



City of Milpitas

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City of Milpitas Takes Strategic Approach to Budget, Investing in Future Growth

Milpitas, CA – February 19, 2025 – **FOR IMMEDIATE RELEASE**

The City of Milpitas held an informative FY 2025-26 Operating Budget Study Session yesterday, bringing together the City Council, staff, and community members. The session provided a review of the City's financial outlook, including revenue projections, expenditure trends, and potential opportunities for cost efficiencies.

While the City works to maintain essential services, an in-depth financial forecast model shows a structural deficit in the General Fund, starting with a deficit of \$3.1 million more than previously anticipated in fiscal year FY 2025-26. City leaders explored a variety of solutions, including revenue-generating opportunities, cost-saving measures, and efficiency improvements to create a sustainable financial path forward.

According to City Manager Ned Thomas, "Despite the challenges of our current budget shortfall, our City remains resilient and forward-focused, and we are committed to transparency and strategic decision-making as we navigate the budget process. I am confident that, together, we will find a balanced path forward and emerge stronger and more sustainable than ever."

The City is taking proactive steps to strengthen its financial future by aligning services with community needs and available resources. A key part of this effort is the recent passage of Measure J, a voter-approved initiative that extends the existing 1/4-cent sales tax (Measure F) for eight years. This funding will help maintain Milpitas' local services and quality of life.

To enhance financial oversight, the City has invested in a modern Enterprise Resource Planning (ERP) system. This technology will streamline operations, improve budget tracking, and provide real-time data

integration for more informed decision-making. Additionally, the City is pursuing a tax-sharing agreement with a major company that plans to locate in Milpitas soon and would provide a significant financial boost to the community.

City leadership also remains committed to supporting employees through this period. The City's workforce is essential to delivering high-quality services, so maintaining a strong, skilled workforce remains a top priority. By investing in tools, resources, and stability, the City aims to empower employees to continue providing excellent service to the community.

Milpitas Finance Director Luz Cofresí-Howe shared, "With guidance from the City Council, we remain committed to responsible financial stewardship while ensuring our residents continue to receive the essential services they rely on. We appreciate the collaboration of our staff and residents as we work toward sustainable solutions that support our long-term financial health."

Milpitas residents are encouraged to participate in upcoming community meetings and provide input on budget priorities. The City will continue its transparent approach to financial planning, ensuring residents remain informed throughout the process.

For more information on the City's budget process and upcoming meetings, visit www.milpitas.gov.

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About the City of Milpitas

Located at the southern end of San Francisco Bay, Milpitas is a progressive community that is an integral part of Silicon Valley. A full-service city with water utility, sewer utility, police and fire services, Milpitas is a flourishing community with a very diverse and inclusive resident population of nearly 80,000. Often referred to as the Crossroads of Silicon Valley, the City is situated between major thoroughfares in the Bay Area and considered a highly desirable location for world-class technology companies seeking to build a central base of operations. With the addition of the new Milpitas Transit Center offering BART, light rail, and bus service, and multiple new mixed-use development projects, along with a host of new City Plans and Programs in support of an inspiring and sustainable future, the City is at the forefront of building the next generation economy. For more information, visit: www.milpitas.gov