



2018-2019 Budget & Financial Plan

ADOPTED BUDGET



José Higuera Adobe Park



City Hall



Milpitas Public Library



New Fire Engine

City of Milpitas CALIFORNIA

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2018-2019 Final Budget

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TABLE OF CONTENTS

Letter of Transmittal

Vision, Values and Goals	1
Budget Message	3

Five Year General Fund Forecast

Fiscal Year 2018-19 through Fiscal Year 2022-24	17
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Budget Guidelines and Fiscal Policies

Awards	21
Budget Guidelines	23
Budget Preparation Process and Timeline	26
Fiscal Policies	30

Resolutions

Resolution Adopting the Appropriations Limit	35
Resolution Updating the City's Fiscal Policies	37
Joint Resolution Adopting the Final Budget	42
Classification Plan Amendments	47

General Information

Organization Chart	49
City History	50
Demographic Profile	51
Vicinity Map	57
City Council, Board and Commissions	58
Directory of Officials	60
Gann Limit Analysis	61
Computation of Legal Bonded Debt	62
Funded Permanent Positions by Department	63
New Position Requests	64

Financial Information

Fund Structure	73
Budget Summary	74
Distribution of Revenues	75
Distribution of Expenditures	75
General Fund Revenue Assumptions	77
Revenues by Fund (Summary)	78
Revenues by Fund (Detail)	80
History of Property Tax Revenue	93
History of Transient Occupancy Tax Revenue	93
Property Tax, Comparison with Other Jurisdictions	94
Transient Occupancy Tax, Comparison with Other Jurisdictions	95
History of Sales Tax Revenue	96
History of Building Permit Revenue	96
Sales Tax, Comparison with Other Jurisdictions	97
Building Permit Revenue, Comparison with Other Jurisdictions	98
History of Intergovernmental Revenue	99
History of "Other" Tax Revenue	99
Franchise Fees, Comparison with Other Jurisdictions	100
Expenditures by Fund (Summary)	101
Expenditures by Fund (Detail)	102
Expenditures by Function	108
Internal Cost Allocation by Function Schedule	110
Operating Transfers Statement	112

Budget Narrative and Summary

City Council	119
City Manager	127
City Clerk	133
Economic Development	139
City Attorney	145
Building and Housing	151
Information Services	159
Human Resources	165
Recreation	173
Finance	179
Public Works	187
Engineering	195
Planning & Neighborhood Svcs	201

Police	209
Fire	217
Non-Departmental	223

Capital Budget

Capital Budget Summary	227
Community Improvement Projects	228
Park Improvement Projects	232
Street Improvement Projects	235
Water Improvement Projects	239
Sewer Improvement Projects	242
Storm Improvement Projects	245

Appendix

Budget and Budgetary Accounting	247
Fund Descriptions	251
Revenue Descriptions	254
Expenditure Descriptions	257
List of Funds	264
List of Departments/Divisions/Functions	266
List of Revenues	268
List of Expenditures	272
Abbreviations and Acronyms	274
Glossary of Terms	276
Index	281

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City of Milpitas

Community Vision

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

Organizational Mission

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

Our Values

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

Our Goals

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

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CITY OF MILPITAS

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

July 1, 2018

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

Members of the City Council:

It is with great pleasure that I present the Adopted Budget for Fiscal Year (FY) 2018-19. This document includes both the City's operating and capital improvement budgets for all activities including major funds such as the City's water and sewer utility operations.

Introduction

The annual budget is the single most important policy action that the City Council takes, and it represents the City's priorities for making resource investments, both for the upcoming year and for the long-term future. As such, the budget process must include effective participation from the Mayor and Council, our community, key stakeholders, and from City staff. Through the budget, our common goal is both to ensure that we use our limited resources as effectively as possible to deliver the services our community expects and deserves, and to ensure that we operate with a strong fiscal discipline and fiscal responsibility as stewards for the future.

As your new City Manager, I greatly value the engagement of our Council, our community, and our entire organization in this budget process so that the budget reflects these goals and priorities. As we work together, we can make better progress to invest in our community's future and invest in our organization and our staff so that we can operate efficiently and effectively. In the short time I have been here, I have been impressed with our mutual focus on balancing sustainable growth and development while achieving shared objectives for a livable, vibrant, and safe community. We have an outstanding team and a gem of a community that the budget serves.

City Council adopted the FY 2018-19 Operating Budget and 2018-23 Capital Improvement Plan (CIP) at the regular June 5 City Council meeting. Both documents take into account feedback received from the April 10 Council study session, the May 1 regular Council meeting, the May 10 budget hearing, and extensive budget engagement efforts since November 2017. For the June 5 regular Council meeting, staff presented high-level budget summaries, department budgets, and associated supporting documents for the City Council's reference. Staff also provided revenue and expenditure highlights, an updated five-year General Fund forecast, and an outline of key initiatives that support Council, public, and staff identified priorities. Significant changes since the May 10 budget hearing included:

- **ADD After the Bell (ATB) Program at New Mattos Elementary School:** The new Mattos Elementary School will be opening August 2018 and the Milpitas Unified School District (MUSD) has requested the ATB program to serve the needs of its students. The Milpitas Recreation and Community Services Department is able to provide this service and anticipates that this program will be cost neutral due to fee income generated.
- **ADD Reclassification of Chief Building Official to Building and Housing Director:** At mid-year FY 2017-18, the Building and Safety Department received approval to reclassify the Building and Safety Director position to Chief Building Official. After careful consideration and analysis, it was thought that this would generate a larger candidate pool for the recently vacated

position resulting from the retirement of a long-term staff member. Nevertheless, after a successful recruitment, staff has identified highly qualified and experienced candidates that can fully meet the job specifications of the Building and Housing Director position. Thus, to complete and ensure a successful recruitment, staff wished to reclassify the Chief Building Official position back to Building and Housing Director at an added cost of \$53,000.

Identified priorities

Budget priorities were developed during budget workshops in November 2017 and February 2018 as well as through extensive engagement with the community, City employees, and key stakeholder groups as shown below:

Identified priorities from this engagement include:

- ***Public Safety:*** We must continue to invest in our capabilities for police and fire protection



in partnership with our community.

- ***Infrastructure and Community Facilities Maintenance:*** We must continue to build and maintain the structures, systems, and facilities that support long-term quality of life, City efficiency, and community growth.
- ***Transportation and Transit:*** We must continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.
- ***Economic Development and Job Growth:*** We must continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.
- ***Fiscal Responsibility:*** We must continue to live within our means and to be committed to long-term fiscal discipline and financial stewardship

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 48 years, the population growth has increased from 26,561 in 1970 to nearly 80,000. The Bay Area experienced significant employment growth from 1992 through 2000, adding more than 170,000 jobs. However, in 2001, Santa Clara County experienced its first negative job growth since 1992. Between 2001 and 2004, over 130,000

jobs were lost as a result of the dot-com bust. Between 2005 and 2007, the local economy began to recover slowly until 2008 when the economy went into global recession due to subprime mortgages, plummeting home sales, and meltdown of the financial market. This region was severely impacted due to concentration of the high-tech industry, heavy reliance on exports, decline of home prices, and reduced consumer spending. Milpitas was similarly impacted because of its location and comparable economic mix. However, since 2016, the local labor market has improved such that employment has surpassed its pre-recession peak in the Silicon Valley. By 2016, Milpitas was home to approximately 44,400 jobs, with employment concentrated in manufacturing (29.3%), professional and business services (17.3%), and leisure and hospitality (11.4%). By July 2018, the preliminary unemployment rate in the local area was 2.8 percent, below the national rate of 3.9 percent and the preliminary California rate of 4.2 percent. U.S. payrolls rose by 157,000 in July, below the consensus forecast of 193,000. In comparison, employment in the local area increased by approximately 21,000, or 2%, in July 2018 compared to July 2017 and nearly 1% from June 2018. We are cautiously managing this economic road to recovery while cognizant of the need to remain in a state of fiscal readiness.

And as part of the City's General Plan Update, consultants have recently analyzed land use alternatives for thirteen "Growth Opportunity Areas" around the City that could potentially accommodate higher levels of residential and employment growth. The existing jobs per housing unit ratio in Milpitas is 2.14. Under an Opportunity Area Alternative Scenario with a higher level of new development that would potentially add 43,885 new residents and 31,933 new jobs over an approximately 20 year period, the potential jobs per housing unit ratio could be 2.25. Under the City's Existing General Plan, in which the City is projected to add 31,722 new residents and 10,181 new jobs, the potential housing unit ratio would be 1.82. In comparison, the jobs per housing ratio in neighboring jurisdictions is as follows: 1.25 for the City of San Jose, 3.83 for Palo Alto, 2.66 for Mountain View, and 2.38 for Santa Clara.

GDP (Gross Domestic Product) growth was solid at 4.2% year-over-year in the second quarter of 2018. GDP is the value of goods and services produced in the United States, and is the most popular indicator of the nation's overall economic health. Consumer spending in the second quarter of 2018 was particularly strong, but also boosted by a large surge in soybean exports, which will likely reverse in future quarters. As of June 2018, the Federal Reserve Board has projected this growth to slow, however, to 2.4% in 2019 and 2.0% in 2020, with a longer run projection beyond 2020 of 1.8%.

The CPI (Consumer Price Index), is used by the U.S. Bureau of Labor Statistics to measure inflation. The July 2018 CPI-U (Consumer Price index for all Urban Consumers) increased 2.9% over the last 12 months. Core CPI (CPI less food and energy) was 2.4% year-over-year in July, slightly above the Federal Reserve's 2.0% inflation target. It is projected to be 2.1% in 2019 and 2020. Core CPI represents a more accurate picture of underlying inflation trends since volatile food and energy products are excluded. Due to stable economic activity, strong labor market conditions, and inflation that was moving close to the Fed's 2.0% target in June 2018, the FOMC (Federal Open Market Committee) raised the federal funds rate to 2.0% at its June 2018 meeting. At its latest meeting on August 1, 2018, it decided to keep the benchmark rate at 2.0%.

Growth in the South Bay housing market has also been an important contributor to the strength of the local economy. The lack of available homes continue to push home prices upward. The median sale price of a single family residential home in Milpitas was \$1.3 as of July 2018, which along with certain parts of the Bay Area are outperforming the state and nation. With inventory starting to show signs of improvement and further anticipated rate increases, home price appreciation can decelerate in the second half of 2018. In comparison, nationwide housing starts dropped 12.3% in June 2018, with single-family starts falling 9.1% and multi-family starts falling 19.8%. Home price appreciation has also recently softened. Beyond the residential equation, much is happening in Milpitas from a perspective of private investment. The following section entitled "Major Development Activities in the City" will discuss some of the development activities that are occurring in Milpitas.

There are approximately 1,450 acres designated for collaborative innovation, research and workforce development, which is home to approximately 120 smart manufacturing firms, and 1,087 acres dedicated to commercial retail and office centers supporting 5.6 million square feet of commercial shopping. The Great Mall is the largest indoor mall in Northern California, with approximately 1.1 million square feet of leasable space for retail and entertainment operations. Several local shopping centers

service regional needs including culturally-oriented retail and services.

The leading economic segments in sales tax are business to business, apparel stores, restaurants, office equipment, electronic equipment, and auto sales. Latest data (Q1 2018) on the City's Top sales tax generators include Cisco Systems, Inc., KLA-Tencor Corporation, Western Digital Technologies, Inc., View, Inc., and Flex Ltd. Other key retailers include South Bay Honda, Piercy Toyota & Scion, Marshalls Stores, Safeway, Home Depot, Walmart and Best Buy. Several of these top employers, including View and KLA-Tencor, make Milpitas their corporate headquarters. The two largest non-manufacturing employers in Milpitas are The Great Mall and the Milpitas Unified School District.

Major Development Activities in the City

Midtown Specific Plan – The vision for this area includes smart growth, high density mixed- use housing and retail within walking distance to light rail and BART to support the public investment in mass transit, transforming neighborhoods into an attractive and economically vital district with plazas and network of pedestrian and bicycle trails, a vibrant streetscape along the north end of Main Street and a mixture of housing, shopping, employment, entertainment, and cultural and recreational opportunities. In 2010, the City adopted the most recent Midtown Specific Plan, which started the neighborhood on a path towards transformation, including new residential development around the Great Mall/Main Transit Center area, redevelopment of the Milpitas Library, and streetscape improvements along Abel Street. The charge of the current Midtown Specific Plan Update, which was launched in mid-2018, is to spur the neighborhood's transformation even further, creating a vibrant mixed-use district that addresses the City and region's evolving needs. Previous implementation efforts began with several capital improvement projects such as the new Library, parking garage, Main Street and Abel Street infrastructure improvements. Other development activities undertaken by outside agencies include a County Health Center, a parking garage, and a 103-unit senior housing apartment building. Other developments completed or are in the process of being developed include 200 apartment units developed by Shea Homes, and new mixed-use developments at 260 S. Main Street and 808 S. Main Street. In the near term we also expect the introduction of a senior assisted living complex approximating 200 units in the first phases. The Midtown Specific Plan update is estimated to be completed by mid-2019.

Transit Area Specific Plan – The City adopted a Transit Area Specific Plan in June 2008, and updated it in 2011, which provides for medium to high density development surrounding the future Montague/Capitol BART station and two VTA Light Rail Stations. The intent of the Plan is to foster economic development of the area, strengthen and expand retail uses to increase sales tax revenues, attract major retailers and provide housing and amenities such as parks, retail and restaurants. As of July 2018, there are over 5,400 housing units in the Transit Area that are under various stages of development.

Residential Development – An improving economy and high median home prices led to a heightened interest in residential developments. Outside of the Midtown and Transit Area, there are several residential developments that are either under construction or completed and occupied. These projects include a proposed single-family home development for 37 lots, including ADUs (Accessory Dwelling Units), at 1005 Park Victoria Drive, a new townhome development by KB Homes at 1210 California Circle, and various small-scale infill projects throughout the City.

