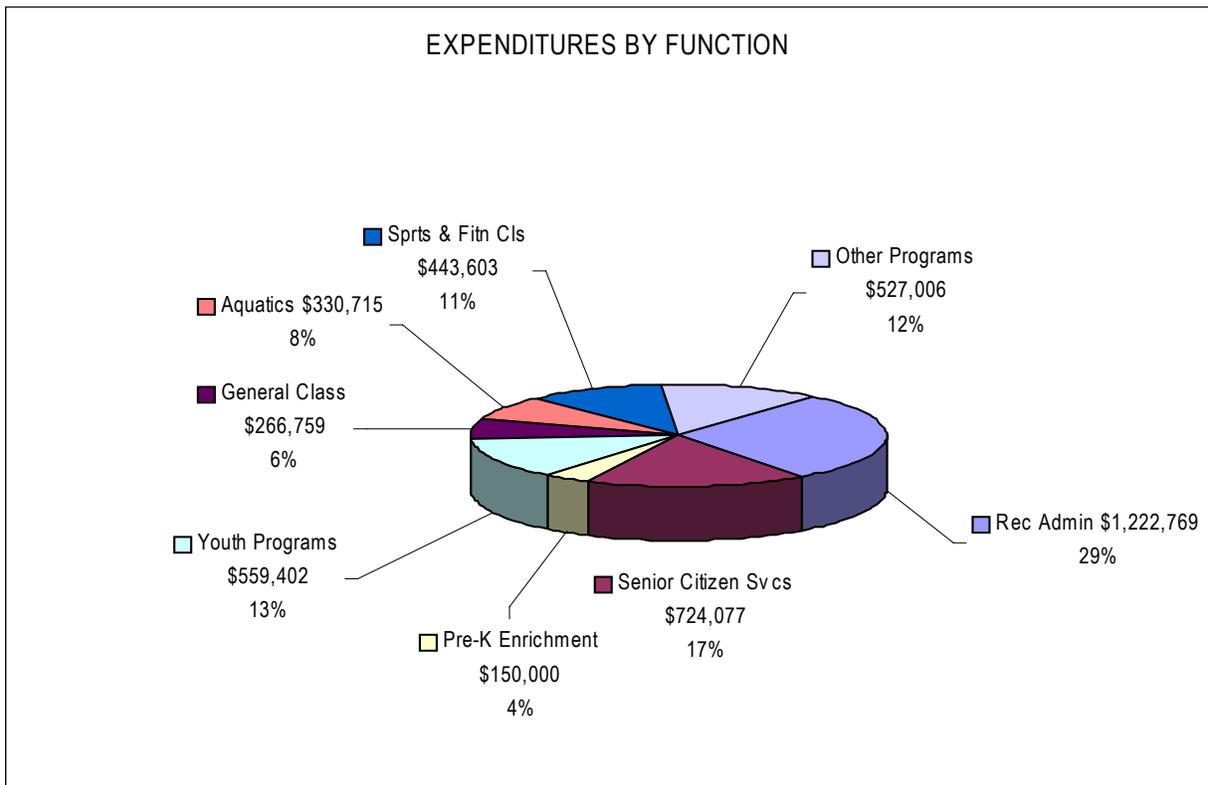
Personnel Allotment of 53.75 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Recreation Services Mgr	1	1		Recreation Marketing Asst	1	1	
Recreation Services Supv	3	3		Recreation Services Asst I	0.75	0.75	
Program Coordinator	4	4		Recreation Services Asst III	1	1	
Office Assistant II	2		2	Recreation Services Asst IV	1	1	
Public Services Asst II	3	3		Temporary Positions (FTE)	36	36	
Case Manager	1	1					
				TOTAL	53.75	51.75	2

Staff Change(s): None.

Expenditure Analysis

Personnel Services	Increase attributed to funding of one Recreation Services Supervisor position approved during FY15-16 and PERS rate increase.
Services and Supplies	No significant changes.
Capital Outlay	None



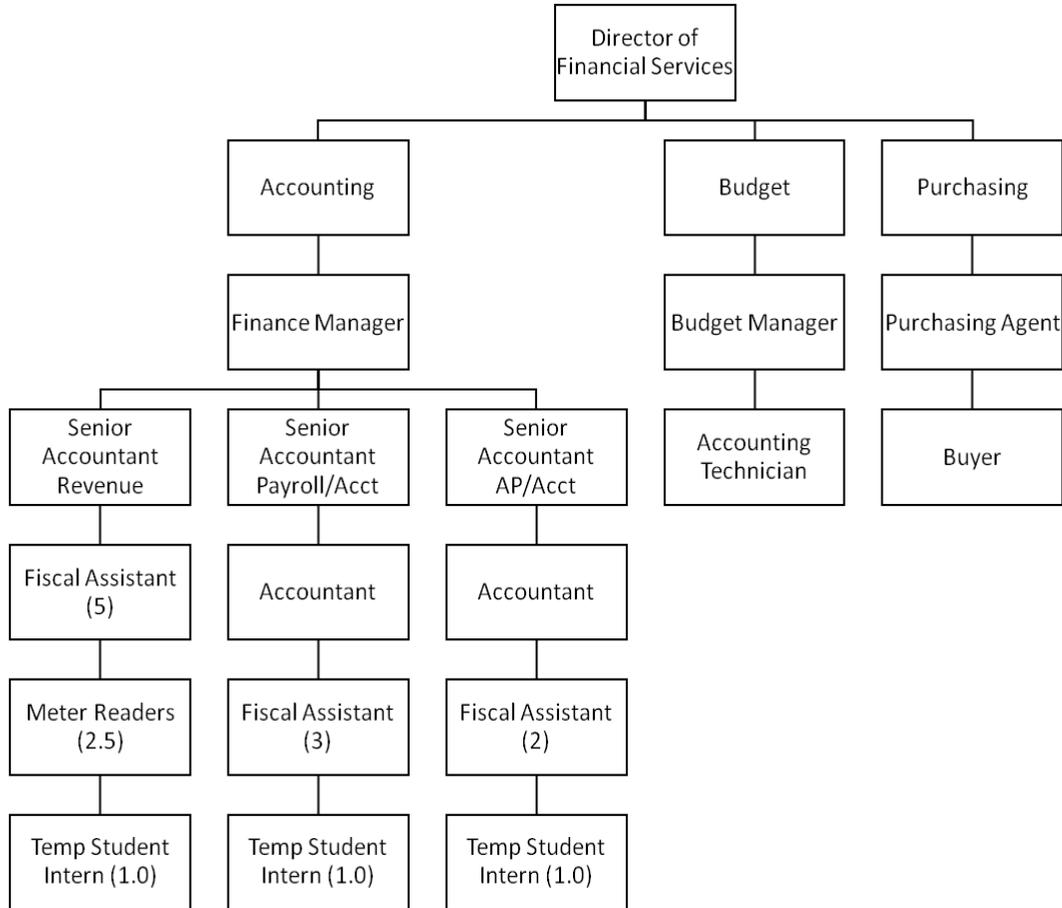
	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	883,507	927,426	1,110,022	1,211,866
4112 Temporary Salaries	843,090	795,830	857,776	950,706
4113 Overtime	10,690	12,406	7,000	15,000
4124 Leave Cashout	15,537	27,735	0	0
4131 PERS	104,432	151,041	290,528	339,894
4132 Group Insurance	221,702	240,563	313,207	343,980
4133 Medicare	24,152	25,281	28,951	31,570
4135 Worker's Compensation	13,360	9,997	16,961	18,248
4138 Deferred Comp-Employer	1,800	5,054	13,500	14,400
4139 PARS	10,357	11,206	11,363	13,273
4161 Retiree Medical Reserve	46,790	55,983	55,016	60,509
sub-total	<u>2,175,417</u>	<u>2,262,523</u>	<u>2,704,324</u>	<u>2,999,446</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	7,886	11,865	10,265	18,500
4211 Equip Replacement Amortization	26,051	43,707	58,434	47,605
4220 Supplies	214,460	269,721	245,871	265,393
4230 Services	672,792	728,234	871,690	881,297
4501 Memberships and Dues	1,910	1,530	2,495	3,310
4503 Training	1,690	4,699	5,750	6,800
4600 Ins, Settlements & Contgcy	1,113	1,600	1,980	1,980
sub-total	<u>925,903</u>	<u>1,061,356</u>	<u>1,196,485</u>	<u>1,224,885</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	16,717	0	0	0
4920 Machinery Tools & Equipment	5,430	4,988	0	0
sub-total	<u>22,147</u>	<u>4,988</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>3,123,467</u></u>	<u><u>3,328,867</u></u>	<u><u>3,900,809</u></u>	<u><u>4,224,331</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: Russell J. Morreale**

Description: Finance provides a key service role to all departments and manages the City's financial operations in accordance with industry standards and established fiscal policies. Prudent fiscal stewardship, customer service, compliance, strategic planning, transparency and effective financial reporting are key elements of its mission. 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.
- Prepares the Annual Financial Report in accordance with Generally Accepted Accounting Principles and pronouncements of the Governmental Accounting Standards Board.
- Prepares and maintains accurate financial records including grants, capital projects, enterprise funds, governmental funds, and fixed assets. Files required grant reports.
- Provides operating departments with timely and clear financial performance reports to assist them in their daily decision making. Maintaining a transparent web portal for financial reporting is also a key objective.
- Monitors all the capital projects that have external funding sources to ensure collection.
- Collects and records all City revenues including property tax, sales tax, various service fees, utility payments, business licenses, franchise fees and transient occupancy taxes, among others.
- 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.
- 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).
- 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.
- 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
2015-2016 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. Implemented and sent out the required Affordable Care Act (ACA) Forms to employees	x			x	
6. Processed invoices for payment within 5 working days from approval date.	x			x	
7. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
8. Provided 99.9% accuracy on initial meter reads.	x			x	
2016-2017 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. Review and update finance related SOPs (Standard Operating Procedures).	x			x	
6. Begin Automated Water Meter replacement project to provide real time consumption amounts to consumers.	x			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 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Consecutive years in receiving awards for:				
Distinguished Budget Presentation	14	15	16	17
Excellence in Financial Reporting	21	22	23	24
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)	10	10	10	10
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

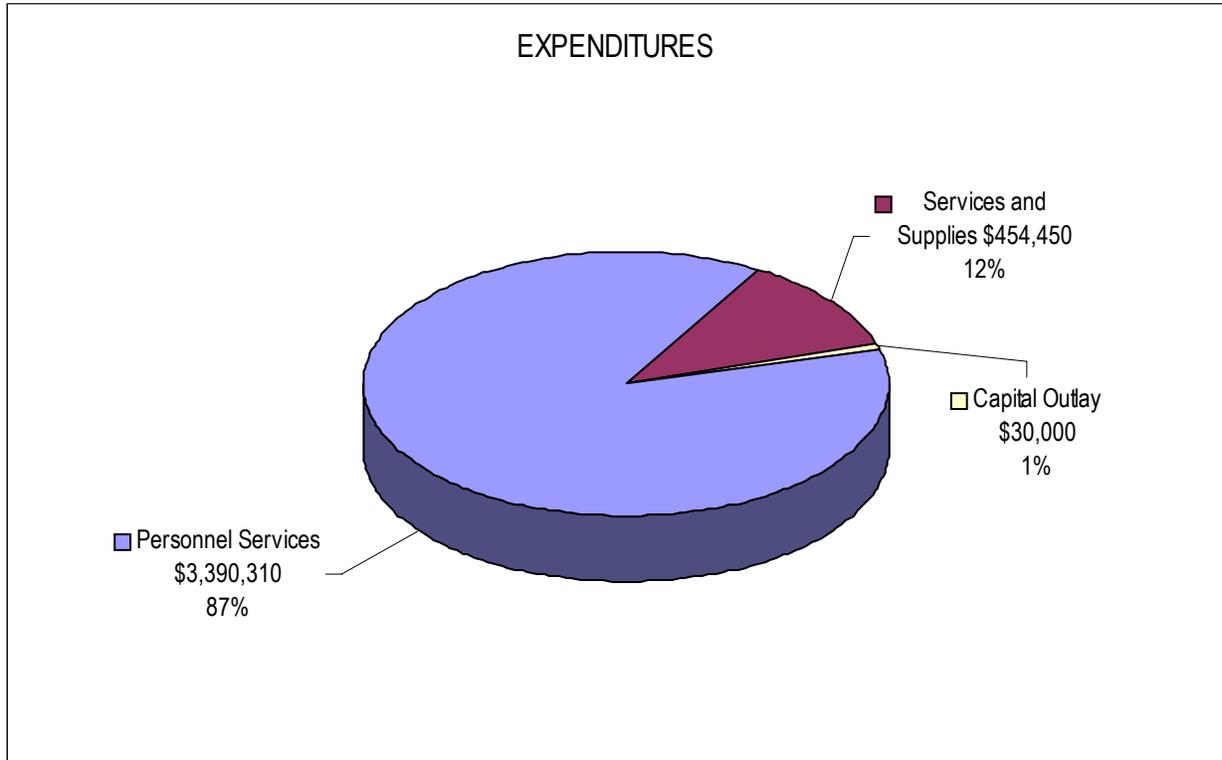
Personnel Allotment of 31.5 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Director of Financial Services	1	1		Senior Accountant	3	3	
Purchasing Agent	1	1		Accounting Technician	1	1	
Finance Manager	1	1		Fiscal Asst I/II	11	10	1
Budget Manager	1	1		Senior Fiscal Assistant	1		1
Accountant	3	2	1	Office Specialist	1		1
Finance Analyst I/II	1		1	Water Meter Reader II	2.5	2.5	
Buyer	1	1		Temporary Positions (FTE)	3	3	
TOTAL					31.5	26.5	5

Staff Change(s): Fund one Senior Accountant.

