

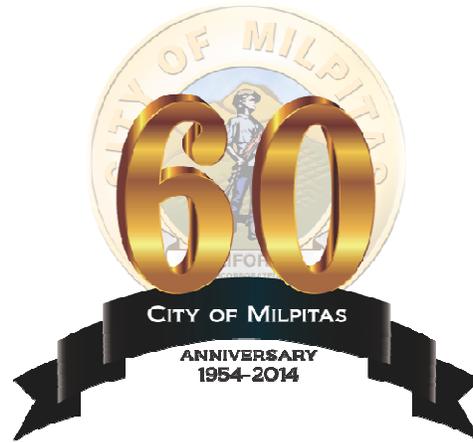
# 2014-2015 Budget & Financial Plan

**FINAL BUDGET**



**MILPITAS, CALIFORNIA**





# 2014-2015 Final Budget

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# *City of Milpitas*

## *“Vision, Values and Goals”*

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

## *Our Values*

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

## *Our Goals*

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

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# CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

July 25, 2014

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

Members of the City Council:

It is my pleasure to present to you the Adopted Budget for Fiscal Year 2014-2015. This budget includes the City's operating and capital improvement budget and the City's water and sewer utility operations. The Fiscal Year 2014-15 ("FY 14-15") budget was developed to incorporate the following City Council's priorities and policy direction.

## Policy Direction

- Continue to improve and maintain a high level of vital public services to the community in the most effective way
- Evaluate and review all City functions to eliminate duplications and achieve cost efficiencies
- Work towards becoming a recession-resistant City by developing and implementing fiscal strategies to ensure against economic uncertainties
- Initiate economic development strategies that will recruit and retain businesses in the City
- Encourage commercial and residential development in the Midtown and Transit areas that will center on the new light rail system and the future BART system to alleviate traffic congestion
- Manage the dissolution of Redevelopment with the least impact possible to City service levels.

In developing the FY 14-15 budget, it should be mentioned that the City's budget has weathered the most challenging economic recession that officially began in December 2007 and ended two years later. The City's financial condition was further impacted by the dissolution of the Redevelopment Agency in February 2012. The California Supreme Court's ruling on ABx1 26 that effectively dissolved all the redevelopment agencies was particularly difficult for the City. In addition to the loss of funding for many major infrastructure and economic development projects, the City also lost approximately \$7 million operating cost reimbursements annually allocated from the Milpitas Redevelopment Agency (RDA) to the General Fund.

Since FY 2008-09, the City reduced the General Fund operating costs through employee concessions, attritions, layoffs, outsourcing, reorganization and restructuring of non-core programs. These cost cutting measures, albeit painful, have greatly stabilized the General Fund's financial conditions and narrowed the General Fund's structural deficit from \$12 million to a balanced operating budget in FY 2014-15. The recent economic recovery in this region due to

improved employment rate and higher property values that led to increased General Fund revenues also played a significant role in closing the budget gap.

The primary focus of the FY 14-15 budget continues to be on delivery and preservation of core City services while maximizing overall organizational efficiency and cost savings. The City is still faced with many fiscal challenges in the long term. These challenges include continued escalation of pension costs and medical insurance premium, and finding solutions to replace funding resources needed for capital improvement and economic development projects as a result of RDA's dissolution.

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

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

One of the best business retention strategies that the City embarked upon in recent years was to provide expedited building plan check and inspection services. As an example, the City was able to add Silicon Graphics and FireEye in Milpitas when these two companies seek to relocate and expand their corporate offices. Due to the BART extension project and increased development activities that demand plan check and inspection services, one temporary Public Works inspector and one full time Fire Prevention Inspector are funded in the Public Works Department and Fire Department respectively next year. It should be noted the costs for funding these two positions will be recovered through reimbursements from the Valley Transportation Authority ("VTA") that manages the BART extension project and fire inspection revenue. Other staffing changes will be discussed in the Budget Highlight section.

## BUDGET HIGHLIGHT

The City experienced increases in property tax revenue, Transient Occupancy tax (“TOT”) revenue, and plan check and building inspection revenue as the local economy continues to improve. The revenue projection for next year is moderate but realistic. Projection for property tax revenue is based on assessed value information provided by the County Assessor’s office and expected number of housing units that will be added to the property tax roll, Projection for TOT revenue is based on hotel occupancy trends and consumer price index increase. Building permit and inspection revenues are based on the number of applications submitted by developers and anticipated building activities provided by Building staff. Staff projected that the General Fund revenues and other financing sources will increase about \$5.8 million or 8.9%, compared to the FY 13-14 original revenue projection but will be approximately \$4.3 million or 6.4% above the FY 13-14 revised revenue projection. The General Fund budget appropriation for FY 14-15 is \$71.2 million, approximately \$5.8 million higher than the FY 13-14 original budget. The increase is primarily due to increased employer’s pension contribution and medical premium costs, a partial restoration of employee concessions, elimination of Police furloughs, and increased funding for more full time and temporary employees.

In the FY 14-15 Adopted Budget, an additional 8.0 full time equivalent positions (FTEs) are funded (net of 9 funded FTEs and 1 defunded FTE). These additional positions are 1 Police Property Clerk, 2 Police Officers, 1 Fire Prevention Inspector, 1 Assistant City Manager, 1 Economic Development Manager, 1 Recreation Services Manager, 1 Information Services Director, and 1 Assistant Housing Planner. The defunded FTE is a vacant System Administrator position in the Information Services Department. Not all of the additional positions are funded by the General Fund. Two police officers are partially funded by assessments for the Community Facilities District 2008-1 (CFD 2008-1) in the Transit Area. CFD 2008-1 was created specifically to mitigate the increased operating costs of the General Fund primarily due to increased population and thus service demands in the Transit Area. The Assistant Housing Planner is partially funded by the Housing Authority Fund to assist in administering and monitoring the housing activities of the Housing Authority. All the additional positions are vital and necessary to perform front line or support services as the demand for City’s service level increases due to growing population and intensified development and building activities. It should be noted that the Adopted Budget does not reflect all the positions requested by the departments. Due to funding constraints, the additional positions are funded based on priority.

The FY 14-15 Operating and Capital Budgets were prioritized to maintain core services ensuring these services are delivered in the most cost effective and beneficial manner to the community and capital improvement projects are prioritized to those that are most necessary. Staff believes these priorities reflect the City Council’s policy direction. Some significant highlights from the budget are described below:

- Balance the General Fund budget without using any reserves.
- Meet the increased demand for public safety and development services by funding two additional Police Officers and one Fire Prevention Inspector.
- Improve service delivery to the community by offering more broad based preschool enrichment programs in lieu of a single Preschool program. The preschool enrichment programs will target children at different preschool age groups and provide more opportunities for them to participate in music, art, and sports classes.
- Enhance the City’s economic development opportunities by recruiting an Economic Development Manager to help promote the City and formulate strategies for economic development.

- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council's highest priority projects. Several important projects are funded next year. The Street Resurfacing project will improve the attractiveness of the residential areas in addition to maintaining traffic and conditions of major roadways. The Dempsey Road Water Line Replacement is needed as the current pipeline has experienced excessive corrosion which is causing frequent line breaks. The FY 14-15 Capital Improvement Program also includes funding for rehabilitation of the San Jose-Santa Clara Regional Wastewater Facility ("Facility"). The City of Milpitas pumps its sewage to the Facility for waste water treatment before it can be discharged into the San Francisco Bay. As a participating member, the City shares the operating and capital improvement costs of the Facility based on its capacity right. Due to the age of the Facility, a rehabilitation project to overhaul the Facility is vital in order to maintain the sewer infrastructure. Other capital improvement projects includes renovation of the Higuera Adobe Park and providing ADA improvements in various parks. The funding for these various projects amount to \$15.4 million next year.
- Continue to monitor fee adjustments and fee structure to ensure that customer service revenues keep up with costs. Using an updated Cost Allocation Plan, staff analyzed current fees charged by various departments for services in relation to the costs for providing these services. It was determined that fee adjustments are necessary for several departments' services. Staff presented and City Council approved these fee adjustments for this budget cycle.
- Continue to work closely with the VTA to extend the BART system from the Warm Springs Station in Fremont, through the Milpitas station to the Berryessa Station in San Jose while minimizing impact of the works to the community.
- Develop and deliver a Citywide Strategic Plan. The goals of the Plan are to review and redefine City's missions and values and to develop consistent objectives and strategies that will guide the departments' work plans.

## **BUDGET OVERVIEW**

The total Adopted Budget for FY 2014-15 is \$119,812,215. This is a 4.7% increase from the FY 2013-14 Adopted Budget. Excluding the City's FY 14-15 Capital Improvement Budget, the total operating budget is \$104,384,215, a 9.3% increase from last year. The total annual budget includes the City's Water and Sewer Utility enterprise budgets of \$20,409,564 and \$14,516,559 respectively. It also includes the Housing Authority's budget of \$990,534. The total annual budget for capital improvements for FY 14-15 is \$15,428,000. A separate Capital Improvement Program ("CIP") budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year as well as profiling anticipated community needs over the subsequent four years. A summary of each project description and funding requirement for FY 14-15 can be found on pages 183 through 195 of this document.

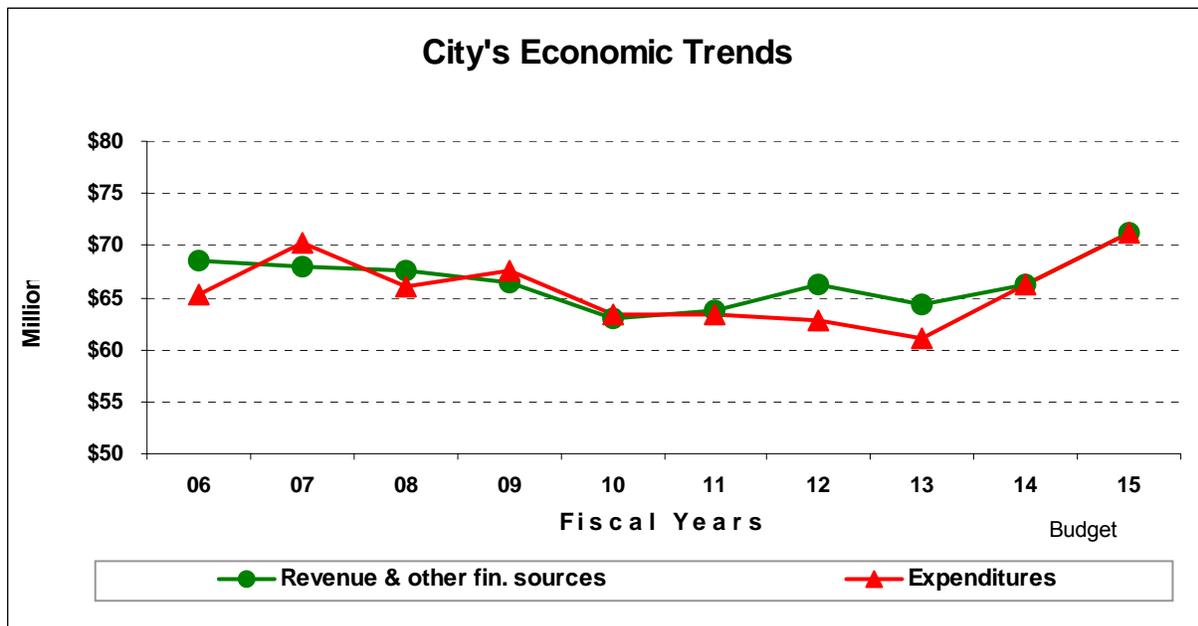
The General Fund budget is \$71,227,911, an increase of 8.9% compared to FY 2013-14. Salaries and Benefits show an increase of 9.6% or \$5 million from last year due to increase in employer pension costs, medical premium costs and additional funding of FTEs as described in the Budget Highlight section. The anticipated increase of medical insurance premium is 8% in January 2015. The employer's contribution percentages to the California Public Employee Retirement System ("CalPERS") pension plans for FY 14-15 are 25.574% and 35.095% of payroll for the Miscellaneous Employees group and Public Safety Employees group respectively. It should be noted that as a result of negotiation and employees' concession, various employee groups contributed toward CalPERS for the employer's portion that ranges from 7% to 12.9% of

payroll. It is anticipated that a portion of the employee concessions in the FY 14-15 Budget will be reduced as a result of contract negotiations. The non personnel budget for the General Fund in FY 14-15 increased 6.1% or \$795,000 compared to the FY 13-14 Adopted Budget. The increase is due to increases in equipment replacement amortization, utilities charges for electricity and water, contractual services, and election expenditures for the November 2014 election.

The adopted Water utility fund budget is \$20,409,564, an increase of \$2.3 million from last year due to operating and capital improvement project costs increase of \$0.9 million and \$1.4 million respectively. The increase in operating cost is primarily due to increased water purchase costs from outside agencies. The adopted capital improvement costs for water projects is \$2.8 million in FY 14-15.

The adopted Sewer utility fund budget is \$14,516,559, a decrease of \$1.3 million from last year mainly due to a \$2.5 million funding decrease for capital improvement project costs, partially offset by a \$1.2 million increase in operating costs. The City of Milpitas is a participating member of the San Jose-Santa Clara Regional Wastewater Facility and pays its share of the operating and capital improvement costs to the lead agency, City of San Jose, based on Milpitas' share of the capacity right. The contribution to the Facility for its operating and capital improvement costs constitutes about 76% of the Sewer Fund budget.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 05-06 through FY 12-13, along with the budget projections for FY 13-14 and FY14-15:



### Economic Trends, Development and Profile

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas, considered the "Crossroads of Silicon Valley," with most of its 13.6 square miles of land situated between two major freeways, I-680

and I-880, has experienced tremendous growth since its incorporation in 1954. Over the past 40 years, the population growth has increased from 26,561 in 1970 to 66,790 in 2010 (latest census). The Bay Area experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the dot-com bust. Between 2005 and 2007, local economy began to recover slowly until 2008 when the economy went into global recession due to subprime mortgages, plummeting home sales and meltdown of the financial market. This region is severely impacted due to concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas is similarly impacted because of its location and comparable economic mix. The following section entitled “Major Development Activities in the City” will discuss some of the development activities that are occurring in Milpitas.

There are approximately 1,448 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, office equipment, restaurants and electronic equipment. The five largest manufacturing employers are Cisco Systems, Inc., KLA-Tencor Corporation, SanDisk Corporation, Headway Technology, and Spectra Laboratories. Several of these top employers including SanDisk Corporation and KLA-Tencor make Milpitas their corporate headquarters. The two largest non-manufacturing employers in Milpitas are The Great Mall of the Bay Area and the Milpitas Unified School District.

### **Major Development Activities in the City**

*Midtown Specific Plan* – The vision for this area includes high density housing within walking distance to light rail and BART to support the public investment in mass transit, transforming neighborhoods into an attractive and economically vital district with plazas and network of pedestrian and bicycle trails, a vibrant streetscape along the north end of Main Street and a mixture of housing, shopping, employment, entertainment, and cultural and recreational opportunities. The implementation efforts began with several capital improvement projects such as the new Library, parking garage, Main Street and Abel Street infrastructure improvements. Other development activities undertaken by outside agencies include a County Health Center and a parking garage and a 103-unit senior housing apartment building. Major residential development includes construction of Centria West project for 366 condominium dwelling units. Other development in process includes 200 apartment units developed by Shea Homes.

*Transit Area Specific Plan* – The City adopted a Transit Area Specific Plan in June 2008 which provides for medium to high density development surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, retail and restaurants. Currently, there are about 1,400 housing units in the Transit Area that are under various stages of development.

*Residential Development* – Although residential development activities in this region were impacted by the soft housing market in the last few years, there is a renewed interest in residential developments recently. Outside of the Midtown and Transit Area, there are several

residential developments that are either under construction or completed and occupied. These projects include Murphy Ranch Townhomes (285 townhomes), Robson Homes (83 units) and Sinclair Renaissance (80 single family detached units).

*Non-residential Development* – Major commercial construction includes expansion and tenant improvements of FireEye, a malware protection company. Building permits were also issued to Flextronics, Solexel, KLA-Tencor and Micron for tenant improvements. Micron is a semiconductor business relocated from San Jose.

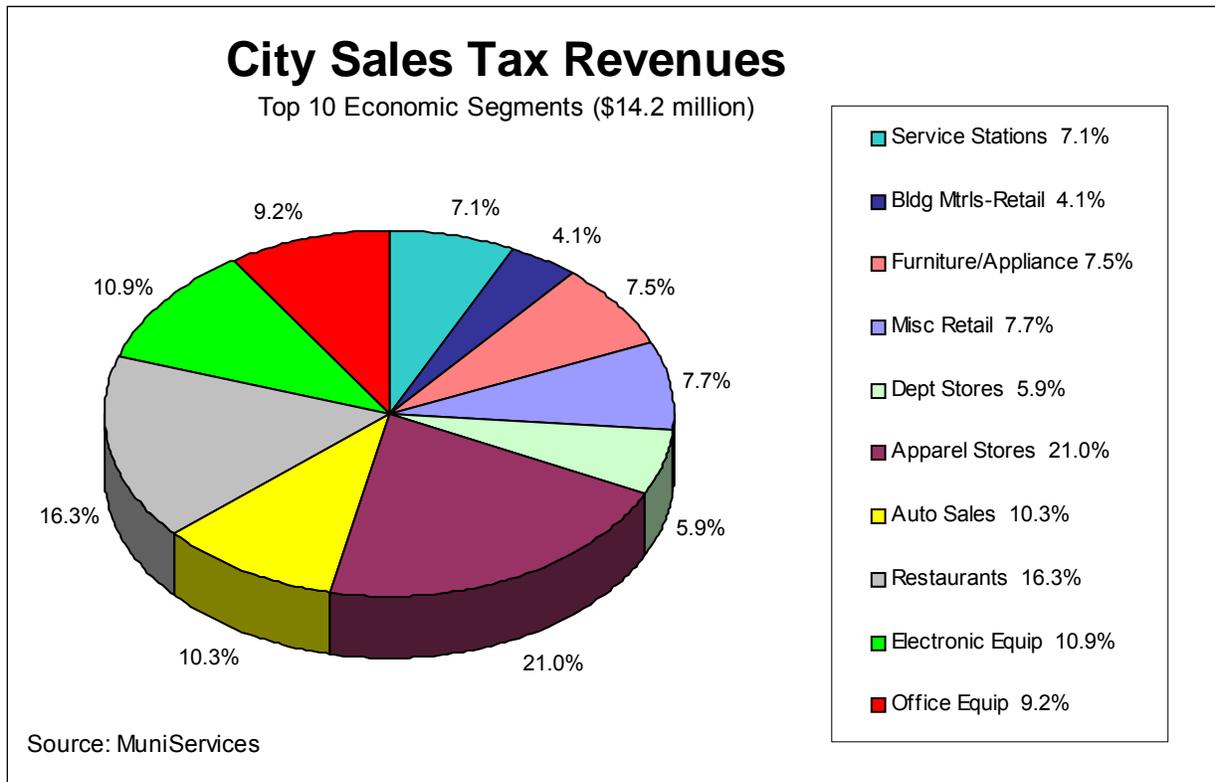
### Consumer Confidence Level

The latest consumer confidence survey report showed that the U.S. consumer sentiment in March 2014 reached an all time high of 82.30 since 2008. 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 drives more than 65% of the U.S. Gross Domestic Product, the index is a good indicator that when consumers' confidence is high, consumers would likely make more purchases thus further boosting the economy.



Top Ten Sales Tax Generators by Economic Segment

The chart below provides a snapshot of the City’s sales tax revenue by economic segment in the last four quarters. Total amount of sales tax revenue for the latest benchmark year was about \$16.5 million, with the top ten economic segments generated about \$14.2 million. Economic segments such as apparel stores, restaurants and miscellaneous retail increased over a year ago while electronic equipment, auto sales, and office equipment segments decreased.



## REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues and other financing sources including transfers between funds is shown below to compare the FY 13-14 Adopted Budget and the FY 14-15 Adopted Budget.

<u>Fund</u>	<u>Adopted Budget FY 13-14</u>	<u>Adopted Budget FY 14-15</u>	<u>Over (Under) Prior Year</u>
General	\$ 65,412,939	\$ 71,227,911	\$ 5,814,972
Measure I TOT	97,840	155,428	57,588
Housing Authority	878,990	990,534	111,544
Special Revenue	4,140,641	4,874,219	733,578
Capital Project	9,994,950	7,638,000	(2,356,950)
Water	18,091,619	20,409,564	2,317,945
Sewer	15,811,796	14,516,559	(1,295,237)
Total	<u>\$114,428,775</u>	<u>\$119,812,215</u>	<u>\$ 5,383,440</u>

### Revenue Estimates for Fiscal Year 2014-15

Compared to the FY 13-14 budget, FY 14-15 revenue and other financing sources that include the use of fund balances are estimated to increase by \$5.4 million principally due to increased personnel costs, partially offset by decreased funding for capital improvement projects.

In FY 14-15, General Fund revenue and other financing sources are projected to be \$71.2 million, approximately \$5.8 million more than last year's budget of \$65.4 million. The assumptions for projection and analysis of the major revenue sources are discussed on page 12.

**General Fund Revenue Estimates**

Below is a comparison between the FY13-14 adopted budget, FY13-14 revised budget, and FY14-15 adopted budget.

<u>Revenue</u>	(in thousands)				
	<u>Adopted Budget FY 13-14</u>	<u>Revised Budget FY 13-14</u>	<u>Adopted Budget FY 14-15</u>	<u>% change FY14-15 to FY13-14 Adopted Budget</u>	<u>% change FY14-15 to FY13-14 Revised Budget</u>
Property Tax	\$ 16,826	\$17,728	\$18,349	9.1%	3.5%
RPTTF distributions	2,377	3,325	3,500	47.2%	5.3%
Sale & Use Tax	20,913	20,006	20,606	(1.5)%	3.0%
Hotel/Motel Tax	6,093	6,908	7,114	16.8%	3.0%
Other Taxes	4,000	4,254	4,263	6.6%	0.2%
Permit & Inspection	5,253	5,729	5,730	9.1%	0.0%
Fines & Forfeitures	486	383	382	(21.4%)	(0.3%)
Interest Income	145	168	168	15.9%	0%
Intergovernmental	979	1,162	1,020	4.2%	(12.2%)
Charges for Services	5,466	5,325	5,417	(0.9)%	1.7%
Other Revenue	104	126	223	114.4%	77.0%
Operating Transfers	2,770	1,823	4,456	60.8%	144.4%
<b>Total</b>	<b>\$65,412</b>	<b>\$66,937</b>	<b>\$71,228</b>	<b>8.9%</b>	<b>6.4%</b>

FY 14-15 General Fund revenues and other financing sources is projected to increase by 8.9% or \$5.8 million more than the FY 13-14 adopted budget revenue. When compared to the FY 13-14 revised revenue projection, it is estimated to increase 6.4% or \$4.3 million. Some of the changes include the following:

Sales tax revenues for FY 13-14 are revised to be less than budget by 4.3% or \$907,000. The decrease is primarily due to relocation of a major office equipment company to another city and secondarily due to the shortened number of shopping days for the 2013 holidays season. Staff's assumption for FY 14-15 sales tax revenue is a 3% increase from the FY 13-14 revised estimate. The projection for FY 14-15 is modest and is consistent with the projection of the City's sales tax consultant. The projection assumes no major change in the business segments, but takes into consideration of price inflation based on a projected Consumer Price Index ("CPI") increase of 2.5% and 0.5% general increase in consumers' spending attributed to increased population.

Permit and Inspection revenue for FY 13-14 is revised to be \$476,000 more than budget due to increased development activities in the Transit Area. In FY 14-15, building permit and inspection revenues are projected to be \$5.7 million, at approximately the same level as FY 13-14 revised revenue. It is anticipated that residential developments will continue at a very high level. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.

Property tax revenues are estimated to increase by 3.5% in FY 14-15 from the FY 13-14 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 \$3.5 million in FY 14-15. In FY 13-14, the residual distributions were \$3.3 million.

Hotel/motel Transient Occupancy Tax revenue is projected to increase \$1 million or 16.8% from the FY 13-14 budget but is only a 3% increase from the FY 13-14 revised projection of \$6.9 million. The hotel industry in the local area has finally stabilized and began to recover in FY 10-11. It is anticipated that FY 14-15 will continue with a modest increase.

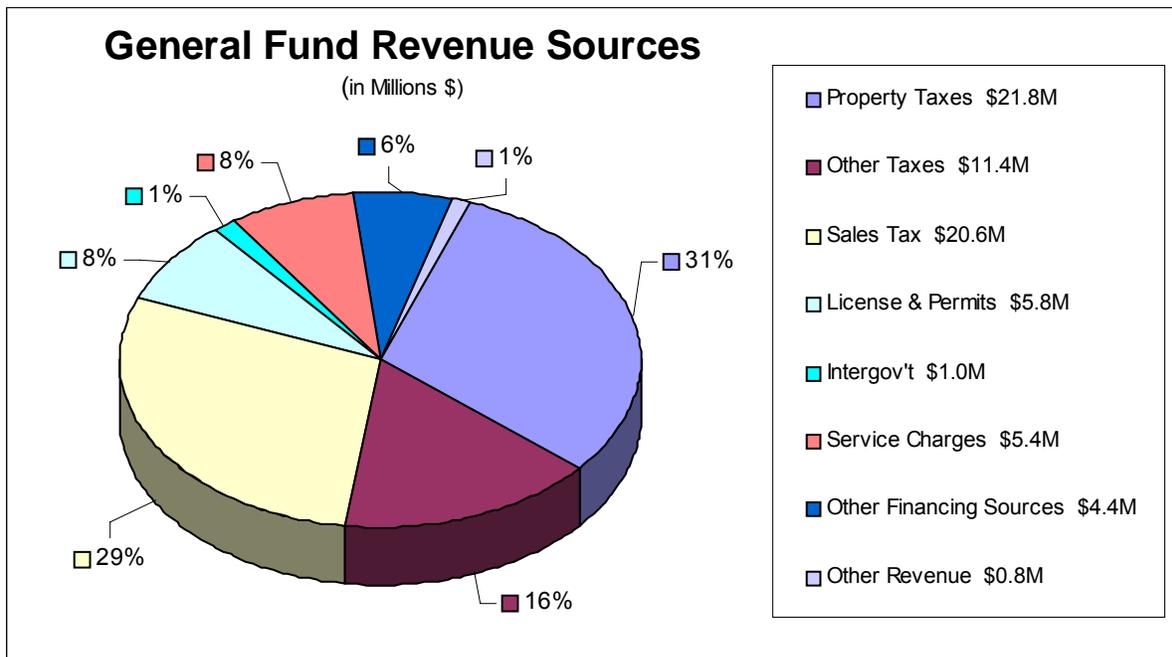
Charges for services is anticipated to increase by 1.7% from the FY 13-14 revised budget. Charges for services comprised of various services provided by the City such as police services, recreation services, rental income for City facilities, private development services charged by Engineering and Planning staff. Some of the service charges will increase slightly due to increased development activities while other service charges will remain level, limited by capacity for providing the services. An example will be recreation services and rental income that are limited by the number of programs that can be provided and the number of facilities that are available for rent.

Operating transfers are internal transfers between funds primarily to allocate operating costs and capital budget contributions from one fund to another. Compared to the FY 13-14 Adopted Budget, net operating transfers in FY 14-15 are projected to increase by \$1.7 million. In FY 13-14, the General Fund transferred approximately \$1.84 million residual RDA property tax distributions to the General Government Capital Project Fund whereas in FY 14-15, the residual RDA property tax distributions will remain in the General Fund for operating use. In addition, the General Fund will receive operating transfers from the CFD 2008-1 Fund and Transit Area Impact Fee Fund of \$200,000 and \$151,000 respectively to partially offset the costs of two police officers and administration of the Transit Area Impact fees.

Cost Allocation A cost allocation worksheet is utilized to allocate indirect costs that are typically budgeted in the General Fund to various programs and funds in order to determine the full cost of providing City services. In 2014, the City conducted an updated Cost Allocation Plan to calculate the percentage of costs that should be allocated to each major program and major operating fund. The Cost Allocation Plan also provides the basis for review of City fees and charges each fiscal year. The updated Plan was applied to the FY 14-15 budget.

For each City service or program, in addition to direct costs such as staff time, supplies and contractual services, it also receives support from the administrative staff and benefited from centralized services such as building occupancy and equipment maintenance. These indirect costs need to be allocated to each major service or program in order to determine the full cost of providing City services. Using the same rationale, the Cost Allocation Study also computed the percentage of indirect costs that should be assigned to other operating funds such as Water and Sewer utility funds. These indirect costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds shares the administrative and overhead costs equitably. A summary Internal Cost Allocation Schedule showing the cost allocation by function for FY 14-15 can be found on pages 94 to 95.

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



**Utility Rates**

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

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

In the Adopted FY 14-15 Budget, approximately 58% or \$13.3 million of the water fund budget and 76% or \$12.2 million of the sewer fund budget are attributed to outside agencies' costs that need to be passed through to the utility ratepayers. These costs include wholesale water cost from the Santa Clara Valley Water District and the San Francisco Public Utility Commission which are projected to increase an average of 16%. City's Water operation cost and capital improvement project cost are approximately \$6.7 million and \$1.8 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

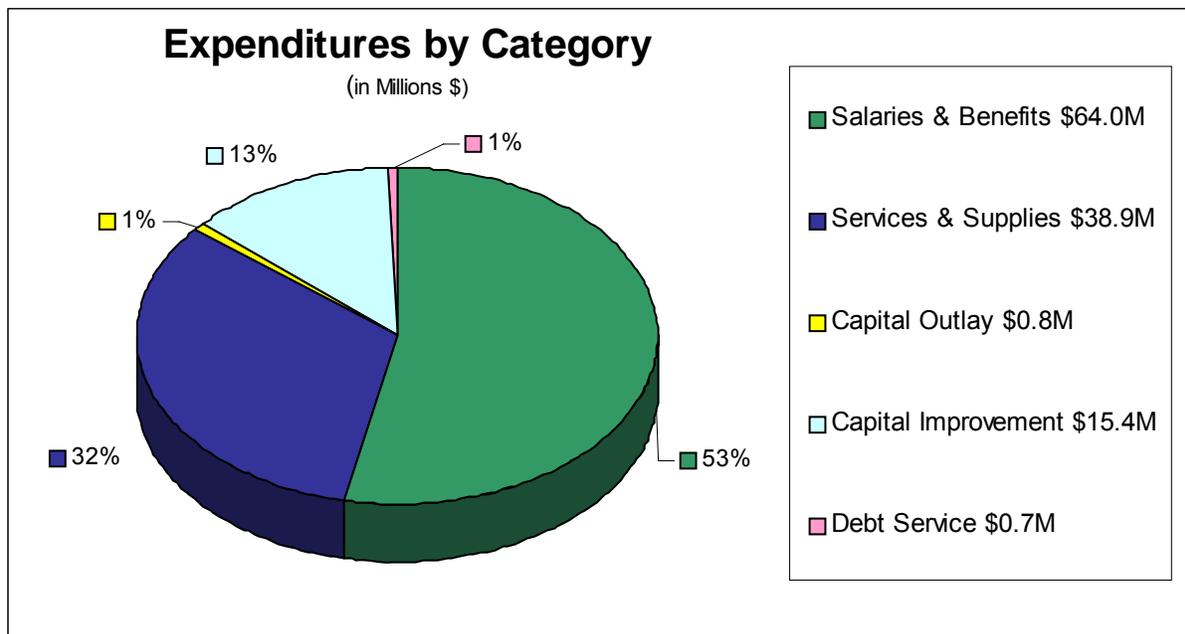
approximately \$4.6 million. The Sewer budget also includes a debt service cost of \$685,000.

## EXPENDITURES

A budget comparison of appropriations for all funds between FY 13-14 (Adopted Budget) and FY 14-15 (Adopted Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 13-14</u>	<u>Adopted Budget FY 14-15</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 57,952,007	\$ 64,022,932	\$ 6,070,925
Services & Supplies	36,314,724	38,914,645	2,599,921
Capital Outlay	583,094	761,638	178,544
<b>Subtotal</b>	<b>\$ 94,849,825</b>	<b>\$ 103,699,215</b>	<b>\$ 8,849,390</b>
Capital Improvement	18,894,950	15,428,000	(3,466,950)
Debt Service	684,000	685,000	1,000
<b>Total Appropriations</b>	<b>\$ 114,428,775</b>	<b>\$ 119,812,215</b>	<b>\$ 5,383,440</b>

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



Total expenditures represent an overall 4.7% increase from FY 13-14. Operating expenditures, excluding capital improvement and debt service, increased by 9.3% compared to last year. Following is a summary of the changes in operating expenditures by category:

**Salaries and benefits are expected to increase by 10.5%.** Compared to last fiscal year's budget, the total citywide increase is \$6.1 million. The increase reflects increased employer's contribution to CalPERS, increased health insurance premiums and increased funding for temporary positions and 8 FTEs. The employer CalPERS contribution percentages for FY 14-15 for Miscellaneous Employees group and Public Safety Employees group are at 25.574% and 35.095% of payroll respectively. In addition, the FY 14-15 budget includes pre-funding of retiree medical benefits in the amount of \$3.3 million citywide and the General Fund's share is \$2.8 million.

The City's services will be staffed by 320.25 full time employees and 65.50 FTE of temporary/seasonal employees. The historical number of authorized positions and funded positions can be found on pages 56 and 57 of this document. The detail for each department's funded positions can be found in their respective sections on pages 103 through 177.

**Services and supplies are expected to increase by \$2.6 million or 7.2% citywide.** The services and supplies budget include services that are provided by outside parties. The increase is partially due to increase outside agencies' costs such as wholesale water purchase and City's share of the San Jose-Santa Clara Regional Wastewater Facility's operating cost. Other contributing factors include increases in equipment replacement amortization, contractual services and electric utility costs.

**Capital Outlay** includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 14-15 is \$762,000 which includes the funding of ten police vehicles, replacing two treadmills and two ellipticals at the Sport Center, and an air compressor at Fire Station 1. All the vehicles to be replaced are fully depreciated and will be primarily funded by the Equipment Replacement Fund. Other capital outlay includes replacement of technology equipment, hydrants and water meters.

**Debt Service** in FY 14-15 is budgeted at \$685,000 for the only outstanding bond of the City, the 2006 Certificates of Participation ("COPS"). 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 \$480 million. The 2006 Certificates of Participation ("COPS") has an outstanding balance of \$6,910,000 and the 2003 Tax Allocation Bonds has an outstanding balance of \$152,110,000. None of these bonded debts is subject to the legal debt limit although the payment of the 2003 Tax Allocation Bonds is no longer part of the City's budget. The interest rates on the outstanding COPS range from 3.5% to 4.2% and the final payments will occur in fiscal year 2027.

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

Pursuant to its debt covenant, the 2006 COPs are required to maintain annual net revenue sufficient to provide debt service coverage of 115%. The actual debt service coverage based on the FY 12-13 audited results was at 934%.

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

<u>Year Ending, June 30</u>	<u>Sewer Fund</u>	
	Total Principal	Total Interest
2015	\$ 420,000	\$ 264,528
2016	435,000	249,348
2017	450,000	233,193
2018	470,000	216,055
2019	485,000	198,031
2020-2024	2,730,000	683,846
2025-2027	1,920,000	122,829
<b>Total</b>	<b>\$6,910,000</b>	<b>\$1,967,830</b>

## CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 14-15 by Project Category is as follows:

<u>Project Category</u>	Adopted Budget	Percentage of Total
Community Improvements	\$ 1,020,000	6.61%
Park Improvements	2,250,000	14.58%
Street Improvements	4,608,000	29.87%
Water improvements	1,775,000	11.50%
Sewer Improvements	5,015,000	32.51%
Storm Drain Improvements	760,000	4.93%
<b>Total</b>	<b>\$15,428,000</b>	<b>100.00%</b>

The City includes the cost of all acquisition, construction, expansion or rehabilitation of the City's physical plant and facilities in the Capital Improvement Budget. Typically, a capital improvement project exceeds \$10,000 and may take more than one year to construct. The cost of the capital project is capitalized as capital assets of the City upon completion. The total FY 14-15 Capital Improvement Program funding is \$3.6 million less than the FY 13-14 CIP, primarily due to defunding of the Transit Area Sewer and Water Line Replacement projects. The Sewer Line Replacement project in the amount of \$2.5 million is removed from the CIP funding as the construction of that project is being undertaken by developers. Upon completion of that project and reimbursement to the developers, the project cost will be capitalized as City's fixed assets. Meanwhile, a Water Line Replacement project in the amount of \$1.0 million is deferred until

necessary Transit Area Impact fees are collected. The City's share of funding for the San Jose-Santa Clara Regional Wastewater Facility rehabilitation project is \$6.5 million.

Aside from the sewer utility improvement projects, the focus of FY 14-15 capital improvement program is on replacement and resurfacing of streets (\$4.3 million), renovation of the Higuera Adobe Park Picnic and Playground (\$1.7 million) and replacement of water pipeline and installation of automated water meters (\$3.3 million). To maintain City's buildings in good condition, the FY 14-15 budget also includes \$1,020,000 for facility improvement.

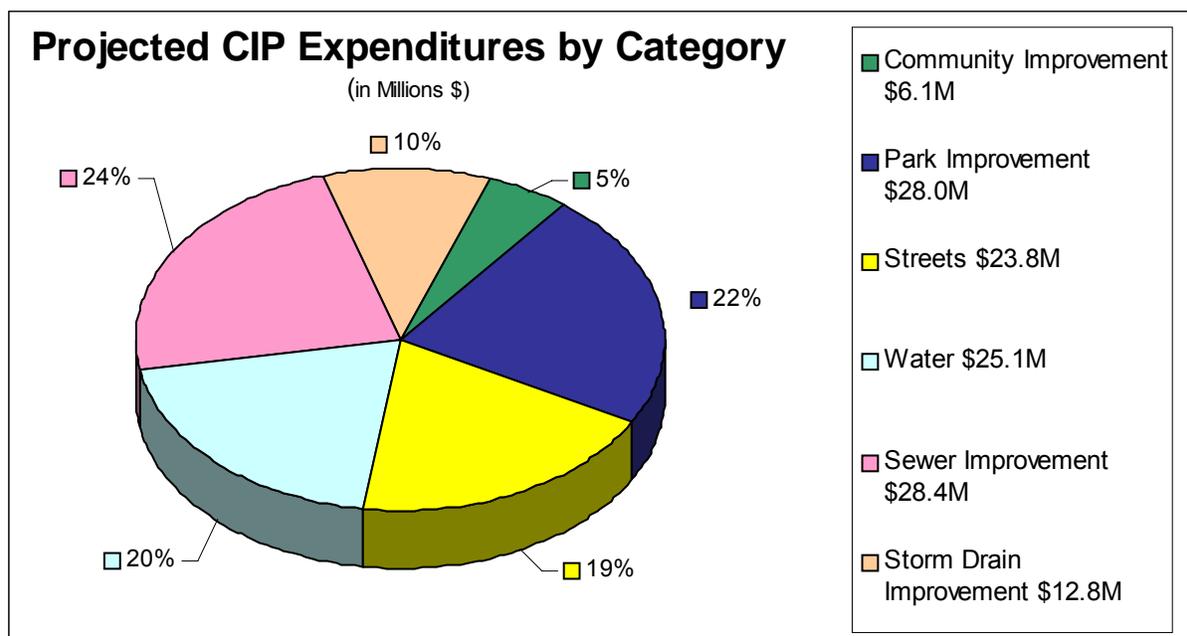
The funding for FY 14-15 capital improvement projects is primarily from the fund balances of various funds such as park fund, General Government Capital Project Fund, 2% Transient Occupancy Tax Fund, and utility funds. Approximately 12% of the funding comes from outside sources such as grants, developer 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 14-15 were also reviewed by the Parks, Recreation and Cultural Resources Commission.

Although cost saving is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. There will not be significant cost savings from replacement of aging infrastructure or parks. Conversely, these projects will also not incur additional operating costs upon completion.

Since the City's budget is an annual budget, the Adopted Budget only incorporates funding for the FY 14-15 capital improvement projects. However, in reviewing the City's capital improvement needs, staff also prioritizes and anticipates the longer term funding needs in the next four years, beyond FY 14-15.

The chart below provides an overview of the City's anticipated capital improvement projects by category in fiscal years 2015-2019:



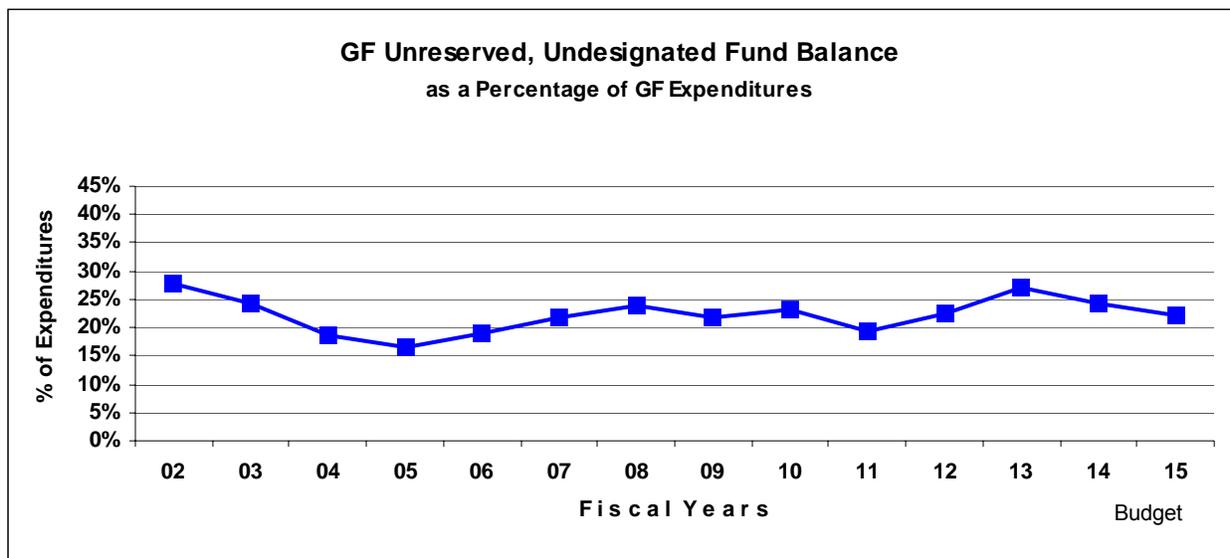
The Capital Budget Section of this document provides a brief description of the projects to be funded in FY 14-15. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2014-2019 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or City's website (<http://www.ci.milpitas.ca.gov/government/engineering/capital.asp>).

## FUND BALANCES

An important resource for a City is the fund balance or reserve that is available for future appropriations and unexpected emergencies. A summary of the revenue, expenditures, transfers, and fund balances is shown in the Financial Information section of the Budget. It is anticipated that the Housing Authority will use \$963,000 of the fund balance to pay for its program cost in FY 14-15. Sewer utility fund will need \$4.6 million of its reserve to pay for its share of capital improvement costs to the San Jose-Santa Clara Regional Wastewater Facility. There are no significant changes to the fund balances of the General Fund and other funds.

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

The projected percentage of the estimated unassigned fund balance for the General Fund is 22.3% which meets the Council's policy of maintaining a minimum unassigned fund balance at 15% of the General Fund budget appropriations. It is also projected that \$5.4 million committed fund balance for the PERS Rate Stabilization will remain at the end of FY 14-15. The chart below provides a historical perspective of the City's General Fund unassigned fund balance as a percentage of General Fund expenditures:

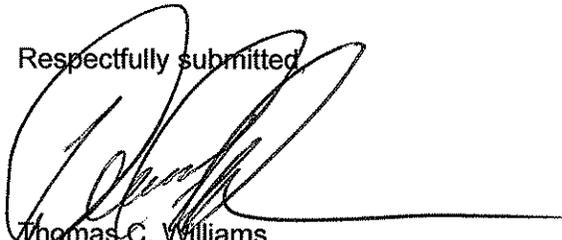


## ACKNOWLEDGEMENTS

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

The overall budget envisions an operating program that carefully considers the general economic climate in conjunction with the many progressive projects and programs the City will be providing to the citizens of Milpitas. The Budget establishes the projected resources to pay for all approved appropriations. The City Council have guided the City of Milpitas to a very stable financial position that enables the City to undertake new capital improvement projects while maintaining its high level of core services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 14-15 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,



Thomas C. Williams  
City Manager

## Five Year General Fund Forecast

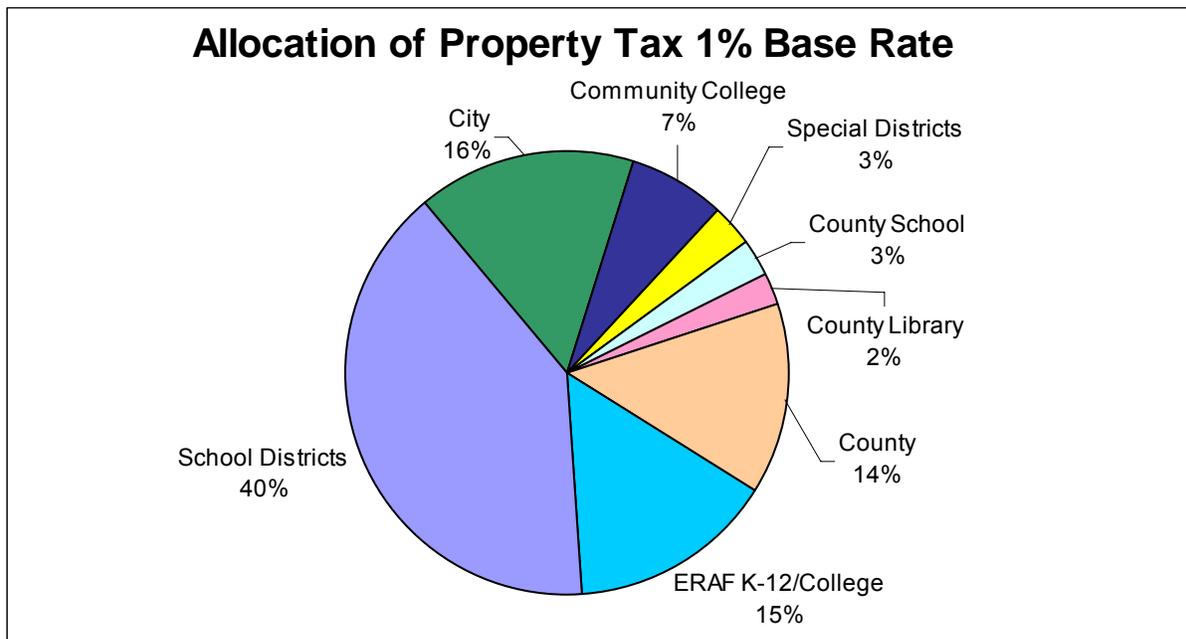
The Five-year General Fund Forecast is included to allow the Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years.

### Five Year General Fund Forecast (in thousands)

	<u>FY15-16</u>	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>FY19-20</u>
Estimated Revenue					
Property Tax	18,991	19,560	20,147	20,651	21,167
RPTTF Distributions	3,780	4,026	4,200	4,355	4,503
Sales & Use Tax	21,266	21,946	22,648	23,373	24,121
Other Taxes	4,376	4,489	4,603	4,717	4,836
Hotel/Motel Tax	7,291	7,473	7,658	7,853	8,053
License & Permits	5,963	6,083	6,205	6,359	6,517
Charges for Services	5,553	5,698	5,841	5,996	6,144
Other Revenues	1,688	1,701	1,353	1,366	1,394
Operating Transfers	4,322	4,482	4,637	4,807	4,971
Total Estimated Revenues and Other Financing Sources	<u>73,230</u>	<u>75,458</u>	<u>77,292</u>	<u>79,477</u>	<u>81,706</u>
Estimated Expenditures					
Salaries	37,412	38,348	39,306	40,289	41,297
Benefits	22,203	23,445	24,722	26,061	27,451
Supplies & Contractual Services	13,973	14,348	14,578	14,963	15,184
Total Estimated Expenditures	<u>73,588</u>	<u>76,141</u>	<u>78,606</u>	<u>81,313</u>	<u>83,932</u>
Net Operating Deficit	<b>(358)</b>	<b>(683)</b>	<b>(1,314)</b>	<b>(1,836)</b>	<b>(2,226)</b>

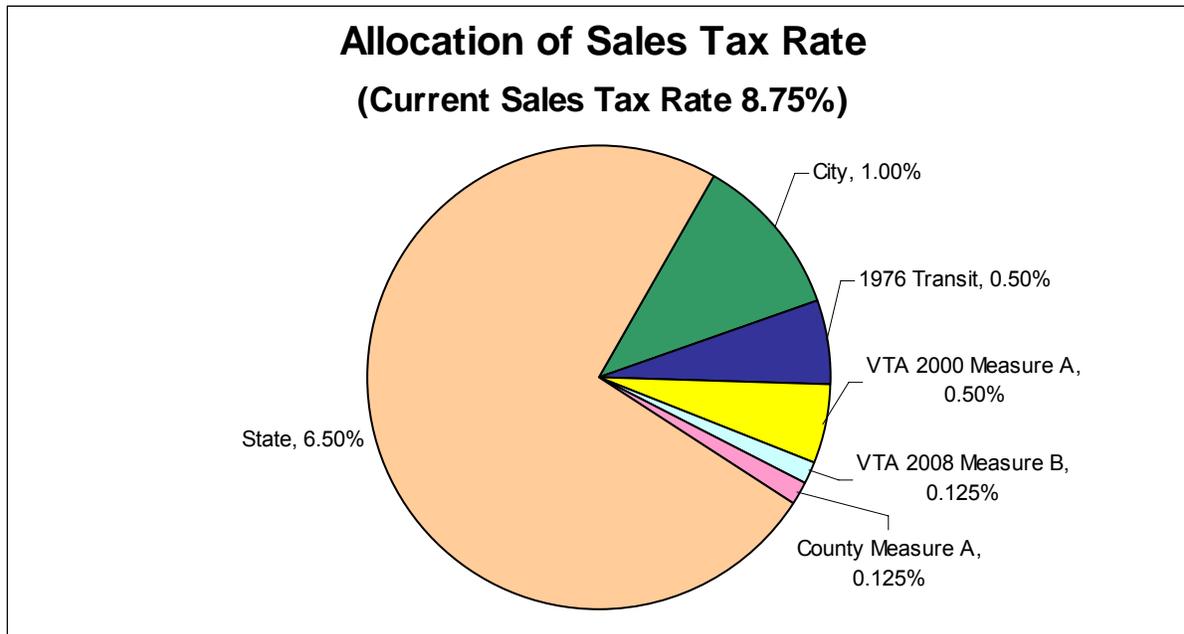
Property tax revenues are expected to increase 3.5% in FY 15-16, 3.0% in FY 16-17 and FY 17-18, and 2.5% in FY 18-19 and FY 19-20. Proposition 13 limits the base property tax rate to 1% of the assessed value and an annual increase of the assessed value at the lesser of 2% or the California consumer price index (CCPI). Based on the last 10 years' average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase about 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. However, the projected growth rate of property tax revenues is higher than the Proposition 13 limit of 2% due to added assessed valuation from new housing developments and housing market recovery in the City that allows the County to restore some of the previously lowered valuation of existing properties. Other than the 2% increase allowed by Proposition 13, staff projected that 1% increase will come from newly constructed housing units in FY 15-16 through FY 17-18 and 0.5% increase in the subsequent two years. Additionally, staff projected a 0.5% restoration of assessed value for existing residential properties in FY15-16.

