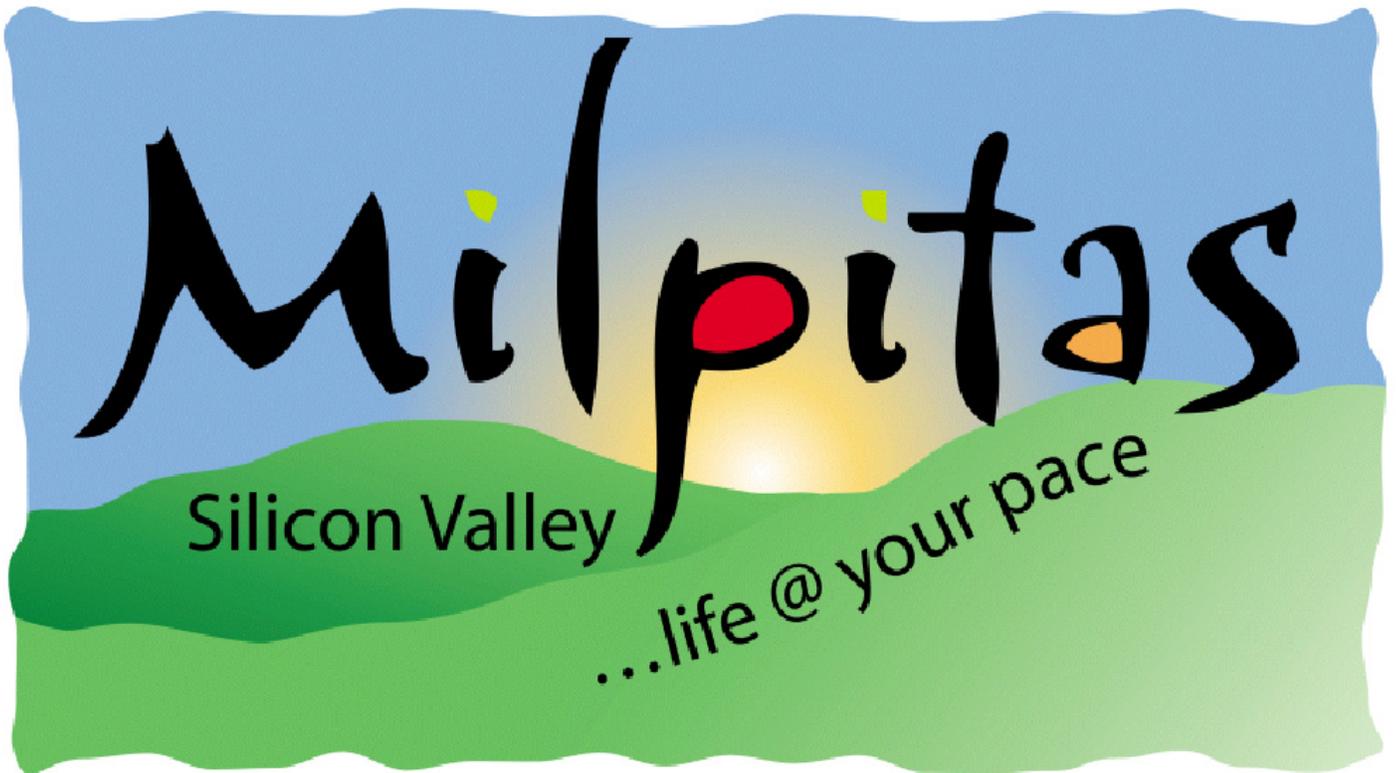




2008-2009 Budget & Financial Plan

FINAL BUDGET



City of Milpitas
CALIFORNIA



2008-2009 Final Budget

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CITY OF MILPITAS

455 EAST CALAVERAS BOULEVARD, MILPITAS, CALIFORNIA 95035-5479 www.ci.milpitas.ca.gov

August 22, 2008

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

Members of the City Council:

Submitted for your review and approval is the Annual Budget for Fiscal Year 2008-2009. This budget includes the City's operating and capital improvement budget, the Redevelopment Agency's activities and the City's water and sewer utility operations.

This budget has been developed to assist the City Council in the achievement of its vision for Milpitas and to ensure the delivery of quality, timely, and cost effective services to the community while continuing to meet future fiscal challenges in the most professional and responsive manner. Consequently, it is appropriate to begin this discussion of the budget with a review of the City Council's primary policies.

Policy Direction

The Fiscal Year 2008-09 (FY 08-09) budget was developed to incorporate the following City Council's priorities and policy direction:

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

The Budget Highlight section describes how staff has implemented the Council's policy direction through the budget. In January 2008, staff presented and discussed with the City Council the goals and objectives of a Strategic Plan. In addition to reaffirming the Council's priorities stated above, staff also identified the challenges and opportunities of long term residential and commercial growth and related impacts on service demands. In the next twelve to eighteen months, staff will work on the Strategic Plan to develop timelines and actions to implement the

Plan. In April 2008, staff also provided an overview of the FY 08-09 Preliminary General Fund Operating Budget and Capital Improvement Program. Both the January and April presentations were made in the regularly scheduled City Council's meetings to ensure public participation. Council's feedbacks and directions were incorporated in the Operating Budget and Five Year Capital Improvement Program.

BUDGET HIGHLIGHT

The FY 08-09 Operating Budget was developed to address the fiscal challenges currently faced by the City. Staff anticipated that General Fund revenues will remain flat essentially with no growth in several major revenues while expenditures will continue to increase due to medical insurance premium increasing at a rate much greater than inflation. This is not unique to the City of Milpitas and is a cost that both public and private sector organizations must contend. Limited by resources, the FY 08-09 Operating and Capital Budgets were prioritized to provide services that are most cost effective and beneficial to the community and projects that will bring economic stability to the City. Some of the most significant highlights from the budget are described below:

- Balance the General Fund budget without any program cuts and without using any General Fund reserves.
- Increase work efficiencies by utilizing online technology to save time and costs. For example, citizens can apply for basic building permits and schedule building inspection appointments online thus providing convenience to the public and saving staff processing time at the counter. Similarly, citizens can also file certain police reports online thus freeing up some of the police officers' time to focus on investigation and other duties.
- Continue to look for opportunities for grants, developers' fees and outside agencies' funding to finance several capital improvement projects. The Green Facility Improvement study, Alviso Adobe Renovation and Street Resurfacing Project are examples of using outside agencies' funding to leverage capital improvement financing.
- Continue to monitor fee adjustments and fee structure to ensure that customer service revenues keep up with costs. The City Council recently approved adjustments to Fire permit and inspection fees to offset cost increases over the last few years.
- Continue funding the annual required contribution for retiree medical benefits to systematically reduce the outstanding unfunded liability. At the end of FY 06-07, the City approved establishing an irrevocable trust account with the California Public Employees Retirement System (CalPERS) to pre-fund the retiree medical benefits. The adopted budget anticipates that the annual required contribution will be met.
- Careful evaluation of infrastructure and programming needs in the Five-year Capital Improvement Program to fund and deliver the Council's highest priority projects. These projects will include completion of the new Library, and construction of major infrastructure and street improvement at Main Street and Abel Street. All these capital improvement projects, centered in the Midtown area, are prioritized to encourage commercial and residential development that will provide economic stability in that area.
- Address the needs of maintaining traffic and road conditions by funding a capital Improvement project for street resurfacing in the amount of \$1.4 million.
- Complete Phase II of the Transit Sub-Area Land Use Plan and Financing Plan for the area around the southern boundary of Milpitas. This area will be the focus of developments that will integrate with the light rail system and the future BART system.
- Retain and recruit businesses in the City. Piercey Toyota car dealership was open to business in November 2007 and greatly enhanced and diversified the City's sales tax revenue. It is anticipated that another major car dealership will open in June 2009. In

addition, the City recently engaged a consultant to work with the City to launch a Business Cooperation Program for the purpose of increasing sales or use tax revenue to the City.

- Continue to stabilize the General Fund expenditure and revenue in order to maintain a high "AA" general credit rating. The City's general credit rating was recently reaffirmed by Standard & Poor's and Moody's rating agencies.

BUDGET OVERVIEW

The total Annual Budget for FY 2008-09 is \$151,287,507. This is a 17.5% increase from the FY 2007-08 Annual Budget. Excluding the City's FY 08-09 Capital Improvement Budget, the total operating budget is \$125,056,507, a 3.9% increase from last year. The total budget includes the City's Water and Sewer Utility enterprise budgets of \$17,155,975 and \$12,033,692 respectively. It also includes the City's Redevelopment Agency (RDA) budget of \$43,114,456. The total budget for capital improvements for FY 08-09 is \$26,231,000. 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 can be found on pages 173 through 185 of this document.

The General Fund budget is \$72,609,087, an increase of 1.4% compared to FY 2007-08. The primary component of this increase is in the category of Salaries and Benefits. Salaries and Benefits show an increase of 1.8% from last year due to negotiated wage increases in accordance with the labor contracts and anticipated increase of medical insurance premium of 10% in January 2009. The Salaries and Benefits budget also includes required annual contribution for retiree medical benefits of approximately 6.6% of payroll. Employer pension contributions as a percentage of payroll have been stabilized in recent years. The employer contribution percentages for FY 08-09 are 15.367% and 22.875% for the Miscellaneous Employees group and Public Safety Employees group respectively.

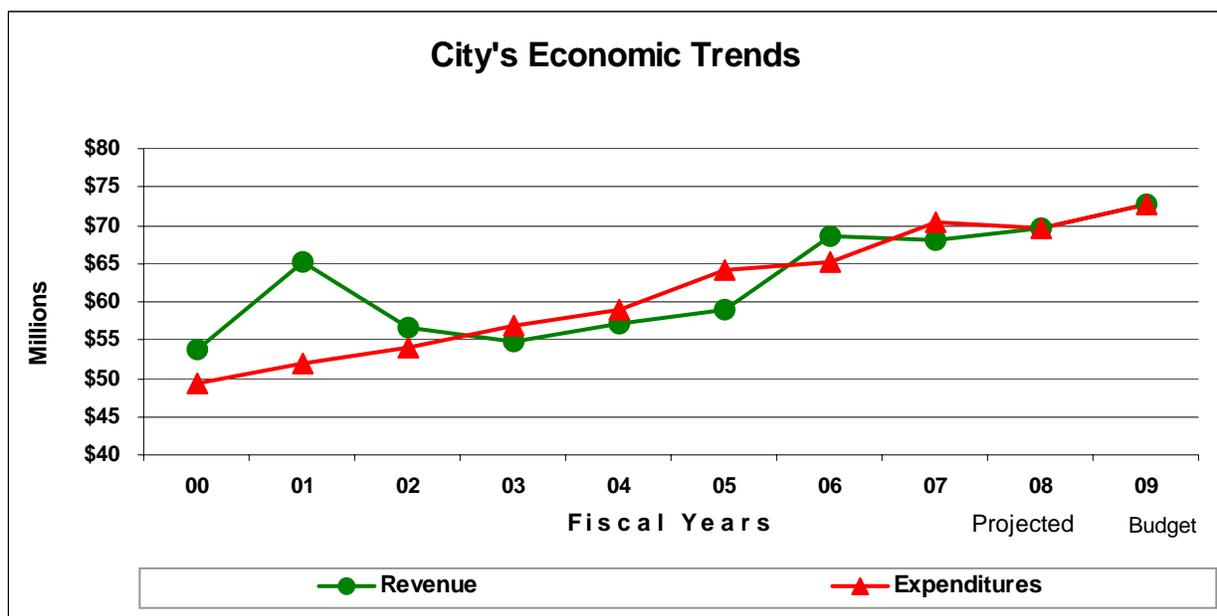
General Fund services and supplies budget for FY 08-09 decreased 0.3% compared to last year primarily due to reduced contractual services for City attorney and decreased water utility expenditures. The City Attorney service which was outsourced in previous fiscal years is now provided in house. Consequently, majority of the City Attorney's contractual service cost is replaced with salaries and wages. The water utility budget expenditure was adjusted down by \$127,000 to reflect actual usage pattern of the City's facilities. Prior year's budget for this expenditure was conservative. Despite cost inflation on various services and supplies, City departments control cost by economizing on expenditures and purchasing goods and services that are most essential to the operation thus keeping the budget at approximately the same level as last year.

The General Fund budget anticipates an overall 0.4% revenue decrease in FY 08-09 compared to FY 07-08 original estimate. Similar to other parts of the country, local economy has been impacted by sub-prime mortgages and the slow down of the housing market. The economic outlook is not encouraging in the short term especially when the City has been challenged with structural budget deficits for a few years. Due to the dot-com bust affecting local economy, General fund revenue experienced significant decreases between FY 2002 and 2004. Expenditures however continued to increase thus creating a situation where expenditures began to outpace revenue growth. The recent recovery of the General Fund revenues was not sufficient to reverse this trend. In January 2008, staff presented the goals and objectives of a Long-term Strategic Plan which the City Council conceptually approved. In the next twelve to

eighteen months, City management staff will develop strategies to address the long-term fiscal health of the City while maintaining the quality of services for the community. In the meantime, to balance FY 08-09 budget without using any General Fund reserves, the adopted budget includes cost saving measures and other funding strategies as follows:

- Continue the allocation of resources including staffing at an optimal level. This strategy includes hiring freeze on some of the vacant positions as employees leave the employment of the City due to retirement or termination of employment.
- Hold the line on contractual services and supplies by performing more work in-house and only purchasing goods and supplies that are most essential to perform the work. This strategy combined with the hiring freeze contribute about \$1.2 million savings to the FY 08-09 General Fund budget.
- Review all the capital equipment inventory and eliminate outdated and surplus equipment thus saving approximately \$425,000 replacement costs from the eliminated equipment.
- Demand a loan payment of \$6 million from the Redevelopment Agency. The Agency purchased several properties from the City for redevelopment purposes. Simultaneously, the Agency entered into a loan agreement with the City for the cost of the properties which amounted to \$26.3 million including interest on unpaid balance. The City has the right to demand payments when needed. Prior to FY 07-08, the Agency has not made any payments to the City. The FY 07-08 operating budget included a not to exceed \$6 million scheduled payment from the Agency. Depending on the General Fund's budget savings, it is likely that less than \$6 million of the Redevelopment Agency loan payment will be needed in FY 07-08. Staff recommends that the FY 08-09 budget again includes a not to exceed \$6 million loan payment from the Agency.
- FY 08-09 Operating budget does not anticipate utilizing any of the General Fund reserve balance. The remaining unreserved, undesignated fund balance will be approximately \$15.4 million which at 21% of the FY 08-09 adopted budget appropriations is in compliance with the City's budget policy of maintaining a 15% reserve.

The following chart provides the historical trend of the General Fund revenues and expenditures from FY 99-00 through FY 07-08, along with the budget projections for FY 08-09.



Economic Trends, Development and Profile

Milpitas is situated within the Silicon Valley region, known throughout the world as the home of high technology, innovation and research. Milpitas, considered the “Crossroads of Silicon Valley,” with most of its 13.6 square miles of land situated between two major freeways, I-680 and I-880, has experienced tremendous growth since its incorporation in 1954. Over the past 30 years, the population growth has increased from 26,561 in 1970 to 62,698 in 2000 (latest census). The Bay Area has experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000 jobs were lost as a result of the economic recession. This region is severely impacted due to concentration of the high-tech industry and the shifting of some of these technology and manufacturing jobs overseas. Milpitas is similarly impacted because of its location and comparable economic mix. In the last three years, the economy has shown signs of recovery as indicated by increased sales tax revenue, transient occupancy tax revenue and property tax revenue. However, recent financial market volatility and turmoil in the mortgage market have exacerbated fears of a general economic slow down or recession. As a result, sales tax revenue was also affected. The following section entitled “Major Development Activities in the City” will discuss some of the more large scale development activities that are occurring in Milpitas.

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

The leading economic segments are restaurants, apparel stores and electronics equipment. The five largest manufacturing employers are Cisco Systems, Inc., Lifescan Inc., LSI Logic Corporation, SanDisk Technology and Seagate Technology. Other major employers include KLA-Tencor and Solectron Corporation. Several of these top employers 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.

Milpitas Redevelopment Agency (RDA) is one of the top ten RDAs in the State. With the 2003 expansion of the RDA, Redevelopment Project Area 1 encompasses 2,230 acres or 26% of the City. The Project area produces over \$28 million in annual gross tax increment. In November 2003 the RDA issued \$200 million in tax allocation bonds to refund prior bonds and to generate funds for key City and Agency projects including a new library, major infrastructure improvements and a new senior center.

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 by several capital improvement projects such as the new Library, parking garage, Main Street and Abel Street infrastructure improvements. Other development activities that are being planned by outside agencies include the construction of a County Health Center, parking garage and a 103-unit Senior Housing restricted for low-income seniors.

Transit Sub-Area Land Use Plan – The City developed phase I of a Transit Sub-Area Land Use Plan which provides development concept for the area surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. In FY 08-09, the City will complete phase II of the Plan which will include a general plan amendment, zoning changes, design guidelines, financing plan and environmental report. 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, schools, retail and restaurants.

Residential Development – Residential development activities in this region were impacted by the soft housing market. Several residential developments that received their application approvals were on hold. Nevertheless, Milpitas represents one of the more affordable alternatives in Santa Clara County, with median home prices at \$630,000. There are other residential developments that are under construction which include Centria (481 condominium units) and Paragon (141 townhouse units). Other residential development close to completion includes 683 condominium and townhouse units of the KB Homes project, of which 110 units will be deed restricted for affordable housing.

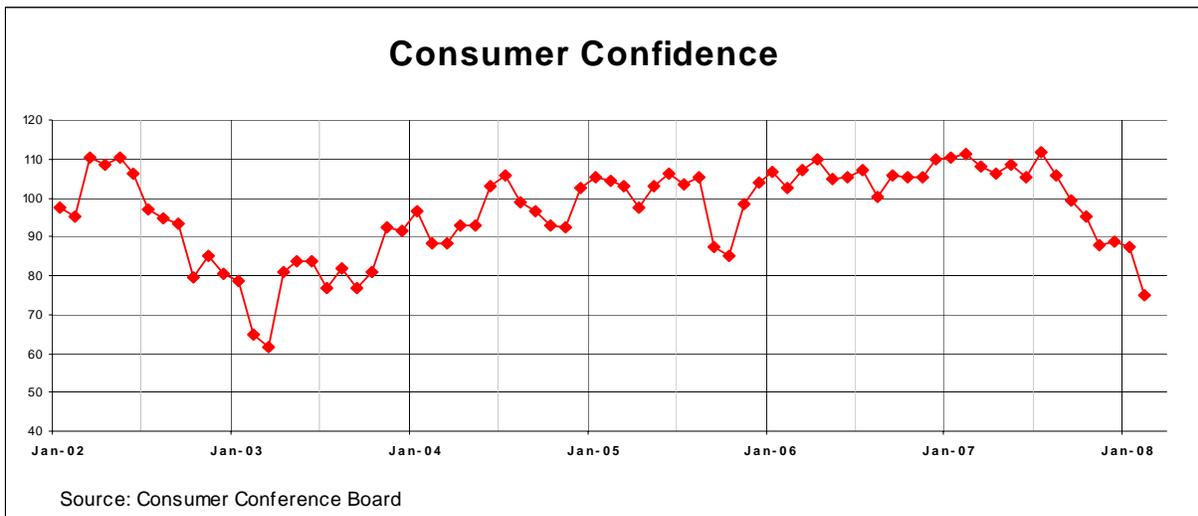
Non-residential Development – Non-residential development primarily includes tenant improvements in existing commercial buildings. In FY 07-08, building permits were issued to Cisco Corporation for occupancy in several vacant office buildings and Linear Technology for site improvements and renovation. Other commercial development activities include the development of land adjacent to the KB Homes for another car dealership.

Great Mall of the Bay Area - The Great Mall is the largest enclosed mall in Northern California, with approximately 1.1 million square foot of leasable space. The Simon Group, the new owner of the Great Mall, continued its efforts to attract new anchor tenants. A H&M outlet was added in 2007. Other new tenants currently under negotiation will be added next year.

Consumer Confidence Level

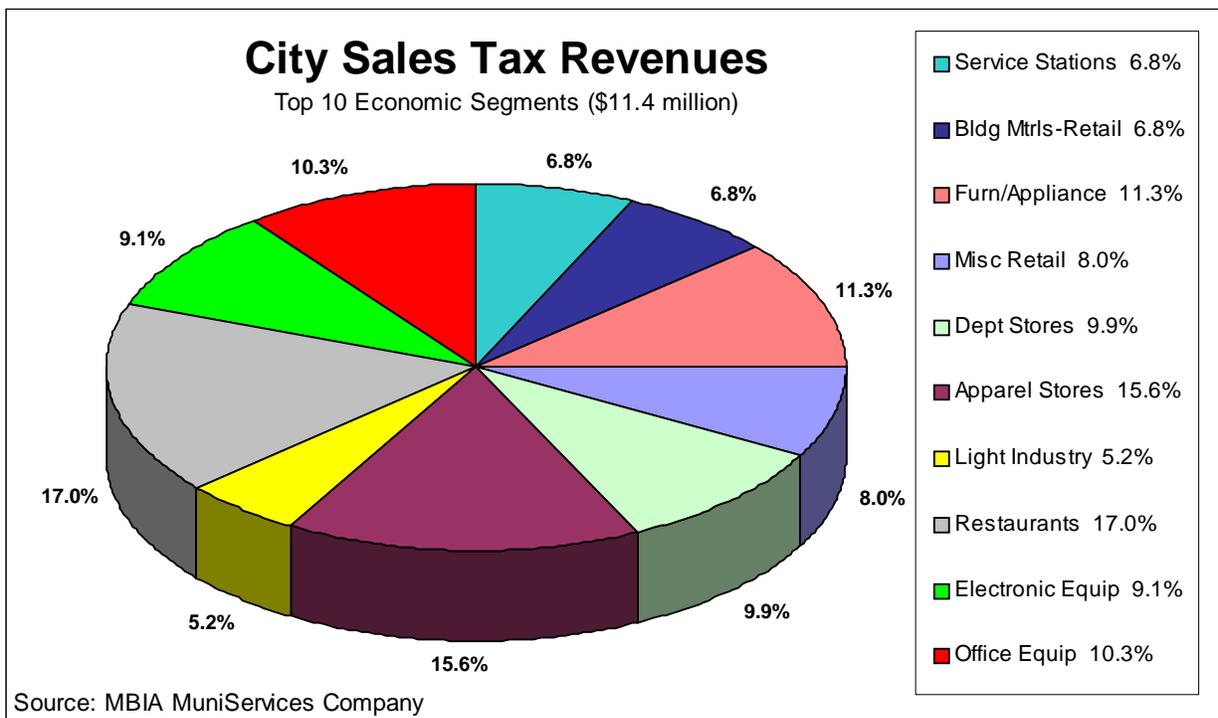
The consumer confidence index in February 2008 (with the exception of the Iraqi War in 2003) was at its lowest since 1993. The weakening in consumers' assessment of current conditions, fueled by a combination of less favorable business conditions and a sharp rise in the number of consumers saying jobs are hard to get, suggests that the pace of growth in early 2008 has slowed even further. With so few consumers expecting conditions to turnaround in the months

ahead, the outlook for the economy continues to worsen and the risk of a recession continues to increase. This sentiment is reflected by decreased local sales tax revenue in recent months.



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 \$13.6 million, with the top ten economic segments generated about \$11.4 million. Sectors such as restaurants and apparel stores lead the increases over a year ago while office equipment and building materials were at their lowest in four quarters.



Revised General Fund Revenue Estimates for Current Fiscal Year 2007-2008

In order to reasonably project FY 08-09 revenues, it is important to look at the trends and recent economic events in FY 07-08. As mentioned, the sub-prime mortgage and housing market slow down impacted the City's revenues. Sales tax revenues were lower than original budget projection in FY 07-08 and building permit revenues were also affected as several housing developments were on hold. **The revised revenue estimates for FY 2007-08 assume that General Fund revenues will be \$1.1 million (1.9%) less than budget.**

Sales tax revenues are expected to be \$2.2 million less than budget due to a combination of factors. The original budget estimated 7.5% increase in sales tax revenue, in anticipation of continued economic growth and the opening of Piercey Toyoto car dealership. However, the opening of the car dealership was delayed for a few months and the City also lost one of its major sales tax contributor due to relocation of that company to a neighboring city. The housing market decline indirectly affected consumer spending as it dried up the home equity that would have been available for major purchases. Building permit related revenue also experienced decrease in revenue of approximately \$260,000 due to slow down of the residential developments.

Transient Occupancy Tax (TOT) revenue on the other hand is expected to be more than original estimate by \$650,000 primarily due to increased occupancy, a trend that started in late FY 06-07. Property tax is expected to be approximately \$350,000 more than original projection due to assessed valuation growth both in secured and unsecured properties higher than anticipated.

Other revenues such as interest income and miscellaneous revenue are less than original estimates. Interest income is about \$250,000 less than budget due to pre-funding of retiree medical benefits that required an initial cash outflow of \$9.5 million from the General Fund reserve balance. Consequently, the General Fund has less cash balance to earn interest income this fiscal year. The miscellaneous revenue decrease of about \$120,000 is related to elimination of booking fee reimbursement from the State. This is one of the means for the State to deal with its budget deficit problem.

Despite revenue decreases experienced in several major revenue sources, the General Fund is projected to close out the fiscal year without using any reserve balance primarily due to budget savings from City departments. Depending on the actual cost savings and whether revenue will improve in the next three months, the General Fund potentially would not have to utilize the entire \$6 million loan payment from the Redevelopment Agency. The City Council approved a not to exceed \$6 million loan payment from the Redevelopment Agency as one of the budget balancing strategies in FY 07-08.

REVENUES AND OTHER FINANCING SOURCES

Revenue detail is shown in the Financial Information section of the budget. A summary of revenues, including transfers between funds, and the increase or use of fund balances for various funds is shown on the following chart as a comparison between the FY 07-08 Adopted Budget and FY 08-09 Adopted Budget.

REVENUES AND OTHER FINANCING SOURCES

<u>Fund</u>	<u>Adopted Budget FY 07-08</u>	<u>Adopted Budget FY 08-09</u>	<u>Over (Under) Prior Year</u>
General	\$ 71,633,627	\$ 72,609,087	\$ 975,460
Library	345,000	370,000	25,000
Special Revenue	3,757,044	4,187,297	430,253
Capital Project	4,016,310	1,817,000	(2,199,310)
Redevelopment	26,508,643	43,114,456	16,605,813
Water	12,751,621	17,155,975	4,404,354
Sewer	9,794,386	12,033,692	2,239,306
Total	\$128,806,631	\$151,287,507	\$ 22,480,876

Revenue Estimates for Fiscal Year 2008-09

Total estimated revenue and other financing sources that include the use of reserves are estimated to increase by \$22.4 million compared to the FY 2007-08 budget. This is due to FY 08-09 funding of major capital improvement projects such as the senior center construction, Gibraltar Reservoir & Pump Station improvement, water system seismic improvement and sewer deficiency program. The Senior Center is primarily funded by bond proceeds from the 2003 Tax Allocation Bonds. In FY 08-09, General Fund revenue are projected to be \$55.4 million, approximately \$830,000 higher than FY 07-08’s revised revenue of \$54.5 million. The projected increase for FY 08-09 General Fund revenue is due to increase in property tax and Transient Occupancy tax revenues. The assumptions for projection and analysis of the major revenue sources are discussed below.

General Fund Revenue Estimates

FY 2008-09 estimated General Fund revenue assume a 0.4% decrease or \$219,000 less than FY 07-08 budgeted revenue but compared to the FY 07-08 revised revenue projection is an estimated 1.5% or \$830,000 increase. Some of the changes include the following:

Sales tax revenues for FY 07-08 are revised to be less than budget by \$2.2 million. Although the Association of Bay Area Governments (ABAG)’s forecast is 3.4% increase for the Santa Clara County next year, our assumption for FY 08-09 sales tax revenue is only 0.6% increase over FY 07-08 revised estimate, much more conservative than ABAG’s projection. The City’s forecast is more consistent with our sales tax consultant’s estimate based on recent sales tax revenue

trend. Total sales tax revenue is estimated to be \$16.6 million. The slight increase in sales tax revenue is due to a combination of factors: decreased sales in the business-to-business and construction economic segments offset by increases in the general retail and food products economic segments as well as increased sale tax revenue from a full year of operation of Piercey Toyota.

Building permit revenue for FY 07-08 is estimated to be \$260,000 less than budget due to decreased residential development activities. In FY 08-09, building permit revenues are projected to be approximately \$3.9 million at more or less the same level as the FY 07-08 revised revenue. The projection is based on the number of recent applications submitted and the size of the projects. It is anticipated a couple of the residential developments will be on hold until the economy turns around but some of the decreased building permit revenues from residential development will be made up by commercial development or improvement.

Property tax revenues are estimated to increase by 3% in FY 08-09 over FY 07-08 revised revenue. The increase is primarily due to 2% assessed valuation growth as allowed under Proposition 13, changes of ownership and newly constructed properties that added value to the tax roll. Although the County Assessor provided a report on assessed valuation growth which showed a 4.2% increase for the properties located in the City, the County Assessor also indicated that he would lower the assessed valuation for a number of properties that were purchased at the peak and whose market values have since declined. Given this scenario, staff estimated that 3% increase in property tax revenue is more appropriate.

Hotel/motel Transient Occupancy Tax (TOT) revenue showed an increase of \$904,000 or 18.5% over FY 07-08 budget but only 4.5% over FY 07-08 revised projection. It is estimated that FY 08-09 TOT will increase to \$5.8 million. Given the significant increase in TOT revenues, staff anticipates the growth rate to slow down somewhat in FY 08-09.

Interest income is anticipated to decrease by \$240,000 compared to the FY 07-08 budget, primarily due to lower investment earnings from the pooled portfolio attributable to lower reinvestment rate. In addition, the General Fund cash balance was reduced due to pre-funding of \$9.5 million in a trust fund established for retiree medical benefits. Consequently, its share of the pooled portfolio earnings is reduced due to lower cash balance. Projected interest income for FY 08-09 is approximately \$959,000 for the General Fund. It is assumed that the reinvestment rate for matured securities will be at 2.75%. Investment earnings are allocated to the various funds based on their projected cash balances.

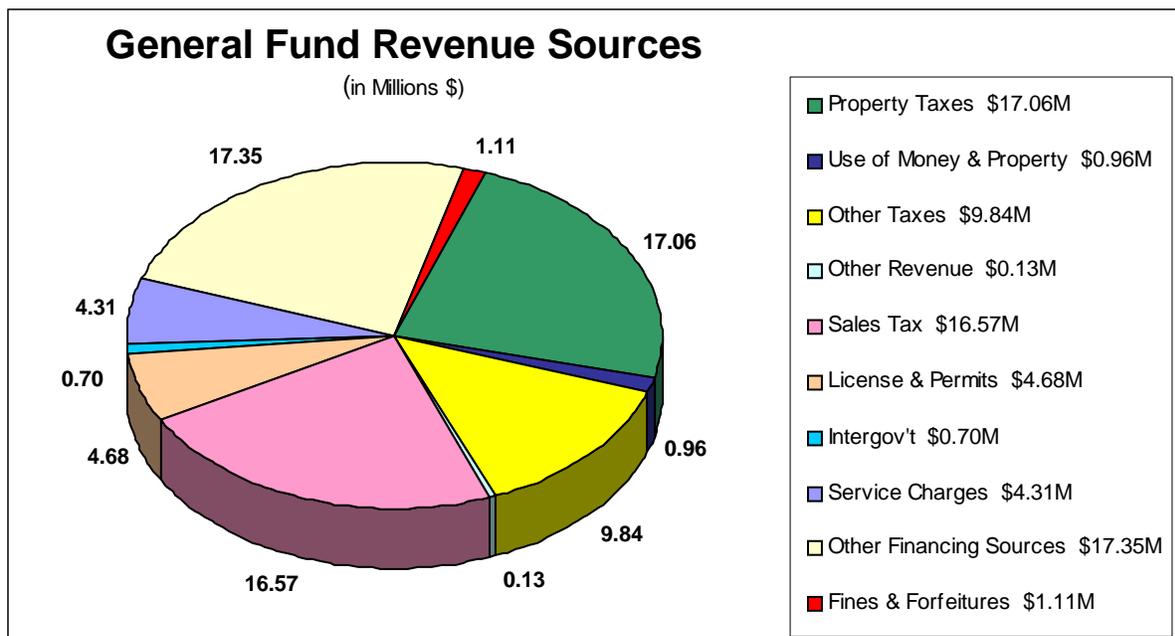
Other Financing Sources shown as operating transfers in the budget document consisted of two sources. The first financing source is a \$6 million loan payment from the Redevelopment Agency to the City. This payment will repay a portion of the outstanding principal and interest owed by the Agency pursuant to a loan agreement. The payment was discussed in detail in the Budget Overview section. The second component of the other financing sources are operating transfers between funds primarily to allocate operating costs and capital budget contributions from one project fund to another.

Cost Allocation A cost allocation worksheet is utilized to allocate central service costs that are typically budgeted in the General Fund to various programs and funds in order to determine the full cost of providing City services. In FY 06-07, the City conducted an updated Cost Allocation Plan to calculate the percentage of costs that should be allocated to each major program and major operating fund. The City continues to apply the results from the Plan to the FY 08-09 budget.

For each City service or program, in addition to direct costs such as staff time, supplies and contractual services, it also receives support from the administrative staff and benefited from centralized services such as building occupancy and equipment maintenance. These indirect

costs need to be allocated to each major service or program in order to determine the full cost of providing City services. Using the same rationale, the Cost Allocation Study also computed the percentage of indirect costs that should be assigned to other operating funds such as Water and Sewer utility funds and Redevelopment Agency funds. These indirect costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds shares the administrative and overhead costs equitably. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 08-09 can be found on pages 104 to 105.

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



RDA Revenue Estimates

FY 07-08 Redevelopment property tax increment was revised upward by \$420,000 or 1.4% to \$30.5 million primarily due to increased assessed valuation on secured properties from new construction. As a portion of the 683 housing units in the Midtown Area were sold and occupied, those transactions were reflected in the increase assessed valuation. Commercial properties also began to experience a rebound as some of the vacant office buildings were undergoing tenant improvements for occupancy. FY 08-09 tax increment is expected to increase by 4%, lower than the report of growth on assessed valuation of 6% provided by the County Assessor. Again, the more conservative estimate is due to potential reduction of assessed valuation for a number of properties within the Redevelopment Project Area that were purchased at the peak of the market.

Utility Rates

Utility rate increase for Water and Sewer operations were not included in the FY 08-09 budget. Approximately 50% of the utility operation costs were attributed to outside agencies' costs that were passed through to the water utility ratepayers. These costs include wholesale water costs

from the Santa Clara Valley Water District, San Francisco Public Utility Commission as well as City's share of capital improvement project costs for Water operation. The San Jose/Santa Clara Sewer Treatment Plant operation and capital improvement project costs were also passed through to the sewer utility ratepayers. In FY 07-08, the City Council decided not to raise its utility rates after several years of rate increases. The City anticipates that utility consumption will remain stable in FY 08-09 but has not made any decision on rate increases as of the date of the budget adoption.

EXPENDITURES

A budget comparison of appropriations for all funds between FY 07-08 (Adopted Budget) and FY 08-09 (Adopted Budget) is as follows:

<u>Appropriations</u>	<u>Adopted Budget FY 07-08</u>	<u>Adopted Budget FY 08-09</u>	<u>Over (Under) Prior Year</u>
Salaries & Benefits	\$ 64,718,248	\$ 67,399,736	\$ 2,681,488
Services & Supplies	36,313,266	38,149,915	1,836,649
Capital Outlay	625,117	870,856	245,739
Subtotal	<u>\$ 101,656,631</u>	<u>\$ 106,420,507</u>	<u>\$ 4,763,876</u>
Capital Improvement	8,445,000	26,231,000	17,786,000
Debt Service	18,705,000	18,636,000	(69,000)
Total Appropriations	<u><u>\$ 128,806,631</u></u>	<u><u>\$ 151,287,507</u></u>	<u><u>\$ 22,480,876</u></u>

Total expenditures represent an overall 17.5% increase from FY 07-08. Operating expenditures, excluding capital improvement and debt service, increased by 4.7% compared to last year. Following is a summary of the changes in operating expenditures by category:

Salaries and benefits are expected to increase by 4.1%. The total citywide budget increase in this category is \$2.68 million. The projected FY 08-09 salary and wage increase reflects negotiated increases in accordance with various Memoranda of Understanding and merit increases. Health insurance premiums are anticipated to increase by approximately 10% in January 2009. The employer PERS contribution percentages for FY 08-09 for Miscellaneous Employees group and Public Safety Employees group are at 15.367% and 22.875% respectively. In addition, the FY 08-09 budget includes pre-funding of retiree medical benefits in the amount of \$2.9 million citywide and \$2.4 million for the General Fund.

Although the total staffing level for FY 08-09 remains approximately the same as FY 07-08, there were internal staffing changes made during FY 07-08. As previously mentioned, one of the strategies to balance FY 08-09 General Fund budget is to selectively impose a hiring freeze when vacancies occur due to retirement or termination of employment. This is accomplished only by careful review of where resources will be most needed. In FY 08-09 the City Attorney's department increases their authorized positions by three due to transition of the City Attorney's services in-house. Consequently, their contractual services expenditure is expected to

decrease. Engineering Division increases their vacant positions by three while Parks and Recreation Department also increases their vacant positions by one due to retirement and termination of employment. Police Department will be able to fill one of their vacant police officer positions in FY 08-09. The number of City Council's authorized positions can be found on page 56. The detail for each department's funded positions can be found in their respective sections on pages 111 through 167.

Services and supplies are expected to increase by \$1.84 million or 5.1% citywide. The services and supplies budget include services that were provided by outside parties. The expenditure increase includes anticipated \$6 million housing subsidy and silent second mortgage loans that will be funded by the Housing Set-aside Fund in FY 08-09. Other cost increases are due to cost increases from outside agencies or vendors that are beyond the control of the City. For example, the City's fuel costs are anticipated to increase by 40% or \$216,000. The costs of water purchased from San Francisco Public Utility Commission and Santa Clara Valley Water District is anticipated to increase by \$838,000. On the other hand, the amount that the Sewer Fund has to contribute to the San Jose/Santa Clara Water Pollution Control Plant will decrease by \$599,000 due to reduced capital funding contribution.

Capital Outlay - This category includes new and scheduled vehicle and equipment replacements. Total capital outlay request for FY 08-09 is \$871,000. Almost all of the equipment and vehicles are fully depreciated and will be fully funded by the Equipment Replacement Fund. Major capital outlay requests include replacement of nine vehicles, 2 heavy duty trucks for the Tree and Landscape Division of Public Works Department, 1 garbage truck for the Parks and Recreation Department, and 6 vehicles for the Police Department. Other capital outlay requests include replacement of technology equipment and hydrants and water meters for Public Works.

Debt Service in FY 08-09 totals \$18.6 million. Debt service budget remains at the same level as last fiscal year. The debt service category included payments for three outstanding debt issues, the 2000 Certificates of Participation (Technology COPS), the 2003 Redevelopment Agency Tax Allocation Bonds, the 2006 Certificates of Participation (Sewer Bonds), and a \$4 million annual payment to the County of Santa Clara pursuant to a Purchase and Sale Agreement between the County and the Redevelopment Agency.

The City's legal bonded debt limit, as established by the California Government Code, is approximately \$416 million. The 2006 Certificates of Participation has an outstanding balance of \$9,160,000, the Technology COPS has an outstanding balance of \$1,230,000 and the Redevelopment Agency Tax Allocation Bonds has an outstanding balance of \$183,175,000. None of these bonded debts is subject to the legal debt limit. The interest rates of the outstanding bonds range from 3.25% to 5.25% and the final payments will occur between fiscal years 2010 and 2033. The Purchase and Sale Agreement requires an annual payment to the County that ranges from \$4 million to \$6 million. Future payments to the County have been discounted at 5% to a present value of \$43.4 million outstanding balance.

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

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

Year Ending June 30	Total Principal	Total Interest
2009	8,825,810	9,807,479
2010	8,524,105	9,746,247
2011	8,594,862	9,697,315
2012	8,632,725	9,646,686
2013	8,697,357	9,559,141
2014-2018	49,026,801	47,008,105
2019-2023	57,721,083	43,061,644
2024-2028	55,155,000	14,723,594
2029-2033	31,775,000	3,504,229
Total	\$236,952,743	\$156,754,440

CAPITAL IMPROVEMENTS

The Capital Improvement Budget funding for FY 08-09 by Project Category is as follows:

<u>Project Category</u>	Adopted Budget	Percentage of Total
Community Improvements	\$13,095,000	49.91%
Park Improvements	450,000	1.72%
Street Improvements	2,761,000	10.53%
Water improvements	6,085,000	23.20%
Sewer Improvements	2,690,000	10.26%
Storm Drain Improvements	1,150,000	4.38%
Total	\$26,231,000	100.00%

The City includes the cost of all acquisition, construction, expansion or rehabilitation of the City's physical plant and facilities in the Capital Improvement Budget. Typically, a capital improvement project exceeds \$10,000 and may take more than one year to construct. The cost of the capital project is capitalized as capital assets of the City upon completion. The total FY 08-09 Adopted Capital Improvement Program (CIP) funding is \$17.8 million more than the FY 07-08 CIP,

primarily due to funding for several major projects, \$12.3 million for construction of the Senior Center, \$3.3 million for Gibraltar Reservoir & Pump Station, and \$1.4 million for Street Resurfacing. The Senior Center and Gibraltar Reservoir & Pump Station are significant capital projects that are non-routine capital projects. Remaining projects included in FY 08-09 are smaller in scale. Staff worked with the City Council CIP Subcommittee to prioritize all CIP projects based on available resources and needs. The CIP Subcommittee meets quarterly in an open meeting to receive a status report of these various capital projects.

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 08-09 were also reviewed by the Parks, Recreation and Cultural Arts Commission.

Although cost savings is one of the considerations in implementing the capital improvement program, many projects are prioritized for reasons such as health and safety for the public, replacement of deteriorated capital assets or systems, or enhancement of economic development and quality of life for the citizens. New buildings tend to be more energy efficient and replacing deteriorated capital assets tend to save repair costs in the long run. The actual cost savings is difficult to quantify. On the other hand, some of these projects especially those that are not replacement projects will increase operating costs upon completion. These costs, to the extent that they can be estimated, are identified in the Capital Budget section of this document. Total estimated maintenance costs is approximately \$20,700 annually of which \$20,000 is for the new and expanded Senior Center. The increased operating costs for each project are identified in the Capital Budget Section of this document.

The Capital Budget Section also provides a brief description and status of the projects to be funded in FY 08-09. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2008-2013 prepared by the Engineering Division may be obtained at 455 E. Calaveras Blvd, Milpitas, CA 95035 or at the City's website.

FUND BALANCES/RETAINED EARNINGS

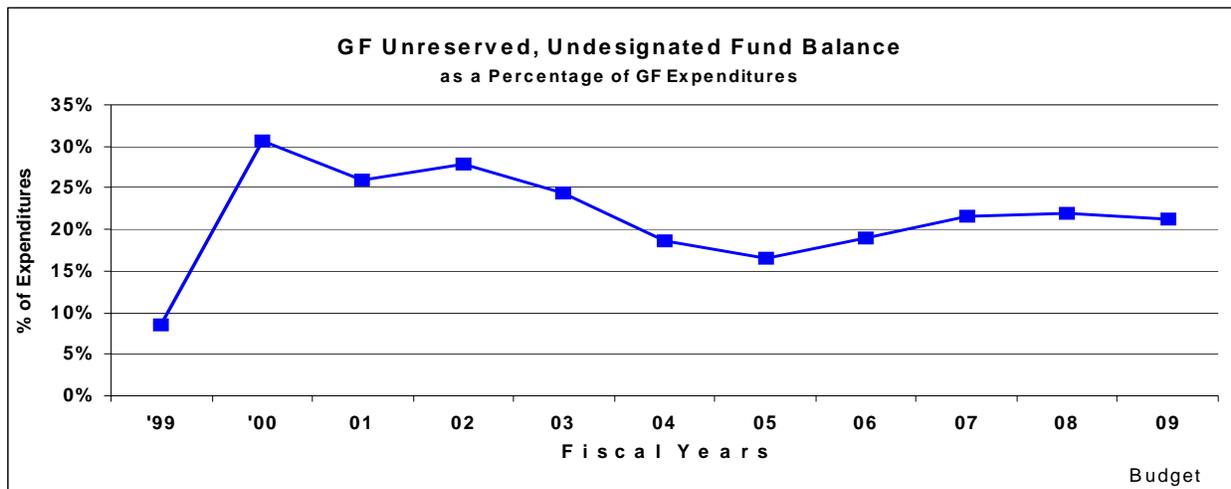
An important resource for a City is the funding that is available for future appropriations and unexpected emergencies. A complete schedule of the Budget Summary of the Revenue, Expenditures, Transfers, and Fund Balances is shown in the Financial Information section of the Budget. FY 08-09 anticipates using the fund balance and reserves of Redevelopment Agency, Water and Sewer Utility funds to finance several capital improvement projects. The amount of funding from the Redevelopment Agency is approximately \$18.9 million and will primarily come from the 2003 Tax Allocation bond proceeds. The funding from the Water and Sewer utility funds are \$2.2 million and \$1.8 million respectively and will come from surplus accumulated in the last two or three years. There are no significant changes to the rest of the fund balances of other funds including the General Fund.

The following schedule shows the estimated undesignated Fund Balance for the General Fund and the percentage of the balance in relation to the Fund's total appropriations. Also shown are the total estimated fund balances for the Restricted Funds:

<u>Fund</u>	<u>Budgeted Expenditures FY 08-09</u>	<u>Estimated Balance 6/30/09</u>	<u>% of Budgeted Expenditures</u>
<u>Unreserved – Undesignated</u>			
General	\$ 72,609,087	\$ 15,365,793	21.2%
<u>Restricted</u>			
HCD		3,035,874	
Street Improvement		11,422,000	
General Government CIP		808,000	
Park		8,949,000	
Water		10,962,826	
Sewer		18,801,730	
Storm Drain		783,000	
Redevelopment		83,858,258	
Library		6,338,000	
Other		19,585,599	

The projected percentage of the estimated unreserved, undesignated fund balance for the General Fund is 21.2% which meets the Council's policy of maintaining a minimum unreserved, undesignated fund balance at 15% of the General Fund budget appropriations. It is also projected that \$5.4 million unreserved fund balance, designated for the PERS Rate Stabilization Reserve will remain at the end of FY 08-09.

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



The Restricted Funds listed above have legal restrictions on the way in which the funds may be used. The estimated fund balances in the Restricted Funds include amounts that have already been committed for projects or programs approved by the Council/Agency. In addition, the

Restricted Funds fund balances include bond proceeds or anticipated bond proceeds that have legal restrictions for their use as outlined in the bond documents.

FIVE YEAR GENERAL FUND FORECAST

The Five-year General Fund Forecast allows 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. The Five Year General Fund Projection schedule can be found in the Financial Information Section of this document, immediately behind the 2008-09 Budget Summary.

Property tax revenues are expected to increase 3% in FY 09-10, 4% in FY 10-11 through FY 12-13 and 3.25% FY 13-14. Although Proposition 13 limited the annual assessed value adjustments to the lesser of the increase in the California consumer price index or 2%, staff's projections are usually higher than 2% due to new construction that will be added to the tax roll, change of ownerships and assessed valuation increase for unsecured properties as local businesses add capital assets. Staff projected that FY 09-10's property tax revenue will only increase 3% reflecting slowdown of the housing market. However, staff expected that some of these development activities will resume in the next few years which will add to the assessed valuation and then return to a more normal growth of 3.25% in FY 13-14.