Expenditure Analysis

Personnel Services	Increase attributed to increased PERS employer contribution rate and funding of one Senior Accountant.
Services and Supplies	Increase attributed to contractual services.
Capital Outlay	Include Smart Water Meters.



	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	1,764,743	1,521,439	2,016,856	2,100,768
4112 Temporary Salaries	59,834	88,978	65,000	76,800
4113 Overtime	(512)	21,656	5,000	5,000
4121 Allowances	5,700	6,028	0	0
4124 Leave Cashout	36,437	30,198	0	0
4125 Accrued Leave	(13,764)	8,534	0	0
4131 PERS	190,080	250,287	491,160	569,107
4132 Group Insurance	356,272	353,826	477,636	513,240
4133 Medicare	26,808	23,958	30,445	31,771
4135 Worker's Compensation	12,093	9,004	13,583	14,151
4138 Deferred Comp-Employer	3,609	5,188	18,000	18,900
4139 PARS	451	945	585	1,152
4143 Charged to CIPs	0	0	(45,000)	(45,000)
4161 Retiree Medical Reserve	94,692	96,036	100,260	104,421
sub-total	<u>2,536,443</u>	<u>2,416,075</u>	<u>3,173,525</u>	<u>3,390,310</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	14,054	15,133	14,161	3,050
4220 Supplies	91,467	97,473	103,450	110,550
4230 Services	246,596	376,602	216,250	320,550
4501 Memberships and Dues	1,789	2,049	2,500	1,915
4503 Training	4,127	3,602	10,100	18,385
sub-total	<u>358,033</u>	<u>494,860</u>	<u>346,461</u>	<u>454,450</u>
CAPITAL OUTLAY				
4850 Vehicles	0	1,168	5,171	0
4870 Machinery & Equipment	11,963	0	0	0
4910 Office Furniture & Fixtures	365	0	0	0
4920 Machinery Tools & Equipment	4,749	16,804	0	0
4930 Hydrants & Meters	15,991	0	30,000	30,000
sub-total	<u>33,068</u>	<u>17,972</u>	<u>35,171</u>	<u>30,000</u>
TOTAL	<u><u>2,927,544</u></u>	<u><u>2,928,907</u></u>	<u><u>3,555,157</u></u>	<u><u>3,874,760</u></u>

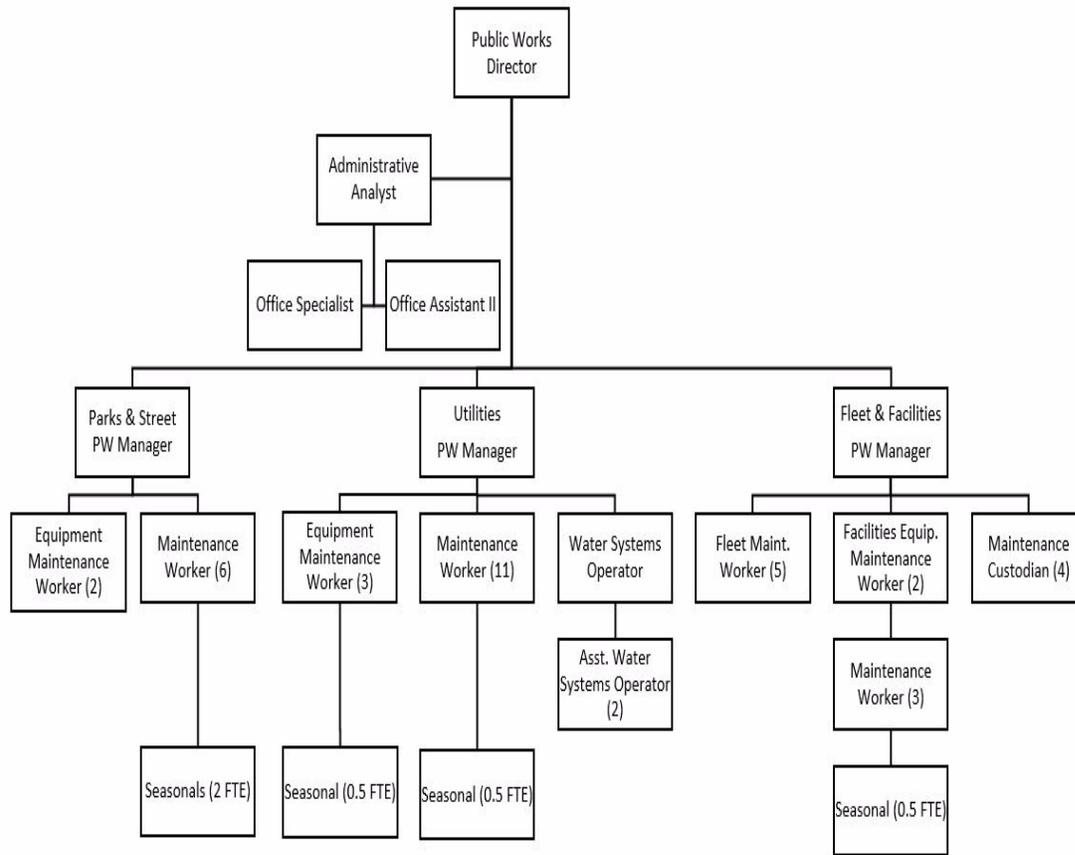
Mission Statement

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



Note: Four (4) new Sr. Public Works Lead Worker positions are proposed for the FY16-17 Budget. Once activated, they will replace four (4) existing positions following the completion of a closed promotional recruitment process. Sr. Public Works Lead Worker would report to a Public Works Manager.

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DEPARTMENT:**Public Works****PUBLIC WORKS DIRECTOR: Nina Hawk**

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, 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 206 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 175 miles of sewer lines and 2 pumping stations to discharge 8 million gallons per day to the San Jose/Santa Clara Water Pollution Control Plant.
- Operates and maintains the stormwater collection system, including 105 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
2015-2016 Accomplishments					
1. Responded to over 2,280 customer service requests.	x	x		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. Developed a Citywide water quality flushing program.					x
5. Provided safety training to staff to improve efficiency and reduce injuries.	x		x	x	x
6. Coordinated water system shutdowns for development and BART construction.	x	x		x	x
2016-2017 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 change out throughout the City.	x	x	x	x	x
7. Build a trailer with needed equipment and materials to respond to emergency.	x				x

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Customer service requests processed	2,880	2,280	2,794	2,800
City street and sidewalk miles maintained	139	139	139	139
Maintain minimum pavement condition Citywide (PCI)	70	70	74	74
City building square footage maintained	376,500	376,500	376,500	376,500
Traffic signals/street lights maintained	72/4,496	72/4,496	72/4,500	72/4,500
Street signs maintained	8,534	8,534	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	1,600/400	1,750/436	1,800/436
Average vehicle downtime (hrs.)	3	2.5	3	3

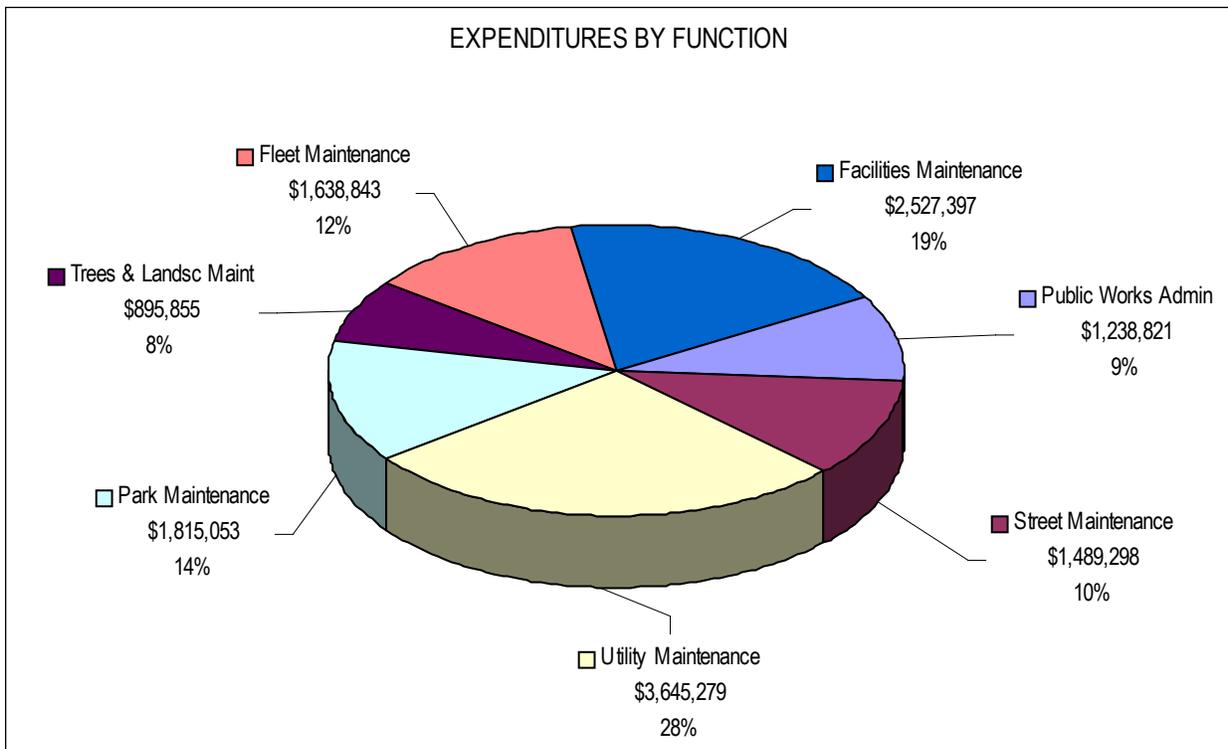
Personnel Allotment of 95.5 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
PW Director	1	1		Water System Operator	1	1	
PW Maintenance Manager	3	3		Asst Water System Operator	2	2	
Administrative Analyst II	1	1		Maintenance Custodian II	3	3	
Office Specialist	2	1	1	Maint Custodian I-40 Hr	1		1
Office Assistant II	1	1		Maint Custodian III	1	1	
Equipment Maint Worker II	2	2		Maintenance Worker I-37.5	1		1
Equipment Maint Worker III	5	5		Maintenance Worker II-37.5	39	15	24
Senior Maint Supervisor	4		4	Maintenance Worker III	17	5	12
Fleet Maint Supervisor	1		1	Maintenance Supervisor	2		2
Fleet Maint Worker II	3	3		Temporary Positions (FTE)	3.5	3.5	
Fleet Maint Worker III	2	2					
				TOTAL	95.5	49.5	46

Staff Change(s): Fund one Public Works Manager, one Asst. Water Operator, and three Maintenance Worker II; delete one Maintenance Worker III. Four new Sr. Public Works Lead Worker positions are proposed for the FY16-17 Budget. Once activated, they will replace four existing positions following the completion of a closed promotional recruitment process.

Expenditure Analysis

Personnel Services	Increase due to staff changes mentioned above, 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	Increase attributed to purchase of replacement tractor/backhoe and new F350 for Utilities division.