Non-residential Development – FY 2017-18 was a busy year for commercial development and expansion. KLA Tencor, Embassy Suites Hotel and various businesses throughout the City placed significant financial investments in tenant improvements of their buildings. Property owners of the former LifeScan campus and Tasman Tech Park invested in revamping their buildings and outdoor spaces in order to attract new tenants. Micron, a local company, has expanded at the Tasman Tech Park. For hotel projects and developments, the Element Hotel near Tasman, Home2Suites on California Circle, and the proposed hotel at the District in the TASP are approved and will be under construction soon.

Consumer Confidence Level Trends

Consumer confidence is an indicator designed to measure the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation. Since consumer spending

accounts for about two-thirds of the U.S. Gross Domestic Product, the index is a good indicator that when consumers' confidence is high, consumers would likely make more purchases, thus further boosting the economy.

In August 2018, the Consumer Confidence Index increased to its highest level since October 2000, standing at 133.4. Consumers' assessment of current business and labor market conditions improved further. Expectations, which had declined in June and July, bounced back in August and continue to suggest solid economic growth for the remainder of 2018. Overall, these historically high confidence levels should continue to support healthy consumer spending in the near-term.

It should be noted, however, that these results contrast with the Consumer Sentiment Index, another well-established index that measures consumer confidence in the U.S. In August 2018, the index was at 96.2, the lowest level since January. Most of the decline was in the Current Economic Conditions index, which fell to its lowest level since November 2016. The dominating weakness was related to less favorable assessments of buying conditions, mainly due to less favorable perceptions of market prices and to a lesser extent, rising interest rates. Future income and job certainty have become the main reasons cited by consumers for their positive spending views. This shift from attractive prices and interest rates to income is typical of the later stages of expansions, with references to income and job certainty peaking just before downturns.



Citywide Budget Process and Overview

The budget process is an exercise in fiscal strategic planning that involves close coordination between the executive team and numerous staff budget representatives across all departments. For the 2018-19 budget, the City Council Finance Subcommittee met with City staff to discuss the budget process and ideas for increasing Council and public input into the process during late August 2017. As a result, a Budget Education Workshop was held in November that provided an overview of the Operating and Capital Improvement Program (CIP) budget documents, including a presentation on community engagement by City consultants. Budget priorities were developed during budget workshops in November 2017 and February 2018 and a survey to City employees and the community was provided to solicit feedback on these priorities. Using this feedback and the framework provided by the themed priorities, staff developed and submitted their budget requests in January-February, with City Manager budget review meetings held in March to discuss and prioritize the requests that met community-identified priorities. Staff incorporated those key proposed service area initiatives into the proposed budget and brought them to Council for review during the operating and CIP budget study sessions held on March 7, April 10, and May 1. Incorporating feedback received at these study sessions, the FY 2018-19 Budget was presented to Council and approved on June 5, 2018.

The total Adopted Budget for FY 2018-19 is \$191,109,583, which includes the City's Water and Sewer Utility enterprise budgets of \$38,776,958 and \$14,435,945, respectively. This is a 2.1% decrease from the FY 2017-18 Adopted Budget. Excluding the City's FY 2018-19 Capital Improvement Budget, the total Operating Budget is \$147,242,103, a 9.3% increase from last year's operating budget.

The FY 2018-19 CIP budget for FY 2018-19 is \$43,867,480. It is significant to note that \$18.6 million of this total represents Streets projects funded by TASP (Transit Area Specific Plan) Impact Fees. One major project being funded from TASP Impact Fees is the Montague Pedestrian Overcrossing at Piper Dr., which is part of the TASP circulation infrastructure improvement that will provide safe and convenient pedestrian circulation between the Milpitas BART station, Great Mall and surrounding residential developments. Another significant project being funded from TASP Impact Fees is McCandless Park, a 4 acre City park adjacent to a new Milpitas Unified School District (MUSD) elementary located on McCandless Drive in the Transit Area that will provide athletic courts, picnic area, paly structure, and restrooms.

A separate Five-Year CIP budget document is produced annually that provides a detailed description of each project. The CIP document includes all projects for the budget year and anticipates community needs over the subsequent four years. A summary of each project description grouped by project type, and a 2018-2023 CIP Grand Summary of project expenses and funding sources can also be found in the *Capital Budget Summary* section towards the end of this document.

Revenues and Other Financing Sources

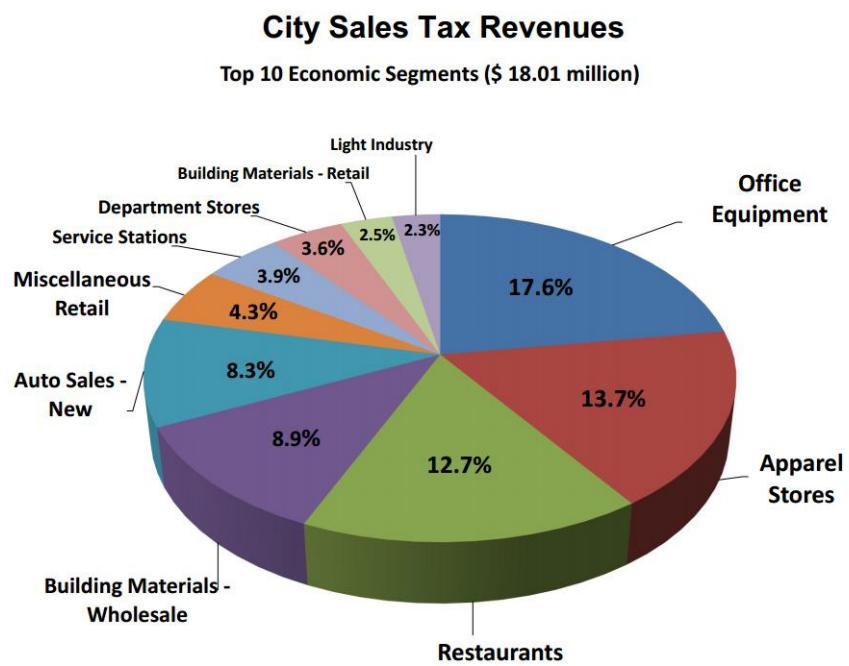
Revenue detail is shown in the *Financial Information* section of the Budget. A summary of revenues and other financing sources including transfers between funds is shown below to compare the FY 2017-18 Adopted Budget and the FY 2018-19 Adopted Budget.

Fund	Adopted Budget FY 17-18	Adopted Budget FY 18-19	Over (Under) Prior Year
General	\$90,182,181	\$101,232,007	\$11,049,826
Measure I TOT	816,225	802,622	(13,603)
Housing Authority	439,904	799,092	359,188
Other Funds*	6,393,672	6,911,959	518,287
Capital Project	33,206,840	28,151,000	(5,055,840)
Water	41,353,355	38,776,958	(2,576,397)
Sewer	22,797,057	14,435,945	(8,361,112)
TOTAL	\$195,189,234	\$191,109,583	\$ (4,079,651)

Compared to the FY 2017-18 budget, FY 2018-19 revenue and other financing sources (including the use of fund balances) are estimated to decrease by \$4.1 million. This is mainly due to decreased funding needs in the Capital Improvement Project budget, described in further detail below in section *Capital Improvements*.

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. The total amount of sales tax revenue for the latest benchmark year was approximately \$23.13 million, with the top ten economic segments generating approximately \$18.01 million. The sales tax revenue generated from economic segments such as Restaurants, Office Equipment, New Auto Sales, Service Stations, and Wholesale and Retail Building Materials increased over a year ago, while Light Industry, Apparel Stores, Miscellaneous Retail, and Department Stores segments decreased.



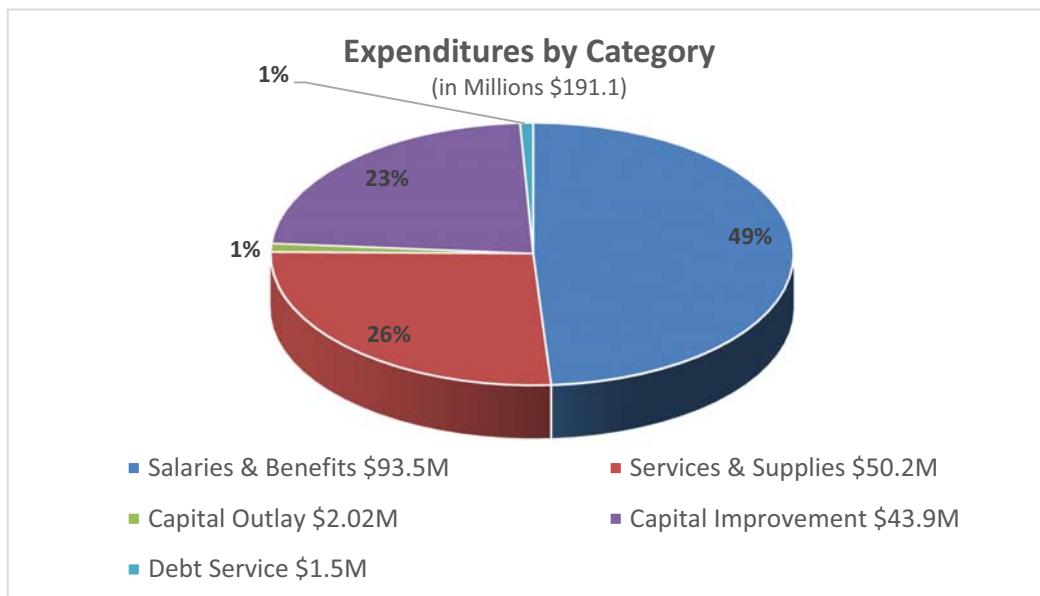
Source: MuniServices 4th QTR 2017

Expenditures

A budget comparison of appropriations by Category between FY 2017-18 and FY 2018-19 is as follows:

Category	Adopted Budget FY 17-18	Adopted Budget FY 18-19	Over (Under) Prior Year
Salaries & Benefits	\$84,398,719	\$93,466,588	\$9,067,869
Services & Supplies	47,394,149	50,220,144	2,825,995
Capital Outlay	650,826	2,018,071	1,367,245
Subtotal	\$132,443,694	\$145,704,803	\$13,261,109
Capital Improvement	60,483,540	43,867,480	(16,616,060)
Debt Service	2,262,000	1,537,300	(724,700)
TOTAL	\$195,189,234	\$191,109,583	\$ (4,079,651)

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



Total expenditures represent an overall 2% decrease from FY 2017-18 mostly due to capital projects. Operating expenditures, excluding capital improvement and debt service, increased by 10%, which is relatively flat compared to the increase in last year's budget.

General Fund Budget Overview

The City has a balanced Adopted General Fund Budget of \$101.2 million for total expenditures. This Budget reflects the funding necessary to preserve existing service levels and meet anticipated demands of a growing community, as well as funding for new initiatives meant to support identified priorities.

The Executive Team and I thank Council and the community for their active participation in the budget development process since November 2017 and for their input and direction necessary to produce a fiscally sound budget that meets the needs of the people of Milpitas. The end result of this effort is a balanced General Fund budget for FY 2018-19 with estimated revenues meeting expenditures.

FY 2018-19 General Fund Expenditures increased by 12.3%, or \$11.1 million, compared to the current FY 2017-18 adopted expenditures of \$90.2 million.

- Of the \$11.1 million increase, personnel costs increased by \$8.8 million due to the addition of 21.25 new staff positions (3 of which were recently approved as mid-year adjustments in FY 2017-18); increased employer contributions to pension plans; increased employee benefits; and minor staffing reclassifications and reallocations. Additionally, as investment in the City's most valuable asset, its workforce, assumptions for personnel costs also include salaries pursuant to contracts negotiated with employee groups and a 3% cost of living adjustment for those groups without a current labor contract or with a labor contract expiring June 30, 2018. These include the International Association of Firefighters (IAFF) and unrepresented employees.
- Supplies and services increased by \$2.1 million, mostly in the areas of contractual services and maintenance and due to items including, but not limited to, citywide newsletter printing, November 2018 election costs, mandated permits and studies, and tree and streetscape maintenance.

- Capital outlays increased by \$177,000 to support the purchase of street maintenance vehicles and public safety apparatus that could not be paid for by accumulated depreciation replacement funds alone.

Please note that expenditures included items requested by Council at the April 10 study session and confirmed by Council at the May 1 regular meeting and the May 10 budget hearing. These requests include:

Rank	Requested Change	FY 2018-19 Cost
1	ADD Teen Center Program*	\$92,000
2	ADD Community Services Engagement and Inclusion Administrator REMOVE Assistant to the City Manager	265,000 (265,000)
3	ADD Park Fee Subsidy	12,000
4	ADD Additional General Fund (GF) Reserves**	0
5	ADD Classification and Compensation Study Funding***	516,000
T6	ADD Youth Job Program*	75,000
T6	ADD Senior Shuttle Service	30,000
TOTAL		\$725,000

*Represent first-year program costs only at 75% of the fiscal year. Future years will be at 100% if the program is fiscally sustainable.

**Addressed separately by staff through the addition of \$7.75 million of new reserves funded by one-time operating surplus in FY 2016-17.