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



RPTTF distributions represent distributions of the residual property tax revenue attributing to the former RDA after satisfying the approved obligations of the RDA. The distributions are expected to increase 8.0% in FY 15-16, 6.5% in FY 16-17 and tapering off to between 3.4% to 4.3% in subsequent three years. The growth rate of the distributions is projected to be higher than the City's general property tax revenues as more new construction units are expected to come on line in the former RDA project areas than the rest of the City.

Sales tax revenues are projected to increase 3.2% in the next five years through FY 19-20. Staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase 2.5% annually in the next five years. The projected increase in sales tax revenues reflects continuing economic recovery in this region and population growth in the City as many of new residential developments are constructed and occupied. It is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, auto and restaurant economic segments. Based on the sales tax report prepared by the City's consultant, consumer sales account for over 70% of the sales tax revenues in the City. Staff estimated population will increase 1.5% in each of the next five years and the City will capture at least 70% of the consumers generated sales tax revenue. The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the sales tax rate is 1%.



Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. It is also assumed that utility and cable companies will increase their rates to offset cost increases. The projection is a modest increase of 2.7% in FY 15-16, 2.6% increase in FY 16-17, and 2.5% in FY 17-18 through FY19-20.

Hotel tax revenues are projected to increase 2.5% to 2.55% in the next five years through FY19-20. The projection is in consistent with staff’s assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area. It is assumed that the hotel operators will increase room price by the average consumer price index increase to recover costs.

License and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues will continue to increase in the next five years due to continued interest in residential developments in the Transit Area. It is estimated that Transit Area will add about 3,000 housing units in phase I of the development. Staff projected a higher growth level at 3.4% in FY 15-16, 2.0% in FY 16-17 and FY 17-18, and 2.5% in FY 18-19 and FY 19-20.

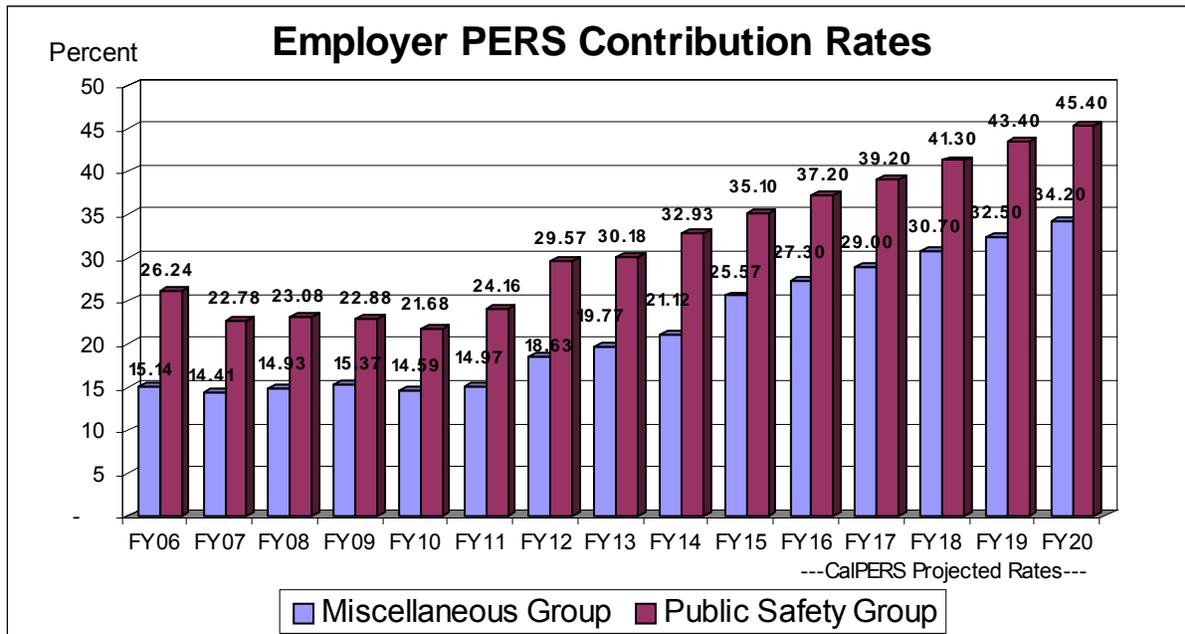
Charges for Services include charges for private development related services, engineering fees and recreation service charges. It is anticipated that the increases in charges to developers will be similar to the increases for license and permits. The projection for non-development related charges includes two elements, population growth and California consumer price index increase. Staff projected that some of the new residents will utilize City’s recreation services. The combined projection for development related and non-development related customer service charges is a 3.2% increase in FY 15-16, 2.6% in FY 16-17, and tapering off to 2.5% increase in FY 19-20.

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% decrease in FY15-16, and increases range from 3.4% to 3.7% in FY16-17 through FY19-20. The reason for

**Five Year General Fund Forecast**

the decrease of 3.4% in FY15-16 is due to commencement of an annual operating transfer of \$300,000 to the Technology Replacement Fund from the General Fund.

Salaries and benefits Salaries are anticipated to increase by 2.5% through the next five years to FY 19-20. The increase is consistent with staff's assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area. On the benefits side, health insurance premium is projected to increase 8% annually and contribution to CalPERS is anticipated to increase 5% to 6% annually through the next five years. The total benefits costs are projected to increase by 5.8% in FY 15-16 and gradually tapering off to 5.3% in FY 19-20. The chart below depicts historical employer CalPERS contribution rates from FY 05-06 through the budget year FY 14-15 and projected rates through FY 19-20. The projected rates are provided by CalPERS and are based on their latest actuarial studies.



Services and Supplies costs are anticipated to increase between 1.6% to 2.7% reflecting consumer price increase but also assuming City departments continue to hold the line on this expenditure category. There are fluctuations of cost increase between each year due to election costs that are incurred by the City that typically happen every other year.

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Milpitas  
California**

For the Fiscal Year Beginning

**July 1, 2013**

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, 2013. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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



## Budget Guidelines

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

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

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

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

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

### **SUMMARY OF BUDGET GUIDELINES**

#### **1. Basis of Budgeting**

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

#### **2. Budget Calendar**

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

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

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

- a. The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:
  - Provision of City Council priorities as established at the annual Planning Session;

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

#### **4. Adoption of the Budget**

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

#### **5. Budget Authority of the City Manager**

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

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

#### **6. Budget Amendments by the City Council**

The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances.

#### **7. Budget Transfers and Modification Procedures**

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

#### **8. Automatic Adjustments and Reappropriations**

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

#### **9. Budget Monitoring and Reporting**

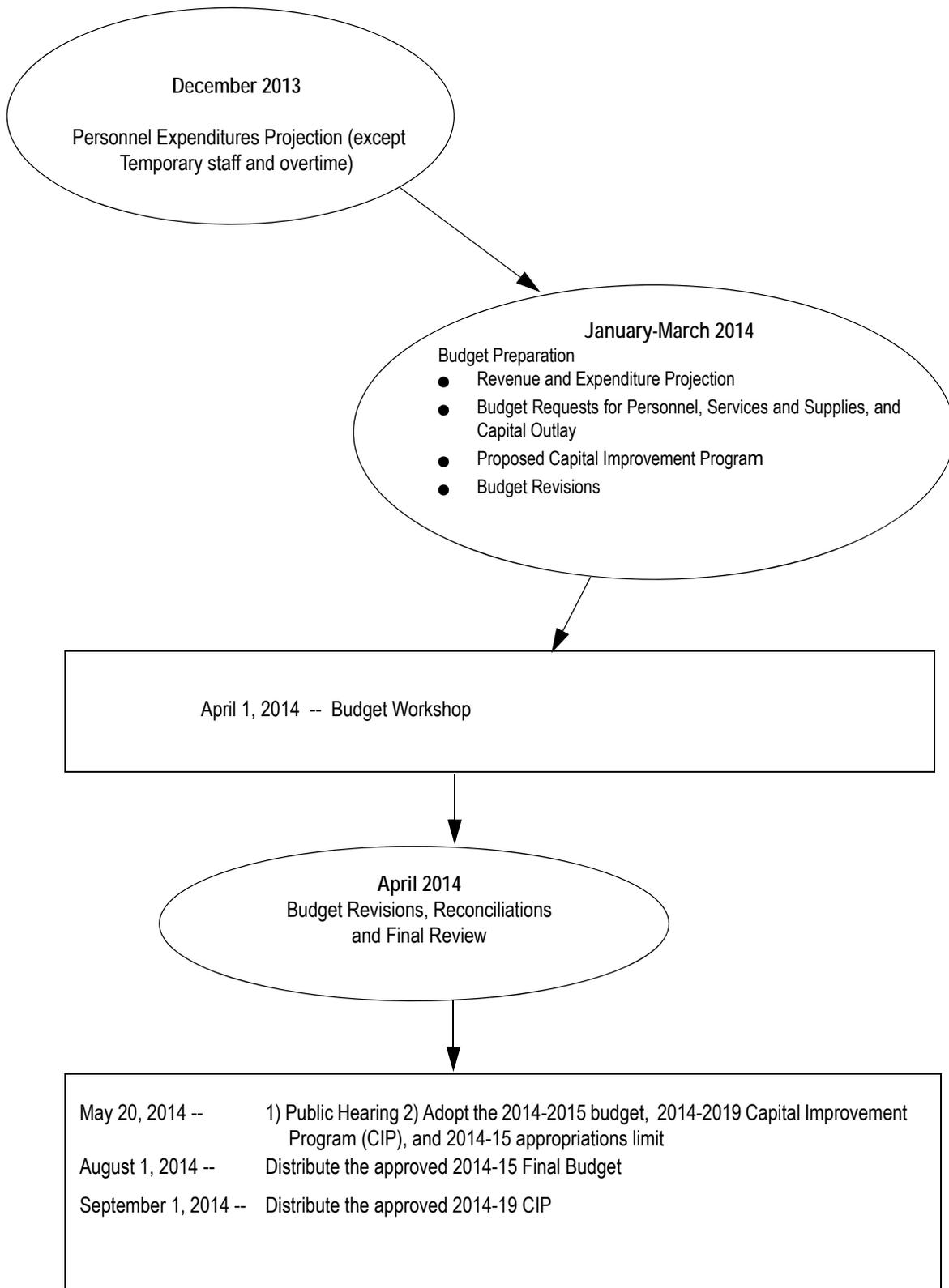
- a. General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

- b. Periodic Budget Reports - The Director of Financial Services will periodically prepare a budget status report for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

## **10. Reserves**

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

## City of Milpitas 2014-2015 Budget Process



**CITY OF MILPITAS**

**BUDGET PREPARATION TIMELINE  
2014-2015 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	11/14/13	Issue request for Capital Improvement Program (CIP) projects to Department Heads.	CIP Staff
2	11/25/13	Distribute inventory list and capital outlay request packet.	Financial Analyst
3	01/06/14	New Capital Improvement Program (CIP) projects requests are due.	Senior Management Staff
4	01/07/14	Meetings with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, Director of Financial Services, Senior Management Staff
5	01/08/14	2014-15 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	City Manager, Director of Financial Services, Financial Analyst, Budget Liaisons
6	01/08/14 - 01/14/14	Budget Liaison Training	Budget Liaisons and Financial Analyst
7	01/13/14 - 01/17/14	Budget projection for Non-Departmental.	Director of Financial Services, Financial Analyst
8	01/21/14	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	01/22/14 - 02/07/14	Review new classification or reclassification requests.	HR Director
10	01/21/14 - 01/24/14	Complete Non-Department Budget BRASS entry.	Financial Analyst
11	01/21/14 - 01/27/14	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Financial Analyst, Department/Division Heads

**Budget Guidelines and Fiscal Policies** Budget Preparation Process and Timeline

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<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
12	01/24/14	<ul style="list-style-type: none"><li>• Data entry in the BRASS budget system is complete.</li><li>• Temporary Position Request Forms (one form per function) are due to Finance.</li><li>• Out of State Travel Form is due to Finance.</li><li>• List of vendor payments over \$20,000 that are exempt from bidding is due to Finance.</li><li>• Summary of service enhancements or new programs or elimination of services/programs that will impact budget is due to Finance.</li></ul>	Budget Liaisons
13	01/31/14	Print and distribute Budget Proformas to Budget Units for review.	Financial Analyst
14	02/06/14	<ul style="list-style-type: none"><li>• All budget preparation information due to Finance: narratives, org charts, and mission statements.</li><li>• Any changes to Budget Proformas are also due to Finance.</li></ul>	Budget Liaisons
15	02/07/14	HR completes review of new classification or reclassification requests and provides those results to Finance.	HR Director
16	02/18/14 - 02/21/14	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
17	02/20/14 - 02/25/14	Review draft CIP document and consider funding feasibility.	City Manager, Director of Financial Services, Public Works Director, Finance Manager
18	03/03/14	Review Draft Parks projects in the CIP Budget.	PRCRC
19	03/03/14 - 03/07/14	Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff.	City Manager, Senior Management Staff Director of Financial Services, Financial Analyst
20	03/03/14 - 03/07/14	Review Proposed CIP document by Finance.	Director of Financial Services, Finance Manager, CIP Accountant
21	03/17/14 - 03/21/14	Final review of budget unit operating budget.	Senior Management Staff, Budget Liaisons

**Budget Guidelines and Fiscal Policies** Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
22	03/24/14	Publish Draft 2013-2018 Capital Improvement Program and distribute.	CIP Staff
23	03/24/14 - 03/28/14	Budget Reconciliation: Operating budget and CIP.	Financial Analyst, CIP Staff
24	03/26/14	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Public Work Director
25	03/31/14 - 04/04/14	Draft the Transmittal Letter	Director of Financial Services
26	04/01/14	Budget Workshop.	City Council, Senior Management Staff
27	04/07/14 - 04/11/14	Review the Transmittal Letter.	City Manager
28	04/07/14 - 04/11/14	Final review of proposed budget.	Director of Financial Services, Financial Analyst, Finance Manager
29	04/15/14	Review the Draft 2014-2019 Capital Improvement Program.	City Council
30	04/24/14	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
31	04/28/14 - 05/02/14	Distribute the Proposed 2014-15 Operating Budget and Financial Plan.	Finance Budget Team
32	05/20/14	1) Public hearing. 2) Adopt the recommended 2014-2015 Proposed Budget and Financial Plan and the 2014-2019 Capital Improvement Program. 3) Adopt the 2014-15 Appropriations Limit Resolution.	City Council, Senior Management Staff
33	07/01/14	Fill out Personnel Action Forms for those employees whose split funding or job function will be different in FY 14-15 and send the forms to HR.	Budget Liaisons
34	08/01/14	Distribute the Approved 2014-15 Operating Budget and Financial Plan.	Finance Budget Team
35	09/01/14	Distribute the Approved 2014-2019 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 enhance the City's general credit rating of "AA+".
30. The City may utilize interfund loans rather than outside debt to meet short-term cash flow needs.
31. The City will minimize costs and liabilities to the City when sponsoring debt financing for private sectors.

### **RESERVE POLICIES**

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain 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 Rate Stabilization Reserve. This reserve may be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. The City Council must approve utilization of this reserve at the time of the budget hearing. This reserve will be replenished from the 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. The City will maintain at least \$300,000 in the Recycled Water utility fund for the purpose of infrastructure replacement and enhancement.
41. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
42. 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.
43. 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.
44. 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.
45. 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.
46. 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**

47. 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.
48. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
49. 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.
50. 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**

51. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
52. 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.
53. 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. 8367

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE  
APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2014-2015**

**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 2014-2015 of \$79,870,017. The calculation is attached hereto as Attachment No. 1 ("FY 2014-2015 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 2014-2015 shall be \$79,870,017, 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 2014-2015 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 20th day of May, 2014, by the following vote:

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

NOES: (0) None

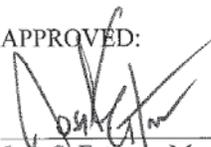
ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:

  
Mary Lavelle, City Clerk

APPROVED:

  
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

  
Michael J. Ogaz, City Attorney

Resolution No. 8367

**Attachment No. 1**

**City of Milpitas  
FY 2014-2015 APPROPRIATIONS LIMIT**

Per Capita Change	0.99770
* Population Change	1.03310
Calculation Factor FY 13-14 $0.99770 \times 1.03310$	1.03072
FY 13-14 limit $\$77,489,247 \times 1.03072$	79,870,017
Appropriations Subject to Limit	<u>55,923,624</u>
Appropriations under Limit	<u><u>23,946,393</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 2014-2015 appropriations limit, the population growth of the County and the California Per Capita Personal Income change were used.

**RESOLUTION NO. 8365 / HA12**

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE HOUSING AUTHORITY OF THE CITY OF MILPITAS APPROVING THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2014-15**

**WHEREAS**, the City Manager submitted a 2014-15 Proposed Budget and Financial Plan; and

**WHEREAS**, a public hearing was held on the Proposed Plan where all interested persons were heard; and

**WHEREAS**, the City Council and Milpitas Housing Authority (“Authority”) reviewed the City Manager’s 2014-15 Proposed Budget and Financial Plan; and

**WHEREAS**, on May 20, 2014, the City Council and Authority approved the 2014-15 Financial Plan and the 2014-15 Capital Budget.

**NOW, THEREFORE**, the City Council and Authority of the City of Milpitas hereby find, determine, and resolve as follows:

1. The City Council and Authority have considered the full record before them, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The annual budget for the City of Milpitas for fiscal year 2014-15 is hereby reaffirmed and adopted totaling \$119,812,215 for all appropriated funds. This budget assumes that certain savings shall be achieved through concessions from City employees on total compensation.
3. Appropriations and estimated fund balances are hereby allocated for the various purposes designated in the 2014-15 Final Budget.
4. The budgets for all departments for the period July 1, 2014 through June 30, 2015, inclusively contained in this 2014-15 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2014-15.
6. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of fiscal 2013-14 may be reappropriated for continued use in fiscal year 2014-15.
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, accounts, 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. In order to allocate, redistribute and/or appropriate monies between department and non-department funds so as to reflect the budgetary savings achieved through concessions from City employees on total compensation.
    - ii. When revisions, which involve transfers from appropriated contingency reserves, are less than or equal to the aggregate amount of \$350,000 during fiscal 2014-15, provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.
    - iii. When revisions involve transfers within various departments or projects within the same fund, provided that the amount of transfer in any single instance does not exceed \$20,000.

- iv. For Police goods and services to be purchased from Asset Seizure funds, the City Manager or his/her designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council during the fiscal year 2014-15 Budget hearing.
- b. Prior Council Approval Required. Prior approval of the City Council is required if any of the following are involved:
  - i. Changes providing for increases in permanent personnel or changes in classification for personnel from the number of classes or personnel approved in the adopted Budget.
  - ii. Contract change orders in excess of \$20,000.
  - iii. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
  - iv. Transfers from appropriated contingent reserves, which would cause the aggregate amount of \$350,000 during fiscal 2014-15, to be exceeded.
- 9. Information establishing the current budget situation and steps to be taken to present balanced City Budgets has been presented during this meeting of May 20, 2014, and in prior budget presentations.
- 10. There is no potential impact on the environment from this action per Section 15061(b)(3) of the CEQA Guidelines.

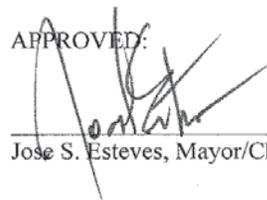
PASSED AND ADOPTED this 20th day of May, 2014, by the following vote:

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

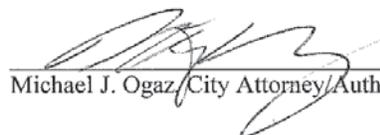
ATTEST:

  
\_\_\_\_\_  
Mary Lavelle, City Clerk/Authority Secretary

APPROVED:

  
\_\_\_\_\_  
Jose S. Esteves, Mayor/Chair

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael J. Ogaz, City Attorney/Authority Counsel

RESOLUTION NO. 8366

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

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

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

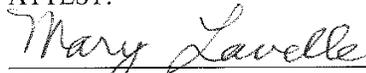
NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby amended effective July 1, 2014, as follows:
  - A. One (1) "Maintenance Worker II" position is reclassified to "Maintenance Worker III" within the Public Works Department due to the specialized nature of that position.
  - B. One half-time (0.50) "Police Property Clerk" position is added to the Police Department's authorized position list for the purpose of enhancing customer service, the timely processing and maintenance of criminal evidence and other property.
  - C. One (1) "Assistant Housing Planner" position is added to the Planning and Neighborhood Services Department's authorized position list to ensure that properties are maintained in accordance with regulations of the Municipal Code and Uniform Housing Code. This position also assists in administration of the Community Development Block Grant (CDBG) and the City's Housing Rehabilitation Loan Program to benefit low-income residents. In addition, this position improves the overall efficiency of the Planning Department with a high-level experienced professional planner working with the existing staff.
  - D. The classification of "Senior Housing Specialist" is reclassified to "Senior Code Enforcement Officer" within the Planning and Neighborhood Services Department to better reflect the work and responsibilities of that position.

PASSED AND ADOPTED this 20th day of May, 2014, by the following vote:

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

ATTEST:

  
\_\_\_\_\_  
Mary Layelle, City Clerk

APPROVED:

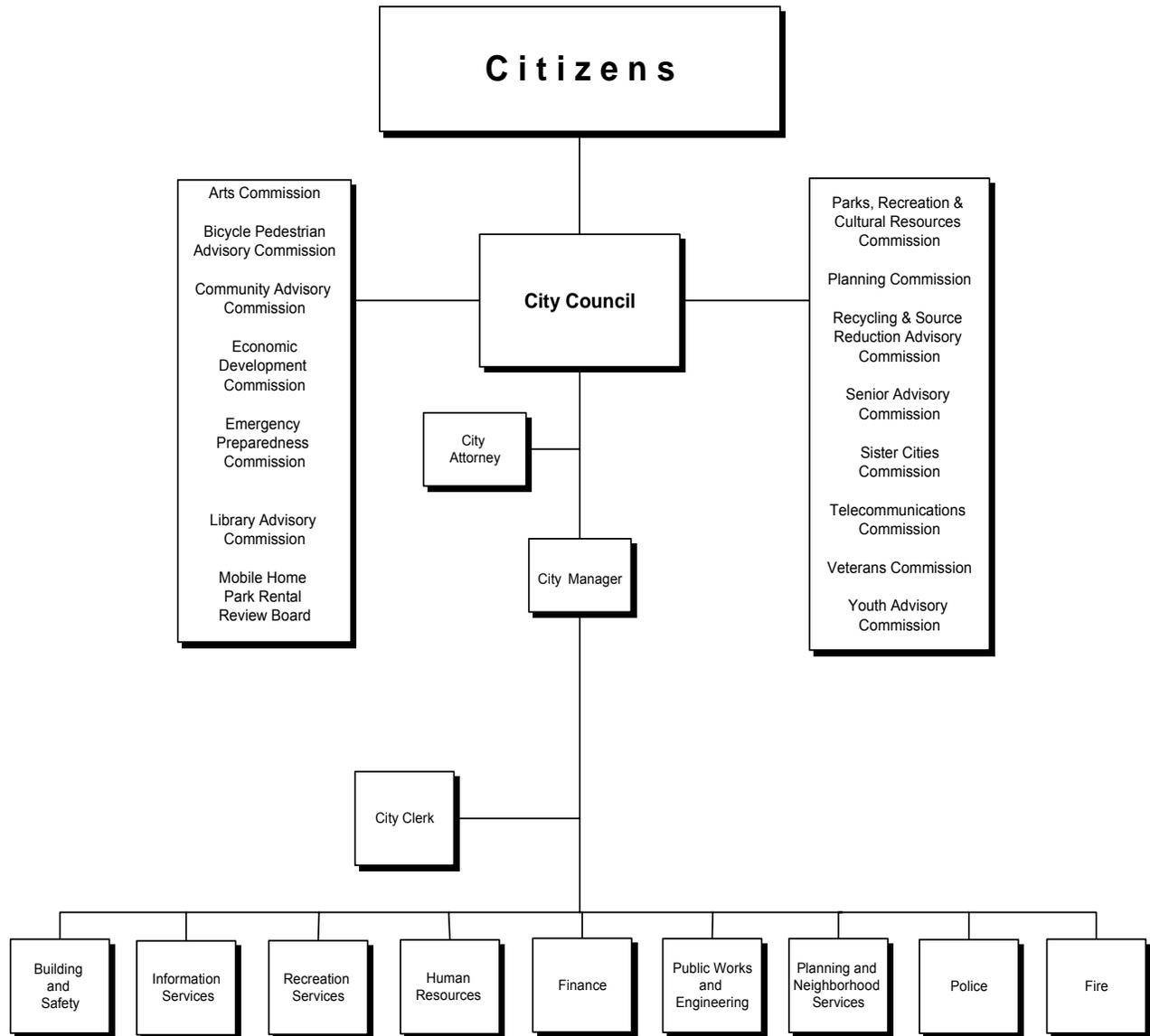
  
\_\_\_\_\_  
Jose S. Esteves, Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael J. Ogaz, 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 18<sup>th</sup> 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



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.

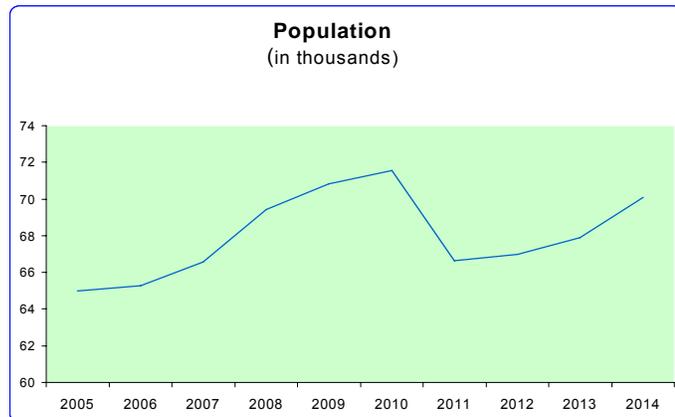
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to more than 70,000 residents.

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

## Demographic Profile



Once a small agricultural town and later a stopover point for travelers between Oakland and San Jose, Milpitas has blossomed into one of the world's premier computer and semiconductor producers. Tenants of the burgeoning city of 70,092 are family-centered communities that embrace cultural diversity, quality schooling, conveniently located neighborhood parks and shopping centers.



Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.6 square miles, with grassy foothills and picturesque Mount Hamilton to the east and the Santa Clara Valley Floor to the west. The city is located in Santa Clara County, home to close to 1.9 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

There are approximately 1,448 acres, or 2.6 square miles, designated for various industrial uses. About 113 acres are vacant and available in parcels ranging from 3 acres to 35 acres. Included in this acreage total are nine industrial districts and 438 manufacturing plants. An additional 410 acres are dedicated to regional and community retail centers supporting 3.5 million square feet of commercial shops. The Great Mall of the Bay Area is the largest enclosed mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers serve regional needs for Asian-oriented retail and services.





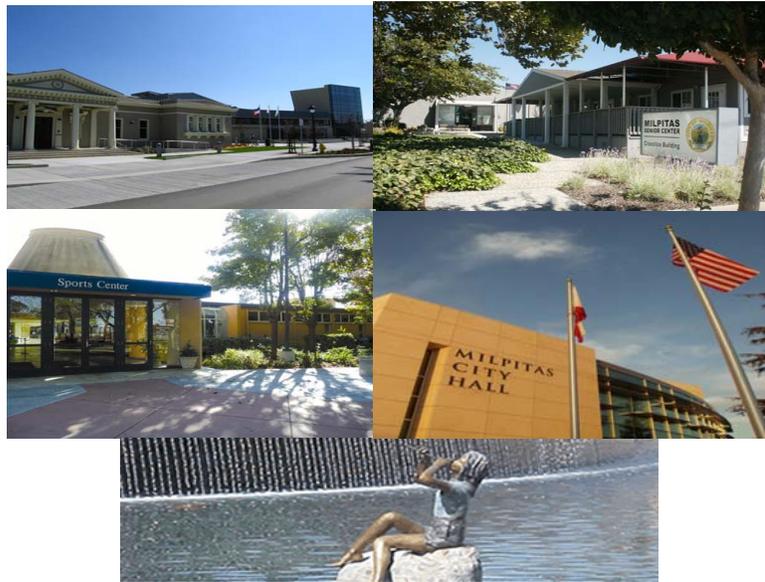
The two largest employers in Milpitas are Cisco Systems and KLA-Tencor with over 2,000 employees each. Other major employers are Flextronics Corporation; LSI Logic Corporation; SanDisk Corporation; Linear Technology; and Lifescan, Inc. Several of these top employers have made the City of Milpitas their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

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

<b>Principal Property Tax Payers</b>		
Fiscal Year 2012-13		
<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Assessed Value</u>
Cisco Technology Inc.	\$920,982,774	7.74%
Milpitas Mills LP	327,273,683	2.75%
KLA Tencor Corporation	218,574,011	1.84%
Liner Technology Corporation	127,580,218	1.07%
BRE Milpitas LLC	118,766,415	1.00%
California Diversified	114,342,000	0.96%
Headway Technologies Inc.	97,763,124	0.82%
Sandbox Expansion LLC	90,412,630	0.76%
EQR Fresca 2009 LP	80,692,794	0.68%
Silicon Valley California LLC	77,414,549	0.65%

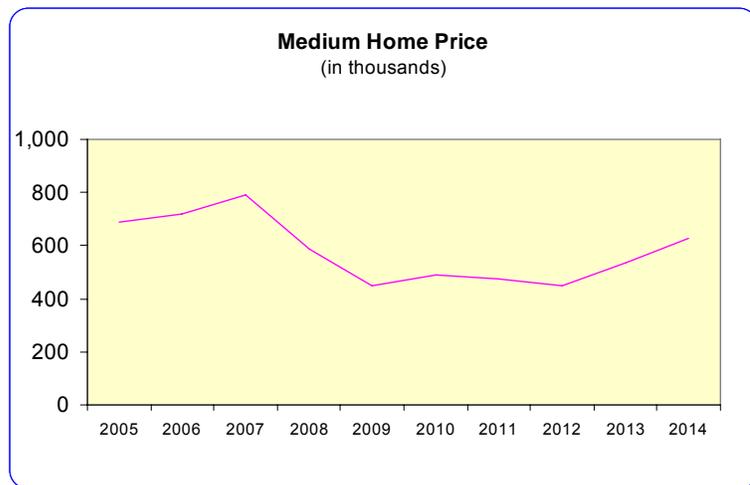
**General Information** Demographic Profile

Milpitas' neighborhoods are dotted with close to 19,985 households and well-placed parks. Thirty community parks are maintained by Milpitas, in addition to one dog park and 20 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.

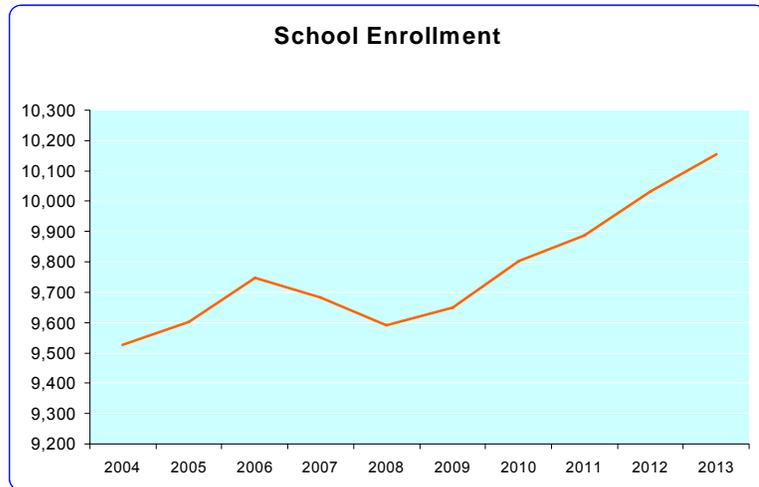


Milpitas' average household income is \$94,218. The percentage of households with incomes more than \$75,000 is close to 77 percent. About 44% of the households earn more than \$100,000 annually.

Close to 59 percent of Milpitans own their own home. Rental prices vary from \$1,105 to \$1,945 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,725 to \$2,785. The median price of a home as of January 2014 in Milpitas is \$630,000. 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 60 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.



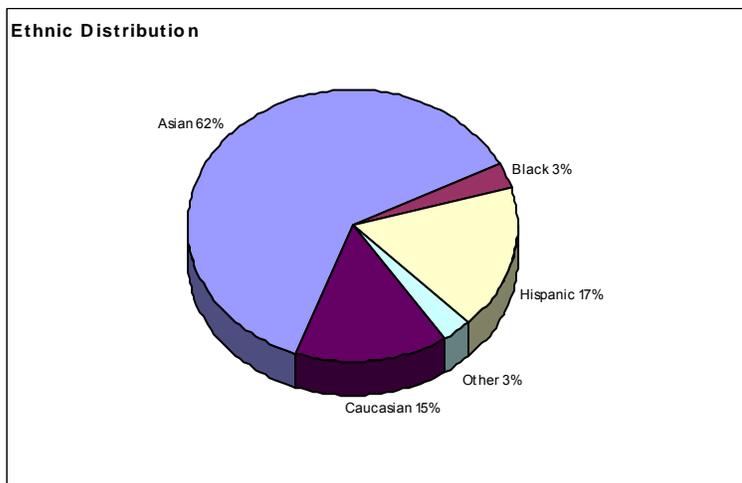
Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 10,156.



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 \$120 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	<b>Water Utility</b>	
Form of Government	Council-Manager	Number of Customers:	
		Residential	14,421
		Commercial	2,062
<b>Population (estimated*)</b>	70,092	Recycled Water	198
<b>Land Area (Square Miles)</b>	13.6	Average Daily Consumption	
<b>Miles of Streets</b>	128	(in million gallons)	9.6
<b>Number of Street Lights</b>	4,630	Miles of Water Mains	213
<b>Fire Protection</b>		<b>Sewer Utility</b>	
Number of Stations	4	Miles of Sanitary Sewers	179
Number of Firefighters	53	Miles of Storm Drains	110
Fire Apparatus	13	<b>Public Schools Serving the Community</b>	
Number of Fire Hydrants	1,755	Elementary Schools	9
<b>Police Protection</b>		Middle Schools	2
Number of Stations	2	High Schools	2
Number of Sworn Officers	85	<b>Parks and Recreation</b>	
Crossing Guard Posts	43	Acres of Parkland	185
Number of Police Patrol Vehicles	28	Number of Parks	34
<b>Employees</b>		Number of Swimming Pools	3
Permanent	456.50	Number of Tennis Courts	21
Temporary (FTE)	65.50		

Courtesy of:

\* State of California, Department of Finance  
 The Milpitas Post  
 The City of Milpitas, Finance Department

## Vicinity Map



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

## City Council, Board and Commissions

### City Council

Mayor	Jose S. Esteves
Vice Mayor	Althea Polanski
Councilmember	Debbie Indihar Giordano
Councilmember	Armando Gomez, Jr
Councilmember	Carmen Montano

### Commissions

#### Arts Commission

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

#### Bicycle Pedestrian Advisory Commission

Rene Briones  
Kristal Caidoy  
Chris Lee  
Jose Leon  
Antonio Pablo, Jr.  
Christine Sanchez  
Samuel Usal

#### Community Advisory Commission

Edna R. Andres  
Thelma Batilo  
Samantha Beard  
Dau Do  
Jacqueline Holland  
Ashish Kathapurkar  
Oscar Leon  
Ray Maglalang  
Michelle Manassau  
Syed Mohsin  
Jose Rosario  
Ashok Sharma  
Van Lan Truong

#### Economic Development Commission

Ricardo Ablaza  
Sumeet Ahuja  
Chandru Bhambhra  
Dhaval J. Brahmhatt  
Marsha Grilli  
Melanie Holthaus  
B. Michael Howard  
Minh Nguyen  
Cat-Tuong Nguyen  
Donald Peoples  
Charlene Tsao  
Warren Wettenstein  
Mark Wong

#### Emergency Preparedness Commission

Mercedes Albana  
Michael Berryhill  
Evelyn Chua  
Don Clendenin  
Tim Howard  
Nasir Lalani  
Jonathan Nakapalau  
Betty Reutter  
Brian Shreve  
Stephen Strauss  
Pamela Wells

#### Library Advisory Commission

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

Commissions

Mobile Home Park Rental  
Review Board  
Huy Bui  
Mila Garcia  
Demetrio Nitafan  
Arthur Sana

Parks, Recreation and Cultural  
Resources Commission  
Satish Bansal  
Stephanie Fong  
Gerome Guerrero  
Naomi Matau  
Vishnu Mathur  
Steve Munzel  
Evelyn Ramirez  
Rohit Sharma  
Bhupinder (Bill) Singh

Planning Commission  
Garry Barbadillo  
Lawrence Ciardella  
Hon Lien  
John Luk  
Rajeev Madnawat  
Sudhir Mandal  
Demetress Morris  
Gurdev "Dave" Sandhu

Recycling and Source Reduction  
Advisory Commission  
Madan Arora  
Echo Arthur  
Ed Blake, Jr.  
Conrad Chua  
Kashmir Gill  
Eddie Inamdar  
Christopher Salian  
Steve Ybarra

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

Sister Cities Commission  
Dana Arbaugh  
Massoud Arefi  
Peter Chang  
Tim Chang  
Nolan Chen  
Dennis Grilli  
Miriam Hardin  
Roselda Mateo  
Karen Serpa  
Brenda Su

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

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

Youth Advisory Commission  
Riane Abaya  
Jacqueline Ajero  
Raveena Chahal  
Arjun Goyal  
Sahil Hansalia  
Sabina King  
Monica La  
Jonathan Mendoza  
Sahil Sandhu  
Clare Sern  
Crystal Tran  
Cindy Wang  
Veronica Wang

## Directory of Officials

**Fiscal Year 2014 – 2015**

**City Manager**

Thomas C. Williams

**Police Chief**

Steve Pangelinan

**Director of Financial Services**

Emma Karlen, CPA

**Fire Chief**

Robert Mihovich

**City Clerk**

Mary Lavelle

**City Attorney**

Michael Ogaz

**Chief Information Officer**

Mike Luu

**Human Resources Director**

Carmen Valdez

**Public Works Director/City Engineer**

Jeff Moneda, PE

**Planning & Neighborhd Svc Director**

Steven McHarris

**Chief Building Official**

Keyvan Irannejad

**Recreation Services**

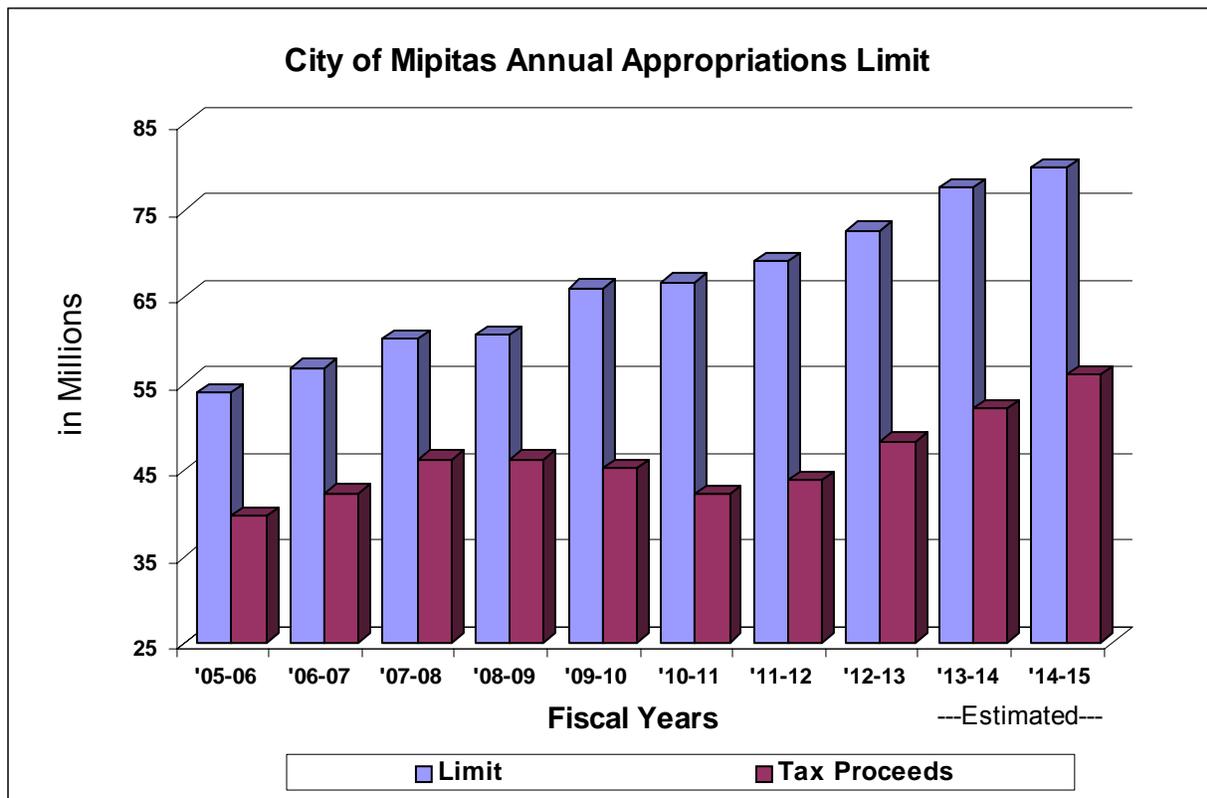
Vacant

## 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 FY2014-15 has been computed to be \$79,870,017. Appropriations subject to the limitation in FY2014-15 budget total \$55,923,624 that is \$23,946,393 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2005-2006. 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, 2014

ASSESSED VALUATION (NET) <sup>1</sup> :	<u>\$12,813,358,274</u>
BONDED DEBT LIMIT ( 3.75% OF ASSESSED VALUE) <sup>2</sup> :	<u>\$480,500,935</u>
AMOUNT OF DEBT SUBJECT TO LIMIT:	
Total Bonded Debt	\$159,020,000
Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$159,020,000
Amount of debt subject to limit	<u>-0-</u>
LEGAL BONDED DEBT MARGIN:	<u><u>\$480,500,935</u></u>

<sup>1</sup> Source: County of Santa Clara Tax Rates and Information publication.