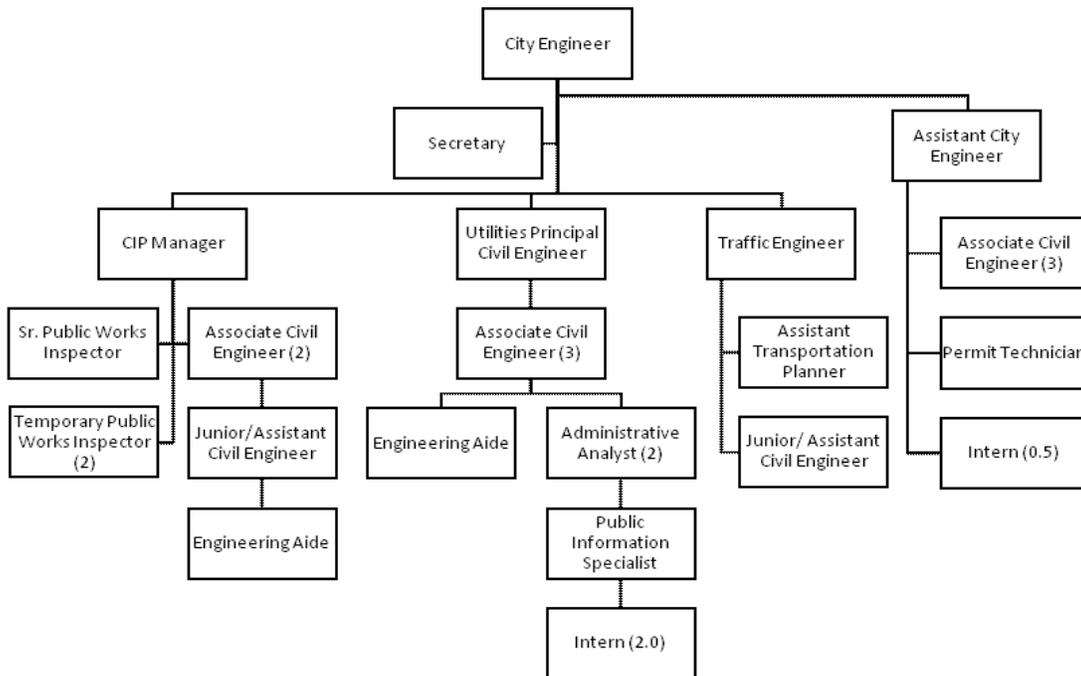
	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	2,744,802	2,824,828	3,441,427	3,999,997
4112 Temporary Salaries	216,341	234,865	300,000	210,000
4113 Overtime	156,145	147,055	131,002	220,950
4121 Allowances	81,305	81,036	123,500	131,300
4124 Leave Cashout	115,116	88,309	0	0
4125 Accrued Leave	69,768	69,856	0	0
4131 PERS	582,789	740,614	956,879	1,214,014
4132 Group Insurance	848,725	866,119	870,348	1,004,640
4133 Medicare	45,339	47,785	49,754	58,123
4135 Worker's Compensation	82,782	63,020	76,285	84,395
4138 Deferred Comp-Employer	788	1,786	3,600	6,300
4139 PARS	1,276	1,244	2,475	3,600
4161 Retiree Medical Reserve	130,746	144,877	157,008	184,779
sub-total	<u>5,075,923</u>	<u>5,311,394</u>	<u>6,112,278</u>	<u>7,118,098</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	495,085	558,086	558,335	703,251
4220 Supplies	1,014,222	955,155	1,089,194	1,132,627
4230 Services	3,174,305	3,278,556	3,842,590	3,906,500
4410 Communications	1,009	975	1,250	1,800
4420 Utilities	95,592	91,404	122,200	122,200
4501 Memberships and Dues	3,537	4,165	6,550	7,070
4503 Training	27,331	13,589	32,500	39,800
4600 Ins, Settlements & Contgcy	0	4,567,969	0	0
sub-total	<u>4,811,080</u>	<u>9,469,899</u>	<u>5,652,619</u>	<u>5,913,248</u>
CAPITAL OUTLAY				
4850 Vehicles	63,376	0	0	89,200
4870 Machinery & Equipment	21,882	14,936	0	0
4920 Machinery Tools & Equipment	3,308	2,801	0	0
4930 Hydrants & Meters	142,691	135,221	130,000	130,000
sub-total	<u>231,257</u>	<u>152,957</u>	<u>130,000</u>	<u>219,200</u>
TOTAL	<u><u>10,118,259</u></u>	<u><u>14,934,250</u></u>	<u><u>11,894,897</u></u>	<u><u>13,250,546</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**

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 Director of Engineering 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 regulate right-of-way encroachments and review private development plans and subdivision maps for conformance with the City's Standards and local, state and federal regulations. They ensure that private development projects provide all necessary public infrastructures and manage development documents including Encroachment Permits, Right of Way vacations, Building Records, maintains Floodplain Management records and Community Rating System (CRS) standing. They also maintain as-built drawings, deeds, maps, assessment district diagrams, and flood control documents.
- 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
2015-2016 Accomplishments					
1. Completed construction of Sports Center Main Fields.	x	x		x	x
2. Started construction of McCarthy Blvd LLMD improvement project.	x	x		x	x
3. Continued efforts to update solid waste disposal and collection services.	x	x		x	x
4. Completed reconstruction of South Main Street, and overlay of Curtis Ave, Corning Ave, and Serra Way.	x	x		x	x
5. Submitted grant application to the State for recycled water system.	x	x		x	x
6. Implemented new NPDES Storm Water Discharge Permit.	x	x		x	x
7. Completed construction of Jacklin Road and Del Rio Court soundwall repairs.	x	x		x	x
2016-2017 Goals					
1. Participate in the VTA/County Montague Expressway widening & VTA/BART South Milpitas Blvd extension projects design & construction team. Complete parking garage fire door conversion and EV Station installation	x	x		x	x
2. Design recycled water pipeline extensions.	x	x		x	x
3. Prepare to introduce groundwater into the distribution system.	x	x		x	x
4. Complete construction of 2015 Road Rehabilitation Project and Higuera Adobe Park improvements.	x	x		x	x
5. Complete construction of S. Main Street Reconstruction Bridge Improvement Project.	x	x		x	x
6. Update the Financial Utility Management Plan and propose storm water utility rates.	x	x		x	x
7. Implement Phase 2 of LED Streetlight Improvement Project.	x	x		x	x

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Contracts Awarded/Value	8/8M	8/5.6M	8/10.5M	8/8M
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	80%	85%	85%	85%
Encroachment Permits Processed	208	190	178	195
Development agreements prepared for Council	6	5	6	3
Engineering and traffic surveys	15	10	10	10
Grant applications submitted	10	10	10	10
Projects completed (initial acceptances)	11	6	5	8

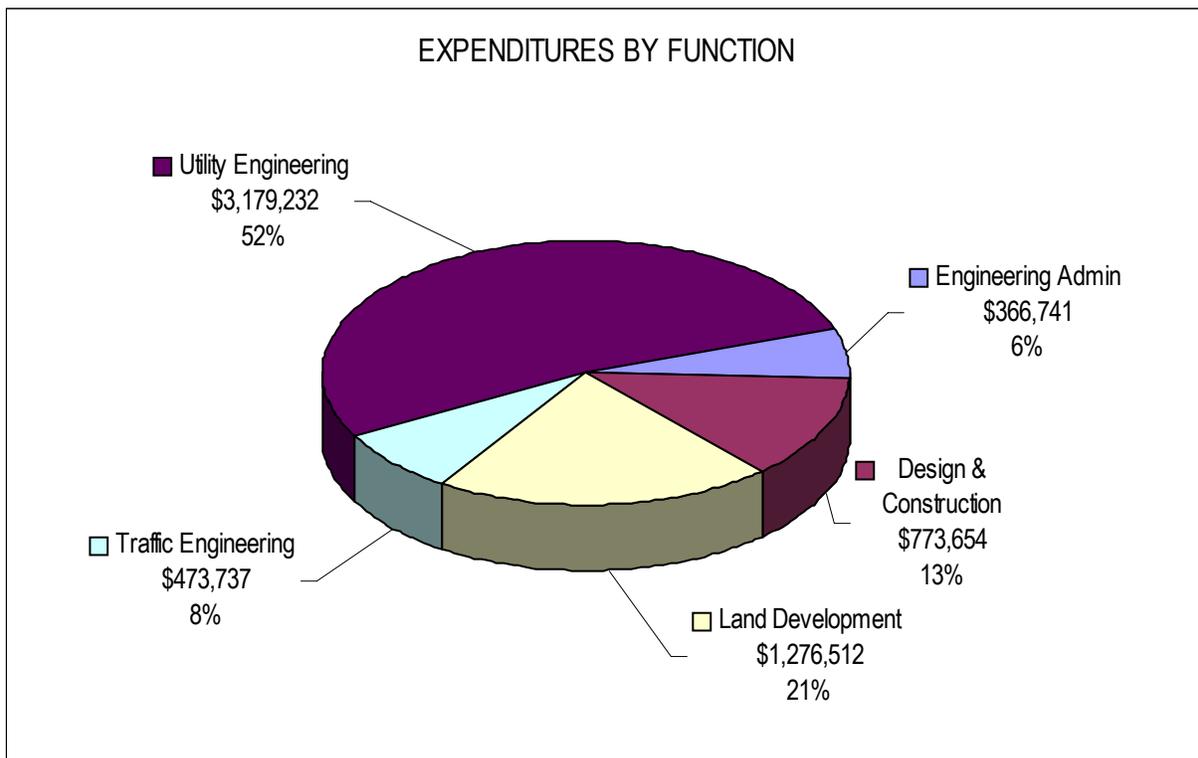
Personnel Allotment of 39.50 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Engineer	1	1		C A D Technician	1		1
Assistant City Engineer	1	1		CIP Manager	1	1	
Public Information Specialist	1	1		Engineering Aide	2	2	
Assistant Civil Engineer	5	2	3	Sr Public Works Inspector	1	1	
Associate Civil Engineer	10	9	1	Public Works Inspector	4		4
Principal Civil Engineer	2	1	1	Administrative Analyst I/II	2	2	
Traffic Engineer	1	1		Secretary	1	1	
Eng. Permit Tech	1	1		Temporary Positions (FTE)	4.50	4.50	
Asst. Transportation Planner	1	1					
				TOTAL	39.50	29.50	10

Staff Change(s): Fund one Associate Civil Engineer and reclassify one Public Works Inspector position to Sr. Public Works Inspector.

Expenditure Analysis

Personnel Services	Increase due to 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



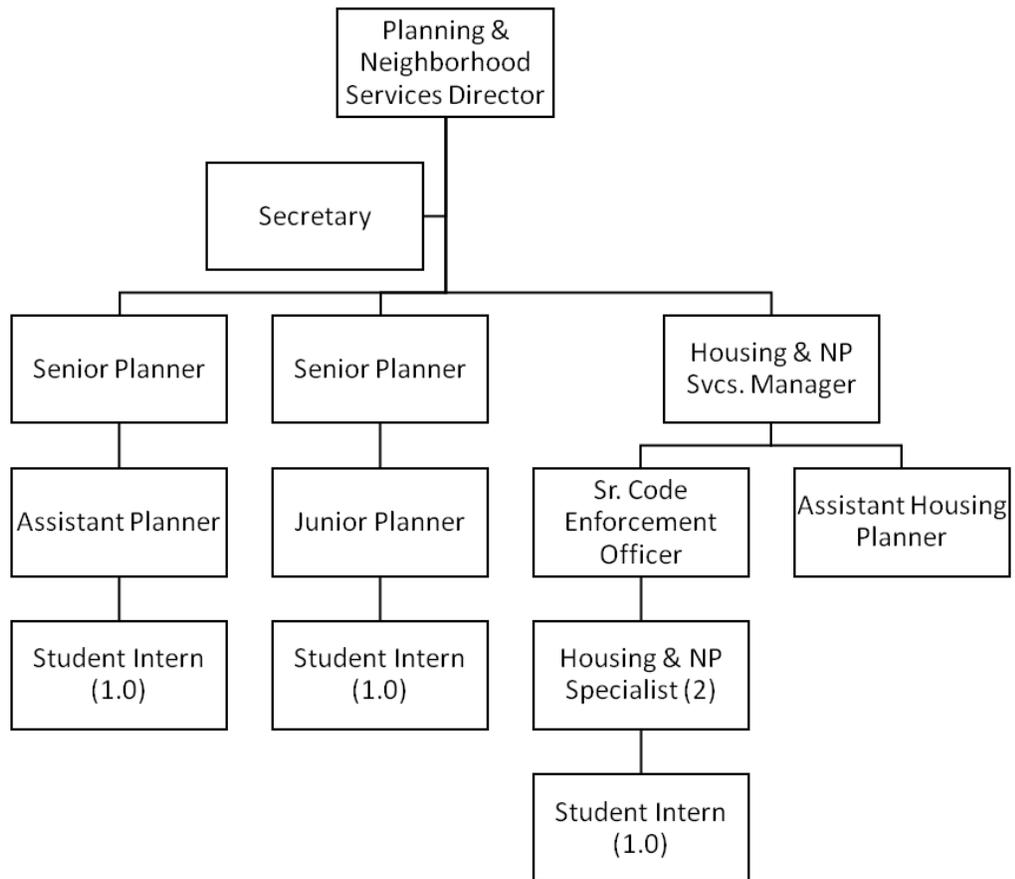
	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	1,691,138	1,720,632	2,628,035	2,923,897
4112 Temporary Salaries	56,272	58,469	285,168	307,168
4113 Overtime	2,495	22,693	61,900	61,900
4121 Allowances	4,064	3,778	0	0
4124 Leave Cashout	35,763	93,004	0	0
4125 Accrued Leave	103,945	29,148	0	0
4131 PERS	155,237	264,101	669,116	837,604
4132 Group Insurance	330,270	340,863	530,710	589,680
4133 Medicare	24,246	25,822	40,794	45,119
4135 Worker's Compensation	10,376	9,821	16,349	18,053
4138 Deferred Comp-Employer	3,255	7,177	20,700	22,500
4139 PARS	316	580	4,278	0
4143 Charged to CIPs	0	0	(977,752)	(904,557)
4161 Retiree Medical Reserve	121,083	120,472	140,903	154,579
sub-total	<u>2,538,460</u>	<u>2,696,560</u>	<u>3,420,201</u>	<u>4,055,943</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	99,915	163,295	201,700	201,700
4211 Equip Replacement Amortization	14,788	18,199	11,263	30,783
4220 Supplies	8,828	13,084	22,350	22,150
4230 Services	981,289	2,324,129	1,341,650	1,712,450
4501 Memberships and Dues	11,897	12,406	18,500	19,150
4503 Training	4,422	1,257	27,200	27,700
sub-total	<u>1,121,139</u>	<u>2,532,371</u>	<u>1,622,663</u>	<u>2,013,933</u>
TOTAL	<u><u>3,659,599</u></u>	<u><u>5,228,930</u></u>	<u><u>5,042,864</u></u>	<u><u>6,069,876</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 DIRECTOR: Bradley Misner
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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 pre-planning consultation to initial submittal through permit approval.
- Implements the Transit Area Specific Plan, and the Mid-Town Specific Plan, by providing a single 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.
- Coordinates with the City Manager’s Office in working with regional organizations, existing and prospective Milpitas firms and with local and international ties to strengthen Milpitas’ position in the Bay Area/Silicon Valley global economy.
- 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
2015-2016 Accomplishments					
1. Initiated comprehensive General Plan Update.		X			
2. Initiated preparation of a Development Handbook for staff and public.	X	X			X
3. Updated Transit Area Development Impact Fees.		X		X	
4. Enabled adoption of a Public Art Ordinance.	X	X			
5. Created a cohesive Administrative Procedures Code.	X			X	X
6. Assisted the Successor Agency and Oversight Board in disposition of property.		X		X	
7. Enabled adoption of affordable housing requirements for new development.		X		X	
8. Managed and administered 1,200 Affordable Housing units for Milpitas Housing Authority.	X	X			
9. Processed over 650 code enforcement service requests and code violations.	X	X			X
2016-2017 Goals					
1. Improve development and cross-training for staff.	X		X		
2. Complete Development Handbook and have available on line by December 2016.	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. Begin two-year General Plan update process and manage the public process.	X	X		X	
6. Initiate an update to the Midtown Specific Plan.	X	X		X	
7. Expand Outreach for CDBG Home Repair Program.	X	X			X
8. Complete the 2017-2022 Consolidated Plan.		X			
9. Complete Nexus Study to establish affordable housing fee.		X		X	
10. Animal Regulations Ordinance Update.	X	X			X