Sales tax revenues are projected to increase 5.2% in FY 09-10, 4% in FY 10-11 through FY 12-13 and 3.25% in FY 13-14. The increase in FY 09-10 reflects the opening of a second car dealership in the fall of 2009. With the addition of residents as some of residential developments are completed and occupied, it is anticipated that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail and restaurant economic segments which continue to be strong despite slow down of the economy. The Great Mall of the Bay Area continues to renovate and add anchor stores and has become a regional attraction in recent years. Consequently, staff projects 4% growth in FY 10-11 through FY 12-13 and then return to a more normal growth level of 3.25% in FY 13-14.

Hotel tax revenues are projected to increase 3% annually starting from FY 09-10. Hotel occupancy has increased in recent years and is expected to stabilize in the next few years. It is assumed that the hotel operators will increase room price by the average consumer price index which is approximately 3% to recover costs.

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. The projection is 3% increase in FY 09-10, 4% increase in FY 10-11 through FY 12-13, and tapering off to 3.25% increase in FY 13-14.

License and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues will be relatively flat in FY 09-10, increasing at 2% but return to a higher growth level at 4% in FY 10-11 through FY 12-13 in anticipation of rebound of residential developments in the Midtown and potentially in the Transit Sub-area. The projection for FY 13-14 is 3% increase.

Charges for Services include charges for private development related services, engineering fees and recreation services charges. It is anticipated that the increases in charges to developers will be similar to the increases for license and permits. Therefore, the projection for FY 09-10 is 2%

increase, 3.5% annual increase in FY 10-11 through FY 12-13, and tapering off to 3% increase in FY 13-14.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. These transfers will increase in conjunction with operating expenditure increases. In addition, operating transfers also include a loan repayment of \$4.6 million from the Redevelopment Agency in FY 09-10, \$4.1 million in FY 10-11, \$3.7 million in FY 11-12, and \$3 million in subsequent years.

Salaries and benefits other than medical insurance are anticipated to increase by 1.5% annually in FY 09-10 through FY 11-12 and 2.25% increase annually in subsequent years. One of the long term strategies to deal with structural deficit of the General Fund is to consider compensation as a package. The City is committed to provide health benefits to employees and retirees, however given that health insurance premium is projected to increase 10% annually, compensation to employees in terms of salaries and other benefits will have to increase at a lower level in the future. The projection also assumed that employer contribution rates to the California Public Employees Retirement System will remain stable. The Five-Year General Fund forecasts include pre-funding of retiree medical benefits which is projected to increase 3% per year.

Services and Supplies costs are anticipated to increase by 2% assuming City departments continue to hold the line on this expenditure category.

Capital Outlay includes funding for both equipment replacement and capital improvement projects. Majority of the equipment replacement will be funded by the Equipment Replacement Fund. The City established equipment replacement for capital assets over \$5,000 and the replacements costs are charged to the user departments as equipment amortization expenditures annually. Consequently, the projection for capital outlay includes only capital improvement projects and capital outlay that no prior replacement fund has been set-aside. The City's Five Year Capital Improvement Program anticipates a building improvement project that requires General Fund's contribution of \$250,000 in FY 11-12. The City issued Technology Certificates of Participation in 2000 to fund technology capital improvement projects. As some of these equipment and systems become outdated, they will need to be replaced. The Five Year Forecast anticipates an annual funding to the Technology Replacement Fund beginning in FY 10-11 in the amount of \$250,000.

Debt Service for the only General Fund debt will mature in FY 08-09. The debt was issued to fund the City's technological equipment and system needs. The City does not contemplate issuing another General Fund debt in the next five years.

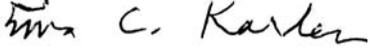
ACKNOWLEDGEMENTS

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

The overall budget envisions an operating program that carefully considers the general economic climate in conjunction with the many progressive projects and programs the City will be providing to the citizens of Milpitas. The Budget establishes the projected resources to pay for all requested appropriations. The City Council and members of the Redevelopment Agency have guided the City of Milpitas to a very stable financial position that enables the City to undertake new capital improvement projects while maintaining its high level of services for all Milpitas citizens, even during difficult economic situations. The City Council's approval of the FY 08-09 Budget continues its commitment to excellence in citizen services and prudent financial management.

Respectfully submitted,


Thomas C. Williams
City Manager


Emma C. Karlen, CPA
Director of Financial Services

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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 are 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

General

These guidelines are intended to require that procedures be used in the development, review, adoption, and monitoring of the budget, and to set forth the nature of those procedures. The detailed procedures used are to be established by the City Manager.

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

4. Adoption of the Budget

The City Council will adopt the budget by resolution no later than June 30th of the previous fiscal year, setting forth the amount of appropriations and authority of the City Manager to administer the adopted budget.

5. Budget Authority of the City Manager

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

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

6. Budget Amendments by the City Council

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

7. Budget Transfers and Modification Procedures

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

8. Automatic Adjustments and Reappropriations

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

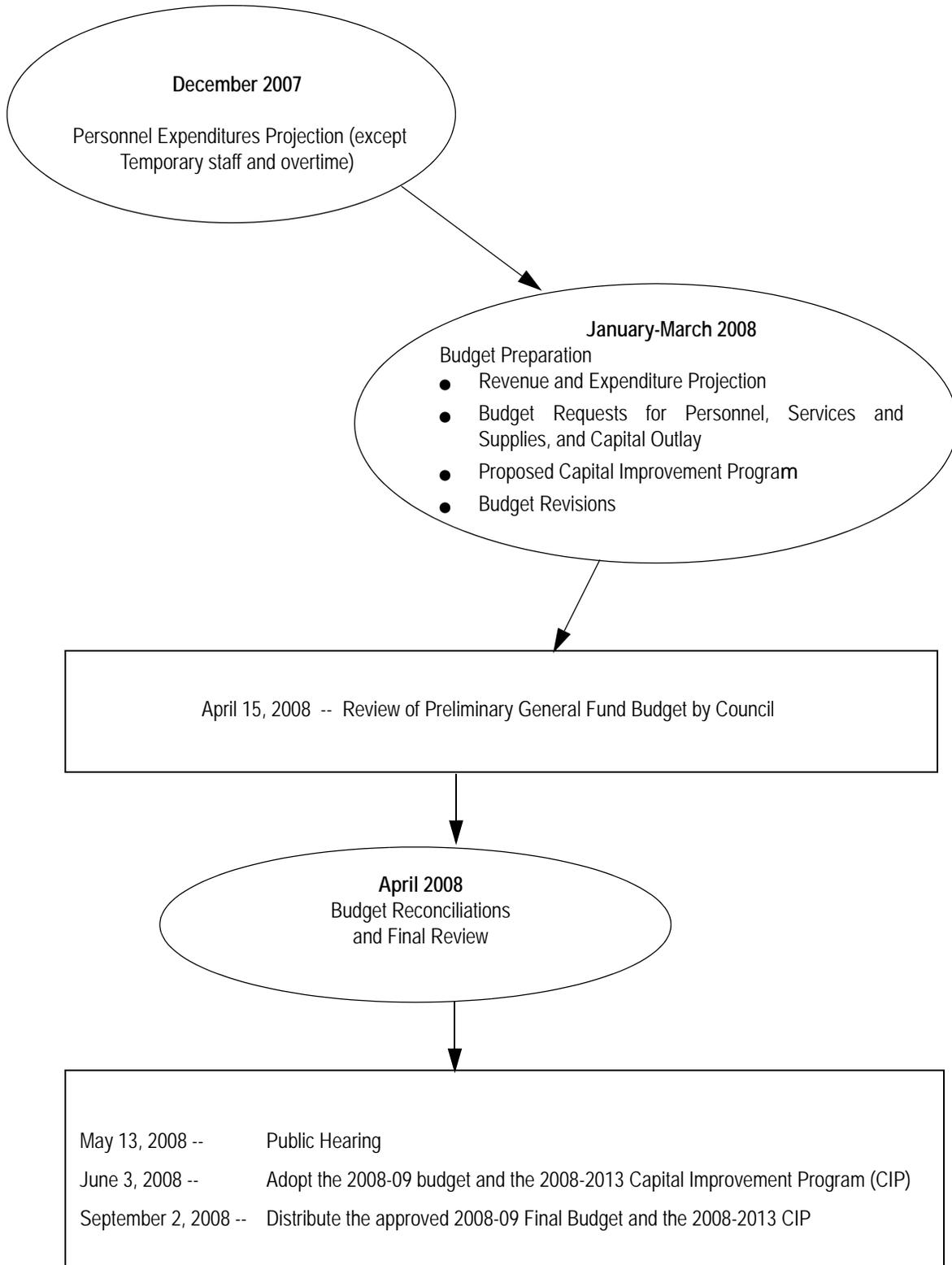
9. Budget Monitoring and Reporting

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

10. Reserves

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

City of Milpitas 2008-2009 Budget Process



CITY OF MILPITAS
BUDGET PREPARATION TIMELINE
2008-2009 FINANCIAL PLAN

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	11/19/07	Issue request for Capital Improvement Program (CIP) projects.	CIP Project Team, CIP Staff
2	12/11/07	Meetings with Senior Staff to discuss programs, service levels, position requests, capital outlay requests, and budget process.	City Manager, Director of Financial Services, Senior Staff
3	12/19/07	Distribute inventory list and capital outlay request packet.	Finance Budget Team
4	01/07/08	2008-09 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	Director of Financial Services, Finance Budget Team, Budget Liaisons
5	01/07/08	<ul style="list-style-type: none"> • Equipment Inventory changes due to Finance (Elena Chin). • Capital Outlay Requests due to Finance (Chris Schroeder). 	Budget Unit Heads, Budget Liaisons
6	1/07/08	New Capital Improvement Program (CIP) projects requests are due.	Budget Unit Heads
7	01/07/08-01/25/08	Budget data entry in BRASS for temporary staff and benefits, overtime, standby and providing detail for each line item if applicable.	Budget Liaisons
8	01/11/08	<ul style="list-style-type: none"> • Position Summary Corrections due to Finance (Rosemary). 	Budget Unit Heads, Budget Liaisons
9	01/14/08-01/18/08	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	Director of Financial Services, Admin Analysts
10	01/18/08	Requests for new positions, reclassifications and reallocation of existing positions due to Finance, with the City Manager's initials.	Budget Unit Heads
11	01/22/08	Discuss budget updates for Non-Departmental.	Director of Financial Services, Admin Analysts

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
12	01/22/08-02/15/08	Review Personnel Requests.	HR Director
13	01/23/08	Complete Non-Department Budget BRASS entry.	Admin Analyst
14	01/24/08	Non-Department Budget Review.	Director of Financial Services,
15	01/25/08	<ul style="list-style-type: none">• Data entry in the BRASS is complete.• Temporary Position Forms (one form per function) are due to Finance.• Explanation of service enhancements or new programs that will impact budget on one page is due to Finance (Rosemary).	Budget Liaisons
16	01/28/08	Review service enhancements and new programs.	City Manager Director of Financial Services
17	01/29/08	Review the new CIP requests and consider the financial impact.	City Manager, Director of Financial Services, Public Works Director, Accounting Manager
18	02/01/08	Print and distribute Budget Proformas to Budget Units for review.	Finance Budget Team
19	02/14/08	Meeting to discuss Capital Outlay Requests.	City Manager, Director of Financial Services, Public Works Director, Accounting Manager
20	02/19/08	<ul style="list-style-type: none">• FY 07-08 Mid-year financial Status Report to Council.• FY 07-08 Mid-year budget adjustments.• Set FY 08-09 Budget Hearing Dates.	Director of Financial Services, Admin Analyst

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
21	02/07/08	CIP Subcommittee: review requests for new and proposed projects.	CIP Project Team Director of Financial Services
22	02/07/08	All budget preparation information due to Finance: narratives, org charts, and mission statements. Any changes on BRASS Proformas are due.	Budget Liaisons
23	02/08/08- 02/14/08	Narratives, org charts, mission statements and changes on BRASS Budget Proformas entry by Finance.	Finance Budget Team
24	02/15/08	HR completes desk audit of new personnel requests and provides those results to Finance.	HR Director
25	02/19/08- 02/22/08	Narratives, org charts, and mission statements review by Finance.	Finance Budget Team
26	02/21/08	Review Draft CIP document.	CIP Staff, Finance
27	02/25/08- 02/29/08	Prepare budget reports and distribute to City Manager and Budget Units.	Finance Budget Team
28	02/27/08	No further changes to the CIP document.	CIP Project Team
29	03/03/08	Review Draft Parks projects in the CIP Budget.	PRCRC

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
30	03/03/08-03/07/08	Budget Unit Worksessions - Review Operating Budget requests with the respective budget unit staff. <ul style="list-style-type: none"> • City Council/City Manager/ • RDA-Econ Dev • City Clerk • Building & Safety • Information Services • Human Resources • City Attorney • Finance • Public Works • Engineering • Planning and Neigh Services • Parks and Recreation • Police • Fire. 	Budget Unit Heads, City Manager, Director of Financial Services
31	03/03/08-03/14/08	Review of Proposed CIP document by Finance.	Director of Financial Services, Accounting Manager, CIP Accountant
32	03/10/08-03/14/08	Follow-up meetings with Budget Unit, as needed.	City Manager Director of Financial Services, Budget Unit Heads
33	03/14/08	Distribute budget reports to Budget Units for final review.	Finance Admin Staff
34	03/17/08-03/21/08	Final review of budget unit operating budget. No further changes for reconciliation process.	Budget Unit Heads, Budget Liaisons
35	03/24/08	Provide fund balance numbers for all funds.	Accounting Manager
36	03/24/08-04/04/08	Budget Reconciliation: <ul style="list-style-type: none"> • Finance: Operating budget and CIP. 	Finance Budget Team, Engineering Team
37	03/25/08	Publish Draft 2008-2013 Capital Improvement Program and distribute (Due: April 1, 2008).	CIP Program Manager CIP Staff
38	03/28/08	Review the Transmittal Letter	City Manager Director of Financial Services

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
39	04/03/08	Review proposed CIP document by CIP Subcommittee.	CIP Project Team, Director of Financial Services
40	04/07/08- 04/11/08	Final review of proposed budget.	City Manager, Director of Financial Services, Finance Budget Team
41	04/09/08	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, CIP Program Manager
42	04/10/08- 04/14/08	Update PowerPoint slides on budget and staffing changes. Distribute one presentation slide per section (budget changes, accomplishments and objectives) to the Budget Units.	Finance Budget Team
43	04/15/08	<ul style="list-style-type: none">• Review report on the Preliminary FY 2008-09 General Fund Operating budget.• Review the Draft 2008-2013 Capital Improvement Program.	City Council
44	04/15/08- 04/21/08	Budget Units update the presentation slides (accomplishments and objectives) and review the budget changes.	Budget Unit Heads, Budget Liaisons
45	04/16/08	Publish notice of public hearings regarding the Operating Budget and Capital Improvement Program.	City Clerk
46	04/21/08	PowerPoint slides due to Finance.	Budget Liaisons
47	04/22/08- 04/28/08	Incorporate the accomplishments and objectives to the PowerPoint slides for all Budget Units.	Finance Budget Team
48	04/25/08	Distribute the Proposed 2008-09 Operating Budget and Financial Plan.	Director of Financial Services
49	05/08/08 and 05/12/08	Presentation practice (rehearsal) on the 2008-2009 Proposed Budget and Financial Plan and the 2008-2013 Capital Improvement Program.	Budget Unit Heads

Budget Guidelines and Fiscal Policies Budget Preparation Process and Timeline

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
50	05/13/08 and 05/15/08	Public hearing on the recommended 2008-2009 Proposed Budget and Financial Plan and the 2008-2013 Capital Improvement Program.	City Council, Budget Unit Heads
51	06/03/08	Adopt the 2008-09 Budget and the 2008-2013 Capital Improvement Program.	City Council
52	06/30/08	Load Approved Budget.	Finance Budget Team
53	08/01/08	Receive final numbers from Finance and Publish Final 2008-2013 Capital Improvement Program.	Accounting Manager, CIP Project Team
54	09/02/08	Distribute the approved 2008-09 Final Budget and the 2008-2013 Capital Improvement Program.	Director of Financial Services

Fiscal Policies

GENERAL FINANCIAL GOALS

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

OPERATING BUDGET POLICIES

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

REVENUE POLICIES

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

EXPENDITURE POLICIES

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

UTILITY RATES AND FEES

20. Water and sewer utility customer rates and fees will be reviewed and adjusted annually, if necessary.

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

CAPITAL BUDGET POLICIES

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

DEBT POLICIES

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

RESERVE POLICIES

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain unreserved, undesignated fund balance of at least 15% of the annual operating expenditures in the General Fund for emergencies and unforeseen operating or capital needs.
34. The City will maintain in the General Fund a \$5 million Public Employees Retirement Rate Stabilization Reserve. This reserve may be drawn on if the required employer contribution rates exceed previous year contribution rates by more than 3%. The City Council must approve utilization of this reserve at the time of the budget hearing. This reserve will be replenished from the unreserved, undesignated fund balance after the 15% requirement of the operating expenditures has been met.
35. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. Beginning in FY 2009-2010, the City will set-aside \$1 million annually from the General Fund reserve for this purpose.
36. The City will maintain a retiree medical benefits account established by an irrevocable trust. It is anticipated that the City will begin funding the annual required contribution of the retiree medical benefits annually in the operating budget.
37. Other reserves designated in the General Fund for investment portfolio market gain, and sick leave payable will be calculated and adjusted annually at appropriate levels.

38. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs and pump station repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.
39. In addition, the City will maintain Infrastructure Replacement funds for both Water and Sewer utilities. The goal is to accumulate at least \$2 million a year from each utility fund to set-aside for replacement of infrastructure as the infrastructure reaches the end of its useful life.
40. The City will maintain at least \$300,000 in the Recycled Water utility fund for the purpose of infrastructure replacement and enhancement.
41. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
42. A minimum 30% of the estimated annual Gas Tax revenues will be set aside as a reserve in the Street Fund to provide for street repair emergencies and other unanticipated traffic safety projects.
43. The City will maintain a capital reserve in an Equipment Replacement fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
44. In addition, the City will maintain an initial capital reserve of \$700,000 in an Equipment Replacement fund for technological equipment replacement. Upon the full payment of the Technology Certificates of Participation debt service in FY 09-10, an annual amount of \$250,000 will be set aside in this fund for technological needs.
45. The City will maintain unreserved, undesignated fund balance of at least 15% of the annual operating revenues in the Redevelopment Project Fund for unforeseen capital needs and economic development opportunities such as land assemblage and developer assistance.

INVESTMENT POLICIES

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

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

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

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RESOLUTION NO. 7761

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MILPITAS ADOPTING THE APPROPRIATIONS LIMIT FOR THE
CITY OF MILPITAS FOR FISCAL YEAR 2008-2009**

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 2008-2009 of \$65,450,866.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Milpitas hereby adopts the appropriations limit for fiscal year 2008-2009, that amount as set forth herein.

PASSED AND ADOPTED this 3RD day of June 2008, by the following vote:

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

NOES: (0) None

ABSENT: (0) None

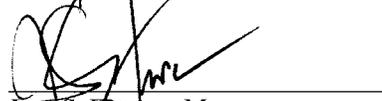
ABSTAIN: (0) None

ATTEST:



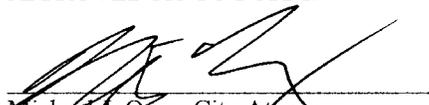
Mary Lavelle, City Clerk

APPROVED:



Jose S. Esteves, Mayor

APPROVED AS TO FORM:



Michael L. Ogaz, City Attorney

Resolution No. 7761

RESOLUTION NO. 7762 / RA303

A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS APPROVING THE FINAL BUDGET FOR THE CITY OF MILPITAS FOR THE FISCAL YEAR 2008-2009

WHEREAS, the City Manager/Executive Director submitted a 2008-2009 Proposed Budget and Financial Plan; and

WHEREAS, public hearings were held on the Proposed Plan where all interested persons were heard; and

WHEREAS, the City Council and the Redevelopment Agency reviewed the City Manager/Executive Director's 2008-2009 Proposed Budget and Financial Plan; and

WHEREAS, on May 13, 2008, the City Council and the Redevelopment Agency approved the 2008-2009 Financial Plan and the 2008-2009 Capital Budget.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The annual budget for the City of Milpitas for fiscal 2008-2009 is hereby reaffirmed and adopted totaling \$151,287,507 for all appropriated funds.

SECTION 2. Appropriations and estimated fund balances are hereby made for the various purposes designated in the 2008-2009 Final Budget.

SECTION 3. The budgets for all departments for the period July 1, 2008 through June 30, 2009, inclusively contained in the 2008-2009 Final Budget Resolution, are approved as the operating budget for those departments for fiscal 2008-2009 except within the Police Department, the position of Crime Analyst is eliminated. In addition, the vacant position of Police Commander shall be frozen until January 31, 2009.

SECTION 4. Any unused non-salary and benefits related appropriations, subject to the approval of the City Manager/Executive Director, at the end of fiscal 2007-2008 may be reappropriated for continued use in fiscal 2008-2009.

SECTION 5. 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 classification of expenditures pursuant to this resolution. Budgetary control shall be at the department level.

SECTION 6. The City Manager/Executive Director may authorize, when in his or her judgment such action is consistent with the purposes and intent of the Budget as adopted, budget revisions subject to the following conditions:

1. Prior Council/Agency Approval Not Required. Prior approval of the City Council and/or Redevelopment Agency is not required under the following circumstances:
 - a. When revisions, which involve transfers from appropriated contingency reserves, are less than the aggregate amount of 1% of General Fund appropriations, or \$726,000 during fiscal 2008-2009, provided that the

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

- b. 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.
 - c. For Police goods and services to be purchased from Asset Seizure funds, the City Manager/Executive Director or his/her designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council/Redevelopment Agency during the fiscal 2008-2009 Budget hearing.
2. Prior Council/Agency Approval Required. Prior approval of the City Council and/or Redevelopment Agency is required if any of the following are involved:
- a. 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.
 - b. Contract change orders in excess of \$20,000.
 - c. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
 - d. Transfers from contingent reserves, which would cause the aggregate amount of 1% of General Fund appropriations, or \$726,000 during fiscal 2008-2009, to be exceeded.

PASSED AND ADOPTED this 3RD day of June 2008, by the following vote:

AYES: (5) Mayor/Chair Esteves, Vice Mayor/Vice Chair Livengood, and Councilmembers/Agency Members Giordano, Gomez and Polanski

NOES: (0) None

ABSENT: (0) None

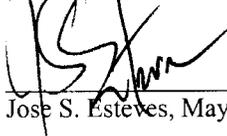
ABSTAIN: (0) None

ATTEST:



Mary Lavelle, City Clerk/Agency Secretary

APPROVED:



Jose S. Esteves, Mayor/Chair

APPROVED AS TO FORM:



Michael J. Ogaz, City Attorney/Agency Counsel

RESOLUTION NO. RA304 / 7763

A JOINT RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS AND THE CITY COUNCIL OF THE CITY OF MILPITAS MAKING FINDINGS FOLLOWING A PUBLIC HEARING FOR USE OF REDEVELOPMENT FUNDS

WHEREAS, the Milpitas Redevelopment Agency and the City Council of the City of Milpitas seek to acquire, construct, and improve certain public facilities of benefit to the Redevelopment Area and to the community; and

WHEREAS, the 2008-2013 Capital Improvement Program enumerates the capital projects that the Agency and the City of Milpitas wishes to undertake, setting forth the desired timing and financing resources for the projects that is available to undertake said projects; and

WHEREAS, notice was given of a joint public hearing before the Milpitas Redevelopment Agency and the City Council of the City of Milpitas at 6:00 p.m. on May 13, 2008 at the Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, California; and

WHEREAS, prior to said hearing the 2008-2013 Capital Improvement Program was prepared and made available for public inspection and copying, and the 2008-2009 Capital Budget of the 2008-2013 Capital Improvement Program is hereby referred to and made a part hereof as though fully set forth herein; and

WHEREAS, a joint hearing was held at said time and place. Opportunity was given to any member of the public to comment, and to inquire. The hearing was closed, and following the close thereof the 2008-2013 Capital Budget was approved; and

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

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Each of the statements contained in the above recitals are true and correct, and incorporated herein by reference and are approved and confirmed.

SECTION 2. The evidence offered by the Agency/City staff and contained in the 2008-2013 Capital Improvement Program set forth the facts supporting the determinations required to be made pursuant to Section 33445 of the Health and Safety Code and set forth the redevelopment purpose for which redevelopment funds are being used to pay for the acquisition, construction, and improvements of publicly owned facilities.

SECTION 3. The land and facilities to be acquired, constructed, and improvements that are to be made thereon are within the Project Area of the Agency or adjacent to the Project Area.

SECTION 4. The acquisition of land, facilities, buildings, structures, and other improvements to be acquired or constructed as set forth in the 2008-2013 Capital Improvement Program are of benefit to the Project Area and will assist in eliminating blighting conditions within the Project Area.

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

PASSED AND ADOPTED this 3RD day of June 2008, by the following vote:

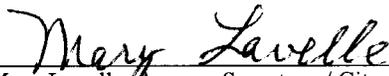
AYES: (5) Chair/Mayor Esteves, Vice Chair/Vice Mayor Livengood, and Agency Members/Councilmembers Giordano, Gomez and Polanski

NOES: (0) None

ABSENT: (0) None

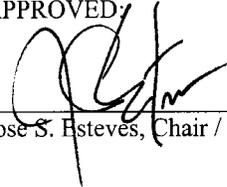
ABSTAIN: (0) None

ATTEST:



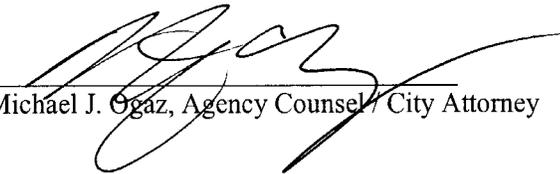
Mary Lavelle, Agency Secretary / City Clerk

APPROVED:



Jose S. Esteves, Chair / Mayor

APPROVED AS TO FORM:



Michael J. Ogaz, Agency Counsel / City Attorney

RESOLUTION NO. RA306

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS DETERMINING THAT THE PLANNING AND ADMINISTRATION EXPENSES TO BE FUNDED IN FISCAL YEAR 2008-2009 BY THE HOUSING RESERVE FUND ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT, AND/OR PRESERVATION OF AFFORDABLE HOUSING FOR THE LOW AND MODERATE INCOME HOUSEHOLDS

WHEREAS, on September 21, 1976, by Ordinance No. 192, the City Council of the City of Milpitas adopted the redevelopment plan ("Redevelopment Plan") for the Milpitas Redevelopment Project Area No. 1 ("Original Project Area"); and

WHEREAS, pursuant to Section 33334.2(a) of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) not less than 20% of all taxes which are allocated to the Milpitas Redevelopment Agency ("Agency") shall be set aside by the Agency in a Housing Reserve Fund and used by the Agency for the purpose of increasing, improving and preserving the community's supply of low and moderate income housing available at affordable housing costs to people and families of low and moderate income; and

WHEREAS, pursuant to Section 33334.3(d) of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.) it is the intent of the California State Legislature that the amount of money spent for planning and general administration from the Housing Reserve Fund not be disproportionate to the amount actually spent for the cost of production.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

The Agency hereby determines that it is necessary to allocate \$1,561,797 of the estimated \$8,561,797 Housing Reserve Fund Budget for the planning and administrative expenses necessary for the production, improvement, and/or preservation of low and moderate housing during the 2008-2009 fiscal year.

PASSED AND ADOPTED this 3RD day of June 2008, by the following vote:

AYES: (5) Chair Esteves, Vice Chair Livengood, and Agency Members Giordano, Gomez and Polanski

NOES: (0) None

ABSENT: (0) None

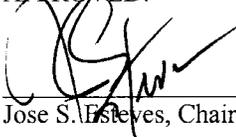
ABSTAIN: (0) None

ATTEST:



Mary Lavelle, Agency Secretary

APPROVED:



Jose S. Esteves, Chair

APPROVED AS TO FORM:



Michael J. Ogaz, Agency Counsel

RESOLUTION NO. RA305

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS
AUTHORIZING PAYMENTS TO THE CITY OF MILPITAS PURSUANT TO THE SECOND
AMENDED AND RESTATED PUBLIC WORKS AGREEMENT**

WHEREAS, on September 21, 1976, by Ordinance No. 192, the City Council of the City of Milpitas ("City") adopted the redevelopment plan ("Redevelopment Plan") for the Milpitas Redevelopment Project No. 1, ("the "Project"); and

WHEREAS, pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*) and its general city powers, the City desires to assist the Milpitas Redevelopment Agency ("Agency") in the implementation of the Project; and

WHEREAS, on June 3, 2003, the City and the Agency entered into a Second Amended and Restated Public Works Agreement ("Agreement") for the construction of Public Improvements; and

WHEREAS, under the Agreement, the City is required to cause the acquisition and construction of certain public improvements and the performance of certain programs and activities as identified in the Redevelopment Agency Financing pages of the Five Year Capital Improvement Program, attached hereto as Attachment No. 1 (the "Public Improvements") to serve and benefit the Project; and

WHEREAS, the Agency and the City have determined that the Public Improvements are of benefit to the Project, and that no other reasonable means of financing such Public Improvements are available to the community.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

In return for the City's obligation to acquire, construct and perform such Public Improvements, the Agency shall pay to the City full cost of the Public Improvements as set forth in Attachment No. 1, or any portion thereof as demanded by the City.

PASSED AND ADOPTED this 3RD day of June 2008, by the following vote:

AYES: (5) Chair Esteves, Vice Chair Livengood, and Agency Members Giordano, Gomez and Polanski

NOES: (0) None

ABSENT: (0) None

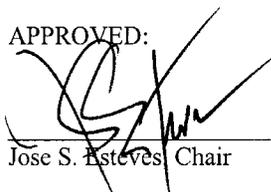
ABSTAIN: (0) None

ATTEST:



Mary Lavelle, Agency Secretary

APPROVED:



Jose S. Esteves, Chair

APPROVED AS TO FORM:



Michael J. Ogaz, Agency Counsel

**Attachment No. 1
City of Milpitas**

2008-13 CAPITAL IMPROVEMENT PROGRAM

REDEVELOPMENT AGENCY FINANCING

RDA Tax Increment

Summary	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
Community Improvement	2,625,000	500,000	0	250,000	0	3,375,000
Park Improvement	50,000	0	0	0	0	50,000
Sewer Improvement	0	0	0	0	0	0
Storm Drain Improvement	150,000	2,200,000	35,000	112,000	0	2,497,000
Streets	1,425,000	1,616,000	0	0	0	3,041,000
Water	0	0	0	0	0	0
RDA Tax Increment Totals	4,250,000	4,316,000	35,000	362,000	0	8,963,000

RDA Bond (1997, 2000, and 2003)

Summary	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
Community Improvement	9,915,000	0	0	0	0	9,915,000
Sewer Improvement	0	0	0	0	0	0
Streets	(174,000)	0	0	0	0	(174,000)
RDA Bond Totals	9,741,000	0	0	0	0	9,741,000

Community Improvement

	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
8176 Senior Center	12,315,000	0	0	0	0	12,315,000
8182 City Building Improvements	200,000	500,000	0	250,000	0	950,000
8190 Green Facility Study	25,000	0	0	0	0	25,000
Total:	12,540,000	500,000	0	250,000	0	13,290,000

Park Improvement

	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
8191 Park Master Plan Improvements - Phase I	50,000	0	0	0	0	50,000
Total:	50,000	0	0	0	0	50,000

Streets

	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
4170 Hwy 237/I-880 Interchange	(174,000)	0	0	0	0	(174,000)
8192 City-Wide Traffic Deficiency Plan	25,000	0	0	0	0	25,000
8193 Singley Area Phase 5	1,000,000	0	0	0	0	1,000,000
8194 Street Resurfacing Project 2009	400,000	0	0	0	0	400,000
New Light Rail Median Landscaping	0	1,416,000	0	0	0	1,416,000
New North Milpitas Blvd. Soundwall Renovation	0	200,000	0	0	0	200,000
Total:	1,251,000	1,616,000	0	0	0	2,867,000

Storm Drain Improvement

	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
8106 Storm Water Pump Station Improvement	150,000	0	0	0	0	150,000
8140 Oakcreek Pump Station Improvement	0	2,200,000	0	0	0	2,200,000
New Fuel Tank Improvements	0	0	35,000	112,000	0	147,000
Total:	150,000	2,200,000	35,000	112,000	0	2,497,000

RESOLUTION NO. 7764

**A RESOLUTION OF THE COUNCIL OF THE CITY OF MILPITAS
AMENDING RESOLUTION NO. 7003 TO PROVIDE COMPENSATION FOR
UNREPRESENTED TEMPORARY EMPLOYEES**

WHEREAS, temporary employees are not organized or represented for the purpose of meeting and conferring with management in the areas of salaries, benefits, and working conditions; and

WHEREAS, it is the intent of the City Council to compensate all employees in accordance with the Personnel Rules and Regulations of the City of Milpitas; and

WHEREAS, the City Manager recommends that the City Council amend Resolution No. 7003 to adjust the salary schedule in accordance with "Appendix A" effective the first full pay period in August 2008.

NOW, THEREFORE, BE IT RESOLVED that previously amended Resolution No. 7003 is amended and the salary ranges for job classifications shall be as shown in the attached salary schedule labeled "Appendix A" effective August 2008.

PASSED AND ADOPTED this 3RD day of June 2008, by the following vote:

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

NOES: (0) None

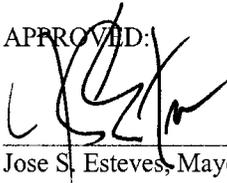
ABSENT: (0) None

ABSTAIN: (0) None

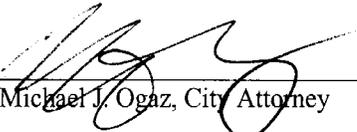
ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Jose S. Esteves, Mayor

APPROVED AS TO FORM:


Michael J. Ogaz, City Attorney

Appendix A Temporary Employee Salaries

Effective: August 3, 2008

<u>Classification</u>	<u>Current</u>		<u>Effective August 3, 2008</u>	
Assistant Pool Manager	\$ 9.69	-	\$ 13.06	\$ 10.66 - \$ 14.37
Dispatch Trainee	\$ 13.26	-	\$ 13.26	\$ 14.59 - \$ 14.59
Lifeguard	\$ 7.80	-	\$ 10.51	\$ 8.58 - \$ 11.56
Maintenance Worker/Seasonal	\$ 10.00	-	\$ 13.54	\$ 11.00 - \$ 14.89
Pool Manager	\$ 12.51	-	\$ 15.10	\$ 13.76 - \$ 16.61
Recreation Instructors	\$ 15.00	-	\$ 30.00	\$ 16.50 - \$ 33.00
Recreation Leader I *	\$ 6.75	-	\$ 8.36	\$ 8.00 - \$ 9.20
Recreation Leader II *	\$ 7.14	-	\$ 9.18	\$ 8.00 - \$ 10.10
Recreation Leader III	\$ 7.85	-	\$ 10.10	\$ 8.64 - \$ 11.11
Recreation Leader IV	\$ 9.79	-	\$ 12.65	\$ 10.77 - \$ 13.92
Recreation Leader V - Temp	\$ 10.76	-	\$ 13.92	\$ 11.84 - \$ 15.31
Student Intern	\$ 9.18	-	\$ 16.07	\$ 9.18 - \$ 17.68

*** Bottom of range is greater than 10%, but made to equal current minimum wage requirements.**

City History

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

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

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

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



Higuera Adobe



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 65,000 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 69,419 are family-centered communities that embrace cultural diversity, comprehensive schooling and preservation of the hills.

Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay. Milpitas covers 13.63 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 1.68 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California.

Milpitas' neighborhoods are dotted with close to 18,359 households and well-placed parks. Milpitas' average household income is \$95,400. The percentage of households with incomes more than \$75,000 is close to 72 percent. About 43% of the households earn more than \$100,000 annually.

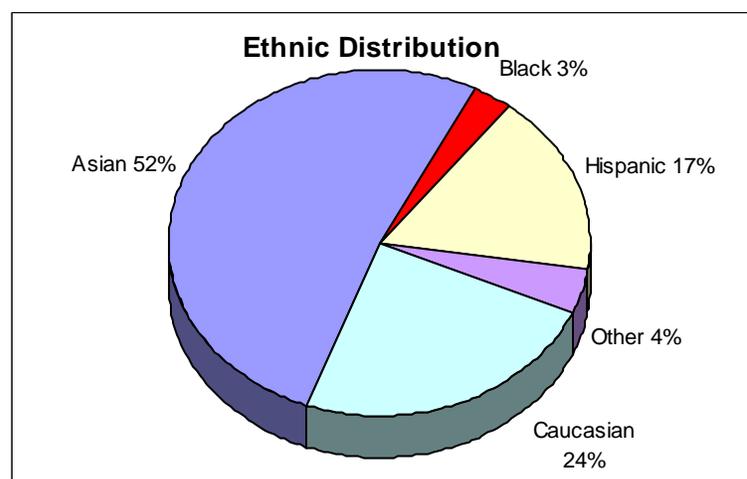
Close to 66 percent of Milpitanians own their own home. Rental prices vary from \$1,075 to \$1,615 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$1,410 to \$2,485. The median price of a home in Milpitas is \$572,000. There are 20 suburban residential areas.

About 7 percent of the city's population are 5 years old or younger, the lowest in the county. About 18 percent are between 5 and 18 years old. About 68 percent of the population are between 18 and 64 years old. About 7 percent of residents are over 65, also the lowest in the county.

Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2000 census, an estimated 52 percent of residents are Asian; 24 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 \$151 million budget. The five members carry out twice a month public meetings. At these times, the public's

General Information Demographic Profile

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, Bicycle Transportation Advisory Commission and Senior Advisory Commission, to name a few.

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

City of Milpitas at a Glance			
Date of Incorporation	January 26, 1954	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	13,985
		Commercial	1,941
Population (estimated*)	69,419	Recycled Water	160
Land Area (Square Miles)	13.63	Average Daily Consumption	
Miles of Streets	139	(in gallons)	10,601,000
Number of Street Lights	4,410	Miles of Water Mains	203
Fire Protection		Sewer Utility	
Number of Stations	4	Miles of Sanitary Sewers	163
Number of Firefighters	74	Miles of Storm Drains	106
Fire Apparatus	13		
Number of Fire Hydrants	1,756	Public Schools Serving the Community	
Police Protection		Elementary Schools	9
Number of Stations	2	Middle Schools	2
Number of Sworn Officers	95	High Schools	2
Crossing Guard Posts	38	Parks and Recreation	
Number of Vehicles	77	Acres of Parkland	178.65
Employees		Number of Parks	31
Permanent	498.00	Number of Swimming Pools	4
Temporary (FTE)	67.75	Number of Tennis Courts	24

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

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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. The light rail line opened for service in 2004 and an extension of BART, with a major multi-modal station, is in the planning stages.

City Council

Mayor	Jose S. Esteves
Vice Mayor	Robert Livengood
Councilmember	Debra Giordano
Councilmember	Armando Gomez, Jr
Councilmember	Althea Polanski

Board, Commissions, and Committee

Arts Commission

Juniel Butler
Donine Ettinger
Bill Foulk
Robin Hays
Harriet McGuire
Linda L. Rabe
Becky Strauss
Richard Tsuei

Public Art Committee

Julie Cherry
Bill Foulk
Carla Ann Moss
Barbara Jo Navarro
Larry Voellger

(Plus all Arts Commission Members)

**Bicycle Pedestrian
Advisory Commission**

Rene Briones
Cheryl Bunnell
Jose Leon
Cheng Wei Pei
Nawal Stanojevic
Wei P. Sun
Fred Zeise

**Emergency Preparedness
Commission**

Clifford Baughn
Michael Berryhill
Lori Bersabe
Michelle Celones
Russ Cherry
Tim Howard
Nancy Martinez
William Nolan
Brian Shreve
Stephen Strauss
Arlyn Swiger

Community Advisory Commission

Joselito Abelardo
Nika Ma Chen
Reena Choudhury
Danny Fang
Jenifer Lind
Rajeev Madnawat
Viramrinder Meharu
Syed Mohsin
Chinedu Nwobi
Heidi Han T. Pham
Michael Queenan
Nelson Villegas

Economic Development Commission

Dhaval J. Brahmhatt
Frank DeSmidt
Ray Maglalang
Zeya Mohsin
Minh Nguyen
Tomo Tuong Nguyen
Donald Peoples
Barbara Santos
Vince Songcayawon
Charlene Tsao

Library Advisory Commission

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

Board, Commissions, and Committee

Mobile Home Park Rental

Review Board

Beth Garcia
Florence Romito

Parks, Recreation and Cultural

Resources Commission

Freddie Cacao
Tim Chang
Kathryn Gray
Frances Krommenhock
Henry Ku
Naomi Matautia
Steve Munzel
Raymond Serena

Planning Commission

Gunawan Ali-Santosa
Lawrence Ciardella
Alexander Galang
Sudhir Mandal
Gurdev Sandhu
Noella Tabladillo
Cliff Williams

Recycling and Source Reduction

Advisory Commission

Ricardo Ablaza
Ed Blake, Jr.
Hong Chen
John Cimino
Marsha Binh Tran
Steve Ybarra
Patrick Yung

Senior Advisory Commission

Mary Banick
Ed Connor
Bal Daquigan
Barbara Ebright
Estrella Gilana
Florentino Menor
Amanda Santos
Albert Wang
Denny Weisgerber
Joanne Wood
Bernice Wrinkle

Sister Cities Commission

Massoud Arefi
Echo Arthur
Nolan Chen
Debra Dugdale
Dennis Grilli
Roselda Mateo
Beverly McCarter
Maria Magdalena Ortega
Oliver Wan

Telecommunications Commission

Albert Alcorn
Satish Kumar Bansal
Dinesh Gupta
Niranjan Gupta
William Lam
Vishnu Mathur
M. Idrees Munir
Roger Shaw
Hai Tran

Youth Advisory Commission

Richard Albana
Nida Asif
Lovin Cortez
Lorden Fok
Josephine Fong
Ryan Ha
Jay Kumar
Brian Leon
Calvin Liang
Ryan Ng
Lan Ngo
Jason Nguyen
Sareen Sandhu

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Directory of Officials
Fiscal Year 2008 – 2009

City Manager

Thomas C. Williams

Police Chief

Dennis Graham

Director of Financial Services

Emma Karlen, CPA

Fire Chief

Clare Frank

City Clerk

Mary Lavelle

City Attorney

Michael Ogaz

Chief Information Officer

William Marion

Human Resources Director

Carmen Valdez

Public Works Director/City Engineer

Greg Armendariz

Planning & Neighborhd Svc Director

James Lindsay

Chief Building Officer

Keyvan Irannejad

Parks and Recreation Director

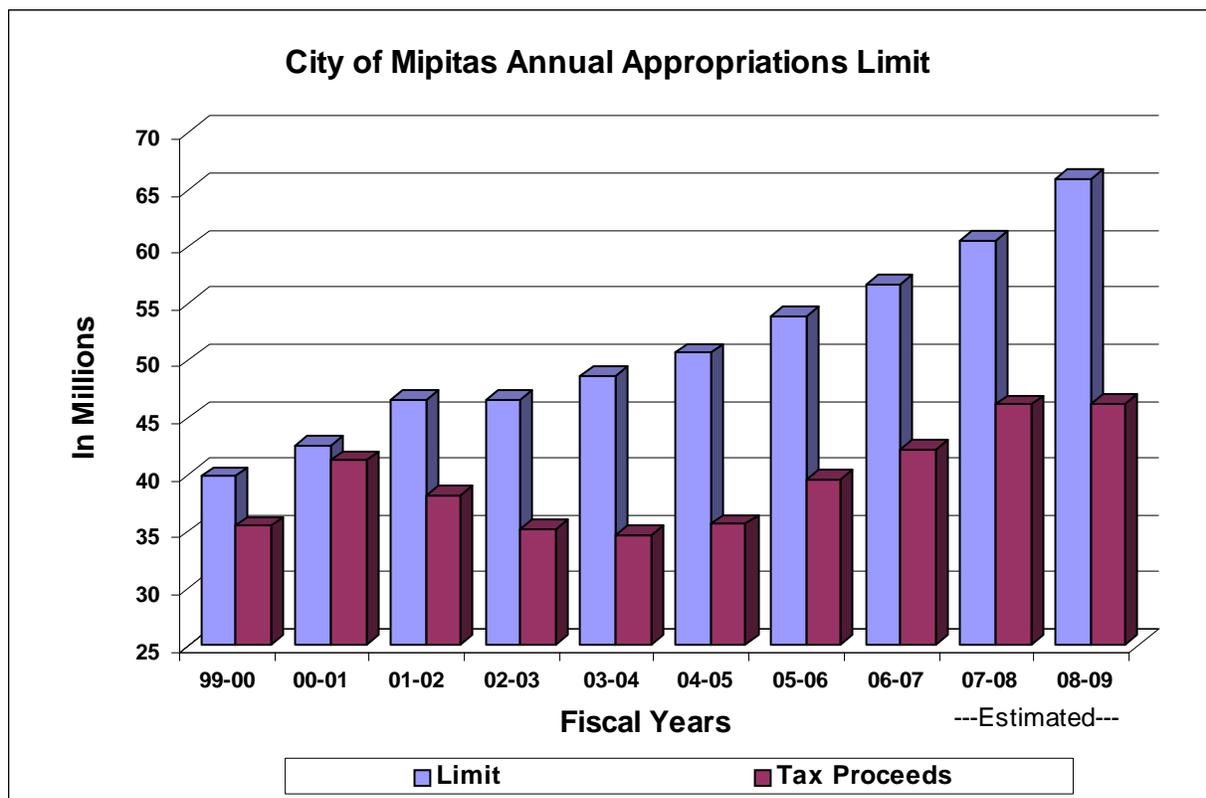
Bonnie Greiner

Gann Limit Analysis

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

Each year's limit is based on the amount of tax proceeds that were authorized to be spent in Fiscal Year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. The City Council must adopt, by resolution, an Appropriations Limit for the following year. Using the population and per capita personal income change factors provided by the State of California, the City's Appropriations Limit for FY2008-09 has been computed to be \$65,450,866. Appropriations subject to the limitation in FY2008-09 budget total \$46,174,872 that is \$19,275,995 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 1999-2000. The City has not exceeded its annual Appropriations Limit in any single fiscal year. Except for the extraordinary growth in tax proceeds experienced in Fiscal Year 2000-01, the City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



City of Milpitas
Computation of Legal Bonded Debt Margin
June 30, 2008

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$11,109,360,693</u>
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (A)	<u>\$416,601,026</u>
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$193,565,000
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Less: Tax Allocation Bonds and Certificates of Participation, not subject to limit	\$193,565,000
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Amount of debt subject to limit	<u>-0-</u>
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LEGAL BONDED DEBT MARGIN	<u>\$416,601,026</u>
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- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Historical Staffing by Division