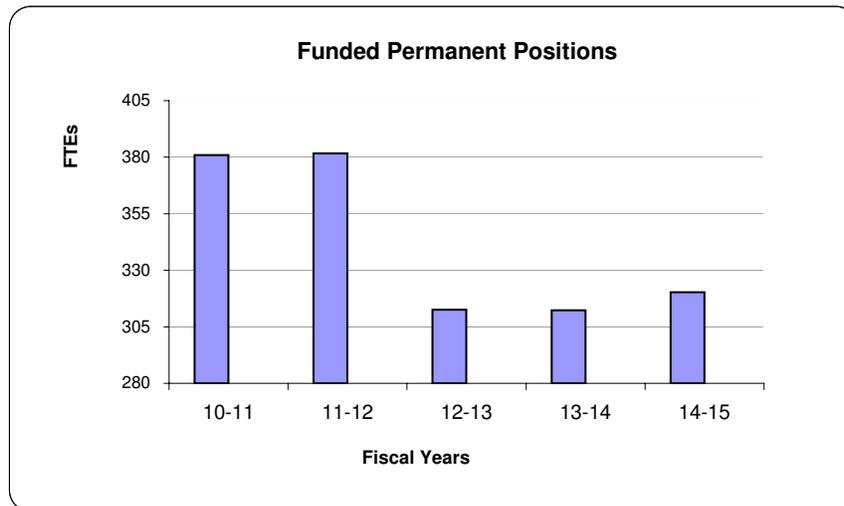
<sup>2</sup> California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment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

Authorized Positions by Division

	11 - 12		12 - 13		13 - 14		Change		14 - 15	
	Approved		Approved		Approved				Approved	
	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp
100 City Council	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
111 City Manager	4.00	0.00	5.00	0.00	5.00	0.00	0.00	1.00	5.00	1.00
114 City Clerk	10.00	0.00	6.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
116 RDA & Economic Dvp	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City Manager	20.00	0.00	16.00	0.00	13.00	0.00	0.00	1.00	13.00	1.00
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	4.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
530 Building and Safety	28.00	0.00	28.00	0.00	28.00	3.00	(5.00)	(1.00)	23.00	2.00
Building and Safety	28.00	0.00	28.00	0.00	28.00	3.00	(5.00)	(1.00)	23.00	2.00
112 Information Services	20.00	0.00	15.00	0.00	15.00	0.00	0.00	0.00	15.00	0.00
Information Systems	20.00	0.00	15.00	0.00	15.00	0.00	0.00	0.00	15.00	0.00
115 Human Resources	6.00	0.50	6.00	0.50	6.00	0.75	0.00	0.00	6.00	0.75
Human Resources	6.00	0.50	6.00	0.50	6.00	0.75	0.00	0.00	6.00	0.75
450 Recreation Services	28.50	34.00	25.50	30.50	25.50	31.25	0.00	1.00	25.50	32.25
Recreation Services	28.50	34.00	25.50	30.50	25.50	31.25	0.00	1.00	25.50	32.25
300 Finance Administration	12.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
310 Finance Operations	21.50	0.75	20.50	1.00	20.50	1.00	0.00	1.00	20.50	2.00
Finance	33.50	0.75	27.50	1.00	27.50	1.00	0.00	1.00	27.50	2.00
420 Public Works	96.00	5.00	87.00	5.00	89.00	5.00	1.00	0.00	90.00	5.00
410 Engineering	40.00	0.50	28.00	0.50	28.00	2.00	4.00	2.50	32.00	4.50
Public Works & Engring	136.00	5.50	115.00	5.50	117.00	7.00	5.00	2.50	122.00	9.50
510 Planning & Nghbrhd	18.00	0.00	16.50	0.00	17.50	1.00	1.00	2.00	18.50	3.00
Planning & Nghbrhd Svcs	18.00	0.00	16.50	0.00	17.50	1.00	1.00	2.00	18.50	3.00
700 Police Administration	3.00	0.00	2.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710 Police Technical Services	30.50	1.00	29.50	1.00	29.50	1.00	0.50	0.00	30.00	1.00
720 Police Field Services	74.00	13.00	76.00	13.00	75.00	13.00	0.00	0.00	75.00	13.00
730 Special Operations	16.00	0.00	14.00	0.00	14.00	0.00	0.00	0.00	14.00	0.00
Police	123.50	14.00	121.50	14.00	121.50	14.00	0.50	0.00	122.00	14.00
800 Fire Administration	4.00	0.00	4.00	0.50	4.00	0.50	0.00	0.00	4.00	0.50
810 Emerg Resp & Prep Div	66.00	0.00	66.00	0.00	66.00	0.00	0.00	0.00	66.00	0.00
820 Prevention Division	10.00	0.00	10.00	0.00	10.00	0.50	0.00	0.00	10.00	0.50
Fire	80.00	0.00	80.00	0.50	80.00	1.00	0.00	0.00	80.00	1.00
<b>TOTAL</b>	<b>497.50</b>	<b>54.75</b>	<b>455.00</b>	<b>52.00</b>	<b>455.00</b>	<b>59.00</b>	<b>1.50</b>	<b>6.50</b>	<b>456.50</b>	<b>65.50</b>

## Funded Permanent Positions by Department

	10-11		11-12		12-13		13-14		14-15
	Funded	Change	Funded	Change	Funded	Change	Funded	Change	Funded
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00	5.00
City Manager	2.00	0.00	2.00	0.00	2.00	0.00	2.00	2.00	4.00
City Clerk	6.00	0.00	6.00	(3.00)	3.00	(1.00)	2.00	0.00	2.00
RDA & Economic Dvp	1.00	0.00	1.00	(1.00)	0.00	0.00	0.00	0.00	0.00
<b>City Manager</b>	<b>14.00</b>	<b>0.00</b>	<b>14.00</b>	<b>(4.00)</b>	<b>10.00</b>	<b>(1.00)</b>	<b>9.00</b>	<b>2.00</b>	<b>11.00</b>
City Attorney	4.00	0.00	4.00	(1.00)	3.00	0.00	3.00	0.00	3.00
Building and Safety	16.50	0.50	17.00	(3.00)	14.00	3.00	17.00	(1.00)	16.00
Information Services	14.00	0.00	14.00	(3.75)	10.25	(0.25)	10.00	0.00	10.00
Human Resources	3.00	0.00	3.00	0.00	3.00	0.00	3.00	0.00	3.00
Recreation Services	19.00	(0.75)	18.25	(4.50)	13.75	(1.00)	12.75	1.00	13.75
Finance	25.50	0.00	25.50	(4.00)	21.50	0.00	21.50	0.00	21.50
Public Works & Engring	100.50	(1.50)	99.00	(40.00)	59.00	2.00	61.00	1.00	62.00
Planning & Nghbrhd Srves	12.50	(1.50)	11.00	(1.00)	10.00	0.00	10.00	1.00	11.00
Police	111.00	(1.00)	110.00	(6.00)	104.00	1.00	105.00	3.00	108.00
Fire	61.00	5.00	66.00	(2.00)	64.00	(4.00)	60.00	1.00	61.00
<b>TOTAL</b>	<b>381.00</b>	<b>0.75</b>	<b>381.75</b>	<b>(69.25)</b>	<b>312.50</b>	<b>(0.25)</b>	<b>312.25</b>	<b>8.00</b>	<b>320.25</b>

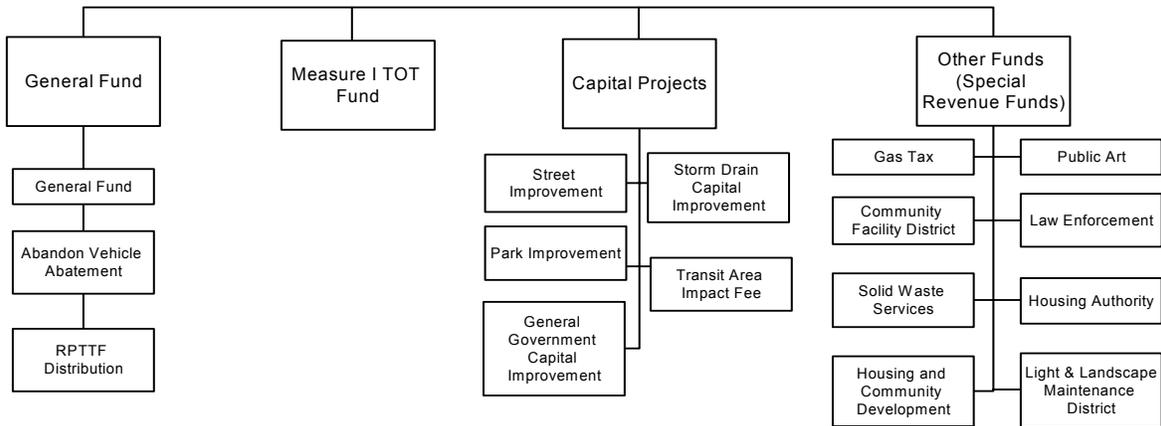


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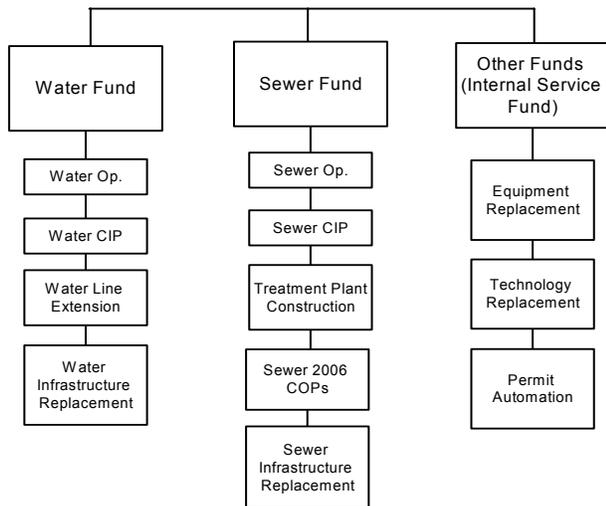
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# City of Milpitas Fund Structure By Budgetary Basis

## 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.

**Financial Information** Budget Summary

	Grand Total	General Fund (1)	Measure I TOT
<b>ESTIMATED REVENUES</b>			
PROPERTY TAXES	21,849,000	21,849,000	0
TAXES OTHER THAN PROPERTY	34,293,000	31,983,000	1,775,000
LICENSES AND PERMITS	5,766,000	5,766,000	0
FINES AND FORFEITS	382,000	382,000	0
USE OF MONEY AND PROPERTY	840,000	168,000	39,000
INTERGOVERNMENTAL	3,679,015	1,020,000	0
CHARGES FOR CURRENT SERVICES	43,905,821	5,381,000	0
OTHER REVENUE	1,261,000	223,000	0
sub-total	<u>111,975,836</u>	<u>66,772,000</u>	<u>1,814,000</u>
<b>OTHER FINANCING SOURCES</b>			
(INCREASE) DECREASE IN FUND BALANCE	3,041,379	0	91,428
(INCREASE) DECREASE IN CIP RSRV	4,795,000	0	0
OPERATING TRANSFERS IN	10,978,984	4,475,955	0
OPERATING TRANSFERS OUT	(10,978,984)	(20,044)	(1,750,000)
sub-total	<u>7,836,379</u>	<u>4,455,911</u>	<u>(1,658,572)</u>
TOTAL	<u>119,812,215</u>	<u>71,227,911</u>	<u>155,428</u>
<b>BUDGETED APPROPRIATIONS</b>			
PERSONNEL SERVICES	64,022,932	57,478,981	50,428
SUPPLIES & CONTRACTUAL SERVICES	38,914,645	13,734,071	105,000
CAPITAL OUTLAY	761,638	14,859	0
sub-total	<u>103,699,215</u>	<u>71,227,911</u>	<u>155,428</u>
CAPITAL IMPROVEMENTS	15,428,000	0	0
DEBT SERVICE	685,000	0	0
sub-total	<u>16,113,000</u>	<u>0</u>	<u>0</u>
TOTAL	<u>119,812,215</u>	<u>71,227,911</u>	<u>155,428</u>
<b>FUND BALANCE</b>			
FUND BALANCE	151,658,673	25,004,673	8,075,000
NET CHANGES IN FUND BALANCE	(7,836,379)	0	(91,428)
TOTAL	<u>143,822,294</u>	<u>25,004,673</u>	<u>7,983,572</u>
RESTRICTED	13,514,510	855,276	0
RESTRICTED FOR CIP	59,045,000	0	0
COMMITTED FOR PERS	5,432,703	5,432,703	0
ASSIGNED	25,818,110	2,816,694	7,983,572
UNASSIGNED	40,011,971	15,900,000	0
TOTAL	<u>143,822,294</u>	<u>25,004,673</u>	<u>7,983,572</u>

(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	535,000	0	0	0
0	0	0	0	0
0	0	0	0	0
28,000	102,000	246,000	109,000	148,000
0	2,454,000	160,015	45,000	0
0	2,779,821	0	21,885,000	13,860,000
0	723,000	0	155,000	160,000
<u>28,000</u>	<u>6,593,821</u>	<u>406,015</u>	<u>22,194,000</u>	<u>14,168,000</u>
962,534	494,494	242,956	478,023	771,944
0	0	637,000	329,000	3,829,000
0	0	6,503,029	0	0
0	(2,214,096)	(151,000)	(2,591,459)	(4,252,385)
<u>962,534</u>	<u>(1,719,602)</u>	<u>7,231,985</u>	<u>(1,784,436)</u>	<u>348,559</u>
<u>990,534</u>	<u>4,874,219</u>	<u>7,638,000</u>	<u>20,409,564</u>	<u>14,516,559</u>
297,034	1,240,232	0	2,731,571	2,224,686
693,500	2,987,208	0	14,802,993	6,591,873
0	646,779	0	100,000	0
<u>990,534</u>	<u>4,874,219</u>	<u>0</u>	<u>17,634,564</u>	<u>8,816,559</u>
0	0	7,638,000	2,775,000	5,015,000
0	0	0	0	685,000
<u>0</u>	<u>0</u>	<u>7,638,000</u>	<u>2,775,000</u>	<u>5,700,000</u>
<u>990,534</u>	<u>4,874,219</u>	<u>7,638,000</u>	<u>20,409,564</u>	<u>14,516,559</u>
4,000,000	19,539,000	48,140,000	21,300,000	25,600,000
(962,534)	(494,494)	(879,956)	(807,023)	(4,600,944)
<u>3,037,466</u>	<u>19,044,506</u>	<u>47,260,044</u>	<u>20,492,977</u>	<u>20,999,056</u>
3,037,466	9,621,768	0	0	0
0	0	32,303,000	12,771,000	13,971,000
0	0	0	0	0
0	60,800	14,957,044	0	0
0	9,361,938	0	7,721,977	7,028,056
<u>3,037,466</u>	<u>19,044,506</u>	<u>47,260,044</u>	<u>20,492,977</u>	<u>20,999,056</u>

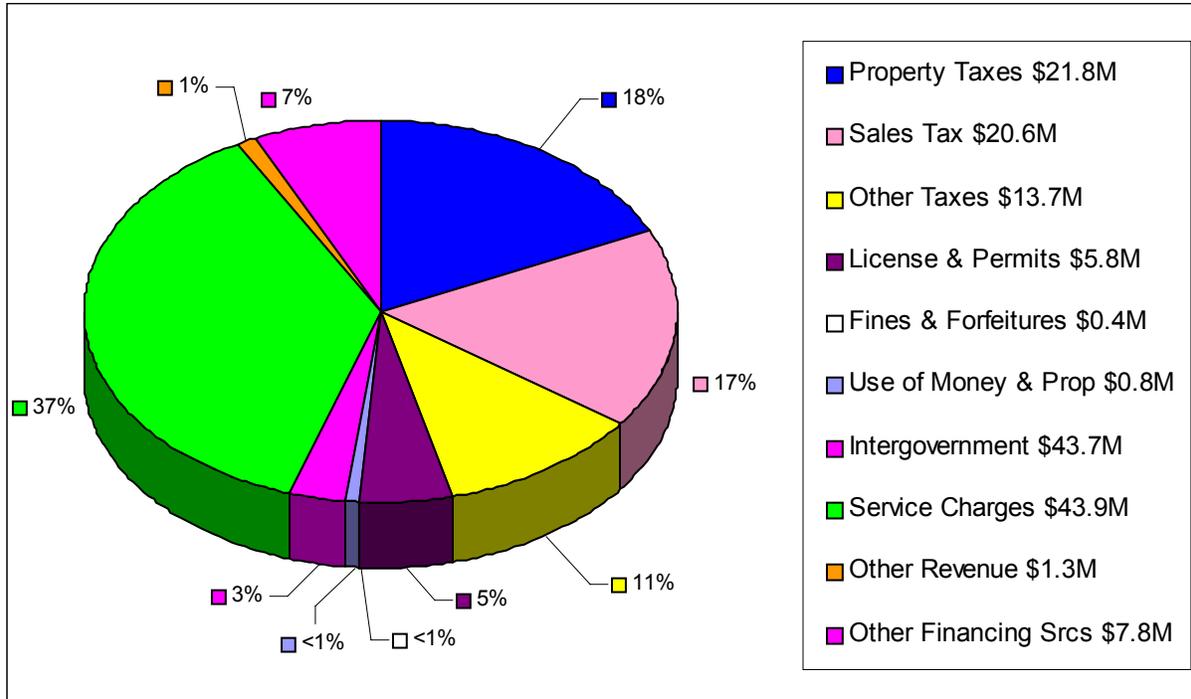
(3) Capital Projects include Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund and Transit Area Impact Fee Fund.

(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.

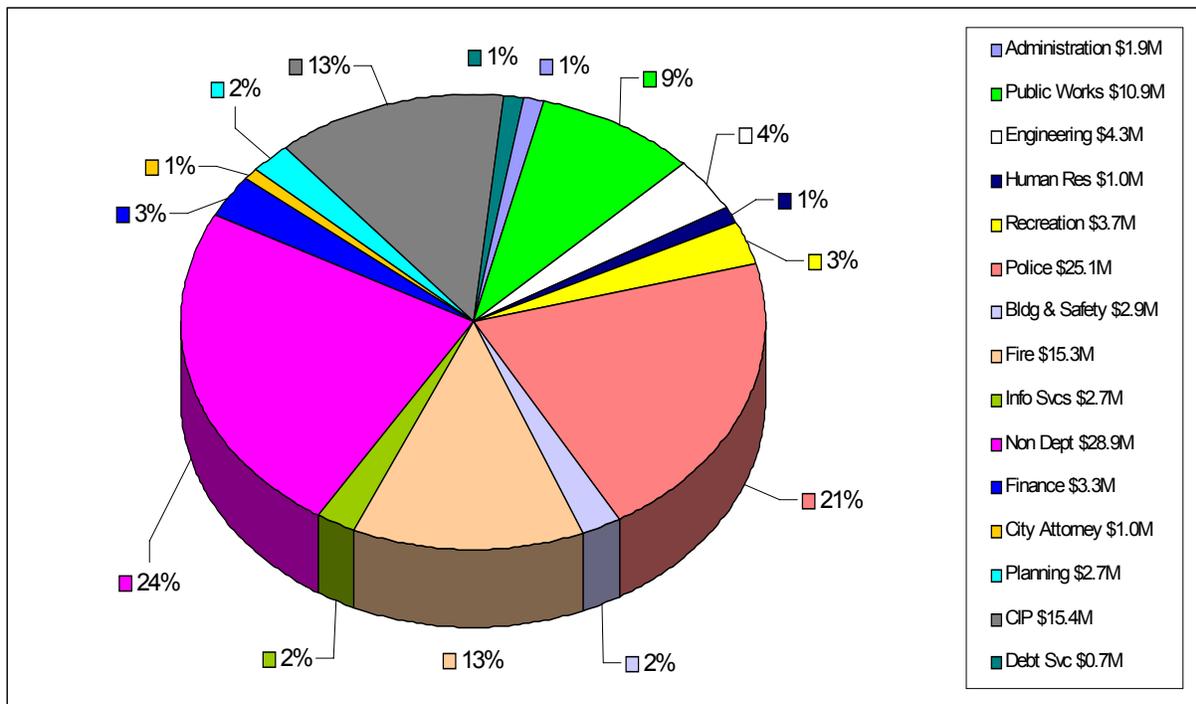
### Distribution of Revenues

2014-2015  
(All Funds)



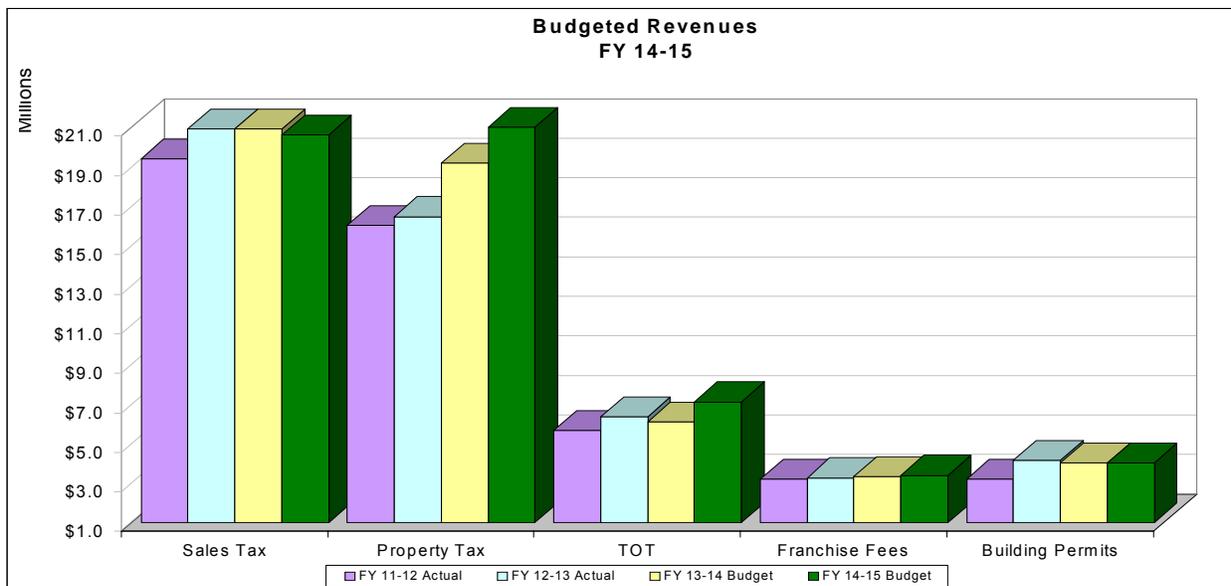
### Distribution of Expenditures

2014-2015  
(All Funds)



## General Fund Revenue Assumptions

- CPI** Projected to be 2.5% increase based on the average urban consumer Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas.
- Sales Tax** Staff's assumption for FY 14-15 sales tax revenue is a 3% increase from the FY 13-14 revised estimate. The projected increase reflects continuing economic recovery in this region and population growth in the City as many of new residential developments are constructed and occupied. It is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, auto and restaurant economic segments. The projection for FY14-15 is modest and is consistent with the projection of the City's sales tax consultant.
- Property Tax** Property tax revenues are estimated to increase by 3.5% in FY 14-15 from the FY 13-14 revised revenue, excluding RPTTF distributions. 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 improvement in the housing market thus adding to the assessed valuation of the secured properties. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining tax increment revenue after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$3.5 million in FY 14-15.
- Transient Occupancy Tax (TOT)** Transient Occupancy tax revenue is projected to increase \$1.02 million or 16.7% from the FY 13-14 budget. The hotel industry in the local area has been depressed for the last few years. It has finally stabilized and began to recover in FY 10-11 and it is anticipated that FY 14-15 will continue with a modest increase.
- Building Permits** Building Permit and Inspection revenue for FY 14-15 is estimated to be \$5.7 million, an increase of \$0.5 million from the FY 13-14 budget. The projected increase reflects continuing increase development activities in the Transit Area. It is anticipated that residential developments will continue at a very high level. 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 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
100 General Fund	24,550,813	60,671,576	65,366,939	71,171,911
101 RPTTF Distribution Fund	4,931,885	(4,931,885)	0	0
102 Measure I TOT	(557,815)	1,633,311	954,000	64,000
105 Abandon Veh Abatement	42,890	69,620	46,000	56,000
140 Housing Administration	266,629	228,927	0	0
150 Redevelopment Administration	378,795	640,835	0	0
151 Redevelopment CIP	58,078	0	0	0
160 Housing Administration	4,544	0	0	0
211 H-Hetch Ground Lease	34,802	14,117	31,784	12,141
212 Public Art Fund-Restricted	(998,703)	11,609	1,000	1,000
213 Public Art Fund-Nonrestricted	1,589	1,081	1,000	1,000
221 Gas Tax Fund	644,237	191,625	392,000	537,015
235 95-1 Lighting/Lscape Dist	80,806	276,089	(64,000)	241,000
236 98-1 Lighting/Lscape Dist	36,033	36,684	(22,000)	25,000
237 05 Community Fclty Dist	385,539	405,735	402,000	402,000
238 08 Community Fclty Dist	0	0	0	(200,000)
250 HCD Fund	469,357	480,079	391,000	375,000
251 HCD Loan	175,444	63,670	0	1,000
261 Supplemental Law Enforcement	59,388	140,509	1,000	1,000
262 State Asset Seizure	1,903	6,513	1,000	1,000
263 Federal Asset Seizure	1,063	726	1,000	1,000
267 Justice Assistance Grant	13,899	872	0	0
268 Justice Assistance Grant 2009	(17)	0	0	0
280 Solid Waste Services	654,624	1,680,566	599,083	631,748
281 Solid Waste Reduction	0	(902,057)	0	0
290 Housing Reserve Fund	(19,895,170)	0	0	0
295 Housing Authority	22,265,401	3,178,124	6,000	28,000
310 Street Fund	(697,452)	82,589	(267,000)	(403,000)
311 Street CIP	4,850,633	3,487,880	2,510,662	4,550,000
312 Traffic Impact Fee	(113,544)	524,600	18,000	(28,000)
313 Traffic Congestion Relief	(1,742)	(33)	5,100	0
314 Vehicle Registration Fee	0	26,925	(300,000)	(300,000)
320 Park Improvement Fund	4,757,174	1,115,116	(1,705,000)	(1,505,000)
321 Park Improvement CIP	897,024	858,685	2,100,000	2,250,000
322 Midtown Park Fund	52,768	2,316,980	(324,000)	(1,261,000)
330 General Government	23,126	2,695,090	(997,976)	(263,000)
331 General Government CIP	2,006,066	131,226	4,384,288	1,078,000
332 RPTTF Distribution Fund	0	8,911,596	0	20,044
340 Storm Drain Development	(202,748)	240,682	6,000	(514,000)
341 Storm Drain CIP	358,319	400,000	0	760,000
350 Transit Area Impact Fee Fund	33,958	17,166	(986,000)	3,374,000
351 Transit Area Impact Fee CIP Fund	5,000	0	1,000,000	(1,000,000)
390 RDA Project Fund	44,527,694	0	0	0
391 Redevelopment CIP	1,056,185	0	0	0
400 Water M & O Fund	14,376,804	15,818,994	18,571,821	17,156,541
401 Water CIP	2,075,000	2,900,000	1,400,000	2,775,000
402 Water Line Extension Fund	491,658	748,346	(333,000)	(329,000)

**Financial Information Revenues by Fund (Summary)**

	<u>Actual 2011-12</u>	<u>Actual 2012-13</u>	<u>Budget 2013-14</u>	<u>Approved 2014-15</u>
406 Recycled Water Fund	0	(583,569)	0	0
450 Sewer M & O Fund	9,654,890	7,299,357	5,845,349	8,729,615
451 Sewer CIP	1,553,598	4,050,000	7,500,000	5,015,000
452 Treatment Plant Construction	1,217,442	1,158,371	(2,354,000)	(2,352,000)
453 Sewer 2006 COPS	0	1	0	0
455 Sewer Infrastructure Replmnt	54,391	176,080	21,000	(1,477,000)
500 Equipment Mgmt Fund	2,411,855	1,584,903	1,683,322	1,847,821
505 Information Tec Replmt	883	29,436	301,000	302,000
506 Permit Automation Fund	295,991	293,783	200,000	200,000
<b>TOTAL</b>	<u>123,290,987</u>	<u>118,182,530</u>	<u>106,387,372</u>	<u>111,975,836</u>

Revenues by Fund (Detail)

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>GENERAL FUND (100)</b>				
<b>PROPERTY TAXES</b>				
3010 Property Taxes, Current	15,693,743	16,197,767	16,486,000	18,051,000
3030 Property Taxes, Supplement	331,707	311,497	340,000	298,000
3050 Property Taxes, RPTTF Distribution	0	0	0	3,500,000
sub-total	16,025,450	16,509,264	16,826,000	21,849,000
<b>TAXES OTHER THAN PROPERTY</b>				
3110 Sales and Use Tax	19,403,068	20,908,497	20,913,000	20,606,000
3120 Real Estate Transfer Tax	369,464	395,303	359,000	516,000
3131 Electric Franchise	1,208,633	1,165,639	1,196,000	1,236,000
3132 Gas Franchise	162,797	140,936	158,000	149,000
3133 Garbage Franchise-Commercial	891,787	952,988	974,000	1,000,000
3134 Garbage Franchise-NonCommercial	448,536	460,618	467,000	467,000
3137 Nitrogen Gas Franchise	45,981	45,981	46,000	46,000
3138 CATV Franchise	460,398	503,360	500,000	500,000
3140 Business License Tax	299,073	418,649	300,000	349,000
3150 Hotel/Motel Tax	5,650,430	6,343,107	6,093,000	7,114,000
sub-total	28,940,166	31,335,077	31,006,000	31,983,000
<b>LICENSES AND PERMITS</b>				
3210 Building Permits	3,220,061	4,143,185	4,011,000	4,026,000
3220 Fire Permits	732,616	914,872	894,000	1,379,000
3240 Life Safety Annual Permits	279,748	282,089	275,000	275,000
3250 Fire Inspections	52,624	92,724	73,000	86,000
sub-total	4,285,048	5,432,870	5,253,000	5,766,000
<b>FINES AND FORFEITS</b>				
3301 Vehicle Code Fines	243,904	178,474	190,000	162,000
3302 Other Court Fines	295,362	158,635	202,000	119,000
3305 Booking Fees	1,983	15,445	6,000	7,000
3306 NBO Violation Fees	950	5,475	4,000	4,000
3307 Impound Fees	91,420	63,446	67,000	61,000
3308 Animal Violations	6,842	9,965	9,000	9,000
3309 False Alarm Fee	30,150	11,000	8,000	20,000
sub-total	670,610	442,441	486,000	382,000
<b>USE OF MONEY AND PROPERTY</b>				
3431 Pooled Investment Interest (Nonalloc)	77,595	(44,049)	0	0
3433 Other Interest Income	(165,119)	90,716	0	0
3434 Pooled Interest Allocation	284,171	293,672	145,000	168,000
sub-total	196,646	340,340	145,000	168,000
<b>INTERGOVERNMENTAL</b>				
3511 Motor Vehicle In Lieu Tax	35,398	36,679	37,000	30,000
3521 Homeowners Property Tax Relief	121,822	121,309	122,000	120,000
3556 Federal Contributions-Recreation	5,000	7,721	5,000	5,000
3557 Federal Contributions-Police	31,816	16,502	0	0
3558 Federal Contributions-Fire	20,137	79,162	0	0
3562 POST Grant	11,445	29,442	0	0
3567 State Contributions-Police	7,797	3,000	0	0

**Financial Information** Revenues by Fund (Detail)

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
3568 State Contributions-Fire	5,551	12,628	0	0
3569 State Contributions-Planning	(6,327)	0	0	0
3575 County Cont-Public Works	484,235	356,093	360,000	397,000
3576 County Contributions-Recreation	84,265	76,845	86,000	82,000
3577 County Contributions-Police	0	0	0	80,000
3581 Other Restricted Grants-General Gov't	2,095	530,814	0	0
3582 SB90 Grant	21,755	51,401	23,000	0
3585 Other Res Grant-Public Works	627,325	0	300,000	250,000
3586 Other Restricted Grants-Recreation	5,825	1,809	0	0
3587 Other Restricted Grants-Police	22,983	10,412	0	0
sub-total	1,481,124	1,333,818	933,000	964,000
<b>CHARGES FOR CURRENT SERVICES</b>				
3601 General Government Service Charges	183,109	189,230	152,000	160,000
3602 Sales of Maps and Documents-Gen Gov't	97	908	0	0
3603 Rents, Leases and Concessions-Gen Gov't	238,716	222,778	106,000	85,000
3604 B L Processing Fee	92,938	189,048	100,000	106,000
3608 PJ Legal Overhead Charge	6,396	0	0	0
3609 PJ Legal Reimbursement	2,825	0	0	0
3611 PJ Overhead Charges-PW/E	720,087	834,484	0	950,000
3612 PJ Labor Reimbursement-PW/E	320,576	367,452	1,020,000	420,000
3613 PJ Vendor Reimbursement-PW/E	52,691	49,540	450,000	40,000
3615 Public Works and Engr Fees	959	0	0	0
3616 Engineering Plan Check Fee	9,903	15,738	10,000	10,000
3617 Planning Fees	1,130	2,630	0	3,000
3618 Sales of Maps and Doc-PW/Engr	1,395	919	1,000	1,000
3619 Rent,Lease & Concession-PW/Eng	28,000	28,000	25,000	25,000
3631 PJ Overhead Charges - Fire	16,521	10,728	5,000	11,000
3632 PJ Labor Reimbursement - Fire	8,659	7,382	3,000	5,000
3633 Fire Cost Recovery	1,661	(1,661)	0	0
3634 Unwanted Alarms-Fire	21,900	15,000	3,000	5,000
3637 Fire Service Charges	175,982	240,685	216,000	216,000
3638 Sale of Maps & Documents-Fire	0	5	0	0
3639 Fire Electroinc Archieve Charge	7,557	11,983	8,000	12,000
3641 Police Service Charges	433,451	596,724	592,000	592,000
3643 Fingerprints	1,881	867	2,000	2,000
3644 Sales of Maps & Documents-Police	12,067	11,359	12,000	10,000
3645 Police Cost Recovery	733	1,944	1,000	0
3646 Rents, Leases & Concessions-Police	11,000	6,000	6,000	0
3647 DUI-Police Cost Recovery	10,110	7,505	8,000	13,000
3648 PJ Overhead Charges-Police	1,128	0	0	0
3649 PJ Labor Reimb - Police	498	0	0	0
3651 Rents, Leases & Concessions-Recreation	212,845	223,409	200,000	225,000
3652 Recreation Fees	1,593,245	1,736,799	1,800,000	1,750,000
3653 Senior Nutrition Fees	25,930	27,060	24,000	26,000
3655 Sales of Merchandise Recreation	566	128	0	0
3661 Sales of Maps & Documents-Building	0	27	0	0
3662 Records Retention Fee-Building	49,936	66,708	40,000	40,000
3663 Building Service Charges	401	807	0	0
3665 PJ Overhead Charges-Building	90,620	188,293	232,000	200,000
3666 PJ Labor Reimbursement-Building	43,568	88,137	103,000	85,000

**Financial Information** Revenues by Fund (Detail)

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
3667 Building State Mandated Standard Fee	7,277	13,507	7,000	7,000
3672 Public Works Cost Recovery	16,391	46,261	10,000	10,000
3681 PJ Overhead Charge-Planning	131,448	137,787	217,000	217,000
3682 PJ Labor Reimbursement-Planning	58,060	60,860	96,000	96,000
3683 PJ Vendor Reimbursement-Planning	21,462	10,864	0	0
3685 Housing & Neighborhood Services	13,800	19,612	0	19,000
3686 Planning Plan Check Fee	3,328	19,003	0	22,000
3691 Fire GIS Mapping	143	286	0	0
3692 Fire Automation Fee	18,331	19,145	17,000	18,000
sub-total	4,649,319	5,467,941	5,466,000	5,381,000
<b>OTHER REVENUE</b>				
3710 Development	36,450	11,851	22,000	20,000
3730 Recycling	1,320	0	0	0
3740 Reimbursements	3,600,000	0	0	0
3750 Donations	31,143	74,120	0	0
3770 Sale of Property, Plant and Equipment	8,723	48,711	5,000	0
3790 Miscellaneous Other Revenue	82,269	70,779	77,000	203,000
sub-total	3,759,905	205,460	104,000	223,000
<b>OPERATING TRANSFERS IN</b>				
3806 Op Trfs in from Solid Waste Service	127,512	242,472	256,917	223,252
3807 Op Trfs in from Solid Waste Reduction	112,535	0	0	0
3808 Op Trfs in from Housing Reserves	1,032,754	0	0	0
3811 Op Trfs in from RDA	2,274,098	0	0	0
3812 Op Trfs in from Water Fund	1,703,840	1,706,077	1,829,179	2,366,459
3814 Op Trfs in from Recycled Water Fund	151,102	0	0	0
3815 Op Trfs in from Sewer Fund	1,434,209	1,358,559	1,572,651	1,527,385
3819 Op Trfs in from Other	2,711	1,925	2,216	207,859
3824 Op Trfs in Transit Area Fund	0	0	0	151,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,486,976	0
sub-total	6,838,761	3,309,033	5,147,939	4,475,955
<b>OPERATING TRANSFERS OUT</b>				
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	0	(20,044)
3931 Appn Trfs out to General Fund	0	(2,800,000)	0	0
3938 Appn Trfs out to Housing Reserve	(374,253)	0	0	0
3941 Appn Transfers out to RDA	(1,801,218)	0	0	0
3958 Appn Trfs Out to Housing Authority	(15,399,645)	0	0	0
3985 Extraordinary Item	(20,455,191)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(4,265,910)	(904,668)	0	0
sub-total	(42,296,216)	(3,704,668)	0	(20,044)
<b>TOTAL (100)</b>	<b>24,550,813</b>	<b>60,671,576</b>	<b>65,366,939</b>	<b>71,171,911</b>
<b>RPTTF DISTRIBUTION FUND (101)</b>				
3010 Property Taxes, Current	1,331,885	0	2,377,000	0
3899 Op Trfs in from Subsidiary CIP Fund	3,600,000	0	0	0
3922 Op Trfs Out To the General Government Fund	0	0	(890,024)	0
3952 Appn Trfs out to General Gov't Fund	0	(4,931,885)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(1,486,976)	0
<b>TOTAL (101)</b>	<b>4,931,885</b>	<b>(4,931,885)</b>	<b>0</b>	<b>0</b>

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>MEASURE I TOT (102)</b>				
3150 Hotel/Motel Tax	1,416,983	1,590,142	1,523,000	1,775,000
3431 Pooled Investment Interest (Nonalloc)	(10,718)	(2,528)	0	0
3434 Pooled Interest Allocation	65,920	45,132	31,000	39,000
3790 Miscellaneous Other Revenue	0	565	0	0
3922 Op Trfs Out To the General Government Fund	(1,500,000)	0	(600,000)	(1,750,000)
3939 Appn Trfs out to Street Fund	(530,000)	0	0	0
<b>TOTAL (102)</b>	<b>(557,815)</b>	<b>1,633,311</b>	<b>954,000</b>	<b>64,000</b>
<b>ABANDON VEH ABATEMENT (105)</b>				
3577 County Contributions-Police	31,269	54,813	22,500	56,000
3579 County Contribution - Planning	0	0	23,500	0
3899 Op Trfs in from Subsidiary CIP Fund	11,621	14,807	0	0
<b>TOTAL (105)</b>	<b>42,890</b>	<b>69,620</b>	<b>46,000</b>	<b>56,000</b>
<b>HOUSING ADMINISTRATION (140)</b>				
3575 County Cont-Public Works	0	31	0	0
3899 Op Trfs in from Subsidiary CIP Fund	266,629	228,896	0	0
<b>TOTAL (140)</b>	<b>266,629</b>	<b>228,927</b>	<b>0</b>	<b>0</b>
<b>REDEVELOPMENT ADMINISTRATION (150)</b>				
3010 Property Taxes, Current	0	(20,171)	0	0
3575 County Cont-Public Works	0	42	0	0
3899 Op Trfs in from Subsidiary CIP Fund	378,795	660,965	0	0
<b>TOTAL (150)</b>	<b>378,795</b>	<b>640,835</b>	<b>0</b>	<b>0</b>
<b>REDEVELOPMENT CIP (151)</b>				
3585 Other Res Grant-Public Works	49,214	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	8,865	0	0	0
<b>TOTAL (151)</b>	<b>58,078</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HOUSING ADMINISTRATION (160)</b>				
3603 Rents, Leases and Concessions-Gen Gov't	79,237	0	0	0
3958 Appn Trfs Out to Housing Authority	(74,693)	0	0	0
<b>TOTAL (160)</b>	<b>4,544</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>H-HETCH GROUND LEASE (211)</b>				
3431 Pooled Investment Interest (Nonalloc)	38,967	39,454	34,000	20,000
3433 Other Interest Income	(1,644)	(23,657)	0	0
3434 Pooled Interest Allocation	191	245	0	0
3901 Op Trfs Out To the General Fund	(2,711)	(1,925)	(2,216)	(7,859)
<b>TOTAL (211)</b>	<b>34,802</b>	<b>14,117</b>	<b>31,784</b>	<b>12,141</b>
<b>PUBLIC ART FUND-RESTRICTED (212)</b>				
3431 Pooled Investment Interest (Nonalloc)	(3,640)	(167)	0	0
3433 Other Interest Income	(1,624)	10,470	0	0
3434 Pooled Interest Allocation	6,339	1,154	1,000	1,000
3602 Sales of Maps and Documents-Gen Gov't	222	152	0	0
3909 Op Trfs Out To the Street Improvement Fund	(1,000,000)	0	0	0
<b>TOTAL (212)</b>	<b>(998,703)</b>	<b>11,609</b>	<b>1,000</b>	<b>1,000</b>
<b>PUBLIC ART FUND-NONRESTRICTED (213)</b>				
3431 Pooled Investment Interest (Nonalloc)	(176)	(146)	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
3434 Pooled Interest Allocation	1,766	1,228	1,000	1,000
<b>TOTAL (213)</b>	<b>1,589</b>	<b>1,081</b>	<b>1,000</b>	<b>1,000</b>
<b>GAS TAX FUND (221)</b>				
3431 Pooled Investment Interest (Nonalloc)	5,075	(3,474)	0	0
3434 Pooled Interest Allocation	26,345	17,463	13,000	13,000
3543 Sec 2103-Gas Tax	1,067,479	562,131	1,013,000	1,013,000
3545 Sec 2105-Gas Tax	358,627	309,586	334,000	334,000
3546 Sec 2106-Gas Tax	259,561	244,119	226,000	226,000
3547 Sec 2107-Gas Tax	512,150	507,300	498,000	498,000
3548 Sec 2107.5-Gas Tax	15,000	7,500	8,000	8,000
3909 Op Trfs Out To the Street Improvement Fund	(1,500,000)	(1,453,000)	(600,000)	0
3922 Op Trfs Out To the General Government Fund	0	0	(1,100,000)	(1,554,985)
3939 Appn Trfs out to Street Fund	(100,000)	0	0	0
<b>TOTAL (221)</b>	<b>644,237</b>	<b>191,625</b>	<b>392,000</b>	<b>537,015</b>
<b>95-1 LIGHTING/LSCAPE DIST (235)</b>				
3431 Pooled Investment Interest (Nonalloc)	(438)	(160)	0	0
3433 Other Interest Income	233	246	0	0
3434 Pooled Interest Allocation	3,248	2,074	1,000	1,000
3720 Special Assessments	277,763	273,929	285,000	285,000
3922 Op Trfs Out To the General Government Fund	(200,000)	0	(350,000)	(45,000)
<b>TOTAL (235)</b>	<b>80,806</b>	<b>276,089</b>	<b>(64,000)</b>	<b>241,000</b>
<b>98-1 LIGHTING/LSCAPE DIST (236)</b>				
3431 Pooled Investment Interest (Nonalloc)	23	(30)	0	0
3433 Other Interest Income	30	32	0	0
3434 Pooled Interest Allocation	492	457	0	0
3720 Special Assessments	35,488	36,225	38,000	38,000
3922 Op Trfs Out To the General Government Fund	0	0	(60,000)	(13,000)
<b>TOTAL (236)</b>	<b>36,033</b>	<b>36,684</b>	<b>(22,000)</b>	<b>25,000</b>
<b>05 COMMUNITY FCLTY DIST (237)</b>				
3431 Pooled Investment Interest (Nonalloc)	676	(162)	0	0
3433 Other Interest Income	255	342	0	0
3434 Pooled Interest Allocation	2,549	3,210	2,000	2,000
3720 Special Assessments	382,059	402,345	400,000	400,000
<b>TOTAL (237)</b>	<b>385,539</b>	<b>405,735</b>	<b>402,000</b>	<b>402,000</b>
<b>08 COMMUNITY FCLTY DIST (238)</b>				
3901 Op Trfs Out To the General Fund	0	0	0	(200,000)
<b>TOTAL (238)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(200,000)</b>
<b>HCD FUND (250)</b>				
3559 Federal Contributions-Planning	469,357	480,079	391,000	375,000
<b>TOTAL (250)</b>	<b>469,357</b>	<b>480,079</b>	<b>391,000</b>	<b>375,000</b>
<b>HCD LOAN (251)</b>				
3431 Pooled Investment Interest (Nonalloc)	274	(274)	0	1,000
3433 Other Interest Income	2,376	2,129	0	0
3559 Federal Contributions-Planning	6,694	61,815	0	0
3740 Reimbursements	166,100	0	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
TOTAL (251)	175,444	63,670	0	1,000
<b>SUPPLEMENTAL LAW ENFORCEMENT (261)</b>				
3431 Pooled Investment Interest (Nonalloc)	53	(157)	0	0
3434 Pooled Interest Allocation	1,155	(909)	1,000	1,000
3567 State Contributions-Police	58,180	141,575	0	0
TOTAL (261)	59,388	140,509	1,000	1,000
<b>STATE ASSET SEIZURE (262)</b>				
3431 Pooled Investment Interest (Nonalloc)	(121)	(76)	0	0
3434 Pooled Interest Allocation	1,022	725	1,000	1,000
3567 State Contributions-Police	1,002	5,864	0	0
TOTAL (262)	1,903	6,513	1,000	1,000
<b>FEDERAL ASSET SEIZURE (263)</b>				
3431 Pooled Investment Interest (Nonalloc)	(236)	(98)	0	0
3434 Pooled Interest Allocation	1,299	824	1,000	1,000
TOTAL (263)	1,063	726	1,000	1,000
<b>JUSTICE ASSISTANCE GRANT (267)</b>				
3431 Pooled Investment Interest (Nonalloc)	(12)	1	0	0
3434 Pooled Interest Allocation	0	6	0	0
3557 Federal Contributions-Police	13,911	865	0	0
TOTAL (267)	13,899	872	0	0
<b>JUSTICE ASSISTANCE GRANT 2009 (268)</b>				
3431 Pooled Investment Interest (Nonalloc)	(17)	0	0	0
TOTAL (268)	(17)	0	0	0
<b>SOLID WASTE SERVICES (280)</b>				
3135 Solid Waste-Community Relations	178,386	194,933	153,000	153,000
3136 Solid Waste-HHW-Contract & Public	280,024	297,293	257,000	257,000
3139 County-wide AB 939 Fee	130,211	190,204	127,000	125,000
3431 Pooled Investment Interest (Nonalloc)	(695)	(931)	0	0
3434 Pooled Interest Allocation	15,574	12,685	9,000	10,000
3565 State Contri-Public Works	37,329	0	0	0
3575 County Cont-Public Works	0	80	0	0
3615 Public Works and Engr Fees	110,752	110,951	110,000	110,000
3671 Public Works Service Charges	195,581	210,184	200,000	200,000
3790 Miscellaneous Other Revenue	5,939	5,582	0	0
3811 Op Trfs in from RDA	1,569	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	902,057	0	0
3901 Op Trfs Out To the General Fund	(240,047)	(242,472)	(256,917)	(223,252)
3922 Op Trfs Out To the General Government Fund	(60,000)	0	0	0
TOTAL (280)	654,624	1,680,566	599,083	631,748
<b>SOLID WASTE REDUCTION (281)</b>				
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(902,057)	0	0
TOTAL (281)	0	(902,057)	0	0
<b>HOUSING RESERVE FUND (290)</b>				
3431 Pooled Investment Interest (Nonalloc)	(40,049)	0	0	0
3433 Other Interest Income	51,573	0	0	0
3434 Pooled Interest Allocation	93,292	0	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
3601 General Government Service Charges	60	0	0	0
3603 Rents, Leases and Concessions-Gen Gov't	39,372	0	0	0
3740 Reimbursements	56,724	0	0	0
3790 Miscellaneous Other Revenue	246	0	0	0
3831 Appn Transfers in from General Fund	374,253	0	0	0
3901 Op Trfs Out To the General Fund	(1,032,754)	0	0	0
3911 Op Trfs Out To the RDA Project Fund	(4,255,330)	0	0	0
3949 Other Appn Transfers Out	(6,582,557)	0	0	0
3985 Extraordinary Item	(8,600,000)	0	0	0
<b>TOTAL (290)</b>	<b>(19,895,170)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HOUSING AUTHORITY (295)</b>				
3431 Pooled Investment Interest (Nonalloc)	1,555	6,107	0	0
3433 Other Interest Income	294,972	446,730	0	0
3434 Pooled Interest Allocation	10,303	17,664	6,000	28,000
3603 Rents, Leases and Concessions-Gen Gov't	85,596	376,878	0	0
3740 Reimbursements	398,636	555,494	0	0
3760 Developer Contribution	0	1,480,000	0	0
3770 Sale of Property, Plant and Equipment	0	289,982	0	0
3790 Miscellaneous Other Revenue	0	5,268	0	0
3831 Appn Transfers in from General Fund	15,474,338	0	0	0
3855 Appn Tfr in from ECO Dev Corp	4,200,000	0	0	0
3985 Extraordinary Item	1,800,000	0	0	0
<b>TOTAL (295)</b>	<b>22,265,401</b>	<b>3,178,124</b>	<b>6,000</b>	<b>28,000</b>
<b>STREET FUND (310)</b>				
3431 Pooled Investment Interest (Nonalloc)	(8,693)	(8,643)	0	0
3433 Other Interest Income	(52,059)	107,198	0	0
3434 Pooled Interest Allocation	78,660	44,001	33,000	32,000
3555 Federal Contri-Public Works	(8,323)	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	33	0	0
3911 Op Trfs Out To the RDA Project Fund	(4,237)	0	0	0
3954 Appn Trfs Out Transit Area Fund	(5,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(697,800)	(60,000)	(300,000)	(435,000)
<b>TOTAL (310)</b>	<b>(697,452)</b>	<b>82,589</b>	<b>(267,000)</b>	<b>(403,000)</b>
<b>STREET CIP (311)</b>				
3511 Motor Vehicle In Lieu Tax	0	347,000	0	0
3555 Federal Contri-Public Works	10,585	1,227,764	1,650,000	0
3565 State Contri-Public Works	158,287	0	(34,238)	160,015
3575 County Cont-Public Works	228,636	384,843	0	0
3585 Other Res Grant-Public Works	0	15,273	0	0
3802 Op Trfs in from Gas Tax Fund	750,000	1,453,000	600,000	1,554,985
3803 Op Trfs in from Public Art Fund	1,000,000	0	0	0
3812 Op Trfs in from Water Fund	0	0	0	225,000
3815 Op Trfs in from Sewer Fund	0	0	0	225,000
3825 Op Trfs In from Eco Dev Corp	65,351	0	0	0
3826 Op Trfs in from Measure I TOT Fund	0	0	0	1,600,000
3829 Op Trfs in from Vehicle Registration Fee	0	0	0	300,000
3832 Appn Transfers in from Gas Tax	1,250,000	0	0	0
3842 Appn Transfers in from Water Fund	18,500	0	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
3855 Appn Tfr in from ECO Dev Corp	129,461	0	0	0
3856 Appn Trfs in from Measure I TOT	130,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	1,109,814	60,000	300,000	485,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(5,100)	0
<b>TOTAL (311)</b>	<b>4,850,633</b>	<b>3,487,880</b>	<b>2,510,662</b>	<b>4,550,000</b>
<b>TRAFFIC IMPACT FEE (312)</b>				
3431 Pooled Investment Interest (Nonalloc)	(6,570)	(2,151)	0	0
3434 Pooled Interest Allocation	36,685	26,568	18,000	22,000
3710 Development	268,354	500,183	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(412,014)	0	0	(50,000)
<b>TOTAL (312)</b>	<b>(113,544)</b>	<b>524,600</b>	<b>18,000</b>	<b>(28,000)</b>
<b>TRAFFIC CONGESTION RELIEF (313)</b>				
3431 Pooled Investment Interest (Nonalloc)	(1,743)	0	0	0
3434 Pooled Interest Allocation	0	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	5,100	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(33)	0	0
<b>TOTAL (313)</b>	<b>(1,742)</b>	<b>(33)</b>	<b>5,100</b>	<b>0</b>
<b>VEHICLE REGISTRATION FEE (314)</b>				
3431 Pooled Investment Interest (Nonalloc)	0	40	0	0
3434 Pooled Interest Allocation	0	197	0	0
3575 County Cont-Public Works	0	26,687	0	0
3922 Op Trfs Out To the General Government Fund	0	0	(300,000)	(300,000)
<b>TOTAL (314)</b>	<b>0</b>	<b>26,925</b>	<b>(300,000)</b>	<b>(300,000)</b>
<b>PARK IMPROVEMENT FUND (320)</b>				
3431 Pooled Investment Interest (Nonalloc)	6,713	(8,367)	0	0
3433 Other Interest Income	(70,278)	(83,338)	0	0
3434 Pooled Interest Allocation	65,305	64,516	45,000	45,000
3710 Development	5,420,434	1,892,306	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	350,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(665,000)	(750,000)	(2,100,000)	(1,550,000)
<b>TOTAL (320)</b>	<b>4,757,174</b>	<b>1,115,116</b>	<b>(1,705,000)</b>	<b>(1,505,000)</b>
<b>PARK IMPROVEMENT CIP (321)</b>				
3555 Federal Contri-Public Works	32,024	30,907	0	0
3559 Federal Contributions-Planning	0	77,778	0	0
3855 Appn Tfr in from ECO Dev Corp	200,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	665,000	750,000	2,450,000	2,250,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(350,000)	0
<b>TOTAL (321)</b>	<b>897,024</b>	<b>858,685</b>	<b>2,100,000</b>	<b>2,250,000</b>
<b>MIDTOWN PARK FUND (322)</b>				
3431 Pooled Investment Interest (Nonalloc)	(796)	(1,019)	0	0
3434 Pooled Interest Allocation	53,563	42,994	26,000	39,000
3710 Development	0	2,275,005	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(350,000)	(1,300,000)
<b>TOTAL (322)</b>	<b>52,768</b>	<b>2,316,980</b>	<b>(324,000)</b>	<b>(1,261,000)</b>
<b>GENERAL GOVERNMENT (330)</b>				
3431 Pooled Investment Interest (Nonalloc)	3,235	(2,750)	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
3434 Pooled Interest Allocation	19,891	17,764	12,000	72,000
3801 Op Trfs in from General Fund	0	0	890,024	0
3831 Appn Transfers in from General Fund	0	2,800,000	0	0
3912 Op Trfs Out To the Water Fund	0	(9,962)	0	0
3915 Op Trfs Out To the Sewer Fund	0	(9,962)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(100,000)	(1,900,000)	(335,000)
<b>TOTAL (330)</b>	<b>23,126</b>	<b>2,695,090</b>	<b>(997,976)</b>	<b>(263,000)</b>
<b>GENERAL GOVERNMENT CIP (331)</b>				
3565 State Contri-Public Works	0	0	74,288	0
3575 County Cont-Public Works	12,262	31,226	0	0
3802 Op Trfs in from Gas Tax Fund	0	0	1,100,000	0
3806 Op Trfs in from Solid Waste Service	60,000	0	0	0
3817 Op Trfs in from Equipment Replacement	0	0	0	170,000
3826 Op Trfs in from Measure I TOT Fund	1,500,000	0	600,000	150,000
3827 Op Trfs in from LLMD Fund	200,000	0	410,000	58,000
3829 Op Trfs in from Vehicle Registration Fee	0	0	300,000	0
3855 Appn Tfr in from ECO Dev Corp	233,804	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	100,000	1,900,000	700,000
<b>TOTAL (331)</b>	<b>2,006,066</b>	<b>131,226</b>	<b>4,384,288</b>	<b>1,078,000</b>
<b>RPTTF DISTRIBUTION FUND (332)</b>				
3010 Property Taxes, Current	0	3,389,031	0	0
3020 Property Taxes, Prior	0	587,825	0	0
3433 Other Interest Income	0	2,855	0	0
3801 Op Trfs in from General Fund	0	0	0	20,044
3831 Appn Transfers in from General Fund	0	4,931,885	0	0
<b>TOTAL (332)</b>	<b>0</b>	<b>8,911,596</b>	<b>0</b>	<b>20,044</b>
<b>STORM DRAIN DEVELOPMENT (340)</b>				
3431 Pooled Investment Interest (Nonalloc)	(713)	(6)	0	0
3434 Pooled Interest Allocation	10,303	9,747	6,000	11,000
3710 Development	117,391	630,941	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(329,729)	(400,000)	0	(525,000)
<b>TOTAL (340)</b>	<b>(202,748)</b>	<b>240,682</b>	<b>6,000</b>	<b>(514,000)</b>
<b>STORM DRAIN CIP (341)</b>				
3855 Appn Tfr in from ECO Dev Corp	28,590	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	329,729	400,000	0	760,000
<b>TOTAL (341)</b>	<b>358,319</b>	<b>400,000</b>	<b>0</b>	<b>760,000</b>
<b>TRANSIT AREA IMPACT FEE FUND (350)</b>				
3431 Pooled Investment Interest (Nonalloc)	4,779	(2,500)	0	0
3434 Pooled Interest Allocation	29,179	19,667	14,000	25,000
3710 Development	1,743,117	1,208,419	0	0
3815 Op Trfs in from Sewer Fund	0	0	0	2,500,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	1,000,000
3901 Op Trfs Out To the General Fund	0	0	0	(151,000)
3955 Appn Trfs Out Eco Dev Corp	(1,743,117)	(1,208,419)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(1,000,000)	0
<b>TOTAL (350)</b>	<b>33,958</b>	<b>17,166</b>	<b>(986,000)</b>	<b>3,374,000</b>