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
% of Use Permit applications processed within 3 months of being deemed complete.	73%	70%	70%	80%
% of Minor Site Development applications processed within 2 months.	82%	882	90%	90%
Planning Division customer contacts.	3,496	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

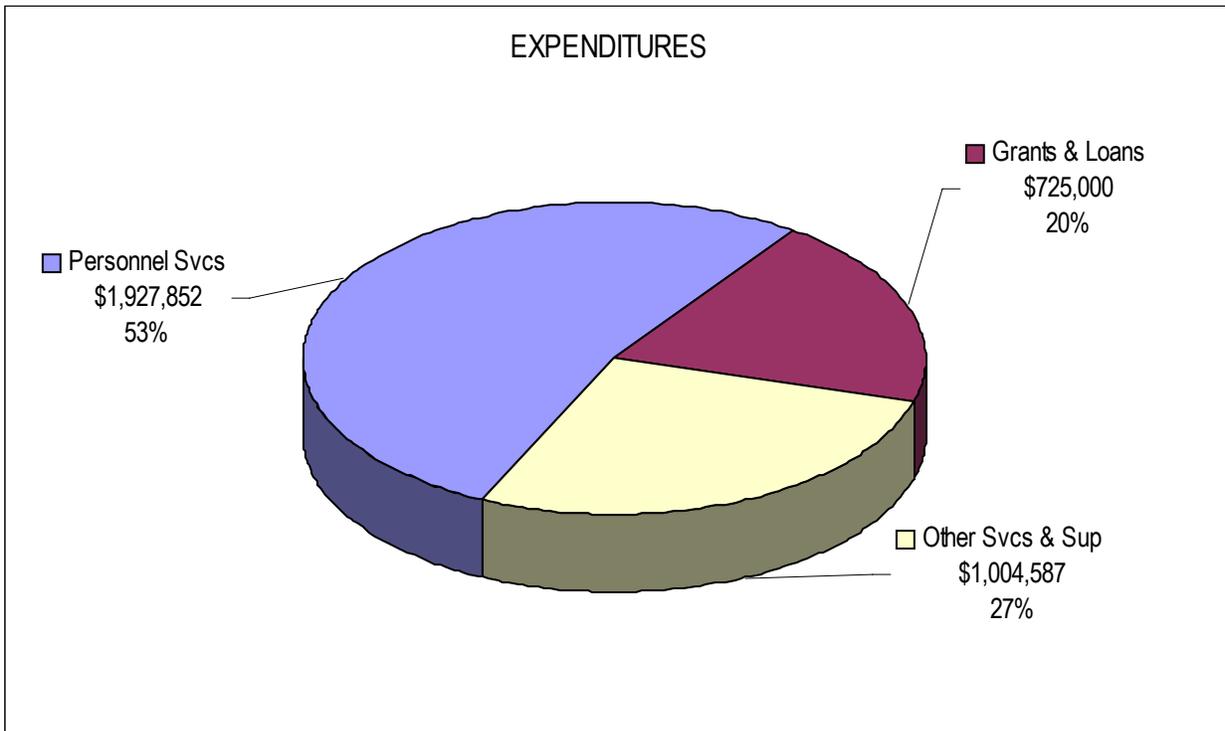
Personnel Allotment of 20 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Planning & Neigh Svcs Dir	1	1		Assistant Housing Planner	1	1	
Planning Manager	1		1	Housing/Neigh Pres Spec	3	2	1
Senior Planner	2	2		Sr. Code Enforcement Officer	1	1	
Assistant Planner	1	1		Secretary	1	1	
Associate Planner	2		2	Office Specialist	2		2
Housing & NP Svcs. Mgr.	1	1		Temporary Positions (FTE)	3	3	
Junior Planner	1	1					
				TOTAL	20	14	6

Staff Change(s): None

Expenditure Analysis

Personnel Services	No significant changes.
Services and Supplies	Increase due to increased complexity of higher density residential and mixed-use development projects; significant increase in pre-planning inquiries and applications for residential, commercial, and mixed-use development projects; and increased work programs of the City Council, Planning Commission and Community Advisory Commission.
Capital Outlay	None



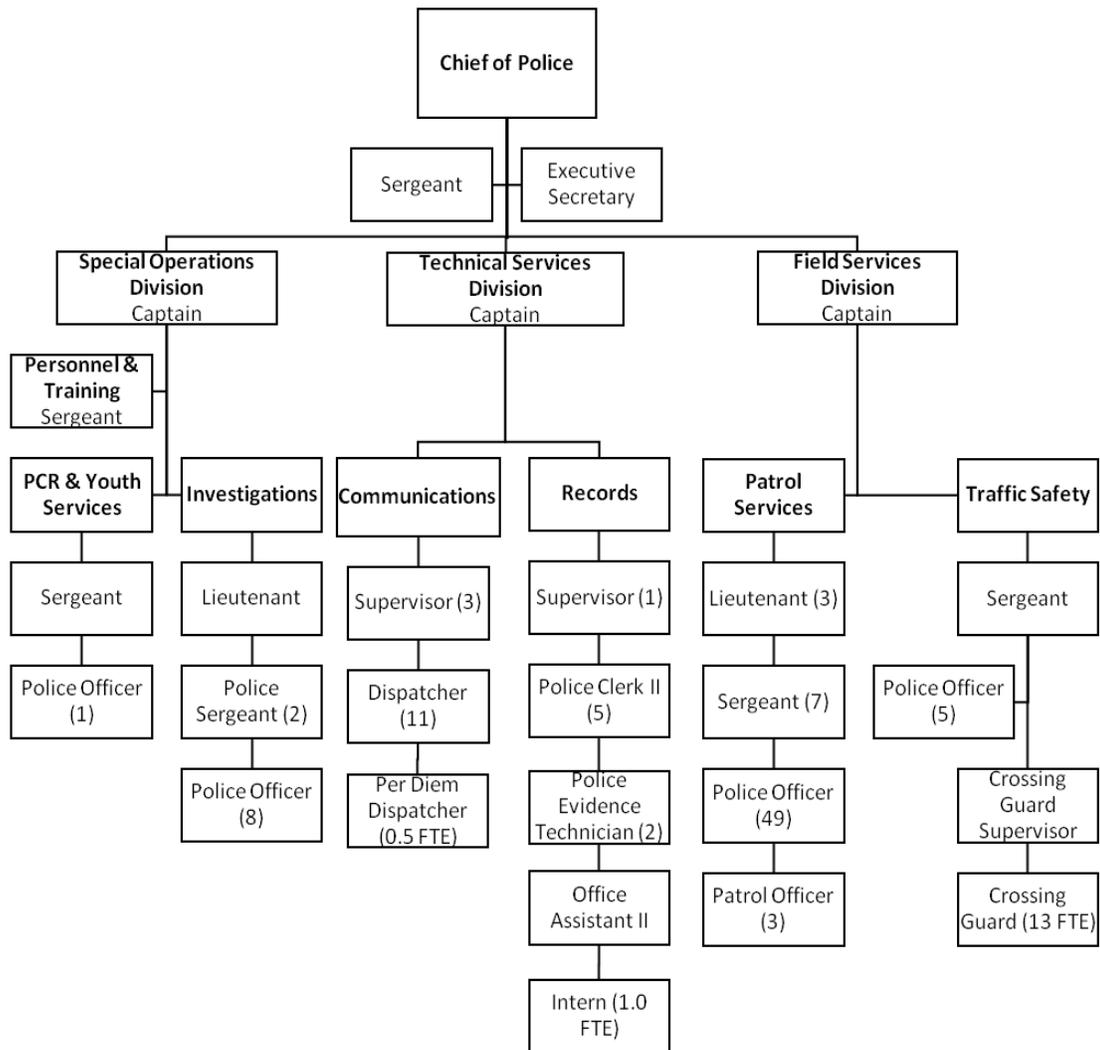
	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	935,196	1,010,368	1,194,050	1,173,092
4112 Temporary Salaries	78,289	119,460	128,080	98,000
4113 Overtime	1,441	265	8,000	8,000
4121 Allowances	900	415	0	0
4124 Leave Cashout	90,082	83,031	0	0
4131 PERS	101,013	170,349	281,746	314,123
4132 Group Insurance	166,327	173,458	233,508	240,240
4133 Medicare	16,098	17,603	19,334	18,146
4135 Worker's Compensation	4,630	3,864	6,573	6,330
4138 Deferred Comp-Employer	2,748	5,341	9,900	9,900
4139 PARS	1,152	958	1,591	1,456
4161 Retiree Medical Reserve	53,184	59,340	59,504	58,565
sub-total	<u>1,451,060</u>	<u>1,644,452</u>	<u>1,942,286</u>	<u>1,927,852</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	430,752	327,103	625,646	725,000
4211 Equip Replacement Amortization	8,358	12,076	12,701	13,464
4220 Supplies	11,291	19,203	13,100	12,700
4230 Services	437,884	549,595	775,781	959,808
4501 Memberships and Dues	2,363	3,020	3,055	3,055
4503 Training	9,404	14,870	19,310	15,560
sub-total	<u>900,052</u>	<u>925,866</u>	<u>1,449,593</u>	<u>1,729,587</u>
TOTAL	<u><u>2,351,112</u></u>	<u><u>2,570,318</u></u>	<u><u>3,391,879</u></u>	<u><u>3,657,439</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.



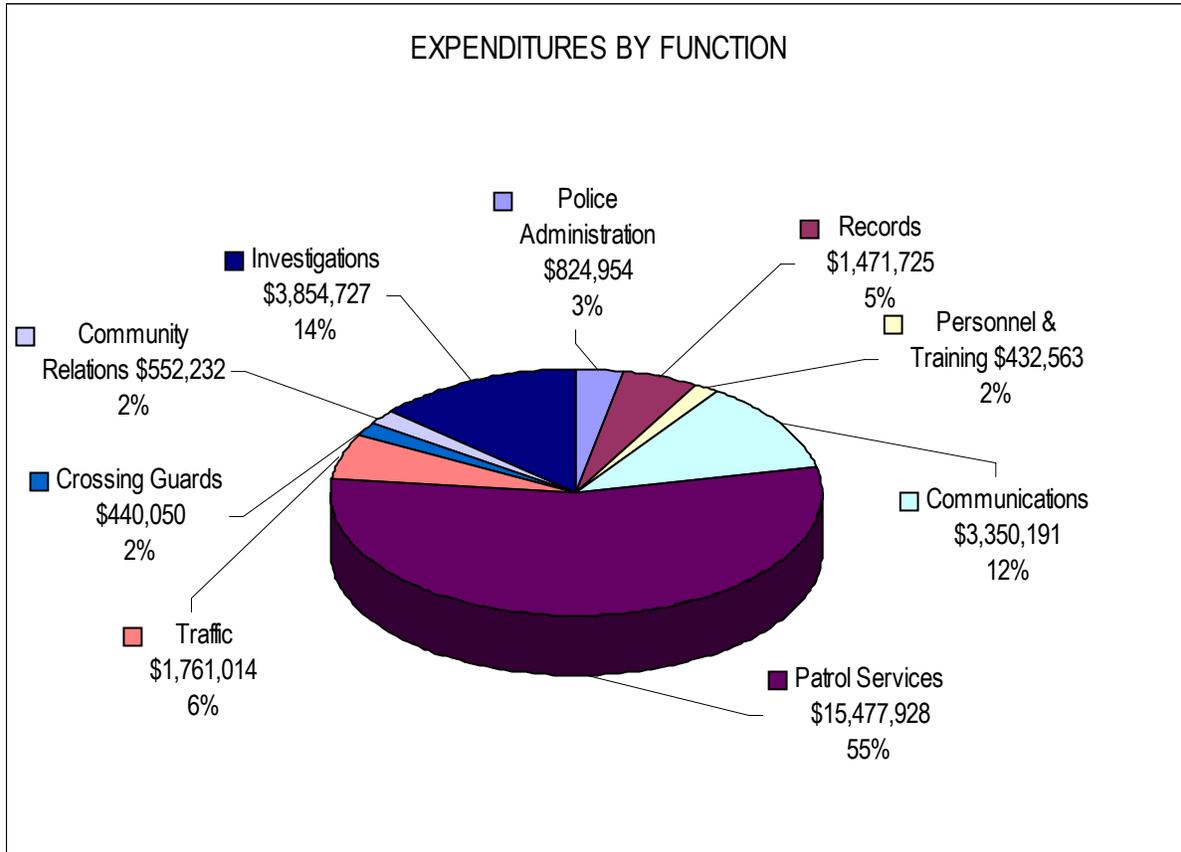
	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
2015-2016 Accomplishments					
1. Reduced residential burglaries by 18.6% in 2015.	x	x			x
2. Reduced auto-thefts by 18.9% in 2015.	x	x			x
3. Actively using social media platforms Nextdoor, Nixle and Facebook.	x	x	x	x	
4. Increased arrest rate by 11%, from 2014 to 2015.		x			x
5. Released online camera registry program.	x	x	x	x	x
2016-2017 Goals					
1. Implement Police and Community Education Seminar (PACES).	x	x	x		x
2. Ensure average response times to emergency calls remain under 3 minutes.	x	x			x
3. Ensure 100% registration by known sex offenders.		x			x
4. Ensure all patrol personnel obtain and deploy a body worn camera.			x		x