	05 - 06		06 - 07		07 - 08		Change		08 - 09	
	Approved		Approved		Approved				Approved	
	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp
100 City Council	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
111 City Manager	5.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	4.00	0.00
114 City Clerk	10.00	0.50	10.00	0.00	10.00	0.00	0.00	0.00	10.00	0.00
116 RDA & Economic Dvp	1.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00	1.00	0.00
530 Building and Safety	23.00	1.00	23.00	1.00	23.00	3.00	0.00	0.00	23.00	3.00
City Manager	<u>44.00</u>	<u>1.50</u>	<u>43.00</u>	<u>1.00</u>	<u>43.00</u>	<u>3.00</u>	<u>0.00</u>	<u>0.00</u>	<u>43.00</u>	<u>3.00</u>
112 Information Services	20.00	1.00	20.00	0.50	20.00	0.00	0.00	0.00	20.00	0.00
Information Systems	<u>20.00</u>	<u>1.00</u>	<u>20.00</u>	<u>0.50</u>	<u>20.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>20.00</u>	<u>0.00</u>
115 Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
Human Resources	<u>7.00</u>	<u>0.00</u>	<u>7.00</u>	<u>0.00</u>	<u>7.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7.00</u>	<u>0.00</u>
120 City Attorney	0.00	0.00	0.00	0.00	1.00	0.00	3.00	0.00	4.00	0.00
City Attorney	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1.00</u>	<u>0.00</u>	<u>3.00</u>	<u>0.00</u>	<u>4.00</u>	<u>0.00</u>
300 Finance Administration	7.00	0.25	7.00	0.00	7.00	0.00	0.00	0.00	7.00	0.00
310 Accounting Services	12.00	1.00	12.00	0.50	12.00	0.50	0.00	0.00	12.00	0.50
320 Fiscal Services	10.00	1.00	10.00	0.25	10.00	0.25	0.00	0.00	10.00	0.25
330 Purchasing	5.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00
Finance	<u>34.00</u>	<u>2.25</u>	<u>34.00</u>	<u>0.75</u>	<u>34.00</u>	<u>0.75</u>	<u>0.00</u>	<u>0.00</u>	<u>34.00</u>	<u>0.75</u>
420 Public Works	74.00	6.00	74.00	4.25	75.00	1.50	0.00	1.00	75.00	2.50
410 Engineering	44.00	9.00	46.00	6.00	46.00	0.50	0.00	0.50	46.00	1.00
Public Works	<u>118.00</u>	<u>15.00</u>	<u>120.00</u>	<u>10.25</u>	<u>121.00</u>	<u>2.00</u>	<u>0.00</u>	<u>1.50</u>	<u>121.00</u>	<u>3.50</u>
510 Planning & Nghbrhd	17.50	2.00	16.50	2.00	16.50	2.00	0.50	(2.00)	17.00	0.00
Planning & Nghbrhd Srves	<u>17.50</u>	<u>2.00</u>	<u>16.50</u>	<u>2.00</u>	<u>16.50</u>	<u>2.00</u>	<u>0.50</u>	<u>(2.00)</u>	<u>17.00</u>	<u>0.00</u>
424 Parks	21.00	3.00	21.00	1.00	21.00	1.00	0.00	0.00	21.00	1.00
450 Recreation	29.00	45.50	29.00	41.75	28.00	44.50	(0.50)	(0.50)	27.50	44.00
Parks and Recreation	<u>50.00</u>	<u>48.50</u>	<u>50.00</u>	<u>42.75</u>	<u>49.00</u>	<u>45.50</u>	<u>(0.50)</u>	<u>(0.50)</u>	<u>48.50</u>	<u>45.00</u>
700 Police Administration	3.00	0.00	3.00	0.00	3.00	0.00	0.00	0.00	3.00	0.00
710 Police Technical Services	31.50	2.50	31.50	0.00	31.50	2.50	(1.00)	0.00	30.50	2.50
720 Police Field Services	73.00	13.00	73.00	13.00	73.00	13.00	0.00	0.00	73.00	13.00
730 Special Operations	17.00	0.00	17.00	0.00	17.00	0.00	0.00	0.00	17.00	0.00
Police	<u>124.50</u>	<u>15.50</u>	<u>124.50</u>	<u>13.00</u>	<u>124.50</u>	<u>15.50</u>	<u>(1.00)</u>	<u>0.00</u>	<u>123.50</u>	<u>15.50</u>
800 Fire Administration	3.00	1.00	2.00	1.00	3.00	0.00	0.00	0.00	3.00	0.00
810 Emerg Resp & Prep Div	66.00	1.00	66.00	0.00	67.00	0.00	0.00	0.00	67.00	0.00
820 Prevention Division	11.00	0.50	12.00	0.00	10.00	0.00	0.00	0.00	10.00	0.00
Fire	<u>80.00</u>	<u>2.50</u>	<u>80.00</u>	<u>1.00</u>	<u>80.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>80.00</u>	<u>0.00</u>
TOTAL	<u>495.00</u>	<u>88.25</u>	<u>495.00</u>	<u>71.25</u>	<u>496.00</u>	<u>68.75</u>	<u>2.00</u>	<u>(1.00)</u>	<u>498.00</u>	<u>67.75</u>



Financial Information Budget Summary

	<u>Grand Total</u>	<u>General Fund (1)</u>	<u>Library Fund</u>
ESTIMATED REVENUES			
PROPERTY TAXES	48,762,000	17,056,000	0
TAXES OTHER THAN PROPERTY	28,504,000	26,415,000	1,446,000
LICENSES AND PERMITS	4,680,000	4,680,000	0
FINES AND FORFEITS	1,108,000	1,108,000	0
USE OF MONEY AND PROPERTY	6,619,000	959,000	172,000
INTERGOVERNMENTAL	3,804,000	703,000	0
CHARGES FOR CURRENT SERVICES	32,691,937	4,311,000	0
OTHER REVENUE	4,348,000	130,000	0
sub-total	<u>130,516,937</u>	<u>55,362,000</u>	<u>1,618,000</u>
OTHER FINANCING SOURCES			
(INCREASE) DECREASE IN FUND BALANCE	22,323,954	(98,496)	(988,000)
(INCREASE) DECREASE IN CIP RSRV	(2,379,981)	0	0
(INCREASE) DECREASE IN HOUSING RSRV	826,597	0	0
RDA LOAN PAYMENT	(6,000,000)	0	0
OPERATING TRANSFERS IN	20,934,583	17,345,583	0
OPERATING TRANSFERS OUT	(14,934,583)	0	(260,000)
sub-total	<u>20,770,570</u>	<u>17,247,087</u>	<u>(1,248,000)</u>
TOTAL	<u><u>151,287,507</u></u>	<u><u>72,609,087</u></u>	<u><u>370,000</u></u>
BUDGETED APPROPRIATIONS			
PERSONNEL SERVICES	67,399,736	59,408,761	0
SUPPLIES & CONTRACTUAL SERVICES	38,149,915	11,904,979	370,000
CAPITAL OUTLAY	870,856	38,348	0
sub-total	<u>106,420,507</u>	<u>71,352,087</u>	<u>370,000</u>
CAPITAL IMPROVEMENTS	26,231,000	0	0
DEBT SERVICE	18,636,000	1,257,000	0
sub-total	<u>44,867,000</u>	<u>1,257,000</u>	<u>0</u>
TOTAL	<u><u>151,287,507</u></u>	<u><u>72,609,087</u></u>	<u><u>370,000</u></u>
FUND BALANCE			
FUND BALANCE 7/01/08	200,680,650	23,600,000	5,350,000
NET CHANGES IN FUND BALANCE	(20,770,570)	98,496	988,000
FUND BALANCE 6/30/09	<u>179,910,080</u>	<u>23,698,496</u>	<u>6,338,000</u>
RESERVED	45,976,770	1,300,000	0
UNRESERVED - DESIGNATED	10,438,000	1,600,000	6,338,000
UNRESERVED, DESIGNATED FOR CIP	49,094,981	0	0
UNRESERVED, DESIGNATED FOR PERS	5,432,703	5,432,703	0
UNRESERVED, DESIGNATED FOR HOUSING	15,063,403	0	0
UNRESERVED, UNDESIGNATED	53,904,223	15,365,793	0
TOTAL	<u><u>179,910,080</u></u>	<u><u>23,698,496</u></u>	<u><u>6,338,000</u></u>

(1) General Fund balance includes accrued leave, insurance liability accounts and Abandon Vehicle Abatement Fund.

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

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

Financial Information Budget Summary

Other Funds (2)	Capital Projects (3)	Redevelopment (4)	Water Fund (5)	Sewer Fund (6)
0	0	31,706,000	0	0
643,000	0	0	0	0
0	0	0	0	0
0	0	0	0	0
425,000	723,000	2,976,000	629,000	735,000
1,806,000	150,000	1,145,000	0	0
2,930,937	0	0	15,513,000	9,937,000
394,000	880,000	857,000	730,000	1,357,000
6,198,937	1,753,000	36,684,000	16,872,000	12,029,000
(208,120)	0	18,105,145	2,752,155	2,761,270
0	(872,000)	0	(519,981)	(988,000)
0	0	826,597	0	0
0	0	(6,000,000)	0	0
480,000	1,560,000	624,000	925,000	0
(2,283,520)	(624,000)	(7,125,286)	(2,873,199)	(1,768,578)
(2,011,640)	64,000	6,430,456	283,975	4,692
4,187,297	1,817,000	43,114,456	17,155,975	12,033,692
1,111,214	0	3,058,167	2,140,056	1,681,539
2,458,325	121,000	7,606,289	8,716,169	6,973,153
617,758	0	0	214,750	0
4,187,297	121,000	10,664,456	11,070,975	8,654,692
0	1,696,000	15,760,000	6,085,000	2,690,000
0	0	16,690,000	0	689,000
0	1,696,000	32,450,000	6,085,000	3,379,000
4,187,297	1,817,000	43,114,456	17,155,975	12,033,692
14,080,650	21,090,000	102,790,000	13,195,000	20,575,000
208,120	872,000	(18,931,742)	(2,232,174)	(1,773,270)
14,288,770	21,962,000	83,858,258	10,962,826	18,801,730
14,288,770	0	30,388,000	0	0
0	0	0	0	2,500,000
0	21,962,000	4,000,000	8,344,981	14,788,000
0	0	0	0	0
0	0	15,063,403	0	0
0	0	34,406,855	2,617,845	1,513,730
14,288,770	21,962,000	83,858,258	10,962,826	18,801,730

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

(5) Water Fund balances are working capital and include Water Fund, Water Fund CIP, Water Line Extension Fund and Recycled Water Fund.

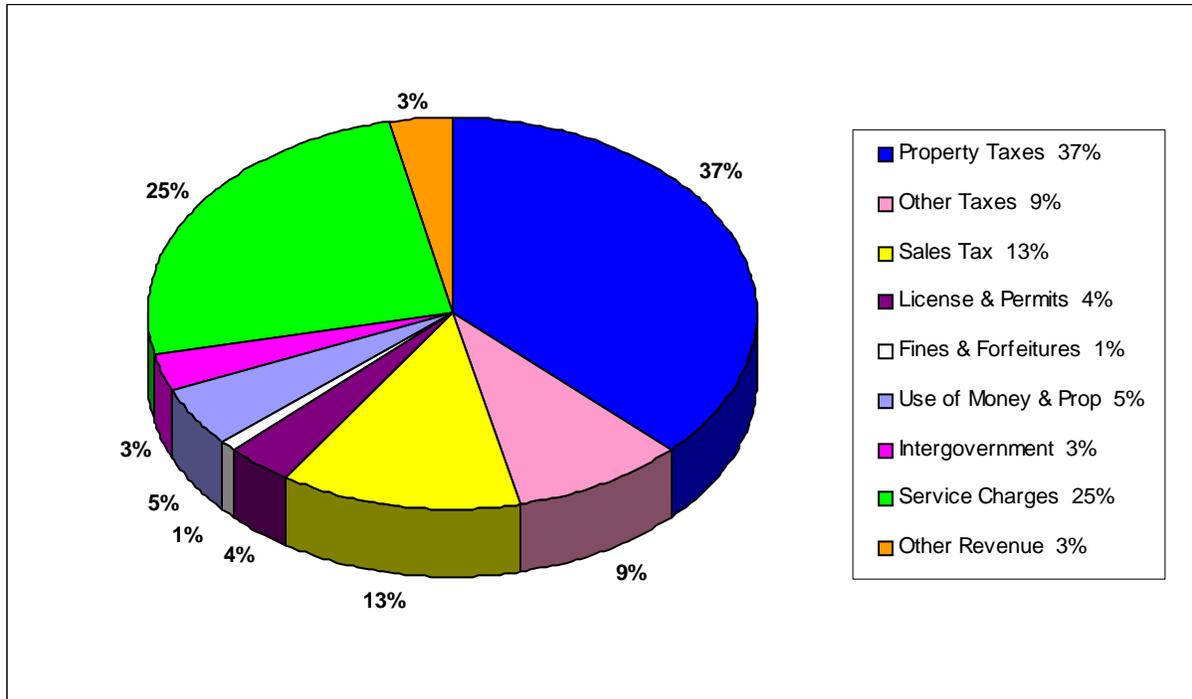
(6) Sewer Fund balances are working capital and include Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund and South Bay Water Recycling Program Fund.

General Fund
Five Year Forecast - FY 2009-10 to FY 2013-14

	<u>FY09-10</u>	<u>FY10-11</u>	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY13-14</u>
Estimated Revenues					
Property Taxes	17,567,680	18,270,387	19,001,203	19,761,251	20,403,491
Sales & Use Tax	17,430,190	18,127,398	18,852,494	19,606,593	20,243,808
Hotel/Motel Tax	5,961,640	6,140,489	6,324,704	6,514,445	6,709,878
Other Taxes	4,175,620	4,342,645	4,516,351	4,697,005	4,849,657
License & Permits	4,773,600	4,964,544	5,163,126	5,369,651	5,530,740
Fine & Forfeitures	1,130,160	1,152,763	1,175,818	1,199,335	1,223,322
Interest Income	978,180	997,744	1,017,698	1,038,052	1,058,813
Rents & Concessions	304,010	307,050	310,121	313,222	313,222
Intergovernmental	717,060	738,572	760,729	783,551	807,057
Charges for Services	4,090,200	4,233,357	4,381,524	4,534,878	4,670,924
Other Revenues	133,900	137,917	142,055	146,316	150,706
RDA Loan Payment	4,600,000	4,100,000	3,700,000	3,000,000	3,000,000
Operating Transfers	11,129,916	11,385,904	11,659,165	12,008,940	12,369,209
Total Estimated Revenues and Other Financing Sources	<u>72,992,156</u>	<u>74,898,769</u>	<u>77,004,987</u>	<u>78,973,239</u>	<u>81,330,828</u>
Estimated Expenditures					
Salaries	41,019,411	41,634,702	42,259,223	43,210,055	44,182,282
Benefits	20,504,815	21,353,853	22,267,141	23,343,969	24,501,211
Charged to CIP	(729,769)	(740,715)	(751,826)	(768,742)	(786,039)
Subtotal	<u>60,794,457</u>	<u>62,247,840</u>	<u>63,774,537</u>	<u>65,785,283</u>	<u>67,897,454</u>
Services & Supplies	12,143,079	12,385,940	12,633,659	12,886,332	13,144,059
Capital Outlay	-	250,000	500,000	250,000	250,000
Debt Service	-	-	-	-	-
Subtotal	<u>12,143,079</u>	<u>12,635,940</u>	<u>13,133,659</u>	<u>13,136,332</u>	<u>13,394,059</u>
Total Estimated Expenditures	<u>72,937,536</u>	<u>74,883,781</u>	<u>76,908,197</u>	<u>78,921,616</u>	<u>81,291,512</u>
Surplus	54,620	14,989	96,790	51,623	39,315

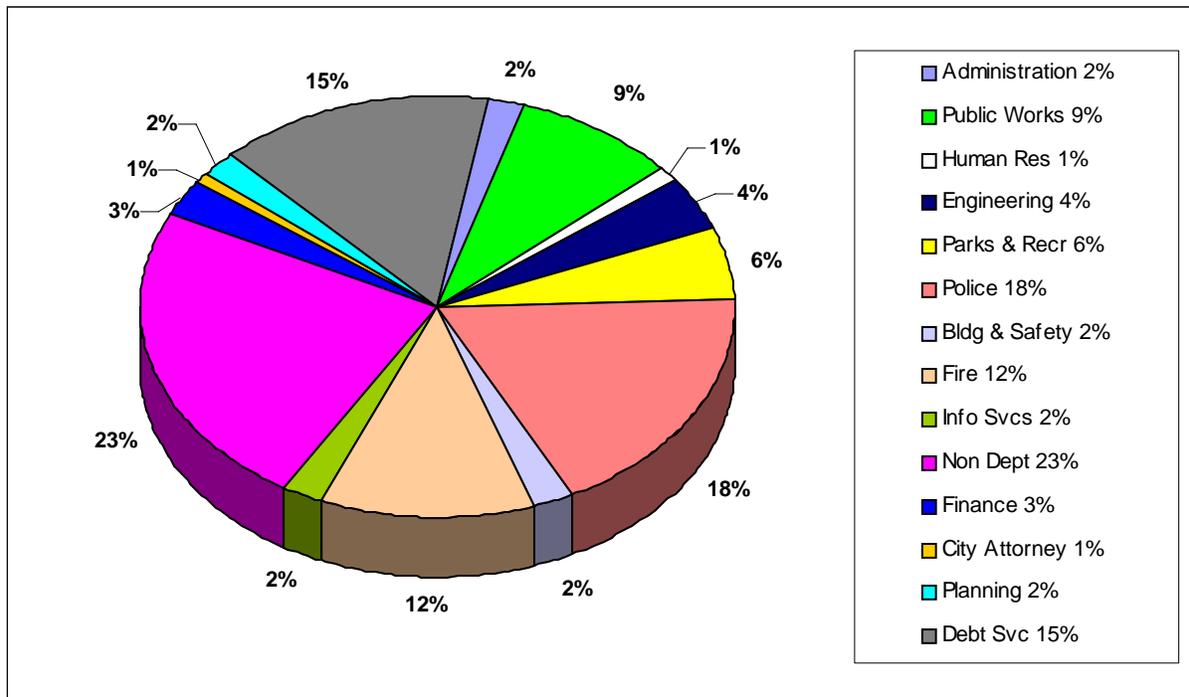
Distribution of Revenues

2008-2009
(All Funds)



Distribution of Expenditures

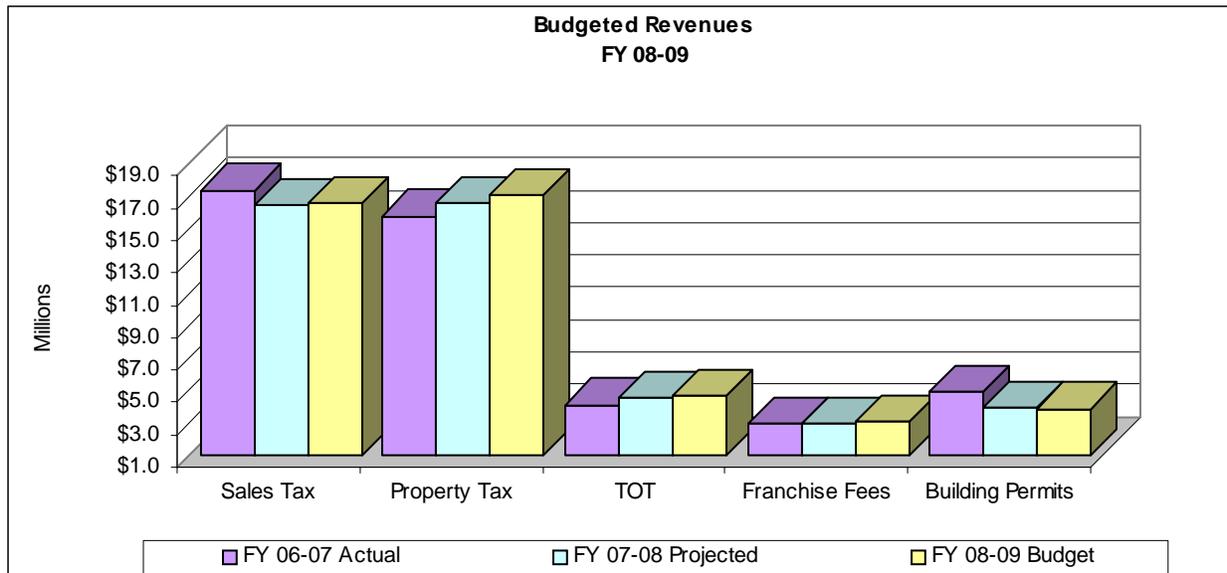
2008-2009
(All Funds)



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Revenue Assumptions

CPI	Projected to be 3% increase based on the average urban consumer Consumer Price Index increase in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas.
Sales Tax	The Association of Bay Area Governements (ABAG)'s forecast is 3.4% increase for the Santa Clara County next year, our projection is more conservative. FY 08-09 sales tax revenue is projected to increase by 0.6% over FY 07-08 revised estimate based on decline in sales in the business-to-business and construction economic segments offset by increased sales in the food products and general retail economic segments. The City also anticipates increased sales tax revenue from Piercey Toyota from a full year of operation in FY 08-09.
Property Tax	The property tax revenue is projected to increase by 3% primarily due to 2% assessed valuation growth as allowed under Proposition 13, changes of ownership and newly constructed properties that added value to the tax roll. The City's projection is more conservative than the assessed valuation growth of 4.2% reported by the County Assessor in anticipation of the County Assessor lowering the assessed valuation of a number of properties that were acquired at the peak of the market and whose values have since declined.
Transient Occupancy Tax (TOT)	It is projected that that FY 08-09 TOT will increase by 4.5% over FY 07-08 revised revenue. For FY 07-08, our revenue projection was revised to 13.4% increase or \$654,000 over budget. Given the high increase experienced in FY 07-08, we anticipate that growth rate to slow down in FY 08-09.
Franchise Fees	Franchise fee is based on an agreed upon percentage of the gross revenue generated by the gas and electric utility, garbage, and cable TV service providers in the City. The projection for franchise fees take into consideration of rate increases and consumption changes. Electric, gas franchise fees are projected to increase by 3% due to rate increase while cable franchise fees are projected to increase by 3.9% next fiscal year over FY 07-08 revised budget. Garbage franchise fee is projected to increase by 7.5%.
Building Permits	FY 08-09 building permit revenues are projected to be at the same level as FY 07-08 revised revenue based on the number of anticipated applications and the size of the projects that are currently being processed by the Building Department. FY 07-08 building permit revenues were revised to be 6.5% lower than orgiinal budget projection. It is anticipated that Centria and Paragon will continue with their construction activities and some commercial development projects will occur.



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Revenues by Fund (Summary)

	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
100 General Fund	68,540,510	88,492,862	71,594,793	72,652,583
102 Library Fund	(1,639,590)	1,389,890	964,000	1,358,000
105 Abandon Veh Abatement	69,940	52,985	69,000	55,000
211 H-Hetch Ground Lease	(1,455,487)	56,496	64,945	70,842
212 Public Art Fund	171,707	248,232	438,000	494,000
221 Gas Tax Fund	254	(204,554)	7,000	16,000
235 95-1 Lighting/Lscape Dist	258,778	270,845	277,000	278,000
236 98-1 Lighting/Lscape Dist	32,356	33,335	33,500	34,000
237 05 Community Fclty Dist	0	0	0	90,000
250 HCD Fund	432,888	597,377	601,000	599,000
251 HCD Loan	15,829	3,606	2,000	2,000
261 Supplemental Law Enforcement	105,271	85,927	3,000	3,000
262 State Asset Seizure	24,357	10,536	10,000	4,000
263 Federal Asset Seizure	298	164,121	1,000	6,000
264 Local Law Enforcmnt Block Grant	2,387	651	0	0
267 Justice Assistance Grant	10,328	18,185	0	0
280 Solid Waste Services	349,382	234,898	214,273	168,426
281 Solid Waste Reduction	302,414	362,800	211,664	241,112
290 Housing Reserve Fund	7,114,029	9,657,098	5,625,345	6,570,418
291 Housing Reserve 97 TABS	232,063	(6,411,861)	0	0
310 Street Fund	(2,246,508)	(430,437)	(524,000)	1,196,000
311 Street CIP	4,272,712	4,558,695	3,075,000	336,000
312 Traffic Impact Fee	1,139,166	140,221	0	0
313 Traffic Congestion Relief	771,766	(771,766)	0	0
320 Park Improvement Fund	(703,635)	823,430	(362,000)	(137,000)
321 Park Improvement CIP	739,289	542,583	590,000	200,000
322 Midtown Park Fund	35,546	38,099	33,000	46,000
330 General Government	43,744	13,663	38,000	26,000
331 General Government CIP	650,000	20,000	200,000	410,000
332 Technology COP	(20,703)	(82,123)	4,000	1,000
340 Storm Drain Development	(15,591)	752,721	227,000	(139,000)
341 Storm Drain CIP	0	0	0	750,000
390 RDA Project Fund	18,678,307	28,192,874	12,035,153	14,864,296
391 Redevelopment CIP	16,916,057	17,473,637	1,890,000	15,760,000
392 97 RDA TABs	169,986	184,519	(725,000)	(862,000)
393 2000 RDA TABs	2,587	(71,215)	(71,000)	0
395 2003 RDA TABs	(10,653,324)	(15,425,592)	1,518,000	(12,150,000)
400 Water M & O Fund	8,781,828	11,373,952	11,019,539	7,795,124
401 Water CIP	900,000	1,560,000	2,540,000	6,085,000
402 Water Line Extension Fund	539,255	968,460	563,000	799,000
405 Water Infrastructure Replmnt	0	1,000,000	0	37,000
406 Recycled Water Fund	708,240	736,734	709,740	207,677
450 Sewer M & O Fund	4,539,831	8,985,951	8,876,048	6,582,422
451 Sewer CIP	12,123,883	872,324	150,000	2,690,000
452 Treatment Plant Construction F	(6,134,521)	1,503,782	1,043,000	1,448,000
453 Sewer 2006 COPS	0	259,495	0	39,000
455 Sewer Infratrtrure Replmnt	(69,515)	(195,110)	190,000	(499,000)

Financial Information Revenues by Fund (Summary)

	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budget 2007-08</u>	<u>Approved 2008-09</u>
456 South Bay Water Recycling Prgm	31,635	(13,071)	28,000	0
500 Equipment Mgnt Fund	3,038,335	3,017,717	2,915,692	2,312,037
505 Information Tec Replmt	200,000	144,663	0	112,000
506 Permit Automation Fund	0	0	0	(35,000)
TOTAL	<u>129,006,084</u>	<u>161,237,636</u>	<u>126,079,692</u>	<u>130,516,937</u>

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	13,370,012	14,952,459	15,534,000	16,330,000
3030 Property Taxes, Supplement	1,047,379	797,733	680,000	726,000
sub-total	14,417,392	15,750,192	16,214,000	17,056,000
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	16,227,888	17,382,981	18,712,000	16,573,000
3120 Real Estate Transfer Tax	1,002,257	401,046	492,000	565,000
3131 Electric Franchise	979,737	1,080,321	1,039,000	1,112,000
3132 Gas Franchise	194,268	211,289	206,000	217,000
3133 Garbage Franchise-Commercial	660,655	794,721	729,000	856,000
3134 Garbage Franchise-NonCommercial	432,399	434,443	469,000	469,000
3137 Nitrogen Gas Franchise	37,454	39,006	40,000	32,000
3138 CATV Franchise	338,878	351,813	367,000	374,000
3140 Business License Tax	280,663	288,353	280,000	429,000
3150 Hotel/Motel Tax	4,535,325	5,153,656	4,884,000	5,788,000
sub-total	24,689,525	26,137,629	27,218,000	26,415,000
LICENSES AND PERMITS				
3210 Building Permits	5,740,022	4,933,979	4,047,000	3,856,000
3220 Fire Permits	547,779	635,271	473,000	590,000
3240 Life Safety Annual Permits	181,628	184,288	188,000	216,000
3250 Fire Inspections	34,656	66,134	1,000	18,000
sub-total	6,504,085	5,819,673	4,709,000	4,680,000
FINES AND FORFEITS				
3301 Vehicle Code Fines	247,384	287,198	258,000	270,000
3302 Other Court Fines	449,098	681,483	450,000	674,000
3305 Booking Fees	29,285	25,368	13,000	28,000
3306 NBO Violation Fees	11,450	14,300	10,000	5,000
3307 Impound Fees	58,827	61,181	56,000	60,000
3308 Animal Violations	13,200	15,300	11,000	11,000
3309 False Alarm Fee	42,850	51,175	48,000	60,000
3310 Fire Administrative Citations	0	1,650	0	0
sub-total	852,094	1,137,656	846,000	1,108,000
USE OF MONEY AND PROPERTY				
3431 Pooled Investment-Interest	1,072,931	1,389,130	1,135,000	0
3433 Other Interest Income	(162,710)	412,538	65,000	78,000
3434 Pooled Interest Allocation	0	0	0	881,000
sub-total	910,221	1,801,669	1,200,000	959,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	1,548,080	356,756	423,000	368,000
3521 Homeowners Property Tax Relief	130,893	125,499	130,000	120,000
3532 Off-Highway Tax	2,446	0	0	0
3551 Federal Contributions-General Gov't	0	2,238	0	0
3555 Federal Contri-Public Works	74,135	0	0	0
3556 Federal Contributions-Recreation	15,700	13,000	15,000	20,000
3557 Federal Contributions-Police	19,015	29,908	0	0
3558 Federal Contributions-Fire	116,231	51,829	0	0
3561 State Contributions-General Gov't	0	1,676	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
3562 POST Grant	27,726	18,649	18,000	18,000
3565 State Contri-Public Works	1,016	0	0	0
3567 State Contributions-Police	0	8,704	0	0
3568 State Contributions-Fire	3,600	0	0	0
3576 County Contributions-Recreation	66,021	70,483	77,000	82,000
3577 County Contributions-Police	3,346	0	0	0
3582 SB90 Grant	402,382	206,926	71,000	32,000
3585 Other Res Grant-Public Works	7,190	0	0	0
3587 Other Restricted Grants-Police	2,000	0	0	0
3591 Misc Unrestricted Intergovernmental	0	99,097	99,000	8,000
sub-total	2,419,782	984,765	833,000	648,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	146,836	237,195	223,000	280,000
3602 Sales of Maps and Documents-Gen Gov't	863	580	1,000	0
3603 Rents, Leases and Concessions-Gen Gov't	150,899	136,406	140,000	146,000
3604 B L Processing Fee	0	0	150,000	0
3611 PJ Overhead Charges-PW/E	967,203	1,103,017	881,000	706,000
3612 PJ Labor Reimbursement-PW/E	433,799	122,015	397,000	345,000
3613 PJ Vendor Reimbursement-PW/E	114,334	196,339	133,000	6,000
3615 Public Works and Engr Fees	213,360	18,593	14,000	2,000
3616 Engineering Plan Check Fee	10,112	231,217	200,000	25,000
3617 Planning Fees	10,920	13,870	12,000	15,000
3618 Sales of Maps and Doc-PW/Engr	15,054	10,196	9,000	7,000
3619 Rent,Lease & Concession-PW/Eng	9,000	9,000	28,000	14,000
3632 Firewatch Services	0	0	0	1,000
3633 Fire Cost Recovery	48,855	7,191	0	0
3634 Unwanted Alarms-Fire	2,700	29,400	2,000	10,000
3635 Fire Enforcement-Penalties	4,350	0	0	0
3636 Fire Enforcement-Training	(1,486)	0	0	0
3637 Fire Service Charges	259,653	220,563	252,000	214,000
3638 Sale of Maps & Documents-Fire	5	0	0	0
3641 Police Service Charges	268,218	254,715	319,000	267,000
3643 Fingerprints	668	1,972	3,000	1,000
3644 Sales of Maps & Documents-Police	12,918	12,302	12,000	13,000
3645 Police Cost Recovery	9,308	1,726	0	89,000
3646 Rents, Leases & Concessions-Police	10	0	0	0
3647 DUI-Police Cost Recovery	2,198	14,637	7,000	0
3651 Rents, Leases & Concessions-Recreation	132,146	135,464	144,000	141,000
3652 Recreation Fees	1,347,050	1,445,752	1,425,000	1,549,000
3653 Senior Nutrition Fees	14,866	16,091	16,000	16,000
3655 Sales of Merchandise Recreation	1,518	1,482	1,000	1,000
3661 Sales of Maps & Documents-Building	172	55	0	0
3662 Records Retention Fee	49,733	58,067	41,000	48,000
3663 Building Service Charges	0	200	0	0
3665 PJ Overhead Charges-Building	0	0	0	4,000
3666 PJ Labor Reimbursement-Building	0	0	0	2,000
3672 Public Works Cost Recovery	56,948	151,923	18,000	13,000
3681 PJ Overhead Charge-Planning	0	377,832	0	170,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
3682 PJ Labor Reimbursement-Planning	0	0	0	160,000
3683 PJ Vendor Reimbursement-Planning	0	0	0	48,000
3685 Housing & Neighborhood Services	0	0	0	18,000
sub-total	<u>4,282,207</u>	<u>4,807,801</u>	<u>4,428,000</u>	<u>4,311,000</u>
OTHER REVENUE				
3710 Development	6,500	14,639	15,000	15,000
3730 Recycling	0	70	0	0
3740 Reimbursements	1,118	0	0	1,000
3750 Donations	9,124	10,349	0	25,000
3770 Sale of Property, Plant and Equipment	666,361	20,461,472	0	0
3790 Miscellaneous Other Revenue	190,593	98,210	49,000	89,000
sub-total	<u>873,696</u>	<u>20,584,740</u>	<u>64,000</u>	<u>130,000</u>
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	8,590	148,912	87,727	150,574
3807 Op Trfs in from Solid Waste Reduction	11,876	0	101,336	103,888
3808 Op Trfs in from Housing Reserves	764,576	1,340,957	1,100,655	1,164,782
3809 Op Trfs in from Street Fund	1,000,000	844,178	0	0
3811 Op Trfs in from RDA	6,374,333	5,341,913	11,220,847	11,480,504
3812 Op Trfs in from Water M&O	3,114,201	1,455,232	1,734,961	1,780,876
3814 Op Trfs in from Recycled	54,142	193,929	126,260	167,323
3815 Op Trfs in from Sewer M&O	2,262,174	1,286,254	1,547,952	1,768,578
3817 Op Trfs in from Equipment Replacement	0	0	0	465,900
3819 Op Trfs in from Other	0	0	263,055	263,158
3822 Op Trfs in from General Gov't Fund	0	30,000	0	0
3841 Appn Transfers in from Redevel	700,000	825,000	0	0
3849 Other Appn Transfers In	1,614	2,362	0	0
sub-total	<u>14,291,506</u>	<u>11,468,737</u>	<u>16,182,793</u>	<u>17,345,583</u>
OPERATING TRANSFERS OUT				
3911 Op Trfs Out To the RDA Project Fund	0	0	(100,000)	0
3949 Other Appn Transfers Out	(200,000)	0	0	0
3952 Appn Tfr out to General Gov't Fund	(500,000)	0	0	0
sub-total	<u>(700,000)</u>	<u>0</u>	<u>(100,000)</u>	<u>0</u>
TOTAL (100)	<u><u>68,540,510</u></u>	<u><u>88,492,862</u></u>	<u><u>71,594,793</u></u>	<u><u>72,652,583</u></u>
LIBRARY FUND (102)				
3150 Hotel/Motel Tax	1,133,906	1,273,674	1,221,000	1,446,000
3431 Pooled Investment-Interest	226,504	116,216	128,000	0
3434 Pooled Interest Allocation	0	0	0	172,000
3901 Op Trfs Out To the General Fund	0	0	(260,000)	(260,000)
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	(125,000)	0
3941 Appn Transfers out to RDA	(3,000,000)	0	0	0
TOTAL (102)	<u><u>(1,639,590)</u></u>	<u><u>1,389,890</u></u>	<u><u>964,000</u></u>	<u><u>1,358,000</u></u>
ABANDON VEH ABATEMENT (105)				
3431 Pooled Investment-Interest	(3)	3	0	0
3577 County Contributions-Police	69,943	52,982	69,000	55,000
TOTAL (105)	<u><u>69,940</u></u>	<u><u>52,985</u></u>	<u><u>69,000</u></u>	<u><u>55,000</u></u>

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment-Interest	44,513	56,496	68,000	0
3434 Pooled Interest Allocation	0	0	0	74,000
3760 Developer Contribution	(1,500,000)	0	0	0
3901 Op Trfs Out To the General Fund	0	0	(3,055)	(3,158)
TOTAL (211)	(1,455,487)	56,496	64,945	70,842
PUBLIC ART FUND (212)				
3431 Pooled Investment-Interest	5,308	11,455	13,000	0
3434 Pooled Interest Allocation	0	0	0	14,000
3811 Op Trfs in from RDA	0	0	325,000	480,000
3819 Op Trfs in from Other	0	0	125,000	0
3841 Appn Transfers in from Redevel	166,399	236,777	0	0
3911 Op Trfs Out To the RDA Project Fund	0	0	(25,000)	0
TOTAL (212)	171,707	248,232	438,000	494,000
GAS TAX FUND (221)				
3431 Pooled Investment-Interest	7,610	5,877	0	0
3434 Pooled Interest Allocation	0	0	0	9,000
3545 Sec 2105-Gas Tax	396,937	396,626	400,000	400,000
3546 Sec 2106-Gas Tax	258,810	260,766	260,000	260,000
3547 Sec 2107-Gas Tax	529,397	530,203	540,000	540,000
3548 Sec 2107.5-Gas Tax	7,500	7,500	7,000	7,000
3909 Op Trfs Out To the Street Improvement Fund	(1,200,000)	(1,405,526)	(1,200,000)	(1,200,000)
TOTAL (221)	254	(204,554)	7,000	16,000
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment-Interest	3,110	6,491	6,000	0
3433 Other Interest Income	702	1,332	1,000	0
3434 Pooled Interest Allocation	0	0	0	8,000
3720 Special Assessments	254,966	263,022	270,000	270,000
TOTAL (235)	258,778	270,845	277,000	278,000
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment-Interest	155	41	0	0
3433 Other Interest Income	89	169	0	0
3720 Special Assessments	32,112	33,125	33,500	34,000
TOTAL (236)	32,356	33,335	33,500	34,000
05 COMMUNITY FCLTY DIST (237)				
3720 Special Assessments	0	0	0	90,000
TOTAL (237)	0	0	0	90,000
HCD FUND (250)				
3555 Federal Contri-Public Works	417,188	584,377	601,000	579,000
3556 Federal Contributions-Recreation	15,700	13,000	0	20,000
TOTAL (250)	432,888	597,377	601,000	599,000
HCD LOAN (251)				
3433 Other Interest Income	2,382	3,606	2,000	2,000
3555 Federal Contri-Public Works	13,447	0	0	0
TOTAL (251)	15,829	3,606	2,000	2,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment-Interest	2,001	4,391	3,000	0
3434 Pooled Interest Allocation	0	0	0	3,000
3567 State Contributions-Police	103,270	81,536	0	0
TOTAL (261)	105,271	85,927	3,000	3,000
STATE ASSET SEIZURE (262)				
3431 Pooled Investment-Interest	4,357	5,351	4,000	0
3434 Pooled Interest Allocation	0	0	0	4,000
3567 State Contributions-Police	20,000	1,512	6,000	0
3577 County Contributions-Police	0	3,673	0	0
TOTAL (262)	24,357	10,536	10,000	4,000
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment-Interest	298	4,628	1,000	0
3434 Pooled Interest Allocation	0	0	0	6,000
3557 Federal Contributions-Police	0	159,493	0	0
TOTAL (263)	298	164,121	1,000	6,000
LOCAL LAW ENFORCMNT BLOCK GRANT (264)				
3431 Pooled Investment-Interest	143	(37)	0	0
3557 Federal Contributions-Police	2,244	688	0	0
TOTAL (264)	2,387	651	0	0
SOLID WASTE SERVICES (280)				
3136 Solid Waste-HHW-Contract & Public	128,147	155,381	140,000	152,000
3139 County-wide AB 939 Fee	170,659	161,091	100,000	164,000
3431 Pooled Investment-Interest	22,781	29,159	20,000	0
3434 Pooled Interest Allocation	0	0	0	27,000
3615 Public Works and Engr Fees	35,935	38,179	42,000	46,000
3671 Public Works Service Charges	0	0	0	130,000
3790 Miscellaneous Other Revenue	450	0	0	0
3901 Op Trfs Out To the General Fund	(8,590)	(148,912)	(87,727)	(150,574)
3922 Op Trfs Out To the General Government Fund	0	0	0	(200,000)
TOTAL (280)	349,382	234,898	214,273	168,426
SOLID WASTE REDUCTION (281)				
3135 Solid Waste-Community Relations	133,509	150,132	142,000	154,000
3136 Solid Waste-HHW-Contract & Public	145,719	174,335	158,000	173,000
3431 Pooled Investment-Interest	12,685	17,339	13,000	0
3434 Pooled Interest Allocation	0	0	0	18,000
3565 State Contri-Public Works	17,663	17,441	0	0
3790 Miscellaneous Other Revenue	4,714	3,554	0	0
3901 Op Trfs Out To the General Fund	(11,876)	0	(101,336)	(103,888)
TOTAL (281)	302,414	362,800	211,664	241,112
HOUSING RESERVE FUND (290)				
3431 Pooled Investment-Interest	688,729	720,175	713,000	0
3433 Other Interest Income	(65,267)	310,229	2,000	51,000
3434 Pooled Interest Allocation	0	0	0	486,000
3740 Reimbursements	0	6,723	0	7,000
3760 Developer Contribution	1,750,000	0	0	850,000
3790 Miscellaneous Other Revenue	0	10	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
3811 Op Trfs in from RDA	5,867,736	5,886,749	6,011,000	6,341,200
3899 Op Trfs in from Subsidiary CIP Fund	0	6,436,552	0	0
3901 Op Trfs Out To the General Fund	(764,576)	(1,340,957)	(1,100,655)	(1,164,782)
3941 Appn Transfers out to RDA	(362,593)	(2,362,384)	0	0
TOTAL (290)	7,114,029	9,657,098	5,625,345	6,570,418
HOUSING RESERVE 97 TABS (291)				
3431 Pooled Investment-Interest	232,063	24,691	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	(6,436,552)	0	0
TOTAL (291)	232,063	(6,411,861)	0	0
STREET FUND (310)				
3431 Pooled Investment-Interest	360,643	391,510	376,000	0
3433 Other Interest Income	(15,889)	107,975	0	0
3434 Pooled Interest Allocation	0	0	0	356,000
3710 Development	200,000	0	0	0
3790 Miscellaneous Other Revenue	1,447	3,065	0	0
3802 Op Trfs in from Gas Tax Fund	1,200,000	1,405,526	1,200,000	1,200,000
3811 Op Trfs in from RDA	0	18,561	0	0
3822 Op Trfs in from General Gov't Fund	0	19,602	0	0
3841 Appn Transfers in from Redevel	0	38,805	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	370,000	0	0
3901 Op Trfs Out To the General Fund	(1,000,000)	(844,178)	0	0
3911 Op Trfs Out To the RDA Project Fund	(300,600)	(8,583)	(5,000)	0
3922 Op Trfs Out To the General Government Fund	(10,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(2,682,108)	(1,932,719)	(2,095,000)	(360,000)
TOTAL (310)	(2,246,508)	(430,437)	(524,000)	1,196,000
STREET CIP (311)				
3555 Federal Contri-Public Works	0	1,647,842	0	0
3564 State Contributions-Public Works	190,475	15,623	0	0
3565 State Contri-Public Works	0	131,193	0	150,000
3574 County Contributions-Public Works	160,412	158,300	0	0
3575 County Cont-Public Works	62,500	0	0	0
3585 Other Res Grant-Public Works	13,467	144,652	0	0
3710 Development	100,000	0	0	0
3760 Developer Contribution	1,100,000	58,587	0	0
3811 Op Trfs in from RDA	0	170,000	680,000	0
3818 Op Trfs in from Tax Alloc	0	0	300,000	0
3841 Appn Transfers in from Redevel	25,000	30,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	2,579,499	2,095,000	360,000
3918 Op Trfs Out To the Tax Allocation Fund	0	0	0	(174,000)
3941 Appn Transfers out to RDA	(61,250)	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	2,682,108	(377,000)	0	0
TOTAL (311)	4,272,712	4,558,695	3,075,000	336,000
TRAFFIC IMPACT FEE (312)				
3431 Pooled Investment-Interest	0	950	0	0
3710 Development	1,139,166	139,271	0	0
TOTAL (312)	1,139,166	140,221	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
TRAFFIC CONGESTION RELIEF (313)				
3565 State Contri-Public Works	771,766	0	0	0
3911 Op Trfs Out To the RDA Project Fund	0	(131,986)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	(639,780)	0	0
TOTAL (313)	771,766	(771,766)	0	0
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment-Interest	239,565	264,420	228,000	0
3433 Other Interest Income	65	0	0	0
3434 Pooled Interest Allocation	0	0	0	263,000
3710 Development	0	243,510	0	0
3790 Miscellaneous Other Revenue	735	0	0	0
3811 Op Trfs in from RDA	0	600,000	0	0
3911 Op Trfs Out To the RDA Project Fund	(700,000)	0	0	(200,000)
3999 Op Trfs Out To Subsidiary CIP Fund	(244,000)	(284,500)	(590,000)	(200,000)
TOTAL (320)	(703,635)	823,430	(362,000)	(137,000)
PARK IMPROVEMENT CIP (321)				
3554 Federal Contributions-Public Works	0	343,083	0	0
3565 State Contri-Public Works	486,160	0	0	0
3574 County Contributions-Public Works	9,000	0	0	0
3750 Donations	129	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	284,500	590,000	200,000
3911 Op Trfs Out To the RDA Project Fund	0	(85,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	244,000	0	0	0
TOTAL (321)	739,289	542,583	590,000	200,000
MIDTOWN PARK FUND (322)				
3431 Pooled Investment-Interest	35,546	38,099	33,000	0
3434 Pooled Interest Allocation	0	0	0	46,000
TOTAL (322)	35,546	38,099	33,000	46,000
GENERAL GOVERNMENT (330)				
3431 Pooled Investment-Interest	43,744	33,265	38,000	0
3434 Pooled Interest Allocation	0	0	0	26,000
3909 Op Trfs Out To the Street Improvement Fund	0	(19,602)	0	0
3911 Op Trfs Out To the RDA Project Fund	(200,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	200,000	0	0	0
TOTAL (330)	43,744	13,663	38,000	26,000
GENERAL GOVERNMENT CIP (331)				
3581 Other Restricted Grants-General Gov't	0	0	50,000	0
3760 Developer Contribution	340,000	50,000	150,000	50,000
3806 Op Trfs in from Solid Waste Service	0	0	0	200,000
3809 Op Trfs in from Street Fund	10,000	0	0	0
3817 Op Trfs in from Equipment Replacement	0	0	0	125,000
3819 Op Trfs in from Other	0	0	0	35,000
3831 Appn Transfers in from General	500,000	0	0	0
3901 Op Trfs Out To the General Fund	0	(30,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(200,000)	0	0	0
TOTAL (331)	650,000	20,000	200,000	410,000