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>TRANSIT AREA IMPACT FEE CIP FUND (351)</b>				
3839 Appn Transfers in from Street Fund	5,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,000,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(1,000,000)
<b>TOTAL (351)</b>	<b>5,000</b>	<b>0</b>	<b>1,000,000</b>	<b>(1,000,000)</b>
<b>RDA PROJECT FUND (390)</b>				
3010 Property Taxes, Current	16,599,602	0	0	0
3030 Property Taxes, Supplement	71,675	0	0	0
3433 Other Interest Income	20,500	0	0	0
3555 Federal Contri-Public Works	(10,636)	0	0	0
3575 County Cont-Public Works	(12,750)	0	0	0
3808 Op Trfs in from Housing Reserves	4,255,330	0	0	0
3831 Appn Transfers in from General Fund	1,800,000	0	0	0
3855 Appn Tfr in from ECO Dev Corp	8,408,476	0	0	0
3901 Op Trfs Out To the General Fund	(2,274,098)	0	0	0
3949 Other Appn Transfers Out	(3,504,861)	0	0	0
3985 Extraordinary Item	19,174,455	0	0	0
<b>TOTAL (390)</b>	<b>44,527,694</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REDEVELOPMENT CIP (391)</b>				
3434 Pooled Interest Allocation	0	0	0	0
3555 Federal Contri-Public Works	10,636	0	0	0
3575 County Cont-Public Works	43,879	0	0	0
3831 Appn Transfers in from General Fund	1,218	0	0	0
3855 Appn Tfr in from ECO Dev Corp	1,398,258	0	0	0
3955 Appn Trfs Out Eco Dev Corp	(397,806)	0	0	0
<b>TOTAL (391)</b>	<b>1,056,185</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>WATER M &amp; O FUND (400)</b>				
3431 Pooled Investment Interest (Nonalloc)	(23,023)	(11,682)	0	0
3433 Other Interest Income	(81,863)	(183,269)	0	0
3434 Pooled Interest Allocation	174,053	123,689	86,000	98,000
3575 County Cont-Public Works	0	75,169	0	0
3585 Other Res Grant-Public Works	43,393	36,267	30,000	45,000
3622 Water Service Agreements	45,467	93,883	25,000	0
3623 Metered Water Sales	17,883,539	19,488,285	21,115,000	21,855,000
3626 Construction Water	20,292	51,729	50,000	30,000
3627 Water & Sewer Reimbursements	315	114	0	0
3672 Public Works Cost Recovery	8,480	8,479	0	0
3790 Miscellaneous Other Revenue	254,592	148,876	145,000	145,000
3801 Op Trfs in from General Fund	0	9,962	0	0
3812 Op Trfs in from Water Fund	3,222	0	0	0
3814 Op Trfs in from Recycled Water Fund	1,137,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	583,569	0	2,000,000
3901 Op Trfs Out To the General Fund	(1,854,942)	(1,706,077)	(1,829,179)	(2,366,459)
3912 Op Trfs Out To the Water Fund	(1,137,000)	0	0	0
3914 Op Trfs Out To the Recycled Water Fund	(3,222)	0	0	0
3922 Op Trfs Out To the General Government Fund	0	0	0	(225,000)
3939 Appn Trfs out to Street Fund	(18,500)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,075,000)	(2,900,000)	(1,050,000)	(4,425,000)

**Financial Information Revenues by Fund (Detail)**

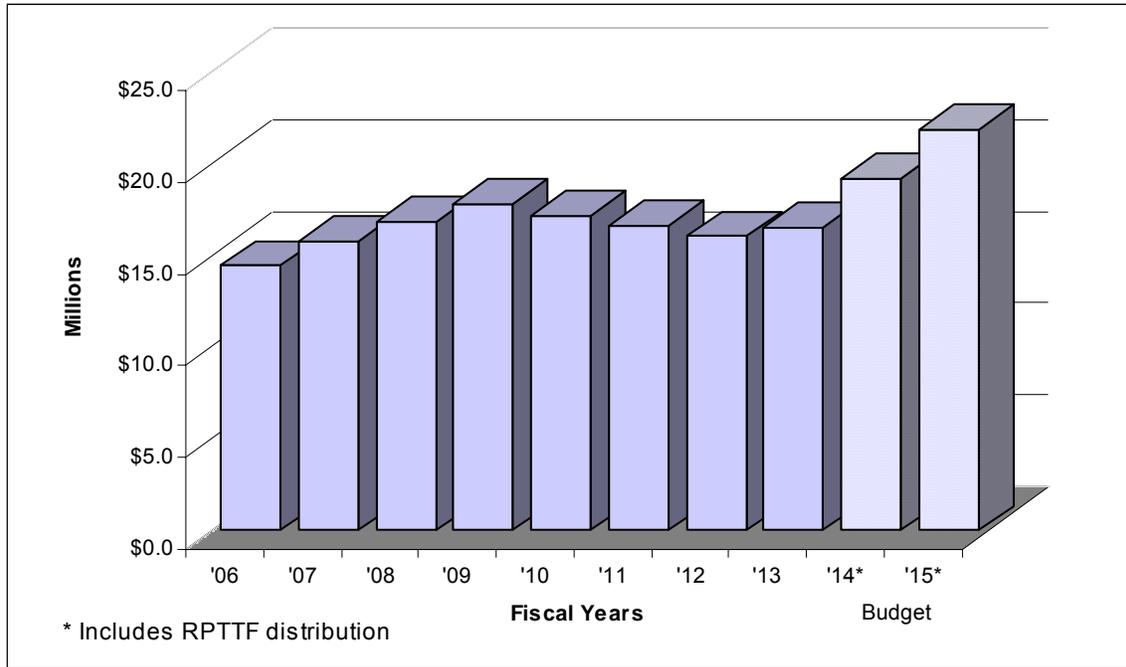
Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>TOTAL (400)</b>	<b>14,376,804</b>	<b>15,818,994</b>	<b>18,571,821</b>	<b>17,156,541</b>
<b>WATER CIP (401)</b>				
3899 Op Trfs in from Subsidiary CIP Fund	2,075,000	2,900,000	1,400,000	4,775,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(2,000,000)
<b>TOTAL (401)</b>	<b>2,075,000</b>	<b>2,900,000</b>	<b>1,400,000</b>	<b>2,775,000</b>
<b>WATER LINE EXTENSION FUND (402)</b>				
3431 Pooled Investment Interest (Nonalloc)	438	135	0	0
3434 Pooled Interest Allocation	8,789	10,939	7,000	11,000
3710 Development	475,216	727,651	0	0
3790 Miscellaneous Other Revenue	7,215	9,621	10,000	10,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(350,000)	(350,000)
<b>TOTAL (402)</b>	<b>491,658</b>	<b>748,346</b>	<b>(333,000)</b>	<b>(329,000)</b>
<b>RECYCLED WATER FUND (406)</b>				
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(583,569)	0	0
<b>TOTAL (406)</b>	<b>0</b>	<b>(583,569)</b>	<b>0</b>	<b>0</b>
<b>SEWER M &amp; O FUND (450)</b>				
3431 Pooled Investment Interest (Nonalloc)	201	(3,735)	0	0
3433 Other Interest Income	106,052	(19,052)	0	0
3434 Pooled Interest Allocation	87,686	88,195	58,000	77,000
3575 County Cont-Public Works	0	720	0	0
3627 Water & Sewer Reimbursements	173	0	0	0
3628 Sewer Service Charges	12,383,188	12,564,889	12,300,000	13,860,000
3790 Miscellaneous Other Revenue	61,801	66,938	60,000	60,000
3801 Op Trfs in from General Fund	0	9,962	0	0
3901 Op Trfs Out To the General Fund	(1,434,209)	(1,358,559)	(1,572,651)	(1,527,385)
3922 Op Trfs Out To the General Government Fund	0	0	0	(225,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,550,000)	(4,050,000)	(5,000,000)	(3,515,000)
<b>TOTAL (450)</b>	<b>9,654,890</b>	<b>7,299,357</b>	<b>5,845,349</b>	<b>8,729,615</b>
<b>SEWER CIP (451)</b>				
3825 Op Trfs In from Eco Dev Corp	3,598	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	1,550,000	4,050,000	7,500,000	7,515,000
3924 Op Trfs Out To the Transit Area Impact Fund	0	0	0	(2,500,000)
<b>TOTAL (451)</b>	<b>1,553,598</b>	<b>4,050,000</b>	<b>7,500,000</b>	<b>5,015,000</b>
<b>TREATMENT PLANT CONSTRUCTION (452)</b>				
3431 Pooled Investment Interest (Nonalloc)	(5,063)	(5,888)	0	0
3434 Pooled Interest Allocation	85,073	67,400	46,000	48,000
3710 Development	1,137,431	1,096,858	100,000	100,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(2,500,000)	(2,500,000)
<b>TOTAL (452)</b>	<b>1,217,442</b>	<b>1,158,371</b>	<b>(2,354,000)</b>	<b>(2,352,000)</b>
<b>SEWER 2006 COPS (453)</b>				
3432 Cash with Fiscal Agents	0	1	0	0
<b>TOTAL (453)</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>SEWER INFRASTRTURE REPLMNT (455)</b>				
3431 Pooled Investment Interest (Nonalloc)	(4,647)	(3,312)	0	0
3434 Pooled Interest Allocation	42,659	30,131	21,000	23,000
3710 Development	16,379	149,262	0	0

**Financial Information Revenues by Fund (Detail)**

Description	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(1,500,000)
<b>TOTAL (455)</b>	<b>54,391</b>	<b>176,080</b>	<b>21,000</b>	<b>(1,477,000)</b>
<b>EQUIPMENT MGNT FUND (500)</b>				
3431 Pooled Investment Interest (Nonalloc)	(7,249)	(8,147)	0	0
3433 Other Interest Income	(44,857)	(70,042)	0	0
3434 Pooled Interest Allocation	92,604	63,048	45,000	48,000
3619 Rent, Lease & Concession-PW/Eng	0	1,200	0	0
3671 Public Works Service Charges	2,118,820	1,493,255	1,938,322	2,269,821
3672 Public Works Cost Recovery	37,738	0	0	0
3770 Sale of Property, Plant and Equipment	73,702	30,955	0	0
3922 Op Trfs Out To the General Government Fund	0	0	0	(170,000)
3981 Contributions-Proprietary Fund	141,099	74,633	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(300,000)	(300,000)
<b>TOTAL (500)</b>	<b>2,411,855</b>	<b>1,584,903</b>	<b>1,683,322</b>	<b>1,847,821</b>
<b>INFORMATION TEC REPLMT (505)</b>				
3431 Pooled Investment Interest (Nonalloc)	(1,037)	(209)	0	0
3434 Pooled Interest Allocation	1,920	161	1,000	2,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	300,000	300,000
3981 Contributions-Proprietary Fund	0	29,484	0	0
<b>TOTAL (505)</b>	<b>883</b>	<b>29,436</b>	<b>301,000</b>	<b>302,000</b>
<b>PERMIT AUTOMATION FUND (506)</b>				
3431 Pooled Investment Interest (Nonalloc)	126	341	0	0
3434 Pooled Interest Allocation	192	1,287	0	0
3601 General Government Service Charges	295,672	292,155	200,000	200,000
<b>TOTAL (506)</b>	<b>295,991</b>	<b>293,783</b>	<b>200,000</b>	<b>200,000</b>
<b>TOTAL</b>	<b>123,290,987</b>	<b>118,182,530</b>	<b>106,387,372</b>	<b>111,975,836</b>

## History of Property Tax Revenue

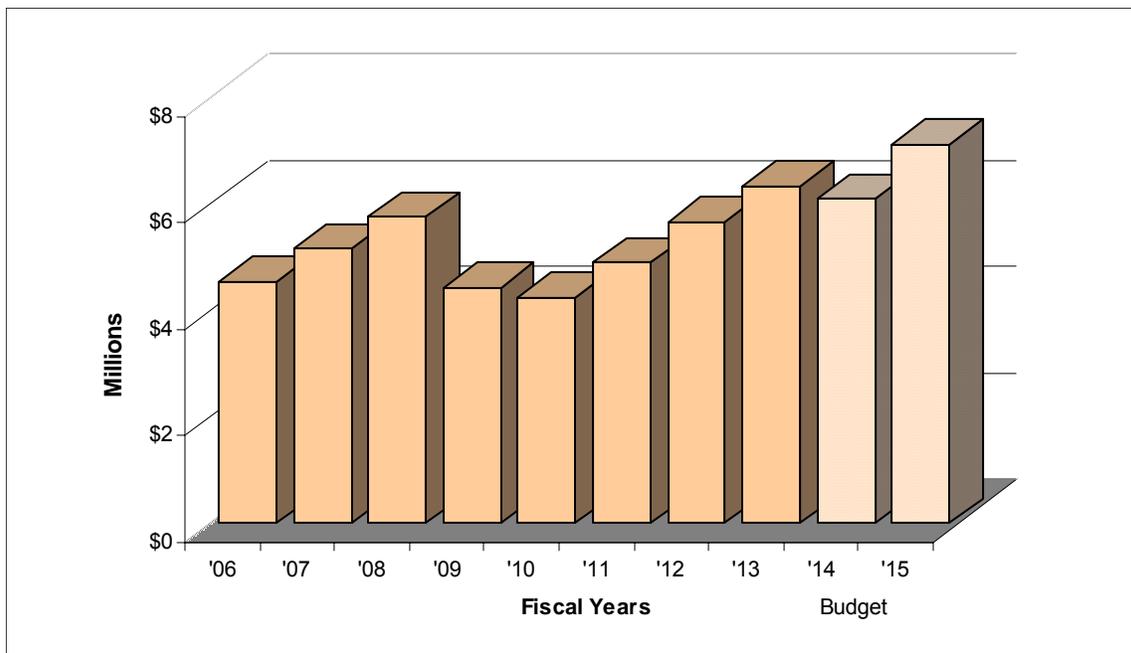
### General Fund 2006 through 2015



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

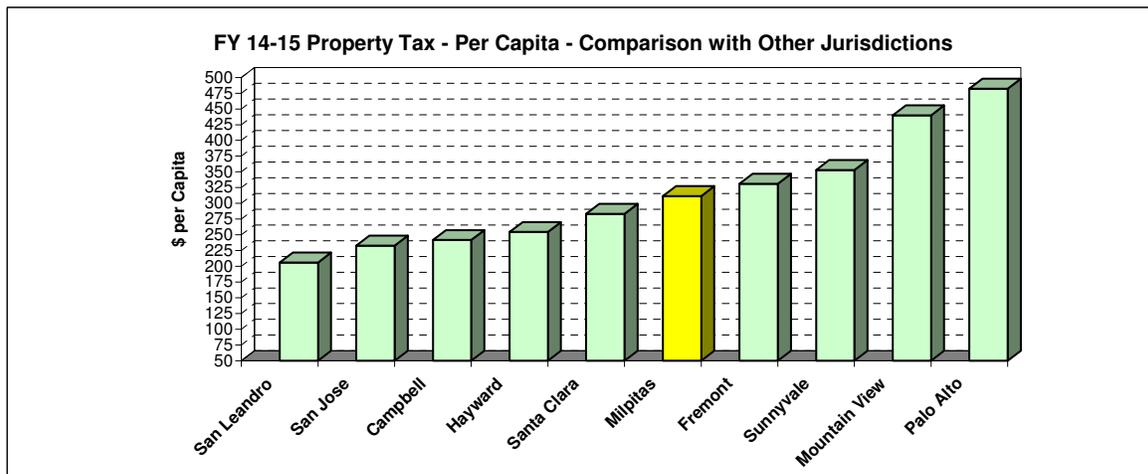
## History of Transient Occupancy Tax Revenue

### General Fund 2006 through 2015



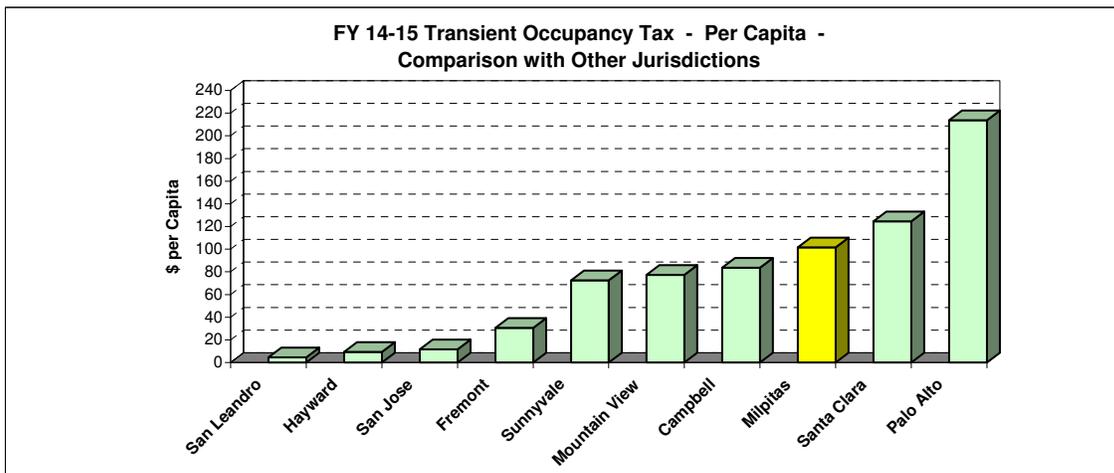
## Property Tax, Comparison with Other Jurisdictions

City	Actual 2010-11	Actual 2011-12	Actual 2012-13	Budgeted 2013-14	Budgeted 2014-15
<b>Milpitas</b>	\$16,651,636	\$16,025,450	\$16,489,000	\$19,203,000	\$21,849,000
% of General Fund	19%	26%	26%	29%	31%
Per Capita	232.72	237.50	246.61	283.04	311.72
<b>Campbell</b>	\$8,506,573	\$8,737,866	\$9,728,905	\$9,982,000	\$10,155,000
% of General Fund	25%	24%	25%	25%	25%
Per Capita	208.19	213.85	238.10	247.24	241.83
<b>Fremont</b>	\$61,739,000	\$64,432,000	\$74,048,000	\$73,913,000	\$74,167,000
% of General Fund	50%	50%	52%	51%	49%
Per Capita	288.96	298.70	340.58	335.77	331.14
<b>Hayward</b>	\$35,726,000	\$35,715,000	\$39,181,000	\$38,141,000	\$40,514,000
% of General Fund	29%	31%	32%	31%	32%
Per Capita	247.78	247.70	262.36	251.63	254.56
<b>Mountain View</b>	\$25,141,878	\$26,216,053	\$28,122,360	\$30,148,400	\$33,782,100
% of General Fund	29%	28%	29%	31%	34%
Per Capita	339.45	350.84	373.59	395.34	439.98
<b>Palo Alto</b>	\$25,688,000	\$26,494,000	\$28,742,000	\$29,613,000	\$31,927,000
% of General Fund	18%	17%	17%	18%	19%
Per Capita	398.78	411.29	446.28	459.81	482.28
<b>San Jose</b>	\$194,814,000	\$201,711,784	\$205,016,137	\$223,000,000	\$233,973,240
% of General Fund	29%	22%	23%	24%	30%
Per Capita	203.49	210.38	208.44	222.88	232.93
<b>San Leandro</b>	\$15,616,380	\$15,789,590	\$17,631,582	\$17,854,200	\$18,480,006
% of General Fund	21%	20%	22%	22%	23%
Per Capita	182.67	184.70	203.25	203.60	206.20
<b>Santa Clara</b>	\$27,945,684	\$28,347,475	\$31,747,458	\$31,233,000	\$34,355,000
% of General Fund	19%	18%	20%	21%	21%
Per Capita	236.83	238.59	267.21	259.85	283.39
<b>Sunnyvale</b>	\$42,356,100	\$43,407,026	\$44,555,857	\$49,778,401	\$51,931,017
% of General Fund	35%	33%	29%	31%	34%
Per Capita	301.57	307.64	311.81	341.27	353.14



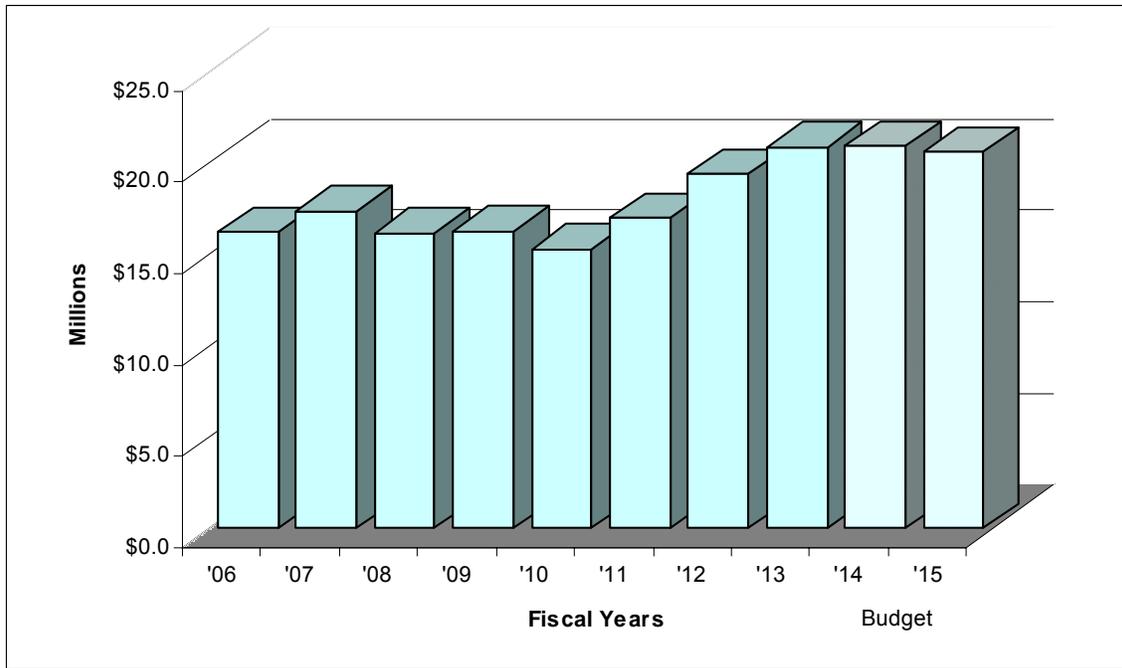
## Transient Occupancy Tax, Comparison with Other Jurisdictions

City	Actual 2010-11	Actual 2011-12	Actual 2012-13	Budgeted 2013-14	Budgeted 2014-15
<b>Milpitas</b>	\$4,896,058	\$5,650,430	\$6,343,000	\$6,093,000	\$7,114,000
% of General Fund	6%	9%	10%	9%	10%
Per Capita	68.43	83.74	94.86	89.81	101.50
<b>Campbell</b>	\$2,031,585	\$2,587,323	\$2,875,976	\$3,190,000	\$3,509,000
% of General Fund	6%	7%	7%	8%	9%
Per Capita	49.72	63.32	70.39	79.01	83.56
<b>Fremont</b>	\$3,476,000	\$4,133,000	\$4,872,000	\$5,423,000	\$6,866,000
% of General Fund	3%	3%	3%	4%	5%
Per Capita	16.27	19.16	22.41	24.64	30.66
<b>Hayward</b>	\$1,252,797	\$1,466,000	\$1,678,589	\$1,460,000	\$1,489,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	8.69	10.17	11.24	9.63	9.36
<b>Mountain View</b>	\$3,913,957	\$4,397,450	\$4,668,303	\$5,007,000	\$5,928,900
% of General Fund	4%	5%	5%	5%	6%
Per Capita	52.84	58.85	62.02	65.66	77.22
<b>Palo Alto</b>	\$8,082,000	\$9,664,000	\$10,794,000	\$11,545,000	\$14,156,000
% of General Fund	6%	6%	6%	7%	8%
Per Capita	125.46	150.02	167.60	179.26	213.84
<b>San Jose</b>	\$7,222,000	\$8,983,963	\$10,103,383	\$11,800,000	\$11,750,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	7.54	9.37	10.27	11.79	11.70
<b>San Leandro</b>	\$351,612	\$388,049	\$426,575	\$303,000	\$400,000
% of General Fund	0.48%	0.50%	0.53%	0.38%	0.49%
Per Capita	4.11	4.54	4.92	3.46	4.46
<b>Santa Clara</b>	\$9,805,926	\$11,483,363	\$13,046,576	\$13,000,000	\$15,110,000
% of General Fund	7%	7%	8%	9%	9%
Per Capita	83.10	96.65	109.81	108.16	124.64
<b>Sunnyvale</b>	\$6,589,448	\$7,777,583	\$9,016,052	\$10,136,188	\$10,674,737
% of General Fund	5%	6%	6%	6%	7%
Per Capita	46.92	55.12	63.10	69.49	72.59



### History of Sales Tax Revenue

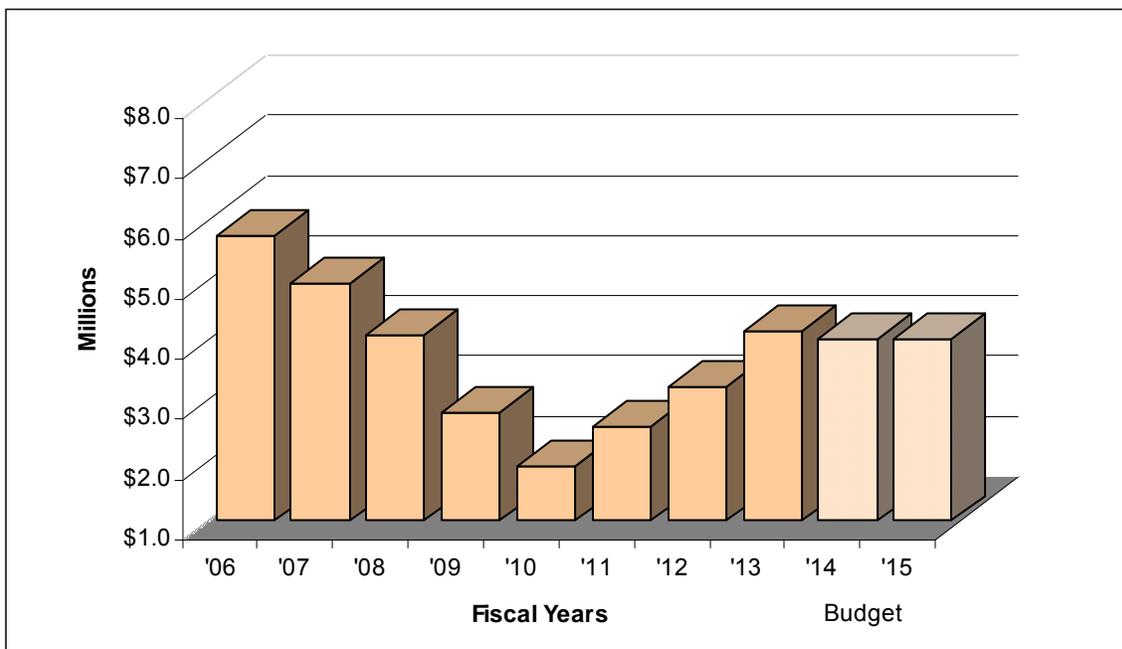
#### General Fund 2006 through 2015



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

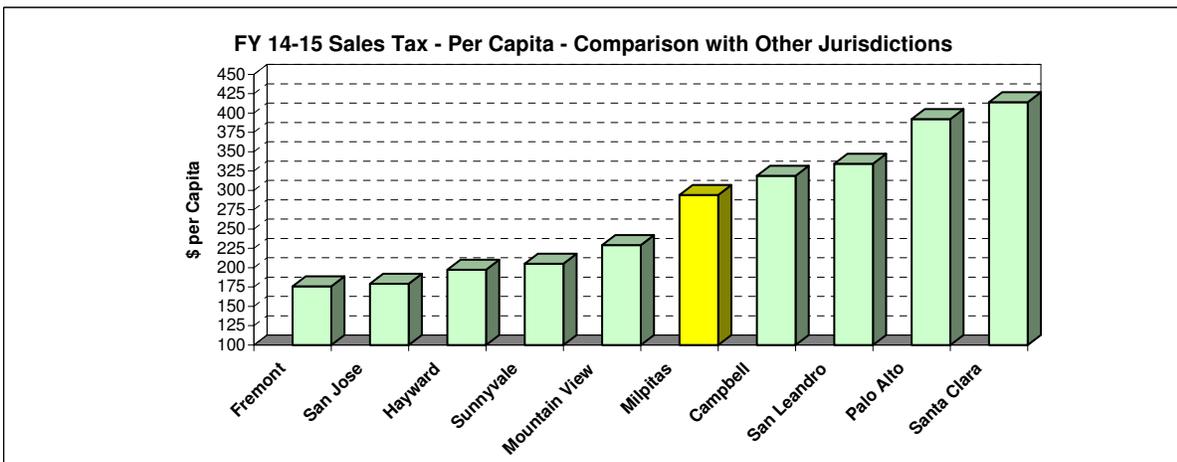
### History of Building Permit Revenue

#### General Fund 2006 through 2015



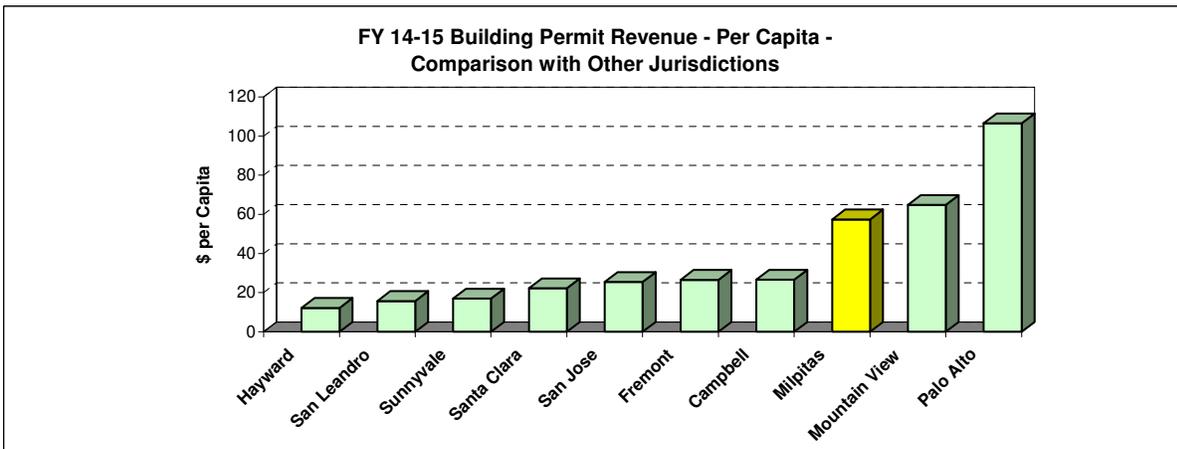
## Sales Tax Revenue, Comparison with Other Jurisdictions

City	Actual 2010-11	Actual 2011-12	Actual 2012-13	Budgeted 2013-14	Budgeted 2014-15
<b>Milpitas</b>	\$16,994,002	\$19,403,068	\$20,908,000	\$20,913,000	\$20,606,000
% of General Fund	19%	31%	32%	32%	29%
Per Capita	237.51	287.56	312.69	308.25	293.99
<b>Campbell</b>	\$8,591,819	\$9,576,483	\$12,649,769	\$12,856,000	\$13,384,000
% of General Fund	25%	26%	32%	32%	32%
Per Capita	210.27	234.37	309.59	318.43	318.72
<b>Fremont</b>	\$30,089,204	\$33,066,000	\$34,404,000	\$37,017,000	\$39,400,000
% of General Fund	24%	26%	24%	26%	26%
Per Capita	140.83	153.29	158.24	168.16	175.91
<b>Hayward</b>	\$25,492,000	\$26,346,000	\$28,534,000	\$30,500,000	\$31,421,000
% of General Fund	21%	23%	23%	24%	24%
Per Capita	176.80	182.72	191.07	201.22	197.43
<b>Mountain View</b>	\$15,501,602	\$15,939,373	\$16,744,001	\$17,268,200	\$17,607,780
% of General Fund	18%	17%	17%	18%	18%
Per Capita	209.29	213.31	222.44	226.44	229.32
<b>Palo Alto</b>	\$20,746,000	\$22,132,000	\$25,606,000	\$23,846,000	\$25,957,000
% of General Fund	14%	14%	15%	15%	15%
Per Capita	322.06	343.57	397.59	370.26	392.10
<b>San Jose</b>	\$137,970,000	\$154,026,546	\$163,751,105	\$173,760,000	\$180,024,000
% of General Fund	20%	17%	19%	18%	23%
Per Capita	144.11	160.65	166.49	173.67	179.22
<b>San Leandro</b>	\$22,051,722	\$24,388,681	\$26,578,839	\$27,081,000	\$29,979,229
% of General Fund	30%	32%	33%	34%	37%
Per Capita	257.95	285.28	306.39	308.82	334.51
<b>Santa Clara</b>	\$35,567,422	\$40,322,018	\$44,351,020	\$48,400,000	\$50,200,000
% of General Fund	24%	26%	28%	32%	30%
Per Capita	301.42	339.37	373.28	402.68	414.09
<b>Sunnyvale</b>	\$29,228,078	\$30,345,514	\$30,028,067	\$29,755,382	\$30,184,219
% of General Fund	24%	23%	20%	19%	20%
Per Capita	208.10	215.07	210.14	203.99	205.26



## Building Permit Revenue, Comparison with Other Jurisdictions

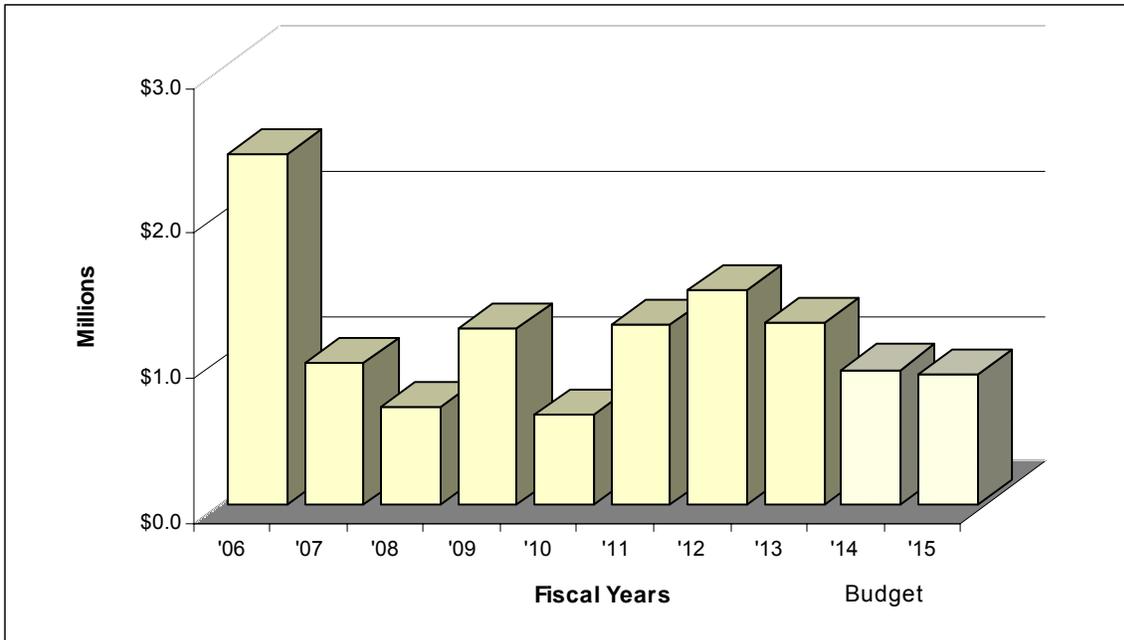
City	Actual 2010-11	Actual 2011-12	Actual 2012-13	Budgeted 2013-14	Budgeted 2014-15
<b>Milpitas</b>	\$2,557,237	\$3,220,061	\$4,143,000	\$4,011,000	\$4,026,000
% of General Fund	3%	5%	6%	6%	6%
Per Capita	35.74	47.72	61.96	59.12	57.44
<b>Campbell</b>	\$1,100,932	\$1,083,106	\$1,046,860	\$1,550,000	\$1,120,000
% of General Fund	3%	3%	3%	4%	3%
Per Capita	26.94	26.51	25.62	38.39	26.67
<b>Fremont *</b>	\$4,375,860	\$4,377,000	\$4,762,923	\$5,063,679	\$5,947,698
% of General Fund	3%	3%	3%	3%	4%
Per Capita	20.48	20.29	21.91	23.00	26.56
<b>Hayward</b>	\$3,757,000	\$1,351,000	\$1,574,611	\$1,774,277	\$1,943,000
% of General Fund	3%	1%	1%	1%	2%
Per Capita	26.06	9.37	10.54	11.71	12.21
<b>Mountain View *</b>	\$2,785,354	\$4,678,060	\$4,187,401	\$3,955,700	\$4,977,720
% of General Fund	3%	5%	4%	4%	5%
Per Capita	37.61	62.61	55.63	51.87	64.83
<b>Palo Alto</b>	\$3,491,191	\$4,700,000	\$7,430,000	\$7,637,000	\$7,057,000
% of General Fund	2%	3%	4%	5%	4%
Per Capita	54.20	72.96	115.37	118.58	106.60
<b>San Jose</b>	\$22,403,000	\$24,905,753	\$27,065,790	\$30,500,000	\$25,600,000
% of General Fund	3%	3%	3%	3%	3%
Per Capita	23.40	25.98	27.52	30.48	25.49
<b>San Leandro</b>	\$1,468,983	\$1,494,170	\$1,015,614	\$1,180,000	\$1,410,000
% of General Fund	2%	2%	1%	1%	2%
Per Capita	17.18	17.48	11.71	13.46	15.73
<b>Santa Clara</b>	\$2,350,611	\$5,051,661	\$2,769,715	\$2,500,000	\$2,700,000
% of General Fund	2%	3%	2%	2%	2%
Per Capita	19.92	42.52	23.31	20.80	22.27
<b>Sunnyvale *</b>	\$2,079,470	\$3,537,633	\$3,586,960	\$3,282,650	\$2,494,815
% of General Fund	2%	3%	2%	2%	2%
Per Capita	14.81	25.07	25.10	22.50	16.97



\* 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

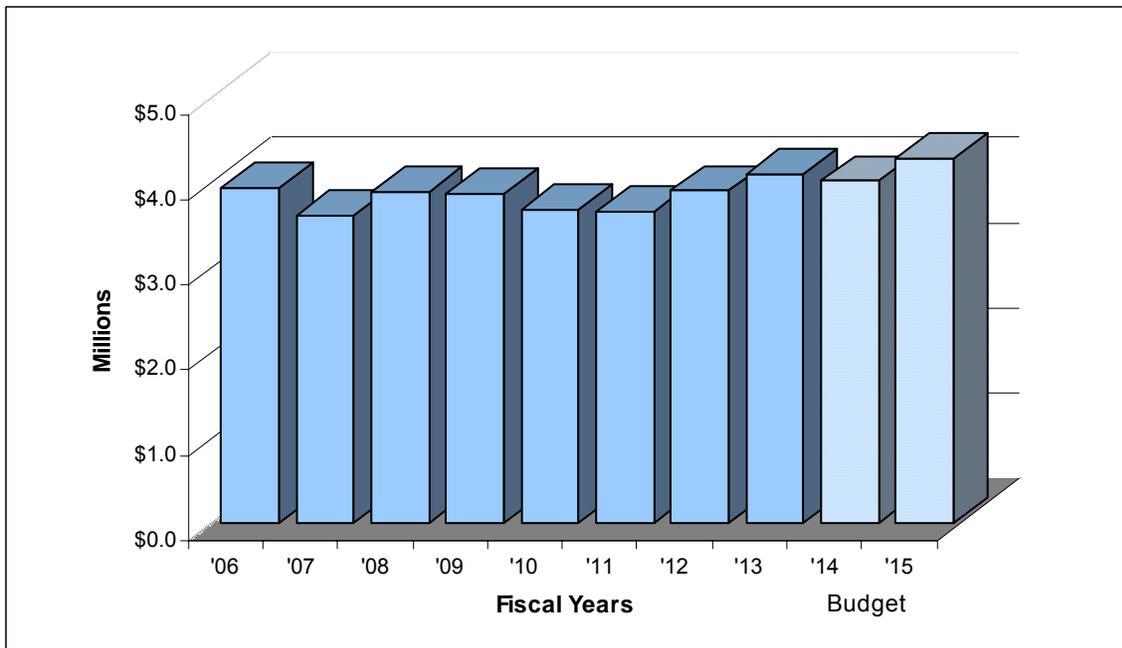
#### General Fund 2006 through 2015



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

### History of "Other" Tax Revenue

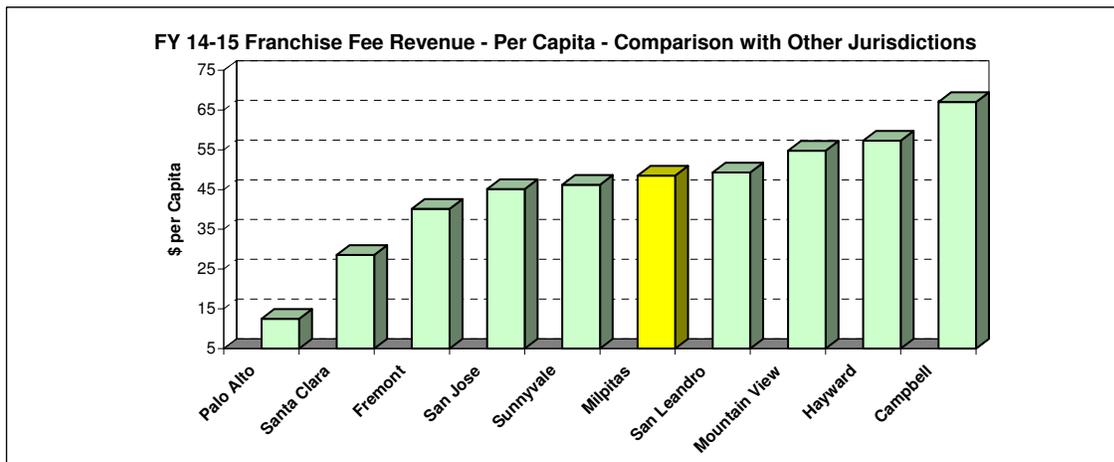
#### General Fund 2006 through 2015



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

## Franchise Fees, Comparison with Other Jurisdictions

City	Actual 2010-11	Actual 2011-12	Actual 2012-13	Budgeted 2013-14	Budgeted 2014-15
<b>Milpitas</b>	\$3,082,533	\$3,218,132	\$3,270,000	\$3,341,000	\$3,398,000
% of General Fund	3%	5%	5%	5%	5%
Per Capita	43.08	47.69	48.91	49.24	48.48
<b>Campbell</b>	\$2,619,457	\$2,657,964	\$2,620,764	\$2,726,000	\$2,813,500
% of General Fund	8%	7%	7%	7%	7%
Per Capita	64.11	65.05	64.14	67.52	67.00
<b>Fremont</b>	\$8,261,000	\$8,255,000	\$8,471,000	\$8,697,000	\$8,987,000
% of General Fund	7%	6%	6%	6%	6%
Per Capita	38.66	38.27	38.96	39.51	40.13
<b>Hayward</b>	\$9,091,000	\$9,892,000	\$9,688,000	\$9,917,000	\$9,120,000
% of General Fund	7%	9%	8%	8%	7%
Per Capita	63.05	68.61	64.87	65.43	57.30
<b>Mountain View</b>	\$3,838,466	\$3,948,078	\$4,001,224	\$4,144,170	\$4,207,070
% of General Fund	4%	4%	4%	4%	4%
Per Capita	51.82	52.84	53.15	54.34	54.79
<b>Palo Alto<sup>1</sup></b>	\$0	\$0	\$1,201,000	\$824,000	\$824,000
% of General Fund	0.00%	0.00%	0.72%	0.51%	0.49%
Per Capita	-	-	18.65	12.79	12.45
<b>San Jose</b>	\$41,272,000	\$41,708,845	\$43,741,122	\$45,353,000	\$45,346,879
% of General Fund	6%	5%	5%	5%	6%
Per Capita	43.11	43.50	44.47	45.33	45.14
<b>San Leandro</b>	\$4,136,335	\$4,231,420	\$4,424,238	\$4,182,050	\$4,419,000
% of General Fund	6%	5%	6%	5%	5%
Per Capita	48.38	49.50	51.00	47.69	49.31
<b>Santa Clara</b>	\$3,146,270	\$3,361,039	\$3,342,501	\$3,363,200	\$3,459,100
% of General Fund	2%	2%	2%	2%	2%
Per Capita	26.66	28.29	28.13	27.98	28.53
<b>Sunnyvale</b>	\$6,246,832	\$6,372,876	\$6,461,568	\$6,652,483	\$6,790,144
% of General Fund	5%	5%	4%	4%	4%
Per Capita	44.48	45.17	45.22	45.61	46.17



<sup>1</sup> Only cable franchise fees are included.