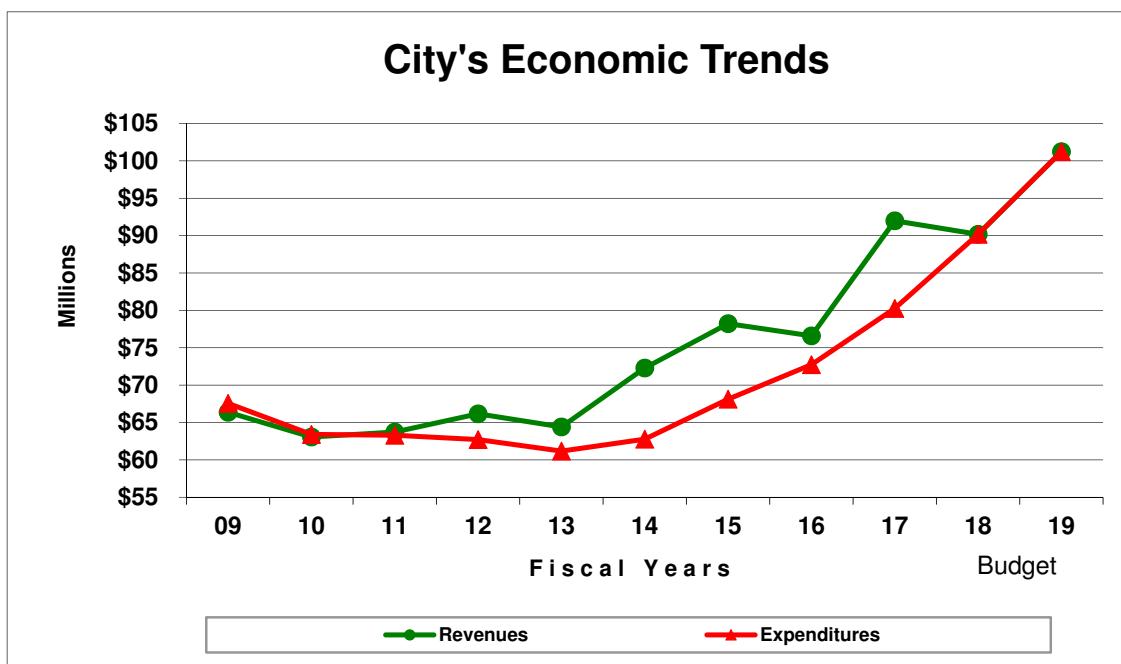
***Previously listed at \$472,000. Additional analysis of total compensation impacts increased cost.

FY 2018-19 General Fund Revenue, equals approximately \$101.2 million, a 12.2% or \$11.1 million increase compared to the FY 2017-18 adopted revenue estimate of \$90.2 million. Major revenue sources are explained in more detail below:

- Property Tax revenue is expected to equal \$31.4 million, which is 8.9% or \$2.5 million higher than FY 2017-18 estimated and budgeted revenue of \$28.9 million. Property Tax estimates are made using data provided by the Santa Clara County Assessor's Office.
- Taxes Other than Property, which include Sales Tax, Transient Occupancy Tax, Franchise Fees, and Business License Tax, are expected to total \$44.8 million, which is 13.3% or \$5.3 million higher than FY 2017-18 estimated and budgeted revenue of \$39.5 million. Sales tax estimates are provided by an outside sales tax consultant with extensive knowledge of Milpitas' sales tax base. All other taxes are projected using up to 3% growth assumptions.
- Licenses and Permits, which include Building and Fire Permits as well as Fire Inspection Fees, are expected to equal \$9.8 million, which is 16.6% or \$1.4 million higher than FY 2017-18 estimated and budgeted revenue of \$8.4 million.
- Charges for Current Services, which include reimbursable private development jobs, recreation user fees, and miscellaneous charges, are expected to equal \$7.5 million, which is 14.7% or \$953,000 higher than FY 2017-18 estimated and budgeted revenue of \$6.5 million. This increase is the result of the City's significant continuing development activity and growing community needs for services.

Putting it all together, the General Fund budget is again balanced and has estimated revenues meeting expenditures.

The following chart provides the actual historical General Fund revenues and expenditures from FYs 2008-09 to 2016-17, through budget projections for FY 2017-18 and 2018-19.



It is again important to note that this budget does include key service area initiatives necessary for both basic service levels and to support the needs of a growing community and Council-identified priorities. These will be highlighted below and are in addition to any Council requested items above.

Key Proposed Service Area Initiatives

During the budget process all departments submitted staffing requests, which provided a healthy context for discussing critical City needs and priorities. This is invaluable for our planning and addressing the ongoing question of "Which needs for resource are currently being provided for, which meet Council and community-identified priorities, and which remain on the table for future consideration?" These requests became the basis for internal staff discussion, planning, and evaluation in the budget process and the recommendations for staffing and related increases are summarized below by four primary City service areas.

Approved Mid-Year FY 2017-18

- **Development and Growth (Building, Economic Development, Engineering, and Planning)**
 - **New Personnel:**
 - One (1) Deputy City Manager (Development)
 - Offset by removal of one (1) Permit Center Manager
 - Addition of Dedicated Temporary Contract Staff in Building and Safety Department, fully offset by developer fees for requested services
 - One (1) Associate Civil Engineer
 - One (1) Public Works Inspector
 - One (1) Housing Authority Administrator
 - **Significant Reclassifications:**
 - One (1) Building and Safety Director to One (1) Chief Building Official (*requested now to change to Building and Housing Director*)
 - One (1) Assistant Engineering Director to One (1) Principal Civil Engineer

Requests for FY 2018-19

- **Public Safety (Police and Fire)**
 - **New Personnel:**
 - One (1) Assistant Police Chief
 - One (1) Crime Analyst
 - One (1) Police Clerk II
 - One (1) Assistant Fire Marshall
 - **Capital Outlay:**
 - Three (3) Patrol Vehicles
 - One (1) Unmarked Investigations Vehicle
 - One (1) Community Relations Supervisor Vehicle
 - One (1) Fire Pumper Truck
 - One (1) Fire Command Staff Vehicle
- **Parks, Recreation, and Infrastructure (Recreation and Public Works)**
 - **New Personnel:**
 - One (1) Recreation Assistant IV (managing recreation contracts)
 - One (1) Senior Public Works Lead
 - One (1) Environmental and Regulatory Compliance Coordinator
 - One (1) Public Works Administrative Analyst II
 - Additional temporary staff across all Recreation programs to meet increased program demands; offset by increased user fee activity and revenue
 - **Capital Outlay:**
 - Hydro Root Foaming Additions to Existing Sewer Line Maintenance Equipment
 - Two (2) Public Works Ford F250s Trucks in Street Maintenance
 - One (1) Neutral Output Discharge Elimination System (NO-DES) Flushing Trailer
- **Development and Growth (Building, Economic Development, Engineering, and Planning)**
 - **New Personnel:**
 - Two (2) Associate Civil Engineers
 - One (1) Junior/Assistant Civil Engineer
 - **Significant Reclassifications:**
 - One (1) Economic Development Specialist to One (1) Economic Development and Sustainability Coordinator
 - One (1) Traffic Engineer to One (1) Traffic and Transportation Manager
 - One (1) Neighborhood Preservation Specialist to One (1) Senior Code Enforcement Officer
 - One (1) Building Inspector to One (1) Senior Building Inspector
- **Leadership and Support Services (City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources, and Information Services)**
 - **New Personnel:**
 - One (1) Public Information Officer
 - One (1) Office Specialist
 - Offset by reduction in One (1.0) FTE of part-time staff
 - One (1) Senior Information Analyst/Developer (Information Systems)
 - Two (2) Financial Analysts; One (1) supporting the budget process and financial reporting, and one (1) generalist supporting Finance project implementations and compliance duties such as wage theft, minimum wage, etc.
 - One (1) Customer Service Supervisor

- Partially offset by increased revenues due to enhanced compliance, discovery, audit, and collection efforts, but not contingent upon a business license tax modernization.

In addition to the Key Proposed Service Area Initiatives presented above, staff also heard Council's desire to increase frontline safety personnel serving the community. As such, staff recently submitted an application to the Federal Emergency Management Agency (FEMA) for funding through the Staffing for Adequate Fire and Emergency Response (SAFER) program. This grant funding could be used to hire additional line (operational) firefighters. Staff is applying for SAFER funding for four (4) new firefighting positions to meet City needs as a result of anticipated development growth. The SAFER grant will pay for the salary and benefits for newly hired firefighters at a rate of 75% of actual costs in the first two years and 35% of actual costs in the third year. The City is responsible for 100% of the costs after the third year, but is not required to maintain the positions after the third year as a condition of receiving SAFER grant funding. The City's cost share would be approximately \$200,000 in the first and second years and \$550,000 in the third year and \$907,000 per year thereafter; increasing by inflation and subject to change after final cost analysis. City costs could be offset by a potential reduction in overtime expenses. Once grant determinations have been made, staff will present a request to modify the FY 2018-19 Operating Budget based on the results of those determinations and the City's required cost share. Staff estimates that awards will be made between July and October 2018.

And lastly, in an effort to fill several vacant Police Officer and Police Dispatcher positions, staff has created the Police Department Recruitment Team consisting of one Sergeant and eight Police Officers. The Recruitment Team targets police academies, colleges, sporting events, city sponsored events, and military bases for entry-level and lateral transfer candidates. From January to May 2018, the Recruitment Team made 39 recruitment visits and contacted over 2,300 potential applicants. The Recruitment Team is also reviewing the effectiveness of offering hiring incentives for lateral and entry level candidates and has implemented an enhanced hiring orientation process to assimilate new hires and get them on the street quicker. In April 2018, five (5) Police Officers were hired. The Recruitment Team only recently added the Dispatcher position to its targeted efforts and hopes to produce similar results.

Unfunded Pension Liabilities, Retiree Medical Benefits & Reserves

California cities are facing the growing challenge of rising pension costs and unfunded pension liabilities, and new government accounting standards have revealed the magnitude of these cost exposures. Furthermore, recent CalPERS pension assumption changes, such as lowering the discount rate to 7.0% and shortening pension liability amortization from 30 years to 20 years, have required California cities to increase the funding required for retirement costs in the near term. Similarly, medical benefit costs for both active employees and retirees continue to increase. Milpitas is not spared from this fiscal difficulty, and these growing costs oblige the City to continue to maintain its posture of fiscal discipline and prudent budgeting.

The General Fund currently has \$19.0 million in a CalPERS Rate Stabilization Reserve. In the near future, staff will present Council with a detailed plan of how to use this reserve, establish policies for its use, and review primary factors contributing to the CalPERS low-funded status. The upcoming plan could include the establishment of a Section 115 trust (an IRS tool for prefunding pension benefits) to earn investment income, pay down unfunded pension liabilities on an accelerated basis and reduce overall long-term interest costs, and set aside remaining funds to offset unexpected increases in pension rates. Addressing unfunded pension liabilities is a prudent and essential element of our strategy to ensure the long-term fiscal sustainability of Milpitas.

Other current General Fund reserves include a 16.67% (of budgeted expenditures) Contingency to protect the City against cash flow deficiencies resulting from an emergency or disaster. New reserves in FY 2018-19 to ensure long-term fiscal sustainability and discussed with Council on April 10 and confirmed on May 1 and May 10 include:

Description	Recommended Reserve Level for FY 2018-19	Recommended Long-Term Target
Budget Stabilization*	\$4,000,000	\$8,300,000
Facilities Replacement	2,000,000	10,000,000
Technology Replacement	1,000,000	5,000,000
Artificial Turf Replacement	750,000	2,000,000
TOTAL	\$7,750,000	\$25,300,000

**Different than the 16.67% Contingency Reserve in that its purpose is to mitigate economic downturn and the need to quickly and significantly reduce services in a recession.*

Please again note that these are funded from a one-time operating surplus in FY 2016-17. Reaching long-term targets could be funded by similar one-time operating surpluses that appear in the future. Details of each reserve were added to the City's Fiscal Policies adopted on June 5, 2018.

Capital Improvements

The Capital Improvement Budget funding for FY 2018-19 by Project Category is as follows:

Project Category	Adopted Budget FY 18-19	Percentage of Total
Community Improvement Projects	\$4,178,000	9.52%
Park Projects	10,625,000	24.22%
Street Projects	13,220,000	30.14%
Water Projects	13,098,157	28.86%
Sewer Projects	2,693,323	6.14%
Storm Drain Projects	53,000	0.12%
TOTAL	\$43,867,480	100%

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. The total FY 2018-19 Capital Improvement Program (CIP) funding is \$15.8 million less than the FY 2017-18 CIP, primarily due to the delayed SJ/SC Regional Waste Water Facility project costs for FY 2018-19 and the completion of the PD Communications projects in FY 17-18. Major projects in 2018-19 include, among others – McCandless Park, Montague Pedestrian Overcrossing at Piper Dr., Street Resurfacing Project 2018-19, Well Upgrade Project, and Aging Water System/Seismic Improvements.

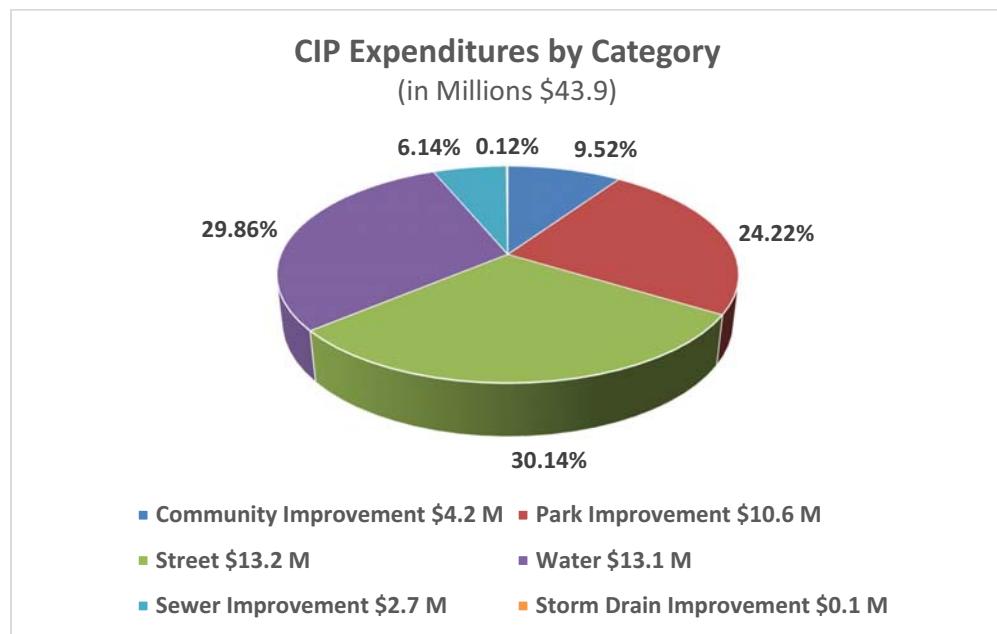
The City is pleased to report the completion of some major improvements this past year, including the Higuera Adobe Park Rehabilitation and McCandless Test Well, and also keeping pace with the Annual Street Resurfacing project.