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Avg. response time to emergency calls (minutes)	2:39	2:37	2:45	2:40
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	97%	98%	96%	97%
Number of anti-terrorist Patrol checks	2,665	3,094	2,349	2,400
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
Parent Drug Awareness presentations	1	1	1	1
Character Counts Presentations: schools/students (Eliminated)	0	0	0	0
Community presentations	126	112	150	125
Number of vehicle citations issued	4,346	5,994	5,900	5,900
Number of arrests reported to FBI (all crimes)	1,897	2,251	2,200	2,200

Personnel Allotment of 136.5 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Police Chief	1	1		Police Assistant	1		1
Police Captain	3	3		Police Clerk II	6	5	1
Police Lieutenant	4	4		Police Clerk Supervisor	2	1	1
Patrol Officer	5	3	2	Police Evidence Technician	2	2	
Police Officer	67	63	4	Communications Dispatcher	12	11	1
Police Sergeant	13	13		Communications Supervisor	4	3	1
Office Assistant II	1	1		Temporary Positions (FTE)	14.5	14.5	
Executive Secretary	1	1					
TOTAL					136.5	125.5	11

Staff Change(s): Fund one Police Officer and one Communications Dispatcher.

Expenditure Analysis	
Personnel Services	Increase attributed to pay increase, increased PERS employer contribution rate, and Staff Changes as mentioned above.
Services and Supplies	Increase in Department Supplies to replace Mobile Computer Terminals; Increase in Temporary Positions is to add (2) per diem dispatchers; Decrease in Contractual Services, in part, is the elimination of contract dispatchers.
Capital Outlay	Replacement of three police vehicles.



	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	12,346,567	13,402,356	14,759,915	15,379,859
4112 Temporary Salaries	389,474	377,539	449,446	489,446
4113 Overtime	505,619	513,100	693,283	693,283
4121 Allowances	159,373	123,427	143,076	140,496
4124 Leave Cashout	521,478	470,934	0	0
4131 PERS	3,756,573	4,485,189	5,527,178	6,127,673
4132 Group Insurance	1,971,458	2,114,748	2,328,804	2,445,660
4133 Medicare	191,853	208,409	222,687	232,259
4135 Worker's Compensation	469,402	340,830	498,900	513,974
4138 Deferred Comp-Employer	4,275	4,962	5,400	5,400
4139 PARS	5,601	5,421	6,349	6,949
4141 Adjustments-Payroll	0	0	0	4,500
4161 Retiree Medical Reserve	593,090	607,111	644,734	668,425
sub-total	<u>20,914,763</u>	<u>22,654,024</u>	<u>25,279,772</u>	<u>26,707,924</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	500	500	500
4211 Equip Replacement Amortization	414,560	467,197	534,329	409,852
4220 Supplies	121,816	150,423	152,521	150,115
4230 Services	556,576	599,150	690,826	686,459
4410 Communications	13,775	13,736	24,820	24,820
4501 Memberships and Dues	3,112	3,776	3,583	3,583
4503 Training	56,775	81,312	87,654	97,654
sub-total	<u>1,166,614</u>	<u>1,316,094</u>	<u>1,494,233</u>	<u>1,372,983</u>
CAPITAL OUTLAY				
4850 Vehicles	0	39,157	0	24,477
4870 Machinery & Equipment	43,940	93,238	0	0
4910 Office Furniture & Fixtures	3,907	0	0	0
4920 Machinery Tools & Equipment	79,259	79,661	60,000	60,000
sub-total	<u>127,106</u>	<u>212,056</u>	<u>60,000</u>	<u>84,477</u>
TOTAL	<u><u>22,208,483</u></u>	<u><u>24,182,174</u></u>	<u><u>26,834,005</u></u>	<u><u>28,165,384</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.

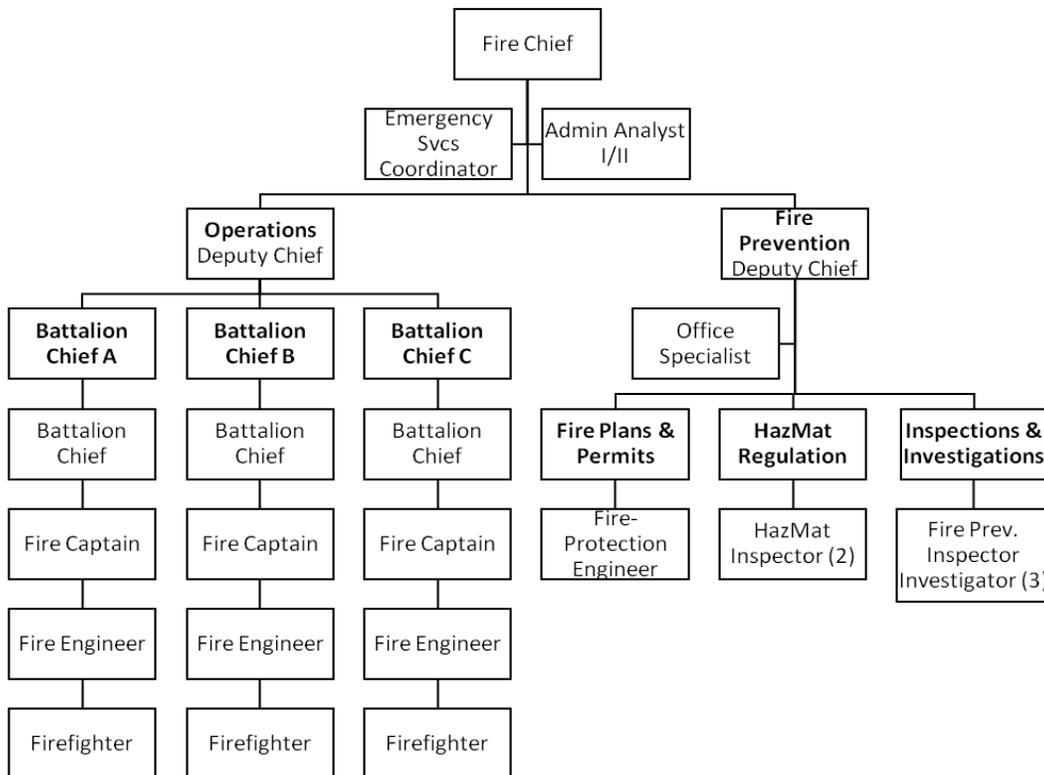
We will diligently work to maintain a high level of public trust and confidence.

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-material 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
2015-2016 Accomplishments					
1. Responded to 2,501 emergency incidents with an average response time of 4:22 minutes.*	x	x			x
2. Promoted 6 internal staff to Engineer positions, and 6 internal staff to Captains.	x	x	x		x
3. Grew the SAFE Program membership by 14 new members, totaling over 170 total current members.	x	x			x
4. Conducted 359 plan reviews and 3,762 inspections.*	x	x			x
5. Provided 51 public education events.*	x	x		x	x
2016-2017 Goals					
1. Maintain response time of <5 min, 90% of the time.	x	x			x
2. Maintain service delivery to meet all major project and construction schedules.	x	x		x	x
3. Achieve target turn around times of plan reviews/inspections at a rate of 98% or higher.	x	x		x	x
4. Continue to complete NIMS certifications for City EOC staff, and increase EOC drill frequency.	x	x	x	x	x
5. Respond to 100% of prevention education requests.	x	x		x	x

Note: *Figures are July 2015 – December 2015.

Performance Measures	Actual 2013-14	Actual 2014-15	Projected 2015-16	Estimated 2016-17
Calls for service/average response time (minutes)	4,732/4:28	4,860/4:32	5,000/4:22	5,200/4:20
Number of Disaster Service Workers in City	558	558	735	750
Personnel training hours/certifications to serve hire rank	275/24	297/31	380/16	400/9
Number of Plan Reviews/Inspections	807/4,510	1,117/5,602	1200/7,600	1,300/7,900
Public Education events	45	76	100	125
Property Loss to Fire	\$1.8 M	\$3.1 M	\$1.7 M*	-
Fire Caused Injury/Death	1	0	-	-
Work Related Injuries	10	17	3*	-
CalOES (Wildland) Reimbursement to City	\$0	\$106,000	\$315,000	-

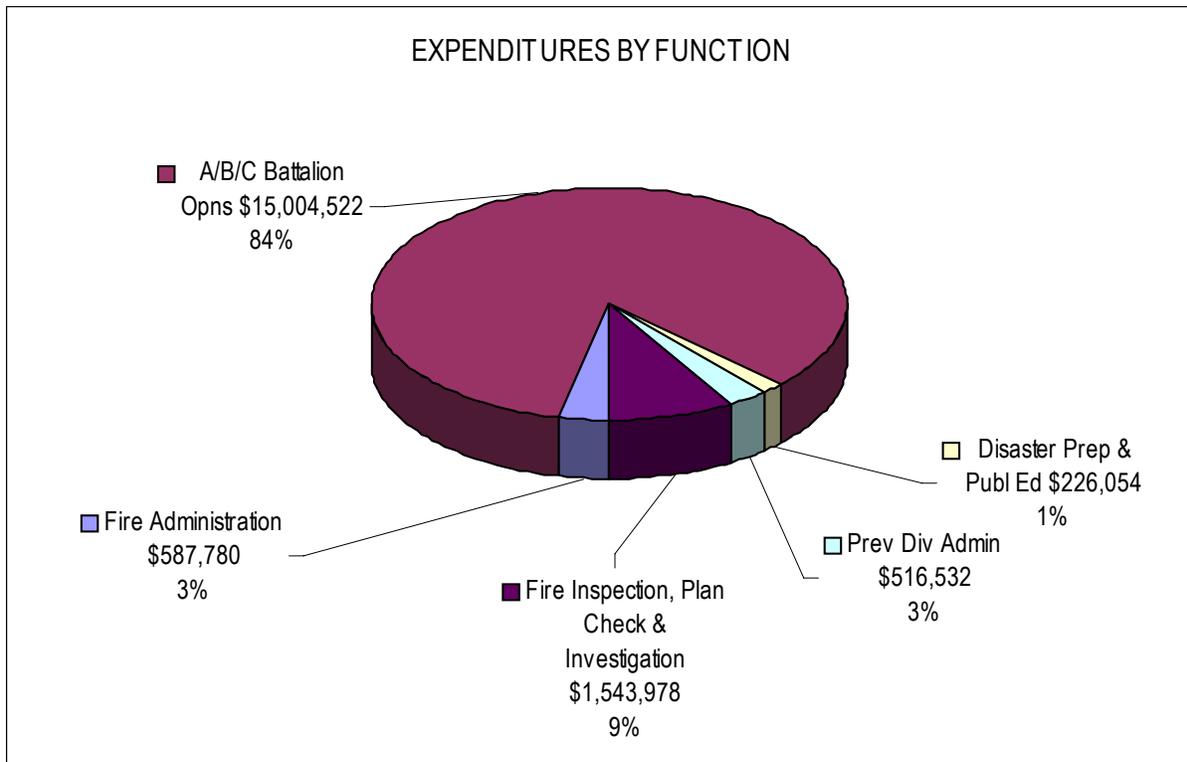
Note: *Figures are July 2015 – December 2015.