Expenditures by Fund (Summary)

	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
100 General Fund	61,975,001	60,243,754	64,942,528	70,949,485
102 Measure I TOT	360,419	69,457	97,840	155,428
105 Abandon Veh Abatement	44,172	72,125	46,000	22,500
140 Housing Administration	261,784	238,474	0	0
150 Redevelopment Administration	372,210	623,148	424,411	255,926
151 Redevelopment CIP	58,078	0	0	0
160 Housing Administration	4,544	0	0	0
211 H-Hetch Ground Lease	27,904	28,678	30,000	36,000
212 Public Art Fund-Restricted	33,120	55,844	0	0
213 Public Art Fund-Nonrestricted	0	7,500	0	101,200
235 95-1 Lighting/Lscape Dist	188,419	196,371	293,374	304,704
236 98-1 Lighting/Lscape Dist	14,321	19,303	24,300	31,120
237 05 Community Fclty Dist	178,169	356,358	730,572	714,574
238 08 Community Fclty Dist	0	0	0	3,000
250 HCD Fund	468,238	480,079	456,716	466,646
251 HCD Loan	70,790	215,820	0	0
261 Supplemental Law Enforcement	58,340	98,437	0	0
262 State Asset Seizure	0	0	30,000	55,081
263 Federal Asset Seizure	32,100	0	30,000	55,081
267 Justice Assistance Grant	14,004	0	0	0
280 Solid Waste Services	444,796	569,007	634,443	668,930
290 Housing Reserve Fund	404,073	0	0	0
295 Housing Authority	74,617	804,528	878,990	990,534
310 Street Fund	100,554	40,147	0	0
311 Street CIP	5,128,570	5,056,851	2,510,662	4,550,000
321 Park Improvement CIP	1,092,479	2,217,887	2,100,000	2,250,000
331 General Government CIP	234,843	334,918	4,384,288	1,078,000
341 Storm Drain CIP	40,704	66,820	0	760,000
350 Transit Area Impact Fee Fund	661,502	726,645	0	0
351 Transit Area Impact Fee CIP Fund	153,537	10,923	1,000,000	(1,000,000)
390 RDA Project Fund	12,586,404	0	0	0
391 Redevelopment CIP	847,059	0	0	0
400 Water M & O Fund	14,428,813	15,780,292	16,691,619	17,634,564
401 Water CIP	3,493,817	444,898	1,400,000	2,775,000
450 Sewer M & O Fund	7,699,566	7,575,865	8,311,796	9,501,559
451 Sewer CIP	43,440	156,306	7,500,000	5,015,000
500 Equipment Mgnt Fund	1,541,328	1,373,728	1,690,736	1,878,034
505 Information Tec Replmt	87,607	260,308	188,000	248,000
506 Permit Automation Fund	27,591	34,945	32,500	311,849
<b>TOTAL</b>	<b>113,252,914</b>	<b>98,159,417</b>	<b>114,428,775</b>	<b>119,812,215</b>

**Financial Information Expenditures by Fund (Detail)**

<b>Fund/Function</b>	<b>Personnel Services</b>	<b>Supplies &amp; Contractual Svcs</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Total</b>
<b>GENERAL FUND</b>						
City Council	109,183	139,935	0	0	0	249,118
City Manager	995,996	166,326	0	0	0	1,162,322
City Clerk	327,032	103,200	0	0	0	430,232
City Attorney	642,330	293,050	0	0	0	935,380
Building Inspection Services	1,543,625	44,392	0	0	0	1,588,017
Plan Checking	495,824	12,675	0	0	0	508,499
Building Administration	244,718	14,330	0	0	0	259,048
Permit Center	495,792	17,950	0	0	0	513,742
Information Services	1,430,216	739,408	0	0	0	2,169,624
Human Resources	548,553	426,512	0	0	0	975,065
Recreation Administration	951,761	132,221	0	0	0	1,083,982
Senior Citizen Services	466,431	201,733	0	0	0	668,164
Preschool	0	16,000	0	0	0	16,000
Youth Programs	419,432	29,600	0	0	0	449,032
Special Events	39,039	57,902	0	0	0	96,941
Cultural Arts	0	41,015	0	0	0	41,015
General Classes	72,788	460,359	0	0	0	533,147
Aquatics	333,505	14,599	0	0	0	348,104
Sports & Fitness Classes	177,465	188,197	0	0	0	365,662
Adult Sports	35,187	11,860	0	0	0	47,047
Volunteer Services	36,380	2,500	0	0	0	38,880
Finance Administration	837,852	114,860	0	0	0	952,712
Finance Operations	1,166,994	21,950	0	0	0	1,188,944
Public Works Administration	240,744	21,200	0	0	0	261,944
Street Maintenance	564,049	514,821	0	0	0	1,078,870
Park Maintenance	15,835	1,137,500	0	0	0	1,153,335
Trees & Landscape Mnt	47,775	465,180	0	0	0	512,955
Facilities Maintenance	1,235,480	1,003,148	0	0	0	2,238,628
Engineering Administration	27,441	14,828	0	0	0	42,269
Design & Construction	524,369	9,543	0	0	0	533,912
Land Development	819,768	142,801	0	0	0	962,569
Traffic Engineering	192,806	91,417	0	0	0	284,223
Utility Engineering	0	151,000	0	0	0	151,000
Planning	1,062,492	76,955	0	0	0	1,139,447
Neighborhood Services	431,912	431,239	0	0	0	863,151
Police Administration	727,046	20,760	0	0	0	747,806
Records	1,190,655	164,082	0	0	0	1,354,737
Personnel & Training	267,684	117,476	0	0	0	385,160
Communications	2,599,102	312,752	0	0	0	2,911,854
Patrol Services	13,248,714	394,243	4,859	0	0	13,647,816
Traffic	1,448,646	125,479	0	0	0	1,574,125
Crossing Guards	436,790	2,000	0	0	0	438,790

**Financial Information Expenditures by Fund (Detail)**

<b>Fund/Function</b>	<b>Personnel Services</b>	<b>Supplies &amp; Contractual Svcs</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Capital Improvements</b>	<b>Total</b>
Community Relations	474,366	14,193	0	0	0	488,559
Investigations	3,187,453	260,376	0	0	0	3,447,829
Fire Administration	461,582	51,430	0	0	0	513,012
A/B/C Battalions Operations	11,481,317	1,543,265	0	0	0	13,024,582
Disaster Prep & Public Ed	172,738	32,940	0	0	0	205,678
Prevention Div Admin	381,538	37,241	0	0	0	418,779
Fire Inspection, Plan Check & Investigation	933,750	170,028	10,000	0	0	1,113,778
Non-Departmental	3,751,800	3,082,200	0	0	0	6,834,000
sub-total (100)	57,295,955	13,638,671	14,859	0	0	70,949,485
<b>MEASURE I TOT</b>						
General Classes	0	40,000	0	0	0	40,000
Facilities Maintenance	50,428	10,000	0	0	0	60,428
Non-Departmental	0	55,000	0	0	0	55,000
sub-total (102)	50,428	105,000	0	0	0	155,428
<b>ABANDON VEH ABATEMENT</b>						
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	22,500	0	0	0	0	22,500
<b>REDEVELOPMENT ADMINISTRATION</b>						
City Manager	66,746	0	0	0	0	66,746
City Clerk	1,866	0	0	0	0	1,866
City Attorney	34,274	0	0	0	0	34,274
Information Services	1,656	0	0	0	0	1,656
Human Resources	6,608	0	0	0	0	6,608
Finance Administration	9,292	0	0	0	0	9,292
Finance Operations	40,084	0	0	0	0	40,084
Non-Departmental	0	95,400	0	0	0	95,400
sub-total (150)	160,526	95,400	0	0	0	255,926
<b>H-HETCH GROUND LEASE</b>						
Non-Departmental	0	36,000	0	0	0	36,000
sub-total (211)	0	36,000	0	0	0	36,000
<b>PUBLIC ART FUND-NONRESTRICTED</b>						
Non-Departmental	0	101,200	0	0	0	101,200
sub-total (213)	0	101,200	0	0	0	101,200
<b>95-1 LIGHTING/LSCAPE DIST</b>						
Street Maintenance	45,304	0	0	0	0	45,304
Trees & Landscape Mnt	0	193,000	0	0	0	193,000
Land Development	5,000	61,400	0	0	0	66,400
sub-total (235)	50,304	254,400	0	0	0	304,704
<b>98-1 LIGHTING/LSCAPE DIST</b>						
Trees & Landscape Mnt	0	26,620	0	0	0	26,620
Land Development	3,100	1,400	0	0	0	4,500
sub-total (236)	3,100	28,020	0	0	0	31,120

**Financial Information Expenditures by Fund (Detail)**

<u>Fund/Function</u>	<u>Personnel Services</u>	<u>Supplies &amp; Contractual Svcs</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Total</u>
<b>05 COMMUNITY FCLTY DIST</b>						
Street Maintenance	93,976	0	0	0	0	93,976
Park Maintenance	0	524,500	0	0	0	524,500
Trees & Landscape Mnt	2,098	89,000	0	0	0	91,098
Non-Departmental	0	5,000	0	0	0	5,000
sub-total (237)	<u>96,074</u>	<u>618,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>714,574</u>
<b>08 COMMUNITY FCLTY DIST</b>						
Non-Departmental	0	3,000	0	0	0	3,000
sub-total (238)	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
<b>HCD FUND</b>						
Finance Operations	10,000	0	0	0	0	10,000
Neighborhood Services	75,000	375,646	0	0	0	450,646
Non-Departmental	0	6,000	0	0	0	6,000
sub-total (250)	<u>85,000</u>	<u>381,646</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>466,646</u>
<b>STATE ASSET SEIZURE</b>						
Investigations	0	0	55,081	0	0	55,081
sub-total (262)	<u>0</u>	<u>0</u>	<u>55,081</u>	<u>0</u>	<u>0</u>	<u>55,081</u>
<b>FEDERAL ASSET SEIZURE</b>						
Investigations	0	0	55,081	0	0	55,081
sub-total (263)	<u>0</u>	<u>0</u>	<u>55,081</u>	<u>0</u>	<u>0</u>	<u>55,081</u>
<b>SOLID WASTE SERVICES</b>						
Utility Engineering	172,530	462,900	0	0	0	635,430
Non-Departmental	3,500	30,000	0	0	0	33,500
sub-total (280)	<u>176,030</u>	<u>492,900</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>668,930</u>
<b>HOUSING AUTHORITY</b>						
Finance Operations	67,780	0	0	0	0	67,780
Planning	0	3,000	0	0	0	3,000
Neighborhood Services	229,254	0	0	0	0	229,254
Non-Departmental	0	690,500	0	0	0	690,500
sub-total (295)	<u>297,034</u>	<u>693,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>990,534</u>
<b>STREET CIP</b>						
Capital Improvement Projects	0	0	0	0	4,550,000	4,550,000
sub-total (311)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,550,000</u>	<u>4,550,000</u>
<b>PARK IMPROVEMENT CIP</b>						
Capital Improvement Projects	0	0	0	0	2,250,000	2,250,000
sub-total (321)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,250,000</u>	<u>2,250,000</u>
<b>GENERAL GOVERNMENT CIP</b>						
Capital Improvement Projects	0	0	0	0	1,078,000	1,078,000
sub-total (331)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,078,000</u>	<u>1,078,000</u>
<b>STORM DRAIN CIP</b>						
Capital Improvement Projects	0	0	0	0	760,000	760,000
sub-total (341)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>760,000</u>	<u>760,000</u>

**Financial Information Expenditures by Fund (Detail)**

Fund/Function	Personnel Services	Supplies & Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
<b>TRANSIT AREA IMPACT FEE CIP FUND</b>						
Capital Improvement Projects	0	0	0	0	(1,000,000)	(1,000,000)
sub-total (351)	0	0	0	0	(1,000,000)	(1,000,000)
<b>WATER M &amp; O FUND</b>						
Finance Operations	599,776	106,406	30,000	0	0	736,182
Public Works Administration	194,437	1,431	0	0	0	195,868
Utility Maintenance	996,062	397,356	70,000	0	0	1,463,418
Design & Construction	71,919	0	0	0	0	71,919
Utility Engineering	600,277	275,300	0	0	0	875,577
Non-Departmental	269,100	14,022,500	0	0	0	14,291,600
sub-total (400)	2,731,571	14,802,993	100,000	0	0	17,634,564
<b>WATER CIP</b>						
Capital Improvement Projects	0	0	0	0	2,775,000	2,775,000
sub-total (401)	0	0	0	0	2,775,000	2,775,000
<b>SEWER M &amp; O FUND</b>						
Finance Operations	164,224	97,327	0	0	0	261,551
Public Works Administration	194,446	1,430	0	0	0	195,876
Utility Maintenance	1,081,866	245,986	0	0	0	1,327,852
Design & Construction	71,961	0	0	0	0	71,961
Utility Engineering	506,589	80,230	0	0	0	586,819
Non-Departmental	205,600	6,166,900	0	0	0	6,372,500
Debt Service	0	0	0	685,000	0	685,000
sub-total (450)	2,224,686	6,591,873	0	685,000	0	9,501,559
<b>SEWER CIP</b>						
Capital Improvement Projects	0	0	0	0	5,015,000	5,015,000
sub-total (451)	0	0	0	0	5,015,000	5,015,000
<b>EQUIPMENT MGNT FUND</b>						
Fleet Maintenance	655,050	795,367	0	0	0	1,450,417
Non-Departmental	0	41,000	0	0	0	41,000
Equipment to be Depreciated	0	0	386,617	0	0	386,617
sub-total (500)	655,050	836,367	386,617	0	0	1,878,034
<b>INFORMATION TEC REPLMT</b>						
Information Services	0	98,000	150,000	0	0	248,000
sub-total (505)	0	98,000	150,000	0	0	248,000
<b>PERMIT AUTOMATION FUND</b>						
Permit Center	0	37,300	0	0	0	37,300
Information Services	174,674	89,875	0	0	0	264,549
Prevention Div Admin	0	10,000	0	0	0	10,000
sub-total (506)	174,674	137,175	0	0	0	311,849
<b>TOTAL</b>	64,022,932	38,914,645	761,638	685,000	15,428,000	119,812,215

**Financial Information Expenditures by Function by Fund**

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
City Council	249,118	0	0	0	0	249,118
City Manager	1,229,068	0	0	0	0	1,229,068
City Clerk	432,098	0	0	0	0	432,098
City Attorney	969,654	0	0	0	0	969,654
Building Inspection Services	1,588,017	0	0	0	0	1,588,017
Plan Checking	508,499	0	0	0	0	508,499
Building Administration	259,048	0	0	0	0	259,048
Permit Center	513,742	0	0	0	37,300	551,042
Information Services	2,171,280	0	0	0	512,549	2,683,829
Human Resources	981,673	0	0	0	0	981,673
Recreation Administration	1,083,982	0	0	0	0	1,083,982
Senior Citizen Services	668,164	0	0	0	0	668,164
Preschool	16,000	0	0	0	0	16,000
Youth Programs	449,032	0	0	0	0	449,032
Special Events	96,941	0	0	0	0	96,941
Cultural Arts	41,015	0	0	0	0	41,015
General Classes	533,147	0	0	0	40,000	573,147
Aquatics	348,104	0	0	0	0	348,104
Sports & Fitness Classes	365,662	0	0	0	0	365,662
Adult Sports	47,047	0	0	0	0	47,047
Volunteer Services	38,880	0	0	0	0	38,880
Finance Administration	962,004	0	0	0	0	962,004
Finance Operations	1,229,028	67,780	736,182	261,551	10,000	2,304,541
Public Works Administration	261,944	0	195,868	195,876	0	653,688
Street Maintenance	1,078,870	0	0	0	139,280	1,218,150
Utility Maintenance	0	0	1,463,418	1,327,852	0	2,791,270
Park Maintenance	1,153,335	0	0	0	524,500	1,677,835
Trees & Landscape Mnt	512,955	0	0	0	310,718	823,673
Fleet Maintenance	0	0	0	0	1,450,417	1,450,417
Facilities Maintenance	2,238,628	0	0	0	60,428	2,299,056
Engineering Administration	42,269	0	0	0	0	42,269
Design & Construction	533,912	0	71,919	71,961	0	677,792
Land Development	962,569	0	0	0	70,900	1,033,469
Traffic Engineering	284,223	0	0	0	0	284,223
Utility Engineering	151,000	0	875,577	586,819	635,430	2,248,826
Planning	1,139,447	3,000	0	0	0	1,142,447
Neighborhood Services	863,151	229,254	0	0	450,646	1,543,051
Police Administration	747,806	0	0	0	0	747,806
Records	1,354,737	0	0	0	0	1,354,737
Personnel & Training	385,160	0	0	0	0	385,160
Communications	2,911,854	0	0	0	0	2,911,854

**Financial Information** Expenditures by Function by Fund

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
Community Relations	488,559	0	0	0	0	488,559
Patrol Services	13,647,816	0	0	0	0	13,647,816
Traffic	1,596,625	0	0	0	0	1,596,625
Crossing Guards	438,790	0	0	0	0	438,790
Investigations	3,447,829	0	0	0	110,162	3,557,991
Fire Administration	513,012	0	0	0	0	513,012
A/B/C Battalions Operations	13,024,582	0	0	0	0	13,024,582
Prevention Div Admin	418,779	0	0	0	10,000	428,779
Fire Insp, Plan Check & Invg	1,113,778	0	0	0	0	1,113,778
Disaster Prep & Public Ed	205,678	0	0	0	0	205,678
Non-Departmental	6,929,400	690,500	14,291,600	6,372,500	280,700	28,564,700
Debt Service	0	0	0	685,000	0	685,000
Equipment to be dprciated	0	0	0	0	386,617	386,617
Capital Improvement Project	0	0	2,775,000	5,015,000	7,638,000	15,428,000
TOTAL	71,227,911	990,534	20,409,564	14,516,559	12,667,647	119,812,215

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Indirect Costs					
	Police	Fire	Water	Sewer	Solid Waste
Legislation & Policy	24,665	20,965	13,566	6,166	6,166
General Administration					
City Manager	122,907	122,907	122,509	122,251	61,233
City Clerk	42,782	36,365	23,530	10,695	10,695
City Attorney	58,179	58,179	58,179	58,179	58,179
Human Resources	384,481	217,161	63,973	53,151	3,916
General Liability	203,467	114,921	33,855	28,127	2,072
Financial Services	647,236	424,138	528,534	271,230	17,766
Information Technology					
Citywide Support	799,486	451,561	133,026	110,522	8,143
Telephones	59,646	10,674	6,906	6,906	628
Cell Phones	3,837	3,140	2,442	2,791	
Retiree Medical Reserve and Other Non-Department					
Salaries & Benefits	883,726	579,112	721,653	370,333	24,257
Leave Cashout	289,868	205,036	16,720	13,331	
Audit Fees	19,684	12,899	16,074	8,249	540
Uncollectible Accounts/ Collection Fee	2,735	4,482			
Contingent Reserve	99,846	65,430	81,535	41,842	2,741
Contractual Services	29,041	19,031	23,715	12,170	797
Facilities Maintenance	484,259	342,520	169,898	122,664	3,730
Utilities	468,108	331,096	164,232	118,573	3,606
Building Occupancy - Direct			91,896	91,929	13,014
Building Occupancy - Indirect	566,240	319,821	94,216	78,277	5,767
<b>TOTAL INDIRECT COSTS</b>	<b>5,190,194</b>	<b>3,339,437</b>	<b>2,366,459</b>	<b>1,527,385</b>	<b>223,252</b>
<b>TOTAL DIRECT COSTS</b>	<b>24,844,368</b>	<b>16,280,686</b>	<b>20,287,966</b>	<b>10,411,253</b>	<b>681,944</b>
<b>TOTAL COSTS</b>	<b>30,034,561</b>	<b>19,620,123</b>	<b>22,654,424</b>	<b>11,938,638</b>	<b>905,196</b>
<b>INDIRECT COST RATE</b>	<b>20.9%</b>	<b>20.5%</b>	<b>11.7%</b>	<b>14.7%</b>	<b>32.7%</b>

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

<b>DIRECT COST PROGRAMS</b>					
<b>Building &amp; Safety</b>	<b>Recreation</b>	<b>Public Works</b>	<b>Engineering</b>	<b>Neighborhood &amp; Planning Services</b>	<b>TOTAL</b>
19,732	27,132	53,030	44,397	33,298	<b>249,118</b>
122,907	122,907	184,360	61,453	185,634	<b>1,229,068</b>
34,226	47,060	91,981	77,008	57,756	<b>432,098</b>
58,179	87,269	58,179	145,448	329,682	<b>969,654</b>
53,400	45,390	80,100	46,280	33,820	<b>981,673</b>
28,259	24,020	42,389	24,491	17,898	<b>519,500</b>
78,637	96,078	81,366	55,124	68,703	<b>2,268,812</b>
111,040	94,384	166,560	96,234	70,325	<b>2,041,280</b>
10,046	13,185	10,674	10,046	8,790	<b>137,500</b>
5,930	2,442	6,977	1,744	698	<b>30,000</b>
107,370	131,183	111,096	75,265	93,806	<b>3,097,800</b>
21,886	29,268	50,043	24,792	4,057	<b>655,000</b>
2,392	2,922	2,475	1,676	2,089	<b>69,000</b>
	1,330	1,029	19,284	2,140	<b>31,000</b>
12,131	14,822	12,552	8,504	10,599	<b>350,000</b>
3,528	4,311	3,651	2,473	3,083	<b>101,800</b>
32,075	789,141	214,427	40,694	39,221	<b>2,238,628</b>
31,005	762,822	207,275	39,337	37,913	<b>2,163,966</b>
		(90,360)	(106,480)		
78,644	66,848	117,967	68,159	49,808	<b>1,445,748</b>
<b>811,387</b>	<b>2,362,512</b>	<b>1,405,770</b>	<b>735,930</b>	<b>1,049,318</b>	<b>19,011,645</b>
<b>3,018,509</b>	<b>3,687,974</b>	<b>3,123,253</b>	<b>2,115,946</b>	<b>2,637,185</b>	<b>87,089,083</b>
<b>3,829,896</b>	<b>6,050,486</b>	<b>4,529,023</b>	<b>2,851,876</b>	<b>3,686,503</b>	<b>106,100,728</b>
<b>26.9%</b>	<b>64.1%</b>	<b>45.0%</b>	<b>34.8%</b>	<b>39.8%</b>	<b>21.8%</b>

## Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
From the General Fund	To Other Miscellaneous Funds for:
	Residual RPTTF to CIP Reserve
	20,044
	<b>sub-total</b>
	20,044
From the Measure I TOT	To the General Government Fund for:
	Street Resurfacing Project 2015 (4275)
	1,600,000
	City Building Improvements (3406)
	150,000
	<b>sub-total</b>
	1,750,000
From the H-Hetch Ground Lease	To the General Fund for:
	Operating Cost Reimbursement
	7,859
	<b>sub-total</b>
	7,859
From the Gas Tax Fund	To the General Government Fund for:
	Street Resurfacing Project 2015 (4275)
	1,554,985
	<b>sub-total</b>
	1,554,985
From the 95-1 Lighting/Lscape Dist	To the General Government Fund for:
	McCarthy Blvd. Landscape & Lighting Impvt (3402)
	45,000
	<b>sub-total</b>
	45,000
From the 98-1 Lighting/Lscape Dist	To the General Government Fund for:
	Sinclair LMD Impvts (3411)
	13,000
	<b>sub-total</b>
	13,000
From the 08 Community Fclty Dist	To the General Fund for:
	Operating Cost Reimbursement
	200,000
	<b>sub-total</b>
	200,000
From the Solid Waste Services	To the General Fund for:
	Operating Cost Reimbursement
	223,252
	<b>sub-total</b>
	223,252
* From the Street Fund	To the Subsidiary CIP Fund for:
	Soundwall Renovations (4267)
	300,000
	Street Resurfacing Project 2015 (4275)
	135,000
	<b>sub-total</b>
	435,000
* From the Traffic Impact Fee	To the Subsidiary CIP Fund for:
	Street Resurfacing Project 2015 (4275)
	50,000
	<b>sub-total</b>
	50,000
* From the Vehicle Registration Fee	To the General Government Fund for:
	Street Resurfacing Project 2015 (4275)
	300,000
	<b>sub-total</b>
	300,000
* From the Park Improvement Fund	To the Subsidiary CIP Fund for:
	Higuera Adobe Park Picnic & Playground (5097)
	700,000
	MSC Facility Impvts (3408)
	300,000
	Park Irrigation System Repair & Impvt (5098)
	150,000
	Park Renovation Project 2015 (5099)
	400,000
	<b>sub-total</b>
	1,550,000

**Financial Information** Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
* From the Midtown Park Fund	To the Subsidiary CIP Fund for:
	Higuera Adobe Park Picnic & Playground (5097) 1,000,000
	MSC Facility Impvts (3408) 300,000
	sub-total 1,300,000
* From the General Government	To the Subsidiary CIP Fund for:
	City Bldg Impvts (3406) 100,000
	Minor Storm Drain Projects 2011-12 (3706) 35,000
	Penitencia Pump Station Impvt (3710) 200,000
	sub-total 335,000
* From the Storm Drain Development	To the Subsidiary CIP Fund for:
	Dempsey Road Storm Drain Replc (3709) 400,000
	Minor Storm Drain Projects 2011-12 (3706) 75,000
	Penitencia Pump Station Impvt(3710) 50,000
	sub-total 525,000
From the Transit Area Impact Fee Fund	To the General Fund for:
	TASP 2% Admin Fees 151,000
	sub-total 151,000
* From the Transit Area Impact Fee CIP Fund	To the Subsidiary CIP Fund for:
	Defunding of TASP Recycled Water Line Ext (2003) 1,000,000
	sub-total 1,000,000
From the Water M & O Fund	To the General Fund for:
	Operating Cost Reimbursement 2,366,459
	sub-total 2,366,459
From the Water M & O Fund	To the General Government Fund for:
	Street Resurfacing Project 2015 (4275) 225,000
	sub-total 225,000
* From the Water M & O Fund	To the Subsidiary CIP Fund for:
	Automated Water Meter Replacement (7121) 1,295,000
	Daniel Ct Water Svc Replacement (7122) 525,000
	Dempsey Rd Water Line Replacement (7118) 2,000,000
	Minor Water Projects 2015 (7123) 105,000
	Sunnyhills Turnout Pressure Reducing Valve (7119) 500,000
	sub-total 4,425,000
* From the Water CIP	To the Subsidiary CIP Fund for:
	Defunding Water System Seismic Impvts (7100) 2,000,000
	sub-total 2,000,000
* From the Water Line Extension Fund	To the Subsidiary CIP Fund for:
	Water Sys Air Relief Mod 2015 (7124) 350,000
	sub-total 350,000
From the Sewer M & O Fund	To the General Fund for:
	Operating Cost Reimbursement 1,527,385
	sub-total 1,527,385
From the Sewer M & O Fund	To the General Government Fund for:
	Street Resurfacing Project 2015 (4275) 225,000
	sub-total 225,000

**Financial Information** Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
* From the Sewer M & O Fund	To the Subsidiary CIP Fund for:
	CCTV Sanitary Sewer 165,000
	Minor Sewer Projects 2015 (6120) 350,000
	San Jose Santa Clara Regional Waste Water 2,500,000
	Sewer System Replacement 11-12 (6115) 250,000
	Sewer System Replacement 12-13 (6116) 250,000
	<b>sub-total</b> 3,515,000
From the Sewer CIP	To the Transit Area Impact Fund for:
	Defunding TASP Sewer Line Replacement (6117) 2,500,000
	<b>sub-total</b> 2,500,000
* From the Treatment Plant Construction	To the Subsidiary CIP Fund for:
	San Jose Santa Clara Regional Waste Water 2,500,000
	<b>sub-total</b> 2,500,000
* From the Sewer Infrastructure Replmnt	To the Subsidiary CIP Fund for:
	San Jose Santa Clara Regional Waste Water 1,500,000
	<b>sub-total</b> 1,500,000
From the Equipment Mgnt Fund	To the General Government Fund for:
	2015 Financ System Upgrade (3413) 170,000
	<b>sub-total</b> 170,000
* From the Equipment Mgnt Fund	To the Subsidiary CIP Fund for:
	Capital Reserve IT Equipment Replacement 300,000
	<b>sub-total</b> 300,000
	<b>TOTAL TRANSFERS:</b> 31,063,984

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

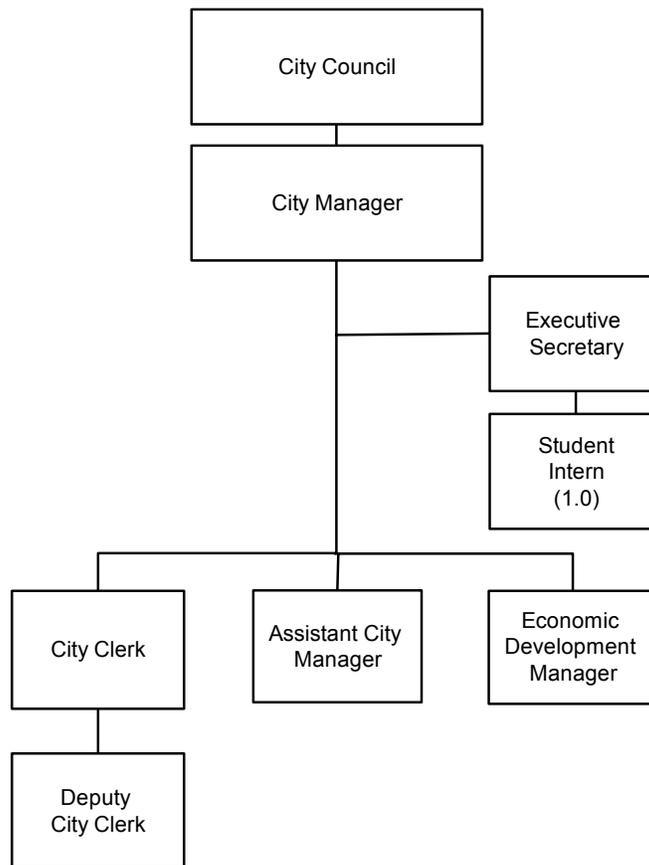
### **Mission Statements**

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

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

### **Functions**

City Council  
City Manager  
City Clerk



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DEPARTMENT:	City Manager	CITY MANAGER: Thomas Williams
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*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
<b>2013-2014 Accomplishments</b>					
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 2013-14.	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. Eliminated the General Fund budget structural deficit from \$12 million to a balanced budget.		x	x	x	x
<b>2014-2015 Goals</b>					
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 2014-15.	x	x		x	x
4. Provide sound fiscal policies and economic stability for the City.		x	x	x	
5. Review and adopt policies to increase efficiency for service delivery.	x	x		x	
6. Foster quality of life for all citizens while maintaining first-rate services.	x	x		x	x
7. Promote economic opportunity and environmental sustainability.	x	x		x	x
8. Uphold honest and transparent City Government.	x	x		x	x

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
City Council Meetings	25	25	26	23
Commission Meetings	131	131	128	133
Subcommittee Meetings	45	45	49	73
County/Regional Agency/Association Meetings	260	260	260	260

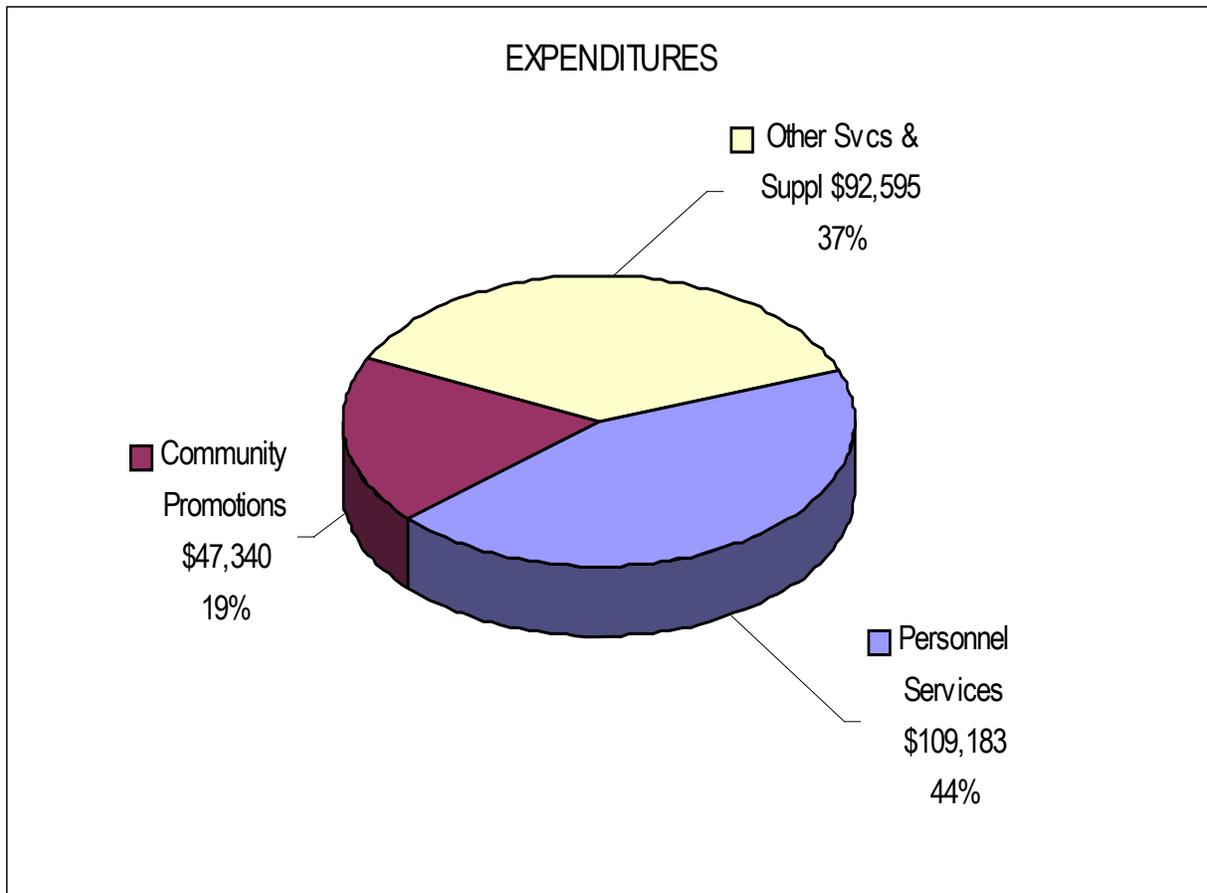
Personnel Allotment of 5 FTE

Position	Auth FTE	Funded	Unfunded		Auth FTE	Funded	Unfunded
Council Members	5	5					
<b>TOTAL</b>					<b>5</b>	<b>5</b>	<b>0</b>

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to increased PERS contribution rate.
Services and Supplies / Community Promotions	Increase mainly due to increased awards, plaques and general supplies.
Capital Outlay	None



**Budgets Narrative and Summary City Council**

	<u>Actual 2011-12</u>	<u>Actual 2012-13</u>	<u>Budget 2013-14</u>	<u>Approved 2014-15</u>
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	55,825	54,295	54,274	54,274
4112 Temporary Salaries	3,375	2,925	4,400	4,400
4113 Overtime	0	85	0	0
4121 Allowances	39,086	38,721	38,700	38,700
4131 PERS	5,693	7,389	15,934	18,334
4132 Group Insurance	38,881	19,707	420	420
4133 Medicare	1,416	1,171	1,422	1,422
4135 Worker's Compensation	228	189	294	294
4139 PARS	632	577	66	66
4151 Compensation Reduction	(3,430)	(8,732)	(8,727)	(8,727)
4161 Retiree Medical Reserve	2,964	516	0	0
sub-total	<u>144,668</u>	<u>116,845</u>	<u>106,783</u>	<u>109,183</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	37,419	16,125	46,240	47,340
4220 Supplies	3,272	4,464	3,200	4,000
4230 Services	10,500	10,500	10,500	10,500
4410 Communications	540	101	0	0
4501 Memberships and Dues	50,809	51,021	53,579	53,579
4503 Training	5,568	1,066	10,400	10,400
4520 Commissions and Boards	4,396	4,984	14,096	14,116
sub-total	<u>112,504</u>	<u>88,259</u>	<u>138,015</u>	<u>139,935</u>
<b>TOTAL</b>	<u><u>257,172</u></u>	<u><u>205,104</u></u>	<u><u>244,798</u></u>	<u><u>249,118</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
<b>2013-2014 Accomplishments</b>					
1. Implemented City Council priorities for fiscal year 2013-14.	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	
<b>2014-2015 Goals</b>					
1. Implement City Council priorities for fiscal year 2014-15.	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 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
City Council Meetings	24	25	26	23
Capital Improvement Program Projects Completed	12	12	15	10
Conduct meetings with developers*	N/A	67	83	85

\* New performance measures effective FY 2012-13

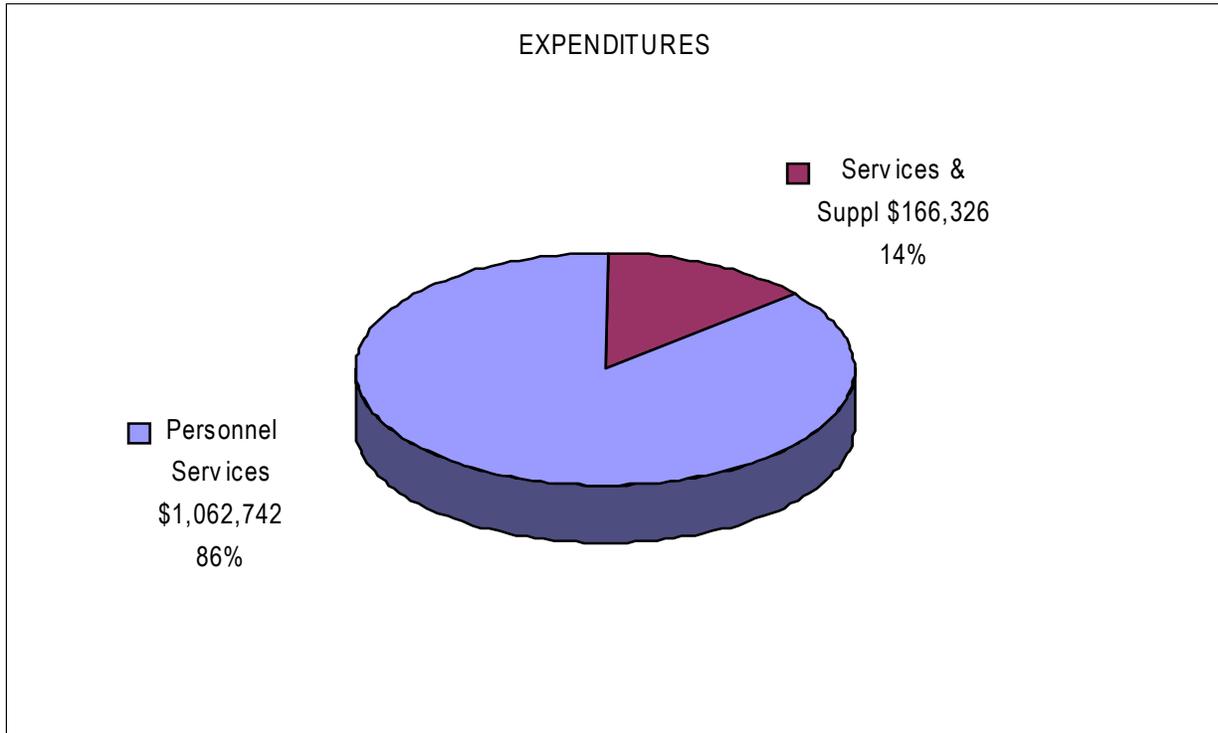
**Personnel Allotment of 6 FTE**

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

Staff Change(s): Fund Assistant City Manager, Economic Development Manager, and two temporary part-time student interns.

**Expenditure Analysis**

Personnel Services	Increase attributed to increased medical premiums, PERS employer contribution rate and Staff Changes mentioned above.
Services and Supplies	Decrease attributed to no additional funding for strategic plan consultant.
Capital Outlay	None



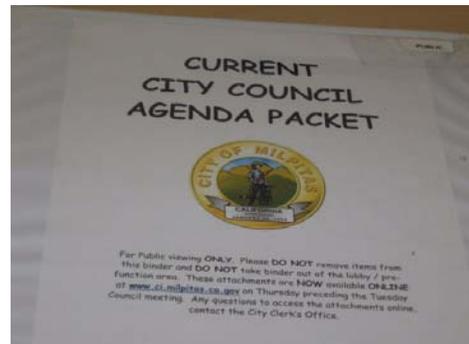
	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	356,722	319,839	322,624	723,915
4112 Temporary Salaries	0	0	0	30,000
4113 Overtime	(900)	(446)	0	0
4121 Allowances	796	2,015	0	0
4124 Leave Cashout	20,317	30,481	0	0
4131 PERS	69,834	65,390	74,564	167,614
4132 Group Insurance	34,624	36,269	40,464	88,656
4133 Medicare	5,606	5,116	4,696	10,859
4135 Worker's Compensation	1,663	1,027	1,586	3,556
4138 Deferred Comp-Employer	1,378	0	1,800	3,600
4139 PARS	0	0	0	450
4161 Retiree Medical Reserve	19,308	14,810	15,936	34,092
sub-total	<u>509,348</u>	<u>474,501</u>	<u>461,670</u>	<u>1,062,742</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	2,639	2,632	2,950	3,146
4220 Supplies	5,173	6,971	4,400	5,000
4230 Services	311,275	1,058	180,000	150,000
4501 Memberships and Dues	18,039	0	4,180	4,180
4503 Training	562	2,706	4,000	4,000
4520 Commissions and Boards	92	0	0	0
sub-total	<u>337,781</u>	<u>13,367</u>	<u>195,530</u>	<u>166,326</u>
<b>TOTAL</b>	<u><u>847,129</u></u>	<u><u>487,868</u></u>	<u><u>657,200</u></u>	<u><u>1,229,068</u></u>

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

### Services

- Ensures municipal records are readily available and accessible to all and serve as main source of information for residents, City officials and staff, and other governments.
- Conducts Administrative Hearings, upon request, for Parking Citation violations.
- Complies with the Ralph M. Brown Act, the Public Records Act and the City's Open Government ordinance.
- Provides centralized records management, including creating and retention of all meeting agendas and minutes of all City Council and other entity meetings.
- Coordinates outreach and tracking of appointments to 15 City Commissions.
- Administers codification of ordinances, i.e. maintenance of the Milpitas Municipal Code.
- Administers municipal elections, including candidate and campaign finance filings, in November of even years
- Receives and files annual Form 700/ Statements of Economic Interest for all designated employees, Commissioners and elected officials.
- Offers a U.S. Passport Acceptance Agency for passport applications.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Prepared all City Council meeting agendas and minutes for 21 regular meetings and one budget session.	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 300 eligible files off the City Clerk's shelves.	x		x	x	
4. Provided Notary Public acknowledgement services to staff.	x		x		
5. Hosted annual meeting with Commission staff liaisons Feb. 6, 2014.	x		x		
6. Continued Passport Application Acceptance program.	x	x	x		
7. Maintained Directory of Local Officials roster, and tracked appointments of all City Commissioners.	x		x		
<b>2014-2015 Goals</b>					
1. Prepare all City Council, Economic Development Corporation, and Housing Authority meetings' agendas and minutes.	x				
2. Administer Municipal Election on November 4, 2014.	x	x	x	x	
3. Continue Passport Acceptance Agency program with service by appointment only.	x	x		x	
4. Provide Deputy City Clerk with training toward Certification, and update City Clerk's training for administrative hearing officer functions.	x	x	x	x	
5. Continue responding to increasing Public Records Act requests.	x	x	x	x	
6. Cull and destroy eligible records/files, per adopted schedule.	x		x		
7. Collect and post online required FPPC* documents, i.e. Forms 700 and Forms 501, 410, 460 and 470 for campaigns.	x		x		
8. Provide Notary Public Service.	x		x		

\*FPPC: Fair Political Practices Commission

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
City Council agenda items processed	406	326	300	300
Passport applications accepted	2,061	2,179	1,500	1,500
# of Candidates assisted in Municipal Election	N/A	9	N/A	8
# of Administrative Hearings conducted for Parking Violation Citation appeals	5	6	8	8

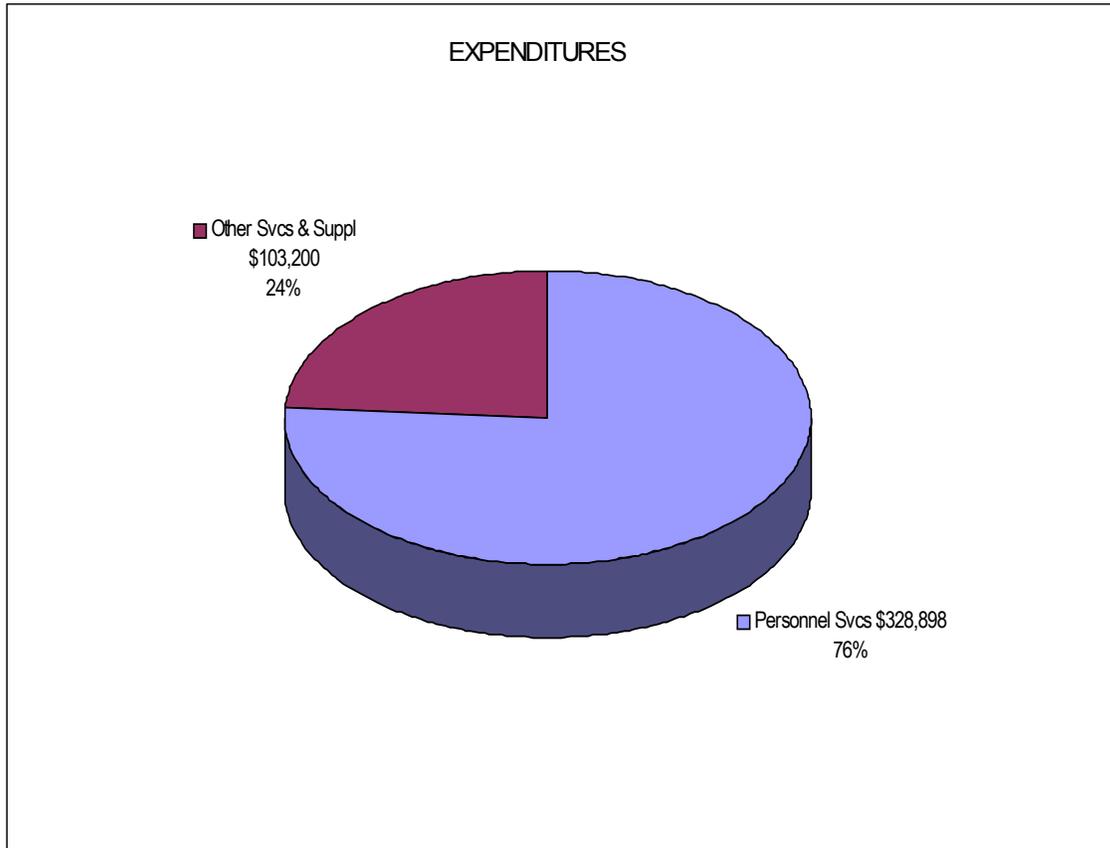
**Personnel Allotment of 3 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Clerk	1	1		Confidential Office Specialist	1		1
Deputy City Clerk	1	1					
<b>TOTAL</b>					<b>3</b>	<b>2</b>	<b>1</b>

Staff Change(s): None.