The funding for FY 2018-19 capital improvement projects is primarily from the General Government Capital Project Fund, TASP Impact Fees, Water Fund bond issuances, and Gas Tax.

The Capital Improvement Budget was reviewed by the Planning Commission to determine its conformance with the City's General Plan. Park improvement projects for FY 2018-19 were also reviewed by the Parks, Recreation and Cultural Resources Commission.

Since the City's budget is an annual budget, the Budget only incorporates funding for FY 2018-19 capital improvement projects. It should also be noted that while staff prioritizes and anticipates the longer term funding needs for the next four years in the five year CIP, years 2019 through 2023 are shown only for planning purposes and are not funded at this time.

The chart below provides an overview of the City's anticipated capital improvement projects by category in FY 2018-2019:



As noted above under Citywide Budget Overview, the Capital Budget Summary section of this document provides a summary of each project description grouped by project type and a 2018-2023 CIP Grand Summary of project expenses and funding sources. For further details on the capital improvement projects, a separate Five Year Capital Improvement Program FY 2018-2023 prepared by the Engineering Department may be obtained at the Milpitas City Hall or the City's website.

Conclusion

Staff is pleased to present a balanced operating budget for FY 2018-19. I again thank the City Council, our community, and key stakeholders for their input and participation during the budget development process. I also thank our entire Executive Team for listening to this input and thoughtfully developing an operating budget that supports Council-identified priorities, as well as our Finance and Engineering Departments for analyzing expenditures, estimating revenues necessary to balance costs, establishing an enhanced budget development process, and preparing extensive budget materials needed to make key informed decisions.

To be successful, the annual budget development process must rely on broad and deep collaboration and communication at every step of the way by multiple stakeholders, both in the community and within our organization. I am gratified that everyone rose to the challenge to provide the Council with this operating budget that I believe will serve the needs of the growing Milpitas community. For this sustained effort, all are to be commended.

Respectfully submitted,



Julie Edmonds-Mares
City Manager

The Five-year General Fund Forecast is included to allow the City Council and the community to assess the sustainability of City services in the long term. The projection also identifies the type of commitments and resource demands in the next five years and points out areas of both opportunity and risk as we navigate fiscal cycles. These long term forecasts provide an invaluable planning tool and are an indication of sound fiscal planning and strategy.

General Fund Five Year Forecast (Thousands)

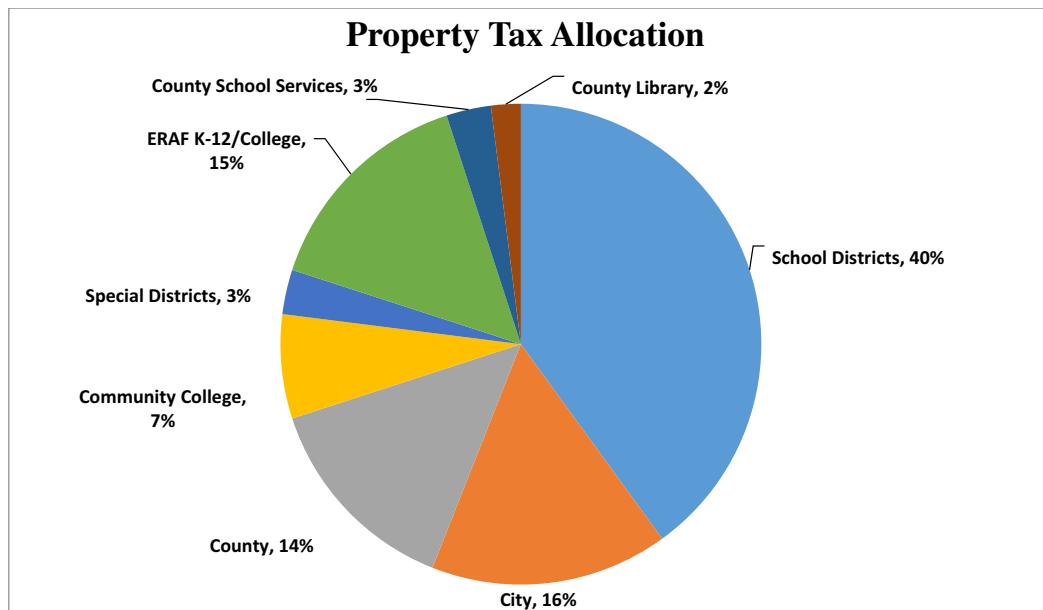
	FY18-19	Year 1	Year 2	Year 3	Year 4	Year 5
Estimated Revenues	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	
Property Tax	\$ 24,774	\$ 25,715	\$ 26,229	\$ 26,754	\$ 27,557	\$ 28,384
RPTTF Distribution	6,631	6,883	7,021	7,161	7,376	7,597
Sales & Use Tax	28,520	29,108	29,685	30,262	30,839	31,456
Other Taxes	6,036	6,224	6,348	6,476	6,643	6,843
Hotel/Motel Tax	10,210	11,127	12,055	13,735	14,081	14,502
Licenses & Permits	9,782	10,074	10,278	10,486	10,748	11,068
Charges for Services	7,453	7,675	7,827	7,982	8,182	8,424
Other Revenues	1,771	1,802	1,823	1,845	1,873	1,905
Net Operating Transfers	6,055	6,344	6,617	6,872	7,072	7,287
Total Revenue Sources	\$ 101,232	\$ 104,952	\$ 107,883	\$ 111,573	\$ 114,371	\$ 117,466
Estimated Expenditures						
Salaries	\$ 49,055	\$ 50,389	\$ 51,762	\$ 53,176	\$ 54,632	\$ 56,130
Benefits	33,350	36,257	38,808	41,255	42,271	43,799
Supplies & Contractual Services	18,827	19,187	19,612	19,818	20,537	20,938
Total Estimated Expenditures	\$ 101,232	\$ 105,833	\$ 110,182	\$ 114,249	\$ 117,440	\$ 120,867
Operating Surplus/(Deficit)	\$ -	\$ (881)	\$ (2,299)	\$ (2,676)	\$ (3,069)	\$ (3,401)

Property tax revenues are expected to increase 4.3% in FY 18-19 based on County assessed valuations when compared to the FY 17-18 adopted budget. Future assumptions follow an average 5 year growth percentage of 3.0% using the following pattern: in FY 19-20 3.8%, in FY 20-21 2.0%, in FY 21-22 2.0%, in FY 22-23 3.0%, and in FY 23-24 3.0%. Proposition 13 limits the base property tax rate to 1% of the assessed value and an annual increase of the assessed value at the lesser of 2% or the California consumer price index (CCPI). Based on a 10 years' average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will increase at a rate of 2 to 2.5% in each of the next five years and therefore the 2% limit of Proposition 13 will apply. Added assessed valuation from new housing and the reassessment of existing properties with change of ownerships factor into the forecast. To this point, staff has taken a conservative perspective on the projections.

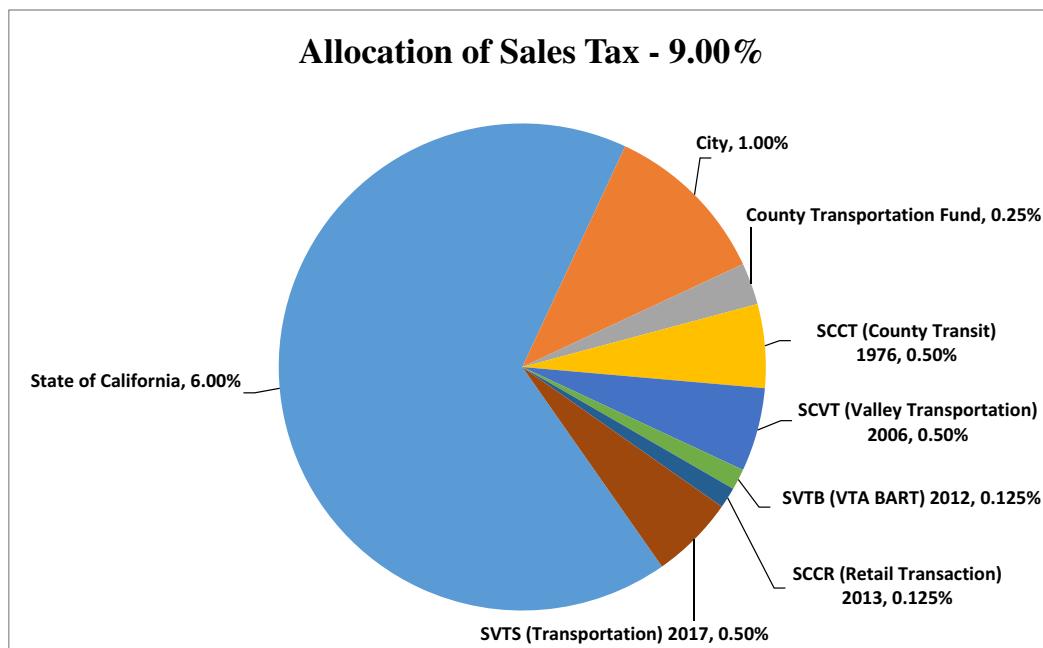
RPTTF distributions represent distributions of the residual property tax revenue attributing to the former RDA after satisfying the approved obligations of the RDA. The distributions are expected to increase 30.0% in FY 18-19 when compared to the FY 17-18 adopted budget due to a majority of new residential units being constructed in the Transit Area Specific Plan (TASP), which is within the RDA area.

Allocation of Property Tax 1% Base Rate

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



Sales tax revenues are projected to increase 11.8% in FY 18-19 when compared to the FY 17-18 adopted budget, 2.0% in FY 19-20, 2.0% in FY 20-21, 1.9% in FY 21-22, 1.9% in FY 22-23, and 2.0% in FY 23-24. The projected increase in sales tax revenues is in line with consumer price index and historical averages. It is assumed that Milpitas businesses will capture a portion of the consumers' spending, especially in the retail, transportation, construction, and restaurant economic segments. Based on the sales tax report prepared by the City's consultant, consumer sales account for over 66% of the sales tax revenues in the City. The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the sales tax rate is 1%.



Other Taxes include real estate transfer tax, franchise tax and business license tax. As residential units are being developed and occupied, it is anticipated that the City will collect more real estate transfer tax and franchise tax from utility and cable companies. It is also assumed that utility and cable companies will increase their rates to offset cost increases. The projected increase in Other Taxes is 19.9% in FY 18-19 when compared to the FY 17-18 adopted budget, 3.1% in FY 19-20, 2.0% in FY 20-21, 2.0% in FY 21-22, 2.6% in FY 22-23, and 3.0% in FY 23-24.

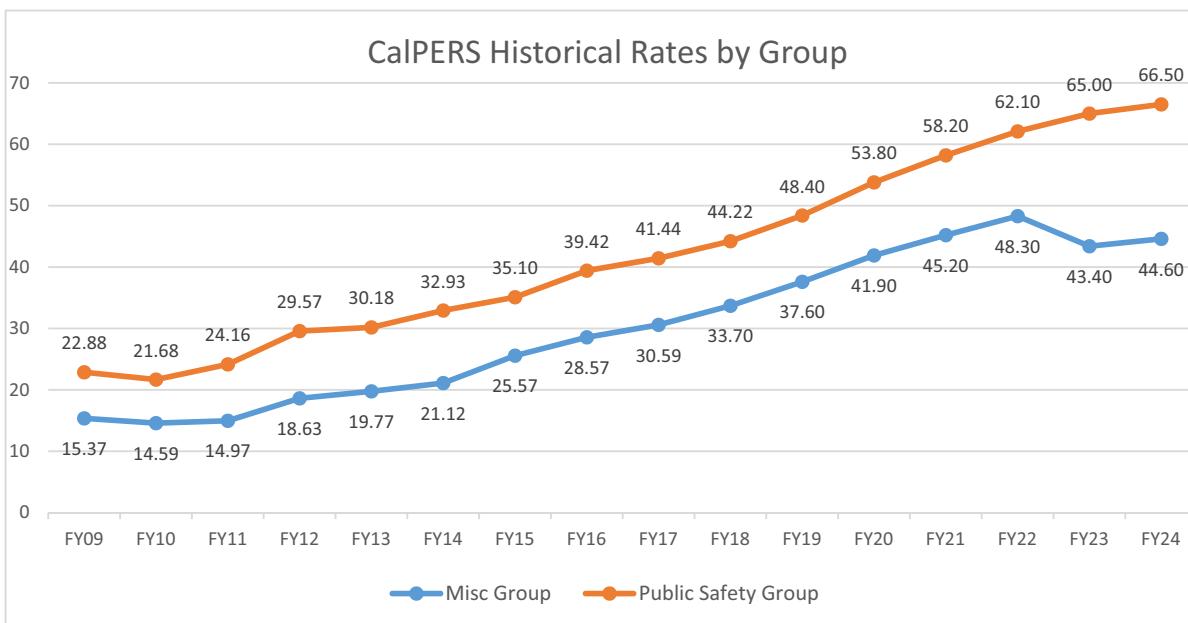
Hotel tax revenues are projected to increase in a robust fashion given recent trends and anticipated new business openings. The projected increase in Hotel Taxes is 13.9% in FY 18-19 when compared to the FY 17-18 adopted budget, 8.9% in FY 19-20, 8.3% in FY 20-21, 13.9% in FY 21-22, 2.5% in FY 22-23, and 3.0% in FY 23-24. The growth rate factors in 6 new hotels planned to be built by FY 23-24. The projection also includes staff's assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area. It is assumed that the hotel operators will increase room price by the average consumer price index increase to recover costs.

