



City of Milpitas

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Milpitas City Council Adopts Balanced FY 2025-26 Budget, Cuts Long-Term Deficit by 43%

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On June 3, 2025, the Milpitas City Council officially adopted the City's Fiscal Year (FY) 2025-26 Operating Budget, taking decisive steps toward long-term financial stability while maintaining vital services for the community. The approved budget closes the City's projected deficit for the current year and reduces the five-year structural budget by 43%—from \$28.5 million to \$16.3 million.

This adoption follows a public Study Session held on May 13, where City staff presented a fiscally responsible budget solution based on Council direction and focused on preserving services, reducing reliance on short-term solutions, and building a more sustainable financial future.

The adopted FY 2025-26 budget aligns closely with community values and feedback received through a December 2024 community survey. The allocation of dollars to each of the City Council's six priority areas reflects the ranking identified by community survey respondents, which are: Public Safety, Neighborhoods and Housing, Community Wellness and Open Space, Economic Development and Job Growth, Environment, and Transportation and Transit. This alignment ensures the City's financial decisions are community-driven and responsive to residents' priorities.

Key highlights of the adopted budget include:

- A balanced FY 2025-26 budget, enabling a balanced budget for FY 2026-27;
- A 43% reduction in the five-year structural deficit – from \$28.5 million to \$16.3 million;
- No elimination of filled full-time staff positions;
- Minimal to no impact to level of services;
- Strategic investments that stabilize operations, manage risk, and implement a Fiscal Strategy and Framework to boost efficiency and generate revenue.

The progress made through this year's balanced budget has contributed to a projected \$1 million deficit

in FY 2027-28—significantly lower than earlier projections. Continued disciplined planning and proactive management are expected to eliminate this remaining shortfall in the near future.

“I’m proud of the progress we’ve made,” said Mayor Carmen Montano. “This Council committed to addressing our fiscal challenges head on, without passing them on to future years. With this budget, we’re not only stabilizing services but also strengthening the foundation for Milpitas’ future.”

For more information about the adopted FY 2025-26 Operating Budget, 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 over 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