**Expenditure Analysis**

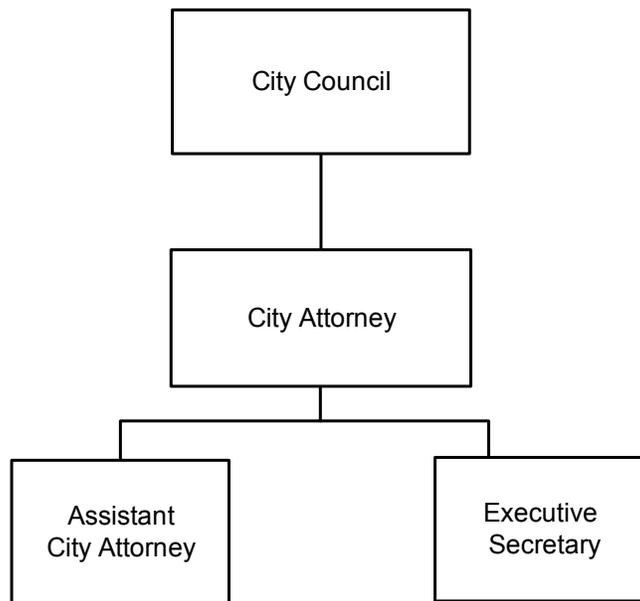
Personnel Services	Increase due to increased medical premiums and PERS contribution rate.
Services and Supplies	Increase mainly due to Election scheduled in FY 2014-15.
Capital Outlay	None



	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	452,107	285,546	226,177	230,586
4113 Overtime	5,339	846	0	0
4121 Allowances	1,073	2,458	0	0
4124 Leave Cashout	23,399	3,264	0	0
4131 PERS	44,021	25,225	26,938	37,600
4132 Group Insurance	84,203	60,202	40,464	44,328
4133 Medicare	5,786	2,910	1,910	1,910
4135 Worker's Compensation	1,760	1,039	1,124	1,144
4138 Deferred Comp-Employer	1,620	0	1,800	1,800
4161 Retiree Medical Reserve	24,552	15,082	11,309	11,530
sub-total	643,862	396,570	309,722	328,898
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4220 Supplies	1,153	1,101	3,000	3,000
4230 Services	21,885	12,471	27,000	25,000
4280 Elections	14,078	58,163	0	70,000
4501 Memberships and Dues	559	405	1,000	1,200
4503 Training	2,322	1,831	2,500	4,000
sub-total	39,998	73,970	33,500	103,200
<b>TOTAL</b>	<b>683,860</b>	<b>470,541</b>	<b>343,222</b>	<b>432,098</b>

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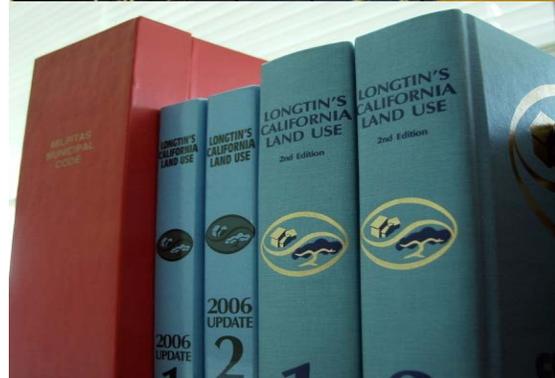
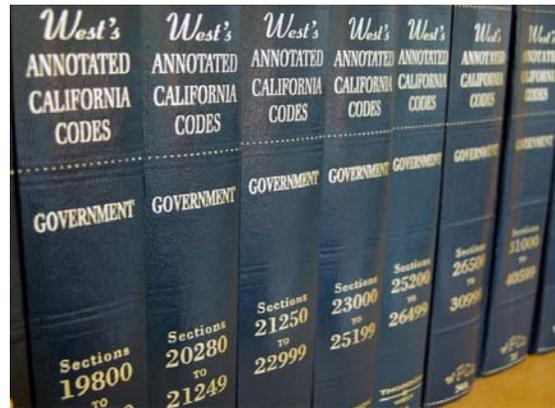
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DEPARTMENT:	Office of the City Attorney	CITY ATTORNEY: Michael J. Ogaz
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*Description:* This department provides general legal advice and services to the City Council, Housing Authority, City Commissions,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

**Services**

- General legal advice
- Employee labor group negotiations
- Litigation
- Employee training
- Compliance advice related to current and forthcoming federal and state regulations
- Housing Authority and RDA successor agency legal services
- Personnel advice
- Land use advice
- Conflict of Interest and Open Government guidance



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
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. Successfully prevailed in five significant lawsuits.	x	x		x	
4. Provided legal training to staff, commissions, etc.	x		x	x	
5. Advised management through continuing labor negotiations.	x		x		
6. Initiated City Council Handbook updated project.	x			x	
7. Updated Building Code and Fire Code sections of Municipal Code.	x	x			x
8. Established Zoning Code amendment re: emergency shelters.	x	x		x	x
9. Amended Campaign Contribution Ordinance re: single contributions.	x	x		x	
10. Advised/prepared documents for six significant Planning projects.	x	x		x	
11. Creation of Community Facilities District 2013-1, Piper Montague.	x	x		x	x
12. Advised through approval of South Main Senior Lifestyles project.	x	x		x	x
13. Drafted and implemented six Zoning Code amendments.	x	x		x	
14. Advised throughout Pacific Mall development project.	x	x		x	x
15. Tax Sharing Agreement re: Silicon Graphics relocation to Milpitas.	x	x		x	x
16. Handled/supervised numerous administrative/court actions.	x			x	
<b>2014-2015 Goals</b>					
1. Provide superior, affordable, timely legal advice and service.	x	x	x	x	x
2. Provide legal guidance through continuing RDA wind down.	x			x	
3. Provide ongoing legal training to staff, commissions, etc.	x		x	x	x
4. Provide advice and direction through Housing Element update.	x	x		x	x
5. Provide ongoing advice re: TASP, including BART project.	x	x		x	x
6. Continue update of City Council Handbook.	x			x	
7. Complete third in series of Municipal Code updates.	x			x	x

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Agenda contracts drafted/reviewed/edited	109	111	103	105
Ordinances/resolutions drafted/reviewed/edited	112	94	138	125
Court /administrative proceeding appearances	29	37	49	40
Contract complaints/agenda contracts	0/109	0/111	0/103	0/105
% of documents timely produced for agenda	100	100	100	100

\*Estimate only

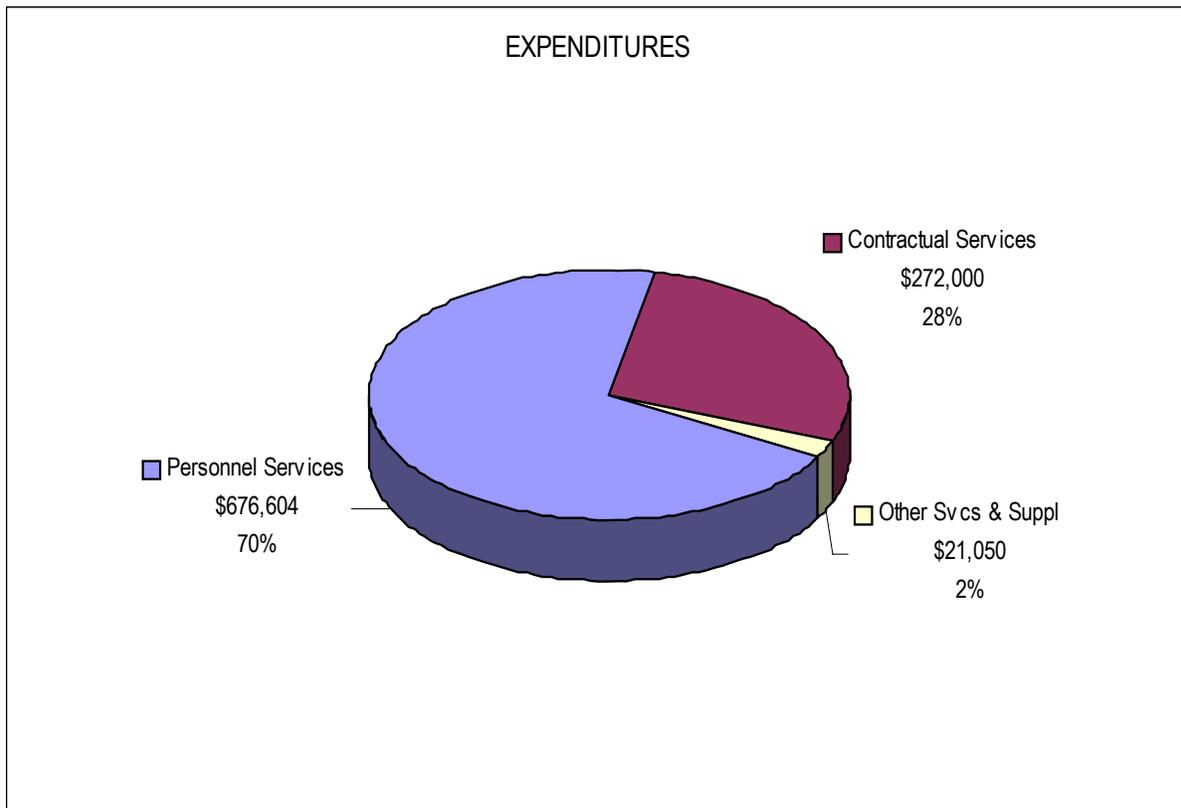
**Personnel Allotment of 4 FTE**

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	
				<b>TOTAL</b>	<b>4</b>	<b>3</b>	<b>1</b>

Staff Change(s): None

**Expenditure Analysis**

Personnel Services	Increase due to increased medical premiums and PERS employer contribution rate.
Services and Supplies	Increase due to greater need for contractual legal services.
Capital Outlay	None.



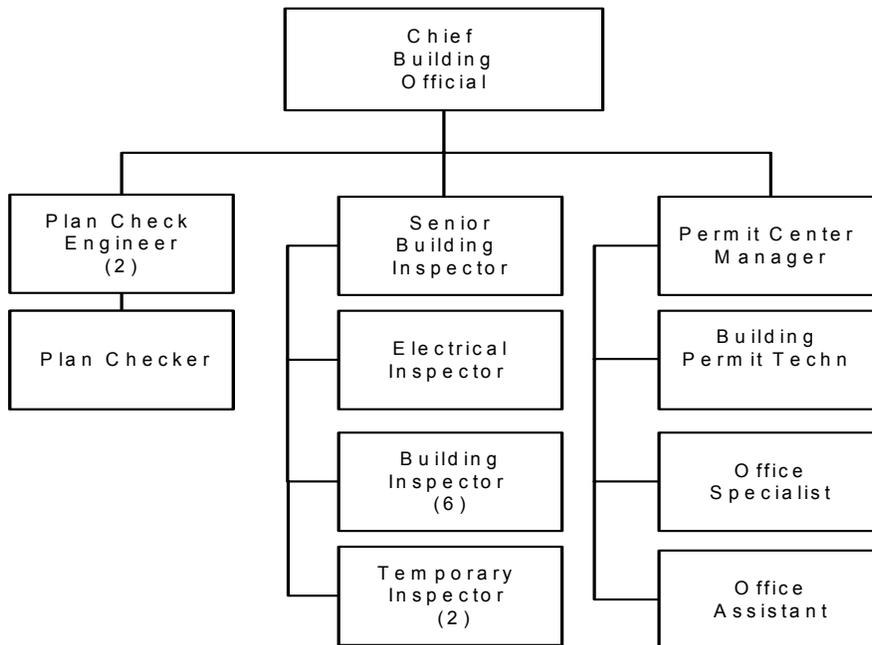
	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	499,967	367,388	445,822	454,420
4112 Temporary Salaries	0	1,920	0	0
4113 Overtime	(14)	0	0	0
4121 Allowances	1,142	2,140	0	0
4124 Leave Cashout	17,557	37,879	0	0
4131 PERS	76,201	69,508	87,224	121,456
4132 Group Insurance	60,033	52,070	60,696	66,492
4133 Medicare	7,671	5,915	6,512	6,630
4135 Worker's Compensation	2,199	1,497	2,222	2,262
4138 Deferred Comp-Employer	2,191	105	2,700	2,700
4139 PARS	0	29	0	0
4161 Retiree Medical Reserve	26,736	21,468	22,200	22,644
sub-total	<u>693,684</u>	<u>559,918</u>	<u>627,376</u>	<u>676,604</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4220 Supplies	14,738	14,131	18,560	14,000
4230 Services	204,395	260,701	70,000	272,000
4410 Communications	0	1,040	1,440	1,400
4501 Memberships and Dues	1,350	410	840	1,150
4503 Training	3,085	2,956	5,600	4,500
sub-total	<u>223,567</u>	<u>279,237</u>	<u>96,440</u>	<u>293,050</u>
<b>TOTAL</b>	<u><u>917,252</u></u>	<u><u>839,156</u></u>	<u><u>723,816</u></u>	<u><u>969,654</u></u>

### **Mission Statement**

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

### **Functions**

- Plan Check
- Administration
- Permit Center
- Building Inspection



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

**Services**

- Reviews construction plans and documents to ensure safety through compliance with technical codes, State and local regulations and acceptable engineering practices.
- Provides inspections, including occupancy inspections, to ensure safety of occupants and that buildings, streets, public utilities, parks and community projects are constructed in accordance with approved plans and applicable State and local regulations.
- Schedules inspections, provides access to inspection results and plan check status using Integrated Voice Recognition System (IVR), on-line or by phone.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance using “One Point of Contact” approach.
- Issues permits, including permits submitted 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
<b>2013-2014 Accomplishments</b>					
1. Utilized iPad for inspection in the field to streamline and improve efficiency in the inspection process.	x	x	x	x	x
2. Provide ability to email inspection reports instantly from job site.	x	x	x		x
3. Introduced electronic sign-in system in Permit Center to improve customer service.	x		x	x	
4. Introduced online application for extension of plan check and permits.	x	x			
5. Enhanced public outreach by sending e-Newsletters to more than 3,000 customers.	x	x			x
6. Simplified process for sewer lateral encroachment permits.	x	x	x	x	x
7. Improved automation of inspection reporting and time tracking systems.	x	x	x	x	
8. Continued to utilize same plan checker and inspector from project start to finish.	x	x	x	x	x
<b>2014-2015 Goals</b>					
1. Issue a completed permit card for all trades to improve efficiency and consistency.	x	x	x	x	
2. Streamline and automate occupancy certification process.	x	x	x	x	
3. Introduce online appointment calendar to schedule plan check by appointment.	x	x	x	x	
4. Improve and enhance Code Enforcement procedures.	x	x	x	x	x
5. Enhance the website by adding a feature to submit questions online.	x	x			
6. Continue to improve online plan submittal process.	x	x	x	x	
7. Continue to improve special inspection and testing procedures.	x	x	x		x
8. Continue website enhancement by updating plan check and inspection checklists and submittal requirements to comply with current Building Codes and regulations.	x	x	x		x
9. Continue cross-training of staff to improve consistency and efficiency.	x		x	x	x
10. Continue to improve our image to public through community outreach, education and meetings with industry and to streamline permitting process.	x	x	x	x	x

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
New Construction Valuation (Millions)	\$141	\$282	\$320	\$320
Total Building Permits Issued/Avg. Permits Issued per day	3,306/13	3,568/14	4,300/13	4,300/13
Total Plan Checks /% Express Plan Checks *	1,059/60	1,161/44	1,500/46	1,500/46
Number of Customers Served/Avg. Waiting Time to assist customers (minutes)	5,467/1.5	4,885/1.5	4,900/1.5	4,900/1.5
Daily Inspections per Inspector/Avg. Min. **	8/45	9/40	9/40	9/40
Customer Survey overall rating Excellent / Good	100%	99%	99%	99%
Plan Checks completed on schedule	98%	90%	90%	90%
Inspections completed on requested time	100%	99%	99%	99%
Accuracy of building plan check	99%	99%	99%	99%
Respond to after-hour emergency inspections	100%	100%	100%	100%

NOTE: \* Express projects performed over the counter/same day. \*\* Inspections (building and misc.). Include inspection time travel, paperwork, computer input and phone calls. Public Work Inspections are not included.

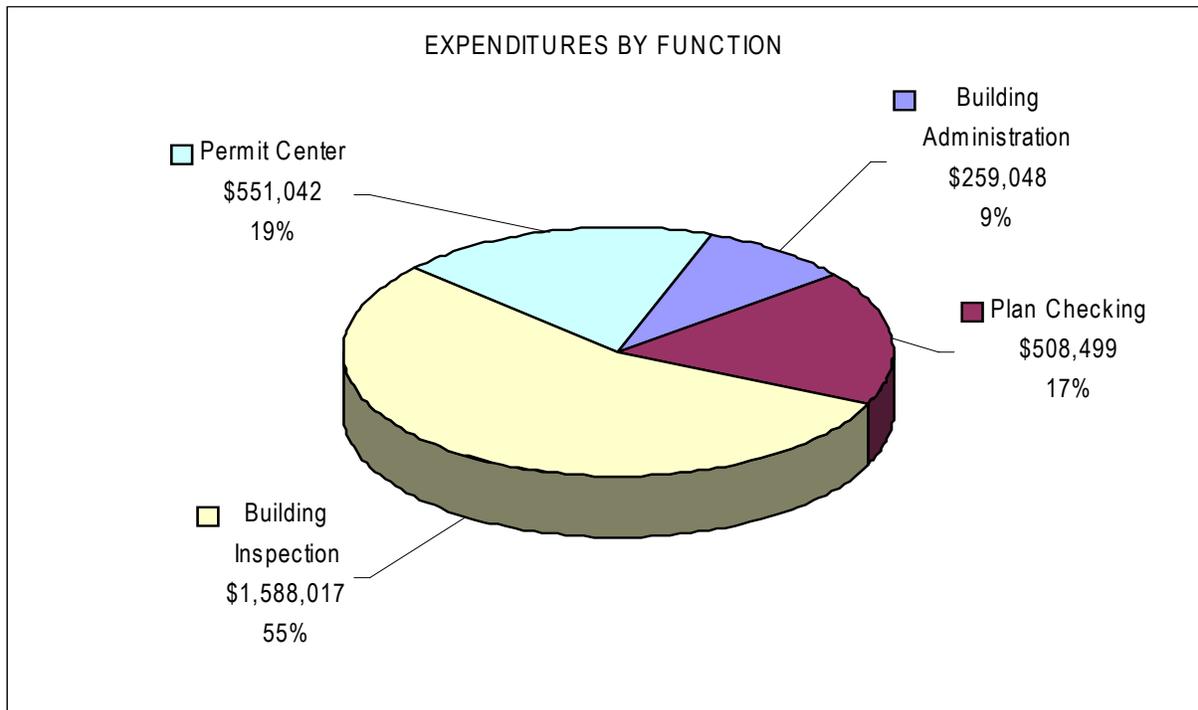
**Personnel Allotment of 25 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Chief Building Official	1	1		Plan Check Engineer	4	2	2
Building/NP Inspector	7	6	1	Building Permit Technician	3	1	2
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)	2	2	
Permit Center Manager	1	1					
Sr Plan Check Engineer	1		1				
				<b>TOTAL</b>	<b>25</b>	<b>18</b>	<b>7</b>

Staff Change (s): Re-assigned Public Works Inspection to Engineering Division.

**Expenditure Analysis**

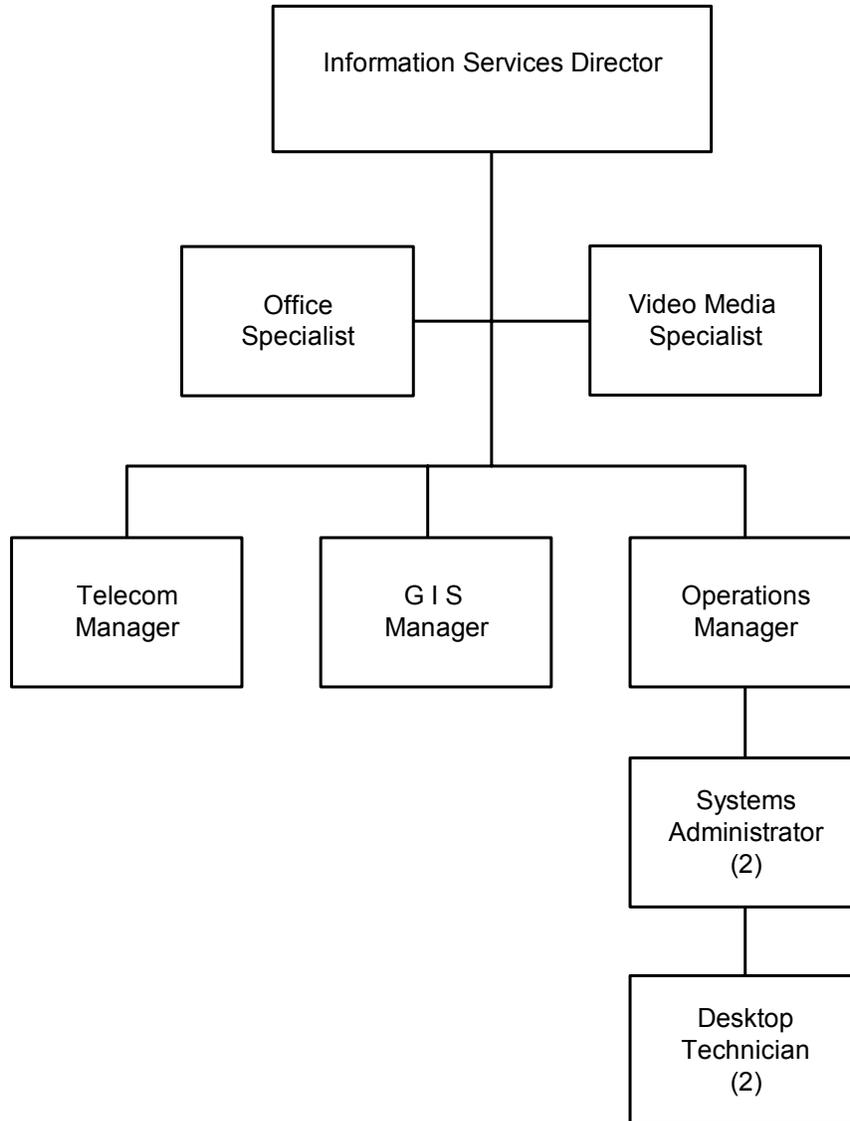
Personnel Services	Increase attributed to increased medical premiums and PERS employer contribution rate, partially offset by Staff Changes mentioned above.
Services and Supplies	No change.
Capital Outlay	None



	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,398,306	1,364,439	1,780,368	1,689,889
4112 Temporary Salaries	4,557	218,036	307,752	205,168
4113 Overtime	23,394	22,835	48,000	55,000
4124 Leave Cashout	83,935	54,732	0	0
4131 PERS	77,994	102,242	222,268	278,717
4132 Group Insurance	230,408	245,173	343,944	398,954
4133 Medicare	19,658	22,482	29,316	27,525
4135 Worker's Compensation	26,374	20,625	43,135	38,596
4138 Deferred Comp-Employer	1,842	1,800	1,800	1,800
4139 PARS	68	720	0	0
4143 Charged to CIPs	0	0	(140,000)	0
4161 Retiree Medical Reserve	89,940	73,956	88,824	84,310
sub-total	<u>1,956,476</u>	<u>2,127,040</u>	<u>2,725,407</u>	<u>2,779,959</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	25,182	22,197	21,595	23,392
4220 Supplies	6,498	13,619	28,525	26,525
4230 Services	106,992	128,227	54,550	54,550
4501 Memberships and Dues	1,380	1,371	1,530	1,530
4503 Training	4,266	4,395	16,650	20,650
sub-total	<u>144,319</u>	<u>169,809</u>	<u>122,850</u>	<u>126,647</u>
<b>TOTAL</b>	<u><u>2,100,795</u></u>	<u><u>2,296,849</u></u>	<u><u>2,848,257</u></u>	<u><u>2,906,606</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	ACTING 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.



Information Services

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Completed deployment of mobile computing for Fire Apparatus.	x	x		x	
2. Participated in County wide CAD-to-CAD initiative.	x	x		x	x
3. Completed mobile app for iPhone, iPad.	x	x		x	
4. Completed CAD system upgrade.	x	x		x	
5. Completed upgrade for Document Imaging System.	x	x		x	
<b>2014-2015 Goals</b>					
1. Complete CAD system upgrade.	x	x		x	x
2. Complete Finance System upgrade.	x			x	
3. Complete Recon map for smart meters.	x	x		x	
4. Complete mobile app for Android.	x	x		x	

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Network Availability <sup>A</sup>	99.99%	99.99%	99.9%	99.9%
Percent of service requests completed within 1 hour	60.00%	60.00%	60.00%	60.00%
Server Availability <sup>A</sup>	99.97%	99.50%	99.50%	99.50%
Website Availability <sup>A</sup>	100%	100%	100%	99.50%
Percent of customer surveys received with a score of 4 or better (out of 5) <sup>B</sup>	N/A	N/A	75%	75%

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

B=This is the first year for this measurement.

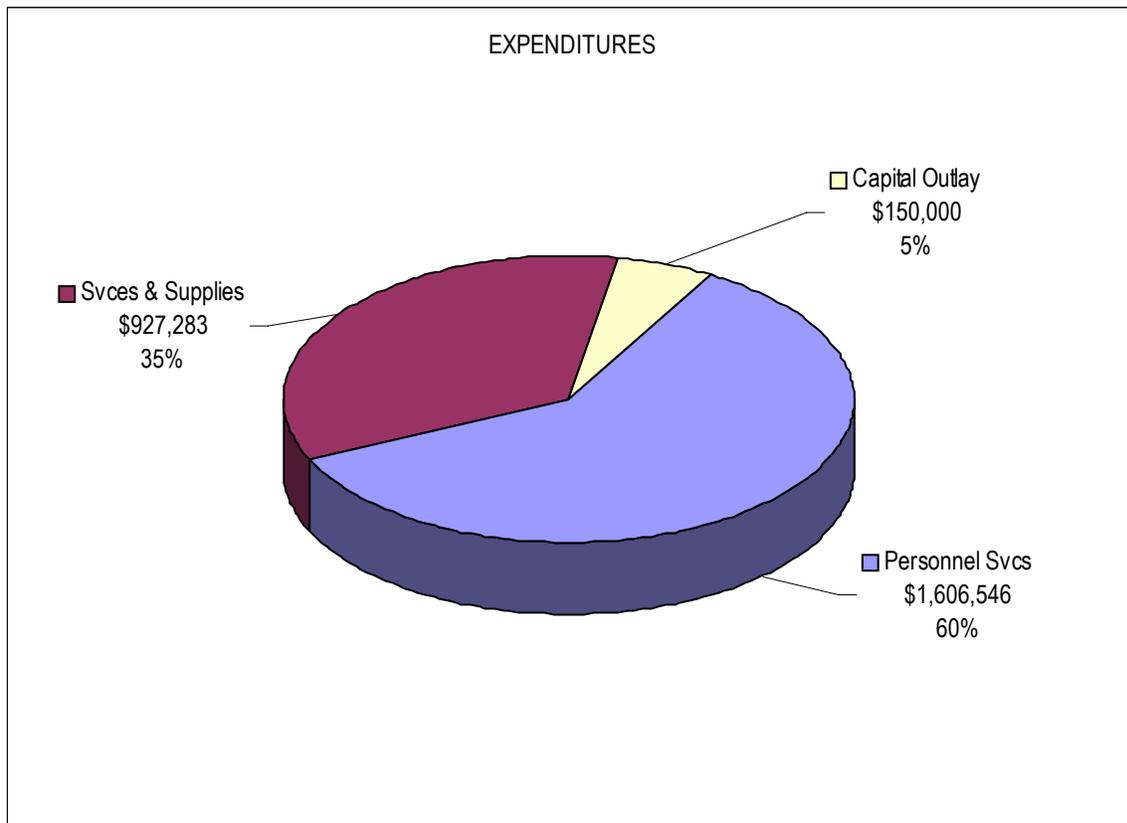
**Personnel Allotment of 15 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Information Services Director	1	1		Systems Administrator	4	2	2
Video Media Specialist	1	1		G I S Manager	1	1	
Telecom Manager	1	1		Desktop Technician	4	2	2
Network Manager	1		1	Office Specialist	1	1	
Operations Manager	1	1					
<b>TOTAL</b>					<b>15</b>	<b>10</b>	<b>5</b>

Staff Change(s): Fund the Information Services Director position and unfund one (1) Systems Administrator.

**Expenditure Analysis**

Personnel Services	Increase attributed to increased medical premiums, increased PERS employer contribution rate and Staff Changes mentioned above.
Services and Supplies	Increase attributed to routine increases of annual software maintenance fees and software upgrade.
Capital Outlay	Computer hardware upgrade.



Information Services

	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,437,338	1,096,762	1,115,030	1,140,484
4112 Temporary Salaries	17,155	4,838	0	0
4113 Overtime	254	182	0	0
4124 Leave Cashout	42,430	34,659	0	0
4131 PERS	156,835	65,133	97,136	158,946
4132 Group Insurance	202,726	154,292	202,320	221,640
4133 Medicare	22,096	16,496	16,276	16,638
4135 Worker's Compensation	4,742	4,366	5,454	5,686
4138 Deferred Comp-Employer	8,177	6,081	6,300	6,300
4139 PARS	261	73	0	0
4161 Retiree Medical Reserve	74,412	62,840	54,584	56,852
sub-total	<u>1,966,427</u>	<u>1,445,720</u>	<u>1,497,100</u>	<u>1,606,546</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	7,067	7,048	8,208	8,754
4220 Supplies	16,718	18,104	12,000	13,200
4230 Services	473,149	597,965	638,400	733,979
4410 Communications	165,589	149,981	152,000	167,500
4501 Memberships and Dues	25	0	0	0
4503 Training	791	3,478	3,500	3,850
sub-total	<u>663,340</u>	<u>776,575</u>	<u>814,108</u>	<u>927,283</u>
<b>CAPITAL OUTLAY</b>				
4920 Machinery Tools & Equipment	85,121	140,836	90,000	150,000
sub-total	<u>85,121</u>	<u>140,836</u>	<u>90,000</u>	<u>150,000</u>
<b>TOTAL</b>	<u><u>2,714,887</u></u>	<u><u>2,363,131</u></u>	<u><u>2,401,208</u></u>	<u><u>2,683,829</u></u>

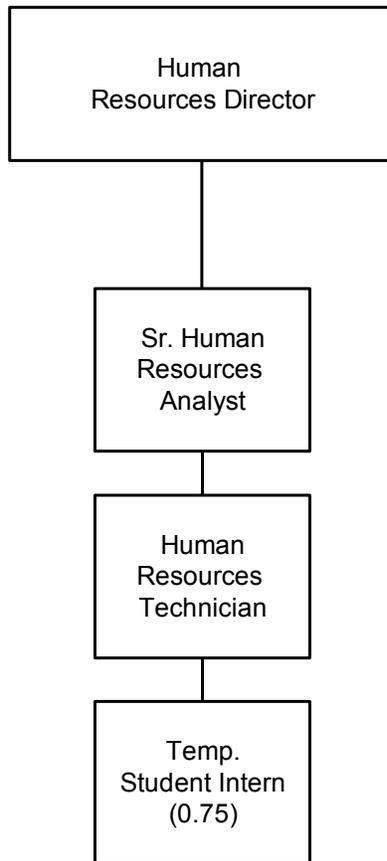
**Mission Statement**

The Human Resources Department is committed to:

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

**Divisions**

Human Resources



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

**Services**

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



Human Resources

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Finalized and submitted the 2013 State and Local Government Equal Employment Opportunity (EEO-4) Report.	x		x	x	
2. Adhered to the Affordable Care Act (ACA) requirements regarding the Marketplace Coverage (Exchange) Notices for Employees.	x		x	x	
3. Completed the AB1825 Sexual Harassment Training for Supervisors.	x		x	x	
4. Finalized the compaction salary survey on management classifications.	x		x		
5. Continue to work on recruitments on a timely basis for all departments. To date approximately 30 recruitments have been finalized.	x		x	x	
6. Participating in the Two County Next Generation Committee Regional Internship Program.	x		x		
<b>2014-2015 Goals</b>					
1. Develop and implement an expanded new employee orientation program that includes an inventory checklist for equipment, keys, supplies, etc. that are issued to all employees.	x	x	x		
2. Develop and implement a supervisor's handbook.	x		x	x	
3. Update the Family Medical Leave Act Policy to include new changes to the program including Military Leave.	x	x	x	x	x
4. Finalize a Fitness for Duty Program, a Short Term Disability Program and a Modified Duty Program.	x	x	x	x	x
5. Implement PAR evaluations Forms to effectively evaluate employee performance.	x	x	x		
6. Finalize negotiations with MEA, POA, ProTech, Mid-Con and IAFF	x	x	x	x	

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Percentage of Personnel Action Forms processed accurately.	100	99	100	98
Percentage of employees returned to modified or full duty within 90 days after a Workers Compensation injury*.	30	50	50	77
Percentage of benefit and address changes processed accurately within 10 days of receipt*.	100	99	100	98

\* New performance measures effective 2013-14

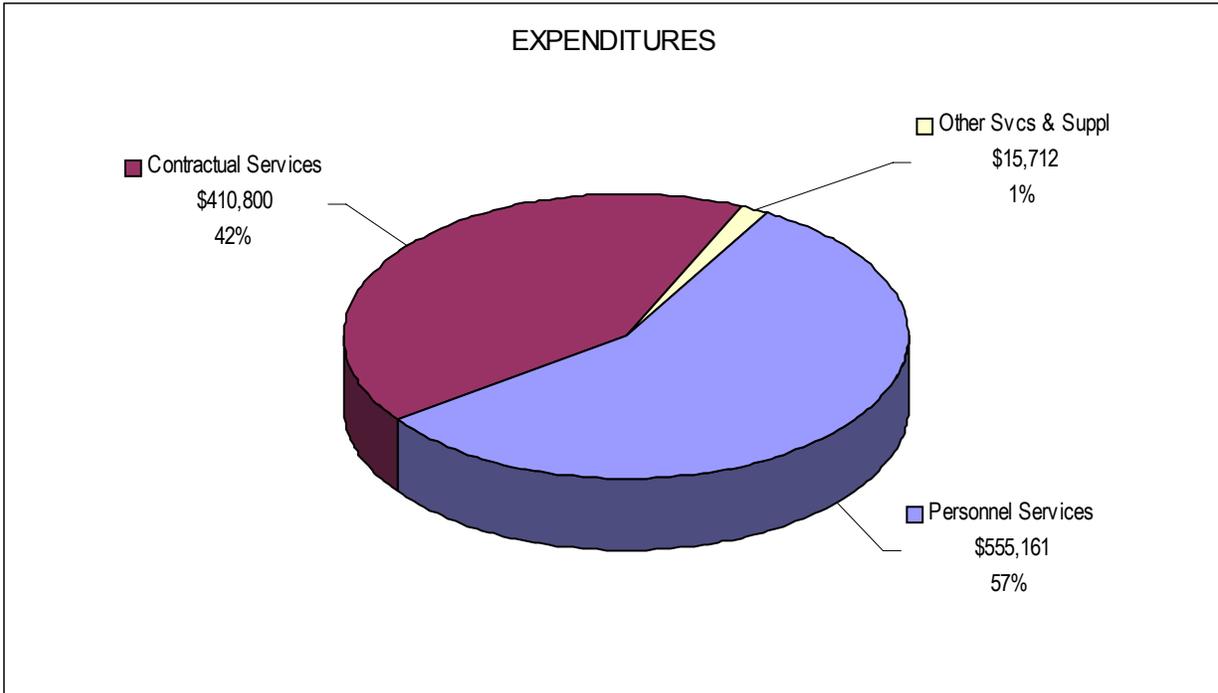
**Personnel Allotment of 6.75 FTE**

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		2	Temporary Positions (FTE)	0.75	0.75	
				<b>TOTAL</b>	<b>6.75</b>	<b>3.75</b>	<b>3</b>

Staff Change(s): Fund additional 0.25 FTE Student Intern due to workload.

**Expenditure Analysis**

Personnel Services	Increase attributed to increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	No change.
Capital Outlay	None.



Human Resources

	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	325,986	300,890	350,716	374,332
4112 Temporary Salaries	14,648	19,028	25,600	25,600
4113 Overtime	0	115	1,000	1,000
4121 Allowances	1,142	2,213	0	0
4124 Leave Cashout	211	3,490	0	0
4131 PERS	41,033	29,858	39,742	59,480
4132 Group Insurance	46,937	40,658	60,696	66,492
4133 Medicare	5,079	4,686	5,485	5,833
4135 Worker's Compensation	1,402	1,217	1,880	1,880
4138 Deferred Comp-Employer	1,620	0	2,700	2,700
4139 PARS	224	285	384	384
4161 Retiree Medical Reserve	16,104	16,680	17,460	17,460
sub-total	<u>454,385</u>	<u>419,121</u>	<u>505,663</u>	<u>555,161</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	0	0	6,000	6,000
4220 Supplies	2,320	3,135	2,000	2,000
4230 Services	371,255	355,898	406,300	412,300
4501 Memberships and Dues	895	750	2,212	2,212
4503 Training	898	2,584	4,000	4,000
sub-total	<u>375,368</u>	<u>362,366</u>	<u>420,512</u>	<u>426,512</u>
<b>TOTAL</b>	<u><u>829,753</u></u>	<u><u>781,487</u></u>	<u><u>926,175</u></u>	<u><u>981,673</u></u>

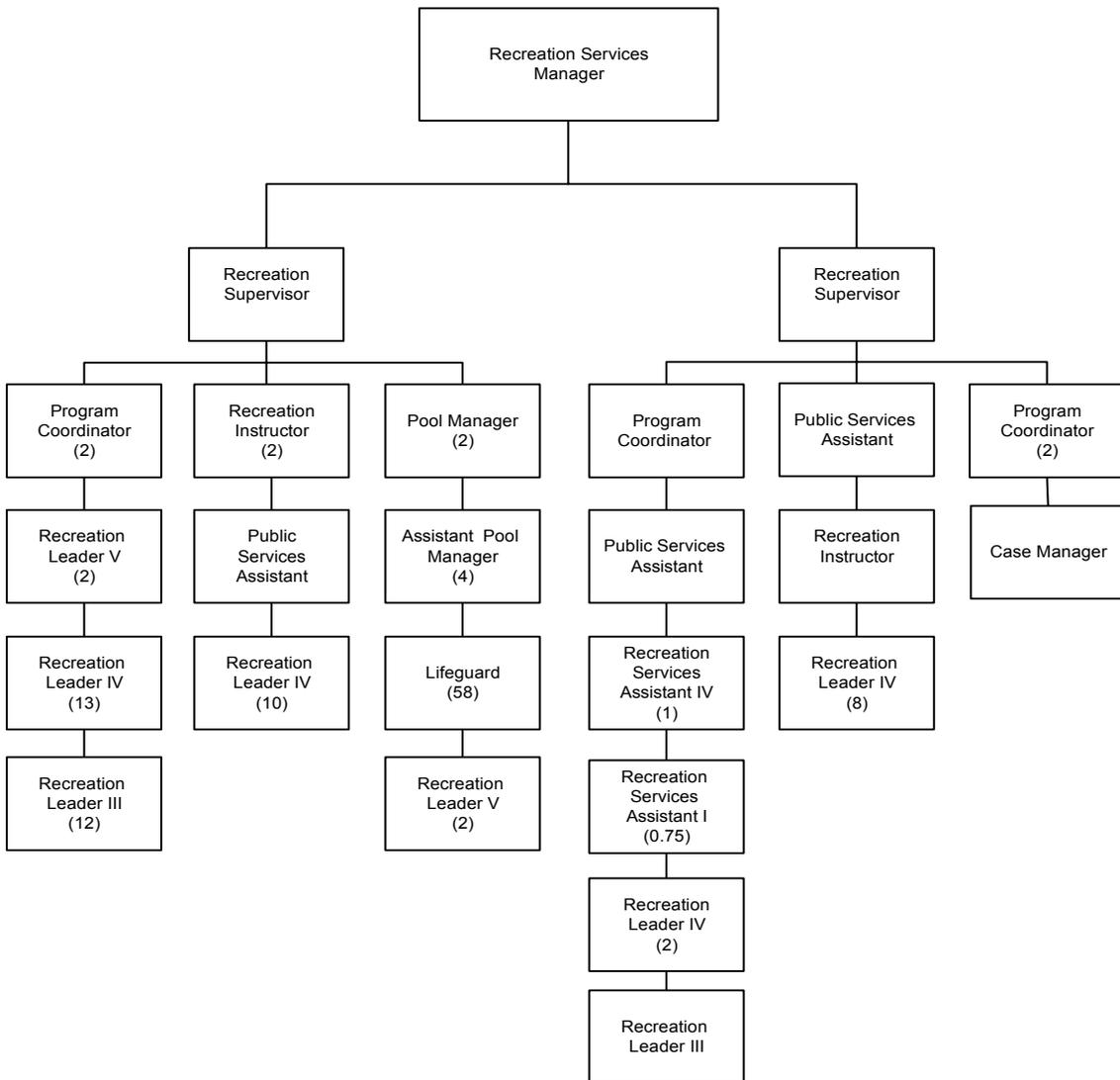
**Mission Statement**

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

Our vision is to provide endless opportunities to our residents that strengthen community image and sense of place, support economic development, promote health and wellness, foster human development, increase cultural unity, facilitate solutions to community needs and provide recreational experience while preserving and enhancing our city resources.

**Division**

Recreation Services



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

## Services

- Oversees indoor/outdoor facility rentals, offers a Recreational Assistance program for low income residents, coordinates citywide special events, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes Recreation Activity Guide, and staffs six City Commissions.
- Monitors daily operation of the Senior Center that provides a daily lunch program, a wide variety of drop-in programs, trips, classes, specials events and social services.
- Provides a volunteer program where over 600 individuals serve their community.
- Oversees the operation of the Sports Center with a full service 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 programs for all ages. We offer a multitude of programs for children ages 2-5, which provide enriching experiences and emphasizes learning through active play and socialization. Recreation also offers a preschool age enrichment program. 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 four school sites for grades 1-6 and provides many different enrichment activities.
- Provides over 715 contract classes for youth and adults to promote health and wellness and developmental opportunities for the community.



Recreation

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. The Senior Center processed 1,340 memberships in the first 7 months of the fiscal year.	x	x			
2. Successfully completed 2 public art installations (City Hall Minute Man and Cartwheel Kids move) and 1 public art maintenance project at Augustine Park.	x	x		x	
3. Successfully partnered with 8 faith based organizations to engage members in the community.	x	x			
4. The Milpitas Tidal Waves Swim Team raised \$3,695 in their 4th Annual Swim-a-Thon to offset the cost of equipment and supplies.	x	x		x	
<b>2014-2015 Goals</b>					
1. Change the Senior Center membership renewal dates from every September to annual (1 year from month of sign-up).	x	x		x	
2. Expand the After the Bell program to include Rancho and Russell Middle Schools.	x	x		x	
3. Revamp the swim lesson program to better serve the community.	x	x		x	
4. Revamp the Adult Sports Program to include volleyball leagues and restructured adult basketball league.	x	x		x	
5. Offer a web based training/workshop on Emergency Volunteer Centers to be better prepared for Citywide emergencies.	x	x			x

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Senior Center Members	1,525	1,427	1,450	1,475
Contract Class Revenue	\$404,781	\$408,000	\$415,000	\$425,000
Contract Class Enrollment	3,538	3,762	4,036	4,139
Rental Revenue	\$25,666	\$36,6921	\$39,597	\$45,000

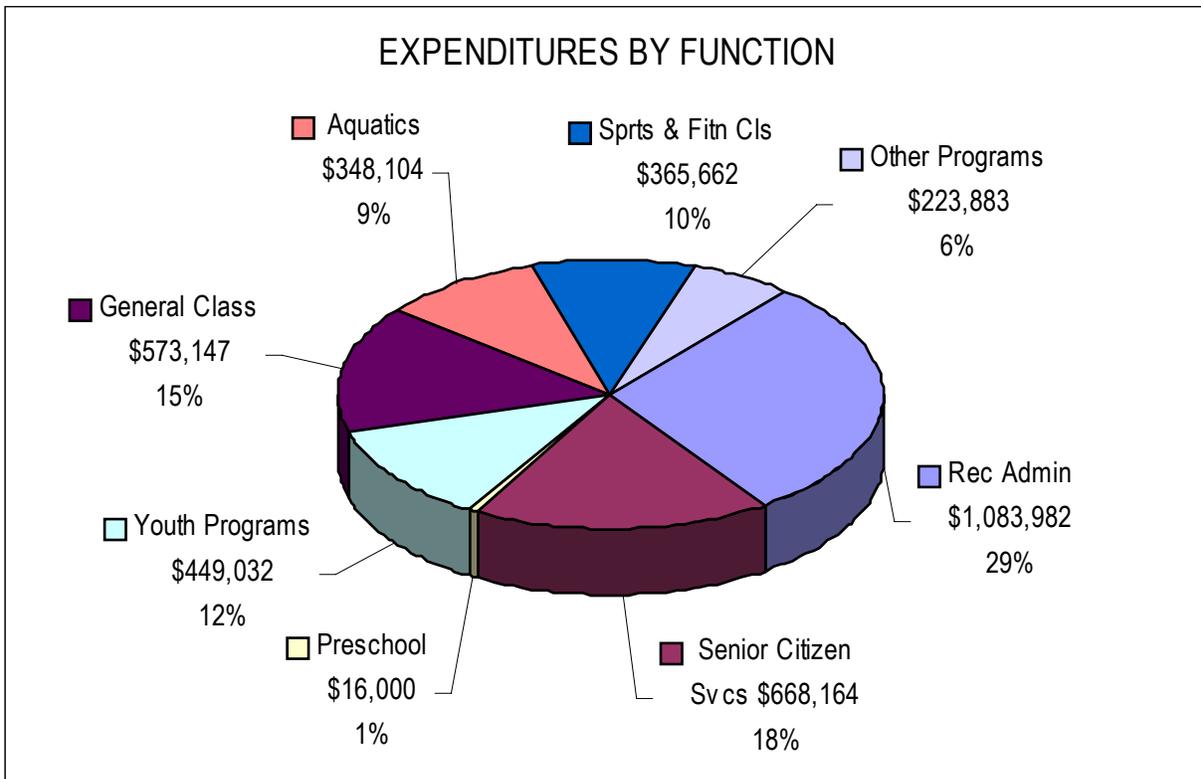
**Personnel Allotment of 57.75 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Parks and Rec Director	1		1	Recreation Services Asst I	0.75	0.75	
Recreation Services Mgr	1	1		Recreation Services Asst II	1.75		1.75
Recreation Services Supv	3	2	1	Recreation Services Asst III	0.75		0.75
Program Coordinator	6	5	1	Recreation Services Asst IV	3.25	1	2.25
Office Assistant II	2		2	Temporary Positions (FTE)	32.25	32.25	
Public Services Asst II	5	3	2				
Case Manager	1	1					
<b>TOTAL</b>					<b>57.75</b>	<b>46</b>	<b>11.75</b>

Staff Change(s): Reclassify one position of Recreation Services Assistant IV to Case Manager; and add one temporary part-time Recreation Leader.

**Expenditure Analysis**

Personnel Services	Increase attributed to increase in medical premiums and PERS contribution rate.
Services and Supplies	Increase primarily due to increased funding for office and general supplies.
Capital Outlay	None



Recreation

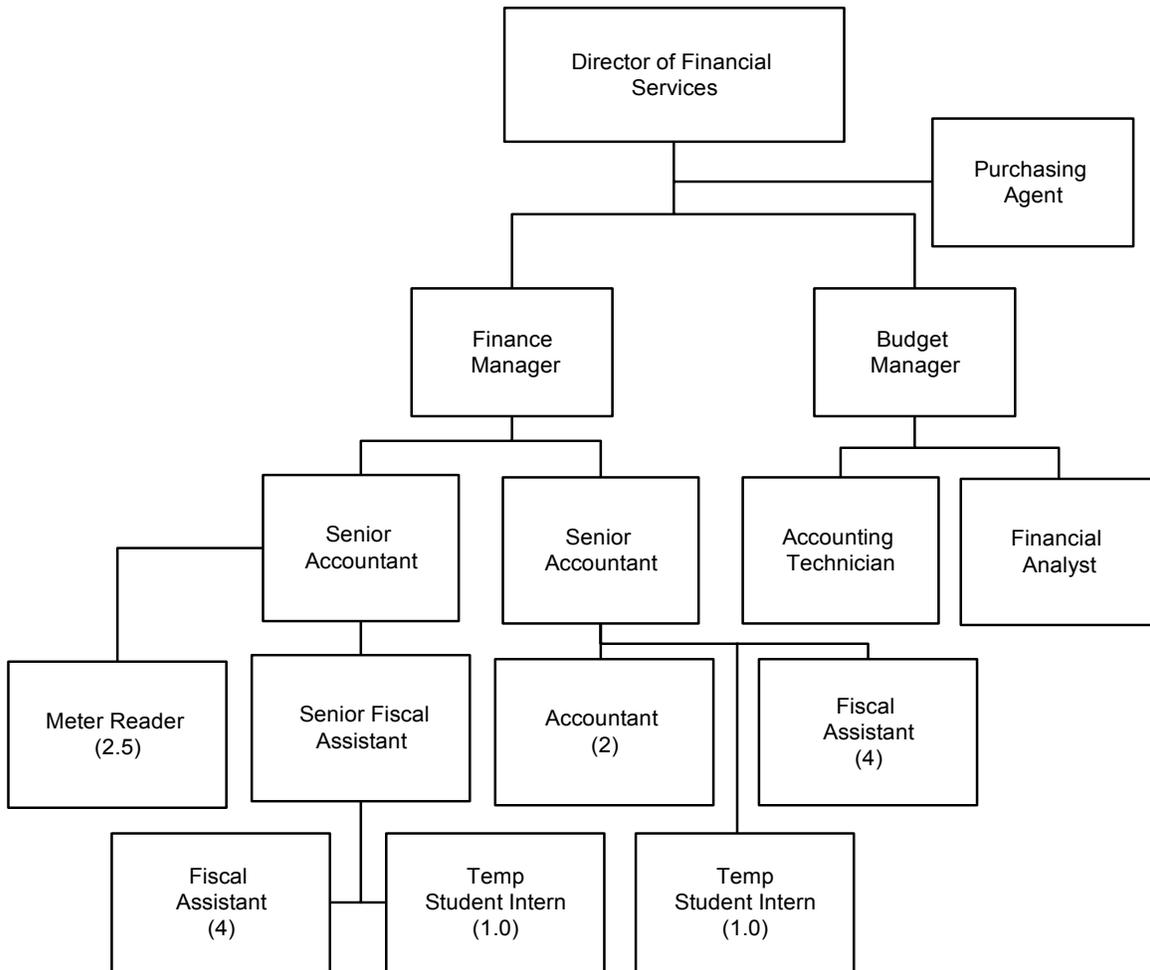
	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,249,626	919,726	936,944	1,085,389
4112 Temporary Salaries	837,697	788,930	837,047	839,854
4113 Overtime	7,934	4,867	7,000	7,000
4124 Leave Cashout	115,145	20,198	0	0
4131 PERS	86,796	72,620	116,263	182,141
4132 Group Insurance	263,254	217,951	257,964	304,752
4133 Medicare	32,458	24,090	24,741	26,946
4135 Worker's Compensation	12,361	10,878	15,855	16,693
4138 Deferred Comp-Employer	2,312	1,543	1,800	2,700
4139 PARS	11,789	10,081	9,872	10,530
4161 Retiree Medical Reserve	67,867	50,988	46,790	55,983
sub-total	<u>2,687,238</u>	<u>2,121,871</u>	<u>2,254,276</u>	<u>2,531,988</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	11,957	9,089	10,265	10,265
4211 Equip Replacement Amortization	29,716	26,605	26,051	44,033
4220 Supplies	118,759	164,967	124,159	229,833
4230 Services	590,160	758,470	963,033	902,925
4501 Memberships and Dues	645	1,910	1,425	1,580
4503 Training	509	1,905	5,905	5,750
4600 Ins, Settlements & Contgcy	972	1,010	1,600	1,600
sub-total	<u>752,719</u>	<u>963,955</u>	<u>1,132,438</u>	<u>1,195,986</u>
<b>CAPITAL OUTLAY</b>				
4870 Machinery & Equipment	0	1,566	0	0
sub-total	<u>0</u>	<u>1,566</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<u><u>3,439,957</u></u>	<u><u>3,087,393</u></u>	<u><u>3,386,714</u></u>	<u><u>3,727,974</u></u>

**Mission Statement**

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

**Divisions**

Administration  
Operations



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

## Services

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



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
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. Completed RFP process for utility bill on-line invoicing and payments.	x	x		x	
6. Successfully combined billing and collecting of fire annual permits with business license.	x			x	
7. Developed an updated Cost Allocation Plan (CAP) and worked with departments to update fee schedule based on updated CAP.	x			x	
8. Developed and implemented real property lien process.	x			x	
9. Processed invoices for payment within 5 working days from approval date.	x			x	
10. Provided accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
11. Provided 99.9% accuracy on initial meter reads.	x			x	
<b>2014-2015 Goals</b>					
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. Continue to bid frequently used commodities and services to create annualized contracts.	x			x	
4. Continue to provide purchasing and contracts training to departments.	x			x	
5. Perform a review of the business license tax structure.	x			x	
6. Continue to manage RDA dissolution by obtaining a Finding of Completion from DOF and develop Long-Range Property Management Plan.				x	
7. Process invoices for payment within 5 working days from approval date.	x			x	
8. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.	x			x	
9. Provide 99.9% accuracy on initial meter reads.	x			x	

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Consecutive years in receiving awards for:				
Distinguished Budget Presentation	12	13	14	15
Excellence in Financial Reporting	19	20	21	22
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)	14	11	10	10
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

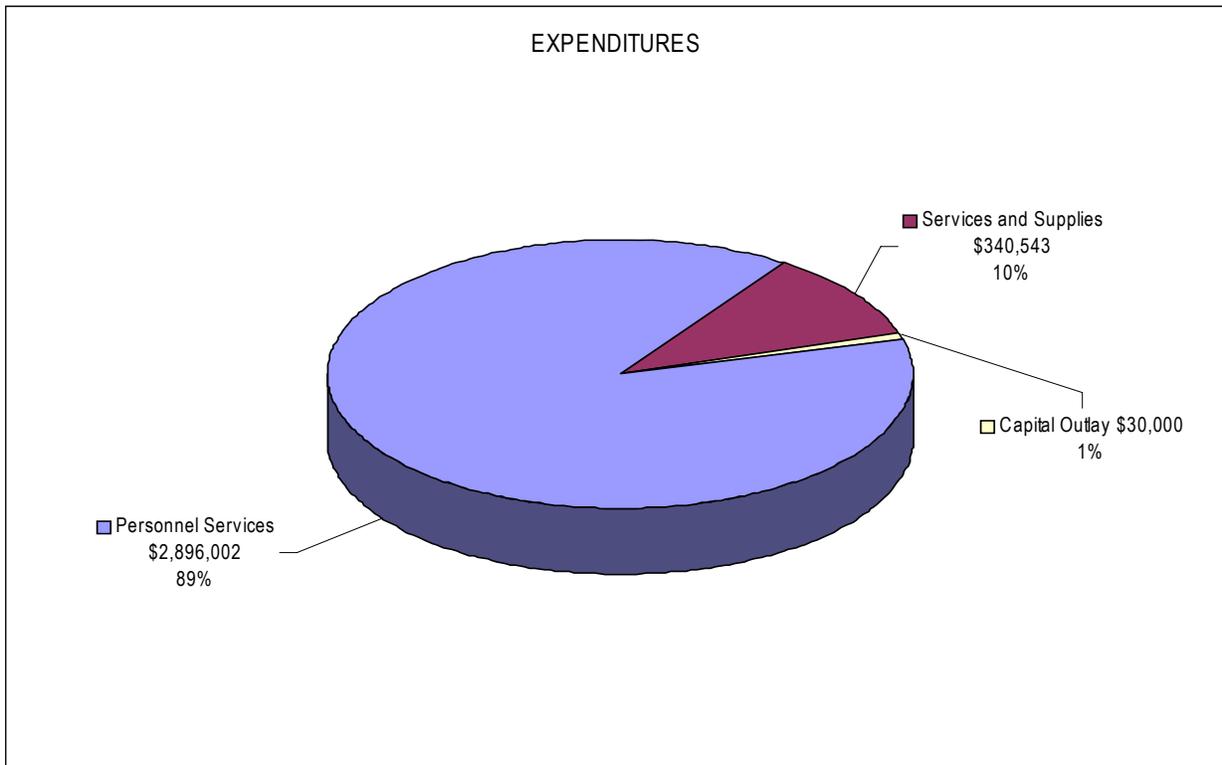
Personnel Allotment of 29.5 FTE

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Director of Financial Services	1	1		Accounting Technician	1	1	
Purchasing Agent	1	1		Fiscal Asst I/II	10	7	3
Finance Manager	1	1		Senior Fiscal Assistant	1	1	
Budget Manager	1	1		Office Specialist	1		1
Accountant	3	2	1	Confidential Fiscal Asst II	1	1	
Finance Analyst I/II	1	1		Water Meter Reader II	2.5	2.5	
Buyer	1		1	Temporary Positions (FTE)	2	2	
Senior Accountant	2	2					
				<b>TOTAL</b>	<b>29.5</b>	<b>23.5</b>	<b>6</b>

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to PERS employer contribution rate and medical premium increases.
Services and Supplies	No change.
Capital Outlay	Include Smart Water Meters.