Licenses and permits consist of building permits and fire permits which are primarily construction related. It is projected that these revenues will continue to increase in the next five years due to continued interest in residential developments in the Transit Area. It is estimated that Transit Area will add about 3,000 housing units in phase I of the development. The projected increase in Licenses and Permits is 16.6% in FY 18-19 when compared to the FY 17-18 adopted budget, 3.0% in FY 19-20, 2.0% in FY 20-21, 2.0% in FY 21-22, 2.5% in FY 22-23, and 3.0% in FY 23-24.

Charges for Services include charges for private development related services, engineering fees and recreation service charges. It is anticipated that the increases in charges to developers will be similar to the increases for licenses and permits. The projection for non-development related charges includes two elements, population growth and California consumer price index increase. Staff projected that some of the new residents will utilize City's recreation services. The combined projection for development related and non-development related customer service charges results in projected increases of 14.7% in FY 18-19 when compared to the FY 17-18 adopted budget, 3.0% in FY 19-20, 2.0% in FY 20-21, 2.0% in FY 21-22, 2.5% in FY 22-23, and 3.0% in FY 23-24.

Operating transfers are mainly reimbursements from other funds for the staff support and administrative overhead provided by the General Fund. Net transfers into the General Fund will increase in conjunction with operating expenditure increases. The projected increase in Licenses and Permits is 18.1% in FY 18-19 when compared to the FY 17-18 adopted budget, 4.8% in FY 19-20, 4.3% in FY 20-21, 3.9% in FY 21-22, 2.9% in FY 22-23, and 3.0% in FY 23-24.

Salaries and benefits Salaries are anticipated to increase moderately over the next five years to FY 23-24. The projected increase in salaries is 10.8% in FY 18-19 when compared to the FY 17-18 adopted budget, 3.0% in FY 19-20, 3.0% in FY 20-21, 3.0% in FY 21-22, 3.0% in FY 22-23, and 3.0% in FY 23-24. The increase is consistent with staff's assumption of the California consumer price index increase in the San Francisco/San Jose metropolitan area and salary step increases pursuant to contracts negotiated with employee groups. On the benefits side, health insurance premium is projected to increase from 8% annually and contribution to CalPERS is anticipated to increase 17.5% in FY 18-19 when compared to the FY 17-18 adopted budget, 11.2% in FY 19-20, 8.1% in FY 20-21, 6.8% in FY 20-21, 0.1% in FY 22-23, and 2.0% in FY 23-24 based off of PERS Actuarial Reports for July 2017 and additional personnel added in the FY 2018-19 Budget. The total benefits costs are projected to increase by nearly 13.6% in FY 18-19 when compared to the FY 17-18 adopted budget and gradually tapering off in future years until they reach a growth percentage of 3.6% in FY 23-24. The chart below depicts historical employer CalPERS contribution rates from FY 06-07 through the budget year FY 18-19 and projected rates through FY 23-24. The projected rates are provided by CalPERS and are based on their latest actuarial studies for July 2017. Please note that projected rates have not yet fully factored in CalPERS lowering of its discount rate to 7.0%, shortening of its amortization period for assumption changes and other factors from 30 years to 20 years, and other policy changes. Staff expects that the valuation report received in July 2018 will build in these factors and increase projected rates over what is presented here. Thus, staff will be developing a plan to address CalPERS costs in the near future and presenting this plan to Council. Use of the PERS Stabilization Reserve and other means of addressing unfunded liabilities will be discussed at a later date.



Services and Supplies costs are anticipated to increase between 13.8% in FY 18-19 when compared to the FY 17-18 adopted budget, 1.9% in FY 19-20, 2.2% in FY 20-21, 1.1% in FY 21-22, 3.6% in FY 22-23, and 2.0% in FY 23-24; reflecting consumer price increases, but also assuming City departments continue to hold the line on this expenditure category. There are fluctuations of cost increase between each year due to election costs that are incurred by the City that typically happen every other year.

Debt Service the General Fund does not have any outstanding debt and does not contemplate issuing any General Fund debt in the next five years. Nevertheless, use of debt, payable by the General Fund, could be an option to fund critical capital infrastructure products that have no other available funding source.

USE OF ENHANCED PENSION RESERVES TO MITIGATE KNOWN INCREASES

The FY 2018-19 Budget strengthens and uses the existing Pension Reserve and the proposed Budget Stabilization Reserve to mitigate cost increases over the five-year forecast term.

The five-year forecast anticipates using the existing Pension Reserve and the proposed Budget Stabilization Reserve as a proactive fiscal measure. The five-year forecast projects this fiscal strategy forward to mitigate near term pension costs. The chart below displays this:

(\$ in thousands '000)	18-19	19-20	20-21	21-22	22-23	23-24	TOTAL
Revenues	101,232	104,952	107,883	111,573	114,371	117,466	
Expenditures	101,232	105,833	110,182	114,249	117,440	120,867	
Surplus/(Deficit)	-	(881)	(2,299)	(2,676)	(3,069)	(3,401)	
Potential Corrective Actions							
Use of PERS Stabilization Reserve	-	441	1,150	2,676	3,069	3,401	10,736
--Ending Balance of PERS Stabilization Reserve	19,000	18,560	17,410	14,734	11,665	8,264	
Use of NEW Budget Stabilization Reserve	-	441	1,150	-	-	-	1,590
--Ending Balance of Budget Stabilization Reserve	4,000	3,560	2,410	2,410	2,410	2,410	
Sub-Total	-	881	2,299	2,676	3,069	3,401	12,326
Remaining Deficit	-	-	-	-	-	-	

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



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Budget Guidelines

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

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

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

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

The Department Heads are responsible for assisting in the development of annual budgets and monitoring their respective budgets for compliance with the intent of Council priorities to insure that appropriations of the aggregate total of the department are not exceeded.

SUMMARY OF BUDGET GUIDELINES

1. Basis of Budgeting

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

2. Budget Calendar

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

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

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

The City Manager's proposed budget, the Preliminary Budget and Financial Plan, shall be presented in a form which is sufficient to allow the City Council to determine and review:

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

4. Adoption of the Budget

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

5. Budget Authority of the City Manager

The City Manager shall have the authority to amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is \$20,000 or less. No expenditures may be made from any unassigned fund balances without an appropriation by the City Council.

The City Manager shall have the authority to make revisions involving transfers from appropriated contingency reserves accounts less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year (\$1,100,000 in FY 2018-19), provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.

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

- Increase the overall appropriation level within any one Fund.
- Transfer or reallocate appropriations between different Funds.
- Cause an increase or decrease in funded permanent personnel position counts in the adopted Budget.
- Cause the aggregate amount of contract change orders to exceed \$100,000 and/or exceed prior approved appropriation levels for the subject contract.
- Cause transfers from appropriated contingent reserves account to exceed the aggregate amount of \$1,100,000 during fiscal year.
- Result in changes not consistent with the purpose and intent of the Budget as adopted.

The City Manager shall have the authority to reasonably deviate from the budgeted personnel allocation schedule provided that at no time the number of permanent funded positions or personnel cost appropriations authorized by the City Council is exceeded.

6. Budget Amendments by the City Council

The City Council may from time to time approve expenditures and identify funding sources not provided for in the adopted budget including those expenditures funded through unassigned fund balances. These will take effect through the public agenda meeting process.

7. Budget Transfers and Modification Procedures

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

8. Automatic Adjustments and Re-appropriations

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

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

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

Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of the fiscal year may be re-appropriated for continued use in the subsequent fiscal year. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2017-18 are subject to carry-over into FY 2018-19. These also include capital project appropriation carryovers.

9. Budget Monitoring and Reporting

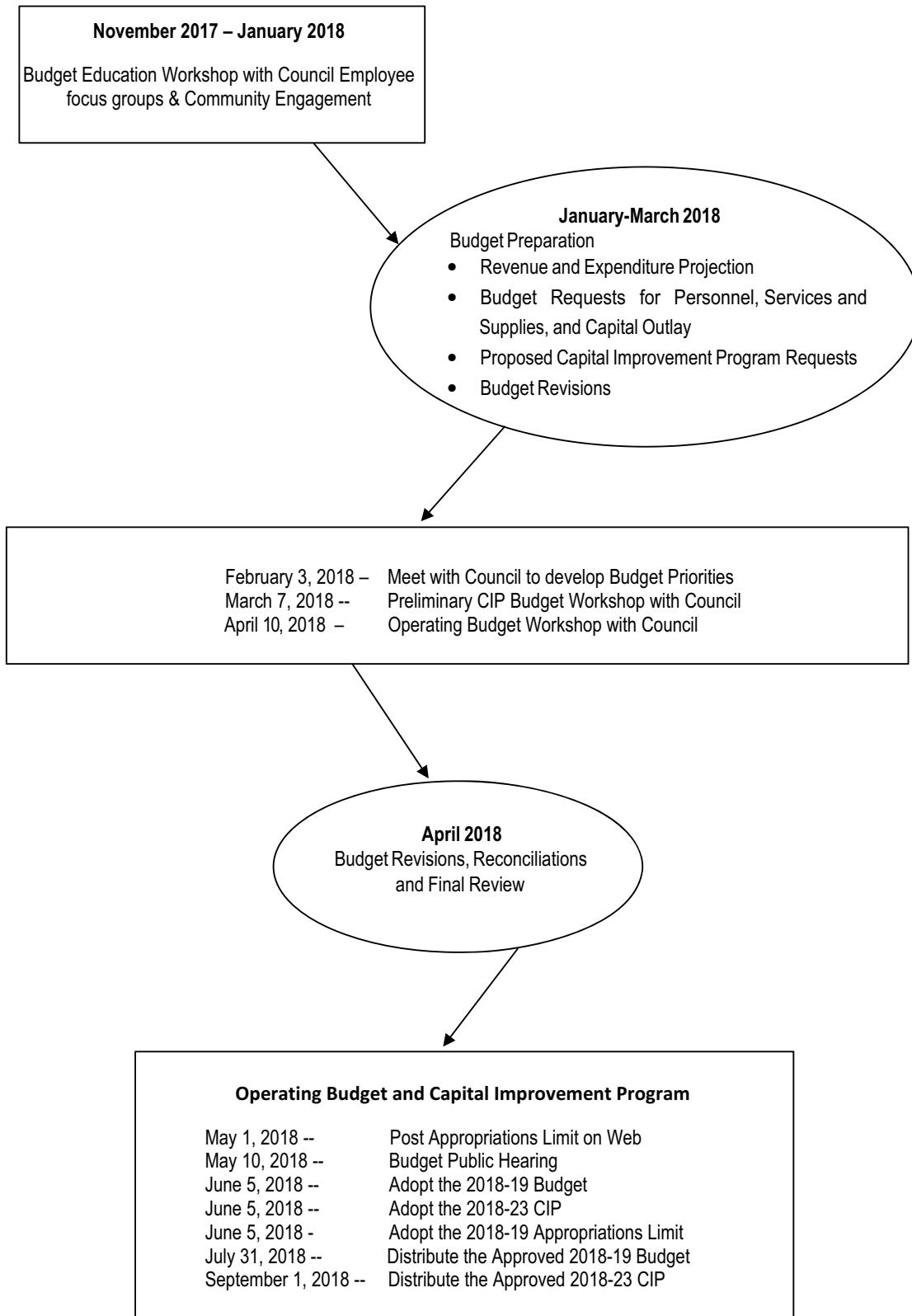
General Monthly Reports - The Director of Financial Services will prepare a monthly budget report including actual expenditures and encumbrances for distribution to the City Manager and Department Heads, to facilitate monitoring of the budget.