Personnel Allotment of 78 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	3	3		Administrative Analyst I/II	1	1	
Hazardous Materials Inspector	3	2	1	Temporary Position (FTE)	1	1	
Fire Protection Engineer	2	1	1				
TOTAL					78	64	14

Staff Change(s): Fund one Fire Prevention Inspector.

Expenditure Analysis

Personnel Services	Increase due to pay increase, increased PERS employer contribution rate, and Staff Changes as mentioned above.
Services and Supplies	Increase in training funds requested.
Capital Outlay	Replacement of Battalion Chief vehicle and four LifePak defibrillators.



	Actual 2013-14	Actual 2014-15	Budget 2015-16	Approved 2016-17
PERSONNEL SERVICES				
4111 Permanent Salaries	7,567,246	7,906,887	8,664,811	8,982,225
4112 Temporary Salaries	9,720	5,568	38,985	38,985
4113 Overtime	577,986	1,129,345	1,130,000	1,130,000
4121 Allowances	55,178	53,257	58,764	59,760
4124 Leave Cashout	664,197	198,873	0	0
4131 PERS	1,952,224	2,356,828	3,082,310	3,473,635
4132 Group Insurance	1,289,112	1,338,568	1,270,116	1,332,720
4133 Medicare	120,140	132,919	119,251	127,322
4135 Worker's Compensation	290,060	214,434	306,940	322,377
4138 Deferred Comp-Employer	36,293	34,871	39,900	40,500
4139 PARS	146	82	0	585
4161 Retiree Medical Reserve	355,951	370,318	396,058	415,384
sub-total	<u>12,918,251</u>	<u>13,741,950</u>	<u>15,107,135</u>	<u>15,923,493</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	153	0	0	0
4211 Equip Replacement Amortization	932,673	1,120,131	1,164,479	1,135,608
4220 Supplies	285,827	322,286	367,975	383,475
4230 Services	313,892	359,779	214,920	240,020
4501 Memberships and Dues	6,132	2,927	16,370	19,870
4503 Training	21,772	42,392	64,800	166,400
sub-total	<u>1,560,449</u>	<u>1,847,515</u>	<u>1,828,544</u>	<u>1,945,373</u>
CAPITAL OUTLAY				
4870 Machinery & Equipment	38,046	0	0	0
4920 Machinery Tools & Equipment	70,385	46,443	10,000	10,000
sub-total	<u>108,431</u>	<u>46,443</u>	<u>10,000</u>	<u>10,000</u>
TOTAL	<u><u>14,587,131</u></u>	<u><u>15,635,908</u></u>	<u><u>16,945,679</u></u>	<u><u>17,878,866</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: \$4,599,000 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: \$5,400,000 is for Treatment Plant fees; \$3,628,999 is for gas, electric water and solid waste utilities; and \$15,820,000 is for water purchases. A total of \$35,000 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 \$575,000 for the 2016-17 fiscal year.

Debt Service: \$759,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system and interfund loan. \$1,500,000 principal and interest payment is anticipated for the new water bonds.

Equipment Replacement: \$427,645 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	22,400	0	0	0
4132 Group Insurance	45,000	0	0	0
4136 Unemployment	45,000	0	0	0
4137 MOU Contractual Agreements	450,000	0	0	0
4139 PARS	9,000	0	0	0
4141 Adjustments-Payroll	1,542,870	0	0	0
4161 Retiree Medical Reserve	1,320,000	0	0	0
sub-total	<u>4,084,270</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUPPLIES & CONTRACTUAL SERVICES				
4220 Supplies	13,400	0	0	0
4237 Contractual Services	72,800	12,500	0	13,000
4239 Audit Fees	67,500	8,000	0	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	0	0	0	35,000
4253 ABAG Attorney's Fees	36,667	0	0	0
4254 ABAG Settlements	75,000	0	0	0
4421 Utilities-Gas	204,100	600	0	0
4422 Utilities-Electric	1,502,864	5,200	43,636	0
4423 Utilities-Water	858,099	3,500	17,937	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	3,000	0	0	0
4509 Tuition Reimbursement	24,000	0	0	0
4600 Insurance & Settlements	390,787	2,130	0	0
4610 Uncollectible Accounts	51,000	0	0	0
4640 Contingent Reserve	550,000	0	0	0
sub-total	<u>3,849,217</u>	<u>31,930</u>	<u>61,573</u>	<u>48,000</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>7,933,487</u>	<u>31,930</u>	<u>61,573</u>	<u>48,000</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 2016-17
0	0	0	25,000	25,000	0	700,000
0	0	0	3,800	3,800	0	30,000
0	0	0	2,500	2,500	0	50,000
0	0	0	2,500	2,500	0	50,000
0	0	0	25,000	25,000	0	500,000
0	0	0	500	500	0	10,000
0	0	0	58,065	58,065	0	1,659,000
0	8,000	0	160,000	112,000	0	1,600,000
0	8,000	0	277,365	229,365	0	4,599,000
0	0	0	800	800	0	15,000
22,000	0	93,000	2,100	8,100	0	223,500
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	35,000
0	0	0	13,333	50,000	0	100,000
0	0	0	20,000	70,000	0	165,000
0	2,300	0	9,000	9,000	0	225,000
0	23,600	0	589,100	235,600	0	2,400,000
0	9,800	3,363	87,800	19,500	0	999,999
0	0	0	10,100,000	0	0	10,100,000
0	0	0	4,900,000	0	0	4,900,000
0	0	4,000	0	0	0	4,000
0	0	0	820,000	0	0	820,000
0	0	0	0	5,400,000	0	5,400,000
0	0	0	1,000	1,000	0	5,000
0	0	0	3,000	3,000	0	30,000
0	0	0	33,009	101,157	47,917	575,000
0	0	0	37,000	37,000	0	125,000
0	0	0	0	0	0	550,000
29,000	35,700	120,363	16,641,142	5,947,657	47,917	26,812,499
0	0	0	1,500,000	450,000	0	1,950,000
0	0	0	0	234,000	75,000	309,000
0	0	0	1,500,000	684,000	75,000	2,259,000
0	0	0	0	0	256,292	256,292
0	0	0	0	0	171,353	171,353
0	0	0	0	0	427,645	427,645
<u>29,000</u>	<u>43,700</u>	<u>120,363</u>	<u>18,418,507</u>	<u>6,861,022</u>	<u>550,562</u>	<u>34,098,144</u>

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**City of Milpitas
2016-21 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY**

Project Expenses	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Community Improvement	4,245,000	6,095,000	1,290,000	10,325,000	7,450,000	29,405,000
Park Improvement	2,175,000	2,245,000	2,850,000	7,625,000	8,600,000	23,495,000
Street Improvement	6,878,256	10,150,680	16,563,502	10,676,734	10,290,389	54,559,561
Water Improvement	23,110,000	13,440,000	16,395,000	24,810,000	12,995,000	90,750,000
Sewer Improvement	6,440,000	17,355,000	13,815,000	7,350,000	6,100,000	51,060,000
Storm Drain Improvement	1,365,000	3,190,000	2,570,000	7,395,000	6,870,000	21,390,000
Total	44,213,256	52,475,680	53,483,502	68,181,734	52,305,389	270,659,561

Funding Sources	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Gas Tax Fund	2,950,000	1,700,000	1,950,000	2,200,000	1,640,000	10,440,000
General Government CIP Fund	4,780,000	6,290,440	611,055	681,849	312,826	12,676,170
Midtown Park Fund	600,000	975,000	300,000	1,100,000	0	2,975,000
Park Fund	1,125,000	1,100,000	2,550,000	1,150,000	0	5,925,000
Sewer Fund	4,915,000	7,723,200	3,121,502	359,910	713,428	16,833,040
Sewer Infrastructure Fund	1,000,000	1,000,000	1,500,000	1,100,000	0	4,600,000
Sewer Treatment Fund	1,000,000	2,500,000	2,000,000	2,000,000	0	7,500,000
Water Fund	1,150,000	653,200	2,601,502	1,719,910	1,508,428	7,633,040
Water Line Extension Fund	1,590,000	395,000	300,000	0	0	2,285,000
Storm Drain Fund	685,000	245,000	225,000	25,000	25,000	1,205,000
Equipment Replacement Fund	0	0	180,000	0	0	180,000
TASP Impact Fees	615,000	7,012,000	1,212,000	3,006,000	506,000	12,351,000
Transient Occupancy Tax (TOT)	1,700,000	2,600,000	2,600,000	2,600,000	2,600,000	12,100,000
LLMD	18,256	18,840	19,443	20,065	20,707	97,311
Vehicle Registration Fee	450,000	500,000	500,000	500,000	500,000	2,450,000
Community Planning Fees	200,000	200,000	0	0	0	400,000
Sub Total	22,778,256	32,912,680	19,670,502	16,462,734	7,826,389	99,650,561

External Financing	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Grants/Reimb./Developer Fees	940,000	4,458,000	19,938,000	24,694,000	15,754,000	65,784,000
Sanitary Sewer Bonds	0	6,335,000	6,900,000	3,100,000	5,600,000	21,935,000
Water Bonds	20,495,000	4,995,000	0	0	0	25,490,000
Sub Total	21,435,000	15,788,000	26,838,000	27,794,000	21,354,000	113,209,000

Unidentified	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Unidentified Funding	0	3,775,000	6,975,000	23,925,000	23,125,000	57,800,000
Total	44,213,256	52,475,680	53,483,502	68,181,734	52,305,389	270,659,561

NOTES

- (a) This year's CIP includes \$6.2 Mil. for the City's portion of improvements to the SJ/SC wastewater treatment plant.
- (b) Grants are identified on the detailed project sheets.

Community Improvement Projects

The Community Improvement category includes continued funding of five existing projects and funding of twelve new project:

Project Number-Name

Description

Operating Budget Impact

2006-Transit Area Specific Plan Update

The Transit Area Specific Plan was approved in 2008. There have been a number of minor amendments to the Plan focused on individual properties, but no comprehensive evaluation of the plan and the effectiveness of its implementation. Approximately 50% of the housing planned for the area has been permitted or constructed. Approximately 25% of the retail and none of the office has been developed. A review of processes and rules for development, as well as remaining land uses should be undertaken.

Operating Budget Impact: None.

3403-Fire Station Improvements

This project provides various improvements at all four fire stations including renovation or replacement of electrical and mechanical systems, plumbing, parking lots, emergency power generator systems, interior and exterior paintings, replacement of floor coverings, restroom and shower facilities, kitchen improvements, re-roofing and other building and site related improvements. All work will be performed on a priority and funding availability basis.

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

3406-City Building Improvement

This project provides for repair, renovation, replacement, and improvements at City buildings including Public Works/Police, Senior Center, Community Center, City Hall, and the Sports Center. Work may include electrical and mechanical systems, pool equipment, motors/pumps, fountain repairs, leak repairs, emergency power, HVAC systems, painting, carpeting, code upgrades, replacement of City Hall desk tops, and other related improvements. Work may also include energy savings improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls systems. Work will be completed on a priority and funding availability basis. Includes approximately \$150K for purchase of LED Christmas lights on 60-80ft trees along Calaveras Blvd. at City Hall.

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

3407-Midtown Parking Garage

The new Midtown East Parking Garage was opened in 2009 and was constructed as a four story structure serving the Library and the Midtown area.

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

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

3416-City General Plan Update

This is a comprehensive update of the City's General Plan, including community outreach and CEQA Analysis.

Operating Budget Impact: None

3418-City Standard Details, Guidelines

This project provides for the update of the City's Engineering Standard Details, Guidelines, and Specifications document. This document provides the minimum requirements for new public infrastructure constructed within the city. The Engineering Guidelines describe requirements and improvements for new developments constructed within the city. Many of the existing standard details, materials specifications, and guideline requirements are over a decade old and refer to products that are no longer available and the documents require update.

Operating Budget Impact: None

3419-Public Safety Communications Equip.

This project will fund the replacement of mobile and portable radios in fire vehicles, and for the deployment of radio systems in a requested command vehicle. The VHF radios are used for emergency operations with mutual aid partners in major incidents, and are a key piece of integration for significant incidents, hillside fire response, and medical helicopter response and landing.

Operating Budget Impact: None

3420-Public Safety Equipment

This project will fund replacement Mobile Computer Terminals (MCT's) in police vehicles. Police Officers use the MCT's to receive critical information from the PD Communications Center. The MCT's use mapping features to reduce response time and to coordinate resources during critical incidents, to retrieve investigatory data from several databases, and to access the report writing database to complete place reports.

Operating Budget Impact: None

3421-Replacement fire Station Alert System

The current Fire Department emergency dispatch alert system is 17 years old with an expected life span of 20 years. The manufacturer of the Departments current system (Zetron) will no longer support the system. This project provides for installation of new dispatch systems at all four fire stations including coordination and interface with the city's 911 dispatch center.

Operating Budget Impact: None

3422-City Buildings Roofing Repairs

This project provides for roof repairs and replacements at City Buildings. Typically, a roof has a 20-year life. Repairs or replacements are required to prevent damage caused by moisture infiltration.

Operating Budget Impact: None.

3423-Police Records Management System

This project provides upgrades to the Police Department's Records Management System (RMS). It is imperative that the Police Department maintain a reliable RMS to input and store data to respond to public requests, respond to public information requests, the processing of data for criminal cases and to meet the California Government Code requirements of preserving information.