	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,907,166	1,768,157	1,904,792	1,932,004
4112 Temporary Salaries	45,269	40,122	24,000	65,000
4113 Overtime	3,451	3,766	23,500	19,000
4121 Allowances	4,210	8,365	0	0
4124 Leave Cashout	19,240	80,020	0	0
4125 Accrued Leave	(6,252)	2,371	0	0
4131 PERS	165,883	138,387	198,428	295,540
4132 Group Insurance	326,036	319,883	434,988	476,532
4133 Medicare	29,050	27,322	28,078	29,070
4135 Worker's Compensation	12,101	9,829	14,352	15,035
4138 Deferred Comp-Employer	3,205	210	7,200	7,200
4139 PARS	412	494	360	585
4143 Charged to CIPs	0	0	(30,000)	(40,000)
4161 Retiree Medical Reserve	105,024	92,676	94,692	96,036
sub-total	<u>2,614,795</u>	<u>2,491,603</u>	<u>2,700,390</u>	<u>2,896,002</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	14,042	9,347	14,054	15,133
4220 Supplies	83,698	81,262	108,125	99,650
4230 Services	216,887	217,971	207,240	214,060
4501 Memberships and Dues	1,819	1,888	1,610	2,700
4503 Training	4,483	2,480	7,500	9,000
sub-total	<u>320,930</u>	<u>312,947</u>	<u>338,529</u>	<u>340,543</u>
<b>CAPITAL OUTLAY</b>				
4850 Vehicles	0	0	10,591	0
4920 Machinery Tools & Equipment	329	0	0	0
4930 Hydrants & Meters	0	0	30,000	30,000
sub-total	<u>329</u>	<u>0</u>	<u>40,591</u>	<u>30,000</u>
<b>TOTAL</b>	<u><u>2,936,054</u></u>	<u><u>2,804,550</u></u>	<u><u>3,079,510</u></u>	<u><u>3,266,545</u></u>

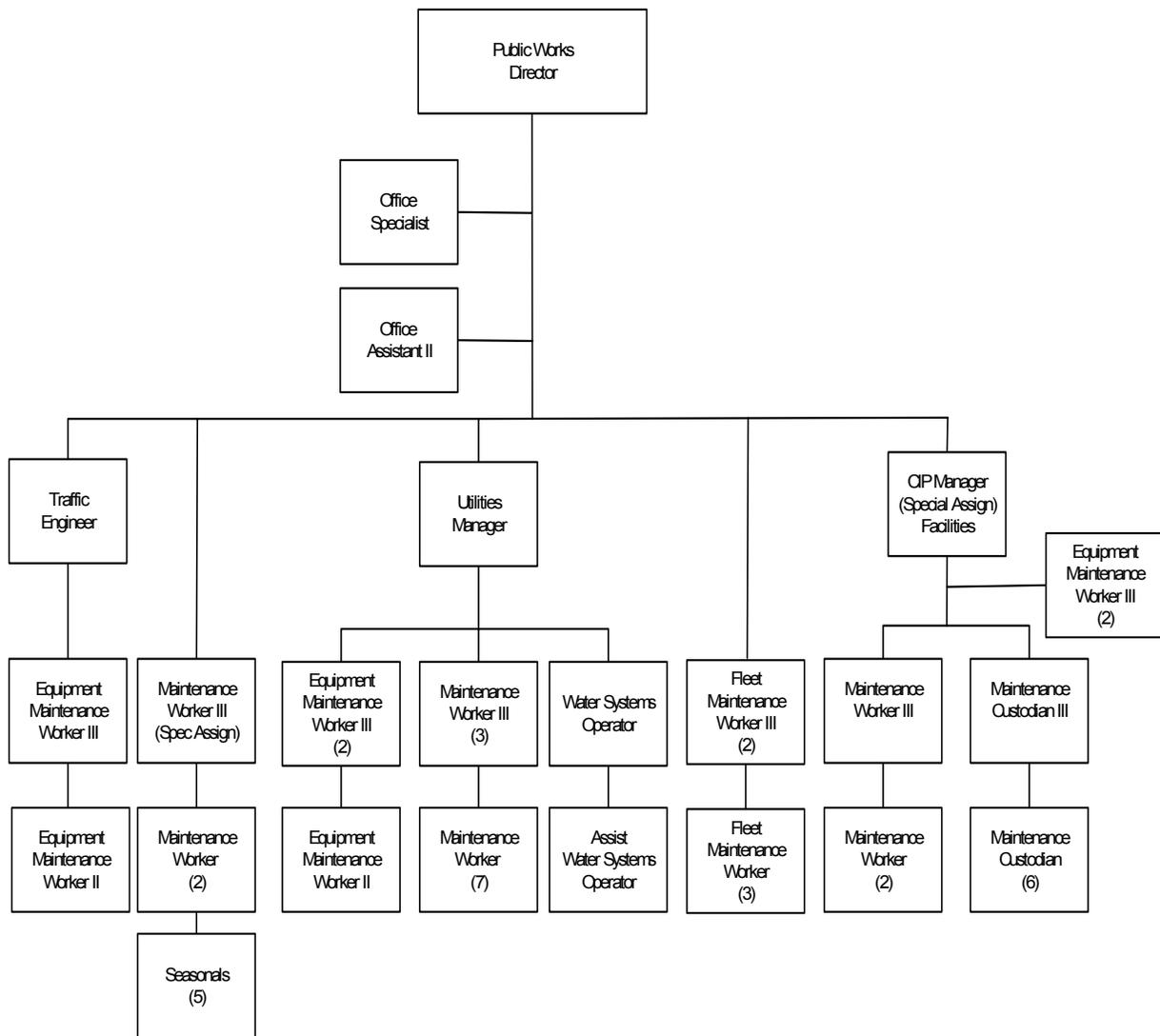
### Mission Statement

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

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

### Functions

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



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

## Services

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



Public Works

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Responded to over 2,280 customer service requests.	x			x	
2. Responded immediately to roadway and park hazards, graffiti abatement, park and emergency utility service requests.	x	x		x	x
3. Conducted cross-training of staff to ensure responsiveness in the events of an emergency.	x	x		x	x
4. Developed a Citywide water quality flushing program.	x	x		x	x
5. Provided safety training to staff to improve efficiency and reduce injuries.	x		x		x
6. Coordinated water system shutdowns for development and BART construction.	x		x	x	x
<b>2014-2015 Goals</b>					
1. Investigate all customer service requests and provide immediate response for urgent/safety related service requests.	x	x		x	x
2. Respond to after hour emergency utility and roadway and park problems within 45 minutes.	x	x		x	x
3. Provide high-level preventative maintenance to protect City's infrastructure asset value.	x	x		x	x
4. Provide safety and job related training to employees.	x		x	x	x
5. Continue effectively managing and integrating outsource maintenance contracts for parks, street landscaping, street trees, and bldg custodial svcs.	x			x	
6. Commence implementation of the Automated Water Meter Reading changeout throughout the City.	x	x	x	x	x
7. Build a trailer with needed equipment and materials to respond to emergency calls.	x				x

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Customer service requests processed	3,500	3,500	2,880	2,280
City street and sidewalk miles maintained	139	139	139	139
Maintain minimum pavement condition Citywide (PCI)	70	70	70	70
City building square footage maintained	376,500	376,500	376,500	376,500
Traffic signals/street lights maintained	72/4,496	72/4,496	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	2,010/670	2,000/400	2,000/400	2,000/400
Average vehicle downtime (hrs.)	3	3	3	2.5

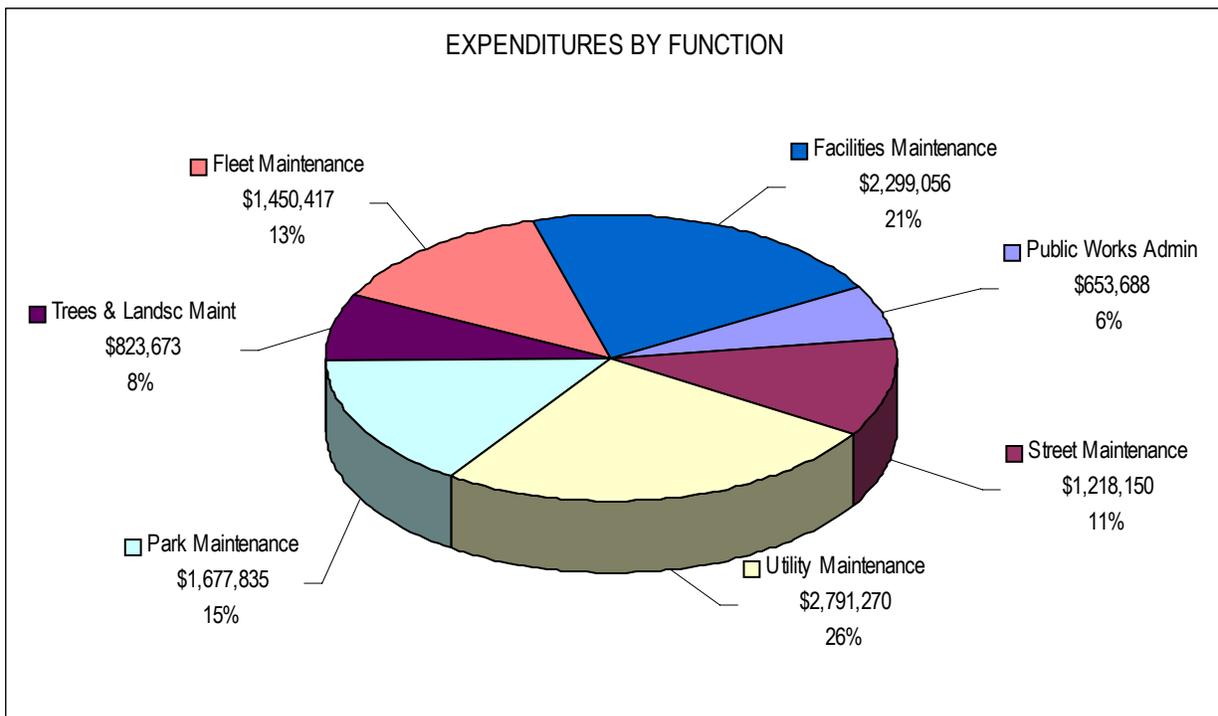
**Personnel Allotment of 95 FTE**

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

Staff Change(s): Re-assign an Office Specialist from the Engineering Division and reclassify Maintenance Work II to Maintenance Worker III.

**Expenditure Analysis**

Personnel Services	Increase due to increased medical premiums, PERS contribution rate, partial restoration of employees' concessions, and Staff Changes mentioned above.
Services and Supplies	Increase mainly attributed to increase in equipment replacement amortization.
Capital Outlay	None



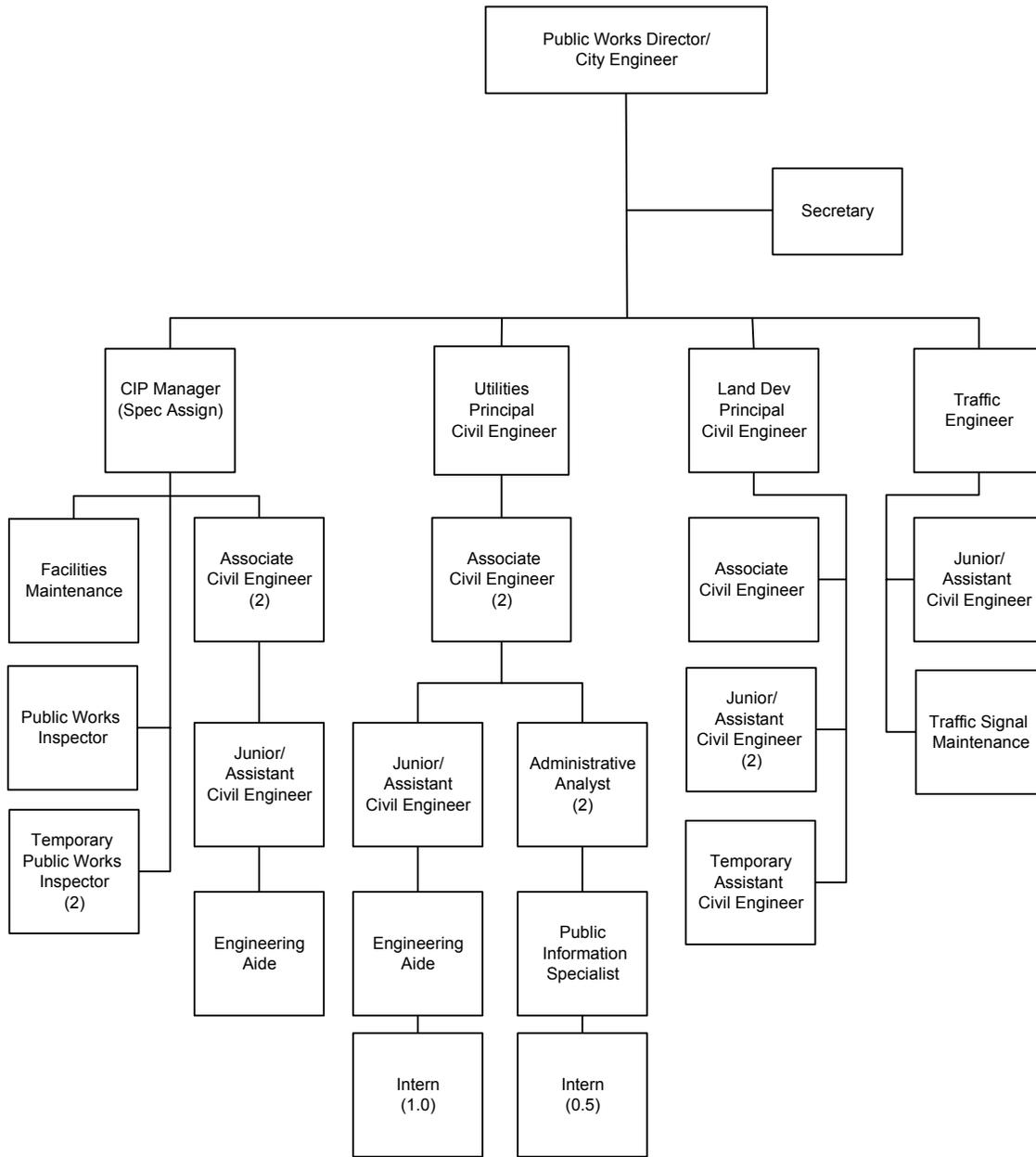
	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	4,382,849	2,511,731	2,791,103	3,097,183
4112 Temporary Salaries	192,538	126,203	148,830	118,850
4113 Overtime	103,992	138,450	106,002	119,002
4121 Allowances	85,783	79,425	88,960	118,960
4124 Leave Cashout	390,766	81,237	0	0
4125 Accrued Leave	(20,365)	(11,791)	0	0
4131 PERS	824,569	493,566	568,364	757,190
4132 Group Insurance	1,215,778	826,157	809,280	908,724
4133 Medicare	69,632	39,706	40,814	44,139
4135 Worker's Compensation	117,410	66,434	98,241	105,236
4138 Deferred Comp-Employer	(55)	0	1,800	1,800
4139 PARS	1,891	751	2,231	1,589
4141 Adjustments-Payroll	615	358	0	0
4161 Retiree Medical Reserve	233,858	125,898	130,746	144,877
sub-total	<u>7,599,261</u>	<u>4,478,125</u>	<u>4,786,371</u>	<u>5,417,550</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	0	0	0	14,000
4211 Equip Replacement Amortization	716,521	395,862	495,085	557,760
4220 Supplies	1,198,814	950,776	1,015,034	1,048,594
4230 Services	1,145,505	3,143,226	3,622,383	3,664,545
4410 Communications	2,035	1,151	1,250	1,390
4420 Utilities	65,367	94,998	102,200	102,200
4501 Memberships and Dues	5,088	1,485	4,850	4,850
4503 Training	20,262	18,127	32,200	33,200
sub-total	<u>3,153,592</u>	<u>4,605,624</u>	<u>5,273,002</u>	<u>5,426,539</u>
<b>CAPITAL OUTLAY</b>				
4850 Vehicles	0	43,227	0	0
4920 Machinery Tools & Equipment	830	16	0	0
4930 Hydrants & Meters	72,380	1,098	110,000	70,000
sub-total	<u>73,210</u>	<u>44,341</u>	<u>110,000</u>	<u>70,000</u>
<b>TOTAL</b>	<u><u>10,826,063</u></u>	<u><u>9,128,091</u></u>	<u><u>10,169,373</u></u>	<u><u>10,914,089</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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DIVISION:	Engineering	PUBLIC WORKS DIRECTOR: Jeff Moneda
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*Description: This division provides professional engineering services for design and construction of public infrastructure which may impact the public right-of-way or the public's use and enjoyment of municipal facilities or services. The division manages the municipal utilities and other services for the community including water, recycled water, sewer, stormwater quality protection, flood control, garbage, and recycling. The Engineering Division coordinates with regional programs such as flood control, water supply, urban runoff, sewer treatment, transportation and recycling programs. The engineering functions are Design & Construction, Land Development, Traffic, and Utilities.*

## Services

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



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Completed construction of the MSC locker rooms improvements and open to the public for use prior to the 4th of July events.	x	x		x	x
2. Approved \$17.69M of public infrastructure improvements.		x		x	x
3. Completed the City's Long Term Trash Reduction Plan.	x	x		x	x
4. Completed Street Resurfacing Project in the Manor Neighborhood.	x	x		x	x
5. Completed the City wide Storm Drain Master Plan & Sewer System Management Plan.	x	x		x	x
6. Completed the tests of 1800 backflow devices in the City.	x	x		x	x
7. Started construction for the Pinewood Park Improvements.	x	x		x	x
8. Design and construction of the 2014 Street Resurfacing projects.	x	x		x	x
<b>2014-2015 Goals</b>					
1. Participate in the VTA/County Montague Expressway widening & VTA/BART South Milpitas Blvd extension projects design & construction team.	x	x		x	x
2. Complete the design for the Marylinn Drive Sewage System replacement.	x	x		x	x
3. Commence discussion and develop a work plan to finance the City's portion of the Water Pollution Control Plant rehabilitation.	x	x		x	x
4. Implement programs to meet State-mandated litter reductions levels.	x	x		x	x
5. Construct a federal funded street resurfacing project (\$1.65M allocated.)		x		x	x
6. Design & construction of the 2015 Street Resurfacing Project.	x	x		x	x
7. Update the Financial Utility Management Plan and implement storm water utility rates.	x	x		x	x

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Contracts Awarded/Value	13/8M	13/5M	8/8M	8/6.5M
Meet all water quality standards for potable water distribution	100%	100%	100%	100%
Achieve solid waste diversion rate goal of at least 50%	65%	65%	65%	65%
Review first submittals of private development plans within 20 working days	95%	95%	80%	85%
Encroachment Permits Processed	197	200	205	190
Development agreements prepared for Council	6	6	6	5
Engineering and traffic surveys	28	20	15	25
Grant applications submitted	10	20	10	10
Projects completed (initial acceptances)	15	11	6	11

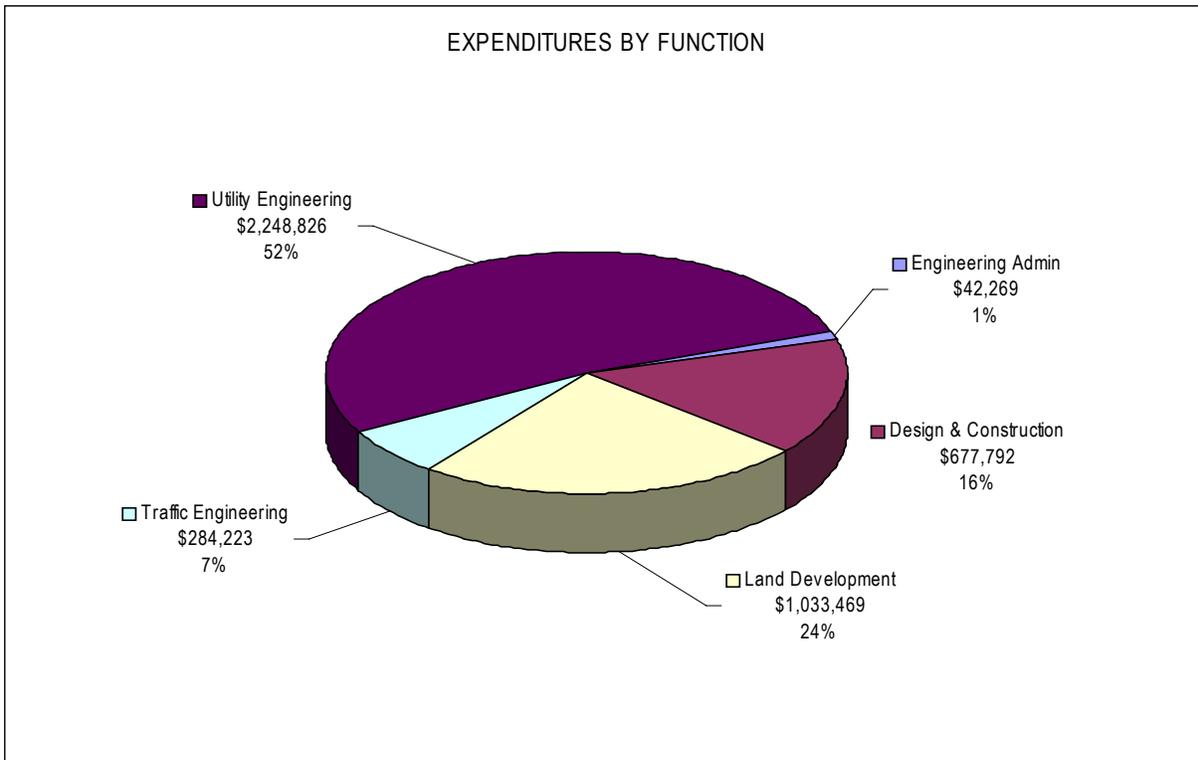
**Personnel Allotment of 36.5 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
City Engineer	1		1	C A D Technician	1		1
Assistant City Engineer	1		1	CIP Manager	1	1	
Administrative Analyst I/II	2	2		Engineering Aide	2	2	
Public Information Specialist	1	1		Sr Public Work Inspector	1		1
Assistant Civil Engineer	8	5	3	Public Work Inspector	4	1	3
Associate Civil Engineer	6	5	1	Secretary	1	1	
Principal Civil Engineer	2	2		Temporary Positions (FTE)	4.5	4.5	
Traffic Engineer	1	1					
				<b>TOTAL</b>	<b>36.5</b>	<b>25.5</b>	<b>11</b>

Staff Change(s): Public Works Inspection re-assigned from Building and Safety.

**Expenditure Analysis**

Personnel Services	Increase due to increased medical premiums, 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



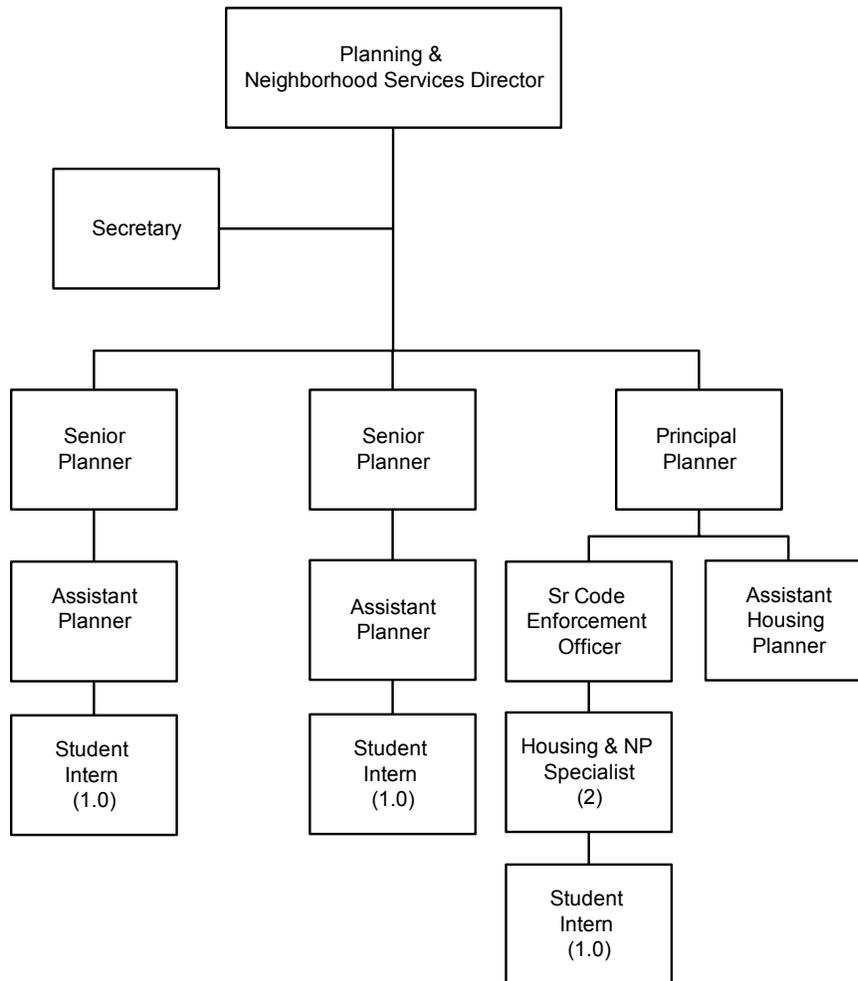
	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,840,470	1,620,945	2,327,068	2,340,750
4112 Temporary Salaries	1,926	15,305	137,382	358,150
4113 Overtime	12,964	3,650	21,900	61,900
4121 Allowances	4,810	4,940	0	0
4124 Leave Cashout	112,565	66,963	0	0
4125 Accrued Leave	18,543	(17,332)	0	0
4131 PERS	141,287	114,872	221,447	389,613
4132 Group Insurance	303,409	283,048	445,109	531,939
4133 Medicare	26,777	23,301	34,334	37,564
4135 Worker's Compensation	7,355	7,363	12,313	16,400
4138 Deferred Comp-Employer	3,524	3,110	7,200	7,200
4139 PARS	29	204	475	2,294
4143 Charged to CIPs	0	0	(589,533)	(870,522)
4161 Retiree Medical Reserve	129,694	105,133	121,083	120,472
sub-total	<u>2,603,352</u>	<u>2,231,502</u>	<u>2,738,778</u>	<u>2,995,760</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	78,157	106,405	152,600	174,700
4211 Equip Replacement Amortization	16,476	14,815	14,788	18,199
4220 Supplies	9,349	5,587	14,850	19,750
4230 Services	745,004	1,221,417	927,730	1,036,030
4410 Communications	0	0	0	240
4501 Memberships and Dues	13,807	14,442	16,705	17,450
4503 Training	2,599	1,901	17,450	24,450
sub-total	<u>865,393</u>	<u>1,364,566</u>	<u>1,144,123</u>	<u>1,290,819</u>
<b>TOTAL</b>	<u><u>3,468,744</u></u>	<u><u>3,596,068</u></u>	<u><u>3,882,901</u></u>	<u><u>4,286,579</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.

### **Functions**

Planning  
Code Enforcement  
Housing



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

**Services**

- Provides Oversight and Maintenance of the General Plan and other specific plans and regulations. Prepares, and assists other departments in preparing special-purpose long range plans and ensures consistency with existing plans. Coordinates with outside agencies and regional planning, environmental, transportation issues and maintains city information on demographics and municipal boundaries.
- Performs and coordinates review of land development applications, oversees implementation of Zoning Ordinance and planning policies and maintains them in compliance with state and federal regulations; conducts environmental review assessments, provides public information on land development regulations and processes.
- Responds to public service requests to ensure residential, commercial and industrial properties are maintained in accordance with city regulations, and administers programs for neighborhood beautification, graffiti abatement, abandoned vehicles, shopping carts and animal control.
- Administers the Community Development Block Grant program, the housing rehabilitation loan program and housing authority.
- Provides staff support to the Planning Commission, Community Advisory Commission, Library Advisory Commission, and Economic Development Commission.
- Assists developers in obtaining planning entitlement permits and coordinates development review from initial submittal to permit approval.
- Implements the Transit Area Specific Plan, and the Mid-Town Specific Plan, and associated fees by one point of contact for the development community, and coordinates all City Departments when reviewing development proposals.
- Provides planning and permit submittal information to the public and responds to code-related questions in person, by telephone, e-mail, through the City’s web site, and on My Milpitas App.
- Provides and updates planning permit submittal requirements, checklists, design guidelines and publications to assist in a streamlined permit application process.
- Facilitates a partnership with California State Polytechnic University San Luis Obispo and San Jose State University through an official student internship program and through urban design studio planning and analysis opportunities within the city.



	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Completed California Circle and Main Street at Serra Vision Study with California Polytechnic University.		x		x	
2. Established new Environmental/CEQA consulting services.		x			x
3. Updated Transit Area Development Impact Fees.		x		x	
4. Established a formal student internship program with Cal Poly San Luis Obispo and San Jose State University.	x		x	x	
5. Revised all Planning services forms, applications and checklists for improved customer service.	x				
6. Completed Housing Element Zoning Ordinance Amendments pursuant to State Law.		x			x
7. Processed over 700 code enforcement service requests and code violations.	x	x			x
8. Managed and administered 1,200 Affordable Housing units for Milpitas Housing Authority.	x	x			
<b>2014-2015 Goals</b>					
1. Foster professional development and cross-training for Staff.	x		x		
2. Improve project review and analysis regarding design review.	x		x		
3. Integrate economic development values into Department.		x			
4. Implement Community Planning fee.		x		x	
5. Develop code enforcement pro-activeness along major transp. corridors.		x			x
6. Completion and Certification of General Plan Housing Element.		x			x
7. Revise the Code Enforcement Procedures and Manual.			x		x
8. Completion of Seismic and Safety Element Zoning Ordinance Amendments for Updated Flood Maps.					x
9. Proactive approach in the elimination of blight and enforcement of neighborhood preservation.		x			x

Performance Measures	Actual 2011-12	Projected 2012-13	Projected 2013-14	Estimated 2014-15
% of Use Permit applications processed within 3 months of being deemed complete	96%	93%	67%	70%
% of Minor Site Development applications processed within 2 months	96%	97%	88%	90%
Planning Division customer contacts	3,643	3,400	3,200	3,200
% of rehabilitation loan recipients rating our service as at least "satisfactory"	93%	100%	100%	100%
Customer service requests/violations abated	725	725	725	750
# of cases in compliance within 30 days of receipt	400	500	500	500
Days to abate graffiti on private property	20	15	15	15
Abandoned vehicles abated on private property	132	160	160	160

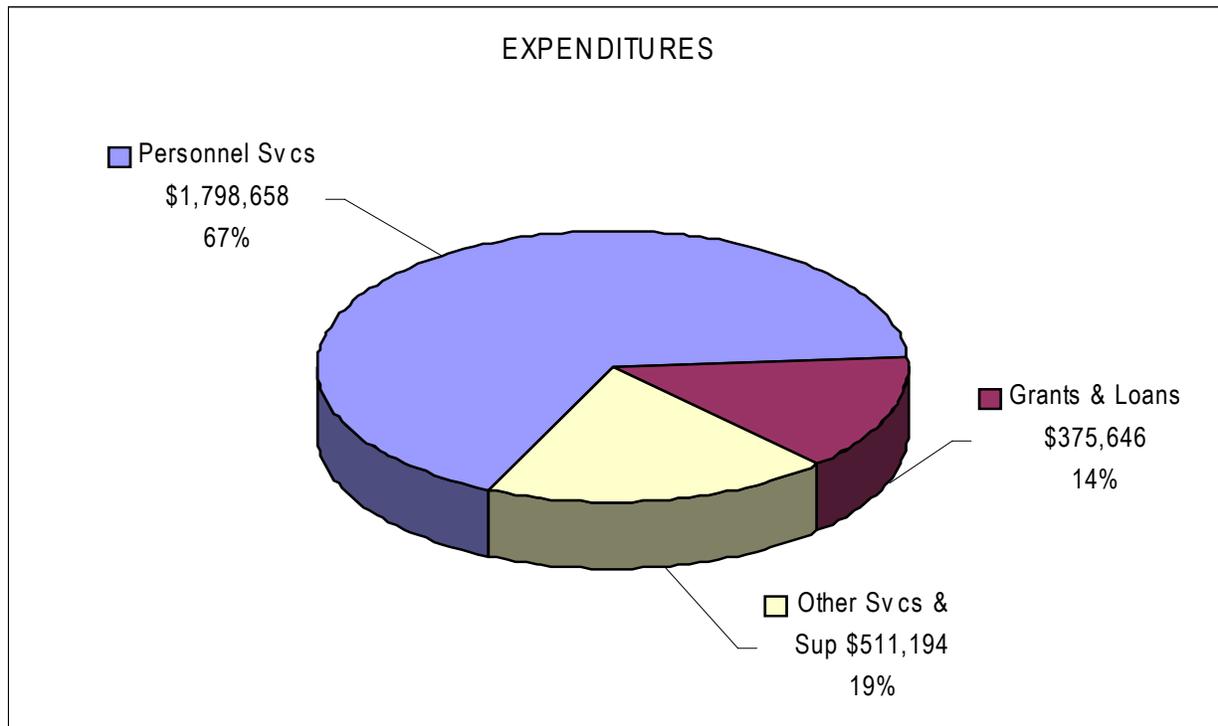
**Personnel Allotment of 21.5 FTE**

Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Planning & Neigh Svcs Dir	1	1		Assistant Housing Planner	1	1	
Assistant Planner	2.5	2	0.5	Housing/Neigh Pres Spec	3	2	1
Associate Planner	2		2	Sr Code Enforcement Officer	1	1	
Planning Manager	1		1	Secretary	1	1	
Senior Planner	2	2		Office Specialist	2		2
Asst Transportation Planner	1		1	Temporary Positions (FTE)	3	3	
Principal Planner	1	1					
<b>TOTAL</b>					<b>21.5</b>	<b>14</b>	<b>7.5</b>

Staff Change(s): Add one Assistant Housing Planner and (2) temporary part-time student interns to assist both Planning and Neighborhoods Services staff.

**Expenditure Analysis**

Personnel Services	Increase due to increased medical premiums, PERS employer contribution rate, and added positions mentioned in Staff Changes above.
Services and Supplies	Increase mainly due to increase in CDBG grants.
Capital Outlay	None



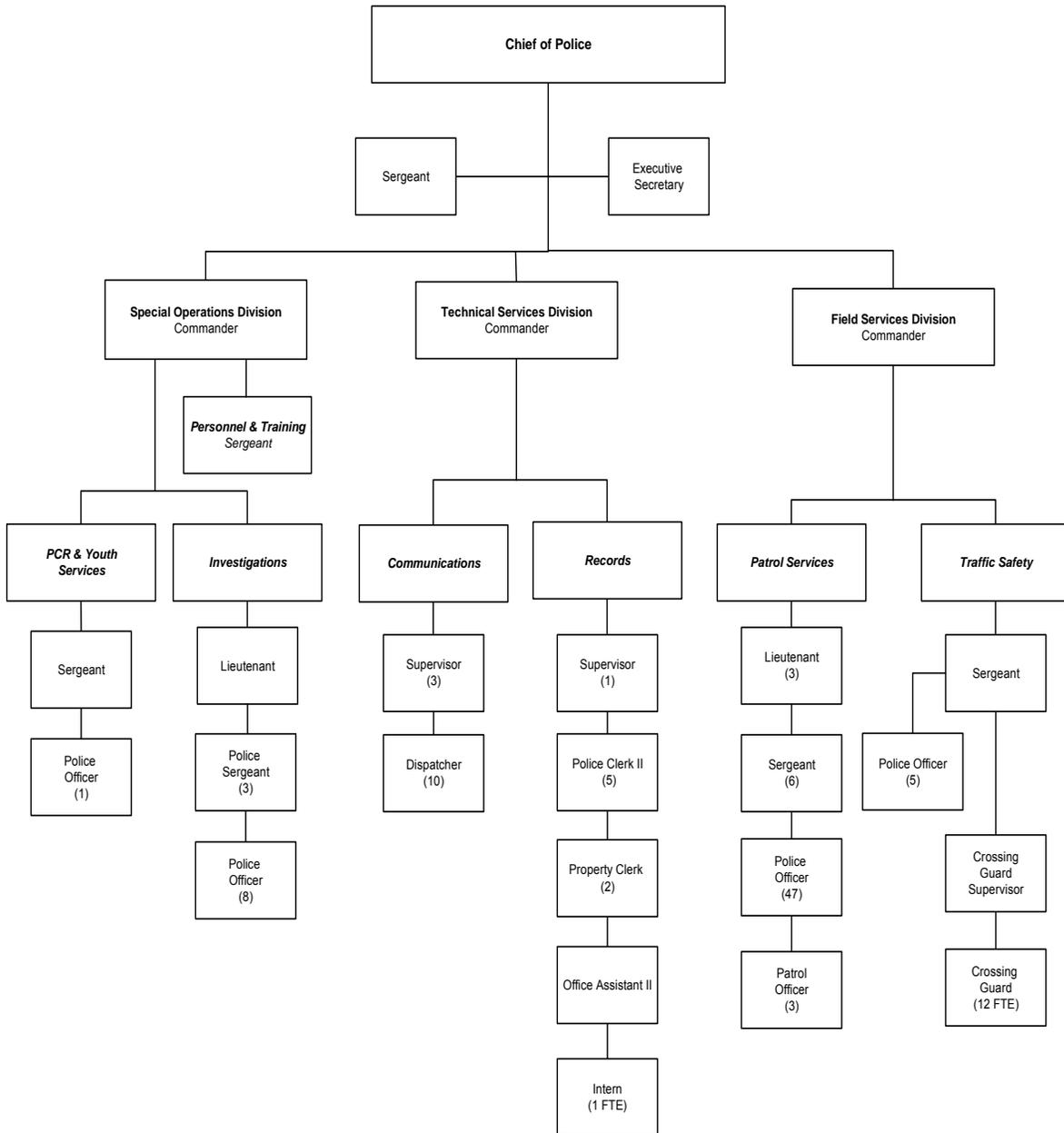
	Actual 2011-12	Actual 2012-13	Budget 2013-14	Proposed 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	1,042,844	903,687	1,067,900	1,190,891
4112 Temporary Salaries	0	11,015	36,774	106,080
4113 Overtime	(522)	315	0	2,500
4121 Allowances	997	900	0	0
4124 Leave Cashout	33,596	13,799	0	0
4131 PERS	74,858	65,952	111,540	164,598
4132 Group Insurance	177,154	150,774	202,320	243,804
4133 Medicare	16,636	13,673	16,096	18,901
4135 Worker's Compensation	4,131	3,507	5,494	6,453
4138 Deferred Comp-Employer	1,601	1,535	3,600	4,500
4139 PARS	0	166	552	1,591
4161 Retiree Medical Reserve	56,346	50,508	53,184	59,340
sub-total	<u>1,407,641</u>	<u>1,215,831</u>	<u>1,497,460</u>	<u>1,798,658</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	430,800	570,699	326,573	375,646
4211 Equip Replacement Amortization	5,900	4,649	8,358	12,076
4220 Supplies	7,413	11,891	11,400	11,400
4230 Services	387,177	517,109	452,938	471,938
4501 Memberships and Dues	375	1,270	2,550	3,055
4503 Training	795	1,215	10,095	12,725
sub-total	<u>832,460</u>	<u>1,106,833</u>	<u>811,914</u>	<u>886,840</u>
<b>TOTAL</b>	<u><u>2,240,101</u></u>	<u><u>2,322,664</u></u>	<u><u>2,309,374</u></u>	<u><u>2,685,498</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.



Police

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Reduced the average emergency response time to 2:31 in FY12-13, to a 13-year-low.	x	x			x
2. Reduced residential burglaries by 23% in 2013.	x	x			x
3. Reduced auto theft by 17% in 2013.	x	x			x
4. Provided supervisory leadership in the AB109 County Task Force addressing post release community supervision (PRCS) population.	x	x	x	x	x
5. Concluded the 15-month investigation of the murder of the 7-11 employee with the arrest of 4 suspects.	x	x			x
<b>2014-2015 Goals</b>					
1. Ensure average response times to emergency calls remain at 3:00 or under	x	x			x
2. Ensure 100% registration by known sex offenders.		x			x
3. Reduce robberies by at least 5%.	x	x			x
4. Maintain our collaborative county-wide approach to crime fighting through participation in relevant county task forces.	x	x	x	x	x

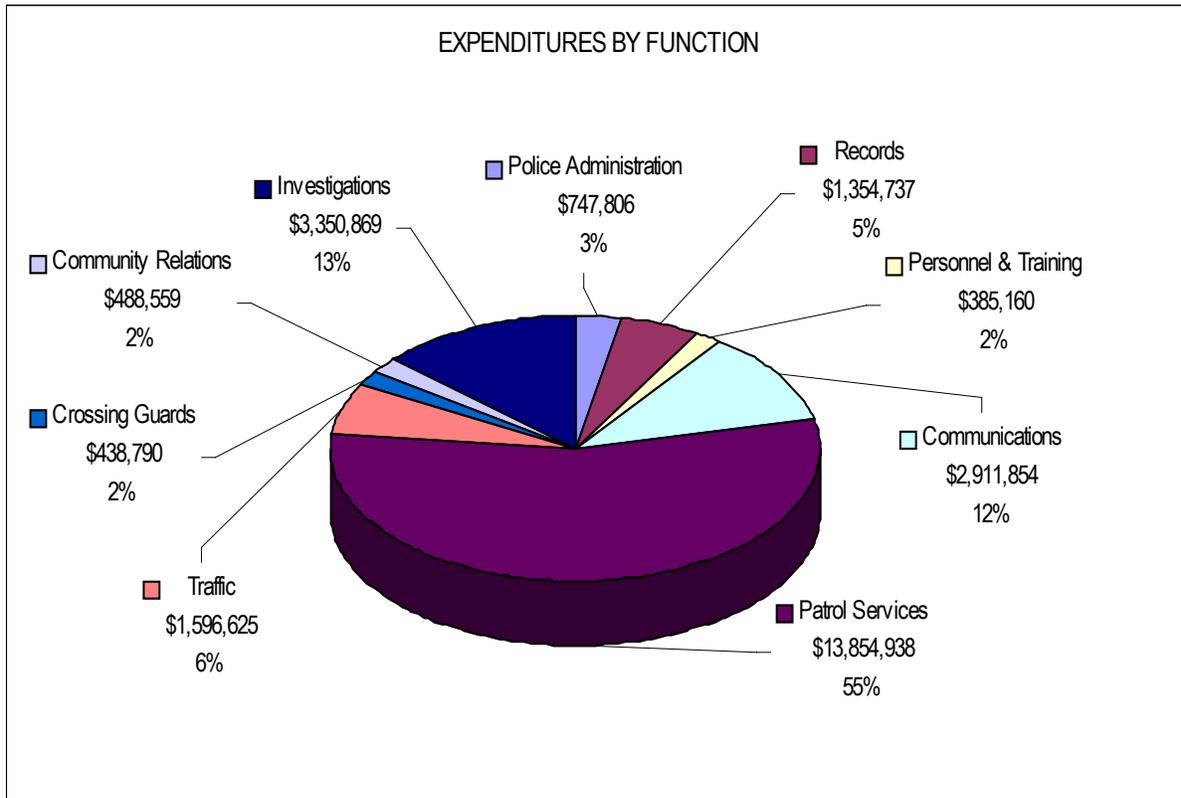
Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Avg. response time to emergency calls (minutes)	2:43	2:31	2:33	2:32
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	99%	97%	97%	97%
Percentage of public requests for report information completed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

Police

Personnel Allotment of 136 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Police Chief	1	1		Police Assistant	1		1
Police Commander	3	3		Police Clerk II	6	5	1
Police Lieutenant	4	4		Police Clerk Supervisor	2	1	1
Patrol Officer	5	3	2	Police Property Clerk	2	2	
Police Officer	67	61	6	Communications Dispatcher	12	10	2
Police Sergeant	13	13		Communications Supervisor	4	3	1
Office Assistant II	1	1		Temporary Positions (FTE)	14	14	
Executive Secretary	1	1					
<b>TOTAL</b>					<b>136</b>	<b>122</b>	<b>14</b>

Staff Change(s): Fund 2 Police Officers and 1 Police Property Clerk.

Expenditure Analysis	
Personnel Services	Increase attributed to elimination of furlough hours; increased funding for three positions; increased medical premiums and increased PERS employer contribution rate.
Services and Supplies	Increased mainly attributed to increase in equipment replacement amortization.
Capital Outlay	Include replacement of ten police vehicles.