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
TECHNOLOGY COP (332)				
3431 Pooled Investment-Interest	4,917	6,892	2,000	0
3432 Cash with Fiscal Agents	1,638	2,347	2,000	1,000
3911 Op Trfs Out To the RDA Project Fund	(25,644)	(89,000)	0	0
3931 Appn Transfers out to General	(1,614)	(2,362)	0	0
TOTAL (332)	(20,703)	(82,123)	4,000	1,000
STORM DRAIN DEVELOPMENT (340)				
3321 Urban Runoff Fines	400	200	0	0
3431 Pooled Investment-Interest	2,793	26,460	13,000	0
3434 Pooled Interest Allocation	0	0	0	31,000
3710 Development	381,216	726,061	214,000	830,000
3911 Op Trfs Out To the RDA Project Fund	0	0	0	(250,000)
3941 Appn Transfers out to RDA	(400,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	0	0	(750,000)
TOTAL (340)	(15,591)	752,721	227,000	(139,000)
STORM DRAIN CIP (341)				
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	750,000
TOTAL (341)	0	0	0	750,000
RDA PROJECT FUND (390)				
3010 Property Taxes, Current	27,708,295	27,199,331	29,065,000	30,956,000
3030 Property Taxes, Supplement	898,146	1,214,305	990,000	750,000
3431 Pooled Investment-Interest	1,204,878	1,495,951	1,102,000	0
3432 Cash with Fiscal Agents	18,352	25,350	16,000	20,000
3433 Other Interest Income	(200,815)	590,826	124,000	99,000
3434 Pooled Interest Allocation	0	0	0	1,591,000
3750 Donations	0	2,000	0	0
3760 Developer Contribution	0	150,000	0	0
3790 Miscellaneous Other Revenue	522	4,501,859	0	0
3809 Op Trfs in from Street Fund	106,850	3,583	0	0
3810 Op Trfs in from Park Impr	0	85,000	0	0
3812 Op Trfs in from Water M&O	686,651	0	0	0
3815 Op Trfs in from Sewer M&O	300,000	0	0	0
3822 Op Trfs in from General Gov't Fund	200,000	0	0	0
3838 Appn Transfers in from Housing	362,593	2,362,384	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	4,213,105	0	4,000,000
3901 Op Trfs Out To the General Fund	(6,374,333)	(5,341,913)	(11,220,847)	(11,480,504)
3903 Op Trfs Out To the Public Art Fund	0	0	0	(480,000)
3908 Op Trfs Out To the Housing Reserve Fund	(5,867,736)	(5,886,749)	(6,011,000)	(6,341,200)
3909 Op Trfs Out To the Street Improvement Fund	(25,000)	(188,561)	(680,000)	0
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	(325,000)	0
3931 Appn Transfers out to General	(700,000)	(825,000)	0	0
3939 Appn Transfers out to Street F	0	(68,805)	0	0
3949 Other Appn Transfers Out	(166,399)	(236,777)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	526,303	(1,103,014)	(1,025,000)	(4,250,000)
TOTAL (390)	18,678,307	28,192,874	12,035,153	14,864,296

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
REDEVELOPMENT CIP (391)				
3555 Federal Contri-Public Works	30,000	0	0	0
3565 State Contri-Public Works	0	0	0	1,000,000
3585 Other Res Grant-Public Works	0	0	0	145,000
3760 Developer Contribution	24,167	3,900,000	75,000	0
3801 Op Trfs in from General Fund	0	0	100,000	0
3809 Op Trfs in from Street Fund	255,000	136,986	5,000	0
3810 Op Trfs in from Park Impr	700,000	0	0	200,000
3812 Op Trfs in from Water M&O	30,000	5,000	5,000	0
3815 Op Trfs in from Sewer M&O	30,000	5,000	5,000	0
3818 Op Trfs in from Tax Alloc	0	0	650,000	0
3819 Op Trfs in from Other	0	0	25,000	0
3820 Op Trfs in from Debt Pro	25,644	89,000	0	0
3823 Op Trfs in Storm Drain Fund	0	0	0	250,000
3831 Appn Transfers in from General	3,000,000	0	0	0
3842 Appn Transfers in from Water M	350,000	0	0	0
3847 Appn Transfers in from Equipme	15,426	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	14,077,651	1,025,000	14,165,000
3910 Op Trfs Out To the Park Improvement Fund	0	(600,000)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	12,055,820	(140,000)	0	0
TOTAL (391)	16,516,057	17,473,637	1,890,000	15,760,000
97 RDA TABS (392)				
3431 Pooled Investment-Interest	169,986	184,519	152,000	0
3434 Pooled Interest Allocation	0	0	0	179,000
3809 Op Trfs in from Street Fund	0	0	0	174,000
3909 Op Trfs Out To the Street Improvement Fund	0	0	(300,000)	0
3911 Op Trfs Out To the RDA Project Fund	0	0	(577,000)	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	0	0	(1,215,000)
TOTAL (392)	169,986	184,519	(725,000)	(862,000)
2000 RDA TABS (393)				
3431 Pooled Investment-Interest	2,587	1,890	2,000	0
3911 Op Trfs Out To the RDA Project Fund	0	0	(73,000)	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	(73,105)	0	0
TOTAL (393)	2,587	(71,215)	(71,000)	0
2003 RDA TABS (395)				
3431 Pooled Investment-Interest	2,122,761	1,856,644	1,518,000	0
3434 Pooled Interest Allocation	0	0	0	550,000
3915 Op Trfs Out To the Sewer Fund	(193,961)	(307,599)	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(12,582,123)	(16,974,637)	0	(12,700,000)
TOTAL (395)	(10,653,324)	(15,425,592)	1,518,000	(12,150,000)
WATER M & O FUND (400)				
3431 Pooled Investment-Interest	250,481	328,384	262,000	0
3433 Other Interest Income	(52,033)	102,520	0	0
3434 Pooled Interest Allocation	0	0	0	415,000
3622 Water Service Agreements	60,247	45,239	12,500	24,000
3623 Metered Water Sales	12,984,542	14,261,492	14,565,000	14,261,000
3626 Construction Water	26,044	64,118	20,000	36,000
3672 Public Works Cost Recovery	0	340	0	0

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
3790 Miscellaneous Other Revenue	153,400	152,092	0	0
3814 Op Trfs in from Recycled	440,000	440,000	440,000	500,000
3901 Op Trfs Out To the General Fund	(3,114,201)	(1,455,232)	(1,734,961)	(1,780,876)
3911 Op Trfs Out To the RDA Project Fund	(716,651)	(5,000)	(5,000)	0
3941 Appn Transfers out to RDA	(350,000)	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	(900,000)	(2,560,000)	(2,540,000)	(5,660,000)
TOTAL (400)	8,781,828	11,373,952	11,019,539	7,795,124
WATER CIP (401)				
3814 Op Trfs in from Recycled	0	0	0	425,000
3899 Op Trfs in from Subsidiary CIP Fund	0	1,560,000	2,540,000	5,660,000
3999 Op Trfs Out To Subsidiary CIP Fund	900,000	0	0	0
TOTAL (401)	900,000	1,560,000	2,540,000	6,085,000
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment-Interest	29,994	67,395	47,000	0
3434 Pooled Interest Allocation	0	0	0	69,000
3710 Development	509,261	901,065	516,000	730,000
TOTAL (402)	539,255	968,460	563,000	799,000
WATER INFRASTRUCTURE REPLMNT (405)				
3434 Pooled Interest Allocation	0	0	0	37,000
3899 Op Trfs in from Subsidiary CIP Fund	0	1,000,000	0	0
TOTAL (405)	0	1,000,000	0	37,000
RECYCLED WATER FUND (406)				
3431 Pooled Investment-Interest	76,860	100,868	75,000	0
3433 Other Interest Income	(13,575)	24,664	0	0
3434 Pooled Interest Allocation	0	0	0	108,000
3585 Other Res Grant-Public Works	52,989	42,145	0	0
3622 Water Service Agreements	393	0	0	0
3623 Metered Water Sales	1,076,895	1,193,678	1,192,000	1,192,000
3790 Miscellaneous Other Revenue	8,820	9,307	9,000	0
3901 Op Trfs Out To the General Fund	(54,142)	(193,929)	(126,260)	(167,323)
3912 Op Trfs Out To the Water Fund	(440,000)	(440,000)	(440,000)	(925,000)
TOTAL (406)	708,240	736,734	709,740	207,677
SEWER M & O FUND (450)				
3030 Property Taxes, Supplement	9	0	0	0
3321 Urban Runoff Fines	0	200	0	0
3431 Pooled Investment-Interest	423,612	370,289	330,000	0
3433 Other Interest Income	(109,819)	160,830	6,000	2,000
3434 Pooled Interest Allocation	0	0	0	402,000
3628 Sewer Service Charges	8,905,500	9,765,774	10,193,000	9,937,000
3760 Developer Contribution	(14,922)	0	0	0
3790 Miscellaneous Other Revenue	60,760	66,594	50,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	28,519	0	0
3901 Op Trfs Out To the General Fund	(2,262,174)	(1,286,254)	(1,547,952)	(1,768,578)
3911 Op Trfs Out To the RDA Project Fund	(330,000)	(5,000)	(5,000)	0
3999 Op Trfs Out To Subsidiary CIP Fund	(2,133,134)	(115,000)	(150,000)	(1,990,000)
TOTAL (450)	4,539,831	8,985,951	8,876,048	6,582,422

Financial Information Revenues by Fund (Detail)

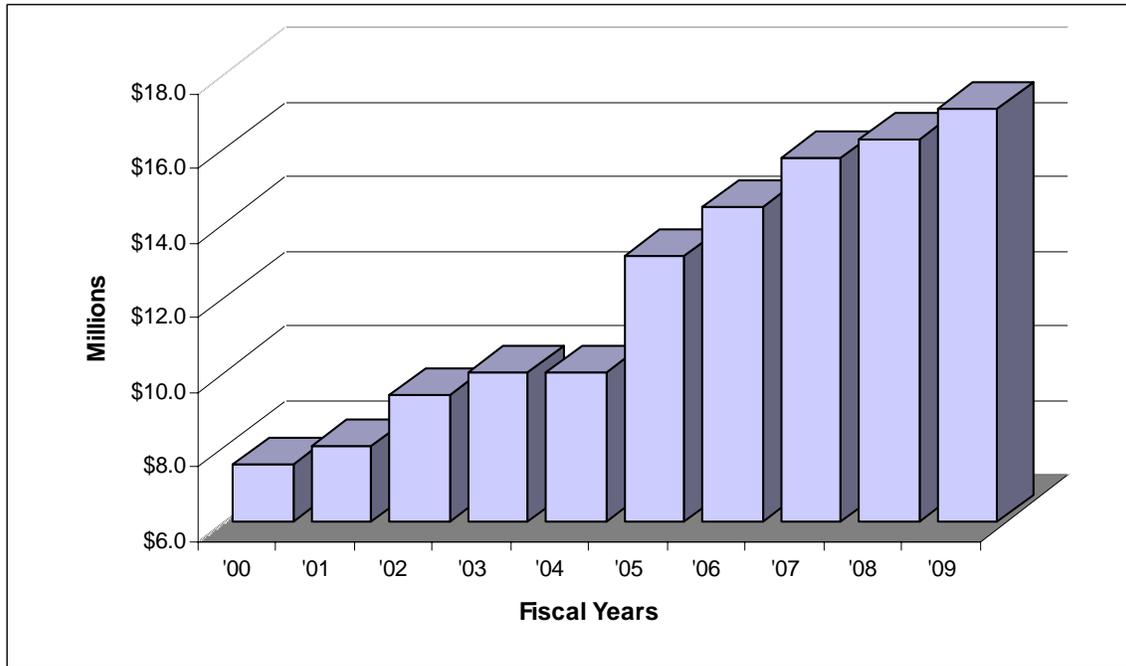
Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
SEWER CIP (451)				
3572 So Bay Water Recycling Program	14,922	49,725	0	0
3760 Developer Contribution	2,466,500	0	0	0
3818 Op Trfs in from Tax Alloc	193,961	307,599	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	515,000	150,000	2,690,000
3999 Op Trfs Out To Subsidiary CIP Fund	9,448,500	0	0	0
TOTAL (451)	12,123,883	872,324	150,000	2,690,000
TREATMENT PLANT CONSTRUCTION F (452)				
3431 Pooled Investment-Interest	80,734	78,993	38,000	0
3433 Other Interest Income	385	0	0	0
3434 Pooled Interest Allocation	0	0	0	91,000
3710 Development	824,726	1,424,789	1,005,000	1,357,000
3999 Op Trfs Out To Subsidiary CIP Fund	(7,040,366)	0	0	0
TOTAL (452)	(6,134,521)	1,503,782	1,043,000	1,448,000
SEWER 2006 COPS (453)				
3431 Pooled Investment-Interest	0	258,833	0	0
3432 Cash with Fiscal Agents	0	662	0	1,000
3434 Pooled Interest Allocation	0	0	0	38,000
TOTAL (453)	0	259,495	0	39,000
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment-Interest	205,485	204,890	190,000	0
3434 Pooled Interest Allocation	0	0	0	201,000
3999 Op Trfs Out To Subsidiary CIP Fund	(275,000)	(400,000)	0	(700,000)
TOTAL (455)	(69,515)	(195,110)	190,000	(499,000)
SOUTH BAY WATER RECYCLING PRGM (456)				
3431 Pooled Investment-Interest	31,635	15,447	28,000	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	0
3999 Op Trfs Out To Subsidiary CIP Fund	0	(28,518)	0	0
TOTAL (456)	31,635	(13,071)	28,000	0
EQUIPMENT MGNT FUND (500)				
3431 Pooled Investment-Interest	194,175	234,330	175,000	0
3433 Other Interest Income	(39,355)	59,622	0	0
3434 Pooled Interest Allocation	0	0	0	248,000
3671 Public Works Service Charges	2,508,922	2,648,390	2,740,692	2,654,937
3770 Sale of Property, Plant and Equipment	11,660	19,064	0	0
3901 Op Trfs Out To the General Fund	0	0	0	(465,900)
3922 Op Trfs Out To the General Government Fund	0	0	0	(125,000)
3941 Appn Transfers out to RDA	(15,426)	0	0	0
3981 Contributions-Proprietary Fund	378,359	56,311	0	0
TOTAL (500)	3,038,335	3,017,717	2,915,692	2,312,037

Financial Information Revenues by Fund (Detail)

Description	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment-Interest	0	12,881	0	0
3433 Other Interest Income	0	0	0	12,000
3601 General Government Service Charges	0	131,782	0	100,000
3831 Appn Transfers in from General	200,000	0	0	0
TOTAL (505)	<u>200,000</u>	<u>144,663</u>	<u>0</u>	<u>112,000</u>
PERMIT AUTOMATION FUND (506)				
3922 Op Trfs Out To the General Government Fund	0	0	0	(35,000)
TOTAL (506)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(35,000)</u>
TOTAL	<u>128,595,756</u>	<u>161,219,451</u>	<u>126,079,692</u>	<u>130,516,937</u>

History of Property Tax Revenue

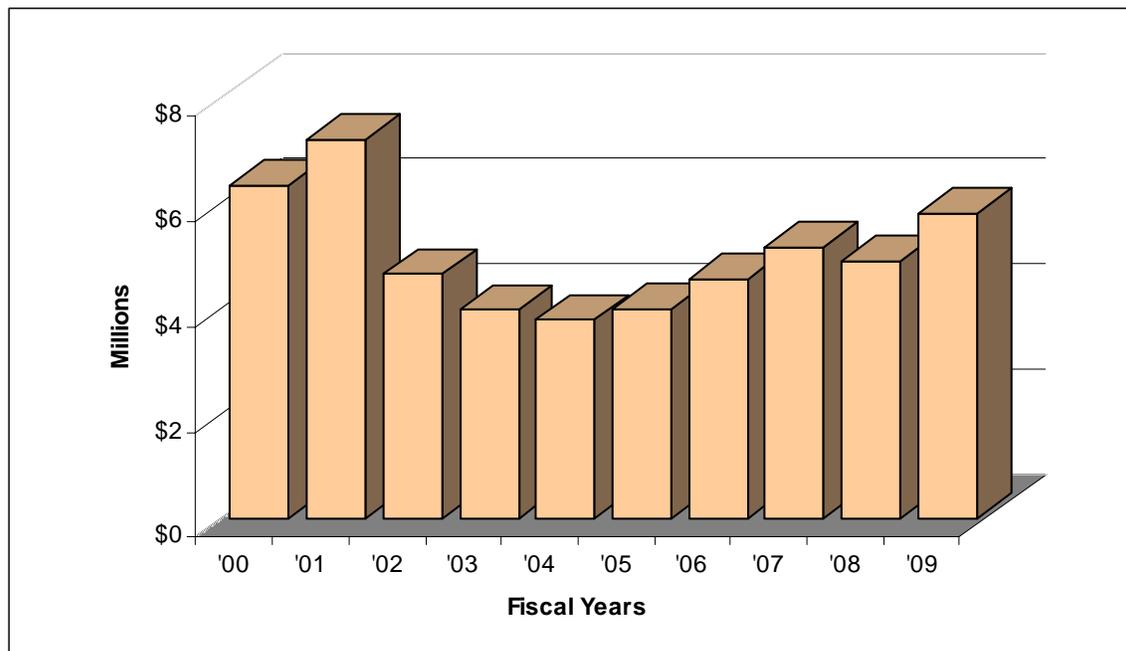
General Fund 2000 through 2009



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

History of Transient Occupancy Tax Revenue

General Fund 2000 through 2009

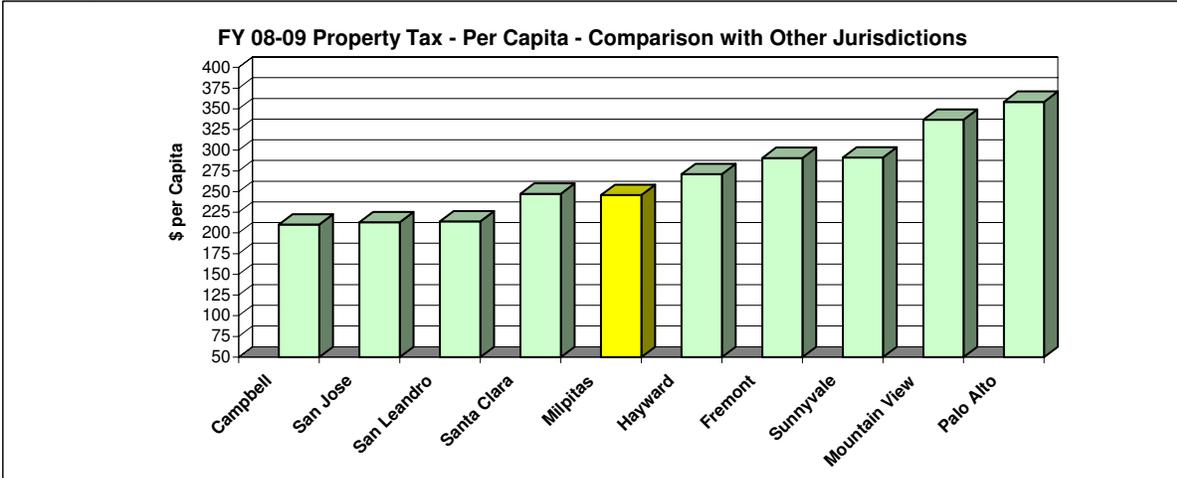


The City of Milpitas Transient Occupancy Rate is currently 10%

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**Property Tax
Comparison With Other Jurisdictions
FY 04-05 through FY 08-09**

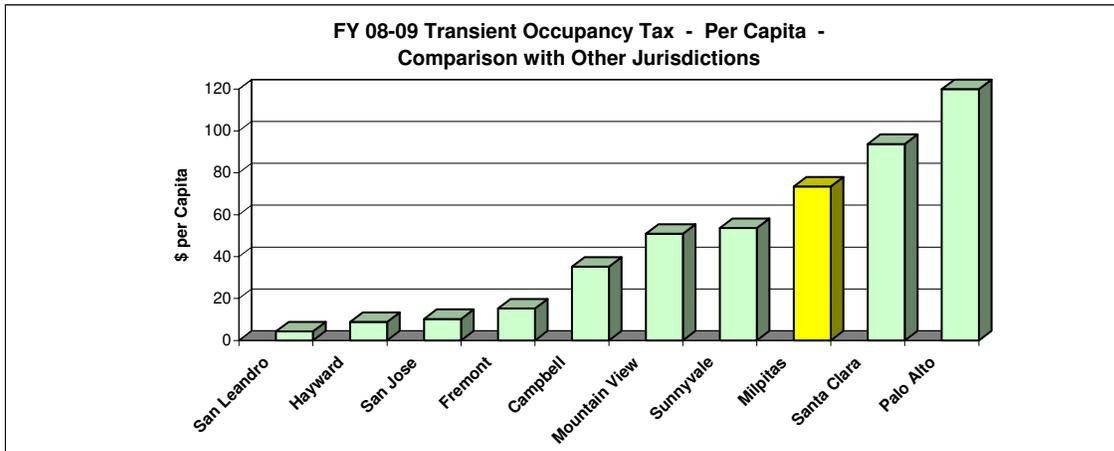
City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	\$13,121,767	\$14,417,392	\$15,750,192	\$16,214,000	\$17,056,000
% of General Fund	22%	21%	18%	23%	23%
Per Capita	209.29	222.66	240.26	243.92	245.70
Campbell	\$5,657,676	\$6,517,562	\$7,568,750	\$7,736,000	\$8,437,000
% of General Fund	20%	22%	24%	23%	23%
Per Capita	147.72	170.17	197.06	194.63	210.08
Fremont	\$61,790,662	\$51,307,083	\$56,432,000	\$59,511,000	\$62,045,000
% of General Fund	33%	44%	46%	46%	46%
Per Capita	293.62	243.80	268.16	283.17	290.59
Hayward	\$18,860,000	\$21,446,000	\$34,640,000	\$38,024,000	\$40,077,000
% of General Fund	20%	22%	33%	38%	39%
Per Capita	130.49	146.50	236.63	257.19	271.07
Mountain View	\$15,502,000	\$21,135,000	\$22,027,000	\$23,591,000	\$24,889,000
% of General Fund	21%	27%	26%	27%	28%
Per Capita	216.51	293.41	305.95	322.51	336.65
Palo Alto	\$16,699,942	\$18,754,000	\$21,466,426	\$22,712,000	\$23,487,000
% of General Fund	14%	15%	17%	18%	18%
Per Capita	271.85	300.54	342.83	358.42	370.65
San Jose	\$144,048,051	\$166,559,696	\$191,825,613	\$198,154,000	\$207,392,000
% of General Fund	26%	22%	28%	28%	29%
Per Capita	152.43	176.98	196.95	207.78	213.00
San Leandro	\$11,694,631	\$13,601,055	\$15,316,082	\$16,444,517	\$17,516,964
% of General Fund	17%	19%	20%	21%	23%
Per Capita	144.30	167.76	189.26	202.34	214.01
Santa Clara	\$19,934,513	\$22,032,336	\$25,468,193	\$29,910,000	\$28,566,000
% of General Fund	16%	18%	18%	21%	19%
Per Capita	184.97	201.94	228.91	261.82	247.32
Sunnyvale	\$31,561,137	\$41,199,278	\$35,815,933	\$38,742,251	\$40,022,455
% of General Fund	30%	40%	29%	29%	32%
Per Capita	237.15	308.51	263.89	281.68	290.99



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**Transient Occupancy Tax
Comparison With Other Jurisdictions
FY 04-05 through FY 08-09**

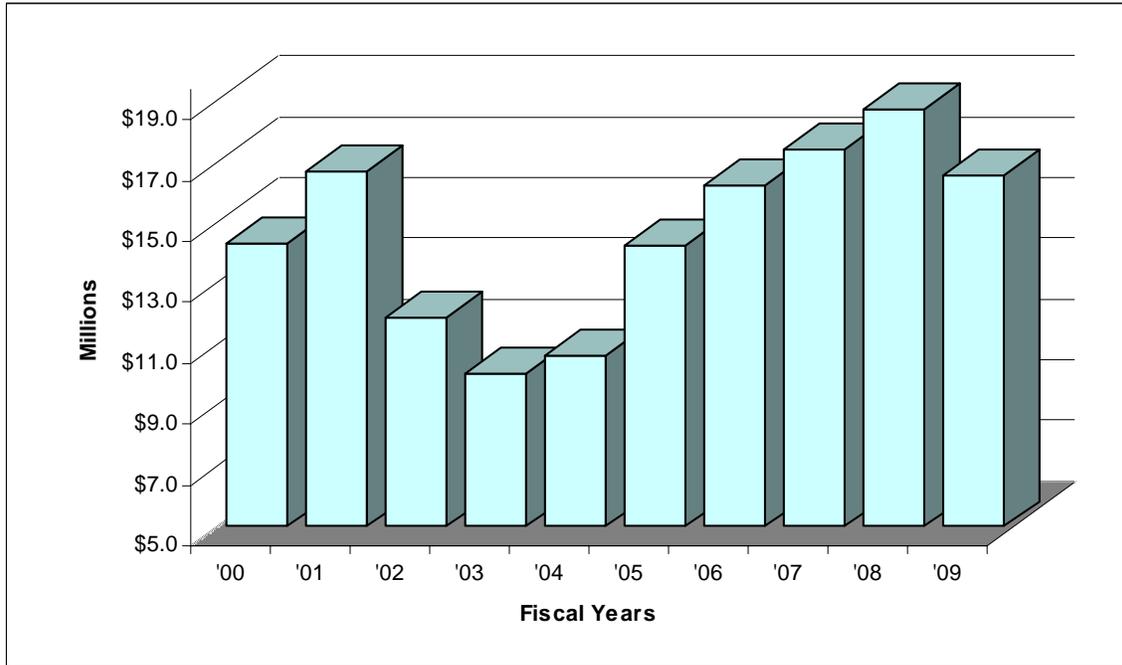
City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	\$3,986,016	\$4,535,325	\$5,153,656	\$4,884,000	\$5,788,000
% of General Fund	7%	7%	6%	7%	8%
Per Capita	63.57	70.04	78.62	73.47	83.38
Campbell	\$894,179	\$1,132,495	\$1,463,140	\$1,400,000	\$1,600,000
% of General Fund	3%	4%	5%	4%	4%
Per Capita	23.35	29.57	38.09	35.22	39.84
Fremont	\$2,017,604	\$2,342,279	\$2,885,000	\$3,206,000	\$3,609,000
% of General Fund	1%	2%	2%	2%	3%
Per Capita	9.59	11.13	13.71	15.26	16.90
Hayward	\$1,292,000	\$1,363,000	\$1,642,000	\$1,300,000	\$1,300,000
% of General Fund	1%	1%	2%	1%	1%
Per Capita	8.94	9.31	11.22	8.79	8.79
Mountain View	\$2,583,000	\$3,177,000	\$3,936,000	\$3,726,000	\$4,200,000
% of General Fund	4%	4%	5%	4%	5%
Per Capita	36.08	44.10	54.67	50.94	56.81
Palo Alto	\$5,685,748	\$6,393,000	\$6,708,199	\$7,700,000	\$8,424,000
% of General Fund	5%	5%	5%	6%	6%
Per Capita	92.56	102.45	107.13	121.51	132.94
San Jose	\$6,409,000	\$7,688,090	\$8,600,000	\$8,988,000	\$9,972,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	6.78	8.17	8.83	9.42	10.24
San Leandro	\$323,466	\$300,524	\$322,160	\$345,000	\$300,000
% of General Fund	0.47%	0.42%	0.41%	0.44%	0.40%
Per Capita	3.99	3.71	3.98	4.24	3.67
Santa Clara	\$7,795,616	\$9,341,790	\$10,306,555	\$10,712,000	\$11,794,000
% of General Fund	6%	8%	7%	8%	8%
Per Capita	72.33	85.62	92.64	93.77	102.11
Sunnyvale	\$5,073,824	\$5,633,159	\$6,479,842	\$7,381,136	\$7,466,938
% of General Fund	5%	5%	5%	6%	6%
Per Capita	38.12	42.18	47.74	53.67	54.29



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History of Sales Tax Revenue

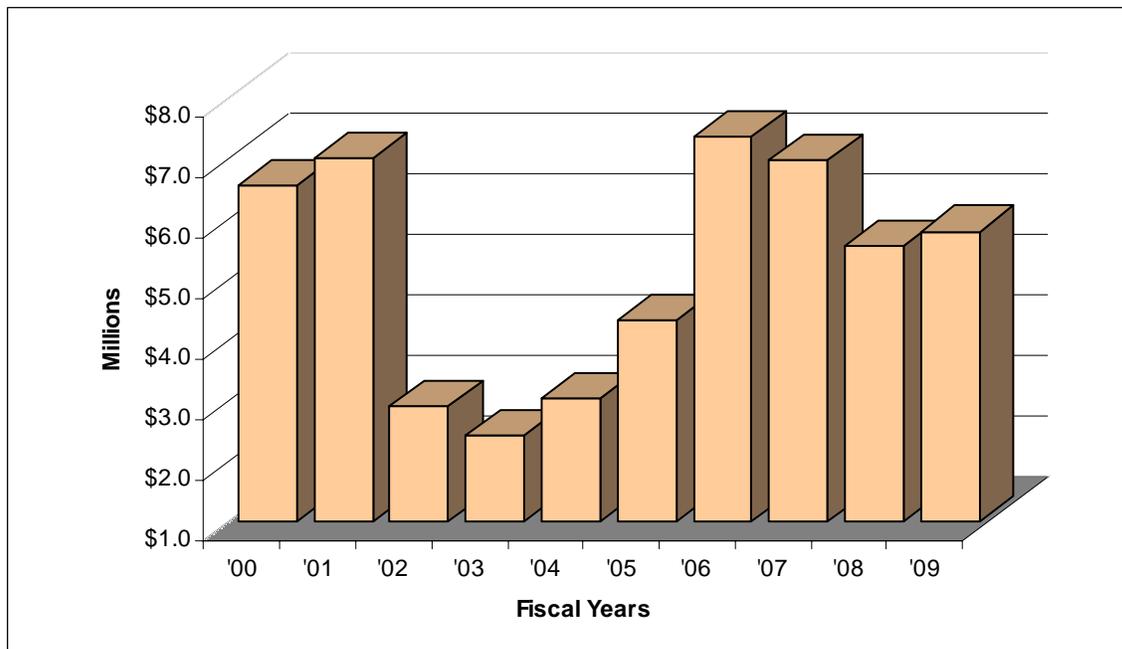
General Fund 2000 through 2009



Of the \$.0825 sales tax paid on every \$1 spent when shopping in Milpitas, \$.01 is returned to the City.

History of License, Permit and Fine Revenue

General Fund 2000 through 2009

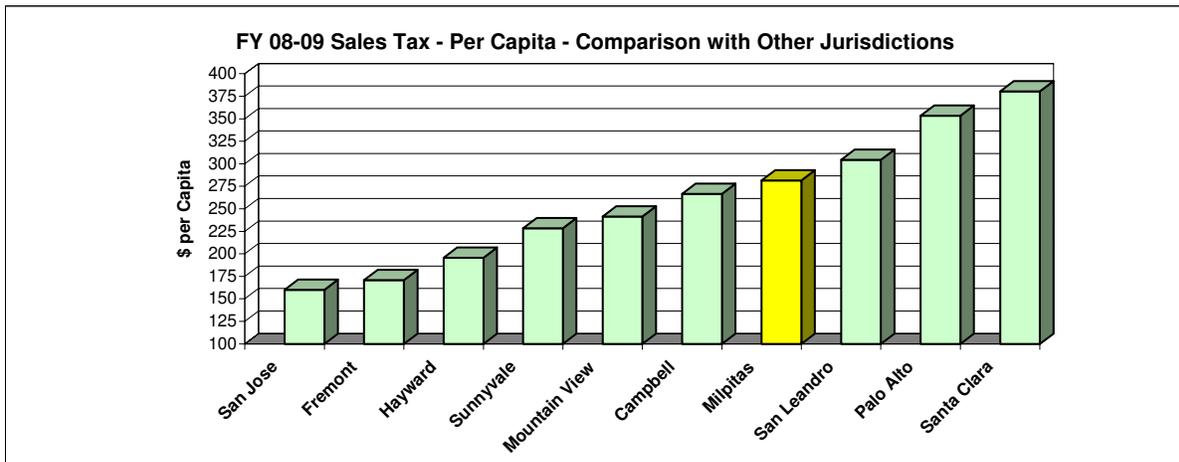


License, Permit and Fine Revenues include: Building Permits and Vehicle Code Fines.

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**Sales Tax
Comparison With Other Jurisdictions
FY 04-05 through FY 08-09**

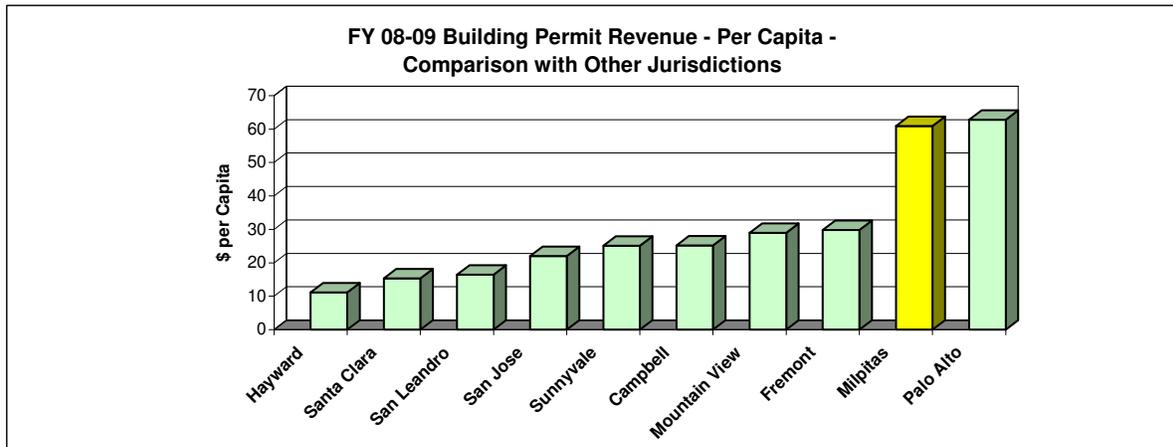
City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	\$14,270,542	\$16,227,888	\$17,382,981	\$18,712,000	\$16,573,000
% of General Fund	24%	24%	20%	26%	23%
Per Capita	227.61	250.62	265.17	281.50	238.74
Campbell	\$9,973,506	\$9,346,984	\$10,049,829	\$10,597,000	\$10,200,000
% of General Fund	35%	31%	31%	31%	28%
Per Capita	260.40	244.05	261.66	266.60	253.98
Fremont	\$30,619,014	\$32,276,000	\$34,191,000	\$35,885,000	\$37,460,000
% of General Fund	16%	28%	28%	28%	28%
Per Capita	145.50	153.37	162.47	170.75	175.45
Hayward	\$27,155,000	\$26,686,000	\$28,858,000	\$28,900,000	\$28,900,000
% of General Fund	29%	27%	28%	29%	28%
Per Capita	187.88	182.29	197.13	195.47	195.47
Mountain View	\$14,852,000	\$16,019,000	\$17,223,000	\$17,664,000	\$17,401,000
% of General Fund	20%	20%	20%	20%	20%
Per Capita	207.43	222.38	239.22	241.48	235.36
Palo Alto	\$19,308,290	\$20,316,000	\$22,194,817	\$22,400,000	\$22,402,000
% of General Fund	17%	16%	18%	18%	17%
Per Capita	314.31	325.58	354.46	353.50	353.53
San Jose	\$133,113,000	\$140,327,107	\$149,962,080	\$152,636,000	\$152,636,000
% of General Fund	24%	18%	22%	21%	22%
Per Capita	140.86	149.11	153.97	160.05	156.76
San Leandro	\$20,971,760	\$22,427,246	\$23,691,425	\$24,732,751	\$22,630,000
% of General Fund	31%	31%	30%	32%	30%
Per Capita	258.76	276.63	292.75	304.32	276.48
Santa Clara	\$37,076,578	\$38,142,524	\$43,271,143	\$43,463,000	\$41,307,000
% of General Fund	30%	31%	31%	31%	28%
Per Capita	344.02	349.59	388.93	380.46	357.63
Sunnyvale	\$24,917,237	\$21,316,412	\$30,852,313	\$31,393,880	\$31,698,822
% of General Fund	23%	21%	25%	24%	25%
Per Capita	187.23	159.62	227.32	228.26	230.47



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**Building Permits
Comparison With Other Jurisdictions
FY 04-05 through FY 08-09**

City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	\$2,876,211	\$5,740,022	\$4,933,979	\$4,047,000	\$3,856,000
% of General Fund	5%	8%	6%	6%	5%
Per Capita	45.87	88.65	75.27	60.88	55.55
Campbell	\$994,179	\$1,661,412	\$818,163	\$1,000,000	\$750,000
% of General Fund	3%	6%	3%	3%	2%
Per Capita	25.96	43.38	21.30	25.16	18.67
Fremont *	\$1,844,078	\$3,040,580	\$5,496,650	\$6,274,898	\$6,209,445
% of General Fund	1%	3%	4%	5%	4%
Per Capita	8.76	14.45	26.12	29.86	29.08
Hayward	\$2,162,000	\$1,444,386	\$2,887,000	\$1,650,000	\$1,700,000
% of General Fund	2%	1%	3%	2%	2%
Per Capita	14.96	9.87	19.72	11.16	11.50
Mountain View	\$2,158,000	\$2,282,000	\$2,388,000	\$2,121,000	\$2,199,000
% of General Fund	3%	3%	3%	2%	2%
Per Capita	30.14	31.68	33.17	29.00	29.74
Palo Alto	\$3,668,342	\$5,224,000	\$3,672,863	\$3,980,107	\$3,531,771
% of General Fund	3%	4%	3%	3%	3%
Per Capita	59.71	83.72	58.66	62.81	55.74
San Jose	\$24,460,340	\$23,955,292	\$21,853,857	\$21,000,000	\$23,850,000
% of General Fund	4%	3%	3%	3%	3%
Per Capita	25.88	25.45	22.44	22.02	24.49
San Leandro	\$1,185,154	\$1,317,169	\$1,308,176	\$1,336,531	\$1,336,200
% of General Fund	2%	2%	2%	2%	2%
Per Capita	14.62	16.25	16.16	16.44	16.32
Santa Clara	\$2,157,045	\$1,969,172	\$1,912,577	\$1,750,000	\$1,750,000
% of General Fund	2%	2%	1%	1%	1%
Per Capita	20.01	18.05	17.19	15.32	15.15
Sunnyvale	\$1,813,403	\$2,138,495	\$2,696,569	\$3,454,604	\$2,621,263
% of General Fund	2%	2%	2%	3%	2%
Per Capita	13.63	16.01	19.87	25.12	19.06

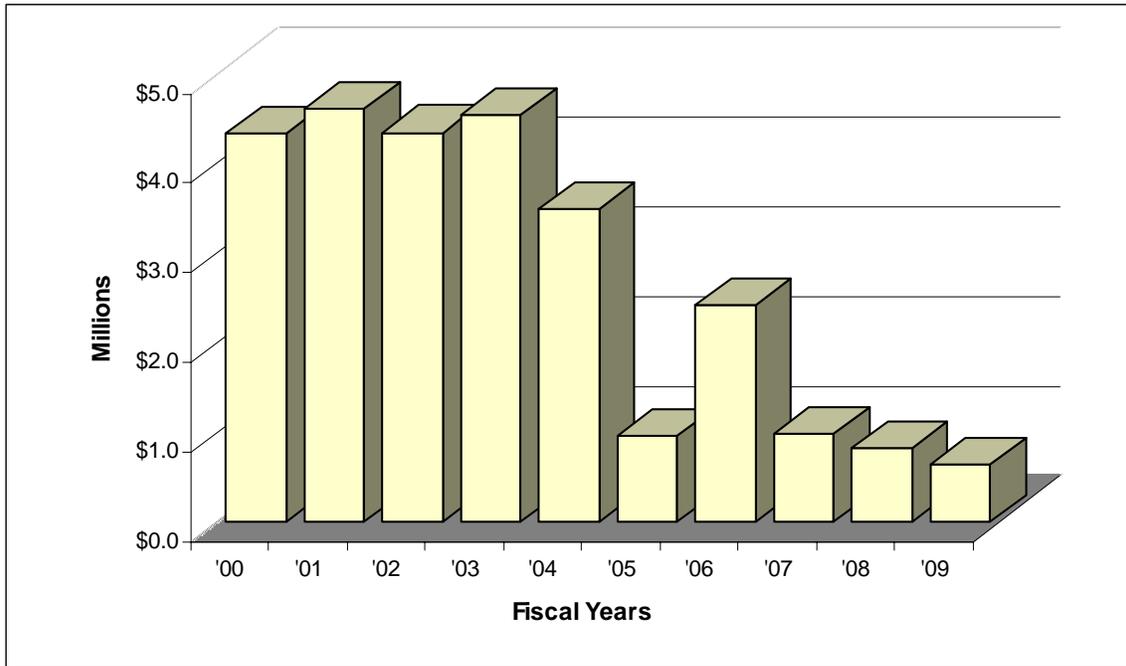


*City of Fremont building permits are not part of their General Fund revenue but for comparison purposes, we included this revenue as part of their General Fund.

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History of Intergovernmental Revenue

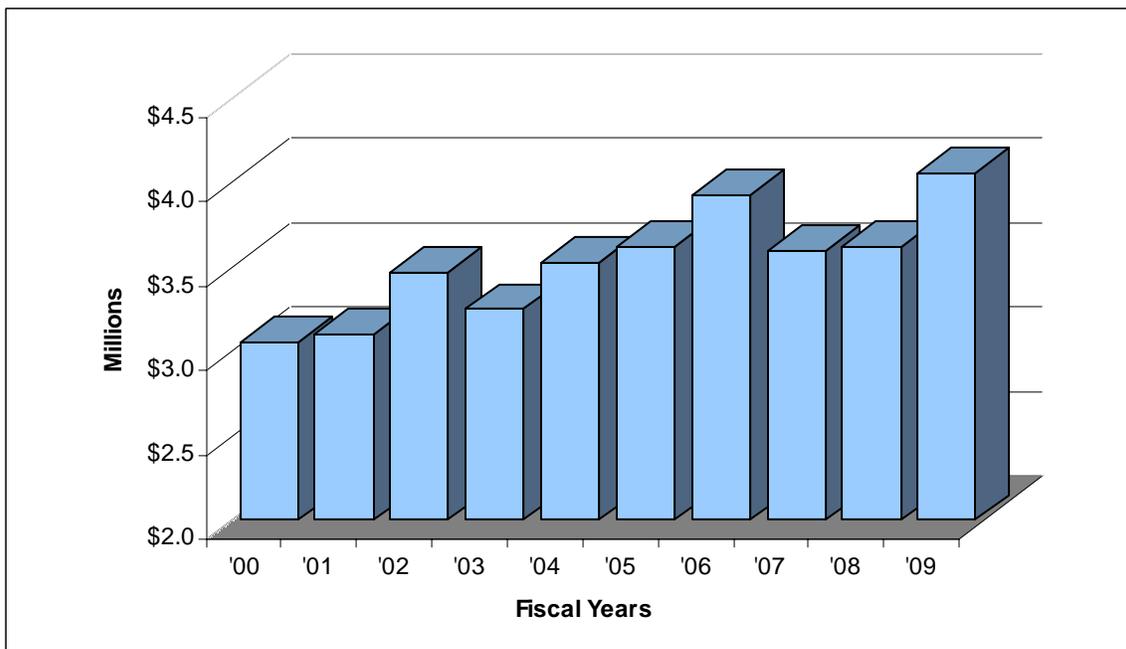
General Fund 2000 through 2009



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

History of "Other" Tax Revenue

General Fund 2000 through 2009

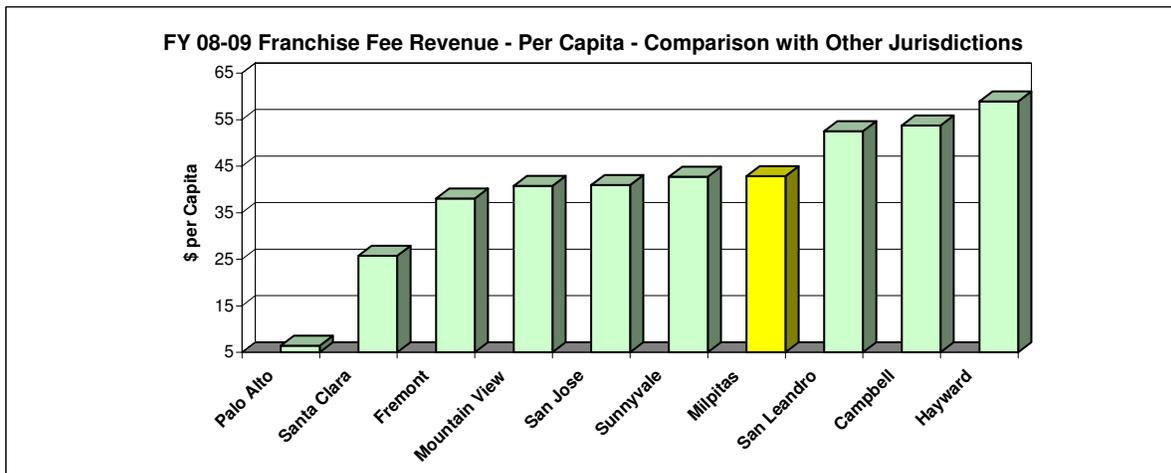


"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax.