Operating Budget Impact: None.

3427-Technology Projects

This project will provide technology to various City Departments for specialty applications, upgrades and/or enhancements. For example, some of these systems include Budget Preparation Systems, Citywide GIS (Geographic Information System), Network Infrastructure, Document Management Systems, and other enterprise systems.

Operating Budget Impact: None.

3428-Shuttle/ Circulation Study

This project funds a study to provide a citywide shuttle system. The study will explore the most effective routes, locations, times, types of partnerships, system costs, implementation schedule, budget, and funding opportunities. Staff will prioritize this project and commence with the study work July 2016.

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

3429-Feasibility & Location for Performing Arts Theater

A Cultural Arts Center Feasibility Study was completed in 1998 to determine the feasibility of developing a new Cultural Arts Center in the City. This initial study defined user needs, assessed the market potential for a cultural arts facility, and it identified the parameters of a financially feasible operation. The findings of the study included there was a need for a cultural arts facility within the City, the cost to build a new 500-seat facility was estimated at approximately \$17M excluding land costs and building soft costs.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3431-City Gateway Tree Planting

This project will provide for the installation of irrigation and trees planting, including Jacaranda trees, at even gateway locations around the City. The project is anticipated to be completed in phases with locations within City right-of-way to be completed first. Locations within the rights-of-way of other jurisdictions including the County or Caltrans would be installed following approvals from these agencies.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost have not been determined at this time.

3417-Recycled Water On-site Conversions

This project provides for the conversion of existing city building, park, and street landscape facilities that are served by potable water to recycled water to reduce potable water consumption due to the drought emergency.

Operating Budget Impact: None.

NUMBER	PROJECT TITLE	APPROVED
351- 2006 *	Transit Area Specific Plan Update	375,000
331- 3403	Fire Station Improvement (Defunding)	(600,000)
331- 3406	City Building Improvement	625,000
331- 3407	Midtown Parking Garage	150,000
331- 3415	PD Communications	335,000
331- 3416	City General Plan Update	700,000
331- 3418 *	City Standard Details, Guidelines	100,000
331- 3419 *	Public Safety Communications Equip.	270,000
331- 3420 *	Public Safety Equipment	190,000
331- 3421 *	Replacement fire Station Alert System	220,000
331- 3422 *	City Building Roofing Repairs	100,000
331- 3423 *	Police Records Management System	700,000
331- 3427 *	Technology Projects	100,000
331- 3428 *	Shuttle/ Circulation Study	60,000
331- 3429 *	Performing Arts Facility	20,000
331- 3431 *	City Gateway Tree Planting	100,000
331- 3417 *	Recycled Water On-site Conversions	800,000
	TOTAL COST	<u>4,245,000</u>

AVAILABLE FINANCING SOURCE:

Measure I TOT Fund	(450,000)
Park Fund	300,000
General Government CIP Fund	3,130,000
Community Planning Fund	200,000
TASP fund	375,000
Grants	90,000
Traffic Impact Fees	500,000
Developer Fees	100,000
TOTAL AVAILABLE	<u>4,245,000</u>

* New Project

Park Improvement Projects

The Park Improvement category includes continued funding of three existing projects and funding of four new projects:

Project Number-Name

Description

Operating Budget Impact

2005-Lower Penitencia Creek Pedestrian Bridge

This project provides for the design and construction of a new pedestrian bridge over Lower Penitencia Creek adjacent to the Centre Pointe "C" Development and the new Park/School site. The new bridge will connect the two levee trails on either side of Lower Penitencia Creek.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost amount are expected to be small.

2007-Berryessa Creek Trail, Reach 4,5,6A

This project provides for the design and construction of Reach 4, 5 and 6A of the Berryessa Creek Trail from Calaveras Blvd to San Jose City limits South of Montague Expressway. This project is identified and described further in the "Berryessa Creek Trail and Coyote Creek Trail Feasibility Report". The scope of work includes trail and accessibility improvements, intersection modifications and trail amenities. The project will be coordinated with the US Army Corp of Engineers/SCVWD creek flood improvements project. It is also identified in the VTP 2040 Plan, as it provides a direct pedestrian/bicycle connection from the Town Center to the future BART station.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost amount are expected to be small.

3424-Citywide Park Playground Rehabilitation

This project provides for the rehabilitation of citywide park playgrounds needing minor improvements such as additional fill material to meet fall attenuation, surface improvement, equipment modification, and signage improvement.

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

5097-Higuera Adobe Park Picnic

This project provides for the design and construction of renovation improvements of various park elements at the Higuera Adobe Park. This includes the large picnic area behind the adobe building, playground including shade structures, and surrounding area. The project will evaluate ADA compliance assessment and improvements, drainage, landscaping, walkways and related improvements.

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

5105-Park Access Improvement & Resurfacing

This project provides for the improvement and rehabilitation of vehicle, bike, and pedestrian access for City parks. Work would include the repair, seal coat, or asphalt overlay of park parking lots, trails, and walking pathways, including repairs and recoating of pedestrian bridges.

Operating Budget Impact: None

5505-Alviso Adobe Renovation

This project will be completed in phases and provides new park improvements and exterior restoration of the historic Alviso Adobe building. Phases 1 thru 4 completed park improvements, ADA access improvements, and seismic and exterior renovation of the historic adobe building. The final phase 5 provides for the interior restoration of the 1st floor of the Adobe Building to museum quality level.

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

5106-Weller House Acquisition

Project provides for the acquisition and renovation of the Weller House located at the end of London Drive. The Weller property is located within the County north-east of Higuera Adobe Park, and may be on the market. Staff will investigate if the Weller House may be acquired by the City and determine the estimated cost to complete the acquisition.

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

NUMBER	PROJECT TITLE	APPROVED
351- 2005	Lower Penitencia Creek Pedestrian Bridge	100,000
351- 2007 *	Berryessa Creek Trail, Reach 4,5,6A	300,000
331- 3424 *	Citywide Park Playground Rehabilitation	500,000
321- 5097	Higuera Adobe Park Picnic	600,000
321- 5105 *	Park Access Improvement & Resurfacing	600,000
321- 5055	Alviso Adobe Renovation	50,000
321- 5106 *	Weller House Acquisition	25,000
	TOTAL COST	<u>2,175,000</u>

AVAILABLE FINANCING SOURCE:

Park Fund	825,000
Midtown Park Fund	600,000
General Government CIP Fund	500,000
Developer Contribution	250,000
	<u>2,175,000</u>

* New Project

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Street Improvement Projects

The Street Improvement category includes continued funding of six existing projects and funding of six new projects:

Project Number-Name

Description

Operating Budget Impact

2008-Montague Expwy Ped Overcrossing at Piper

This project provides for the construction of a pedestrian overcrossing (POC) over Montague Expressway at Piper Drive. The pedestrian overcrossing is part of the Transit Area Specific Plan (TASP) circulation infrastructure improvement that provides safe and convenient pedestrian circulation between the Milpitas BART station, Great Mall and surrounding residential developments.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost amount are expected to be small.

3402-McCarthy Blvd Landscape & Lighting

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

Operating Budget Impact: None.

3412-Street Resurfacing 2014

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.

Operating Budget Impact: None

3425-Utility Undergrounding 2017

This project provides preliminary engineering and City administration for the undergrounding of existing overhead electric telephone and CATV facilities at various locations Citywide. Construction is funded by the PG&E Rule 20A Program and other utilities (Approximately \$3.6 million in PG&E credits are available as of January 2013.) Once the utility underground district is created, the PG&E construction schedule is 5 to 7 years later.

Operating Budget Impact: None.

3426-Annual Sidewalk, Curb & Gutter Repair

This project provides annual funding for the replacement of damaged or raised sidewalks, curbs, gutters, and minor asphalt patching throughout the City. The scope of work includes administration, verification of locations to be repaired or replaced, completing necessary repairs, ongoing inspection of City sidewalk, curbs and gutters.

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

3430-Midtown Street Light Project

This project provides for the installation of Midtown decorative street lighting along South Main Street from Carlo Street to Great Mall Parkway as a replacement to the existing cobra head lights. The project will be completed in phases. Conceptual cost estimates for the different project phases include: Carlo to Corning is \$3M; Curtis to Great Mall Parkway is \$1.5M; Corning to Curtis is \$1.5M. The Corning to Curtis phase would be completed after PG&E Rule 20A undergrounding of private overhead utilities. Estimates are conceptual and actual construction cost will be developed during the design process.

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

4271-Bridge Improvements

The project provides for maintenance and repairs to City owned bridges. The city owns and maintains eighteen roadway bridges and five pedestrian/bicycle bridges. They require ongoing preventative

maintenance and repairs including deck resurfacing, crack sealing, and work identified in the bi-annual bridge inspection reports performed by the California Department of Transportation.

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

4276-Electrical Vehicle Charging Stations

The project provides for the installation of two Electric Vehicle EV charging stations located along South Milpitas Boulevard in front of City Hall, and two EV charging stations located at the Midtown parking garage located next to the Library.

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

4281-TASP Underground Utility Dist.

This project provides 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 impact.

4283-ADA Curb Ramp Transition Program 2016

This mandatory program involves citywide replacement or upgrade of existing curb ramps to current standard Americans with Disabilities Act (ADA) compliant ramps. The project will also include the construction of minor segments of new sidewalk to close gaps between sidewalks on public streets in order to meet the requirements of the Title II of the ADA, and to allow the City to be eligible for future Federal transportation aid funds. An annual assessment will be conducted to determine and establish a priority list of candidate sites for replacement or upgrade based on pedestrian activity, public request, and field inspection. The target program completion date for citywide ADA public street curb ramp compliance is 2040.

Operating Budget Impact: This project is a Federal mandate to meet Title II of the ADA. However, the amount is expected to be small.

4284-Street Resurfacing 2017

This project provides for street pavement resurfacing including major street reconstruction. Streets are selected for improvement using the City's Pavement Management System to optimize the pavement condition based upon available budget. There are over 123 centerline miles of street pavement maintained by the City. Pavement repair work includes replacement of damaged curb, gutter, and sidewalk, installation or replacement of ADA curb ramps, and installation of Class II bike lanes, and Class III bike route facilities as described in the updated 2009 City of Milpitas Bikeway Master Plan.

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

Capital Budget Street Improvement Projects

NUMBER	PROJECT TITLE	APPROVED
351- 2008 *	Montague Expwy Pedestrian Overcrossing at Piper	100,000
331- 3402	McCarthy BLvd Landscape & lighitng	18,256
331- 3412	Street Resurfacing 2014 (Defunding)	(200,000)
331- 3425 *	Utility Undergrounding 2017	250,000
331- 3426 *	Annual Sidewalk, Curb & Gutter Repair	370,000
331- 3430 *	Midtown Street Light Project	250,000
311- 4271	Bridge Improvements	750,000
311- 4276	Electrical Vehicle Charging Stations	300,000
311- 4279	Minor Traffic Improvements 2016	100,000
311- 4281	TASP Underground Utility Dist.	40,000
311- 4283 *	ADA Curb Ramp Transition Program 2016	300,000
311- 4284 *	Street Resurfacing 2017	4,600,000
	TOTAL COST	<u>6,878,256</u>

AVAILABLE FINANCING SOURCE:

Measure I TOT Fund	2,150,000
Gas Tax Fund	2,950,000
LLMD Fund	18,256
Vehicle Registration Fee Fund	450,000
General Government CIP Fund	470,000
TASP Fee Fund	140,000
Water Fund	350,000
Sewer Fund	350,000
TOTAL AVAILABLE	<u>6,878,256</u>

* New Project

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Water Improvement Projects

The Water Improvement category includes continued funding of seven existing projects and funding of four new projects:

Project Number-Name

Description

Operating Budget Impact

2009-SCVWD Second Water Supply Turnout

This is a joint project with SCVWD to install a second water supply turnout to Milpitas as described in the Milpitas 2009 Water Master Plan.

Operating Budget Impact: The improvements are expected to increase maintenance costs. However, cost amount are expected to be small.

7076-Well Upgrade Project

This well upgrade program is revised to include recommendations from the Water Supply Augmentation Study. The next phase of work includes up to \$1 million of work at the Pinewood Well, which will improve, taste, odor, and hardness, and introduce groundwater into the distribution system. A future phase will complete the Curtis Well Station, including a building, pump and control equipment, water quality treatment, piping, and back-up power.

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

7100-Water System Seismic Improvement

This project develops a comprehensive Water System Seismic Improvements Program. Components include seismic rehabilitation to the City's "back-bone" water system as defined in the Water System Seismic Improvement Strategic Plan and purchase of water system materials and equipment for emergency response to a major disaster.

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

7115-Cathodic Protection Improvements

This project provides for the evaluation, study, and installation of corrosion monitoring stations and equipment to protect buried City metallic pipelines, and to provide recommendations for retrofit or anode replacement. The project will provide for upgrade and improvement of system deficiencies defined in the evaluation study.

Operating Budget Impact: None

7117-Abel St Pipeline Extension

This project installs 300 linear feet of 12-inch pipe to connect three "deadend" pipes, one on Abel Street and two on Carlo Street. This improvement will improve water pressure and water quality through improved system circulation.