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

10. Reserves

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

City of Milpitas 2018-2019 Budget Process



CITY OF MILPITAS**BUDGET PREPARATION TIMELINE
2018-2019 FINANCIAL PLAN**

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
1	11/4/17	Budget Workshop with Council	City Council, Senior Management, Finance Director (FD), AFD (AFD)
2	12/15/17	Issue request for Capital Improvement Program (CIP) projects to Department Heads.	CIP Staff
3	12/20/17	Distribute inventory list and capital outlay request packet.	Budget Team
4	12/21/17	MP facilitate Commissions Focus Group	MP & Commissions Focus Group
5	1/6/18	• Equipment Inventory changes due to Finance • Capital Outlay Requests due to Finance	Senior Management Staff, Budget Liaisons, Budget Team
6	1/10/18	2018-19 Budget Preparation "Kick-Off" meeting with Budget Liaisons.	City Manager, Executive Team, Budget Liaisons, Budget Team
7	1/16/18-1/20/18	Conduct Revenue discussions with budget units (Department/ Divisions) and Special Fund expenditure projections and fund balance.	FD, AFD, Budget Team, Department/Division Heads
8	1/26/18	Requests for new positions, reclassifications and reallocation of existing positions (including Salary Allocation by Fund) due to Finance.	Executive Team & Budget Liaisons
9	2/3/18	Meet with Council to discuss Budget Priorities	City Council, Senior Management, FD, AFD
10	2/3/18	Set FY18-19 Budget Study Session Dates Set FY 18-19 Budget Hearing Dates.	City Council, FD
11	2/6/18	Meeting with Senior Staff to discuss programs, service levels, and general financial status overview.	City Manager, FD, Senior Management Staff
12	2/05/18-2/16/18	Budget data entry in BRASS budget system and providing detail for each line item if applicable.	Budget Liaisons
13	2/13/18-2/17/18	Review draft CIP document and consider funding feasibility. Discuss closing CIPs	FD, Public Works Director, Director of Engineering, AFD, Budget Team

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
14	2/19/18	<ul style="list-style-type: none"> - Data entry in the BRASS budget system is complete. - Temporary Position Request Forms (one form per function) are due to Finance. - Out of State Travel form is due to Finance. - Summary of service enhancements or new programs or elimination of services/programs that will impact budget is due to Finance. 	Budget Liaisons
15	2/26/18	Print and distribute Budget Proformas to Budget Units for review.	Budget Team
16	2/26/18-3/03/18	Meet to discuss Capital Outlay Requests.	City Manager, Director of Financial Services, Public Works Director, AFD
17	2/26/18-3/03/18	Meet to discuss new positions, classification or reclassification requests.	City Manager, Director of Financial Services, HR Director, AFD
18	2/26/18	<ul style="list-style-type: none"> - All budget preparation information due to Finance: narratives, org charts, and mission statements. 	Budget Liaisons
19	2/26/18-3/3/18	<ul style="list-style-type: none"> • Review draft CIP document (without funding feasibility). 	City Manager, CIP Staff, AFD, CIP Accountant, Public Works Director
20	3/2/18	Any changes to budget Proformas are also due to Finance.	Budget Liaisons
21	3/5/18	Review Draft Parks projects in the CIP Budget.	PRCRC
22	3/12/18-3/16/18	Budget Unit Work sessions - Review Operating Budget requests with the respective budget unit staff.	City Manager, Senior Management Staff , FD, AFD, Budget Team
23	3/12/18-3/16/18	Review Proposed CIP document by Finance.	FD, AFD, CIP Accountant
24	3/14/18	Finance Subcommittee: review requests for new and proposed CIP project.	Finance Subcommittee, City Manager, Public Works Director, FD
25	3/28/18	Review Draft CIP for information and General Plan conformance findings.	Planning Commission, Director of Engineering
26	3/30/18	Publish Draft 2018-2023 Capital Improvement Program and distribute.	CIP Staff
27	4/2/18-4/6/18	Budget Reconciliation: Operating Budget and CIP.	Budget Team
28	4/2/18-4/6/18	Final review of draft budget.	FD, Assistant Finance

<u>Id#</u>	<u>DATE</u>	<u>TASK</u>	<u>RESPONSIBILITY</u>
29	4/9/18	Proposed CIP Study Session.	City Council, Senior Management Staff
30	4/9/18	Proposed Budget Study Session.	City Council, Senior Management Staff
31	4/11/18	Finance Subcommittee Meeting	City Council liaisons, FD, & AFD
32	4/23/18- 4/27/18	Distribute the Proposed 2018-19 Operating Budget and Financial Plan.	Budget Team
33	5/1/18	City Council Budget Updates	FD
34	5/8/18	1) Public Hearing; 2) Adopt the recommended 2018-2019 Proposed Budget and Financial Plan and the 2018-2024 Capital Improvement Program; 3) Adopt the 2018-2019 Appropriations Limit Resolution.	City Council, Senior Management Staff
35	5/10/18	Post Proposed Operating Budget and Financial Plan Online	Budget Team
36	7/31/18	Distribute the Approved 2018-19 Operating Budget and Financial Plan and Department Budget Workbooks	Budget Team
37	9/1/18	Distribute the Approved 2018-2024 Capital Improvement Program.	CIP Staff

Fiscal Policies

GENERAL FINANCIAL GOALS

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

OPERATING BUDGET POLICIES

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

REVENUE POLICIES

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

EXPENDITURE POLICIES

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

UTILITY RATES AND FEES

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

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

CAPITAL BUDGET POLICIES

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

DEBT POLICIES

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

RESERVE POLICIES

32. The City will periodically review and update reserve guidelines, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, and cash flow requirements.
33. The City will maintain a Contingency Reserve of at least 16.67% of the annual operating expenditures in the General Fund to be used only in the case of dire need as a result of physical or financial emergencies and disasters as determined by the City Council.
34. The City will maintain in the General Fund a Budget Stabilization Reserve with a target of \$8.3 million. The purpose of this reserve is to provide budget stability when there are fluctuations that result in lower than projected revenues and/or higher than projected expenditures that cannot be re-balanced within existing budget resources in any given fiscal year. This reserve is intended to provide a buffer, or bridge funding, to protect against reducing service levels when these fluctuations occur. Any use of the General Fund Budget Stabilization Reserve shall require majority vote by the City Council through the adoption of the Operating Budget or by appropriation action during the fiscal year. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may occur also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
35. The City will maintain in the General Fund or in a Section 115 Trust a Public Employees Retirement (PERS) Rate Stabilization Reserve to be funded by 50% of any General Fund annual operating surpluses after General Fund Contingency Reserve requirements have been met. The City may use the Reserve to fund either the Annual Required Contribution (ARC) amount in lieu of a contribution amount derived from a

percentage of salary, pay down unfunded pension liabilities with CalPERS, or reduce the length of pension cost amortization schedules with CalPERS. Any savings or additional costs resulting from the funding methodologies shall be adjusted from the PERS Rate Stabilization Reserve. This reserve may also be drawn on if the required employer contribution rates exceed previous year's contribution rates by more than 3% of payroll. In this instance, the City Council must approve utilization of this reserve at the time of the budget hearing.

36. The City will maintain a Storm Drain replacement reserve to replace and repair storm drain pump stations. The City will endeavor to set-aside \$500,000 annually from the General Fund reserve for this purpose.
37. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the required contribution annually.
38. Other reserves assigned to investment portfolio market gain, and uninsured claims payable will be calculated and adjusted annually at appropriate levels.
39. The City will maintain working capital in the Water and Sewer utility enterprise funds to provide for future capital projects and unanticipated emergencies, such as water main break repairs, pump station repairs. The City will attempt to maintain a working capital reserve of approximately 30% of the annual operating and maintenance expenses for Water utility fund and 25% of the annual operating and maintenance expenses for Sewer utility fund.
40. 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.
41. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.
42. The City will maintain a capital reserve in an Equipment Replacement fund, set up as an internal service fund, to enable the timely replacement of vehicles and depreciable equipment as cost. The City will maintain a minimum fund balance of at least 30% of the replacement costs for equipment accounted for in this fund.
43. The City will maintain a capital reserve for Technology Replacement with a target of \$5 million and an annual set-aside amount of at least \$300,000. This reserve shall be used to accrue funding for technology projects such as the major rehabilitation or replacement of the City's technology infrastructure or new technology initiatives. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
44. The City will maintain a capital reserve for Facilities Replacement with a target of \$10 million. This reserve shall be used to accrue funding for major rehabilitation or replacement of City facilities (buildings/structures). Eligible uses of this reserve may include both the direct funding of public facility improvements and the servicing of related debt. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
45. The City will maintain a capital reserve for Artificial Turf Replacement with a target of \$2 million and an annual set-aside amount of at least \$250,000. This reserve shall be used to accrue funding for the normal depreciation expense of the City's artificial turf fields over their useful life. Eligible uses of this reserve may include the replacement of the City's artificial turf fields so as to eliminate large spikes in capital expenses and normalize annual costs. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
46. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
47. The City may direct any portion of the General Fund revenues that is not required to balance the operating budget and to meet other General Fund reserve requirements listed previously to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

48. The City may direct any portion of the unassigned fund balance of the 2% Transient Occupancy Tax Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

INVESTMENT POLICIES

49. 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.
50. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
51. 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.
52. 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

53. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
54. 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.
55. Quarterly 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. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

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RESOLUTION NO. 8789

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS ADOPTING THE APPROPRIATIONS LIMIT FOR THE CITY OF MILPITAS FOR FISCAL YEAR 2018-19

WHEREAS, Article XIIIIB, 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 2018-19 of \$101,169,019. The calculation is attached hereto as Attachment No. 1 ("FY 2018-2019 APPROPRIATIONS LIMIT"); and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to City Council consideration of this Resolution.

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

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The appropriations limit for fiscal year 2018-19 shall be \$101,169,019 as set forth herein.
3. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annul the action of the City Council in establishing the appropriations limit for fiscal year 2018-2019 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this Resolution.

PASSED AND ADOPTED this 5th day of June 2018, by the following vote:

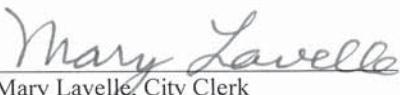
AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez, and Phan

NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher Diaz, City Attorney

Attachment No. 1

**City of Milpitas
FY 2018-2019 APPROPRIATIONS LIMIT**

Per Capita Change	1.0367
* Population Change	1.0099
Calculation Factor FY 18-19 1.0367 x 1.0099	1.0470
FY 18-19 limit \$96,630,910 x 1.0470	101,169,019
Appropriations Subject to Limit	<u>79,424,337</u>
Appropriations under Limit	<u>21,744,682</u>

- * On June 5, 1990, the California electorate passed Proposition 111 which modified the method of adjusting the annual appropriations limit. Beginning with the 1990-91 appropriations limit, the City may choose from the following indices when determining the adjustment factor:

The annual growth in the City's population OR the annual growth in the County's population as provided by the State Department of Finance.

AND

The annual growth in the California Per Capita Personal Income OR the growth in the non-residential assessed valuation due to new construction within the City.

In computing the 2018-2019 appropriations limit, the population growth of the County and the California Per Capita Personal Income change were used.

RESOLUTION NO. 8792

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS UPDATING THE CITY'S FISCAL POLICIES AS THEY RELATE TO RESERVES AND APPROVING TRANSFER OF \$7.75 MILLION FROM THE GENERAL FUND SURPLUS TO THE BUDGET STABILIZATION RESERVE IN THE AMOUNT OF \$4 MILLION, TO THE FACILITIES REPLACEMENT RESERVE IN THE AMOUNT OF \$2 MILLION, TO THE TECHNOLOGY REPLACEMENT RESERVE IN THE AMOUNT OF \$1 MILLION, AND TO THE ARTIFICIAL TURF REPLACEMENT RESERVE IN THE AMOUNT OF \$750,000

WHEREAS, as of the end of the Fiscal Year Ended June 30, 2017, the City had a General Fund remaining unassigned fund balance of \$10.4 million as a result of annual revenues being greater than annual expenditures; and

WHEREAS, of the remaining \$10.4 million General Fund unassigned fund balance, \$2.65 million will be used for Council-identified Capital Improvement Program (CIP) projects, leaving a balance of \$7.75 million; and

WHEREAS, the City Council wishes to work towards long-term fiscal sustainability for the City of Milpitas by appropriately using surplus fund and establishing strong reserve policies that meet best practices; and

WHEREAS, proposed amendments to the City's Fiscal Policies as they relate to reserves were presented to the City Council during the April 10, 2018 Budget Study Session and the May 1, 2018 regular Council Meeting; and

WHEREAS, proposed amendments to the Fiscal Policies are included in the attached Exhibit A and consist of:

- (1) Section 33 is updated to clarify the purpose of the 16.67% General Fund Contingency Reserve; and
- (2) Section 34 is added to establish a Budget Stabilization Reserve; and
- (3) Section 43 is updated to reflect an enhanced Technology Replacement Reserve; and
- (4) Section 44 is added to establish a Facilities Replacement Reserve; and
- (5) Section 45 is added to establish an Artificial Turf Replacement Reserve.

WHEREAS, staff recommends shifting the remaining Fiscal Year Ended June 30, 2017 General Fund unassigned fund balance of \$7.75 million to the Budget Stabilization Reserve in the amount of \$4 million, to the Facilities Replacement Reserve in the amount of \$2 million, to the Technology Replacement Reserve in the amount of \$1 million, and to the Artificial Turf Replacement Reserve in the amount of \$750,000; and

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

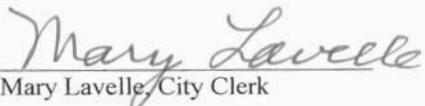
1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The City Council approves the update of the City of Milpitas Fiscal Policies as they relate to reserves and the use of the remaining Fiscal Year Ended June 30, 2017 General Fund unassigned fund balance as recommended herein by staff.

PASSED AND ADOPTED this 5th day of June 2018, by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez, and Phan
NOES: (0) None
ABSENT: (0) None
ABSTAIN: (0) None

ATTEST:


Mary Lavelle, City Clerk

APPROVED:


Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney

Exhibit A

Fiscal Policies

GENERAL FINANCIAL GOALS

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44. The City will maintain a capital reserve for Facilities Replacement with a target of \$10 million. This reserve shall be used to accrue funding for major rehabilitation or replacement of City facilities (buildings/structures). Eligible uses of this reserve may include both the direct funding of public facility improvements and the servicing of related debt. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
45. The City will maintain a capital reserve for Artificial Turf Replacement with a target of \$2 million and an annual set-aside amount of at least \$250,000. This reserve shall be used to accrue funding for the normal depreciation expense of the City's artificial turf fields over their useful life. Eligible uses of this reserve may include the replacement of the City's artificial turf fields so as to eliminate large spikes in capital expenses and normalize annual costs. The City Council will set the reserve amount annually after the results of the prior fiscal year's Comprehensive Annual Financial Report (CAFR) are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget as resources are available to replenish the reserve.
46. The City may direct any loan repayments from the former Redevelopment Agency and residual property tax distributions from the Redevelopment Property Tax Trust Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
47. The City may direct any portion of the General Fund revenues that is not required to balance the operating budget and to meet other General Fund reserve requirements listed previously to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.
48. The City may direct any portion of the unassigned fund balance of the 2% Transient Occupancy Tax Fund to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects.

INVESTMENT POLICIES

49. 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.

50. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.
51. 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.
52. 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

53. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles as they apply to governmental accounting.
54. 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.
55. Quarterly 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. At the minimum, the report shall include the status of the General Fund revenues and expenditures, and Water and Sewer utility fund revenues.