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**Franchise Fee Revenue
Comparison With Other Jurisdictions
FY 04-05 through FY 08-09**

City	Actual 2004-05	Actual 2005-06	Actual 2006-07	Budgeted 2007-08	Budgeted 2008-09
Milpitas	\$2,771,468	\$2,643,392	\$2,911,593	\$2,850,000	\$3,060,000
% of General Fund	5%	4%	3%	4%	4%
Per Capita	44.20	40.82	44.42	42.88	44.08
Campbell	\$1,262,319	\$1,346,968	\$1,685,456	\$2,135,000	\$2,225,000
% of General Fund	4%	4%	5%	6%	6%
Per Capita	32.96	35.17	43.88	53.71	55.40
Fremont	\$7,546,775	\$7,666,471	\$7,903,000	\$8,000,000	\$8,362,000
% of General Fund	4%	7%	6%	6%	6%
Per Capita	35.86	36.43	37.55	38.07	39.16
Hayward	\$6,624,000	\$7,102,000	\$6,972,000	\$8,713,000	\$9,007,000
% of General Fund	7%	7%	7%	9%	9%
Per Capita	45.83	48.51	47.63	58.93	60.92
Mountain View	\$2,992,000	\$3,205,000	\$2,936,000	\$2,980,000	\$3,047,000
% of General Fund	4%	4%	3%	3%	3%
Per Capita	41.79	44.49	40.78	40.74	41.21
Palo Alto	\$374,868	\$291,000	\$511,546	\$407,006	\$500,000
% of General Fund	0.32%	0.23%	0.42%	0.32%	0.38%
Per Capita	6.10	4.66	8.17	6.42	7.89
San Jose	\$31,712,351	\$36,759,856	\$40,415,138	\$39,032,000	\$41,621,000
% of General Fund	6%	5%	6%	5%	6%
Per Capita	33.56	39.06	41.49	40.93	42.75
San Leandro	\$3,597,465	\$3,362,679	\$4,496,414	\$4,267,021	\$4,385,000
% of General Fund	5%	5%	6%	5%	6%
Per Capita	44.39	41.48	55.56	52.50	53.57
Santa Clara	\$2,755,470	\$2,907,192	\$3,166,797	\$2,941,120	\$3,000,000
% of General Fund	2%	2%	2%	2%	2%
Per Capita	25.57	26.65	28.46	25.75	25.97
Sunnyvale	\$5,394,792	\$5,531,248	\$5,713,842	\$5,877,729	\$6,086,169
% of General Fund	5%	5%	5%	4%	5%
Per Capita	40.54	41.42	42.10	42.74	44.25



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Expenditures by Fund (Summary)

	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
100 General Fund	65,287,090	70,348,086	71,563,803	72,554,087
102 Library Fund	375,534	346,149	345,000	370,000
105 Abandon Veh Abatement	75,623	100,250	69,824	55,000
211 H-Hetch Ground Lease	14,286	24,972	32,000	30,000
212 Public Art Fund	10,000	0	0	0
235 95-1 Lighting/Lscape Dist	204,488	202,616	281,500	280,330
236 98-1 Lighting/Lscape Dist	38,945	24,536	30,000	18,330
237 05 Community Fclty Dist	0	0	0	64,000
250 HCD Fund	432,888	597,377	538,894	405,021
251 HCD Loan	26,450	950	60,883	160,105
261 Supplemental Law Enforcement	105,045	84,001	0	0
262 State Asset Seizure	65,360	8,084	30,000	30,000
263 Federal Asset Seizure	8,918	0	20,000	30,000
264 Local Law Enforcmnt Block Grant	8,799	1,012	0	0
267 Justice Assistance Grant	9,899	18,484	0	0
280 Solid Waste Services	181,509	132,231	228,592	371,684
281 Solid Waste Reduction	265,815	242,094	248,564	249,314
290 Housing Reserve Fund	2,768,971	15,652,195	5,425,116	7,397,015
310 Street Fund	374,929	600,229	151,310	121,000
311 Street CIP	2,981,802	3,856,816	3,075,000	336,000
321 Park Improvement CIP	894,504	544,772	590,000	200,000
331 General Government CIP	538,995	730,968	200,000	410,000
341 Storm Drain CIP	0	0	0	750,000
390 RDA Project Fund	20,464,680	44,780,521	15,193,527	19,957,441
391 Redevelopment CIP	13,088,894	21,165,803	1,890,000	15,760,000
395 2003 RDA TABs	0	0	4,000,000	0
400 Water M & O Fund	7,695,858	9,128,315	9,812,522	10,547,279
401 Water CIP	842,137	201,793	2,540,000	6,085,000
406 Recycled Water Fund	308,156	316,549	399,099	523,696
450 Sewer M & O Fund	(3,039,353)	2,132,195	9,644,386	9,343,692
451 Sewer CIP	8,227,424	3,556,690	150,000	2,690,000
453 Sewer 2006 COPS	0	263,319	0	0
456 South Bay Water Recycling Prgm	0	206,115	0	0
500 Equipment Mgnt Fund	2,749,344	2,750,663	2,286,611	2,442,513
505 Information Tec Replmt	0	30,406	0	106,000
TOTAL	<u>125,006,991</u>	<u>178,048,189</u>	<u>128,806,631</u>	<u>151,287,507</u>

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	181,097	154,988	0	0	0	336,085
City Manager	406,062	18,070	0	0	0	424,132
City Clerk	885,227	174,803	0	0	0	1,060,030
Building Inspection Services	1,453,003	57,587	0	0	0	1,510,590
Plan Checking	601,550	12,725	0	0	0	614,275
Building Administration	202,120	10,630	0	0	0	212,750
Permit Center	543,578	63,950	0	0	0	607,528
Information Services	2,261,120	750,167	0	0	0	3,011,287
Human Resources	605,848	638,237	0	0	0	1,244,085
City Attorney	728,952	151,000	6,000	0	0	885,952
Finance Administration	680,010	72,000	0	0	0	752,010
Accounting Services	1,325,420	24,550	0	0	0	1,349,970
Receivables	204,125	5,750	0	0	0	209,875
Purchasing	371,117	92,151	0	0	0	463,268
Public Works Administration	262,790	12,454	0	0	0	275,244
Street Maintenance	1,455,504	550,958	0	0	0	2,006,462
Trees & Landscape Mnt	1,316,362	259,040	0	0	0	1,575,402
Facilities Maintenance	1,452,421	656,388	0	0	0	2,108,809
Engineering Administration	164,160	8,769	0	0	0	172,929
Design & Construction	471,435	18,120	0	0	0	489,555
Land Development	115,761	71,905	0	0	0	187,666
Traffic Engineering	169,828	121,230	0	0	0	291,058
Planning & Nghbhd Svcs Admin	397,620	16,900	0	0	0	414,520
Planning	78,046	364,700	0	0	0	442,746
Neighborhood Preservation	296,900	272,083	0	0	0	568,983
Housing	74,803	6,780	0	0	0	81,583
Park Maintenance	2,115,733	447,759	0	0	0	2,563,492
Recreation Administration	985,125	114,876	0	0	0	1,100,001
Senior Citizen Services	552,381	204,475	0	0	0	756,856
Preschool	192,764	35,099	0	0	0	227,863
Summer Camp	88,638	19,600	0	0	0	108,238
After the Bell	236,875	10,453	0	0	0	247,328
Teens	155,317	18,050	0	0	0	173,367
Special Events	84,999	88,088	0	0	0	173,087
Cultural Arts	0	24,393	0	0	0	24,393
Rainbow Theatre	188,482	45,326	0	0	0	233,808
General Classes	95,396	326,709	0	0	0	422,105
Aquatics	333,381	27,821	0	0	0	361,202
Sports & Fitness Classes	379,831	54,843	0	0	0	434,674
Adult Sports	48,526	42,910	0	0	0	91,436
Volunteer Services	23,858	7,000	0	0	0	30,858
Police Administration	647,126	31,596	0	0	0	678,722
Records	1,042,879	183,442	0	0	0	1,226,321

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
Personnel & Training	219,088	119,980	0	0	0	339,068
Communications	2,409,142	146,429	0	0	0	2,555,571
Patrol Services	10,462,589	423,375	18,662	0	0	10,904,626
Traffic	2,734,125	135,242	7,748	0	0	2,877,115
Crossing Guards	284,729	6,030	0	0	0	290,759
Community Relations	1,138,367	41,653	0	0	0	1,180,020
Investigations	1,929,633	437,023	5,938	0	0	2,372,594
Fire Administration	478,294	78,437	0	0	0	556,731
Emerg Resp & Prep Div Admin	229,440	60,556	0	0	0	289,996
A/B/C Battalions Operations	10,724,745	1,268,568	0	0	0	11,993,313
Disaster Prep & Public Ed	151,081	64,536	0	0	0	215,617
Prevention Div Admin	533,454	63,725	0	0	0	597,179
Fire Plan Check & Permits	161,916	73,290	0	0	0	235,206
Hazardous Materials Regulation	370,944	6,260	0	0	0	377,204
Inspection & Investigation	183,202	28,600	0	0	0	211,802
Non-Departmental	3,467,742	2,682,000	0	0	0	6,149,742
Debt Service	0	0	0	1,257,000	0	1,257,000
sub-total (100)	59,354,661	11,904,079	38,348	1,257,000	0	72,554,087
LIBRARY FUND						
City Manager	0	370,000	0	0	0	370,000
sub-total (102)	0	370,000	0	0	0	370,000
ABANDON VEH ABATEMENT						
Neighborhood Preservation	26,600	900	0	0	0	27,500
Traffic	27,500	0	0	0	0	27,500
sub-total (105)	54,100	900	0	0	0	55,000
H-HETCH GROUND LEASE						
Non-Departmental	0	30,000	0	0	0	30,000
sub-total (211)	0	30,000	0	0	0	30,000
95-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	0	214,200	0	0	0	214,200
Land Development	5,000	61,130	0	0	0	66,130
sub-total (235)	5,000	275,330	0	0	0	280,330
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	0	14,200	0	0	0	14,200
Land Development	3,000	1,130	0	0	0	4,130
sub-total (236)	3,000	15,330	0	0	0	18,330
05 COMMUNITY FCLTY DIST						
Park Maintenance	0	60,000	0	0	0	60,000
Non-Departmental	0	4,000	0	0	0	4,000
sub-total (237)	0	64,000	0	0	0	64,000

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
HCD FUND						
Building Inspection Services	36,000	0	0	0	0	36,000
Accounting Services	20,000	0	0	0	0	20,000
Housing	93,073	246,948	0	0	0	340,021
Non-Departmental	3,000	6,000	0	0	0	9,000
sub-total (250)	<u>152,073</u>	<u>252,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>405,021</u>
HCD LOAN						
Housing	0	160,105	0	0	0	160,105
sub-total (251)	<u>0</u>	<u>160,105</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>160,105</u>
STATE ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (262)	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>30,000</u>
FEDERAL ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (263)	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>30,000</u>
SOLID WASTE SERVICES						
Solid Waste	118,684	253,000	0	0	0	371,684
sub-total (280)	<u>118,684</u>	<u>253,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>371,684</u>
SOLID WASTE REDUCTION						
Solid Waste	72,744	176,570	0	0	0	249,314
sub-total (281)	<u>72,744</u>	<u>176,570</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>249,314</u>
HOUSING RESERVE FUND						
RDA & Economic Dvp	37,790	32,750	0	0	0	70,540
Planning & Nghbhd Svcs Admin	30,971	0	0	0	0	30,971
Planning	58,428	0	0	0	0	58,428
Housing	173,076	64,000	0	0	0	237,076
Non-Departmental	0	7,000,000	0	0	0	7,000,000
sub-total (290)	<u>300,265</u>	<u>7,096,750</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,397,015</u>
STREET FUND						
Non-Departmental	0	121,000	0	0	0	121,000
sub-total (310)	<u>0</u>	<u>121,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>121,000</u>
STREET CIP						
Capital Improvement Projects	0	0	0	0	336,000	336,000
sub-total (311)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>336,000</u>	<u>336,000</u>
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	200,000	200,000
sub-total (321)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>	<u>200,000</u>
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	410,000	410,000
sub-total (331)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>410,000</u>	<u>410,000</u>
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	750,000	750,000
sub-total (341)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>750,000</u>	<u>750,000</u>

Financial Information Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Supplies & Contractual Svcss	Capital Outlay	Debt Service	Capital Improvements	Total
RDA PROJECT FUND						
RDA & Economic Dvp	151,146	77,850	0	0	0	228,996
Public Works Administration	97,370	0	0	0	0	97,370
Design & Construction	109,410	0	0	0	0	109,410
Land Development	578,170	0	0	0	0	578,170
Traffic Engineering	265,518	0	0	0	0	265,518
Special Projects	883,725	9,689	0	0	0	893,414
Solid Waste	64,948	0	0	0	0	64,948
Planning & Nghbhd Svcs Admin	123,917	0	0	0	0	123,917
Planning	233,698	0	0	0	0	233,698
Non-Departmental	250,000	422,000	0	0	0	672,000
Debt Service	0	0	0	16,690,000	0	16,690,000
sub-total (390)	2,757,902	509,539	0	16,690,000	0	19,957,441
REDEVELOPMENT CIP						
Capital Improvement Projects	0	0	0	0	15,760,000	15,760,000
sub-total (391)	0	0	0	0	15,760,000	15,760,000
WATER M & O FUND						
Receivables	206,436	0	0	0	0	206,436
Utilities	243,342	85,683	30,000	0	0	359,025
Public Works Administration	90,758	0	0	0	0	90,758
Utility Maintenance	821,719	381,910	110,000	0	0	1,313,629
Utility Engineering	419,581	311,850	0	0	0	731,431
Non-Departmental	214,000	7,632,000	0	0	0	7,846,000
sub-total (400)	1,995,836	8,411,443	140,000	0	0	10,547,279
WATER CIP						
Capital Improvement Projects	0	0	0	0	6,085,000	6,085,000
sub-total (401)	0	0	0	0	6,085,000	6,085,000
RECYCLED WATER FUND						
Receivables	13,774	0	0	0	0	13,774
Utilities	9,172	226	0	0	0	9,398
Utility Maintenance	39,984	12,223	0	0	0	52,207
Trees & Landscape Mnt	0	0	74,750	0	0	74,750
Land Development	8,000	0	0	0	0	8,000
Utility Engineering	71,290	2,277	0	0	0	73,567
Non-Departmental	2,000	290,000	0	0	0	292,000
sub-total (406)	144,220	304,726	74,750	0	0	523,696
SEWER M & O FUND						
Receivables	55,080	0	0	0	0	55,080
Utilities	61,261	81,384	0	0	0	142,645
Public Works Administration	90,798	0	0	0	0	90,798
Utility Maintenance	1,035,840	298,701	0	0	0	1,334,541
Utility Engineering	306,560	167,068	0	0	0	473,628
Non-Departmental	132,000	6,426,000	0	0	0	6,558,000
Debt Service	0	0	0	689,000	0	689,000
sub-total (450)	1,681,539	6,973,153	0	689,000	0	9,343,692

Financial Information Expenditures by Fund (Detail)

<u>Fund/Function</u>	<u>Personnel Services</u>	<u>Supplies & Contractual Svcss</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Total</u>
SEWER CIP						
Capital Improvement Projects	0	0	0	0	2,690,000	2,690,000
sub-total (451)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,690,000</u>	<u>2,690,000</u>
EQUIPMENT MGNT FUND						
Fleet Maintenance	747,713	1,199,042	27,458	0	0	1,974,213
Non-Departmental	12,000	32,000	0	0	0	44,000
Equipment to be Depreciated	0	0	424,300	0	0	424,300
sub-total (500)	<u>759,713</u>	<u>1,231,042</u>	<u>451,758</u>	<u>0</u>	<u>0</u>	<u>2,442,513</u>
INFORMATION TEC REPLMT						
Equipment to be Depreciated	0	0	106,000	0	0	106,000
sub-total (505)	<u>0</u>	<u>0</u>	<u>106,000</u>	<u>0</u>	<u>0</u>	<u>106,000</u>
TOTAL	<u><u>67,399,736</u></u>	<u><u>38,149,915</u></u>	<u><u>870,856</u></u>	<u><u>18,636,000</u></u>	<u><u>26,231,000</u></u>	<u><u>151,287,507</u></u>

Financial Information Expenditures by Function

Function	Personnel Services	Supplies & Contrac Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
City Council	181,097	154,988	0	0	0	336,085
City Manager	406,062	388,070	0	0	0	794,132
City Clerk	885,227	174,803	0	0	0	1,060,030
RDA & Economic Dvp	188,936	110,600	0	0	0	299,536
Building Inspection Services	1,489,003	57,587	0	0	0	1,546,590
Plan Checking	601,550	12,725	0	0	0	614,275
Building Administration	202,120	10,630	0	0	0	212,750
Permit Center	543,578	63,950	0	0	0	607,528
Information Services	2,261,120	750,167	0	0	0	3,011,287
Human Resources	605,848	638,237	0	0	0	1,244,085
City Attorney	728,952	151,000	6,000	0	0	885,952
Finance Administration	680,010	72,000	0	0	0	752,010
Accounting Services	1,345,420	24,550	0	0	0	1,369,970
Receivables	479,415	5,750	0	0	0	485,165
Utilities	313,775	167,293	30,000	0	0	511,068
Purchasing	371,117	92,151	0	0	0	463,268
Public Works Administration	541,716	12,454	0	0	0	554,170
Street Maintenance	1,455,504	550,958	0	0	0	2,006,462
Utility Maintenance	1,897,543	692,834	110,000	0	0	2,700,377
Trees & Landscape Mnt	1,316,362	487,440	74,750	0	0	1,878,552
Fleet Maintenance	747,713	1,199,042	27,458	0	0	1,974,213
Facilities Maintenance	1,452,421	656,388	0	0	0	2,108,809
Engineering Administration	164,160	8,769	0	0	0	172,929
Design & Construction	580,845	18,120	0	0	0	598,965
Land Development	709,931	134,165	0	0	0	844,096
Traffic Engineering	435,346	121,230	0	0	0	556,576
Utility Engineering	797,431	481,195	0	0	0	1,278,626
Special Projects	883,725	9,689	0	0	0	893,414
Solid Waste	256,376	429,570	0	0	0	685,946
Planning & Nghbhd Svcs Ad	552,508	16,900	0	0	0	569,408
Planning	370,172	364,700	0	0	0	734,872
Neighborhood Preservation	323,500	272,983	0	0	0	596,483
Housing	340,952	477,833	0	0	0	818,785
Park Maintenance	2,115,733	507,759	0	0	0	2,623,492
Recreation Administration	985,125	114,876	0	0	0	1,100,001
Senior Citizen Services	552,381	204,475	0	0	0	756,856
Preschool	192,764	35,099	0	0	0	227,863
Summer Camp	88,638	19,600	0	0	0	108,238
After the Bell	236,875	10,453	0	0	0	247,328
Teens	155,317	18,050	0	0	0	173,367
Special Events	84,999	88,088	0	0	0	173,087

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Financial Information Expenditures by Function

Function	Personnel Services	Supplies & Contract Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
Cultural Arts	0	24,393	0	0	0	24,393
Rainbow Theatre	188,482	45,326	0	0	0	233,808
General Classes	95,396	326,709	0	0	0	422,105
Aquatics	333,381	27,821	0	0	0	361,202
Sports & Fitness Classes	379,831	54,843	0	0	0	434,674
Adult Sports	48,526	42,910	0	0	0	91,436
Volunteer Services	23,858	7,000	0	0	0	30,858
Police Administration	647,126	31,596	0	0	0	678,722
Records	1,042,879	183,442	0	0	0	1,226,321
Personnel & Training	219,088	119,980	0	0	0	339,068
Communications	2,409,142	146,429	0	0	0	2,555,571
Community Relations	1,138,367	41,653	0	0	0	1,180,020
Patrol Services	10,462,589	423,375	18,662	0	0	10,904,626
Traffic	2,761,625	135,242	7,748	0	0	2,904,615
Crossing Guards	284,729	6,030	0	0	0	290,759
Investigations	1,929,633	437,023	65,938	0	0	2,432,594
Fire Administration	478,294	78,437	0	0	0	556,731
Emerg Resp & Prep Div	229,440	60,556	0	0	0	289,996
A/B/C Battalions Operations	10,724,745	1,268,568	0	0	0	11,993,313
Prevention Div Admin	533,454	62,725	0	0	0	597,179
Inspection & Investigation	183,202	28,600	0	0	0	211,802
Haz Materials Regulation	370,944	6,260	0	0	0	377,204
Fire Plan Check & Permits	161,916	73,290	0	0	0	235,206
Disaster Prep & Public Ed	151,081	64,536	0	0	0	215,617
Non-Departmental	4,080,742	24,645,000	0	0	0	28,725,742
Debt Service	0	0	0	18,636,000	0	18,636,000
Equip to be Depreciated	0	0	530,300	0	0	530,300
Capital Improvement Proj	0	0	0	0	26,231,000	26,231,000
TOTAL	67,399,736	38,149,915	870,856	18,636,000	26,231,000	151,287,507

Financial Information Internal Cost Allocation by Fund Schedule

Function	FY08/09	Admin & O/H Cost	Reallocation	Program	100/102/105	211
	Budget	To be Allocated	Admin & O/H Cost	Cost	General	HH Lease
100 City Council	336,084	(182,359)	63,528	217,253	695	0
111 City Manager	794,132	(213,169)	84,698	665,661	398,709	0
114 City Clerk	1,060,030	(919,894)	56,465	196,601	113,006	0
116 RDA & Eco Development	299,536	0	122,342	421,878	0	0
530 Building Inspection	2,981,143	0	1,197,532	4,178,675	4,127,347	0
112 Information Services	3,011,287	(2,317,185)	282,326	976,428	38,667	0
115 Human Resources	1,244,085	(1,168,693)	30,585	105,977	0	0
120 City Attorney	885,952	(652,149)	94,109	327,912	0	0
300 Finance Admin	752,010	(371,418)	155,279	535,871	246,715	857
310 Accounting Services	1,369,970	(666,750)	277,620	980,840	442,371	1,537
320 Fiscal Services	996,233	(103,657)	364,670	1,257,246	68,400	238
330 Purchasing	463,268	(228,808)	94,109	328,569	151,273	526
420 Public Works	11,222,583	(4,121,593)	2,792,674	9,893,664	5,241,733	0
410 Engineering	5,030,552	(66,760)	1,988,046	6,951,838	1,198,150	0
510 Planning & Neigh Presv	2,719,548	0	886,974	3,606,522	1,335,255	0
424 Park Maintenance	2,623,492	(25,635)	1,030,490	3,628,347	3,483,777	0
450 Recreation	4,385,216	(570,079)	1,548,088	5,363,225	5,299,402	0
700 Police Admin	678,722	(137,034)	221,155	762,843	722,641	0
710 Technical Services	4,273,748	(2,571,478)	691,699	2,393,969	2,267,807	0
720 Field Services	14,113,378	(2,843,939)	4,568,975	15,838,414	15,005,179	0
730 Special Operations	3,677,190	(730,311)	1,174,006	4,120,885	3,846,876	0
800 Fire Admin	556,731	(7,405)	223,508	772,834	724,532	0
810 Emerg Resp & Prep Division	12,498,926	(166,236)	5,008,924	17,341,614	16,257,773	0
820 Prevention Division	1,421,391	(18,904)	569,358	1,971,845	1,848,604	0
910 Non-Departmental	28,495,000	(5,443,704)	0	23,051,296	446,255	30,000
930 Equipment to be Depreciated	530,300	0	0	530,300	0	0
TOTAL OP BUDGET	106,420,507	(23,527,160)	23,527,160	106,420,507	63,265,167	33,158
920 Debt Service	18,636,000	0	0	18,636,000	1,068,450	0
950 C I P Projects	26,231,000	0	0	26,231,000	0	0
Total	151,287,507	(23,527,160)	23,527,160	151,287,507	64,333,617	33,158
Op Cost Reimb					10,619,683	(3,158)
Total By Fund					74,953,300	30,000

Financial Information Internal Cost Allocation by Fund Schedule

Program Costs Allocated to Operating Funds							
280/281	290	390's	400/401	406	450/451	Other	
Sld Wst	Housing	RDA	Water	Recycled	Sewer	Funds	TOTAL
0	32,588	139,042	22,355	1,890	20,682	0	217,252
0	47,306	165,570	27,644	2,365	24,067	0	665,661
0	13,762	55,048	6,390	550	7,844	0	196,600
0	98,773	323,105	0	0	0	0	421,878
0	1,657	12,428	0	0	1,242	36,000	4,178,674
0	98,424	439,393	164,723	13,963	221,259	0	976,429
0	9,167	17,454	44,320	3,858	31,178	0	105,977
0	48,170	192,681	37,382	3,246	46,432	0	327,911
0	26,794	123,250	34,028	8,949	95,278	0	535,871
0	48,042	220,993	61,013	16,046	170,837	20,000	980,839
0	7,428	34,170	805,461	35,063	306,485	0	1,257,245
0	16,428	75,571	20,864	5,487	58,420	0	328,569
0	9,127	255,484	1,976,097	178,716	2,004,107	228,400	9,893,664
875,460	90,723	2,869,304	1,038,306	118,587	691,047	70,260	6,951,837
0	521,813	1,200,578	40,058	3,390	5,299	500,126	3,606,519
0	6,066	78,504	0	0	0	60,000	3,628,347
0	10,189	53,633	0	0	0	0	5,363,224
0	7,628	23,648	4,272	229	4,424	0	762,842
0	23,940	74,213	13,407	718	13,885	0	2,393,970
0	158,110	490,138	88,541	4,743	91,703	0	15,838,414
0	40,609	125,887	22,740	1,219	23,554	60,000	4,120,885
0	9,429	38,642	77	0	155	0	772,835
0	211,568	867,081	1,734	0	3,468	0	17,341,624
0	24,056	98,592	197	0	395	0	1,971,844
0	7,000,000	685,546	7,855,696	292,000	6,563,799	178,000	23,051,296
0	0	0	0	0	0	530,300	530,300
875,460	8,561,797	8,659,955	12,265,305	691,019	10,385,560	1,683,086	106,420,507
0	0	16,777,990	62,850	0	726,710	0	18,636,000
0	0	15,760,000	6,085,000	0	2,690,000	1,696,000	26,231,000
875,460	8,561,797	41,197,945	18,413,155	691,019	13,802,270	3,379,086	151,287,507
(254,462)	(1,164,782)	(5,480,504)	(1,780,876)	(167,323)	(1,768,578)	0	0
620,998	7,397,015	35,717,441	16,632,279	523,696	12,033,692	3,379,086	151,287,507

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>		<u>Transfer Distribution</u>
From the Library Fund	To the General Fund for: Operating Cost Reimbursement	260,000
	sub-total	<u>260,000</u>
From the H-Hetch Ground Lease	To the General Fund for: Operating Cost Reimbursement	3,158
	sub-total	<u>3,158</u>
From the Gas Tax Fund	To the Street Improvement Fund for: Various Street CIP Projects	1,200,000
	sub-total	<u>1,200,000</u>
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement	150,574
	sub-total	<u>150,574</u>
From the Solid Waste Services	To the General Government Fund for: Solid Waste Master Plan (3401)	200,000
	sub-total	<u>200,000</u>
From the Solid Waste Reduction	To the General Fund for: Operating Cost Reimbursement	103,888
	sub-total	<u>103,888</u>
From the Housing Reserve Fund	To the General Fund for: Operating Cost Reimbursement	1,164,782
	sub-total	<u>1,164,782</u>
* From the Street Fund	To Street CIP Fund for: Sidewalk Replacement 2009 (4246) Minor Traffic Improvements 2009 (4245) Traffic Signal Modifications 2009 (4249) Traffic Management Enhancements 2009 (4248)	150,000 75,000 75,000 60,000
	sub-total	<u>360,000</u>
From the Street CIP	To the 1997 RDA Tax Allocation Fund for: Defunding of Hwy 237/I-880 Interchange (4170)	174,000
	sub-total	<u>174,000</u>
* From the Park Improvement Fund	To Park CIP Fund for: Cardoza Park Playground Renovation (5088) Park Renovation Project 2009 (5089)	175,000 25,000
	sub-total	<u>200,000</u>
From the Park Improvement Fund	To the RDA Project Fund for: Park Master Plan Improvements - Phase I (8191)	200,000
	sub-total	<u>200,000</u>
* From the Storm Drain Development	To Storm Drain CIP Fund for: Storm Drain System Deficiency Program (3700) Storm Master Plan Update (3701) Minor Storm Drain Projects 2009 (3702)	300,000 350,000 100,000
	sub-total	<u>750,000</u>
From the Storm Drain Development	To the RDA CIP Fund for: Storm Water Pump Station Improvements (8106) Storm Pump Station Improvements (8188)	150,000 100,000
	sub-total	<u>250,000</u>

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
* From the RDA Project Fund	To RDA CIP Fund for:
	Green Facility Improvements (8190) 25,000
	Senior Center (8176) 2,400,000
	Singley Area Phase 5 (8193) 1,000,000
	Park Master Plan Improvements - Phase I (8191) 50,000
	City-Wide Traffic Deficiency Plan (8192) 25,000
	Street Resurfacing Project 2009 (8194) 400,000
	Storm Water Pump Station Improvements (8106) 150,000
	City Building Improvements (8182) 200,000
	sub-total 4,250,000
From the RDA Project Fund	To the General Fund for:
	Operating Cost Reimbursement 5,480,504
	Public Improvement Purchase 6,000,000
	sub-total 11,480,504
* From the RDA Project Fund	To the Housing Reserve Fund for:
	20% Housing Set Aside 6,341,200
	sub-total 6,341,200
From the RDA Project Fund	To the Public Art Fund for:
	Public Art Purchases 480,000
	sub-total 480,000
* From the 97 RDA TABs	To RDA CIP Fund for:
	Senior Center (8176) 1,215,000
	sub-total 1,215,000
* From the 2003 RDA TABs	To RDA CIP Fund for:
	Contractual Obligation Reimbursement 4,000,000
	Senior Center (8176) 8,700,000
	sub-total 12,700,000
* From the Water M & O Fund	To Water CIP Fund for:
	Pressure Reducing Valve Replacement (7070) 100,000
	Water Main Replacement Study (7104) 150,000
	SCVWD Water Supply Turnout (7106) 10,000
	Water Master Plan 2009 (7107) 100,000
	Water System Hydraulic Modeling (7108) 50,000
	Water System Replacement 08-09 (7109) 700,000
	Water System Seismic Improvements (7100) 900,000
	Gibraltar Reservoir & Pump Station (7101) 3,300,000
	Water System Air Relief Valve Modifications (7086) 350,000
	sub-total 5,660,000
From the Water M & O Fund	To the General Fund for:
	Operating Cost Reimbursement 1,780,876
	sub-total 1,780,876
From the Recycled Water Fund	To the General Fund for:
	Operating Cost Reimbursement 167,323
	sub-total 167,323

Financial Information Operating Transfers Statement

<u>Origin and Purpose of Transfer</u>	<u>Transfer Distribution</u>
From the Recycled Water Fund	To the Water Fund for:
	To Maintain Support for Loss Sales 500,000
	Water System Hydraulic Modeling (7108) 100,000
	Recycled Water Site Improvements (7105) 300,000
	Water Master Plan 2009 (7107) 25,000
	sub-total 925,000
* From the Sewer M & O Fund	To Sewer CIP Fund for:
	Sewer Deficiency Program (6073) 500,000
	Venus Pump Station (6101) 400,000
	Minor Sewer Projects 2009 (6107) 170,000
	Sewer Master Plan 2009 (6108) 100,000
	Sewer Seismic Study (6109) 70,000
	Sewer System Hydraulic Modeling (6110) 50,000
	South Bay Water Recycling Prog, Phase II (6112) 700,000
	sub-total 1,990,000
From the Sewer M & O Fund	To the General Fund for:
	Operating Cost Reimbursement 1,768,578
	sub-total 1,768,578
* From the Sewer Infrastructure Replmnt	To Sewer CIP Fund for:
	Sewer System Replacement 08-09 (6111) 700,000
	sub-total 700,000
From the Equipment Mgmt Fund	To the General Fund for:
	Surplus from Redundant Fixed Assets 465,900
	sub-total 465,900
From the Equipment Mgmt Fund	To the General Government Fund for:
	2009 Finance System Upgrade (3400) 125,000
	sub-total 125,000
From the Permit Automation Fund	To the General Government Fund for:
	On-line Development System (3398) 35,000
	sub-total 35,000
	TOTAL TRANSFERS: 55,100,783

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

FUNCTION:	City Council	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.



Budgets Narrative and Summary City Council

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Continued with development of Citywide Strategic Plan.	X	X	X	X	X
2. Provided comprehensive policy direction for the City's operation.		X		X	X
3. Established citywide priorities for fiscal year 2007-08.	X	X		X	X
4. Provided sound fiscal policies and economic stability for the City.		X	X	X	
5. Reviewed and adopted policies to increase efficiency for service delivery.	X	X		X	
2008-2009 Goals					
1. Develop 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 2008-09.	X	X		X	X
4. Provide sound fiscal policies and economic stability for the City.		X	X	X	
5. Review and adopt policies to increase efficiency for service delivery.	X	X		X	

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
City Council Meetings	23	23	23	23
Commission Meetings	125	121	121	121
Subcommittee Meetings	70	78	78	78
County/Regional Agency/Association Meetings	270	260	260	260

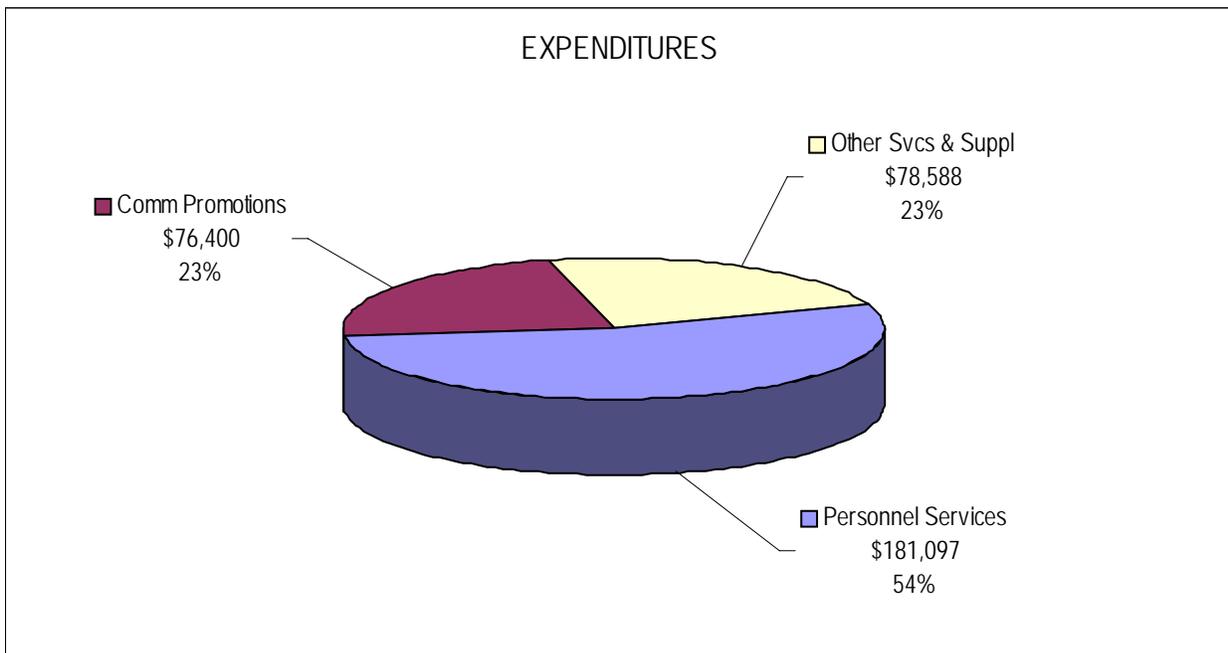
Personnel Allotment of 5 FTE

Position	FTE	Vacant	Funded			
Council Members	5					

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to medical benefits. Stipends for seven Planning Commissioners are included in the City Council budget.
Services and Supplies	No change, includes contribution to Chamber of Commerce and funding for Commissioners' Recognition Dinner.
Capital Outlay	None.



Budgets Narrative and Summary City Council

	<u>Actual 2005-06</u>	<u>Actual 2006-07</u>	<u>Budget 2007-08</u>	<u>Approved 2008-09</u>
PERSONNEL SERVICES				
4111 Permanent Salaries	57,701	57,363	59,676	59,676
4112 Temporary Salaries	2,900	3,425	3,000	3,000
4121 Allowances	37,733	39,061	38,700	37,560
4131 PERS	3,824	3,053	9,022	14,110
4132 Group Insurance	33,630	32,276	57,240	62,097
4133 Medicare	1,455	1,492	1,420	1,408
4135 Worker's Compensation	299	282	282	282
4139 PARS	843	976	0	0
4161 Retiree Medical Reserve	0	0	2,964	2,964
sub-total	<u>138,384</u>	<u>137,928</u>	<u>172,304</u>	<u>181,097</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	68,750	57,059	76,400	76,400
4220 Supplies	1,314	1,010	4,000	4,000
4230 Services	3,052	0	0	0
4410 Communications	732	359	0	0
4501 Memberships and Dues	44,044	44,108	44,993	44,993
4503 Training	438	482	13,000	13,000
4520 Commissions and Boards	5,171	8,112	16,595	16,595
sub-total	<u>123,501</u>	<u>111,130</u>	<u>154,988</u>	<u>154,988</u>
TOTAL	<u><u>261,885</u></u>	<u><u>249,058</u></u>	<u><u>327,292</u></u>	<u><u>336,085</u></u>

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

Services

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



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Implemented City Council priorities for fiscal year 07-08.	X	X		X	X
2. Provided leadership to the municipal organization.		X		X	X
3. Continue showing fiscal management that limits department's budget expenditures.	X	X		X	X
4. Continued to reorganize City departments and divisions to finance staff utilization, increase efficiency, accountability and at a savings to the City.	X	X	X	X	X
5. Implemented the roadmap to service improvement project resulting in improved permit turn-around time and customer satisfaction.	X	X		X	
6. Implemented financial strategies that ensure cost effective City service delivery.				X	
7. Continued to improve the economic base of the City.		X		X	
8. Established first citywide strategic plan.	X	X		X	X
2008-2009 Goals					
1. Implement City Council priorities for fiscal year 08-09.	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 City service delivery.		X	X	X	X
5. Continue to improve the economic base and fiscal health of the City.		X		X	X

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
City Council Meetings	27	23	23	23
Capital Improvement Program Projects Completed	12	12	12	13

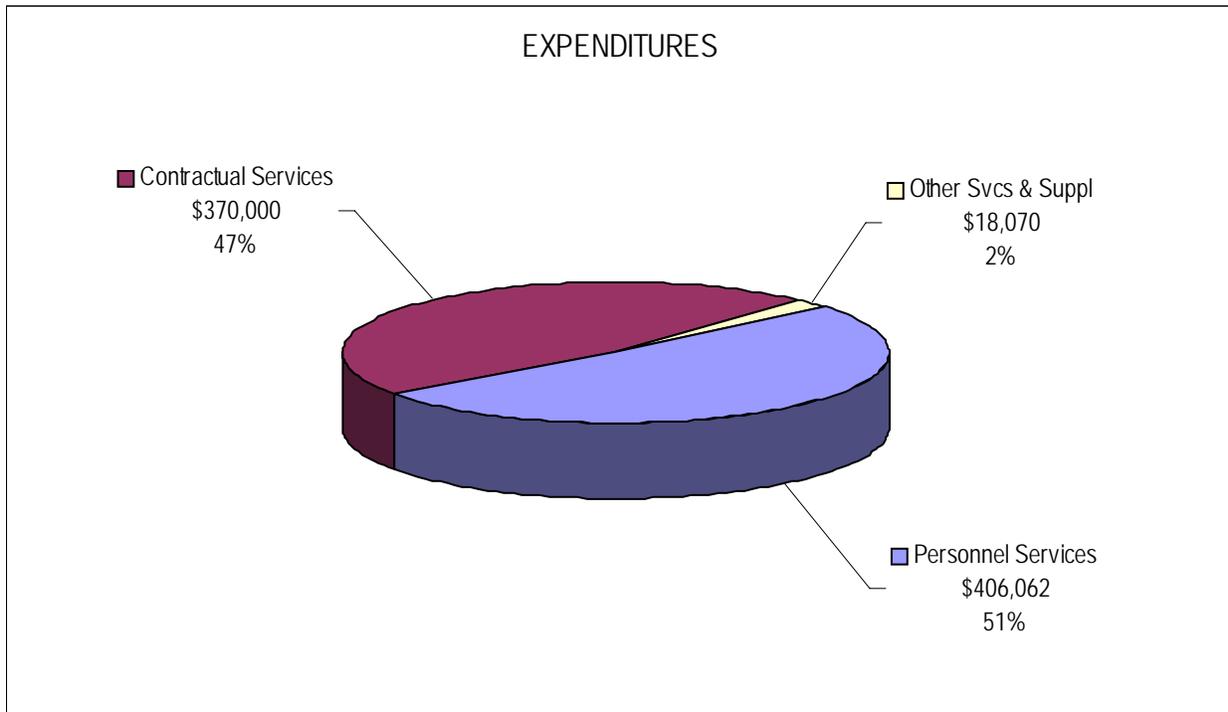
Personnel Allotment of 4 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
City Manager	1			Executive Secretary	2	1	0
Assistant City Manager	1	1	0				

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Increase due to the increase in the County library services for extended hours.
Capital Outlay	None.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	136,448	192,852	287,197	292,676
4112 Temporary Salaries	189,650	100,901	0	0
4113 Overtime	0	2,514	0	0
4124 Leave Cashout	3,481	2,590	0	0
4131 PERS	23,013	27,462	42,936	61,308
4132 Group Insurance	12,891	7,720	24,744	30,012
4133 Medicare	5,621	4,322	4,185	4,268
4135 Worker's Compensation	1,604	1,429	1,434	1,454
4138 Deferred Comp-Employer	1,239	1,385	1,800	1,800
4161 Retiree Medical Reserve	0	0	14,274	14,544
sub-total	<u>373,947</u>	<u>341,174</u>	<u>376,570</u>	<u>406,062</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	254	0	0	0
4211 Equip Replacement Amortization	0	0	3,908	2,970
4220 Supplies	1,865	1,196	5,500	5,500
4230 Services	376,265	346,149	360,000	370,000
4410 Communications	941	188	0	0
4501 Memberships and Dues	434	400	4,600	4,600
4503 Training	303	1,125	5,000	5,000
4520 Commissions and Boards	29	0	0	0
sub-total	<u>380,091</u>	<u>349,058</u>	<u>379,008</u>	<u>388,070</u>
TOTAL	<u><u>754,038</u></u>	<u><u>690,232</u></u>	<u><u>755,578</u></u>	<u><u>794,132</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.

Services

- Ensures municipal records are readily available and accessible to the public and serves as main source of information to residents.
- Provides centralized records management, minutes and records of all City Council actions.
- Coordinates outreach and tracking of appointments to all 15 City Commissions.
- Provides codification of ordinances, i.e. maintenance of the Milpitas Municipal Code.
- Manages implementation of municipal elections, including campaign finance filing.
- Coordinates and receives annual Form 700/ Statements of Economic Interest for all designated employees and Commissioners, and for elected officials.
- Serves as a U.S. passport acceptance agency for passport applications.
- Offers centralized Document Processing for police reports, business cards, forms, reports and other typed documents along with printing/ graphics services.
- Staffs the lobby City Hall Information Desk 45 hours per week, offering live assistance to the public over the telephone and in person to staff, residents and visitors at the counter.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for all regular and special meetings.	X				
2. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and sent select forms to State of CA.	X			X	
3. Administered Passport Acceptance program, including receipt of record-breaking number of applications in summer-fall period.	X	X	X	X	
4. Provided public information to citizens, staff, and elected officials.	X	X			
5. Prepared range of documents for web-based public access online.	X	X			
6. Implemented Lobbyist Registration and other elements of the Open Government Ordinance.	X			X	
7. Continued staffing two City Council Subcommittees.	X		X		
2008-2009 Goals					
1. Administer Municipal Election of November 4, 2008.	X	X			
2. Publish and distribute Commissioners Handbook.	X				
3. Prepare all City Council meeting agendas and minutes.	X				
4. Ensure additional public access to documents online.	X	X		X	
5. Continue Passport Application acceptance services.	X	X		X	
6. Review and Update Records Retention Schedule.	X			X	
*FPPC: Fair Political Practices Commission					

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
City Council agenda items processed	578	494	425	475
Passport applications accepted	2,225	2,451	2,500	2,250
Public Information inquiries	32,583	40,102	42,000	40,000
Total printing impressions (copies)	3,115,878	2,664,224	3,000,000	3,000,000
Total documents processed	5,551	4,912	5,200	5,000

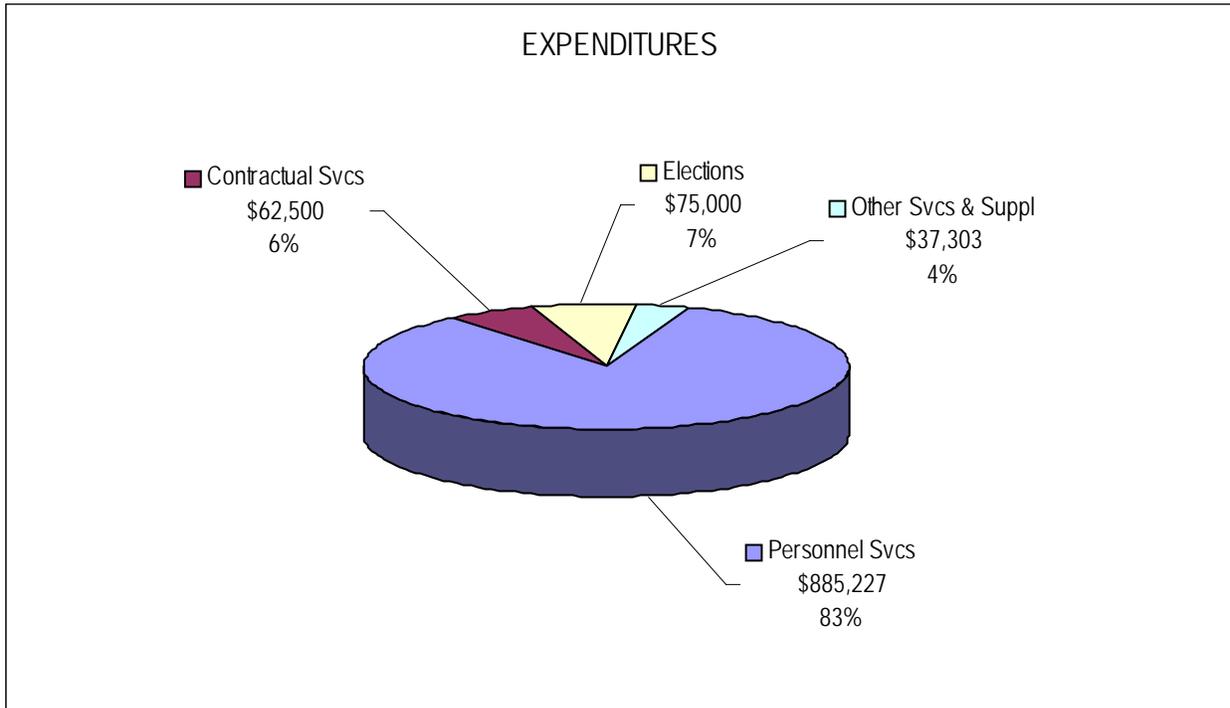
Personnel Allotment of 10 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
City Clerk	1			Document Proc Tech II	3		
Deputy City Clerk	1			Confidential Office Specialist	1		
Lead Doc Processing Tech	1	1	0	Printing Services Tech II	1		
Office Assistant II	2	1	0				

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Increase attributed to municipal election on November 4, 2008.
Capital Outlay	None.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	529,906	543,763	607,639	619,352
4112 Temporary Salaries	32,650	16,290	5,000	5,000
4113 Overtime	5,368	5,633	6,000	6,000
4124 Leave Cashout	6,850	6,447	0	0
4131 PERS	80,913	78,321	91,039	95,900
4132 Group Insurance	71,141	71,622	97,824	112,692
4133 Medicare	7,230	7,154	7,800	7,973
4135 Worker's Compensation	5,091	4,737	5,246	5,283
4138 Deferred Comp-Employer	5,910	3,978	2,700	2,700
4139 PARS	490	244	75	75
4161 Retiree Medical Reserve	0	0	29,670	30,252
sub-total	<u>745,549</u>	<u>738,190</u>	<u>852,993</u>	<u>885,227</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	15,489	16,350	6,834	4,528
4220 Supplies	26,207	28,979	30,000	30,000
4230 Services	67,119	52,411	67,000	62,500
4280 Elections	40,003	34,530	0	75,000
4410 Communications	67	(293)	100	75
4501 Memberships and Dues	576	794	875	800
4503 Training	927	615	1,500	1,900
sub-total	<u>150,389</u>	<u>133,387</u>	<u>106,309</u>	<u>174,803</u>
TOTAL	<u><u>895,938</u></u>	<u><u>871,577</u></u>	<u><u>959,302</u></u>	<u><u>1,060,030</u></u>

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

Services

- Provides implementation of the Economic Strategy Action Plan.
- Provides liaison staffing to Economic Development Commission and Public Arts Committee.
- Represents Milpitas with Chamber of Commerce, Joint Venture Silicon Valley, North Valley Private Industry Council (NOVA), National Association of Industrial & Office Properties (NAIOP) and other regional economic development organizations.
- Develops ongoing outreach program to large revenue generators.
- Manages the City's Redevelopment Agency programs.
- Develops workshops and seminars to enhance business opportunities.
- Coordinates project fast-tracking with Development Services.
- Formulates and recommends policies for business attraction and retention.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Completed Branding Stakeholder recommendations with approval by City Council of new City Logo, branding statement and implementation plan.	x				
2. Completed Parking Ordinance Review and recommended to City Council.	x	x		x	x
3. Continued "Welcome To Milpitas" promotional campaign with new December holiday street banners and airport banners.		x			
4. Library Art recommendations approved and Public Arts Committee Cookbook on sale.		x			
5. Sponsored local business counseling services with the Small Business Development Center and hosted 3rd Small Business Workshop.	x			x	
2008-2009 Goals					
1. Facilitate planning permit process for Honda and other critical projects.	x	x		x	
2. Continue Branding Implementation as approved by City Council.	x			x	
3. Award bid for three minor gateway signs.		x			
4. Continue business outreach to revenue generators.	x			x	
5. Represent Milpitas in Silicon Valley Eco. Dev. Alliance, Chamber of Commerce, NOVA, and commercial broker community.	x			x	
6. Facilitate freeway signage program.	x			x	
7. Continue implementation of Public Art Master Plan and art for Senior Center. Staff liaison to Public Art Commission, Eco. Dev. Commission, Greening Milpitas and City Newsletter.	x	x			

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Establish baseline Econ Dev Web hits.	N/A	Baseline Hits not created	Create base	50% increase
Customer Service Survey of Economic Development	N/A	N/A	90% rating	90% rating
Corporate Outreach Visits	N/A	N/A	8 to 12	8 to 12
Meet schedule for Midtown Precise Plan and public relations program	N/A	N/A	90% of schedule	90% of schedule
Business to Business Sales Tax Revenue (millions)	N/A	\$3.77	\$3.53	\$3.70
R&D Vacancy Rate	N/A	23.1%	23.5%	18.0%
Select Senior Center Artist	N/A	N/A	N/A	Artist selected

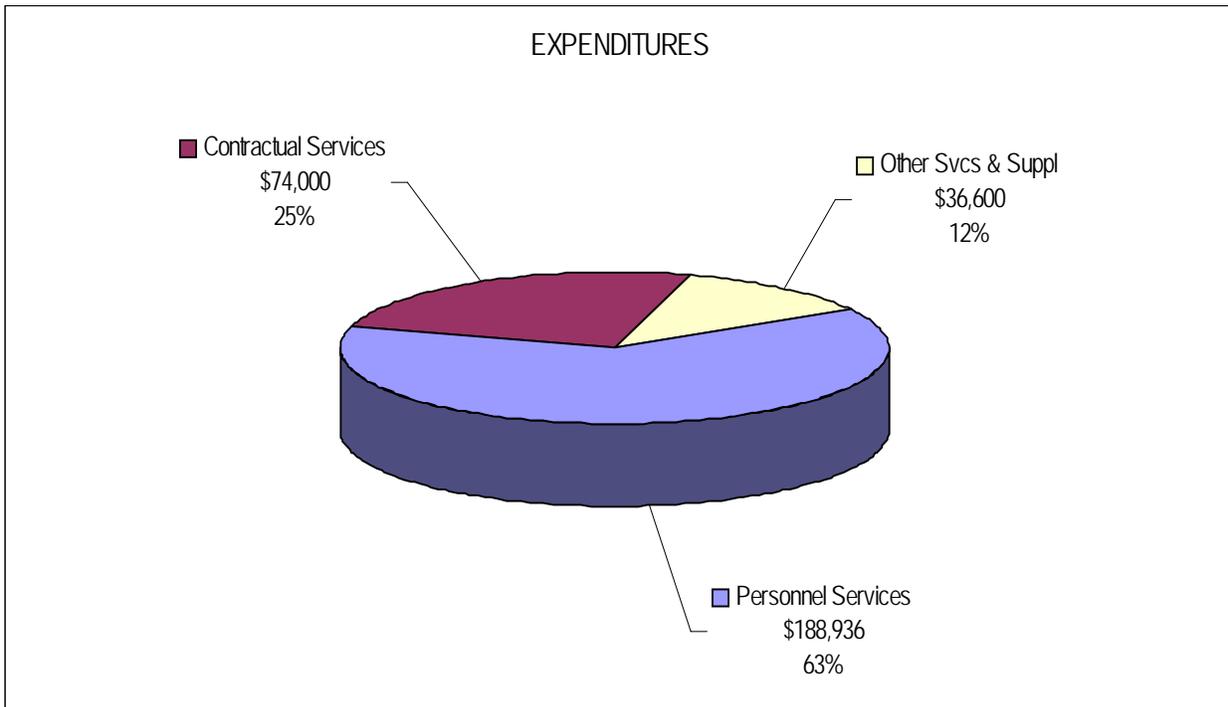
Personnel Allotment of 1 FTE

Position	FTE	Vacant	Funded			
RDA/ Economic Development Manager	1					

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to a projected salary.
Services and Supplies	None.
Capital Outlay	None.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	94,952	129,163	141,026	141,026
4131 PERS	14,369	18,617	21,074	21,698
4132 Group Insurance	4,454	7,277	11,448	15,492
4133 Medicare	1,337	1,871	2,062	2,062
4135 Worker's Compensation	656	651	702	702
4138 Deferred Comp-Employer	0	563	900	900
4161 Retiree Medical Reserve	0	0	7,056	7,056
sub-total	<u>115,768</u>	<u>158,141</u>	<u>184,268</u>	<u>188,936</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	628	16,956	15,110	15,110
4220 Supplies	64	374	0	0
4230 Services	71,657	199,820	78,000	74,000
4501 Memberships and Dues	17,246	17,526	18,490	18,490
4503 Training	2,841	1,126	3,000	3,000
sub-total	<u>92,436</u>	<u>235,802</u>	<u>114,600</u>	<u>110,600</u>
TOTAL	<u><u>208,204</u></u>	<u><u>393,943</u></u>	<u><u>298,868</u></u>	<u><u>299,536</u></u>

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

Services

- Reviews construction plans and documents to ensure building safety through compliance with technical codes, State and local regulations, and acceptable engineering practices.
- Provides inspections to ensure building projects are constructed in accordance with approved plans and accordance with applicable local and State regulations.
- Schedules building inspections through the use of Integrated Voice Recognition System (IVR) on online.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance.
- Issues building permits, including permits by fax and online.
- Processes plans, collects permit fees, performs records research, and maintains the building plans records.
- Provides information to the public and responds to building code related questions in person, by telephones, e-mails, and through website. Directs customers to proper City staff members.
- Provides and updates residential and commercial handouts and pamphlets at Permit Center and online to explain how to obtain permits, design and construction requirements.
- Meets with design professionals, homeowners and contractors to assist them in the timely issuance of building permits and completion of projects including after hours, lunch time and weekend meetings.
- Provides assistance to the Community Development Block Grant (CDBG) Housing Rehabilitation Program to enhance the quality of life for low-income families.
- Provides assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provides assistance and inspection to mobile home parks.
- Provides same day plan check services thereby reduces the standard plan check process by a minimum of two to three weeks.