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

7121-Automated Water Meter Replacement

A City-Wide replacement of existing water meters will be implemented to improve overall service to the City's customers and improve the reliability of the meter reading data. As meters age, the meter readings will read lower over time. Other cities have experienced a reduction ranging of 10-13% lower readings before they completed their meter change out.

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

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. This work also includes water system upgrades and new recycled water pipelines to be completed as part of the adjacent Montague Widening Project.

Operating Budget Impact: None

7126-Water Conservation Program

This project provides for a Water Conservation Program including development, implementation, and management of a new City wide water rationing and conservation plan including community outreach and education. The program includes staff response to water waste complaints and the implementation of new State mandated water conservation programs. This project will begin the conversion of City and private owned irrigation facilities from potable to recycled water where they are adjacent to recycled water pipelines.

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

7128-Recycled Water Pipeline Infill

This project provides miscellaneous recycled water line extensions to sites that currently use potable water for non-domestic uses and three potential interties with San Jose Water Company. This project would allow the use of recycled water and replace the use of potable water.

Operating Budget Impact: None

7129-Recycled Water Pipeline Segment 1

This project provides for the extension of recycled water lines as part of the City's efforts to diversify the water supply system and respond to the ongoing drought emergency by offsetting the use of potable water. The project is divided into five segments. Segment 1 provides for the extension of the pipeline in Los Coches Street under Berryessa Creek, and I-680 to Dempsey Road. The new lines will extend to Cardoza Park to the north and to Randall Elementary School on the south.

Operating Budget Impact: None

7130-Water Valve Replacement

This project provides for the replacement of water valves on the water system. These valves are an important element of the aging infrastructure, allowing the system to be isolated during emergency or planned work on the water system.

Operating Budget Impact: None

Capital Budget Water Improvement Projects

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
351- 2009 *	SCVWD Second Water Supply Turnout	100,000
401- 7076	Well Upgrade Project	3,000,000
401- 7100	Water System Seismic Improvement	5,400,000
401- 7115	Cathodic Protection Improvements	125,000
401- 7117	Abel St Pipeline Extension	90,000
401- 7121	Automated Water Meter Replacement	2,045,000
401- 7125	BART Project - Water Improvements	200,000
401- 7126	Water Conservation Program	600,000
401- 7128 *	Recycled Water Pipeline Infill	1,500,000
401- 7129 *	Recycled Water Pipeline Segment 1	9,850,000
401- 7130 *	Water Valve Replacement	200,000
	TOTAL COST	<u>23,110,000</u>

AVAILABLE FINANCING SOURCE:

TASP Fee Fund	100,000
Water Fund	2,390,000
Sewer Fund	125,000
Water Bond Fund	20,495,000
TOTAL AVAILABLE	<u>23,110,000</u>

* New Project

Sewer Improvement Projects

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

Project Number-Name

Description

Operating Budget Impact

6118-SJ/Santa Clara regional Waste Water

The City of Milpitas pumps our sewage to the San Jose/Santa Clara Regional Waste Water Facility for waste water treatment before it can be discharged into the San Francisco Bay. This project will fund Milpitas's share of the facilities rehabilitation costs. The facility 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 facility is undergoing a large rehabilitation project to completely overhaul the facility over the next 30 years. The City of Milpitas uses approximately 7% of the facility 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 the 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-Sanitary Sewer Condition Assessment

A citywide condition assessment program is needed to determine the condition of the City's sanitary sewer system.

Operating Budget Impact: None.

6122-Minor Sewer Projects 2016

This project provides ongoing analysis, engineering, and implementation of various minor modifications and improvements to existing sewer systems.

Operating Budget Impact: None.

6123-Sanitary Sewer Overflow Improvement

This project includes multiple measures to reduce sewer system overflows. A pilot program for "smart" manhole covers would be implemented. These manhole covers contain a sewer manhole flow level sensor that would transmit alarms prior to overflows. In addition, sewer backflow devices would be installed at selected sites.

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

Capital Budget Sewer Improvement Projects

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
451- 6118	SJ/Santa Clara regional Waste Water	6,200,000
451- 6119	Sanitary Sewer Condition Assesment	165,000
451- 6122 *	Minor Sewer Projects 2016	50,000
451- 6123 *	Sanitary Sewer Overflow Improvement	25,000
	TOTAL COST	<u><u>6,440,000</u></u>
 AVAILABLE FINANCING SOURCE:		
	Sewer Fund	6,440,000
	TOTAL AVAILABLE	<u><u>6,440,000</u></u>

* New Project

Storm Drain Improvement Projects

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

Project Number-Name

Description

Operating Budget Impact

3700-Storm Drain System Rehabilitation

Prior work included storm drain system repairs at various locations and wetland riparian mitigation and maintenance work at Wrigley-Ford and Ford Creeks. The remaining work is required by Regional Water Quality Control Board and Army Corps of Engineer permits to inspect, repair, maintain, and submit reports on the Creek sites until February 2023.

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

3709-Dempsey Rd Storm Drain Replacement

The work includes replacement of three segments of storm drainage piping around the Dempsey Road area and installation of two outfalls 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

3710-Penitencia Pump Station Improvement

This project rebuilt the three 40-year old Fiat engines, drives, and pumps, including the smaller jockey pump, thereby extending the life of Penitencia Storm Pump Station (located at Hall Park). Work was completed in January 2016 and the work is within the warranty period.

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

3713-Trash Removal Devices

This project evaluates locations for trash removal devices within the City's storm water collection system. Proposed work includes design and installation of two devices.

Operating Budget Impact: None

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
341- 3700	Storm Drain System Rehabilitation	335,000
341- 3709	Dempsey Rd Storm Drain Replacement	830,000
341- 3710	Penitencia Pump Station Improvement (Defunding)	(150,000)
341- 3713 *	Trash Removal Devices	350,000
	TOTAL COST	<u>1,365,000</u>

AVAILABLE FINANCING SOURCE:

General Government CIP Fund	680,000
Storm Drain Fund	685,000
TOTAL AVAILABLE	<u>1,365,000</u>

* New Project

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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 2013-14, 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 same methodology was applied to the FY 16-17 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 16-17 can be found on pages 100-101 of this document.

How Can I Learn More?

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

370 Miscellaneous Revenue

- 3710 Development
 - 3710 Development
 - 3711 Storm Drain Connection Fee
 - 3712 Park Development Fees
 - 3713 Sewer Permit Fees
 - 3714 Treatment Plant Fees
 - 3715 Connection Fees
 - 3716 Fire Hydrant Fees
 - 3717 Encroachment Permit Fees
 - 3718 Impact Fees
- 3720 Special Assessments
 - 3720 Special Assessments
 - 3721 Special Assessments-Prepayments
- 3730 Recycling
 - 3730 Recycling
- 3740 Reimbursements
 - 3741 Repayment
 - 3742 Principal
 - 3743 Interest Income
 - 3744 Advance-Principal Repayment
 - 3745 Advance-Interest Earnings
 - 3746 HazMat Incidents
- 3750 Donations
 - 3750 Donations
- 3760 Developer Contribution
 - 3760 Developer Contribution
 - 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

List of Expenditures

410 Personnel Services

- 4110 Wages
 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
 - 4114 Reimbursable Overtime
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
 - 4125 Accrued Leave
- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4136 Unemployment
 - 4137 MOU Contractual Agreements
 - 4138 Deferred Compensation
 - 4139 PARS
- 4140 Adjustments-Payroll
 - 4141 Payroll Adjustment
 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
 - 4144 Reduced Funding
 - 4151 Compensation Reduction
 - 4152 Employee Pay PERS Contribution
 - 4199 Overhead-PJ's Contri Labor
 - 4198 Overhead-Payroll
- 4160 Retiree Benefits
 - 4161 Retiree Medical Reserve
 - 4162 Retiree Medical Payment
 - 4163 Retiree Medical Reimbursement

420 Services and Supplies

- 4200 Community Promotions, Grants and Loans
 - 4201 Community Promotions
 - 4202 Community Promotions-CC Allocated
 - 4203 Community Promotions-CC Unallocated
 - 4204 Cultural Arts Grants
 - 4205 Miscellaneous Grants
 - 4206 Sports Grants
 - 4207 Housing Rehab Loans
 - 4208 CDBG Grants
 - 4209 Miscellaneous Loans

- 4210 Department Allocations
 - 4211 Equipment Replacement
- 4220 Supplies
 - 4221 Office
 - 4223 Departmental
 - 4224 Maintenance
 - 4225 Health and Safety
 - 4226 Senior Nutrition Food Supplies
- 4230 Services
 - 4231 Advertising
 - 4232 Blueprinting
 - 4237 Contractual Services
 - 4238 Contractual Services/PJs'
 - 4239 Audit Fees
 - 4240 Street Sweeping
 - 4242 Rents and Leases
 - 4243 Contributions to Non-City
 - 4244 Senior Nutrition Non-Food
- 4250 Legal Services
 - 4252 Retainers and Fees
 - 4253 ABAG Attorney's Fees
 - 4254 ABAG Settlements
 - 4255 Litigation
 - 4256 IBNR Adjustment
- 4280 Elections
 - 4280 Elections

421 REPAIRS & MAINTENANCE

- 4230 Repairs & Maintenance
 - 4241 Repairs & Maintenance
 - 4244 Rpars & Maint for Rental Prop

440 Communications and Utilities

- 4410 Communications
 - 4411 Phone-Local
 - 4412 Computer Data Lines
 - 4413 Phone-Long Distance
 - 4414 FAX
 - 4415 Pagers
 - 4416 Cellular Phones
 - 4417 Fire Alarms
 - 4418 Police Alarms
- 4420 Utilities
 - 4421 Gas

Appendix List of Expenditures

4422	Electric	4710	Interest
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
4508	Mileage Reimbursement and Parking	4831	Buildings and Improvements
4509	Tuition Reimbursement	4840	Infrastructure
4520	Commissions and Boards	4841	Infrastructure
4521	Conference Expenses	4850	Vehicles
4522	Non-Conference Expenses	4851	Vehicles
460	Insurance Settlements and Contingencies	4860	Capitalized Leases
4600	Insurance and Settlements	4864	Capitalized Leases
4602	Liability	4865	Capital Lease Interest
4610	Uncollectible Accounts	4870	Machinery and Equipment
4610	Uncollectible Accounts	4873	Machinery and Equipment
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.

Index

A

Abbreviations and Acronyms	241
Authorized Positions by Division	63
Awards	27

B

Budget and Budgetary Accounting	213
Budget Guidelines	29
Budget Message	3, 13
Budget Preparation Process and Timeline	32
Budget Summary	66
Building and Safety	127
Building and Safety Summary	131
Building Permit Revenue, Comparison with Other Jurisdictions	88

C

Capital Budget Summary	193
City Attorney	121
City Attorney Summary	125
City Clerk	117
City Clerk Summary	119
City Council	107
City Council Summary	111
City Council, Board and Commissions	58
City History	50
City Manager	113
City Manager Summary	115
Classification Plan Amendment	44
Community Improvement Projects	194
Computation of Legal Bonded Debt Margin	62

D

Demographic Profile	51
Directory of Officials	60
Distribution of Expenditures	68
Distribution of Revenues	68

E

Engineering	165
Engineering Summary	169
Expenditure Descriptions	224
Expenditures by Function	97
Expenditures by Fund (Detail)	92
Expenditures by Fund (Summary)	91

F

Finance	153
Finance Summary	157
Fire	183
Fire Summary	187
Fiscal Policies	36
Fiscal Year 2016-17 through Fiscal Year 2020-21	21
Franchise Fees, Comparison with Other Jurisdictions	90
Fund Descriptions	218
Fund Structure	65
Funded Permanent Positions by Department	64

G

Gann Limit Analysis	61
General Fund Revenue Assumptions	69
Glossary of Terms	243

H

History of "Other" Tax Revenue	89
History of Building Permit Revenue	86
History of Intergovernmental Revenue	89
History of Property Tax Revenue	83
History of Sales Tax Revenue	86
History of Transient Occupancy Tax Revenue	83
Human Resources	139
Human Resources Summary	144

I

Information Services	133
Information Services Summary	137
Internal Cost Allocation by Function Schedule	100

J

Joint Resolution Adopting the Final Budget	41
--	----

L

List of Departments/Divisions/Functions	233
List of Expenditures	239
List of Funds	231
List of Revenues	235

N

Non-Departmental	189
------------------	-----

O

Operating Transfers Statement	102
Organization Chart	49

P

Park Improvement Projects	198
Planning & Neighborhood Svcs	171
Planning & Neighborhood Svcs Summary ...	175
Police	177
Police Summary	181
Property Tax, Comparison with Other Jurisdictions	
84	
Public Works	159
Public Works Summary	163

R

Recreation	147
Recreation Summary	151
Resolution Adopting the Appropriations Limit ..	39
Revenue Descriptions	221
Revenues by Fund (Detail)	72
Revenues by Fund (Summary)	70

S

Sales Tax Revenue, Comparison with Other Juris-	
dictions	87
Sewer Improvement Projects	208
Storm Drain Improvement Projects	210
Street Improvement Projects	201

T

Transient Occupancy Tax, Comparison with Other	
Jurisdictions	85

V

Vicinity Map	57
Vision, Values and Goals	1

W

Water Improvement Projects	205
----------------------------------	-----