RESOLUTION NO. 8790/ HA 23

**A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND THE
HOUSING AUTHORITY COMMISSION OF THE CITY OF MILPITAS APPROVING THE
2018-2023 CAPITAL IMPROVEMENT PROGRAM AND THE OPERATING BUDGET FOR
THE CITY OF MILPITAS FOR THE FISCAL YEAR 2018-19**

WHEREAS, the City Manager submitted a 2018-19 Proposed Budget and Financial Plan; and

WHEREAS, on May 10, 2018, a public hearing was held on the Proposed Plan where all interested persons were heard; and

WHEREAS, the City Council and Milpitas Housing Authority Commission (“Authority”) reviewed the City Manager’s 2018-19 Proposed Budget and Financial Plan; and

WHEREAS, the City Council has reviewed the 2018-2023 Capital Improvement Program (“CIP”) and the first year, or 2018-2019 Capital Budget; and

WHEREAS, the first year, or FY 2018-19, of the CIP is a part of the 2018-19 Proposed Budget and Financial Plan.

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

1. The City Council and Authority have considered the full record before them, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to them. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby approves and adopts the 2018-2023 Capital Improvement Program, as attached in the City Council meeting packet and totaling \$315,007,017 over the five-year period and \$43,867,480 in fiscal year 2018-19.
3. The annual Budget and Financial Plan, as attached in the City Council meeting packet, inclusive of capital improvement appropriations, for the City of Milpitas for fiscal year 2018-19 is hereby affirmed and adopted totaling \$191,109,583 for all appropriated funds.
4. The amounts shown as “Appropriations” and estimated fund balances are hereby appropriated for the various purposes designated in the 2018-2019 Final Budget.
5. The budgets for all departments for the period July 1, 2018 through June 30, 2019, inclusive, contained in this 2018-19 Final Budget, are approved as the operating budget for those departments for fiscal 2018-19.
6. Any unused non-salary and benefits-related appropriations, subject to the approval of the City Manager, at the end of fiscal 2017-2018 may be re-appropriated for continued use in fiscal year 2018-19. Furthermore, any outstanding contract and/or purchase order obligations (or encumbrances) remaining at the end of FY 2017-18 are subject to carry-over into FY 2018-19.

7. No office, department, or agency shall expend any amount or incur any liability or enter into any contract, which by its terms involves expenditures of money for any purpose in excess of the amounts appropriated for the particular departments, and funds set forth herein.
8. The City Manager may authorize, when in his or her judgment such action is consistent with the purposes and intent of the 2018-2019 Final Budget as adopted, budget revisions subject to the following conditions:
 - a. Prior Council Approval Not Required. Prior approval of the City Council is not required under the following circumstances:
 - i. When revisions involve transfers from appropriated contingency reserves accounts less than or equal to the aggregate amount adopted within the budget in any one fiscal year (\$1,100,000 in FY 2018-19), provided that the Council is notified in writing of the revision, giving the reason, the amount of the revision and the year-to-date total amount of revisions.
 - ii. When revisions involve transfers from the appropriated leave cash-out account less than or equal to the aggregate amount adopted within the budget in any one fiscal year (\$700,000 in FY 2018-19) to the various departments for cash-outs when employee leaves.
 - iii. When revisions involve transfers, or reallocations, within any one fund among the various departments or projects, provided that the amount of transfer in any single instance does not exceed \$20,000.
 - iv. When revisions involve reasonable deviation from the budgeted personnel allocation schedule, provided that at no time the number of permanent funded positions or personnel cost appropriations authorized by the City Council is exceeded.
 - v. To allocate, redistribute and/or appropriate monies between department and non-department divisions so as to reflect the budgetary savings achieved through concessions from City employees on total compensation.
 - vi. For Police goods and services to be purchased from Asset Seizure funds, the City Manager or his/her designee, has the authority to purchase such goods or services if the expenditures of such goods and services do not exceed the amount designated from Asset Seizure funds as approved by the City Council during the Budget hearing.
 - b. Prior Council Approval Required. Prior approval of the City Council is required if any of the following are involved:
 - i. An increase in overall appropriation level within any one Fund.
 - ii. The transfers or reallocation of appropriations between different Funds.
 - iii. Changes providing for increases or decreases in funded permanent personnel counts or increases in personnel cost appropriations in the adopted Budget.

- iv. Contract change orders which would cause the aggregate contract amount to exceed \$100,000 and/or exceed prior approved appropriation levels for the subject contract.
- v. Changes when in his or her judgment such action would be inconsistent with the purposes and intent of the Budget as adopted.
- vi. Transfers from appropriated contingent reserves account, which would cause the aggregate amount of \$1,100,000 during fiscal year 2018-19, to be exceeded.

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

9. Information establishing the current budget situation and steps to be taken to present balanced City Budgets have been presented during the public hearing of May 10, 2018, this meeting of June 5, 2018, and in prior budget presentations.
10. The approval of the 2018-19 Final Budget does not commit the City to any action that may have significant effect on the environment. As a result, there is no potential impact on the environment from this action per Section 15061(b) (3) of the California Environmental Quality Act ("CEQA") Guidelines and this action does not constitute a project under CEQA per CEQA Guidelines Section 15378(b)(4).

PASSED AND ADOPTED this 5th day of June 2018, by the following vote:

AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez, and Phan

NOES: (0) None

ABSENT: (0) None

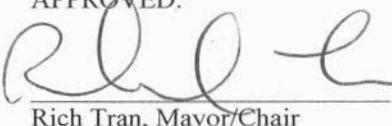
ABSTAIN: (0) None

ATTEST:



Mary Lavelle,
City Clerk/Authority Secretary

APPROVED:



Rich Tran, Mayor/Chair

APPROVED AS TO FORM:



Christopher J. Diaz,
City Attorney/Authority Counsel

RESOLUTION NO. 8791

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

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

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

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

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

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby further amended effective July 1, 2018, as follows:

A. ESTABLISH THE FOLLOWING POSITION RECLASSIFICATIONS

1. Reclassify one Economic Development Specialist position to Economic Development Coordinator in the Economic Development Department.
2. Reclassify one Recreation Services Assistant I (0.75 FTE) position to Recreation Services Assistant I (1 FTE) in the Recreation Department.
3. Reclassify one Fiscal Assistant II position to Senior Fiscal Assistant in the Finance Department.
4. Reclassify two Fiscal Assistant I/II positions to Payroll Specialist in the Finance Department.
5. Reclassify one Traffic Engineer position to Transportation and Traffic Manager in the Engineering Department.
6. Reclassify one Maintenance Worker II position to Equipment Maintenance Worker III in the Public Works Department.
7. Reclassify one Housing and Neighborhood Preservation Specialist position to Senior Code Enforcement Officer in the Planning Department.
8. Reclassify one Building Inspector position to Senior Building Inspector in the Building and Safety Department.
9. Reclassify the Captain/Public Education position to Fire Captain 40 hour in the Fire Department.
10. Reclassify the Chief Building Official position to Building and Housing Director in the Building and Safety Department.

B. AUTHORIZE THE FOLLOWING POSITIONS

1. Authorize one Public Information Officer position in the City Manager's Office.
2. Authorize one Office Specialist position in the City Manager's Office.

3. Authorize one Senior Information Analyst/Developer in the Information Services Department.
4. Authorize one Recreation Assistant IV position in the Recreation Department.
5. Authorize one Community Services Engagement and Inclusion Administrator in the Recreation Department.
6. Authorize two Financial Analyst I positions in the Finance Department.
7. Authorize one Customer Services Supervisor position in the Finance Department.
8. Authorize two Associate Civil Engineer positions in the Engineering Department.
9. Authorize one Junior Civil Engineer position in the Engineering Department.
10. Authorize one Senior Public Works Lead position in the Public Works Department.
11. Authorize one Environmental and Regulatory Compliance Specialist position in the Public Works Department.
12. Authorize one Administrative Analyst I position in the Public Works Department.
13. Authorize one Crime Analyst position in the Police Department.
14. Authorize one Police Clerk II position in the Police Department.
15. Authorize one Assistant Chief of Police position in the Police Department.
16. Authorize one Assistant Fire Marshal position in the Fire Department.

C. DELETE THE FOLLOWING CLASSIFICATION TITLES

1. Assistant City Attorney.
2. CAD Technician.
3. City Attorney.
4. Deputy City Attorney.
5. Dispatch Trainee.
6. Economic Development Manager.
7. Finance Manager.
8. Fleet Maintenance Supervisor.
9. Maintenance Supervisor.
10. Marketing Assistant.
11. Senior Maintenance Supervisor.
12. Traffic Engineer.
13. Fire Marshal.

PASSED AND ADOPTED this 5th day of June 2018, by the following vote:

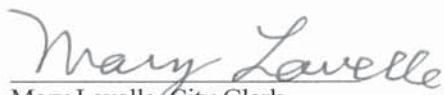
AYES: (5) Mayor Tran, Vice Mayor Grilli, Councilmembers Barbadillo, Nuñez, and Phan

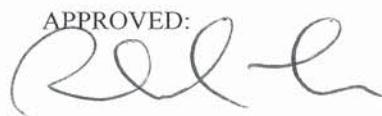
NOES: (0) None

ABSENT: (0) None

ABSTAIN: (0) None

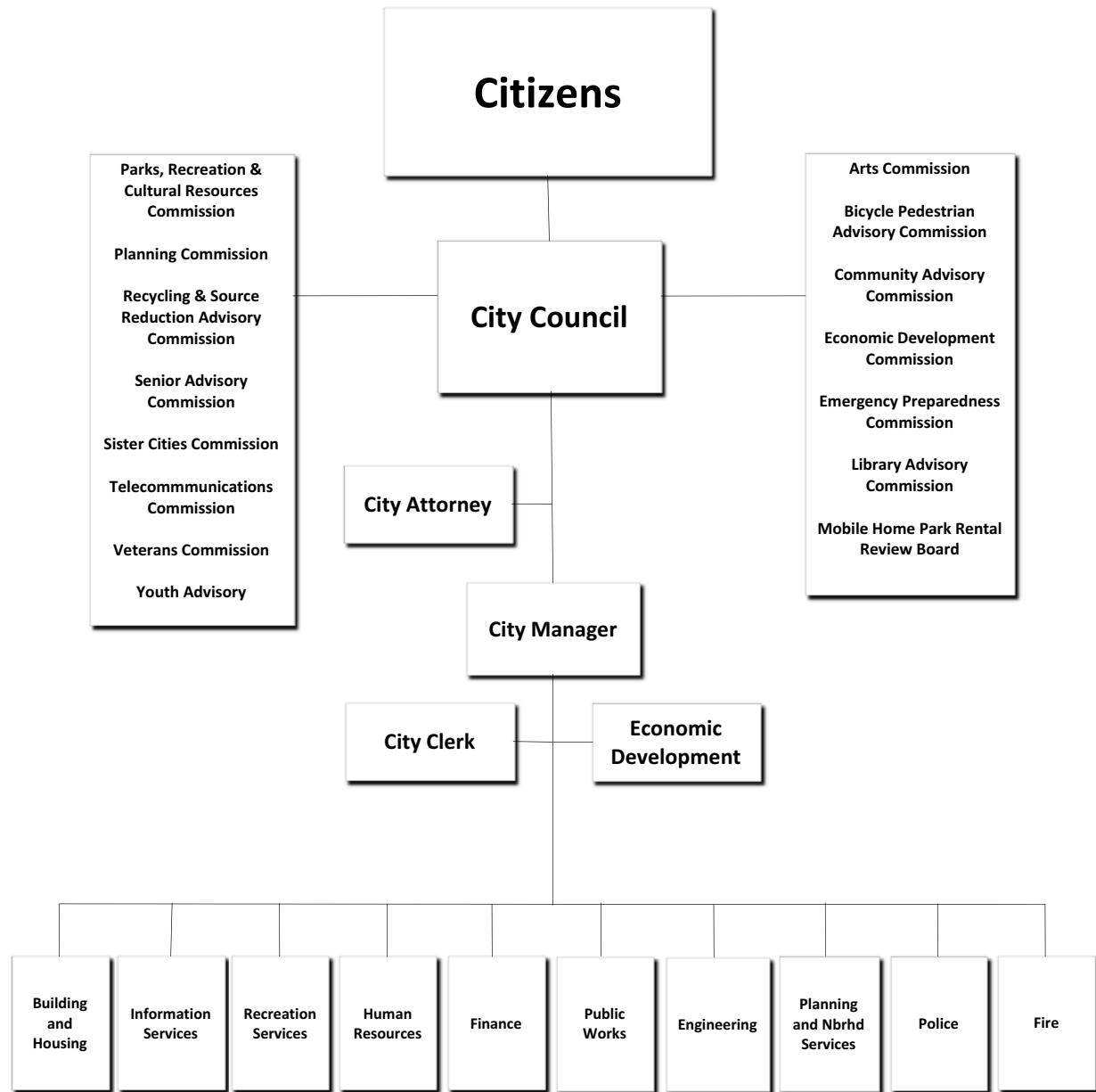
ATTEST:


Mary Lavelle, City Clerk

APPROVED:

Rich Tran, Mayor

APPROVED AS TO FORM:


Christopher J. Diaz, City Attorney



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 Higueras, 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.



Alviso Adobe



Higuera 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.