Building and Safety

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Continued improvement of new permitting software, enhanced website and developed "online" permit.	X			X	X
2. Established Roadmap for Service Improvements Committee, which meets weekly to streamline the permit process and improve customer service.	X				
3. Utilized computer technology in the field allowing inspectors to be more efficient.	X		X	X	
4. Implemented in-house training of staff as it relates to adoption of new California codes and continued cross training to improve efficiency.	X	X	X		X
5. Scheduled building inspection through the use of automated phone system and online until 5 AM the day of inspection.	X			X	
6. Created self-service kiosk to provide automated information services.	X	X		X	X
2008-2009 Goals					
1. Continue expanding online permitting and information on the website.	X			X	X
2. Expand programs such as Safety Week, meetings with community members and industry organizations.	X	X			X
3. Continue to provide assistance to Fire Department and building owners for emergency incidents.	X	X			X
4. Expand inspection checklist to enhance services and continue with same inspector start to finish.	X			X	X
5. Continue cross training of staff to improve consistency in plan check, inspections and efficiency.	X		X	X	X
6. Continue to provide outside business hours services for plan check and inspection as requested.	X	X			X

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
New Construction Valuation (Millions)	\$230	\$222	\$180	\$180
Total Building Permits Issued/Avg. Permits Issued per day	3,788/7	3,897/15	3,500/14	3,500/14
Total Plan Checks Performed/% Express Plan Checks Performed *	1,181/48	1,068/27	1,000/40	1,000/40
Number of Customers Served/Avg. Waiting Time in minutes	8,455/5	8,269/3	7,500/3	7,500/3
Daily Inspections per Inspector/Avg. Min. **	10/45	11.5/37.5	11.5/37.5	11.5/37.5
% Customer Survey rating Excellent or Good	100	98	100	100
% of Plan Checks completed on schedule	88	90	95	95
% Inspections completed on requested time	N/A	93	95	95
% accuracy of building plan check	N/A	97	95	97

NOTE: *Express projects performed over the counter/same day. **Inspections (building and misc.) Include inspection time, travel, paperwork, computer input and phone calls.

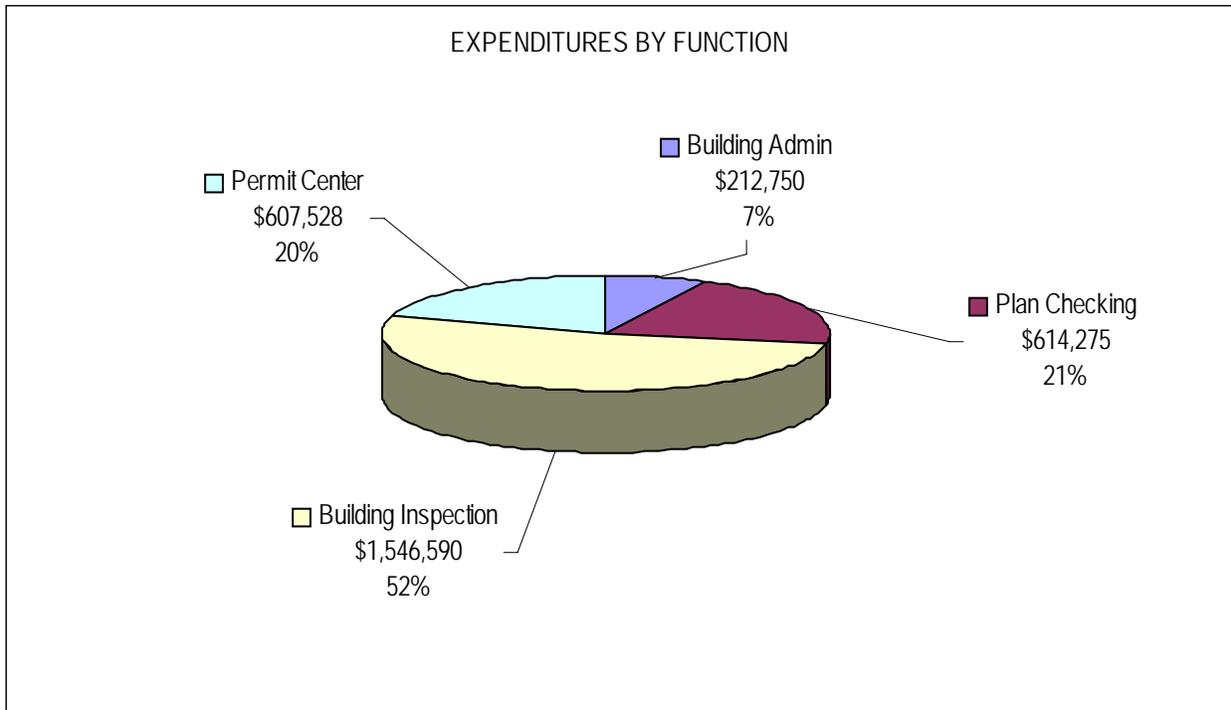
Personnel Allotment of 26 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Chief Building Official	1			Sr Plan Check Engineer	1	1	0
Building/NP Inspector	7	3	1	Plan Check Engineer	4	2	1
Electrical Inspector	2			Building Permit Technician	3	1	0
Plan Checker	1			Office Asst II	1		
Sr Building Inspector	1			Office Specialist	1		
Permit Center Manager	1	1	1	Temporary Positions (FTE)	3		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Increase of \$7,807 for amortization and \$48,000 for document imaging, fees are collected from each applicant at time of permit issuance.
Capital Outlay	None.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	1,497,084	1,447,753	1,779,625	1,786,048
4112 Temporary Salaries	145,902	182,534	254,372	254,440
4113 Overtime	27,056	22,191	45,000	25,000
4124 Leave Cashout	19,786	23,228	0	0
4131 PERS	252,112	235,028	304,186	314,202
4132 Group Insurance	195,780	222,018	249,795	279,225
4133 Medicare	20,952	22,191	27,912	27,993
4135 Worker's Compensation	38,742	41,784	47,390	46,775
4138 Deferred Comp-Employer	16,021	8,850	1,800	1,800
4161 Retiree Medical Reserve	0	0	88,783	100,768
sub-total	<u>2,213,435</u>	<u>2,205,577</u>	<u>2,798,863</u>	<u>2,836,251</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	24,682	24,540	32,080	39,887
4220 Supplies	16,820	25,865	24,025	24,025
4230 Services	13,784	20,959	15,250	63,250
4410 Communications	2,555	1,643	0	0
4501 Memberships and Dues	951	1,370	1,530	1,530
4503 Training	3,772	7,315	16,200	16,200
sub-total	<u>62,563</u>	<u>81,693</u>	<u>89,085</u>	<u>144,892</u>
TOTAL	<u><u>2,275,998</u></u>	<u><u>2,287,270</u></u>	<u><u>2,887,948</u></u>	<u><u>2,981,143</u></u>

DEPARTMENT:	Information Services	IS DIRECTOR: Bill Marion
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Description: This department provides strategic 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 Strategic 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 the 5-year implementation of Public Safety improvements to the implementation of new systems and processes.
- 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 local and foreign. One of fastest and easiest ways to evaluate a city as a potential site for starting a business is by visiting that City's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
- Implementation and operation of the City's security access and control systems. It is essential to protect the City's 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
2007-2008 Accomplishments					
1. Completed installation of new online permitting system.	X	X	X	X	X
2. Installed new high-performance radio voice/data links to 3 City sites.	X	X	X	X	X
3. Completed year one of the 8-year Equipment Replacement Project.	X	X	X	X	X
4. Completed installation of the Crime Fighter BEAST, and integrated evidence tracking system for the Police Department and Crime Laboratories.	X	X	X	X	X
5. Consolidated and standardized mobile phone, pager and PDA usage.	X	X	X	X	
6. Upgraded Police Records Management System.	X	X	X	X	X
7. Began implementation of Access Control and Security System at Police/ Public Works.	X	X	X	X	X
8. Completed installation of online registration for Recreation.	X	X	X	X	X
9. Completed installation of Integrated Voice Recognition (IVR) system.	X	X	X	X	X
2008-2009 Goals					
1. CAD Upgrade.	X	X	X	X	X
2. Complete year two of the scheduled 8-year Equipment Replacement Project.	X		X	X	X
3. Begin Server Replacement Plan.	X	X	X	X	X
4. Complete Next Generation Network Design.	X	X	X	X	
5. Complete Server Virtualization.	X	X	X	X	X

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Network Availability	99.50%	99.00%	99.95%	99.95%
First line Helpdesk Resolution	50%	60%	60%	70%
Server Availability	99.00%	99.00%	99.50%	99.50%
Website Availability	99.00%	99.00%	99.50%	99.50%

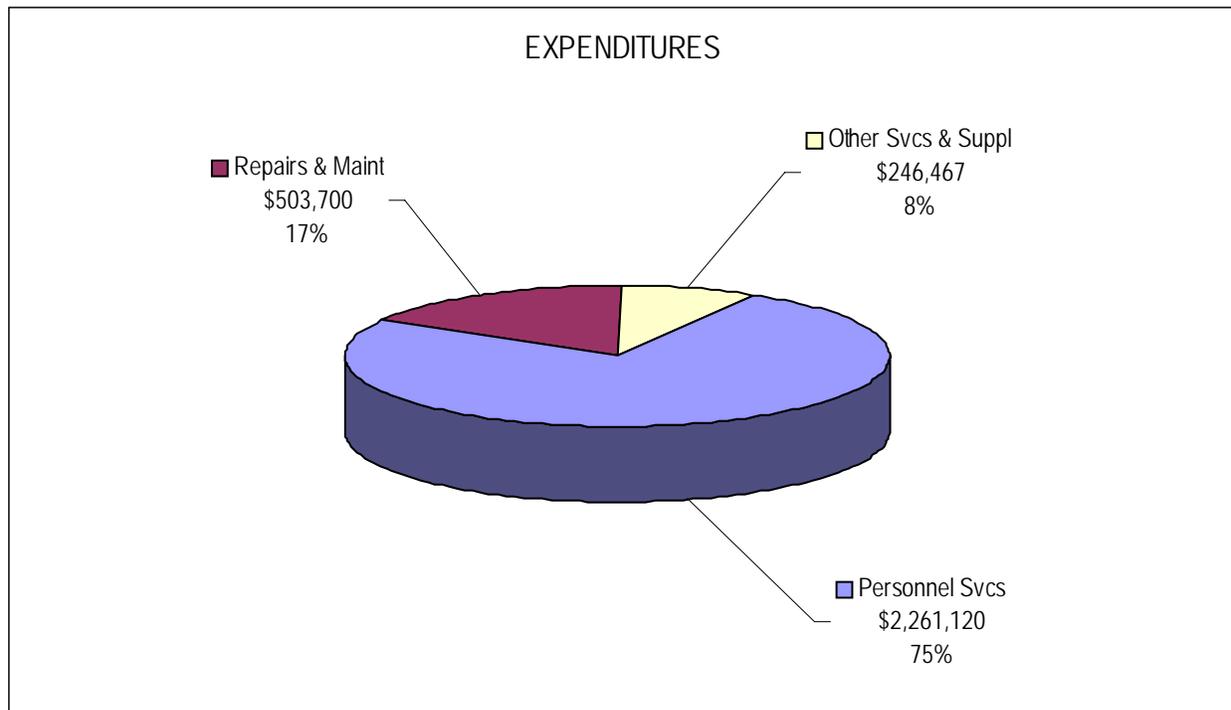
Personnel Allotment of 20 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Information Services Director	1			Systems Admin	5	2	0
Asst Information Svcs Director	1	1	0	G I S Manager	1		
Public Information Specialist	1			Desktop Technician	5		
Telecom Manager	1			Office Asst I	1	1	0
Network Manager	1			Office Specialist	1		
Operations Manager	1						
Customer Service Manager	1						

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to contractual obligations and reduction in CIP charge-backs resulted in an overall 14% increase.
Services and Supplies	Increase in software maintenance have resulted in a 2.5% increase.
Capital Outlay	None.



Information Services

	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	1,599,881	1,417,349	1,682,124	1,697,562
4112 Temporary Salaries	58,359	0	0	0
4113 Overtime	847	1,341	0	0
4124 Leave Cashout	6,119	28,145	0	0
4131 PERS	254,034	204,994	251,571	261,314
4132 Group Insurance	170,334	175,241	202,176	224,868
4133 Medicare	23,917	21,021	24,509	24,736
4135 Worker's Compensation	9,648	9,388	8,867	8,956
4138 Deferred Comp-Employer	15,881	11,683	9,000	9,000
4143 Charged to CIPs	0	0	(280,000)	(50,000)
4161 Retiree Medical Reserve	0	0	83,922	84,684
sub-total	<u>2,139,022</u>	<u>1,869,161</u>	<u>1,982,169</u>	<u>2,261,120</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	7,013	4,560	6,895	6,537
4220 Supplies	17,267	28,367	16,000	17,000
4230 Services	226,639	352,785	509,000	518,900
4410 Communications	115,080	170,870	192,000	202,730
4501 Memberships and Dues	1,075	175	300	300
4503 Training	2,736	30	7,700	4,700
sub-total	<u>369,810</u>	<u>556,786</u>	<u>731,895</u>	<u>750,167</u>
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	792	11,179	0	0
sub-total	<u>792</u>	<u>11,179</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>2,509,623</u></u>	<u><u>2,437,127</u></u>	<u><u>2,714,064</u></u>	<u><u>3,011,287</u></u>

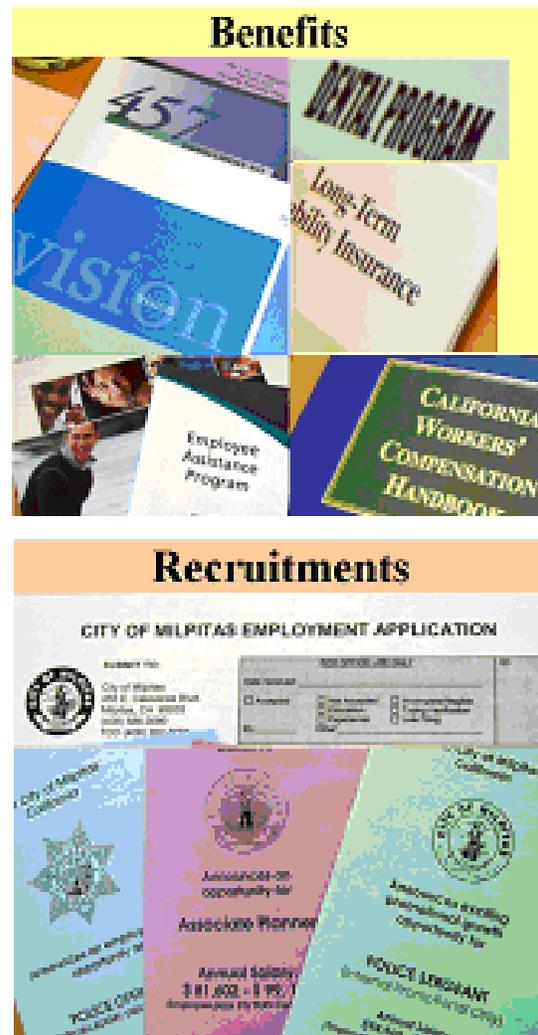
DEPARTMENT:	Human Resources	HR DIRECTOR: Carmen Valdez
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Description: This department is a centralized full-service department that provides Citywide services including: recruitment, benefits administration, a self funded workers' compensation program,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

Services

- Recruitment - The Human Resources (HR) Department is committed to finding top-quality candidates in a timely manner. The department takes an aggressive approach in identifying and recruiting the most qualified candidates for all positions.
- Benefit Administration - The HR Department provides benefit administration services to approximately 440 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 and recently successfully transitioned to a new Third Party Administrator, Southern California Risk Management Association (SCRMA). Staff works closely with SCRMA 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 conducts all state mandated training, employee safety

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



Human Resources

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Organized Sexual Harassment, the Public Records Act, and Defensive Driver trainings for all employees.	X	X	X	X	X
2. Organized several "Brown Bag" lunches to inform employees about various City benefits and retirement planning.	X	X	X		
3. Conducted Classification Studies, created Job Descriptions, and recruited to successfully create the in-house City Attorney's Office.	X			X	
4. Successfully completed the Delta Dental Pilot Program and met with the Dental Committee to decide to remain with Delta.	X	X	X	X	
5. Created and distributed an HR Customer Service Survey.	X	X	X		
6. Successfully developed Workers' Compensation Procedures and Guidelines.	X	X	X	X	
2008-2009 Goals					
1. Develop and implement along with the support of the Information Services Department an online Benefit Information Program.	X		X		
2. Develop and implement an expanded new employee orientation program that includes an inventory checklist for equipment, keys, supplies, etc that are issued to new employees.	X		X	X	
3. Succession Planning: update Job Descriptions and conduct classification studies for career growth opportunities.	X		X	X	
4. Continue to provide citywide training.	X	X	X	X	X
5. Cross-train HR technicians.	X		X	X	
6. Finalized an FMLA* Policy, a Fitness for Duty Program, a Short Term Disability Program, and a Modified Duty Program.	X	X	X	X	X
7. Develop a tracking system for employees' education and training.	X		X	X	X
*FMLA = Family Medical Leave Act					

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Percentage of Customer Surveys rating Very Satisfied/ Satisfied	37/52	N/A	61/29	95/5
Number of employees returned to full duty after a Workers' Compensation injury	13	8	10	10
Percentage of error free Personnel Action Forms processed	98%	99%	99%	99%
Percentage of error free Benefit Change forms processed within 10 days of receipt	100%	100%	100%	100%
Percentage of error free Address Change requests processed within 24 hours of receipt	100%	100%	100%	100%

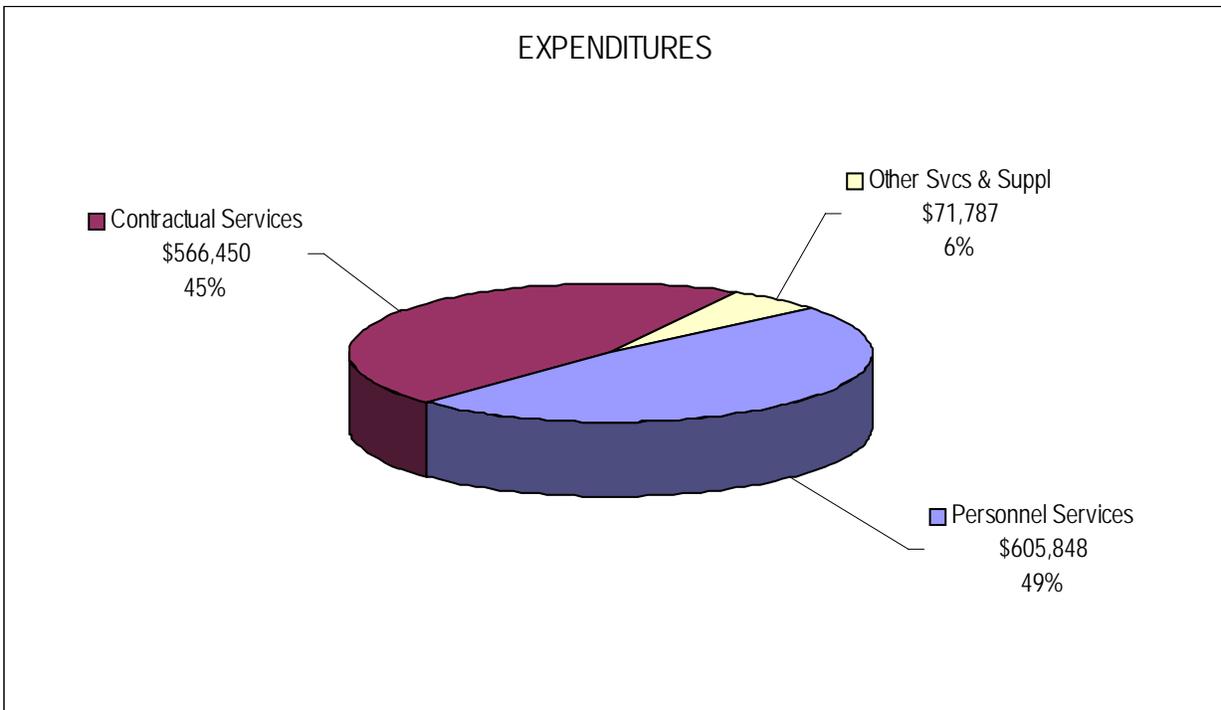
Personnel Allotment of 7 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Human Resources Director	1			Human Resources Tech	2		
Admin Analyst I/II	3	2	0	Confidential Office Assist II	1		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Increase attributed to new regulations for employees using respirators, negotiations and fitness for duty examinations.
Capital Outlay	None.



Human Resources

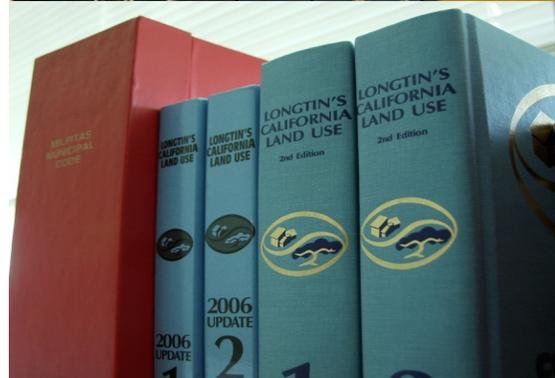
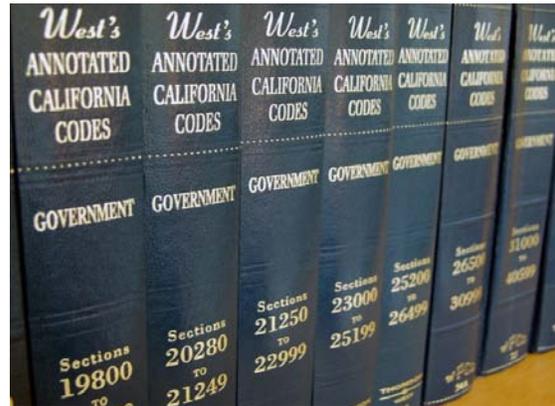
	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	335,038	340,850	435,011	431,483
4112 Temporary Salaries	600	0	0	0
4113 Overtime	275	1,308	0	0
4124 Leave Cashout	4,797	5,796	0	0
4131 PERS	51,390	49,035	65,088	66,454
4132 Group Insurance	40,521	43,352	64,632	73,572
4133 Medicare	4,899	5,068	6,370	6,323
4135 Worker's Compensation	1,782	1,582	2,153	2,140
4138 Deferred Comp-Employer	3,929	3,767	4,500	4,500
4139 PARS	9	0	0	0
4161 Retiree Medical Reserve	0	0	21,553	21,376
sub-total	<u>443,240</u>	<u>450,758</u>	<u>599,307</u>	<u>605,848</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	5,181	0	3,000	5,000
4220 Supplies	3,598	9,384	2,000	2,000
4230 Services	463,747	446,239	545,250	622,450
4410 Communications	79	183	75	75
4501 Memberships and Dues	1,652	2,224	2,212	2,212
4503 Training	3,568	3,293	6,500	6,500
sub-total	<u>477,826</u>	<u>461,322</u>	<u>559,037</u>	<u>638,237</u>
TOTAL	<u><u>921,066</u></u>	<u><u>912,081</u></u>	<u><u>1,158,344</u></u>	<u><u>1,244,085</u></u>

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

Services

- General Legal Advice
- Employee Labor Group Negotiations
- Litigation
- Employee Training
- Compliance advice related to current and forthcoming Federal and State regulations
- Redevelopment Agency Counsel
- 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
2007-2008 Accomplishments					
1. Successful transition from outside counsel to in-house City Attorney including staff placement and office organization.	X		X		
2. Monitoring and counseling during construction of Milpitas Library on Main Street and completion of parking garage.	X	X		X	X
3. Advised on EIR and process of adoption of Transit Area Specific Plan.	X	X		X	
4. Assisted staff on purchase of additional sewer capacity to implement General Plan build-out.	X	X		X	
5. Provided full-time on premises legal advice affording increased accessibility by staff and Council.	X	X		X	
2008-2009 Goals					
1. Provide City Council and staff with efficient legal advice and services at reduced cost.	X	X		X	
2. Continue to seek out and implement cost recovery matters, while assisting the City and staff in their efforts to maintain a balanced budget.	X			X	
3. Continue to devote expertise, time and creative solutions to assist City in attracting and keeping businesses in City, especially through redevelopment activities.		X		X	
4. Provide comprehensive on-site legal guidance and review assuring City services and City Council goals are successfully implemented with a minimum of risk.	X	X		X	

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Property acquisition/leasehold assistance (properties)	5	5	7	4
Labor negotiations completed	1	1	2	4
Number of ordinances assisted with, prepared or reviewed	7	6	12	10
Training sessions on Open Government Ordinance and/ or other ethics subjects provided to Commissioners, Boardmembers and staff	20	30*	8**	10

Note: *Includes Commissions that received the video training prepared by the City Attorney's Office. **Anticipated that only the City Council and Planning Commission will receive a live training on the Open Government Ordinance this year.

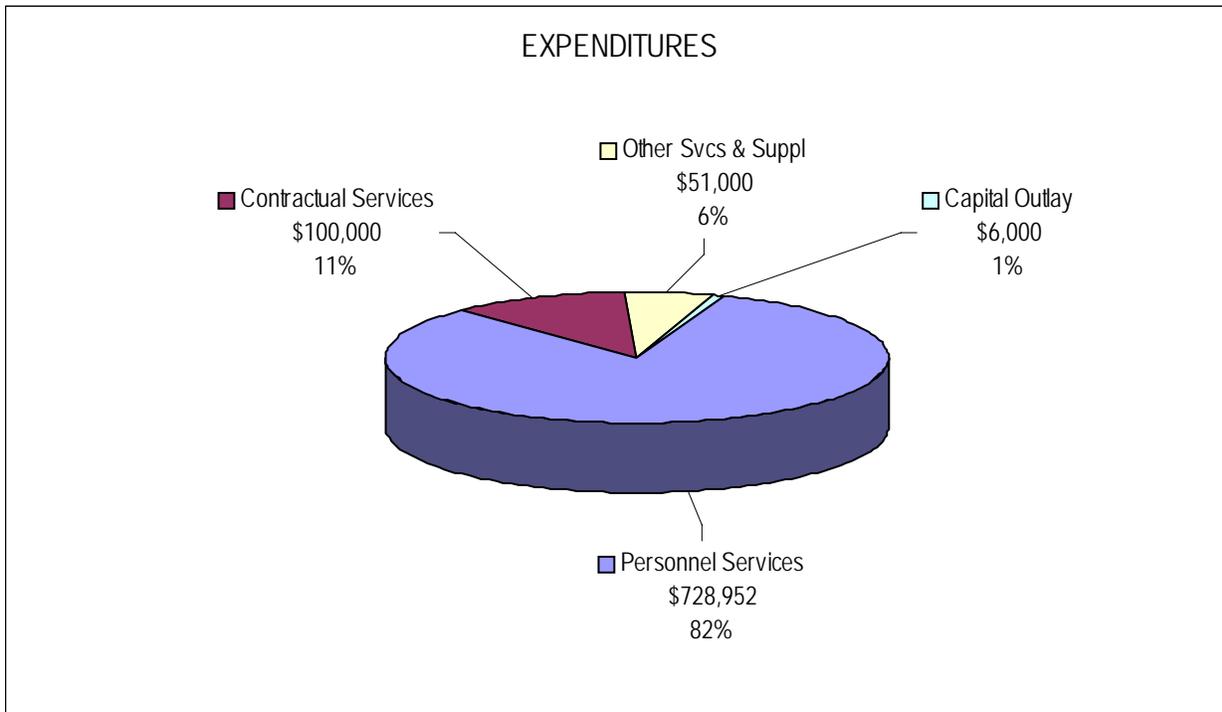
Personnel Allotment of 4 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
City Attorney	1			Deputy City Attorney	1	1	1
Assistant City Attorney	1			Legal Assistant	1		

Staff Change(s): Hired legal staff.

Expenditure Analysis

Personnel Services	Provide full service legal department.
Services and Supplies	Equipment, supplies for new employees plus focused outside attorney services.
Capital Outlay	Computers for new employees.



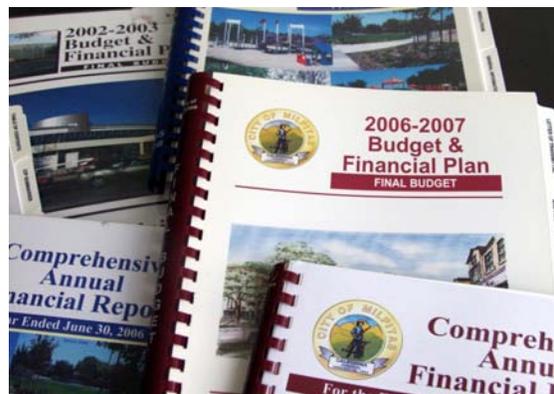
	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	0	0	315,425	543,026
4131 PERS	0	0	47,116	83,540
4132 Group Insurance	0	0	17,172	60,996
4133 Medicare	0	0	4,587	7,930
4135 Worker's Compensation	0	0	1,578	2,716
4138 Deferred Comp-Employer	0	0	1,350	3,600
4161 Retiree Medical Reserve	0	0	15,772	27,144
sub-total	0	0	403,000	728,952
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	1,178	540	102,080	40,000
4230 Services	1,351,384	1,602,373	301,000	100,000
4501 Memberships and Dues	0	0	0	2,000
4503 Training	0	0	0	9,000
sub-total	1,352,562	1,602,912	403,080	151,000
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	0	0	0	6,000
sub-total	0	0	0	6,000
TOTAL	1,352,562	1,602,912	806,080	885,952

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

Services

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



Finance

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Installed desktop technology to scan deposits to enhance cash flow.	X			X	
2. Created new user-friendly utility bill and saved on printing costs.	X				
3. Resolved tort claims within 180 days from the date of claim.	X	X		X	X
4. Received awards for "Distinguished Budget Presentation", " Excellence in Financial Reporting" and "Procurement".				X	
5. Processed invoices for payment and purchase requisition within 5 working days from the date of department's/Council's approval.	X			X	
6. Provided accurate and timely reports to assist departments in monitoring their budget within 15 days from month-end.	X			X	
7. Provided 99.9% accuracy on initial meter reads.	X			X	
8. Initiated consolidation of City store cards with the Cal-card program.	X			X	
9. Established irrevocable trust fund to start pre-funding retiree medical benefits.	X		X	X	
2008-2009 Goals					
1. Implement online Business License application and the acceptance of business license renewal online with credit card payments.	X			X	
2. Implement online central store ordering for warehouse supplies to reduce obsolete inventories.	X			X	
3. Implement online utility bill presentation and allow customers to view Internet payment transactions.	X			X	
4. Resolve tort claims within 180 days from the date of claim.	X	X		X	X
5. Receive awards for "Distinguished Budget Presentation", " Excellence in Financial Reporting" and "Procurement".				X	
6. Process invoices for payment and purchase requisition within 5 working days from the date of department's/Council's approval.	X			X	
7. Provide accurate and timely reports to assist departments in monitoring their budget within 15 days from month-end.	X			X	
8. Provide 99.9% accuracy on initial meter reads.	X			X	
9. Administer CAL-Card program and expand it if necessary..	X			X	

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Receive awards for Budget and Financial Report	Yes	Yes	Yes	Yes
Percent of tort claims resolved within 180 days	89%	90%	82%	90%
Average turn around time of account payable invoices (no. of days)	5	5	5	5
Average turn around time of purchase requisitions (no. of days)	6	10	12	12
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

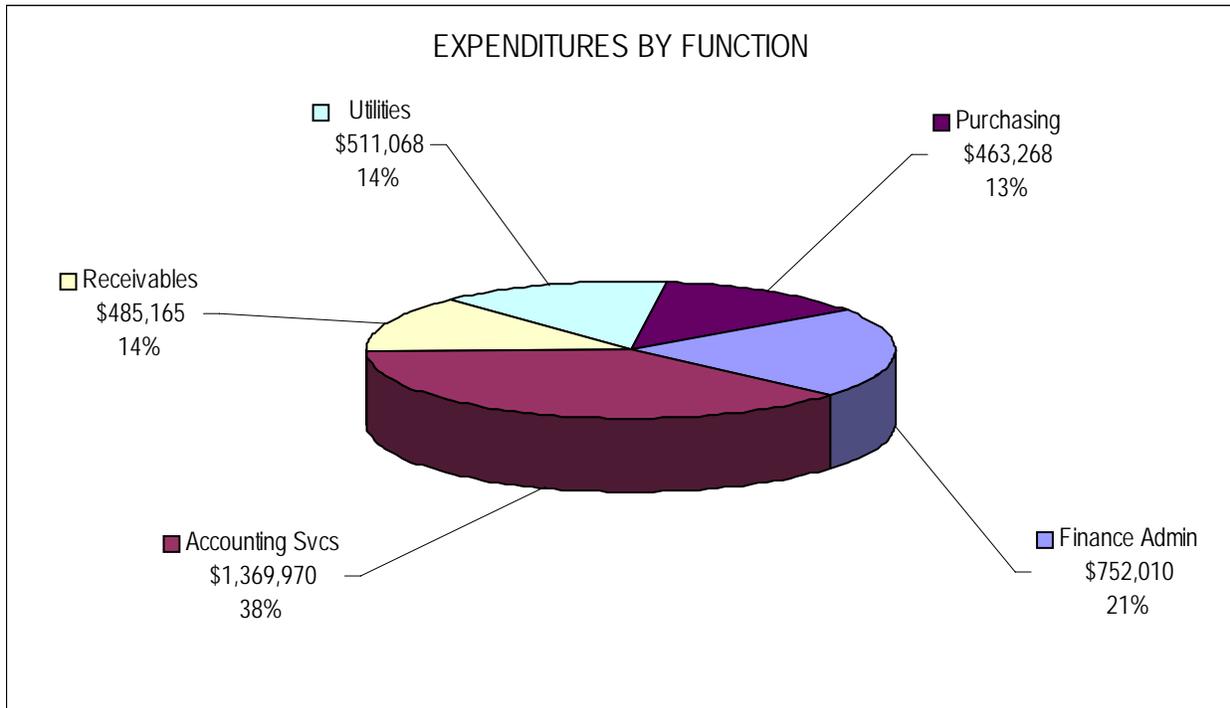
Personnel Allotment of 34.75 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Director of Financial Services	1			Fiscal Services Manager	1	1	0
Purchasing Agent	1			Accounting Technician	1		
Assistant Finance Director	1	1	0	Fiscal Asst I/II	13	3	0
Accounting Services Manager	1			Senior Fiscal Assistant	1		
Accountant	3			Office Specialist	1		
Admin Analyst I	2	1	0	Water Meter Reader II	2		
Admin Analyst II	1			Water Meter Reader Supervisor	1		
Buyer	1			Maintenance Worker II-40	1		
Senior Accountant	2			Temporary Positions (FTE)	.75		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Slight decrease attributed to savings on banking costs and anticipated savings on utility bill printing and processing.
Capital Outlay	None.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	2,012,076	2,065,263	2,276,234	2,289,911
4112 Temporary Salaries	133,441	17,256	16,000	16,000
4113 Overtime	10,390	13,562	23,500	23,500
4121 Allowances	7,280	8,241	1,080	1,080
4124 Leave Cashout	14,266	42,381	0	0
4131 PERS	326,873	299,591	340,796	354,135
4132 Group Insurance	282,843	309,271	354,444	392,640
4133 Medicare	30,099	30,146	32,337	32,551
4135 Worker's Compensation	20,854	19,786	20,692	20,624
4138 Deferred Comp-Employer	20,002	12,362	8,100	9,000
4139 PARS	213	554	240	240
4143 Charged to CIPs	0	0	(72,600)	(63,000)
4161 Retiree Medical Reserve	0	0	112,642	113,056
sub-total	2,858,336	2,818,413	3,113,465	3,189,737
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	46	0	0
4211 Equip Replacement Amortization	20,471	18,145	21,121	18,439
4220 Supplies	109,326	83,960	147,760	142,625
4230 Services	169,534	216,419	194,168	186,450
4410 Communications	352	264	0	0
4501 Memberships and Dues	1,996	1,784	3,130	3,080
4503 Training	4,778	4,603	11,175	11,150
sub-total	306,458	325,221	377,354	361,744
CAPITAL OUTLAY				
4920 Machinery Tools & Equipment	832	14,180	0	0
4930 Hydrants & Meters	0	0	0	30,000
sub-total	832	14,180	0	30,000
TOTAL	3,165,626	3,157,814	3,490,819	3,581,481

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

Services

- Provides management, direction and coordination for maintenance and operation of City infrastructure and equipment.
- Participates in the development and administration of Capital Improvement Projects.
- Investigates high priority customer service requests within 30 minutes of receipt providing a high level of customer service (approximately 3,500 per year).
- Provides street sweeping and sidewalk cleaning services and repairs, as well as immediate graffiti removal. Provides safe, effective and efficient traffic flow by maintaining the City's traffic signal coordination system, traffic signs, paved roadways, and pavement and curb markings, in accordance with the Clean and Safe Street Program.
- Provides routine and emergency operation, maintenance, and repair of utilities (water, sewer, and storm systems and facilities.) Provides high level of maintenance to ensure uninterrupted water and sewer service for residents and the prevention of flooding during storms.
- Provides weed control and litter pick-up on public landscaped areas. Monitors a weed and insect control program that utilizes early detection and treatment, and the use of cultural and mechanical means to reduce pesticide applications.
- Provides maintenance and long-term sustainability for city streetscapes of 13,860 trees and 121 acres of public landscaping. Services include city tree installation and pruning, and the maintenance and care of the city's landscaped medians and trails.
- Maintains and repairs equipment and 630 city-owned vehicles including Police vehicles, Fire apparatus and 176 communication radios. Provides proactive and preventative maintenance and repairs programs while maintaining regulatory compliance.
- Provides maintenance of city buildings and grounds, including all building systems (plumbing, air ventilation, electrical and backup systems.) Performs repairs, preventative maintenance, remodel project management and administration of janitorial contract. Also provides room set-ups for meetings and rental groups.