	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	12,442,484	11,680,672	13,607,368	13,914,235
4112 Temporary Salaries	247,754	257,938	311,417	449,446
4113 Overtime	556,114	497,806	693,283	693,283
4121 Allowances	136,027	120,584	134,868	141,720
4124 Leave Cashout	686,331	863,116	0	0
4131 PERS	3,527,131	3,322,861	4,180,058	4,619,135
4132 Group Insurance	1,710,074	1,760,898	2,119,248	2,390,688
4133 Medicare	185,957	180,625	200,794	207,346
4135 Worker's Compensation	367,702	386,131	557,061	569,143
4138 Deferred Comp-Employer	4,067	2,795	4,500	4,500
4139 PARS	3,553	3,728	4,409	6,349
4151 Compensation Reduction	0	0	(1,179,571)	0
4161 Retiree Medical Reserve	617,303	588,564	593,090	607,111
sub-total	20,484,496	19,665,716	21,226,525	23,602,956
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4200 Community Promotions, Grants & Loans	3,000	500	500	500
4211 Equip Replacement Amortization	426,874	405,090	414,560	467,197
4220 Supplies	97,610	118,434	143,521	152,521
4230 Services	582,603	665,078	743,150	685,086
4410 Communications	14,400	13,045	24,820	24,820
4501 Memberships and Dues	3,270	3,151	3,333	3,583
4503 Training	40,289	47,613	56,954	77,654
sub-total	1,168,046	1,252,912	1,386,838	1,411,361
<b>CAPITAL OUTLAY</b>				
4850 Vehicles	32,100	13,154	2,740	55,021
4920 Machinery Tools & Equipment	80,581	59,096	60,000	60,000
sub-total	112,681	72,250	62,740	115,021
<b>TOTAL</b>	<b>21,765,223</b>	<b>20,990,878</b>	<b>22,676,103</b>	<b>25,129,338</b>

### 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.

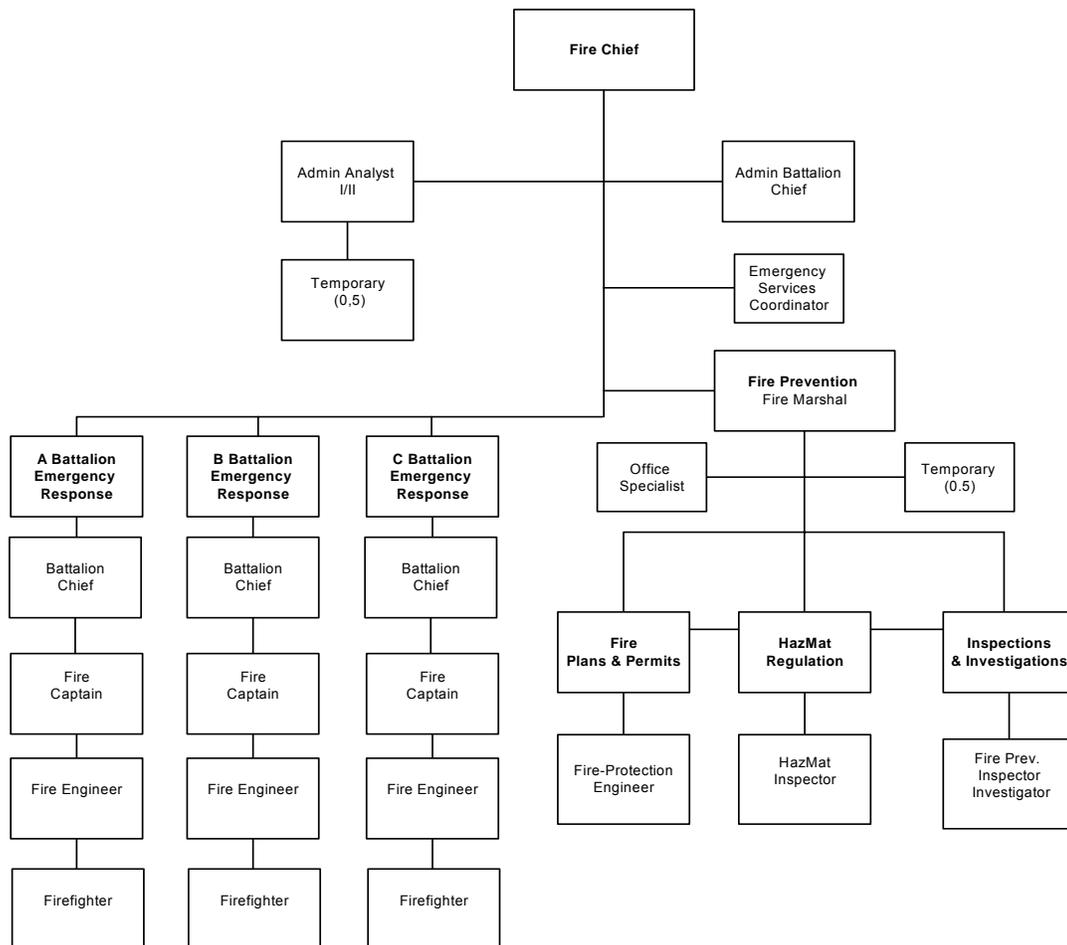
We will diligently work to maintain a high level of public trust and confidence.

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 (Acting)
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*Description:* The Fire Department provides all-hazard full response, preparedness, and prevention services. The Emergency Response Division mitigates emergency incidents, provides safety, training, and Para-medicine compliance. The Fire Prevention Division handles fire plans and permits, hazardous materials regulation, inspections and investigations. The Office of Emergency Services manages disaster preparedness planning, response, mitigation and recovery initiatives.

## Services

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



Fire

	Customer Service	Enhanced Quality of Life	Invest in Employees	Fiscally Responsible	Public Health and Safety
<b>2013-2014 Accomplishments</b>					
1. Responded to 4,838 emergency incidents with an average response time of 4:24 minutes.	x	x			x
2. Certified 555 S.A.F.E.** team members.	x	x			x
3. Conducted 1,180 plan reviews, issued 1,062 approvals/permits, and performed 5,534 inspections.*	x	x		x	x
4. Updated the Fire Department Fee Schedule	x		x	x	
5. Provided public education at over 45 community outreach events	x	x		x	x
<b>2014-2015 Goals</b>					
1. Maintain response time of 5 minutes or less 90% of the time.	x	x			x
2. Reduce firefighter injuries and support with the MFD Safety, Health, and Wellness Program.	x	x	x	x	x
3. Certify an additional 50 S.A.F.E. team members and provide refresher training to 90% of critical Emergency Operations Center staff.	x	x	x	x	x
4. Achieve target turn-around times of plan review/inspections at a rate of 98% or higher.	x	x		x	x
5. Respond to 100% of prevention education requests.	x	x		x	x

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

Performance Measures	Actual 2011-12	Actual 2012-13	Projected 2013-14	Estimated 2014-15
Calls for service & average response times (minutes)	3,776/4:40	4,413/4:19	4,356/4:23	4,789/4:50
Number of trained Disaster Service Workers in the City (new category for 2011)	545	555	580	600
Number of platoon training hours & personnel certified to serve at higher rank	188/23	240/23	275/18	275/22
Number of plan reviews/inspections	671/4,434	933/4,510	807/4,510	910/4,600
Plan reviews/inspections meeting target turn-around times (90%)	98%	98%	98%	98%
Prevention information events	71	53	45	60
Property saved in response to a fire	\$1,843,100	\$2,963,000	\$2,000,000	NA
Fire-caused injuries/deaths	0	0	1*	NA
Work-related injuries	9	11	7*	NA
Volunteer hours	500	500	500	500

\*YTD through January 2014

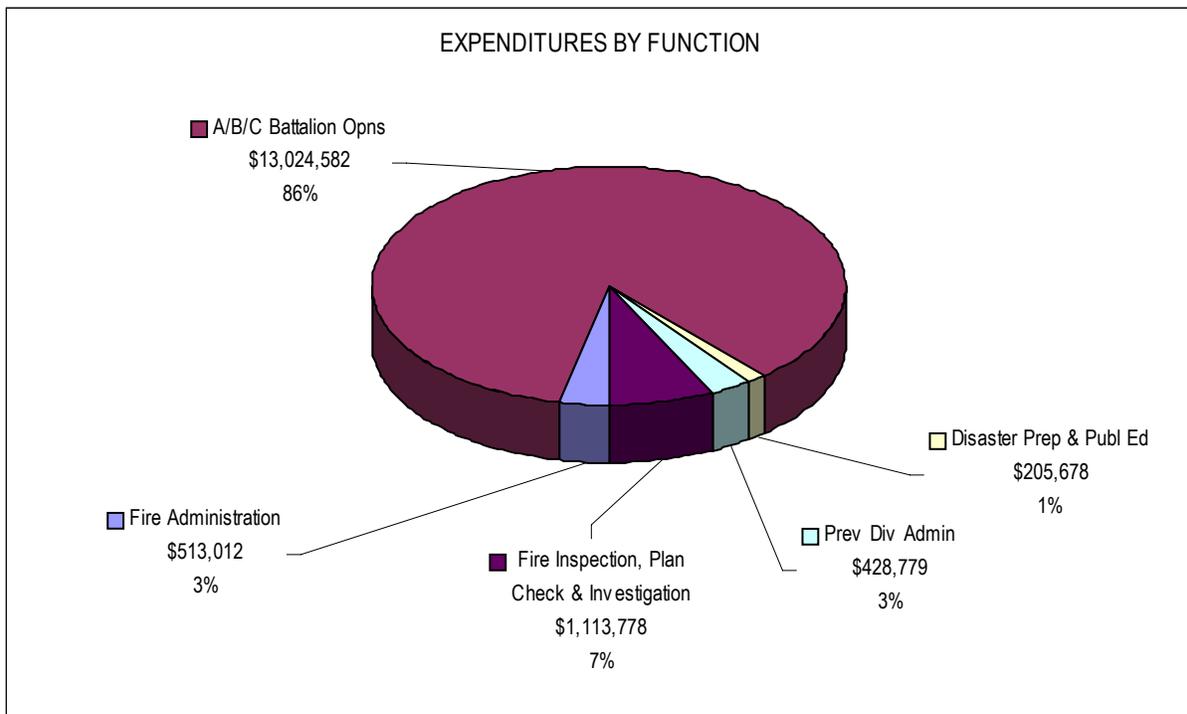
Fire

Personnel Allotment of 81 FTE							
Position	Auth FTE	Funded	Unfunded	Position	Auth FTE	Funded	Unfunded
Fire Chief	1	1		Fire Protection Engineer	2	1	1
Assistant Fire Chief	1		1	Fire Engineer	15	6	9
Fire Marshal	1	1		Firefighter	12	11	
Assistant Fire Marshal	1		1	Firefighter/Paramedic	12	13	
Emerg Svcs Coordinator	1	1		Fire Engineer/Paramedic	6	6	
Fire Battalion Chief	4	4		Office Assistant I/II	1		1
Fire Captain	16	12	4	Office Specialist	1	1	
Fire Prevention Inspector	2	2		Administrative Analyst I/II	1	1	
Hazardous Materials Inspector	3	1	2	Temporary Position (FTE)	1	1	
<b>TOTAL</b>					<b>81</b>	<b>62</b>	<b>19</b>

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

**Expenditure Analysis**

Personnel Services	Increase due to funding for staff changes indicated above, increased medical premium and increased PERS employer contribution rate.
Services and Supplies	Increase mainly attributed to increase in equipment replacement amortization, partially offset by decrease in contractual services for temporary fire prevention inspector.
Capital Outlay	Computer software upgrade.



	Actual 2011-12	Actual 2012-13	Budget 2013-14	Approved 2014-15
<b>PERSONNEL SERVICES</b>				
4111 Permanent Salaries	7,688,587	7,914,836	7,818,179	8,163,476
4112 Temporary Salaries	22,952	21,742	38,985	38,985
4113 Overtime	1,586,945	1,553,908	670,000	720,800
4121 Allowances	59,576	58,137	56,772	57,768
4124 Leave Cashout	209,931	765,615	0	0
4131 PERS	1,781,960	1,829,901	1,987,271	2,265,024
4132 Group Insurance	1,077,539	1,259,687	1,169,460	1,307,460
4133 Medicare	128,107	127,337	105,998	110,391
4135 Worker's Compensation	240,113	259,602	344,227	358,078
4138 Deferred Comp-Employer	38,456	39,345	37,800	38,400
4139 PARS	344	326	585	225
4161 Retiree Medical Reserve	390,411	382,940	355,951	370,318
sub-total	<u>13,224,920</u>	<u>14,213,377</u>	<u>12,585,228</u>	<u>13,430,925</u>
<b>SUPPLIES AND CONTRACTUAL SERVICES</b>				
4211 Equip Replacement Amortization	874,403	605,307	932,673	1,120,131
4220 Supplies	208,335	136,737	352,370	326,600
4230 Services	218,591	343,336	391,680	334,020
4410 Communications	1,513	102	0	0
4501 Memberships and Dues	6,856	3,746	9,694	13,515
4503 Training	27,126	19,883	64,308	50,638
sub-total	<u>1,336,824</u>	<u>1,109,110</u>	<u>1,750,725</u>	<u>1,844,904</u>
<b>CAPITAL OUTLAY</b>				
4920 Machinery Tools & Equipment	0	97,237	10,000	10,000
sub-total	<u>0</u>	<u>97,237</u>	<u>10,000</u>	<u>10,000</u>
<b>TOTAL</b>	<u><u>14,561,743</u></u>	<u><u>15,419,724</u></u>	<u><u>14,345,953</u></u>	<u><u>15,285,829</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:** \$4,230,000 will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

**Services and Supplies:** \$5,700,000 is for Treatment Plant fees; \$3,043,500 is for gas, electric water and solid waste utilities; and \$13,330,000 is for water purchases. A total of \$45,000 is reflected in this function for citywide tuition reimbursement, computer training and personnel training. The City's insurance premium with ABAG is projected to be \$540,000 for the 2014-15 fiscal year.

**Debt Service:** \$685,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system.

**Equipment Replacement:** \$386,617 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

Non-Departmental

	100 General Fund	150 RDA Admin	102 Measure I TOT	211/237 H-H Lease CFD
<b>PERSONNEL SERVICES</b>				
4124 Leave Cashout	655,000	0	0	0
4132 Group Insurance	45,000	0	0	0
4136 Unemployment	135,000	0	0	0
4137 MOU Contractual Agreements	503,800	0	0	0
4139 PARS	9,000	0	0	0
4141 Adjustments-Payroll	1,076,000	0	0	0
4161 Retiree Medical Reserve	1,328,000	0	0	0
sub-total	<u>3,751,800</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>SUPPLIES &amp; CONTRACTUAL SERVICES</b>				
4205 Miscellaneous Grants	0	0	0	0
4220 Supplies	8,000	0	0	0
4237 Contractual Services	26,800	30,000	0	8,000
4239 Audit Fees	52,000	11,000	0	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	0	0	0	36,000
4253 ABAG Attorney's Fees	22,000	0	0	0
4254 ABAG Settlements	75,000	0	0	0
4421 Utilities-Gas	181,500	500	0	0
4422 Utilities-Electric	1,249,100	4,900	40,000	0
4423 Utilities-Water	715,300	2,000	15,000	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4426 Utilities - Solid Waste	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	13,000	0	0	0
4509 Tuition Reimbursement	24,000	0	0	0
4600 Insurance & Settlements	334,500	47,000	0	0
4610 Uncollectible Accounts	31,000	0	0	0
4640 Contingent Reserve	350,000	0	0	0
sub-total	<u>3,082,200</u>	<u>95,400</u>	<u>55,000</u>	<u>44,000</u>
<b>DEBT SERVICE</b>				
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>
<b>CAPITAL OUTLAY</b>				
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>
<b>TOTAL</b>	<u><u>6,834,000</u></u>	<u><u>95,400</u></u>	<u><u>55,000</u></u>	<u><u>44,000</u></u>

Non-Departmental

213/250 Public Art HCD Fund	280 Solid Waste Fund	295 Housing Authority	400 Water Fund	450 Sewer Fund	500 Equipment Replacement	Approved 2014-15
0	0	0	25,000	20,000	0	700,000
0	0	0	2,500	2,500	0	50,000
0	0	0	7,500	7,500	0	150,000
0	0	0	28,100	28,100	0	560,000
0	0	0	500	500	0	10,000
0	3,500	0	45,500	35,000	0	1,160,000
0	0	0	160,000	112,000	0	1,600,000
<u>0</u>	<u>3,500</u>	<u>0</u>	<u>269,100</u>	<u>205,600</u>	<u>0</u>	<u>4,230,000</u>
0	0	500,000	0	0	0	500,000
0	0	0	500	500	0	9,000
101,200	0	157,000	1,600	6,600	0	331,200
6,000	0	0	21,000	10,000	0	100,000
0	0	20,000	0	0	0	20,000
0	0	0	0	0	0	36,000
0	0	0	8,000	30,000	0	60,000
0	0	0	20,000	70,000	0	165,000
0	2,000	0	8,000	8,000	0	200,000
0	20,000	0	490,000	196,000	0	2,000,000
0	8,000	5,500	73,400	16,300	0	835,500
0	0	0	9,950,000	0	0	9,950,000
0	0	0	2,765,000	0	0	2,765,000
0	0	8,000	0	0	0	8,000
0	0	0	615,000	0	0	615,000
0	0	0	0	5,700,000	0	5,700,000
0	0	0	1,000	1,000	0	15,000
0	0	0	3,000	3,000	0	30,000
0	0	0	29,000	88,500	41,000	540,000
0	0	0	37,000	37,000	0	105,000
0	0	0	0	0	0	350,000
<u>107,200</u>	<u>30,000</u>	<u>690,500</u>	<u>14,022,500</u>	<u>6,166,900</u>	<u>41,000</u>	<u>24,334,700</u>
0	0	0	0	420,000	0	420,000
0	0	0	0	265,000	0	265,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>685,000</u>	<u>0</u>	<u>685,000</u>
0	0	0	0	0	308,310	308,310
0	0	0	0	0	78,307	78,307
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>386,617</u>	<u>386,617</u>
<u>107,200</u>	<u>33,500</u>	<u>690,500</u>	<u>14,291,600</u>	<u>7,057,500</u>	<u>427,617</u>	<u>29,636,317</u>

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**City of Milpitas**  
**2014-19 CAPITAL IMPROVEMENT PROGRAM**  
**GRAND SUMMARY**

<b>Project Expenses</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Community Improvement	1,020,000	2,025,000	2,380,000	1,100,000	600,000	7,125,000
Park Improvement	2,250,000	1,300,000	9,050,000	7,400,000	10,200,000	30,200,000
Streets	4,608,000	9,043,280	5,359,000	4,660,000	4,760,000	28,430,280
Water	1,775,000	11,745,000	5,915,000	3,670,000	3,795,000	26,900,000
Sewer Improvement	5,015,000	8,015,000	7,665,000	6,730,000	6,035,000	33,460,000
Storm Drain Improvement	760,000	1,950,000	2,850,000	5,130,000	2,870,000	13,560,000
<b>Total</b>	<b>15,428,000</b>	<b>34,078,280</b>	<b>33,219,000</b>	<b>28,690,000</b>	<b>28,260,000</b>	<b>139,675,280</b>

<b>Finance Sources</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
1997 RDA Tax Allocation Bonds	0	520,748	0	0	0	520,748
Gas Tax Fund	1,554,985	1,650,000	1,400,000	1,400,000	1,340,000	7,344,985
2003 RDA Tax Allocation Bonds	0	3,463,532	0	0	0	3,463,532
General Government CIP Fund	335,000	1,725,000	1,300,000	1,500,000	1,500,000	6,360,000
Grants/Reimbursement/Developer Fe	160,015	0	0	0	160,000	320,015
Midtown Park Fund	1,300,000	300,000	3,000,000	275,000	3,100,000	7,975,000
Park Fund	1,550,000	400,000	700,000	1,375,000	3,100,000	7,125,000
Sewer Fund	3,740,000	3,015,000	2,665,000	3,230,000	3,535,000	16,185,000
Sewer Infrastructure Fund	1,500,000	2,000,000	500,000	500,000	0	4,500,000
Sewer Treatment Fund	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	12,500,000
Street Fund	435,000	0	0	0	0	435,000
Water Fund	2,650,000	4,145,000	5,745,000	2,720,000	1,295,000	16,555,000
Water Line Extension Fund	350,000	0	70,000	350,000	1,000,000	1,770,000
Storm Drain Fund	525,000	250,000	0	200,000	0	975,000
Equipment Replacement Fund	170,000	0	180,000	0	0	350,000
Unidentified Funding	0	5,400,000	13,750,000	10,680,000	8,770,000	38,600,000
Traffic Impact Fees	50,000	150,000	350,000	0	0	550,000
Water Infrastructure Fund	0	0	100,000	0	0	100,000
TASP Impact Fees	(3,500,000)	7,600,000	0	3,000,000	1,000,000	8,100,000
Transient Occupancy Tax (TOT)	1,750,000	600,000	600,000	600,000	600,000	4,150,000
LLMD	58,000	59,000	59,000	60,000	60,000	296,000
Vehicle Registration Fee	300,000	300,000	300,000	300,000	300,000	1,500,000
<b>Total</b>	<b>15,428,000</b>	<b>34,078,280</b>	<b>33,219,000</b>	<b>28,690,000</b>	<b>28,260,000</b>	<b>139,675,280</b>

**NOTES**

- (a) This year's CIP includes \$6.5 Mil. for the City's portion of improvements to the SJ/SC wastewater treatment plant.
- (b) "Other" are identified on the detailed project sheets.
- (c) Grants are identified on the detailed project sheets.

**COMMUNITY IMPROVEMENT PROJECTS**

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

**Project Number-Name**

Description

Operating Budget Impact

**3406-City Facilities Improvements**

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

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

**3408-MSC Facility Improvements**

This project provides for various improvements to the Milpitas Sports Center facility. The work includes resurfacing the plaster at the three swimming pools and replacement of tile work, lane lines, and other pool elements. The project will reconstruct the Men's and Women's showers/restroom area, replace the locker room flooring and other code related upgrades to the facility.

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

**3413-2015 Finance System Upgrade**

This project provides upgrades to keep our Financial system up to date. It is essential that the system be current in order to utilize technology efficiently and effectively. This major system includes General Ledger, Accounts Payable, Cash Collection, Payroll/ Human Resources, Job Costing and Purchase Order. In addition, the Finance system also manages Budget Preparation, Business License, Investment Software and Fixed Asset systems.

**Operating Budget Impact:** None.

COMMUNITY IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
331-3406	City Facilities Improvements	\$ 250,000
331-3408	MSC Facility Improvements	600,000
331-3413 *	2015 Finance System Upgrade	170,000
	TOTAL COST	<u>\$ 1,020,000</u>

AVAILABLE FINANCING SOURCE:

Measure I TOT Fund	\$ 150,000
Equipment Replacement Fund	170,000
General Government Fund	100,000
Park Fund	300,000
Midtown Park Fund	300,000
TOTAL AVAILABLE	<u>\$ 1,020,000</u>

NOTE: Asterisk (\*) indicates new projects.

## PARK IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

### 5097-Higuera Adobe Park Picnic & Playground Renovation

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

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

### 5098-Park Irrigation System Repair Improvement 2014

This project provides for the repair and replacement of park irrigation systems and related equipment in City Parks. The City has over 25 parks through out the City, and many of these parks have irrigation systems that are over 40 years old. These older systems are inefficient and leak, and there are some that are no longer operational. Irrigation systems that do operate require a significant amount of maintenance to fix continuous line breaks or to adjust worn parts.

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

### 5099-Park Renovation Project 2015

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

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

### 5100-Sports Center Skate Park & Fields

This project provides for the design and construction of a new skate park to be tentatively located at the Milpitas Sports Complex near the existing football field. The first phase of the improvements would include a 12,000 sq. ft. skate structure, lighting, landscaping, drainage, hardscape and amenities. The second phase of the project would include reconfiguring the existing track and football field into a U-13 soccer field and football field and modifying the existing stadium lighting and bleaches to accommodate the relocated fields.

**Operating Budget Impact:** New skate park would increase operating and maintenance costs. The estimated impact to the Public Works Department's operating budget is approximately \$150,000 annually. This amount does not include Recreation Services staffing at the park as operational structure has not been determined at this time.

PARK IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
321-5097	Higuera Adobe Park Picnic & Playground Renovation	\$ 1,700,000
321-5098	Park Irrigation System Repair & Improvement 2014	150,000
321-5099 *	Park Renovation Project 2015	300,000
321-5100 *	Sports Center Skate Park & Fields	100,000
	TOTAL COST	<u>\$ 2,250,000</u>

AVAILABLE FINANCING SOURCE:

Park Fund	\$ 1,250,000
Midtown Park Fund	<u>1,000,000</u>
TOTAL AVAILABLE	<u>\$ 2,250,000</u>

NOTE: Asterisk (\*) indicates new projects.

## STREET IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

### 3402-McCarthy Boulevard Landscape & Lighting Improvements

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

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

### 3411-Sinclair LMD Improvements

This project provides for design and construction of landscape and irrigation system renovation of 98-1 Lighting and Maintenance District, surrounding the Sinclair Horizon Development. This project will also include lighting and other related improvements.

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

### 4267-Soundwall Renovations

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

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

### 4275-Street Resurfacing Project 2015

This project provides for a variety of pavement resurfacing treatments, from slurry seal to major rehabilitation and reconstruction. Streets are selected for improvements based on the City's Pavement Management System to optimize the pavement condition based on available the budget. There are currently over 123 centerline miles of streets that are owned and maintained by the City. This project will also include citywide replacement of existing curb, gutter and sidewalk, installation of ADA ramps and implementation of Class II bike lanes and Class III bike route facilities as described in the 2009 updated City of Milpitas Bikeway Master Plan.

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

STREET IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	APPROVED
331-3402	McCarthy Boulevard. Landscape & Lighting Improvements	\$ 45,000
331-3411	Sinclair LMD Improvements	13,000
311-4267	Soundwall Renovations	300,000
311-4275 *	Street Resurfacing Project 2015	<u>4,250,000</u>
	TOTAL COST	<u>\$ 4,608,000</u>

AVAILABLE FINANCING SOURCE

Measure I TOT Fund	\$ 1,600,000
Gas Tax Fund	1,554,985
LLMD 95-1	45,000
LLMD 98-1	13,000
Street Fund	435,000
Vehicle Registration Fee Fund	300,000
Traffic Impact Fee Fund	50,000
Water Fund	225,000
Sewer Fund	225,000
State Grant	<u>160,015</u>
TOTAL AVAILABLE	<u>\$ 4,608,000</u>

NOTE: Asterisk (\*) indicates new projects.

## WATER IMPROVEMENT PROJECTS

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

### Project Number-Name

Description

Operating Budget Impact

#### 2003-TASP Recycled Water Line Extension

This project constructs new 8-inch diameter water lines in the Transit Area Specific Plan. The first phase will include South Milpitas Boulevard, south of Gibraltar; McCandless Drive between Penitencia Creek and Montague; and along Trade Zone.

Operating Budget Impact: None.

#### 7100-Water System Seismic Improvements

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

Operating Budget Impact: None.

#### 7118-Dempsey Road Water Line Replacement

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

Operating Budget Impact: None.

#### 7119-Sunnyhills Turnout Pressure Reducing Valve

This project involves the installation of a pressure reducing valve at the Sunnyhills Turnout.

Operating Budget Impact: None.

#### 7121-Automated Water Meter Replacement

A Citywide 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: This project is expected to increase accurate readings which in turn reduce lost revenue. In addition, Meter Readers' trips are expected to be reduced. However, cost savings amount has not been determined at this time.

#### 7122-Daniel Court Water Service Replacement

This project will replace approximately 1,300 feet of 4-inch cast iron water services with 4-inch PVC services on Daniel Court (east and west of N. Park Victoria).

Operating Budget Impact: None.

#### 7123-Minor Water Projects 2015

This ongoing project involves the analysis and implementation of various water projects which arise during the year. This project also provides for ongoing modifications and improvements to existing water system including enhancing security at various water facilities. This project provides for the design and construction of site improvements including paint tank reservoir, landscape restoration and other related improvements, approximately 8,000 sq ft of pavement resurfacing at the Minnis Reservoir site.

Operating Budget Impact: None.

#### 7124-Water System Air Relief Modifications 2015

This project retrofits existing air relief valves which are currently located below ground level to vaults above ground level. This work is mandated by the California Department of Public Health, under State Code, Title 22, Chapter 16. The purpose of placing valves above ground is to eliminate the possibility of water system contamination by backflow into valves during flooding.

Operating Budget Impact: None.

WATER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
351-2003	TASP Recycled Water Line Extension (defunding)	\$ (1,000,000)
401-7100	Water System Seismic Improvements (defunding)	(2,000,000)
401-7118	Dempsey Road Water Line Replacement	2,000,000
401-7119	Sunnyhills Turnout Pressure Reducing Valve	500,000
401-7121 *	Automated Water Meter Replacement	1,295,000
401-7122 *	Daniel Court Water Service Replacement	525,000
401-7123 *	Minor Water Projects 2015	105,000
401-7124 *	Water System Air Relief Modifications 2015	350,000
	TOTAL COST	\$ <u>1,775,000</u>

AVAILABLE FINANCING SOURCE:

Transit Area Specific Plan Fund	\$ (1,000,000)
Water Fund	2,425,000
Water Line Extension Fund	350,000
TOTAL AVAILABLE	\$ <u>1,775,000</u>

NOTE: Asterisk (\*) indicates new projects.

## SEWER IMPROVEMENT PROJECTS

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

### Project Number-Name

Description

Operating Budget Impact

#### 6115-Sewer System Replacement 11-12

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

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

#### 6116-Sewer System Replacement 12-13

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

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

#### 6117-TASP Sewer Line Replacement

This project constructs sewer pipeline upgrade projects 11A-D as described in the 2009 Sewer Master Plan: Project 11A: South Main, North of Great Mall Parkway Project 11B: Great Mall Parkway between south Main and Montague Expressway Project 11C: Montague Expressway Project 11D South Main Street, South of Great Mall Parkway.

Operating Budget Impact: None.

#### 6118-San Jose Water Pollution Control Plant Improvements

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

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

#### 6119-CCTV Sanitary Sewer

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

Operating Budget Impact: None.

#### 6120-Minor Sewer Projects

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

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

SEWER IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
451-6115	Sewer System Replacement 11-12	\$ 250,000
451-6116	Sewer System Replacement 12-13	250,000
451-6117	TASP Sewer Line Replacement (defunding)	(2,500,000)
451-6118	San Jose Water Pollution Control Plant Improvements	6,500,000
451-6119 *	CCTV Sanitary Sewer	165,000
451-6120 *	Minor Sewer Projects 2015	<u>350,000</u>
	TOTAL COST	<u>\$ 5,015,000</u>

AVAILABLE FINANCING SOURCE:

Sewer Fund	\$ 3,515,000
Sewer Infrastructure Fund	<u>1,500,000</u>
TOTAL AVAILABLE	<u>\$ 5,015,000</u>

NOTE: Asterisk (\*) indicates new projects.

## STORM DRAIN IMPROVEMENT PROJECTS

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

Project Number-Name

Description

Operating Budget Impact

### 3706-Minor Storm Drain Projects

This project involves the ongoing analysis and implementation of various minor modifications and improvements to the existing storm drain system. The scope also includes storm drain studies, minor related improvements and regional storm drain fees.

Operating Budget Impact: None.

### 3709-Dempsey Road Storm Drain Replacement

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

Operating Budget Impact: None.

### 3710-Penitencia Pump Station Improvements

This project provides a complete reconstruction of the pump station and wet well, work scope includes: replacement of three diesel engines and pump assemblies, electric jockey pump, station controls and electrical system upgrades. The station is located at Hall Park and provides drainage for approximately 215 acres of residential area (Manor neighborhood.)

Operating Budget Impact: The improvements are expected to reduce operations and maintenance costs. However, Engineering estimate has not been completed, as such amount is unknown at this time.

STORM DRAIN IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>
341-3706	Minor Storm Drain Projects 2011-12	\$ 110,000
341-3709 *	Dempsey Road Storm Drain Replacement	400,000
341-3710 *	Penitencia Pump Station Improvements	<u>250,000</u>
	TOTAL COST	\$ <u><u>760,000</u></u>

AVAILABLE FINANCING SOURCE:

General Government CIP Fund	\$ 235,000
Storm Drain Fund	<u>525,000</u>
TOTAL AVAILABLE	\$ <u><u>760,000</u></u>

NOTE: Asterisk (\*) indicates new projects.

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## Budget and Budgetary Accounting

### What is the City Budget?

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

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

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

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

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

### What are "Funds"?

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

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

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

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

### **How is the Operating Budget Prepared?**

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

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

### How is the Capital Improvement Program Budget Prepared?

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

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

CIP projects are submitted to the Planning Commission to ensure the CIP projects are in conformance with the General Plan.

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

#### Budgets and Budgetary Accounting

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

The City adopts an annual Operating Budget and Financial Plan on or before June 30<sup>th</sup> 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 results from the study were applied to the FY 14-15 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by function for FY 14-15 can be found on pages 94-95 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](mailto:webmaster@ci.milpitas.ca.gov).

## Fund Descriptions

The basic accounting and reporting entity for a City is a fund. A fund is “an independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created”. Funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds used in government are classified into three broad categories: governmental, proprietary and fiduciary. Governmental funds include activities usually associated with a typical state or local government’s operations (public safety, general government activities, etc.). Proprietary funds are used in governments to account for activities often found in the private sector (utilities, stadiums, and golf courses are prime examples). Trust and Agency funds are utilized in situations where the government is acting in a fiduciary capacity as a trustee or agent. The various funds are grouped in fund types and categories as follows:

### **Governmental Funds**

Government Funds include activities usually associated with the governmental entities’ operations (police, fire and general government functions).

**General Fund** -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are sales taxes, property taxes, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for general government activities, public safety, most street work and the other services described above.

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

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

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas’ citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City’s share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **2005 Community Facility District Fund** - was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services.
- **2008 Community Facility District Fund** - was established to account for special taxes collected within the district to provide public services in the Transit Area.
- **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.

**Appendix** List of Funds

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100	General Fund	311	Street CIP
100	General	312	Traffic Impact Fees
101	Redevelopment Property Tax Trust Fund	314	Vehicle Registration Fee
102	Measure I TOT	320	Park Improvement
104	Cable Rebate	321	Park Improvement CIP
105	Abandoned Vehicle Abatement	322	Midtown Park Fee
120	Browning Ferris Holding	330	General Government
130	Private Job Developer Deposits	331	General Government CIP
140	Housing Activities	340	Storm Drain Development
150	Redevelopment Activities	341	Storm Drain CIP
160	1432-1446 S.Main Street Properties	350	Transit Area Impact Fee
		351	Transit Area CIP
200	Special Revenue Funds	390	Redevelopment Project
211	Hetchy-Hetchy Ground Lease	391	Redevelopment CIP
212	Public Art-Restricted	392	1997 RDA Tax Allocation Bonds CIP
213	Public Art-Nonrestricted	395	2003 RDA Tax Allocation Bonds CIP
221	Gas Tax		
235	95-1 Lighting and Landscape Maint. District	400	Enterprise Funds
236	98-1 Lighting and Landscape Maint. District	400	Water Maintenance and Operation
237	2005 Community Facility District	401	Water CIP
238	2008 Community Facility District	402	Water Line Extension
250	Housing and Community Development	405	Water Infrastructure Replacement
251	Housing and Community Dev Loan	450	Sewer Maintenance and Operation
261	Supplemental Law Enforcement Services	451	Sewer CIP
262	State Asset Seizure	452	Treatment Plant Construction
263	Federal Asset Seizure	453	Sewer 2006 COPS
267	Justice Assistance Grant	455	Sewer Infrastructure Replacement
280	Solid Waste Services		
290	Housing Reserve	500	Internal Service Funds
295	Housing Authority	500	Equipment Management
		505	Information Technology Rplcmt
300	Capital Projects Funds	506	Permit Automation Fund
310	Street Improvement		

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

**Appendix** List of Departments/Divisions/Functions

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

<p><b>300 Property Taxes</b></p> <p>3010 Property Taxes-Current</p> <p>    3010 Property Taxes-Current</p> <p>3011 Current-Secured Property Taxes</p> <p>3012 Current-Unsecured Property Taxes</p> <p>3531 Property Tax, Supplemental</p> <p>3020 Property Taxes-Prior</p> <p>    3020 Property Taxes-Prior</p> <p>    3021 Prior-Secured Property Taxes</p> <p>    3022 Prior-Unsecured Property Taxes</p> <p>3050 Property Taxes-RPTTF Distribution</p> <p>    3051 Property Taxes-RPTTF Distribution</p> <p><b>310 Other Taxes</b></p> <p>3110 Sales and Use Tax</p> <p>    3110 Sales and Use Tax</p> <p>    3111 .5% Sales and Use Tax</p> <p>3120 Real Estate Transfer Tax</p> <p>    3120 Real Estate Transfer Tax</p> <p>3130 Franchise Tax</p> <p>    3131 Electric Franchise</p> <p>    3132 Gas Franchise</p> <p>    3133 Garbage Franchise-Commercial</p> <p>    3134 Garbage Franchise-Non-Commercial</p> <p>    3135 Solid Waste-Community Relations</p> <p>    3136 Solid Waste-Household Haz Waste</p> <p>    3137 Nitrogen Gas Franchise</p> <p>    3138 CATV Franchise</p> <p>    3139 County-wide AB 939 Fees</p> <p>3140 Business License Tax</p> <p>    3140 Business License Tax</p> <p>3150 Hotel/Motel Tax</p> <p>    3151 Beverly Heritage</p> <p>    3152 Embassy Suites</p> <p>    3153 Crowne Plaza</p> <p>    3154 Sheraton</p> <p>    3155 Best Western-Brookside</p> <p>    3156 Larkspur Landing</p> <p>    3157 Park Inn</p> <p>    3158 Audited TOT</p> <p>    3160 Executive Inn</p>	<p>3161 Days Inn</p> <p>3162 Extended Stay of America</p> <p>3163 Hampton Inn-Milpitas</p> <p>3164 Hilton Garden Inn</p> <p>3165 Homestead Village</p> <p>3166 Marriott Courtyard</p> <p>3167 Milpitas Travelodge</p> <p>3169 Residence Inn by Marriott</p> <p>3170 Best Value Inn</p> <p>3171 Towneplace</p> <p>3172 Stay Bridge Suites</p> <p><b>320 Licenses and Permits</b></p> <p>3210 Building Permits</p> <p>    3210 Building Permits</p> <p>    3211 Plan Check Revisions</p> <p>    3212 After Hour Plan Check</p> <p>    3213 After Hours Inspection</p> <p>    3214 Re-inspection</p> <p>    3215 Dedicated Building Services</p> <p>    3216 Mobile Home Inspections</p> <p>    3217 Plan Check</p> <p>    3218 Building Investigation</p> <p>3220 Fire Permits (Annual)</p> <p>    3220 Haz Mat Const Permits &amp; Insp</p> <p>    3221 Life Safety Const Permits &amp; Insp</p> <p>    3222 Haz Mat Annual Permits &amp; Insp</p> <p>    3223 Fire Penalties</p> <p>    3224 Hazardous Waste Fees</p> <p>    3225 Non-Pt Source Permits &amp; Insp</p> <p>3240 Life Safety Annual Permits and Insp</p> <p>    3240 Life Safety Annual Permits &amp; Insp</p> <p>    3241 Haz Mat Construction Permits</p> <p>3250 Fire Inspections</p> <p>    3250 Fire Inspections</p> <p>    3251 Building Standards and Life Safety</p> <p>    3252 Fast Track After Hour Inspection</p>
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<p><b>330 Fines and Forfeits</b></p> <p>3300 Fines and Forfeits</p> <p>    3301 Vehicle Code Fines</p> <p>    3302 Other Court Fines</p> <p>    3304 Hazardous Materials Fines</p> <p>    3305 Booking Fees</p> <p>    3306 NBO Violation Fees</p> <p>    3307 Impound Fees</p> <p>    3308 Animal Violations</p> <p>    3309 False Alarm Fee</p> <p>    3310 Fire Administrative Citation</p> <p>    3311 Building Administrative Citation</p> <p>    3312 Planning Administrative Citation</p> <p>    3313 PW Municipal Code Fines</p> <p>    3321 Urban Runoff Fines</p> <p><b>340 Revenues from Use of Money</b></p> <p>3430 Investments</p> <p>    3430 Interest Income</p> <p>    3431 Pooled Interest (nonallocation)</p> <p>    3432 Cash with Fiscal Agents</p> <p>    3433 Other Interest Income</p> <p>    3434 Pooled Interest (allocation)</p> <p>    3435 Gain on Sale of Investments</p> <p>    3436 Market Value Gain/Loss on Inv</p> <p>    3437 Gain on Bond Refunding</p> <p>    3438 Interest from Deferred Revenue</p> <p><b>350 Intergovernmental Revenue</b></p> <p>3510 In Lieu Tax</p> <p>    3511 Motor Vehicle In Lieu Tax</p> <p>    3512 State Trailer Coach In Lieu Tax</p> <p>3520 Tax Relief</p> <p>    3521 Homeowners Property Tax Relief</p> <p>    3522 Business Inventory Tax Relief</p> <p>3530 Tax</p> <p>    3532 Off-Highway Tax</p> <p>3540 Gas Tax</p> <p>    3543 Section 2103-Gas Tax</p> <p>    3545 Section 2105-Gas Tax</p> <p>    3546 Section 2106-Gas Tax</p> <p>    3547 Section 2107-Gas Tax</p> <p>    3548 Section 2107.5-Gas Tax</p>	<p>3550 Federal Contributions</p> <p>    3551 Federal Contrib-General Gov't</p> <p>    3553 Federal Contrib-Building</p> <p>    3555 Federal Contrib-Public Works</p> <p>    3556 Federal Contrib-Recreation</p> <p>    3557 Federal Contributions-Police</p> <p>    3558 Federal Contributions-Fire</p> <p>    3559 Federal Contributions-Planning</p> <p>3560 State Contributions</p> <p>    3561 State Contrib-General Gov't</p> <p>    3562 POST Grant</p> <p>    3563 State Contributions-Building</p> <p>    3565 State Contrib-Public Works</p> <p>    3566 State Contributions-Recreation</p> <p>    3567 State Contributions-Police</p> <p>    3568 State Contributions-Fire</p> <p>    3569 State Contributions-Planning</p> <p>3570 County Contributions</p> <p>    3571 County Contrib-General Gov't</p> <p>    3572 S Bay Water Recycling Prog</p> <p>    3573 County Contributions-Building</p> <p>    3575 County Contrib-Public Works</p> <p>    3576 County Contrib-Recreation</p> <p>    3577 County Contributions-Police</p> <p>    3578 County Contributions-Fire</p> <p>    3579 County Contributions-Planning</p> <p>3580 Other Restricted Grants</p> <p>    3581 Other Restricted Grants-General</p> <p>    3582 SB90 Grant</p> <p>    3583 Other Restricted Grants-Building</p> <p>    3585 Other Restricted Grants-Pub Wks</p> <p>    3586 Other Restricted Grants-Rec</p> <p>    3587 Other Restricted Grants-Police</p> <p>    3588 Other Restricted Grants-Fire</p> <p>    3589 Other Restricted Grants-Planning</p> <p>3590 Misc Unrestricted Intergovernmental</p> <p>    3591 Misc Unrestricted Intergov'l</p> <p>    3592 ERAF Refund</p>
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**360 Charges for Services**

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

- 3644 Sales of Maps & Docs-Police
- 3645 Police Cost Recovery
- 3646 Rents, Lease & Concess-Police
- 3647 DUI-Police Cost Recovery
- 3650 Recreation Services
  - 3651 Rents, Lease & Concess-Rec
  - 3652 Recreation Fees
  - 3653 Senior Nutrition Fees
  - 3654 Sales of Maps & Docs-Rec
  - 3655 Sales of Merchandise-Rec
- 3660 Building Services
  - 3661 Sales of Documents-Building
  - 3662 Records Retention Fee
  - 3663 Building Service Charges
  - 3664 Overhead Chgs Reimbursemt
  - 3665 PJ Overhead Chgs - Building
  - 3666 PJ Labor Reimbursemt - Building
  - 3667 Building State Mandated Stds Fee
- 3680 Planning Services
  - 3617 Planning Fees
  - 3681 PJ Overhead Charges - Plan
  - 3682 PJ Labor Reimbursement - Plan
  - 3683 PJ Vendor Reimbursement - Plan
  - 3684 Sales of Maps & Documents - Plan
  - 3685 Housing & Neighborhood Svcs
  - 3686 Planning Plan Check Fees

**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

**Appendix** List of Revenues

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

<p><b>410 Personnel Services</b></p> <p>4110 Wages</p> <p>    4111 Permanent</p> <p>    4112 Temporary</p> <p>    4113 Overtime</p> <p>4120 Allowances/Leaves</p> <p>    4121 Allowances</p> <p>    4124 Leave Cashout</p> <p>    4125 Accrued Leave</p> <p>4130 Benefits</p> <p>    4131 PERS</p> <p>    4132 Group Insurance</p> <p>    4133 Medicare</p> <p>    4135 Workers' Compensation</p> <p>    4136 Unemployment</p> <p>    4137 MOU Contractual Agreements</p> <p>    4138 Deferred Compensation</p> <p>    4139 PARS</p> <p>4140 Adjustments-Payroll</p> <p>    4141 Payroll Adjustment</p> <p>    4142 Vacancy Factor</p> <p>    4143 Charged to CIPs</p> <p>    4144 Reduced Funding</p> <p>    4151 Compensation Reduction</p> <p>4160 Retiree Benefits</p> <p>    4161 Retiree Medical Reserve</p> <p>    4162 Retiree Medical Payment</p> <p>    4163 Retiree Medical Reimbursement</p> <p><b>420 Services and Supplies</b></p> <p>4200 Community Promotions, Grants and Loans</p> <p>    4201 Community Promotions</p> <p>    4202 Community Promotions-CC Allocated</p> <p>    4203 Community Promotions-CC Unallocated</p> <p>    4204 Cultural Arts Grants</p> <p>    4205 Miscellaneous Grants</p> <p>    4206 Sports Grants</p> <p>    4207 Housing Rehab Loans</p> <p>    4208 CDBG Grants</p> <p>    4209 Miscellaneous Loans</p> <p>4210 Department Allocations</p> <p>    4211 Equipment Replacement Amortization</p>	<p>4220 Supplies</p> <p>    4221 Office</p> <p>    4223 Departmental</p> <p>    4224 Maintenance</p> <p>    4225 Health and Safety</p> <p>4230 Services</p> <p>    4231 Advertising</p> <p>    4232 Blueprinting</p> <p>    4237 Contractual Services</p> <p>    4238 Contractual Services/PJs'</p> <p>    4239 Audit Fees</p> <p>    4240 Street Sweeping</p> <p>    4241 Repair and Maintenance</p> <p>    4242 Rents and Leases</p> <p>    4243 Contributions to Non-City</p> <p>4250 Legal Services</p> <p>    4252 Retainers and Fees</p> <p>    4253 ABAG Attorney's Fees</p> <p>    4254 ABAG Settlements</p> <p>    4255 Litigation</p> <p>    4256 IBNR Adjustment</p> <p>4280 Elections</p> <p>    4280 Elections</p> <p><b>440 Communications and Utilities</b></p> <p>4410 Communications</p> <p>    4411 Phone-Local</p> <p>    4412 Computer Data Lines</p> <p>    4413 Phone-Long Distance</p> <p>    4414 FAX</p> <p>    4415 Pagers</p> <p>    4416 Cellular Phones</p> <p>    4417 Fire Alarms</p> <p>    4418 Police Alarms</p> <p>4420 Utilities</p> <p>    4421 Gas</p> <p>    4422 Electric</p> <p>    4423 Water</p> <p>    4424 SFWD, Wholesale Water</p> <p>    4425 SCVWD, Wholesale Water</p> <p>    4427 Recycled Water Purchase</p> <p>    4428 Treatment Plant, Capital</p> <p>    4429 Treatment Plant, M &amp; O</p>
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<p><b>450 Memberships, Training and Travel</b></p> <p>4500 Memberships, Training and Travel</p> <p>    4501 Memberships and Dues</p> <p>    4502 Professional Licensing</p> <p>    4503 Training and Registration</p> <p>    4505 Lodging and Travel</p> <p>    4506 Meals for Meetings</p> <p>    4507 Per Diem</p> <p>    4508 Mileage Reimbursement and Parking</p> <p>    4509 Tuition Reimbursement</p> <p>4520 Commissions and Boards</p> <p>    4521 Conference Expenses</p> <p>    4522 Non-Conference Expenses</p> <p><b>460 Insurance Settlements and Contingencies</b></p> <p>4600 Insurance and Settlements</p> <p>    4602 Liability</p> <p>4610 Uncollectible Accounts</p> <p>    4610 Uncollectible Accounts</p> <p>    4611 Collection Fees</p> <p>4630 Depreciation and Amortization</p> <p>    4630 Depreciation and Amortization</p> <p>4640 Contingent Reserve</p> <p>    4640 Contingent Reserve</p> <p>4650 Loss on Sale</p> <p>    4650 Loss on Sale</p> <p>4660 Other Miscellaneous and Corrections</p> <p>    4660 Other Miscellaneous and Corrections</p> <p><b>470 Debt</b></p> <p>4700 Principal</p> <p>    4701 Retirement of Principal</p> <p>    4702 Principal-COP</p> <p>    4703 Principal-Advance</p> <p>4710 Interest</p> <p>    4711 Interest Expense</p> <p>    4712 Interest-COP</p> <p>    4713 Interest-Advance</p> <p>4720 Contractual Obligation</p> <p>    4720 Contractual Obligation</p> <p>    4721 Cost of Issuance</p>	<p>4730 Premium- Bond Prepayment</p> <p>4730 Premium- Bond Prepayment</p> <p><b>480 Capital Outlay &gt; \$5,000</b></p> <p>4800 Capital Outlay</p> <p>    4800 Capital Outlay</p> <p>4810 Land</p> <p>    4811 Land</p> <p>4820 Land Improvements</p> <p>    4821 Land Improvements</p> <p>4830 Buildings and Improvements</p> <p>    4831 Buildings and Improvements</p> <p>4840 Infrastructure</p> <p>    4841 Infrastructure</p> <p>4850 Vehicles</p> <p>    4851 Vehicles</p> <p>4860 Capitalized Leases</p> <p>    4864 Capitalized Leases</p> <p>4870 Machinery and Equipment</p> <p>    4873 Machinery and Equipment</p> <p>    4874 Computer Hardware</p> <p>    4875 Computer Software</p> <p>4880 Furniture and Fixtures</p> <p>    4881 Furniture and Fixtures</p> <p><b>490 Capital Outlay &lt; \$5,000</b></p> <p>4910 Office Furniture and Fixtures</p> <p>    4911 Office Furniture and Fixtures</p> <p>4920 Machinery, Tools and Equipment</p> <p>    4921 Machinery, Tools &amp; Equipment</p> <p>    4922 Computer Hardware</p> <p>    4923 Computer Software</p> <p>    4924 Electronic Equipment</p> <p>4930 Hydrants and Meters</p> <p>    4931 Hydrants</p> <p>    4932 Meters</p>
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**Appendix** Abbreviations and Acronyms

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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

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

## Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**General Fund** — The main operating fund of the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Prior-Year Encumbrances** — Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the

appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

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

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

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

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

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

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

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

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

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

**Sales Tax** — Of the \$0.0875 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$0.01 is returned to the City.

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

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

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

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

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

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

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

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

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