Public Works

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Investigated 3,500 customer service requests and provided immediate response for urgent/safety related service requests.	X	X		X	X
2. Provided cross-training & safety training to staff to improve efficiency and reduce injuries.			X	X	
3. Handled all street light repairs within 24 hours.	X	X			X
4. Implemented City's Clean & Safe Street Program.	X				X
5. Performed 1,500 utilities underground locates.	X	X		X	X
6. Responded immediately to all roadway hazards, graffiti abatement, and emergency storm service requests.	X	X		X	X
2008-2009 Goals					
1. Continue to investigate all customer service requests and provide immediate response for urgent/safety related service requests.	X	X		X	X
2. Respond to after hours emergency storm and roadway problems within 45 minutes.	X	X		X	X
3. Continue to provide immediate response for roadway hazards and graffiti abatement service requests.	X	X		X	X
4. Continue to provide high-level maintenance to protect the City's facilities and infrastructure.	X	X		X	X
5. Continue to provide safety and job related training to employees.			X	X	

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Customer service requests processed	3,326	3,208	3,500	3,500
City street & sidewalk miles maintained	139	139	139	139
Number of set-ups for classes & meetings	2,200	3,966	3,000	4,000
Buildings maintained (square feet)	350,000	350,000	350,000	350,000
Traffic signals/streetlights maintained	68/4,350	68/4,354	68/4,507	68/4,557
Street signs maintained	7,550	7,675	7,825	7,950
Water meters serviced	425	540	580	450
Clean sewer lines (feet)	690,945	459,458	500,000	500,000
Year end street tree inventory/annual cost per tree	12,950/\$52	13,400/\$51	13,860/\$53	14,320/\$54
Street landscaped acres maintained/sites maintained	103/56	108/61	121/63	123/65
Completed vehicle repairs	2,095	2,033	2,200	2,200
Average vehicle downtime (hours)	1.75	1.95	3	3
Respond to after hours urgent customer service requests within 45 minutes of receipt (percent of time)	100%	100%	100%	100%

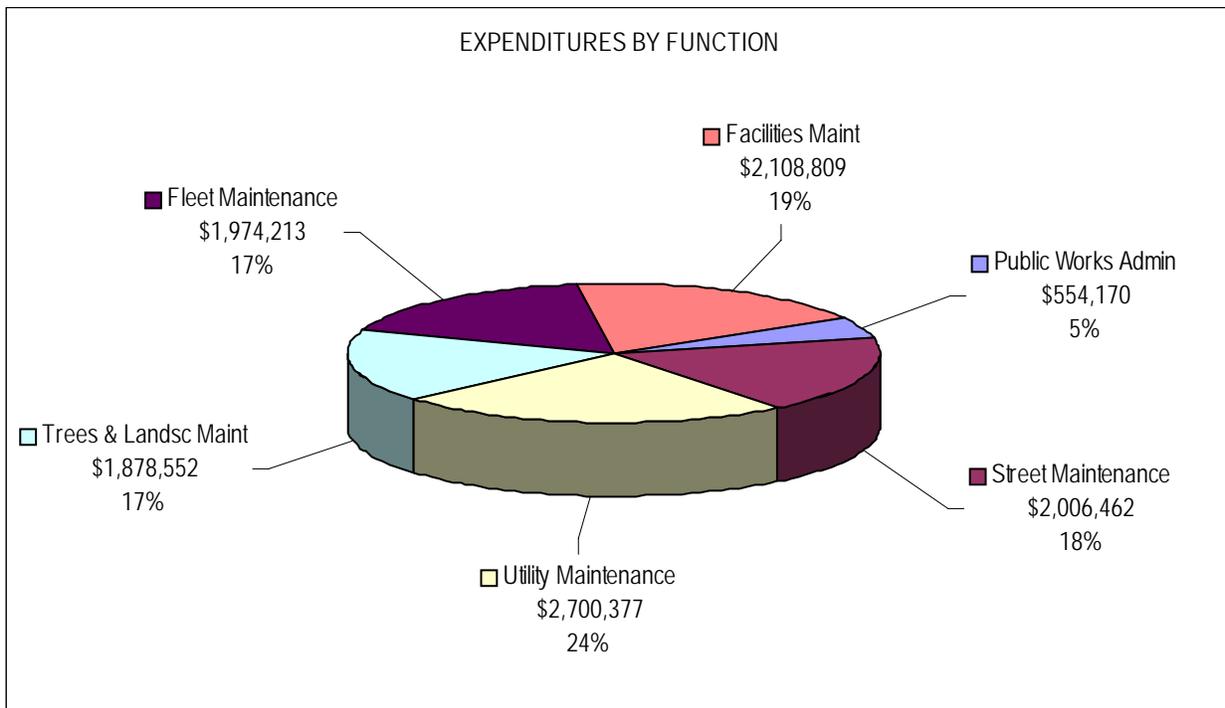
Personnel Allotment of 79.5 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Public Works Director	1			Water System Operator	1		
Assoc Civil Engineer	1	1	0	Water System Operator	1		
Community Svcs Proj Mgr	1	1	0	Asst Water System Operator	1		
Office Specialist	2	1	0	Maintenance Custodian I	1		
Office Assistant II	1	1	1	Maintenance Custodian II	3		
Secretary	1			Maintenance Custodian III	1	1	0
Equipment Maint Worker I	1			Maint Custodian I-40 Hr	1	1	0
Equipment Maint Worker II	1			Maint Custodian II-40 Hr	2		
Equipment Maint Worker III	5			Maintenance Supervisor-40	1		
Senior Maint Supervisor	3			Maintenance Worker I-37.5	1		
Fleet Maint Supervisor	1			Maintenance Worker II-37.5	26	2	0
Fleet Maint Worker II	3			Maintenance Worker III	13	6	2
Fleet Maint Worker III	2	1	0	Temporary Positions (FTE)	4.5		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Increase of \$64,417 for fuel costs and \$30,000 for the vehicle diesel retrofit program as required by the State.
Capital Outlay	\$166,021 for a boom truck and alignment equipment funded by the Equipment Fund. \$74,750 from Recycled Water Fund for a tank truck.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	4,361,295	4,389,732	4,905,200	4,813,780
4112 Temporary Salaries	174,546	161,867	128,666	156,936
4113 Overtime	81,229	102,600	118,258	118,258
4121 Allowances	75,993	73,747	111,820	111,820
4124 Leave Cashout	119,907	47,850	0	0
4131 PERS	690,070	646,596	737,586	778,468
4132 Group Insurance	717,571	785,517	913,512	975,348
4133 Medicare	59,135	61,837	65,041	65,888
4135 Worker's Compensation	183,642	164,858	180,321	176,167
4138 Deferred Comp-Employer	6,951	6,162	6,300	6,300
4139 PARS	468	1,486	1,930	1,015
4143 Charged to CIPs	0	0	(22,000)	(22,000)
4161 Retiree Medical Reserve	0	0	235,322	229,279
sub-total	6,470,806	6,442,253	7,381,956	7,411,259
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	634,562	713,450	729,744	717,699
4220 Supplies	1,272,342	1,431,991	1,287,405	1,507,737
4230 Services	1,043,035	1,079,327	1,450,920	1,305,920
4410 Communications	10,384	5,847	4,250	4,250
4420 Utilities	20,492	26,419	38,200	38,200
4501 Memberships and Dues	3,200	3,543	5,355	5,995
4503 Training	35,456	6,194	19,845	19,315
sub-total	3,019,472	3,266,771	3,535,719	3,599,116
CAPITAL OUTLAY				
4850 Vehicles	125,570	0	5,040	74,750
4870 Machinery & Equipment	7,085	0	0	27,458
4920 Machinery Tools & Equipment	1,059	9,285	4,800	0
4930 Hydrants & Meters	51,034	95,241	110,000	110,000
sub-total	184,748	104,526	119,840	212,208
TOTAL	9,675,027	9,813,550	11,037,515	11,222,583

DIVISION:	Engineering	PUBLIC WORKS DIRECTOR: Greg Armendariz
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Description: This division provides professional management and review of new facilities, both private and public, which may impact the public right-of-way or the public's use and enjoyment of municipal facilities or services. The division's functions include: Special (RDA) Projects, Design & Construction, Land Development, Traffic, Utilities and Solid Waste Services.

Services

- Provides direction and coordination for the division, including allocation of resources, assignments, and staff development.
- Plans and implements the Capital Improvement Program, including design and construction engineering, project management, and construction inspection of the City's street, water, sewer, storm drain, parks, and community projects, including the new Milpitas Public Library, and Parking Garage, North Main Street Utilities and Streetscape.
- Provides engineering support on regional programs such as BART, highway and flood control projects.
- Reviews and approves all subdivision maps and developer public improvement plans.
- Issues encroachment permits for construction work within the City's public right-of-way.
- Administers the National Flood Insurance Program, several special districts and franchise and environmental programs to protect storm water quality and encourage recycling.
- Maintains utility maps for water, sewer, recycled water, and storm drain facilities and all City drawings, deeds, maps, assessment district diagrams, aerial photos, and utility drawings.
- Provides for the operation and maintenance of the City's existing transportation facilities and provides planning and support for the development of future transportation improvements, including regional transportation improvements.
- Responds to customer service requests for traffic operations enhancements on local streets.
- Ensures adequate supplies of high-quality potable water and recycled water to meet current and future demands of residents and industry at a fair price.
- Ensures reliable collection and treatment of waste water and collection and disposal of solid waste at competitive rates.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Completed 8 construction contracts worth \$3.6 Million.	X	X		X	X
2. Completed the review and approval of major land development projects including, Piercey Toyota, Town Center renovation and KB Homes.	X	X		X	X
3. Completed construction of the Midtown Parking Garage.	X	X		X	X
4. Started Phase II Streetscape construction.	X	X		X	X
5. Continued construction of the new Milpitas Library and of the N. Main St. Streetscape.	X	X		X	X
6. Received over \$3 Million in transportation improvement and planning grants including N. Main St. Streetscape, S. Main St. Streetscape, and Suggested Routes to School projects.	X	X		X	X
2008-2009 Goals					
1. Adoption of Sewer, Water and Financial Utility Master Plans.	X	X		X	X
2. Continue to meet deadlines for development projects and provide quality service to our customers.	X	X		X	
3. Continue to pursue grant-funding opportunities to implement the City's CIP Program.	X	X			X
4. Complete Sanitary System Management Plan.	X	X		X	X
5. Update Infrastructure Emergency Response Plan.	X	X		X	X
6. Complete construction of the new Milpitas Library.	X	X		X	X
7. Complete construction of the N. Main Streetscape Phase 1.	X	X		X	X
8. Complete 12 other Capital Improvement Projects.	X	X		X	X

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Contracts Awarded/Value	24/\$5M	18/\$8M	17/\$6.9M	18/\$13.5M
Achieve commercial recycling rate of solid waste (goal: 18%)	21%	19%	20%	20%
Achieve City solid waste diversion rate (goal: 50% minimum)	56%	56%	57%	57%
Review first submittals of private development plans within 20 working days (% of time)	72%	80%	92%	92%
Development projects reviewed	293	190	180	180
Responded to flood zone and other inquiries	310	200	100	100
Engineering and Traffic Surveys	N/A	20	28	15
Grants Submitted	N/A	3	5	5
Projects Completed (Initial Acceptances)	13	17	8	12

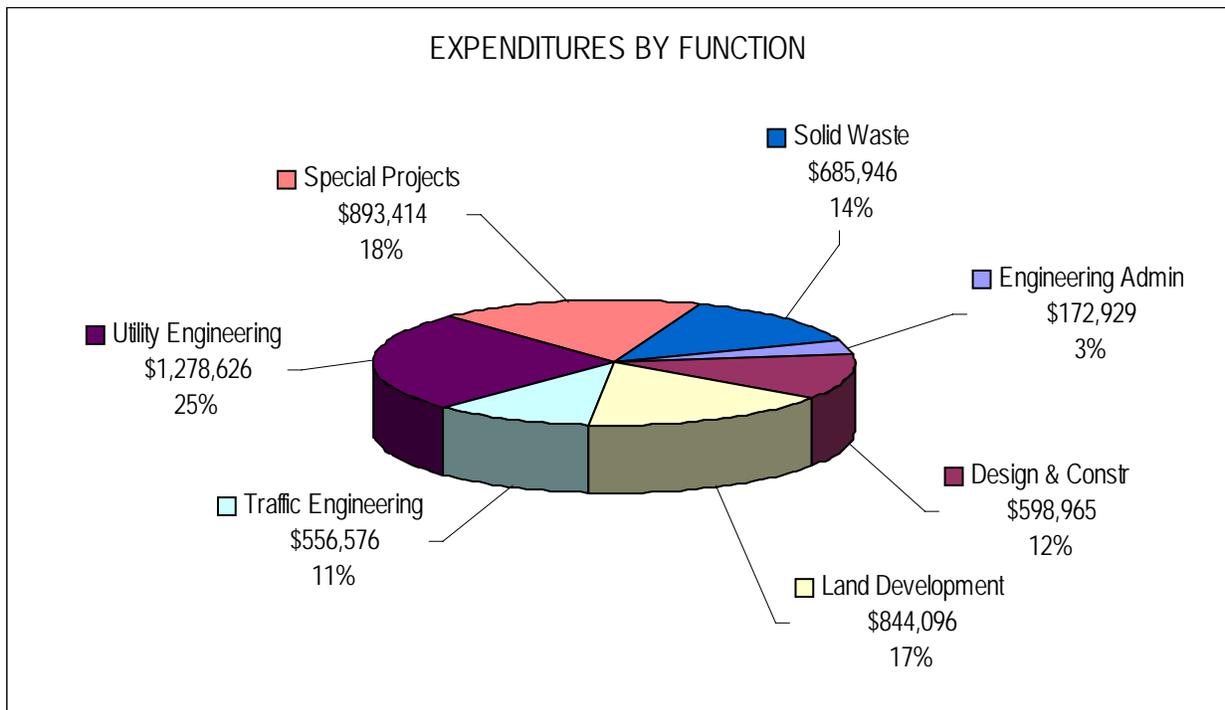
Personnel Allotment of 47 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
City Engineer	1	1	0	CIP Manager	1		
Assistant City Engineer	1	1	0	Princ Transportation Planner	2		
Administrative Analyst I/II	2	1	0	Asst Transportation Planner	1		
Public Information Specialist	1			Engineering Aide	5	3	0
Assistant Civil Engineer	10	1	0	Public Works Inspector	4	2	0
Associate Civil Engineer	7	2	0	Sr Public Works Inspector	1		
Principal Civil Engineer	3	2	1	Office Assistant II	1	1	0
Traffic Engineer	1	1	0	Office Specialist	2		
C A D Technician	1			Secretary	1		
Engineering Permit Tech	1	1	0	Temporary Positions (FTE)	1		

Staff Change(s): None

Expenditure Analysis

Personnel Services	Decrease due to direct allocation of staff time which reduced charges to CIP.
Services and Supplies	\$130,000 for Street Sweeping funded by the new utility fee.
Capital Outlay	None.



Engineering

	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	2,483,676	2,541,222	3,507,096	3,187,568
4112 Temporary Salaries	371,727	176,668	156,228	73,864
4113 Overtime	16,974	45,581	55,000	55,000
4121 Allowances	6,851	6,543	5,400	5,400
4124 Leave Cashout	93,245	92,478	0	0
4131 PERS	439,847	394,978	547,854	499,946
4132 Group Insurance	269,604	317,991	424,313	418,800
4133 Medicare	38,420	36,330	47,771	43,388
4135 Worker's Compensation	34,263	32,048	36,324	27,339
4138 Deferred Comp-Employer	27,592	16,112	8,100	7,200
4139 PARS	137	0	0	211
4143 Charged to CIPs	0	0	(904,255)	(648,541)
4161 Retiree Medical Reserve	0	0	173,617	157,638
sub-total	<u>3,782,335</u>	<u>3,659,952</u>	<u>4,057,448</u>	<u>3,827,814</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	204,123	217,351	219,000	220,000
4211 Equip Replacement Amortization	35,250	31,960	38,948	34,158
4220 Supplies	21,333	21,464	20,750	21,370
4230 Services	839,739	836,287	765,050	879,490
4410 Communications	1,232	600	250	0
4501 Memberships and Dues	6,415	6,922	8,770	10,520
4503 Training	10,042	4,046	25,905	37,200
4520 Commissions and Boards	388	0	0	0
sub-total	<u>1,118,522</u>	<u>1,118,633</u>	<u>1,078,673</u>	<u>1,202,738</u>
CAPITAL OUTLAY				
4850 Vehicles	9,091	0	0	0
4870 Machinery & Equipment	74,135	5,500	0	0
4920 Machinery Tools & Equipment	1,383	9,410	4,000	0
sub-total	<u>84,610</u>	<u>14,910</u>	<u>4,000</u>	<u>0</u>
TOTAL	<u><u>4,985,466</u></u>	<u><u>4,793,494</u></u>	<u><u>5,140,121</u></u>	<u><u>5,030,552</u></u>

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

Services

- Provides oversight and maintenance of the General Plan, and other specific plans and regulations. Prepares, and assists other departments in preparing special-purpose long-range plans and insures consistency with existing plans. Coordinates with outside agencies on regional issues and maintains city information on demographics, cultural resources and municipal boundaries.
- Performs and coordinates review of land development applications, oversees implementation of Zoning Ordinance and planning policies and maintains them in compliance with state and federal regulations, conducts environmental review assessments, provides public information on land development regulations and processes and staffs the Planning Commission.
- Responds to public service requests to insure 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, affordable housing

- program and the Housing Element, provides programs for housing rehabilitation, administers grants to various agencies for housing related services, and negotiates affordable housing units in new residential developments.
- Staffs the Community Advisory and Sister Cities Commissions and key staff for Redevelopment Agency.



	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Completed the Transit Area Specific Plan, EIR, and Financing Plan.	x			x	
2. Prepared amendments to the Zoning Ordinance to simplify the approval process for minor site and architectural review applications.	x				
3. Reorganized and reformatted the Zoning Ordinance making it simpler to understand and implement.	x		x		
4. Completed the CDBG 5-Year Consolidated Plan.		x			
5. Resolved over 1,560 code violations.		x			x
6. Integrated the older service request system into the new CRW permit-tracking system.	x		x		
2008-2009 Goals					
1. Prepare a standardized Procedure Manual in each Division to ensure consistency in service delivery.	x		x		
2. Improve the delivery of information about the Department's services on the City's webpage.	x				
3. Complete the update to the General Plan Housing Element.		x			
4. Simplify documents associated with affordable housing loans.	x				
5. Assist the Engineering Division in implementation of utility improvements for the Transit Area Plan.	x				
6. Establish handbooks for the Planning and Community Advisory Commissions.	x		x		

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Applications to Planning Commission	150	124	150	130
Percentage of rehabilitation loan recipients rating our service as at least "satisfactory".	N/A	N/A	90%	90%
Planning Division customer contacts	3,270	5,366	6,000	6,000
Percentage of routine Planning application completed within three months.	90%	87%	90%	92%
Customer service requests/violations abated	1,802	1,470	1,500	1,600
Percentage complaints responded to within 5 days	98%	99%	100%	100%
Days to abate graffiti on private property	10	10	9	9
Abandoned vehicles abated on private property	337	208	225	230
Affordable housing units approved	260	318	265	380

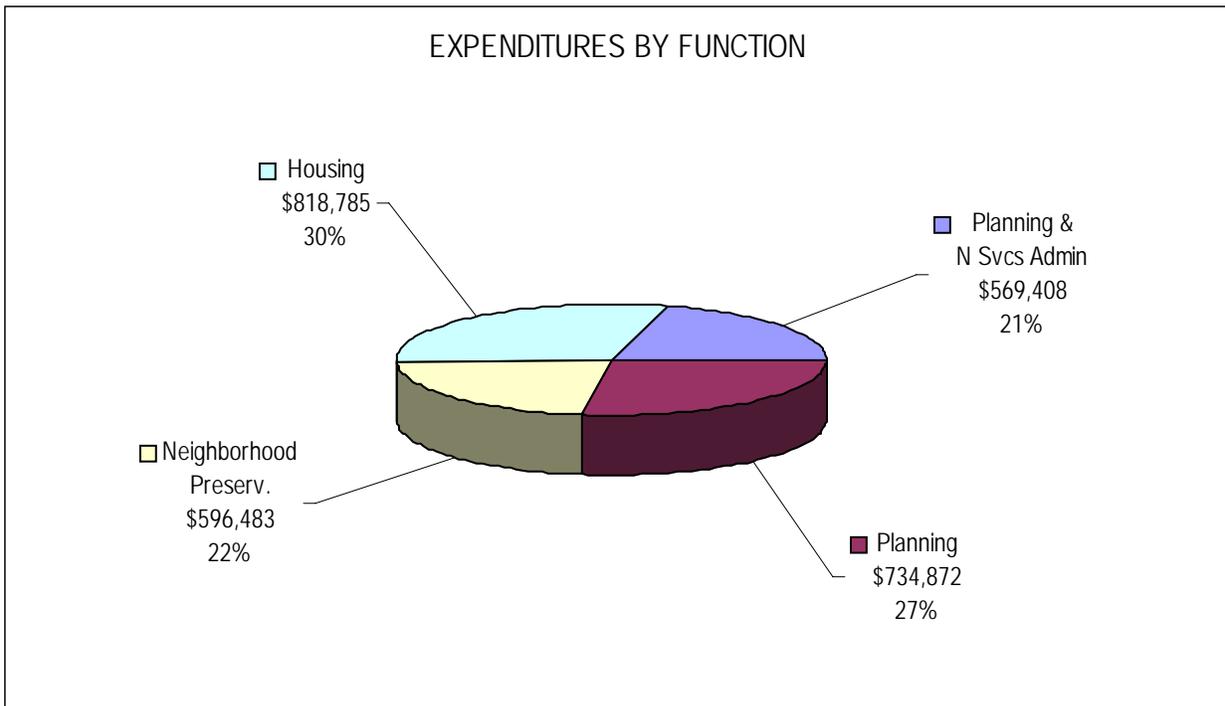
Personnel Allotment of 17 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Planning & Neigh Svcs Dir	1			Principal Housing Planner	1		
Assistant Planner	1.50	1.50	1	Housing/Neigh Pres Spec	3		
Associate Planner	2	2	0	Senior Housing Specialist	1		
Junior Planner	1	1	1	Office Specialist	2		
Planning Manager	1	1	0	Secretary	1	1	0
Senior Planner	1			Recreation Svcs Asst IV	0.50		
Principal Admin Analyst	1						

Staff Change(s): The Child Care Coordinator (Recreation Svcs Asst IV) position was transferred from Recreation.

Expenditure Analysis

Personnel Services	Decrease of \$191,452 is attributed to not funding 2 Associate Planner positions which is offset by the increase of \$30,000 with the transfer of the Child Care Coordinator position.
Services and Supplies	Increase of \$284,594 is primarily attributable to budgeting for contract planning services for use only on an as needed basis.
Capital Outlay	None.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	993,540	961,394	1,163,668	1,149,172
4112 Temporary Salaries	112,305	107,023	147,497	0
4113 Overtime	14,955	9,845	18,500	9,000
4121 Allowances	7,311	5,193	0	0
4124 Leave Cashout	37,543	20,623	0	0
4131 PERS	170,122	155,433	196,194	176,978
4132 Group Insurance	117,107	138,063	168,586	170,544
4133 Medicare	15,512	14,383	17,361	14,988
4135 Worker's Compensation	5,737	6,267	6,424	5,858
4138 Deferred Comp-Employer	11,536	7,024	3,600	3,600
4139 PARS	0	0	0	0
4161 Retiree Medical Reserve	0	0	56,754	56,992
sub-total	<u>1,485,668</u>	<u>1,425,250</u>	<u>1,778,584</u>	<u>1,587,132</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	261,096	423,546	407,322	406,823
4211 Equip Replacement Amortization	12,021	12,832	13,504	12,123
4220 Supplies	9,099	13,689	15,205	17,260
4230 Services	288,100	418,371	399,866	683,130
4410 Communications	1,168	556	260	0
4501 Memberships and Dues	760	1,290	2,585	2,980
4503 Training	2,557	3,095	9,080	10,100
sub-total	<u>574,800</u>	<u>873,378</u>	<u>847,822</u>	<u>1,132,416</u>
TOTAL	<u><u>2,060,468</u></u>	<u><u>2,298,628</u></u>	<u><u>2,626,406</u></u>	<u><u>2,719,548</u></u>

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

Services

- Provides safe, well-maintained, and attractive parks by servicing outdoor athletic facilities, playgrounds, and picnic areas. Services include daily cleaning and security of park restrooms and pathways; playground safety inspections; care of park trees; mowing of park turf; maintenance of aquatic features, a dog park and parking lots.
- Oversees indoor/outdoor facility rentals, Recreation Assistance program, coordinates citywide special events, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes the Milpitas Connect activity guide, and staffs six City Commissions.
- Monitors daily operation of the Senior Center that provides a daily lunch program with transportation, a wide variety of drop-in programs, trips, classes, specials events, and social services.
- Provides a variety of youth programs ranging from Preschool children ages 2-5 offering enriching experiences with and emphasis on learning through active play and socialization. For older youth ages 6-12, Recreation offers a variety of year round youth and adult sports leagues and camps as well as weekly summer camps which provides recreational opportunities for children to promote healthy living and socialization. During the school year, grades 1-6 can attend After the Bell, which is offered at four school sites and includes a variety of activities.
- Oversees operation of a free drop-in Teen Center that provides programs, computer lab, services, classes and special events that directly serve youth ages 12-17 years.
- Oversees operation of a Sports Center with a full service Fitness Center, fitness classes, personal training, aquatic classes, swim team, adult and youth sports programs and more.
- Provides a volunteer program where over 1,060 individuals serve their community throughout the city. Offers a children's theatre program with six shows a year for ages 5 to 100 years old and Cultural Arts programs, the Phantom Art Gallery and the Cultural Arts Support Program.
- Provides over 715 contract classes, for youth and adults to promote health and wellness and developmental opportunities for the community.



Parks and Recreation

	Customer Service	Enhanced Quality of life	Invest in Employees	Fiscally Responsible	Public health and safety
2007-2008 Accomplishments					
1. Completed Parks Master Plan.		x			
2. Provided new program elements that helped to generate \$101,840 in revenue for the Summer Camp Programs.		x		x	
3. Received \$6,752.60 in donations for Recreation Assistance Program.		x		x	
4. Provided more weekly science camps that helped to generate \$396,000 in revenue for general classes.		x		x	
5. Youth Programming Team received an award from Project Cornerstone for "Community Values Youth".		x			
6. Received grant program Target for \$1,000.00 for Arts Day.		x		x	
7. Partnered with the Rotary Club and SanDisk to provide homework and learning center and created a Homework Club for teens to participate in.		x		x	
2008-2009 Goals					
1. Install a centralized park irrigation system.		x	x		
2. Increase revenue by 5% with camp fee which was previously approved by City Council.				x	
3. Increase facility rentals at Adobe and Senior by 10%.				x	
4. Work with the New Parks and Recreation Non-Profit Foundation to solicit grants and offer new programs and services.		x			
5. Begin Phase I Implementation of Parks Master Plan.		x			

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Households/Individuals Assisted in RAP	91	95	112	125
Senior Center Members	1,028	1,040	1,052	1,060
Nutrition Meals Served at Senior Center	19,421	20,667	21,165	22,000
Rainbow Theatre Productions	6	6	8	8
Monthly Average swim team Participants	65	70	91	91
Sports Center Members	7,508	7,885	8,278	8,550
Athletic Field Maintenance (hours)	1,947	1,946	1,482	1,700
Parks Maintained (acres)	171.55	171.55	171.55	178.65
Number of seasonal adult softball teams	21	34	37	41

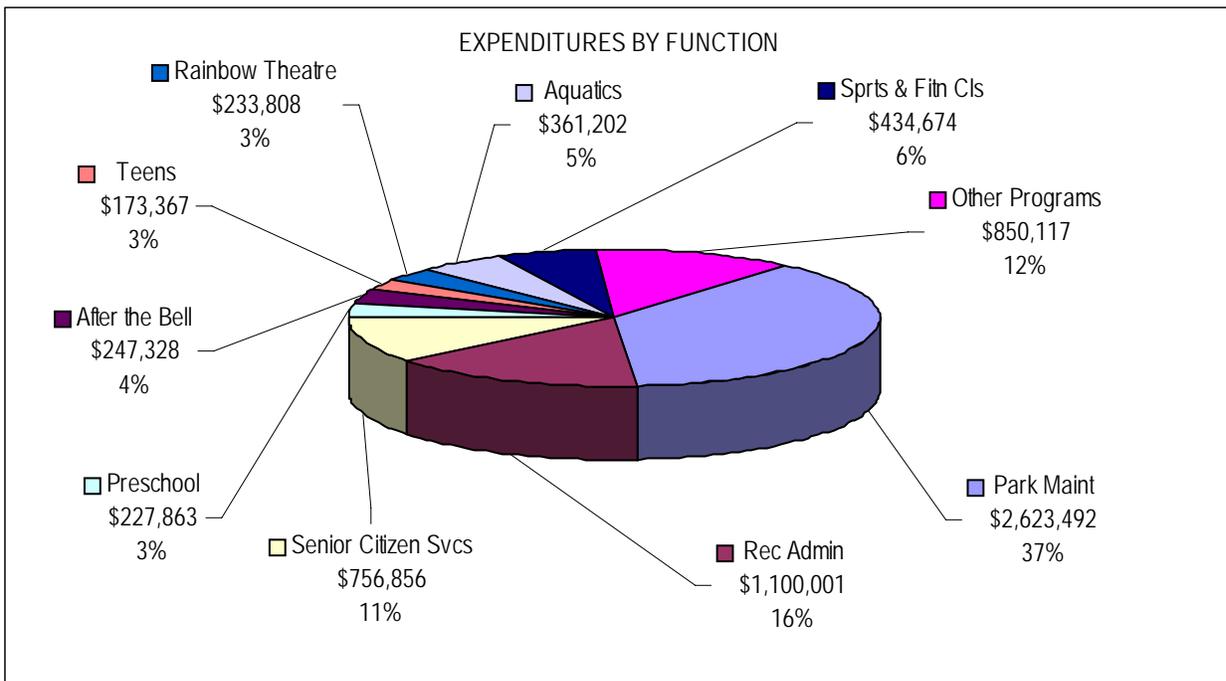
Personnel Allotment of 94.5 FTE

Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Parks and Rec Director	1			Maintenance Worker III	6		
Recreation Services Mgr	1	1	0	Maintenance Supervisor	2		
Recreation Services Supv	3	2	0	Recreation Services Asst I	0.75		
Program Coordinator	7	2	0	Recreation Services Asst II	2.75	1	0
Office Asst II	2	1	0	Recreation Services Asst III	0.75		
Public Services Asst II	5			Recreation Services Asst IV	3.25	1.25	0.75
Public Services Supervisor	1			Temporary Positions (FTE)	46		
Maintenance Worker II-37.5	13	2	0				

Staff Change(s): The Child Care Coordinator (Recreation Svcs Asst IV) position was transferred to Planning & Neighborhood Services.

Expenditure Analysis

Personnel Services	Decrease attributed to transferring Recreation Assistant IV (Child Care Coordinator) to Planning.
Services and Supplies	Increase in services of \$63,303 is attributed to \$60,000 maintenance contact for three new KB parks and the \$3,303 increase for the rising daily average participation at the Senior Center. Increase of \$29,701 in supplies is attributed to the \$25,477 reimbursed grant and sponsorships budgeted expenses. An additional \$4,244 to provide supplies for the new Halloween event.
Capital Outlay	\$143,864 from the Equipment Replacement Fund to replace a garbage truck.



Parks and Recreation

	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	2,782,291	2,795,359	2,858,467	2,806,672
4112 Temporary Salaries	1,180,785	1,142,701	1,299,825	1,291,791
4113 Overtime	32,720	33,207	33,600	29,100
4121 Allowances	11,210	12,300	9,000	9,000
4124 Leave Cashout	54,470	32,052	0	0
4131 PERS	500,180	468,959	499,001	490,501
4132 Group Insurance	447,637	496,026	536,304	573,336
4133 Medicare	50,687	51,947	54,995	54,096
4135 Worker's Compensation	79,815	80,680	78,339	77,678
4138 Deferred Comp-Employer	20,021	11,136	4,500	5,400
4139 PARS	9,962	10,577	12,523	14,408
4161 Retiree Medical Reserve	0	0	140,140	129,324
sub-total	<u>5,169,778</u>	<u>5,134,944</u>	<u>5,526,694</u>	<u>5,481,306</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	43,423	55,856	68,100	62,600
4211 Equip Replacement Amortization	237,232	233,232	257,095	263,380
4220 Supplies	318,210	349,888	332,177	361,878
4230 Services	703,116	687,785	763,761	827,064
4410 Communications	6,134	3,087	0	0
4501 Memberships and Dues	3,160	2,475	4,000	3,730
4503 Training	2,975	7,175	8,450	7,750
4600 Ins, Settlements & Contgcy	657	757	1,200	1,000
sub-total	<u>1,314,907</u>	<u>1,340,255</u>	<u>1,434,783</u>	<u>1,527,402</u>
CAPITAL OUTLAY				
4850 Vehicles	24,355	0	0	0
4910 Office Furniture & Fixtures	0	10,364	0	0
4920 Machinery Tools & Equipment	329	429	0	0
sub-total	<u>24,684</u>	<u>10,793</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>6,509,369</u></u>	<u><u>6,485,992</u></u>	<u><u>6,961,477</u></u>	<u><u>7,008,708</u></u>

DEPARTMENT: Police

POLICE CHIEF: Dennis Graham

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

Services

- Provides 24-hours a day, 365 days-a-year response to calls for police services. Safeguards the community from crime through deterrence, prevention and arrest of offenders. Preserves the public peace, protects life and property, and appropriately enforces laws and ordinances.
- Investigates auto thefts, hit-and-runs, and traffic accidents; conducts accident reconstruction for major-injury and fatal collisions; provides traffic control at major events; and enforces traffic laws.
- Manages the Crossing Guard program, which staffs the 28 most critical intersections within the City to ensure the safety of children walking to and from school.
- Provides DARE instruction to all fifth graders and to Middle Schools, teaches Police Science at Milpitas High School, and conducts PAL, Neighborhood Watch, Police Explorer, Senior Volunteer and other crime prevention programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. School Resource Officers serve Milpitas High, Calaveras Hills, and Rancho and Russell middle schools.
- 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, crime analysis 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
2007-2008 Accomplishments					
1. Reduced crime by 3.9% in 2007.		X			X
2. Reduced residential burglaries by 35% in 2007.		X			X
3. Reduced violent crime by 3.6%, to a 31-year low of 2.69 incidents per 1,000 residents.		X			X
4. Reduced traffic collisions by 6%, to 960, the lowest number in the century.	X	X		X	X
5. Reduced emergency calls response times to 3:01, a 7-year low.	X	X			X
6. Provided 182 car seat safety presentations, an increase of 40%.	X	X			X
7. Formed a Technology Application Group (TAG) to address technology advancement.	X	X	X	X	X
8. Expanded Student Valet program to all MUSD elementary schools.	X	X			X
2008-2009 Goals					
1. Reduce robberies by 2%.		X			X
2. Expand car seat safety program to include bi-lingual services.	X	X			X
3. Ensure 100% registration by known sex offenders.		X			X
4. Expand bank safety presentation program.	X	X			X
5. Expand number of Police Department volunteers by 5%.	X	X	X	X	X

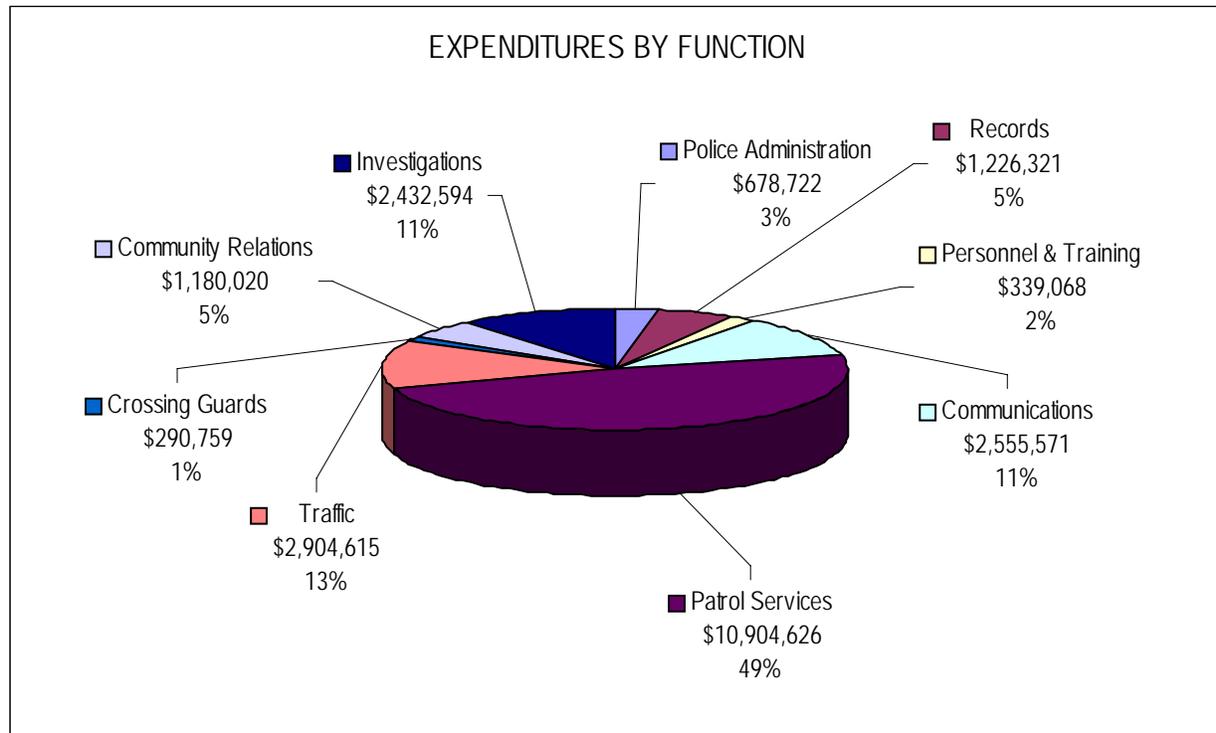
Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Avg. response time to emergency calls (minutes)	3:12	3:00	3:06	3:10
Percentage of 9-1-1 calls answered by a dispatcher within 10 seconds	99%	99%	99%	99%
Percentage of public requests for report information completed within two days	96%	90%	91%	91%
Number of anti-terrorist Patrol checks	12,813	10,628	3,500	3,500
Number of accidents involving school children at intersections staffed by Crossing Guards	0	0	0	0
Parent Drug Awareness presentations	2	4	8	10
DARE presentations: schools/students	13/1,538	14/1,515	14/1,492	13/1,512
Community presentations	179	214	240	250
Number of vehicle citations issued	14,161	11,226	12,386	12,500
Number of arrests reported to FBI (all crimes)	3,512	3,345	3,285	3,300

Police

Personnel Allotment of 139 FTE							
Position	FTE	Vacant	Funded	Position	FTE	Vacant	Funded
Police Chief	1			Secretary	1		
Police Captain	2	2	0	Police Assistant	1	1	0
Police Commander	3	1	.50	Police Clerk II	6	1	0
Police Lieutenant	4			Police Clerk Supervisor	2		
Patrol Officer	5	1	0	Police Property Clerk	1.50	0.50	0
Police Officer	67	4	.75	Communications Dispatcher	12	2	1.50
Police Sergeant	13			Communications Supervisor	4	1	0
Office Asst II	1			Temporary Positions (FTE)	15.50		
				Note: Flex Staffing – Patrol Services			

Staff Change(s): Removed the Crime Analyst position.

Expenditure Analysis	
Personnel Services	Increase due to MOU contractual obligations which includes a PERS rate increase.
Services and Supplies	Increase attributed to higher county crime lab fees, CAL-ID fees, telephone service fees and training costs.
Capital Outlay	\$183,593 to replace five cars and one motorcycle. \$141,914 from Equipment Replacement Fund and the balance from General Fund.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	12,115,591	12,102,813	13,285,516	13,608,199
4112 Temporary Salaries	334,677	274,934	377,854	349,676
4113 Overtime	645,140	636,771	693,547	772,902
4121 Allowances	144,695	144,780	138,624	137,946
4124 Leave Cashout	464,738	828,056	0	0
4131 PERS	3,065,847	2,641,371	2,871,198	2,959,147
4132 Group Insurance	1,301,470	1,391,141	1,655,844	1,746,576
4133 Medicare	146,311	154,486	167,523	172,169
4135 Worker's Compensation	597,478	526,866	536,352	549,671
4138 Deferred Comp-Employer	6,829	5,880	5,400	4,050
4139 PARS	3,568	3,798	5,372	4,704
4161 Retiree Medical Reserve	0	0	575,069	590,138
sub-total	18,826,344	18,710,896	20,312,299	20,895,178
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	3,000	3,000	3,000	3,000
4211 Equip Replacement Amortization	528,304	527,560	530,543	526,227
4220 Supplies	153,546	179,015	223,458	230,438
4230 Services	401,456	479,455	611,793	651,891
4410 Communications	30,387	26,344	25,700	29,700
4501 Memberships and Dues	1,535	1,762	3,963	3,963
4503 Training	43,562	52,192	73,151	79,551
sub-total	1,161,790	1,269,329	1,471,608	1,524,770
CAPITAL OUTLAY				
4850 Vehicles	4,439	0	35,513	32,348
4870 Machinery & Equipment	21,033	31,266	15,000	0
4920 Machinery Tools & Equipment	153,264	69,065	35,000	60,000
sub-total	178,737	100,332	85,513	92,348
TOTAL	20,166,871	20,080,557	21,869,420	22,512,296

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

Services

- Administration: Manages and directs command, administrative, operational, planning, and logistical aspects of the department.
- Emergency Response: Responds to and manages emergency incidents involving fires, medical and traumatic injuries, vehicle accidents, rescues, hazardous-materials releases and other risks affecting the health and welfare of those in the community. Personnel staff five apparatus at four fire stations strategically located for quick response times 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 preparedness by performing Emergency Operations Center training and maintenance, Strategic Actions For Emergencies (SAFE) training, care-and-shelter cache maintenance, amateur radio operator support, and large-scale disaster planning in accordance with state, regional, and federal guidelines. Provides prevention-education for schools, businesses, citizen groups and community events in Milpitas. Also ensures that prevention and preparedness information is available in handouts, the city website, and community media.
- Plan-check & Permits: Provides plan reviews and permits related to 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
2007-2008 Accomplishments					
1. Responded to 4,368 emergency incidents with an average response time 4.2 minutes.*	X	X			X
2. Certified 25% of response personnel in advanced urban rescue techniques.	X		X		X
3. Reduced lost-time for firefighter injuries.			X	X	X
4. Certified 21 new S.A.F.E.** Team members, provided inaugural citywide disaster preparedness training to over 200 city employees.	X	X			X
5. Conducted 1,416 plan reviews, issued 1,007 approvals/permits, and performed 1,620 inspections.*	X				X
6. Presented prevention information at over 60 events; over half these events with more than 25 attendees.*	X	X			X
2008-2009 Goals					
1. Achieve response times to 4.2 minutes or less.	X	X			X
2. Implement prioritized emergency medical dispatch services.	X		X		X
3. Reduce firefighter injuries.			X	X	X
4. Certify an additional 25 S.A.F.E. team members and provide refresher training to 90% of critical Emergency Operations Center staff.	X	X			X
5. Achieve target turn-around times of plan reviews/inspections at a rate of 90% or higher.	X				X
6. Respond to 100% of prevention education requests.	X	X			X

*These are calendar year figures. **Strategic Actions For Emergencies

Performance Measures	Actual 2005-06	Actual 2006-07	Projected 2007-08	Estimated 2008-09
Calls for service & average response times (minutes)	4,010/4.1	3,967/4.2	4,368/4.2	4,300/4.2
Number of disaster preparedness citizens (per 1,000) & civilian employees (%)	2.7/NA	3.0/10	3.0/10	3.0/10
Number of platoon training hours & personnel certified to serve at higher rank	240/20	250/28	250/21	250/23
Number of plan reviews/inspections	1,005/4,231	749/5,390	750/5,400	750/5,400
Plan reviews/inspections meeting target turn-around times (90%)	N/A	95%	96%	95%
Prevention information events/contacts	70/16,000	65/16,000	80/17,000	73/16,500

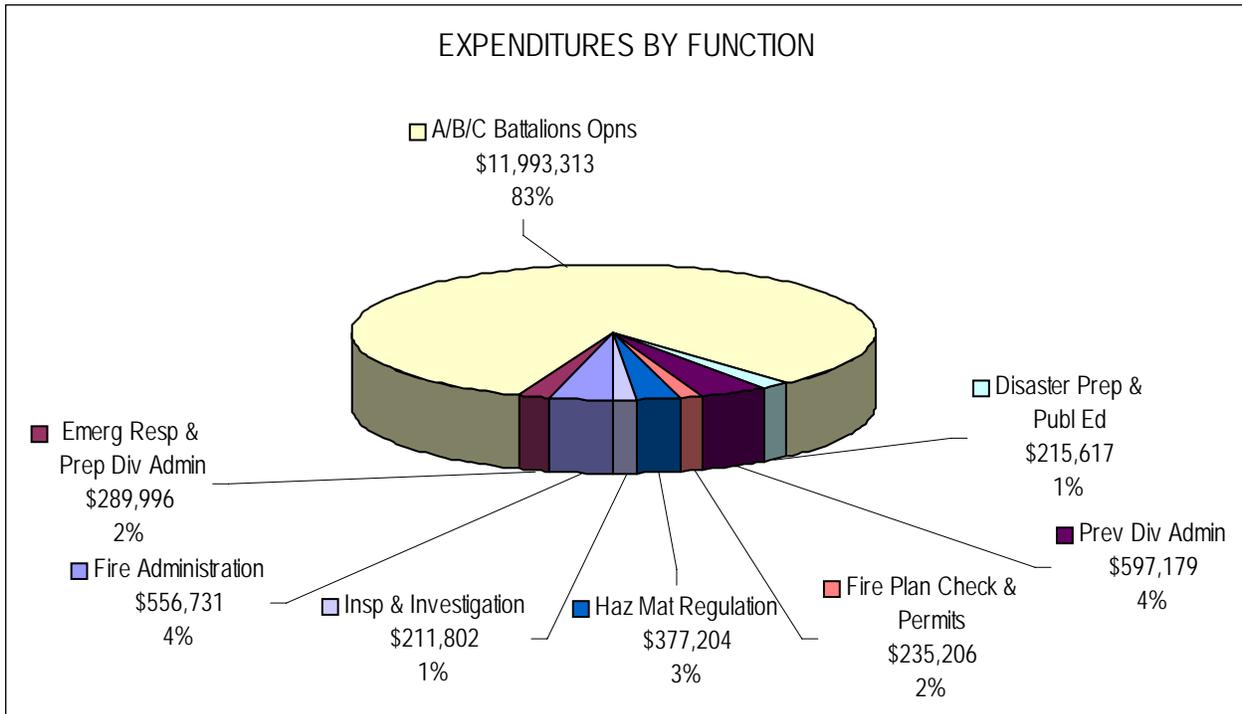
Fire

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

Staff Change(s): Temporarily assign Hazardous Materials Inspector to Fire Prevention Inspector.

Expenditure Analysis

Personnel Services	Increase attributed to MOU contractual obligations.
Services and Supplies	Decrease due to equipment amortization charges.
Capital Outlay	None.



	Actual 2005-06	Actual 2006-07	Budget 2007-08	Approved 2008-09
PERSONNEL SERVICES				
4111 Permanent Salaries	8,135,096	7,885,335	8,172,287	8,324,475
4112 Temporary Salaries	87,889	5,581	0	0
4113 Overtime	543,103	887,998	815,470	659,660
4121 Allowances	52,467	62,282	63,576	62,748
4124 Leave Cashout	482,308	251,257	0	0
4131 PERS	2,166,558	1,800,670	1,853,413	1,876,942
4132 Group Insurance	870,673	891,918	972,732	1,033,044
4133 Medicare	87,572	93,114	85,223	92,298
4135 Worker's Compensation	379,901	347,722	360,957	361,496
4138 Deferred Comp-Employer	11,743	18,048	41,400	41,700
4139 PARS	2	84	0	0
4161 Retiree Medical Reserve	0	0	375,070	380,713
sub-total	<u>12,817,312</u>	<u>12,244,008</u>	<u>12,740,128</u>	<u>12,833,076</u>
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	1,536	1,500	1,500
4211 Equip Replacement Amortization	997,093	1,065,700	1,100,020	1,028,991
4220 Supplies	177,188	186,588	253,560	270,060
4230 Services	132,718	148,900	203,450	229,936
4410 Communications	16,752	9,253	5,000	4,500
4501 Memberships and Dues	5,913	2,647	9,780	9,890
4503 Training	52,409	38,747	101,695	99,095
sub-total	<u>1,382,073</u>	<u>1,453,372</u>	<u>1,675,005</u>	<u>1,643,972</u>
CAPITAL OUTLAY				
4850 Vehicles	3,994	19,545	0	0
4870 Machinery & Equipment	108,657	0	10,000	0
sub-total	<u>112,651</u>	<u>19,545</u>	<u>10,000</u>	<u>0</u>
TOTAL	<u><u>14,312,036</u></u>	<u><u>13,716,924</u></u>	<u><u>14,425,133</u></u>	<u><u>14,477,048</u></u>

DEPARTMENT:	Non-Departmental
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Description: This department finances a variety of activities which generally are not specific to any one department including debt services and equipment replacement. Wage funding included expenditures not budgeted in the individual departments. They include vacation cashouts, leave accruals, benefit administration fees, citywide tuition reimbursement and unemployment. Common copier costs, for City Hall, have been centralized in this function with appropriations accordingly reduced in the respective departments. All utility payments are centralized in this function. Sewer treatment plant capital billing, maintenance and operation are funded in this function, as are all water purchases.

Expenditure Analysis

Personnel Services: \$4,080,742 will finance vacation cashouts, leave accruals, MOU contractual obligations and unemployment. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

Services and Supplies: \$5,890,000 is for Treatment Plant fees; \$2,350,000 is for gas, electric and water utilities; and \$7,598,000 is for water purchases. \$7,000,000 is set aside for Housing Grants and Loans. A total of \$39,000 is reflected in this function for citywide tuition reimbursement, computer training, personnel training and redevelopment training. The City's insurance premium with ABAG is \$425,000 for the 2008-09 fiscal year.

Debt Service: \$12,690,000 is projected to pay the principal and interest due on the Agency Tax Allocation Bonds. \$1,257,000 is estimated for payment of the 2000 Certificates of Participation for technology projects. \$689,000 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system. \$4,000,000 is for payment to the County of Santa Clara in accordance to a Purchase & Sale Agreement.

Equipment to be depreciated: \$530,300 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

Non-Departmental

	100 General Fund	211 H-H Lease Fund	237 CFD Fund	250 HCD Fund
PERSONNEL SERVICES				
4124 Leave Cashout	950,000	0	0	0
4136 Unemployment	38,000	0	0	0
4137 MOU Contractual Agreements	654,000	0	0	0
4139 PARS	6,000	0	0	0
4141 Adjustments-Payroll	858,000	0	0	3,000
4142 Vacancy Factor	230,742	0	0	0
4162 Retiree Medical Payment	731,000	0	0	0
sub-total	<u>3,467,742</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
SUPPLIES & CONTRACTUAL SERVICES				
4201 Community Promotions	0	0	0	0
4205 Miscellaneous Grants	0	0	0	0
4209 Miscellaneous Loans	0	0	0	0
4237 Contractual Services	24,000	0	4,000	0
4239 Audit Fees	54,000	0	0	6,000
4242 Rents & Leases	0	30,000	0	0
4252 Retainers & Fees	200,000	0	0	0
4253 ABAG Attorney's Fees	38,000	0	0	0
4254 ABAG Settlements	60,000	0	0	0
4421 Utilities-Gas	145,000	0	0	0
4422 Utilities-Electric	1,270,000	0	0	0
4423 Utilities-Water	232,000	0	0	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4428 Treatment Plant, Capital	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	9,000	0	0	0
4509 Tuition Reimbursement	17,000	0	0	0
4600 Insurance & Settlements	254,000	0	0	0
4610 Uncollectible Accounts	20,000	0	0	0
4640 Contingent Reserve	359,000	0	0	0
sub-total	<u>2,682,000</u>	<u>30,000</u>	<u>4,000</u>	<u>6,000</u>
DEBT SERVICE				
4701 Retirement of Principal	1,230,000	0	0	0
4711 Interest Expense	27,000	0	0	0
4720 Contractual Obligation	0	0	0	0
sub-total	<u>1,257,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
4920 Machinery Tools & Equipment	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>7,406,742</u></u>	<u><u>30,000</u></u>	<u><u>4,000</u></u>	<u><u>9,000</u></u>

Non-Departmental

310 Street Fund	390 RDA Fund	400 Water Fund	406 Recycled Water	450/452 Sewer Fund	500/505 Equipment Replacement	Approved 2007-2008
0	40,000	32,000	0	20,000	0	1,042,000
0	5,000	4,000	0	3,000	0	50,000
0	85,000	68,000	0	43,000	0	850,000
0	1,000	1,000	0	1,000	0	9,000
0	23,000	32,000	2,000	20,000	12,000	950,000
0	0	0	0	0	0	230,742
0	96,000	77,000	0	45,000	0	949,000
0	250,000	214,000	2,000	132,000	12,000	4,080,742
0	15,000	0	0	0	0	15,000
0	1,000,000	0	0	0	0	1,000,000
0	6,000,000	0	0	0	0	6,000,000
1,000	25,000	4,000	0	16,000	0	74,000
8,000	12,000	10,000	0	10,000	0	100,000
0	0	0	0	0	0	30,000
0	0	0	0	0	0	200,000
0	13,000	4,000	0	10,000	0	65,000
0	20,000	25,000	0	75,000	0	180,000
25,000	5,000	43,000	0	32,000	0	250,000
47,000	170,000	94,000	0	119,000	0	1,700,000
40,000	8,000	68,000	0	52,000	0	400,000
0	0	4,719,000	0	0	0	4,719,000
0	0	2,589,000	0	0	0	2,589,000
0	0	0	290,000	0	0	290,000
0	0	0	0	1,991,000	0	1,991,000
0	0	0	0	3,899,000	0	3,899,000
0	6,000	1,000	0	1,000	0	17,000
0	2,000	2,000	0	1,000	0	22,000
0	46,000	23,000	0	70,000	32,000	425,000
0	0	50,000	0	50,000	0	120,000
0	100,000	0	0	100,000	0	559,000
121,000	7,422,000	7,632,000	290,000	6,426,000	32,000	24,645,000
0	3,960,000	0	0	345,000	0	5,535,000
0	8,730,000	0	0	344,000	0	9,101,000
0	4,000,000	0	0	0	0	4,000,000
0	16,690,000	0	0	689,000	0	18,636,000
0	0	0	0	0	424,300	424,300
0	0	0	0	0	106,000	106,000
0	0	0	0	0	530,300	530,300
121,000	24,362,000	7,846,000	292,000	7,247,000	574,300	47,892,042

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City of Milpitas
2008-13 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

Project Expenses	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Community Improvement	13,095,000	1,435,000	125,000	500,000	125,000	15,280,000
Park Improvement	450,000	4,345,000	6,525,000	3,765,000	350,000	15,435,000
Streets	2,761,000	8,674,000	1,385,000	1,490,000	1,350,000	15,660,000
Water	6,085,000	8,920,000	11,130,000	2,810,000	5,405,000	34,350,000
Sewer Improvement	2,690,000	850,000	1,085,000	4,050,000	50,000	8,725,000
Storm Drain Improvement	1,150,000	3,330,000	485,000	225,000	0	5,190,000
Total	26,231,000	27,554,000	20,735,000	12,840,000	7,280,000	94,640,000

Finance Sources	2008-09	2009-10	2010-11	2011-12	2012-13	Total
1997 RDA Tax Allocation Bonds	1,041,000	0	0	0	0	1,041,000
2003 RDA Tax Allocation Bonds	8,700,000	0	0	0	0	8,700,000
General Fund	0	0	0	250,000	0	250,000
Grants	1,175,000	9,158,000	8,075,000	1,100,000	0	19,508,000
Other Sources	205,000	50,000	0	0	0	255,000
Park Fund	400,000	1,845,000	2,535,000	1,165,000	350,000	6,295,000
RDA Fund	4,250,000	4,316,000	35,000	362,000	0	8,963,000
Sewer Fund	1,990,000	150,000	1,085,000	50,000	50,000	3,325,000
Sewer Infrastructure Fund	700,000	700,000	0	1,000,000	0	2,400,000
Solid Waste Services Fund	200,000	0	0	0	0	200,000
Street Fund	360,000	1,630,000	1,310,000	1,490,000	1,350,000	6,140,000
Water Fund	5,660,000	2,080,000	985,000	715,000	3,505,000	12,945,000
Water Line Extension Fund	0	2,165,000	70,000	70,000	75,000	2,380,000
Storm Drain Fund	1,000,000	1,100,000	450,000	113,000	0	2,663,000
Equipment Replacement Fund	125,000	0	125,000	0	125,000	375,000
Recycled Water Fund	425,000	325,000	25,000	25,000	25,000	825,000
Unidentified Funding	0	4,035,000	6,040,000	6,500,000	1,800,000	18,375,000
Total	26,231,000	27,554,000	20,735,000	12,840,000	7,280,000	94,640,000

NOTES

- (a) RDA Tax Increment funding dependent upon fund availability.
(b) "Other Sources" 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 four existing projects and funding of new projects as follows:

Project Number-Name

Description

3397-Public Cable Access Facility

Provides for the design, development and installation of a Public, Educational and Government (PEG) access facility within the Milpitas City Hall. The facility and associated equipment will support the production and broadcast of Public, Educational and Government programming for the residents of Milpitas.

3398-On-line Development System

Provides for the design, development and installation of an On-line Development System that will support planning requirements, engineering requirements, fire requirements, plan checking, permit application, inspections, permit finalization, GIS capabilities, internet issuance of simple permits and plan check status, the usage of handheld inspection devices, interactive voice response for scheduling inspection appointments and integrated with document imaging capabilities.

8176-Senior Center

Provides for the design and construction of a new Senior Center at the Civic Center by remodeling and enlarging the existing library building. Building improvements will include new roofing, HVAC equipment, sitework, interior modifications and restroom facilities, building code upgrades, kitchen facilities, and other improvements to support current and future senior facility programming.

8182-City Building Improvements

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

3400-2009 Finance System Upgrade

Provides for upgrades to the Financial systems to ensure that they are up-to-date. These systems include the General Ledger, Accounts Payable, Cash Collection, Payroll/Human Resources, Job Costing, Purchase Order, Budget Preparation, Business License, Investments, and Fixed Assets.

8190-Green Facility Improvements

Provides a study of all the existing City buildings and facilities, for the viability of adding photovoltaic cells (solar panels) and other green building improvements. This assessment will include structural review of roof top installations, carport opportunities, financial rate of return analysis and financing options.

3401-Solid Waste Master Plan

Provides for an estimate of the City's solid waste disposal needs and identifies possible landfill locations. The City has two existing contracts regarding solid waste disposal. One is for collection and hauling to the Newby Island Landfill and Recycling for disposal. The second is to reserve capacity at the Newby Island Landfill and Recyclery for Milpitas-generated waste. Both contracts expire in 2017. The Newby Island Landfill is estimated to reach capacity approximately 2023 and is applying for a permit to expand. It is uncertain whether the expansion will be approved and if Milpitas-generated waste can then be accommodated.

COMMUNITY IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	APPROVED	ESTIMATED ANNUAL MAINTENANCE COST
331-3397	Public Cable Access Facility	\$ 50,000	\$ 0
331-3398	On-line Development System	35,000	0
391-8176	Senior Center	12,315,000	20,000
391-8182	City Building Improvements	320,000	0
331-3400 *	2009 Finance System Upgrade	125,000	0
391-8190 *	Green Facility Improvements	50,000	0
391-3401 *	Solid Waste Master Plan	200,000	0
	TOTAL COST	<u>\$ 13,095,000</u>	\$ 20,000

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	\$ 2,625,000
1997 RDA Tax Allocation Bond	1,215,000
2003 RDA Tax Allocation Bond	8,700,000
Solid Waste Services Fund	200,000
Equipment Replacement Fund	125,000
Permit Automation Fund	35,000
Developer Contributions	50,000
Grants	145,000
TOTAL AVAILABLE	<u>\$ 13,095,000</u>

NOTE: Asterisk (*) indicates new projects.

PARK IMPROVEMENT PROJECTS

The Park Improvement category includes funding of new projects as follows:

Project Number-Name

Description

5088-Cardoza Park Playground Renovation

Provides for replacement and renovation of various park elements at Cardoza park. This includes the playground located by the washrooms, ADA compliance assessment and improvements, drainage, landscaping, walkways and other related improvements.

8191-Park Master Plan Improvements - Phase I

Provides for the design of the first park renovation projects based on the Park Master Plan recommendations, priorities and financing plan.

5089-Park Renovation Project 2009

Provides for miscellaneous park renovations and the installation of additional and replacement park equipment on a prioritized based schedule.

PARK IMPROVEMENT PROJECTS

<u>NUMBER</u>	<u>PROJECT TITLE</u>	<u>APPROVED</u>	<u>ESTIMATED ANNUAL MAINTENANCE COST</u>
321-5088 *	Cardoza Park Playground Renovation	\$ 175,000	\$ 0
391-8191 *	Park Master Plan Improvements - Phase I	250,000	0
321-5089 *	Park Renovation Project 2009	25,000	0
	TOTAL COST	<u>\$ 450,000</u>	\$ 0

AVAILABLE FINANCING SOURCE:

Park Fund	\$ 400,000
RDA Tax Increment	<u>50,000</u>
TOTAL AVAILABLE	<u>\$ 450,000</u>

NOTE: Asterisk (*) indicates new projects.

STREET IMPROVEMENT PROJECTS

The Street Improvement category includes funding of eight new projects and defunding of an existing project as follows:

Project Number-Name

Description

8192-City-Wide Traffic Deficiency Plan

Provides a study to perform a City-wide traffic analysis of intersections, establish existing levels of service, and determine current and future deficiencies. This study is required due to regional growth and ongoing development within Milpitas and will be done in accordance with Santa Clara Valley Transportation Authority (VTA) guidelines. This study will be utilized to prioritize limited City resources and provide developers with practical mitigation strategies based on how their projects impact traffic on City street.

4245-Minor Traffic Improvements 2009

Provides for improvements identified through the Clean & Safe Streets Program and unanticipated traffic-related needs. It is also used to analyze neighborhood traffic concerns requested by the community and the Council.

4246-Sidewalk Replacement 2009

Provides for City-wide replacement of existing curb, gutter and sidewalk, as needed. The project also provides street tree root cutting to prevent damage to sidewalk. This is a bi-annual project.

8193-Singley Area Phase 5

Provides for the replacement of existing curb and gutters, driveways, ramps, sidewalks, and asphalt pavement sections with new facilities, installation of asphalt concrete overlay and deep lift, storm drain pipes, drainage inlets, and subsurface drainage system in various streets in the Singley Area.

8194-Street Resurfacing Project 2009

Provides for the street resurfacing program in 2009, which includes a variety of pavement treatments from slurry seal to major rehabilitation or reconstruction. Street selection are determined from the City's Pavement Management System. This project also provides \$200,000 to Public Works for emergency road repairs.

4247-Suggested Routes to School

Provides a 3-year school safety program targeting the City's nine elementary and two middle schools to encourage walking and bicycling to school. Program elements include the preparation of Suggested Routes to School maps, walking-biking-carpooling education and programs. This program is fully-funded from a Department of Transportation (Caltrans) Safe Routes to School Grant awarded to the City in 2007.

4248-Traffic Management Enhancements 2009

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

4249-Traffic Signal Modifications 2009

Provides for minor traffic signal improvement projects resulting from the need for operations improvements or emergency repairs and safety enhancements, such as pedestrian countdown signals and battery back-up systems. This project also provides for studies to determine larger capital improvement program projects.

4170-Hwy 237/I-880 Interchange

Provides design and construction of the 237/I-880 interchange through cooperative agreement between Milpitas and Santa Clara County Traffic Authority. The construction for this project was completed in 2004. The remaining work includes right-of-way transfer to Caltrans, landscaping and a gateway monument. In 2008-09, \$174,000 will be defunded from this project. Staff will pursue recycled water and landscape grants to replace the funds.

STREET IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	APPROVED	ESTIMATED ANNUAL MAINTENANCE COST
391-8192	* City-Wide Traffic Deficiency Plan	\$ 25,000	\$ 0
311-4245	* Minor Traffic Improvements 2009	75,000	0
311-4246	* Sidewalk Replacement 2009	150,000	0
391-8193	* Singley Area Phase 5	1,000,000	0
391-8194	* Street Resurfacing Project 2009	1,400,000	0
311-4247	* Suggested Routes to School	150,000	0
311-4248	* Traffic Management Enhancements 2009	60,000	0
311-4249	* Traffic Signal Modifications 2009	75,000	0
311-4170	Hwy 237/I-880 Interchange (Defund)	(174,000)	0
	TOTAL COST	<u>\$ 2,761,000</u>	\$ 0

AVAILABLE FINANCING SOURCE

Street Fund	\$ 360,000
RDA Tax Increment	1,425,000
Grants	1,150,000
Defunding transfer to 1997 RDA TABs	<u>(174,000)</u>
TOTAL AVAILABLE	<u>\$ 2,761,000</u>

NOTE: Asterisk (*) indicates new projects.

WATER IMPROVEMENT PROJECTS

The Water Improvement category includes continued funding of five existing projects and funding of new projects as follows:

Project Number-Name

Description

7070-Pressure Reducing Valve Replacement

Provides the phased replacement of the existing pressure reducing valves (PRV) within the City's water system. These valves reduce the very high Hetch-Hetchy transmission line pressures to the City's operating water pressure.

7086-Water System Air Relief Valve Modifications

Provides for relocating existing air relief valves that are currently located below ground level to vaults above ground level to eliminate the possibility of water system contamination by backflow into valves during flooding. This work is mandated by the California Department of Public Health.

7100-Water System Seismic Improvements

Provides seismic upgrades to the City's water system at key locations throughout the City, including water lines near geologic faults and areas subject to soil liquefaction.

7101- Gibraltar Reservoir & Pump Station

Provides for a complete rehabilitation of the pump station and water storage facilities to comply with Bay Area Air Quality Management District (BAAQMD) and California Department of Public Health regulations.

7104-Water Main Replacement Study

Provides for a field evaluation of the remaining useful life of the City's waterlines, including Lonetree, Evans between Stemmel and Calle Oriente, near Dempsey and Yosemite, and along Piedmont between Yosemite and Glenview.

7105-Recycled Water Site Improvements

Provides for modification or installation of recycled water line extensions, valves, signs, equipment tags, and other system improvements to convert selected City landscape facilities located near the recycled water line mains to recycled water service.

7106-SCVWD Water Supply Turnout

Provides for the installation of a second water supply turnout to Milpitas, required to meet increasing flow requirements in the City's south-central and western areas. This is a joint project with the Santa Clara Valley Water District (SCVWD).

7107-Water Master Plan 2009

Provides for an update of the City's Water Master Plan to incorporate miscellaneous general plan amendments, Transit Area Specific Plan, recycled water analysis, environmental clearance, and impact fee analysis.

7108-Water System Hydraulic Modeling

Provides for miscellaneous hydraulic modeling of the water system, including impacts from new developments. This project also creates the City's first hydraulic model for the recycled water system.

7109-Water System Replacement 08-09

Provides for the 2008-09 repair or rehabilitation of the highest priority water facilities identified in the 2002 Water Main Replacement Study.

WATER IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	APPROVED	ESTIMATED ANNUAL MAINTENANCE COST
401-7070	Pressure Reducing Valve Replacement	\$ 100,000	\$ 0
401-7086	Water System Air Relief Valve Modifications	350,000	0
401-7100	Water System Seismic Improvements	900,000	0
401-7101	Gibraltar Reservoir & Pump Station	3,300,000	0
401-7104	Water Main Replacement Study	150,000	0
401-7105 *	Recycled Water Site Improvements	300,000	0
401-7106 *	SCVWD Water Supply Turnout	10,000	0
401-7107 *	Water Master Plan 2009	125,000	0
401-7108 *	Water System Hydraulic Modeling	150,000	0
401-7109 *	Water System Replacement 08-09	700,000	0
	TOTAL COST	<u>\$ 6,085,000</u>	<u>\$ 0</u>

AVAILABLE FINANCING SOURCE:

Water Fund	\$ 5,660,000
Recycled Water Fund	<u>425,000</u>
TOTAL AVAILABLE	<u>\$ 6,085,000</u>

NOTE: Asterisk (*) indicates new projects.

SEWER IMPROVEMENT PROJECTS

The Sewer Improvement category includes continued funding of two existing projects and funding of new projects as follows:

Project Number-Name

Description

6073-Sewer Deficiency Program

Provides the design and construction of sewer line replacement due to structural deficiencies, differential settlement, and damaged sewer lines.

6101-Venus Pump Station

Provides the complete renovation of the existing sewer lift station located at Capitol Ave/Venus Way, the Pines neighborhood. The work includes the replacement of two pumps, upgrades of the electrical controls and installation of an electrical transfer switch, so an emergency generator can power the lift station when needed.

6107-Minor Sewer Projects 2009

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

6108-Sewer Master Plan 2009

Provides for an update of the City's Sewer Master Plan to incorporate miscellaneous general plan amendments, Transit Area Specific Plan, environmental clearance, and impact fee analysis.

6109-Sewer Seismic Study

Provides for an evaluation of the various soil conditions in Milpitas and existing sanitary sewer collection system. The study will include new joint construction methods, retrofits at critical sites, and emergency response strategies for Public Works during and after a major earthquake.

6110-Sewer System Hydraulic Modeling

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

6111-Sewer System Replacement 08-09

Provides for the 2008-09 replacement of the highest priority Sewer facilities identified in the 2002 Sewer System Replacement Study

6112 South Bay Water Recycling Program, Phase II

Provides for the City's share of Phase II South Bay Water Recycling Program (SBWRP) Improvements to develop extensions to the water recycling system as required by the California Regional Water Quality Control Board (RWQCB) as mitigation in lieu of a Water Pollution Control Plant flow cap.

SEWER IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	APPROVED	ESTIMATED ANNUAL MAINTENANCE COST
451-6073	Sewer Deficiency Program	\$ 500,000	\$ 0
451-6101	Venus Pump Station	400,000	0
451-6107 *	Minor Sewer Projects 2009	170,000	0
451-6108 *	Sewer Master Plan 2009	100,000	0
451-6109 *	Sewer Seismic Study	70,000	0
451-6110 *	Sewer System Hydraulic Modeling	50,000	0
451-6111 *	Sewer System Replacement 08-09	700,000	0
451-6112 *	South Bay Water Recycling Program, Phase II	700,000	0
	TOTAL COST	<u>\$ 2,690,000</u>	\$ 0

AVAILABLE FINANCING SOURCE:

Sewer Fund	\$ 1,990,000
Sewer Infrastructure Replacement Fund	<u>700,000</u>
TOTAL AVAILABLE	<u>\$ 2,690,000</u>

NOTE: Asterisk (*) indicates new projects.

STORM DRAIN IMPROVEMENT PROJECTS

The Storm Drain Improvement category includes continued funding of two existing projects and funding of new projects as follows:

Project Number-Name

Description

8106-Storm Water Pump Station Improvement

Provides a new roof and level control panel replacement at the Penitencia pump station and a new roof at the Bellew pump station.

8188-Storm Pump Station Improvements

Provides for the exterior painting and floor coating of Wringley Ford, McCarthy, Oak Creek, Bellew, Murphy Ranch, California Circle, Penitencia, Jurgens, and Abbott Storm Pump Stations. The project work also includes minor renovations of mechanical and electrical systems.

3700-Storm Drain System Deficiency Program

Provides design and construction of storm drain pipeline at various locations, primarily due to insufficient capacity. In some locations, the existing storm drain main will be removed and replaced with a larger pipe. In other locations, a second parallel pipe will be installed depending on the condition of the existing pipe and space constraints with other utilities.

3701-Storm Drain Master Plan Update

Provides an update to the City Storm Drain Master Plan to account for land use and modifications proposed by the Midtown Specific Plan, the Transit Area Specific Plan, and other land use changes and capital projects since the original 2001 Master Plan.

3702-Minor Storm Drain Projects 2009

Provides for the analysis and implementation of various minor modifications and improvements to the existing storm drain system.

STORM DRAIN IMPROVEMENT PROJECTS

NUMBER	PROJECT TITLE	APPROVED	ESTIMATED ANNUAL MAINTENANCE COST
391-8106	Storm Water Pump Station Improvement	\$ 300,000	\$ 500
391-8188	Storm Pump Station Improvements	100,000	0
341-3700 *	Storm Drain System Deficiency Program	300,000	0
341-3701 *	Storm Drain Master Plan Update	350,000	0
341-3702 *	Minor Storm Drain Projects 2009	<u>100,000</u>	<u>200</u>
	TOTAL COST	<u>\$ 1,150,000</u>	\$ 700

AVAILABLE FINANCING SOURCE:

RDA Tax Increment	\$ 150,000
Storm Drain Fund	<u>1,000,000</u>
TOTAL AVAILABLE	<u>\$ 1,150,000</u>

NOTE: Asterisk (*) indicates new projects.

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ESTIMATED REVENUES

Property Tax, Current	31,706,000
Use of Money & Property	2,976,000
Intergovernmental	1,145,000
Other Revenue	857,000
	<hr/>
Total Estimated Revenues	36,684,000

Other Financing

(Increase) Decrease in Fund Balance	18,931,742
Operating Transfers In	
Street Improvement Fund	174,000
Public Art Fund	200,000
Storm Drain Development Fund	250,000
Operating Transfers (Out)	
Operating Cost reimbursement to General Fund from Housing Reserve	(1,164,782)
Operating Cost reimbursement to General Fund from RDA Projects	(5,480,504)
Public Improvement Purchase	(6,000,000)
Public Art Fund	(480,000)
	<hr/>
TOTAL ESTIMATED REVENUES AND OTHER FINANCING SOURCES	43,114,456
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ESTIMATED EXPENDITURES

Salaries & Wages	3,058,167
Grants & Loans	7,000,000
Services & Supplies	606,289
	<hr/>
Total Operating Costs	10,664,456

Capital Projects

391-8106	Storm Water Pump Station Improvements	300,000
391-8176	Senior Center	12,315,000
391-8182	City Building Improvements	320,000
391-8188	Storm Pump Station Improvements	100,000
391-8190	Green Facility Improvements	50,000
391-8191	Park Master Plan Improvement - Phase I	250,000
391-8192	City-Wide Traffic Deficiency Plan	25,000
391-8193	Singley Area Phase 5	1,000,000
391-8194	Street Resurfacing Project 2009	1,400,000
Total Capital Projects		<u>15,760,000</u>

Debt Service

03 Tax Allocation Bonds	12,690,000
Contractual Obligation to County for Land	4,000,000
Total Debt Service	<u>16,690,000</u>

Budgeted Appropriations 43,114,456

FUND BALANCE:

Fund Balance 7/1	102,790,000
Increase (Decrease) in Fund Balance	(18,931,742)
Fund Balance 6/30	<u>83,858,258</u>
Reserved	30,388,000
Unreserved, Designated for CIP	4,000,000
Unreserved, Designated for Housing	15,063,403
Unreserved undesignated	34,406,855
Fund Balance 6/30	<u><u>83,858,258</u></u>

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Budget and Budgetary Accounting

What is the City Budget?

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

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

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

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

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

What are "Funds"?

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

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

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

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

How is the Operating Budget Prepared?

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

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

How is the Capital Improvement Program Budget Prepared?

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

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

before the CIP Budget can be submitted to the City Council it must first be submitted to the Planning Commission. If the Planning Commission finds the CIP in conformance with the General Plan, the Parks projects are then submitted to the Parks, Recreation and Cultural Resource Commission for their approval.

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

Budgets and Budgetary Accounting

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

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

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

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, may be effected by preparing a budget change form for the City Manager’s authorization.

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

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

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

Basis of Accounting

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

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

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

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

Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2006-07, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The results from the study were applied to the FY 08-09 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 08-09 can be found on pages 104-105 of this document.

How Can I Learn More?

We hope that this brief introduction to the Budget has been helpful. You can learn a great deal more by reading this document. We have also included a glossary of terms in the Appendix section of this Budget to help you better understand some of the common jargon. If you would like additional information about the Budget, or have ideas on how we can make the Budget more understandable and informative, please contact the Director of Financial Services at (408) 586-3145.

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.

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.
- **2005 Community Facility District Fund** - was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Reduction and Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City’s ongoing efforts to meet State mandates to reduce waste.

- **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.
- **Housing Reserve Fund** - was established by the Redevelopment Agency of the City of Milpitas to account for tax allocations set aside for the purpose of increasing or improving the City's supply of low or moderate income housing.

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

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

Revenue Descriptions

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

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

Property Taxes

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

Other Taxes

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

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

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

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

Licenses and Permits

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

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

Fines and Forfeitures

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

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

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

Use of Money and Property

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

Intergovernmental

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

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

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

Miscellaneous Grants --

- Community Development Block Grant - The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- Public Safety Grants - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and COPs in School 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, Engineering and Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

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

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

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

Other Revenues

Development --

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

Reimbursements --

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

Miscellaneous --

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

Expenditure Descriptions

Personnel Services

Salaries and Wages

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

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

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

Bonus Pay – Amounts paid in addition to the usual or expected compensation.

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.

Adjustments – Payroll

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

Vacancy Factor – Budget amount to account for vacant positions.

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

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

Reduced Funding – Budget amount to account for reduced funding.

Supplies and Contractual Services

Community Promotions, Grants and Loans

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

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

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

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

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

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

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

CDBG Grants – Payment to subrecipients of CDBG Grants.

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

Department Allocations

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

Supplies

Generally, these are items that are consumed.

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

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

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

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

Contractual Services

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

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

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

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

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

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

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

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

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

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

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

Legal Services

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

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

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

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

Elections

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

Communications

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

Phone-Local – Basic monthly telephone charges.

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

Phone-Long Distance – Long distance telephone charges.

FAX – Fax line fees and charges.

Pagers – Pagers monthly fees.

Cellular Phones – Fees and charges associated with cellular telephones.

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

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

Utilities

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

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

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

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

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

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

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

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

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

Memberships, Training and Travel

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

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

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

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

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

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

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

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

Commissions and Boards

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

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

Insurance and Settlements

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

Uncollectible Accounts

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

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

Depreciation and Amortization

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

Contingent Reserve

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

Loss on Sale

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

Adjustment – Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service

Principal

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

Retirement of Principal – Payments of Bond Principal.

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

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

Interest

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

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments – Certificate of Participation

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

Contractual Obligation

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

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

Premium-Bond Prepayment

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

Capital Outlay > \$5,000

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

Capital Outlay

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

Land

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

Land Improvements

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

Buildings and Improvements

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

Infrastructure

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

Vehicles

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

Capitalized Leases

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

Machinery and Equipment

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

Computer Hardware – Example is a server.

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

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments – C I P

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

Capital Outlay < \$5,000

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

Office Furniture and Fixtures

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

Machinery and Equipment

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

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

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

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

Hydrants and Meters

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

List of Funds

100	General	340	Storm Drain Development
102	Library	341	Storm Drain CIP
104	Cable Rebate	390	Redevelopment Project
105	Abandoned Vehicle Abatement	391	Redevelopment CIP
120	Browning Ferris Holding	392	1997 RDA Tax Allocation Bonds CIP
130	Private Job Developer Deposits	393	2000 RDA Tax Allocation Bonds CIP
211	Hetchy-Hetchy Ground Lease	395	2003 RDA Tax Allocation Bonds CIP
212	Public Art	396	KB Infrastructure
221	Gas Tax	400	Water Maintenance and Operation
235	95-1 Lighting and Landscape Maint. Distric	401	Water CIP
236	98-1 Lighting and Landscape Maint. District	402	Water Line Extension
237	2005 Community Facility District	406	Recycled Water
250	Housing and Community Development	450	Sewer Maintenance and Operation
251	Housing and Community Dev Loan	451	Sewer CIP
261	Supplemental Law Enforcement Services	452	Treatment Plant Construction
262	State Asset Seizure	453	Sewer 2006 COPS
263	Federal Asset Seizure	455	Sewer Infrastructure Replacement
264	Local Law Enforcement Block Grant	456	South Bay Water Recycling
266	COPs in School	500	Equipment Management
267	Justice Assistance Grant	505	Information Technology Rplcmt
280	Solid Waste Services	506	Permit Automation Fund
281	Solid Waste Reduction	602	Deferred Compensation
290	Housing Reserve	618	Local Improvement District #18
291	Housing Reserve 97 TABS	619	Local Improvement District #19
310	Street Improvement	641	Short Term Disability
311	Street CIP	642	Dental Program
312	Traffic Impact Fees	643	MSA MOU Contractual Agreement
313	Traffic Congestion Relief	644	Police MOU Contractual Agreement
320	Park Improvement	645	Police Command Staff Benefits
321	Park Improvement CIP	681	LID #18 - Reassessment and Refunding
322	Midtown Park Fee	682	LID #18 - 1998 Bond Series A
330	General Government	683	LID #20 - 1998 Bond Series A
331	General Government CIP	684	LID #21 - Refunding of LIDs #9R & #12R
332	2000 Technology COP	691	Senior Advisory Commission

List of Departments/Divisions/Functions

<p>1 City Manager</p> <p>10 City Council</p> <p style="padding-left: 20px;">100 City Council</p> <p>11 City Manager</p> <p style="padding-left: 20px;">111 City Manager</p> <p style="padding-left: 20px;">114 City Clerk</p> <p style="padding-left: 20px;">116 RDA & Economic Development</p> <p>53 Building Inspection</p> <p style="padding-left: 20px;">531 Building Inspection Services</p> <p style="padding-left: 20px;">532 Plan Checking</p> <p style="padding-left: 20px;">533 Building Administration</p> <p style="padding-left: 20px;">534 Permit Center</p> <p>11 Information Services</p> <p>14 Information Services</p> <p style="padding-left: 20px;">112 Information Services</p> <p>12 Human Resources</p> <p>15 Human Resources</p> <p style="padding-left: 20px;">115 Human Resources</p> <p>2 City Attorney</p> <p>12 City Attorney</p> <p style="padding-left: 20px;">120 City Attorney</p> <p>3 Finance</p> <p>30 Finance Administration</p> <p style="padding-left: 20px;">300 Finance Administration</p> <p>31 Accounting Services</p> <p style="padding-left: 20px;">310 Accounting Services</p> <p>32 Fiscal Services</p> <p style="padding-left: 20px;">322 Receivables</p> <p style="padding-left: 20px;">323 Utilities</p> <p>33 Purchasing</p> <p style="padding-left: 20px;">330 Purchasing</p>	<p>4 Public Works</p> <p>42 Public Works</p> <p style="padding-left: 20px;">400 Public Works Administration</p> <p style="padding-left: 20px;">421 Street Maintenance</p> <p style="padding-left: 20px;">423 Utility Maintenance</p> <p style="padding-left: 20px;">425 Trees & Landscape Maintenance</p> <p style="padding-left: 20px;">426 Fleet Maintenance</p> <p style="padding-left: 20px;">427 Facilities Maintenance</p> <p>41 Engineering</p> <p style="padding-left: 20px;">411 Engineering Administration</p> <p style="padding-left: 20px;">412 Design and Construction</p> <p style="padding-left: 20px;">413 Land Development</p> <p style="padding-left: 20px;">415 Traffic Engineering</p> <p style="padding-left: 20px;">416 Utility Engineering</p> <p style="padding-left: 20px;">417 Special Projects</p> <p style="padding-left: 20px;">430 Solid Waste</p> <p>5 Planning and Neighborhood Services</p> <p>51 Planning and Neighborhood Services</p> <p style="padding-left: 20px;">511 Planning & Neigh Svcs Admin</p> <p style="padding-left: 20px;">512 Planning</p> <p style="padding-left: 20px;">551 Neighborhood Preservation</p> <p style="padding-left: 20px;">552 Housing</p> <p>6 Parks and Recreation</p> <p>44 Parks</p> <p style="padding-left: 20px;">424 Park Maintenance</p> <p>45 Recreation</p> <p style="padding-left: 20px;">161 Recreation Administration</p> <p style="padding-left: 20px;">162 Senior Citizen Services</p> <p style="padding-left: 20px;">163 Preschool</p> <p style="padding-left: 20px;">164 Summer Camp</p> <p style="padding-left: 20px;">165 After the Bell</p> <p style="padding-left: 20px;">166 Teens</p> <p style="padding-left: 20px;">167 Special Events</p> <p style="padding-left: 20px;">168 Cultural Arts</p> <p style="padding-left: 20px;">169 Rainbow Theatre</p> <p style="padding-left: 20px;">170 General Classes</p> <p style="padding-left: 20px;">171 Aquatics</p> <p style="padding-left: 20px;">172 Sports and Fitness Classes</p> <p style="padding-left: 20px;">173 Adult Sports</p> <p style="padding-left: 20px;">174 Volunteer Services</p>
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7 Police

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

8 Fire

- 80 Fire Administration
 - 801 Fire Administration
- 81 Emerg Resp & Prep Division
 - 811 Emerg Resp & Prep Div Admin
 - 812 A/B/C Battalions Operations
 - 840 Disaster Prep & Public Education
- 82 Prevention Division
 - 821 Prevention Division Admin
 - 824 Fire Plan Check & Permits
 - 823 Hazardous Materials Regulation
 - 822 Inspection & Investigation

9 Non-Departmental

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

List of Revenues

300 Property Taxes

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

310 Other Taxes

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

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

320 Licenses and Permits

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

330	Fines and Forfeits		3550	Federal Contributions
3300	Fines and Forfeits		3551	Federal Contrib-General Gov't
3301	Vehicle Code Fines		3553	Federal Contrib-Building
3302	Other Court Fines		3554	Federal Contrib-Public Works
3304	Hazardous Materials Fines		3555	Federal Contrib-Public Works
3305	Booking Fees		3556	Federal Contrib-Recreation
3306	NBO Violation Fees		3557	Federal Contributions-Police
3307	Impound Fees		3558	Federal Contributions-Fire
3308	Animal Violations		3559	Federal Contributions-Planning
3309	False Alarm Fee		3560	State Contributions
3310	Fire Administrative Citation		3561	State Contrib-General Gov't
3311	Building Administrative Citation		3562	POST Grant
3312	Planning Administrative Citation		3563	State Contributions-Building
3313	PW Municipal Code Fines		3564	State Contrib-Public Works
3321	Urban Runoff Fines		3565	State Contrib-Public Works
			3566	State Contributions-Recreation
			3567	State Contributions-Police
340	Revenues from Use of Money		3568	State Contributions-Fire
3430	Investments		3569	State Contributions-Planning
3430	Interest Income		3570	County Contributions
3431	Pooled Interest (nonallocation)		3571	County Contrib-General Gov't
3432	Cash with Fiscal Agents		3572	S Bay Water Recycling Prog
3433	Other Interest Income		3573	County Contributions-Building
3434	Pooled Interest (allocation)		3574	County Contrib-Public Works
3435	Gain on Sale of Investments		3575	County Contrib-Public Works
3436	Market Value Gain/Loss on Inv		3576	County Contrib-Recreation
			3577	County Contributions-Police
350	Intergovernmental Revenue		3578	County Contributions-Fire
3510	In Lieu Tax		3579	County Contributions-Planning
3511	Motor Vehicle In Lieu Tax		3580	Other Restricted Grants
3512	State Trailer Coach In Lieu Tax		3581	Other Restricted Grants-General
3520	Tax Relief		3582	SB90 Grant
3521	Homeowners Property Tax Relief		3583	Other Restricted Grants-Building
3522	Business Inventory Tax Relief		3584	Other Restricted Grants-Pub Wks
3530	Tax		3585	Other Restricted Grants-Pub Wks
3532	Off-Highway Tax		3586	Other Restricted Grants-Rec
3540	Gas Tax		3587	Other Restricted Grants-Police
3545	Section 2105-Gas Tax		3588	Other Restricted Grants-Fire
3546	Section 2106-Gas Tax		3589	Other Restricted Grants-Planning
3547	Section 2107-Gas Tax		3590	Misc Unrestricted Intergovernmental
3548	Section 2107.5-Gas Tax		3591	Misc Unrestricted Intergov'l
			3592	ERAF Refund

360 Charges for Services

- 3600 General Government
 - 3601 Gen Government Service Charges
 - 3602 Sales of Maps and Documents-GG
 - 3603 Rents, Lease and Concession-GG
 - 3604 B L Processing Fee
 - 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
- 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
- 3680 Planning Services
 - 3617 Planning Fees
 - 3681 PJ Overhead Charges - Plan
 - 3682 PJ Labor Reimbursement - Plan
 - 3683 PJ Vendor Reimbursement - Plan
 - 3684 Sales of Maps & Documents - Plan
 - 3685 Housing & Neighborhood Svcs

Miscellaneous Revenue

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

Appendix List of Revenues

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

List of Expenditures

410 Personnel Services

- 4110 Wages
 - 4111 Permanent
 - 4112 Temporary
 - 4113 Overtime
 - 4115 Bonus Pay
- 4120 Allowances/Leaves
 - 4121 Allowances
 - 4124 Leave Cashout
 - 4125 Accrued Leave
- 4130 Benefits
 - 4131 PERS
 - 4132 Group Insurance
 - 4133 Medicare
 - 4135 Workers' Compensation
 - 4137 MOU Contractual Agreements
 - 4138 Deferred Compensation
 - 4139 PARS
- 4140 Adjustments-Payroll
 - 4142 Vacancy Factor
 - 4143 Charged to CIPs
 - 4161 Retiree Medical Reserve
 - 4198 Overhead - PJs Contractual Labor

420 Services and Supplies

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

4220 Supplies

- 4221 Office
- 4223 Departmental
- 4224 Maintenance
- 4225 Health and Safety
- 4230 Services
 - 4231 Advertising
 - 4232 Blueprinting
 - 4237 Contractual Services
 - 4238 Contractual Services/PJs'
 - 4239 Audit Fees
 - 4240 Street Sweeping
 - 4241 Repair and Maintenance
 - 4242 Rents and Leases
 - 4243 Contributions to Non-City
- 4250 Legal Services
 - 4252 Retainers and Fees
 - 4253 ABAG Attorney's Fees
 - 4254 ABAG Settlements
 - 4255 Litigation
- 4280 Elections
 - 4280 Elections

440 Communications and Utilities

- 4410 Communications
 - 4411 Phone-Local
 - 4412 Computer Data Lines
 - 4413 Phone-Long Distance
 - 4414 FAX
 - 4415 Pagers
 - 4416 Cellular Phones
 - 4417 Fire Alarms
 - 4418 Police Alarms
- 4420 Utilities
 - 4421 Gas
 - 4422 Electric
 - 4423 Water
 - 4424 SFWD, Wholesale Water
 - 4425 SCVWD, Wholesale Water
 - 4427 Recycled Water Purchase
 - 4428 Treatment Plant, Capital
 - 4429 Treatment Plant, M & O

450 Memberships, Training and Travel

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

460 Insurance Settlements and Contingencies

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

470 Debt

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

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

480 Capital Outlay > \$5,000

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

490 Capital Outlay < \$5,000

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

Abbreviations and Acronyms

AANET	Allied Agency Narcotics Enforcement Team	EMT	Emergency Medical Technician
AB	Assembly Bill	EOC	Emergency Operations Center
ABAG	Association of Bay Area Governments	EPA	Environmental Protection Agency
ADA	Americans with Disabilities Act	ERAF	Educational Revenue Augmentation Fund
ALS	Advanced Life Support	FBI	Federal Bureau of Investigation
AMR	American Medical Response	FEMA	Federal Emergency Management Admin
AP	Accounts Payable	FPPC	Fair Political Practices Commission
AR	Accounts Receivable	FICA	Federal Insurance Contributions Act
AVASA	Abandoned Vehicle Abatement Service Authority	FMLA	Family Medical Leave Act
AWS	Allied Waste Services	FTA	Federal Transit Authority
BAAQMD	Bay Area Air Quality Management District	FTE	Full-Time Equivalent
BART	Bay Area Rapid Transit	FY	Fiscal Year
CAD	Computer Aided Dispatch	GAAP	Generally Accepted Accounting Principles
CAFR	Comprehensive Annual Financial Report	GASB	Governmental Accounting Standards Board
Caltrans	California Department of Transportation	GFOA	Government Finance Officers Association
CAPER	Consolidated Annual Plan & Performance Eval Rpt	GIS	Geographic Information System
CATV	Cable Television	GPS	Global Positioning System
CDBG	Community Development Block Grant	Haz Mat	Hazardous Materials
CEPAC	Citizens Emerg Preparedness Advisory Com	HCD	Housing and Community Development
CEQA	California Environmental Quality Act	HMO	Health Maintenance Organization
CIP	Capital Improvement Program	HR	Human Resources
CIT	Counselor in Training Program	HUD	Housing and Urban Development
CMAS	California Multiple Awards Schedule	I	Interstate
CMO	City Manager's Office	ICMA	Intern'l City/County Mgmt Association
CO	Certificate of Occupancy	IS	Information Services
COBRA	Consolidated Omnibus Budget Recon Act	IVR	Integrated Voice Recognition
COMPST	Computerized Statistics	JPA	Joint Power Authority
COPs	Certificates of Participation	KB	Kaufman & Broad
COPS	Community Oriented Policing Services	LAFCO	Local Agency Formation Commission
CPI	Consumer Price Index	LIUNA	Laborers' International Union of N. America
CPR	Cardio-Pulmonary Resuscitation	LID	Local Improvement District
CRS	Community Rating System	LLEBG	Local Law Enforcement Block Grant
CSMFO	California Society of Muni Finance Officers	LMD	Light & Landscape Maintenance District
DARE	Drug Abuse Resistance Education	M & O	Maintenance and Operation
DDA	Disposition and Development Agreement	MEA	Milpitas Employees Association
DMV	Department of Motor Vehicles	MLS	Major League Soccer
DOHS	Department of Health Services	MOU	Memorandum of Understanding
DPW	Department of Public Works	MSA	Milpitas Supervisors Association
DUI	Driving Under the Influence	MUSD	Milpitas Unified School District
EAP	Employee Assistance Program	MVP	Milpitas Volunteer Program
EIR	Environmental Impact Report	NAIOP	Nat Assoc of Industrial & Office Properties
EMD	Emergency Medical Dispatch	NBO	Neighborhood Beautification Ordinance
EMS	Emergency Medical Service	NOVA	North Valley Private Industry Council

Appendix Abbreviations and Acronyms

O&M	Operating and Maintenance	SCRMA	Southern California Risk Mgmt Association.
OES	Office of Environmental Services	SCVWD	Santa Clara Valley Water District
OPA	Owner Participation Agreement	SEMS	Standardized Emergency Managemt System
OSHA	Occupational Safety and Health Admin	SLETS	Sheriff's Law Enforcement Telecom System
PAL	Police Athletic League	SOP	Standard Operating Procedure
PC	Planning Commission	SV-ITS	Silicon Valley Intelligent Transportation
PCR	Police Community Relations	SWAT	Special Weapons and Tactics
PERS	Public Employees Retirement System	TABs	Tax Allocation Bonds
PLAN	Pooled Liability Assurance Network	TAG	Technology Application Group
POST	Peace Officers Standards and Training	TIA	Traffic Impact Analysis
PPO	Preferred Provider Organization	TDM	Transportation Demand Management
PRCRC	Parks, Recreation and Cultural Resour Com	TOT	Transient Occupancy Tax
PRV	Pressure Reducing Valves	UBC	Uniform Building Code
PUC	Public Utility Commission	UCR	Uniform Crime Reports
RAP	Recreation Assistance Program	UFC	Uniform Fire Code
R & D	Research and Development	VLF	Vehicle License Fee
RDA	Redevelopment Agency	VTA	Valley Transportation Authority
RFP	Request for Proposal	WMD	Weapons of Mass Destruction
RMS	Records Management System	WPCP	Water Pollution Control Plant
RWQCB	Regional Water Quality Control Board	YBA	Youth Basketball Association
SAFE	Strategic Actions For Emergencies	YSB	Youth Service Bureau
SBDC	Small Business Development Center	YTD	Year to Date
SBWRP	South Bay Water Recycling Program		

Glossary of Terms

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

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

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

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

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

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

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

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 and trust funds).

Capital Outlay — Expenditure for the acquisition of equipment for direct services, (i.e. computers, communication radios, etc.). Capital Outlay is a line item in the operating budget and usually contains items that should be depreciated for future replacement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund — The main operating fund of the City.

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

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

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

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

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

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

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

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

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

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

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.

Personal 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.

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

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 June, and the approval of the Preliminary Budget gives spending authority effective each July 1st for the subsequent fiscal year.

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

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

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

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

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

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

Sales Tax — Of the \$.0825 sales tax paid on every \$1.00 spent when shopping in Milpitas, \$.01 is returned to the City.

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

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

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

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

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

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

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

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

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