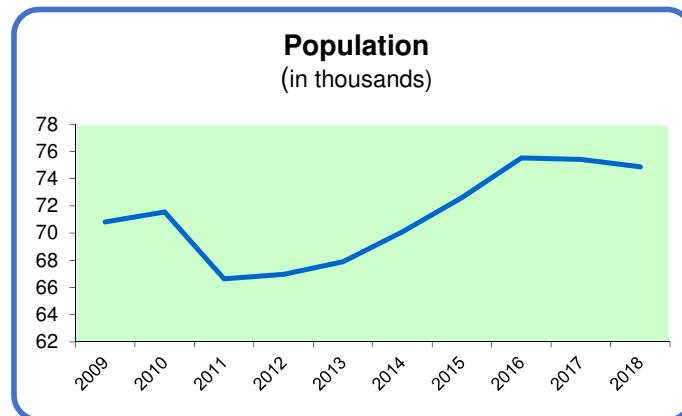
Following the computer firm boom of the 1980s and the opening of one of the nation's largest malls in 1994, the city is now home to 74,865 residents.

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

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 74,865 are family-centered communities that embrace cultural diversity, quality schooling, and conveniently located neighborhood parks and shopping centers.



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

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





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

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

Principal Property Tax Payers

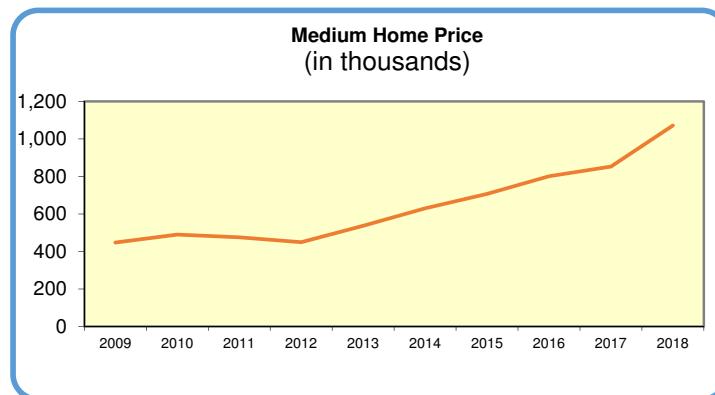
Fiscal Year 2016-17

<u>Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total City Assessed Value</u>
Cisco Systems Inc.	\$904,067,145	5.64%
KLA Tencor Corporation	383,520,929	2.39%
Santa Clara Valley Transportation	312,617,372	1.95%
SandBox Expansion LLC	206,785,818	1.29%
McCarthy Center Holdings LLC	172,762,983	1.08%
Essex Portfolio LP	152,172,338	0.95%
Hudson Campus Center LLC	126,015,986	0.79%
Linear Technology Corporation	123,316,940	0.77%
Regency Tasman Holdings LLC	117,540,562	0.73%
Headway Technologies Inc.	110,237,089	0.69%

Milpitas' neighborhoods are dotted with over 20,000 households and well-placed parks. Thirty-four community parks are maintained by Milpitas, in addition to one dog park and 21 tennis courts. The City provides a multitude of outstanding recreational opportunities, including aquatics, cultural arts and theater, sports leagues and activities, youth programming, and senior activities and services.

Milpitas' average household income is \$103,623. The percentage of households with incomes more than \$75,000 is close to 74 percent. About 47% of the households earn more than \$100,000 annually.

Close to 64 percent of Milpitan own their own home. Rental prices vary from \$1,995 to \$2,995 per month for renters with one and two bedroom apartments and duplexes. Rent for two and three bedroom houses typically run \$2,995 to \$3,500. The median price of a home as of June 2018 in Milpitas is \$1,071,500. There are 20 suburban residential areas. About 6.5 percent of the city's population are 5 years old or younger, the lowest in the county. About 21 percent are between 6 and 18 years old. About 61 percent of the population are between 18 and 64 years old. About 11 percent of residents are over 65, also the lowest in the county.



Milpitas public school system has 9 elementary schools, 2 middle schools, 2 high schools, 2 children centers, and an adult education program serving the community. Private school system has 4 elementary schools and 33 preschool/daycare facilities. School enrollment is 10,360.

Milpitas has the highest population of ethnicities in all Santa Clara County. According to the 2010 census, an estimated 67 percent of residents are Asian; 17 percent are Caucasian; 15 percent are Hispanic or Latino; and 2 percent are Black or African-Americans.

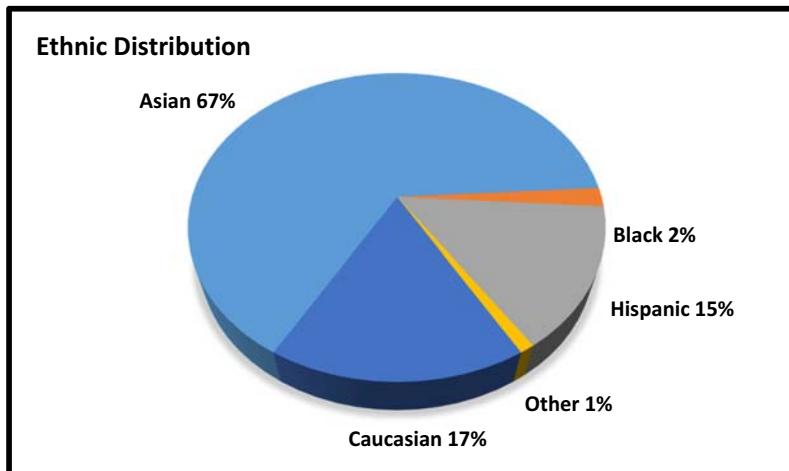
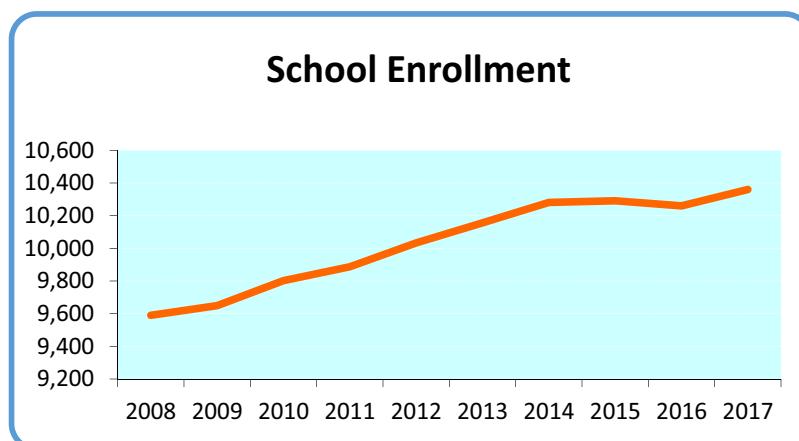
At 20 feet above sea level, Milpitas' mild climate averages 59 degrees, with gentle winds from the northwest and little more than 13 inches of rain expected in a typical year.

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 \$191 million budget. The five members carry out twice a month public meetings. At these times, the public's comments are usually heard, under the citizen's forum. The Council's meetings are held the first and third Tuesdays of each month at 7:00 p.m. in the Milpitas City Hall, 455 E. Calaveras Blvd.

There are 14 advisory commissions on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library Advisory Commission and Senior Advisory Commission, to name a few.

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



City of Milpitas at a Glance

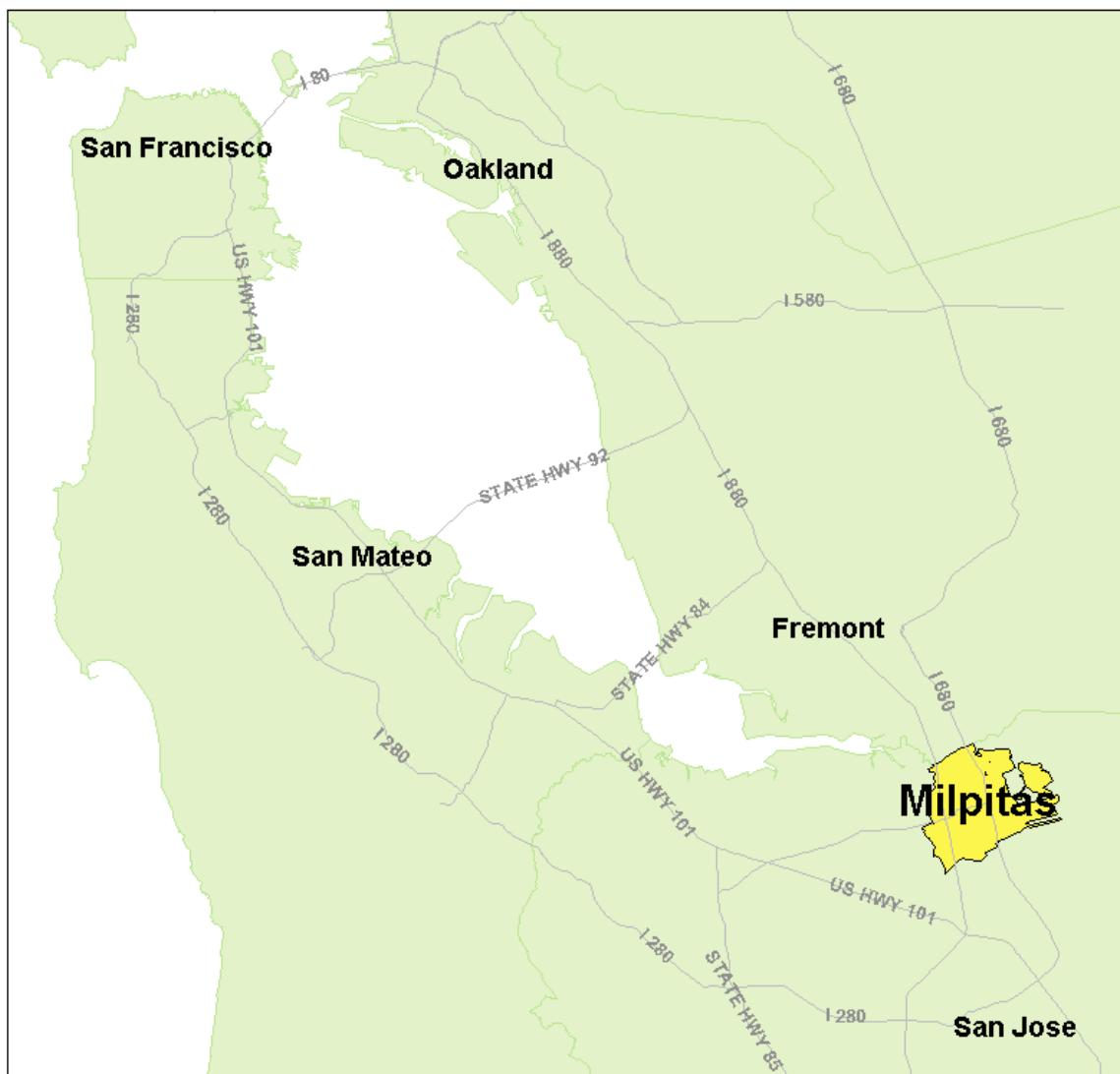
Date of Incorporation	January 26, 1954	Water Utility	
Form of Government	Council-Manager	Number of Customers:	
		Residential	15,111
		Commercial	1,838
Population (estimated*)	74,865	Recycled Water	208
Land Area (Square Miles)	13.6	Average Daily Consumption (in million gallons)	
Miles of Streets	298	5.8	
Number of Street Lights	4,581	Miles of Water Mains	
		203	
Fire Protection			
Number of Stations	4	Sewer Utility	
Number of Firefighters	55	Miles of Sanitary Sewers	173
Fire Apparatus	12	Miles of Storm Drains	99
Number of Fire Hydrants	2,039		
		Public Schools Serving the Community	
Police Protection			
Number of Stations	2	Elementary Schools	9
Number of Sworn Officers	89	Middle Schools	2
Crossing Guard Posts	29	High Schools	2
Number of Police Patrol Vehicles	29	Parks and Recreation	
		Acres of Parkland	195
Employees			
Permanent	389	Number of Parks	32
Temporary (FTE)	85	Number of Swimming Pools	3
		Number of Tennis Courts	21

Courtesy of

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

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Vicinity Map



The City of Milpitas is located near the southern tip of San Francisco Bay, forty-five miles south of San Francisco. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.63 square miles of land situated between two major freeways (I-880 and I-680), State Route 237, and a county expressway. A light rail line opened for service in 2004 and an extension of BART, including a major multi-modal station is expected to open for service in 2018.

City Council

Mayor	Rich Tran
Vice Mayor	Marsha Grilli
Councilmember	Garry Barbadillo
Councilmember	Bob Nuñez
Councilmember	Anthony Phan

Commissions/Board

Arts Commission

Robin Hays
Dan Bobay
Tess Santos
Harriett McGuire
Nicole Phan
Robert Gill
Becky Strauss
Marsha Tran
Christina Driggers
Lu Qiang Shu

Bicycle Pedestrian Advisory

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

Community Advisory

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

Economic Development

Commission
Ricardo Ablaza
Warren Wettenstein
Dhaval Brahmbhatt
Anna Wang
Charlene Tsao
Donald Peoples
Chris Norwood
Minh Nguyen
Lynne Rice
Jeffrey Chen
Raghu Reddy

Emergency Preparedness

Commission
Michael Berryhill
Timothy J. Howard
Betty Reutter
Don Clendenin
Mercedes Albana
Jonathan Nakapalau
Nasir Lalani
Vicki Young

Library Advisory Commission

Elpidio Estioko
Ha Phan
Hellie Mateo
Sonny Wang
Trinidad Aoalin
Nonie McDonald
Yu-Lan Chou
Dana Arbaugh
Theresa Hoang

Commissions/Board

Parks, Recreation and Cultural Resources Commission

Satish Bansal
Evelyn Ramirez
Aakar Shah
Bhupinder Singh
Rohit Sharma
Steve Munzel
Voltaire Montemayor

Planning Commission

Sudhir Mandal
Rajeev Madnawat
Lawrence Ciardella
Gurdev Sandhu
Zehy Mohsin
Ray Maglalang
Demetress Morris
Evelyn Chua

Recycling & Source Reduction Advisory Commission

Marta Martinez
Manpreet Badesha
Christopher Salian
Echo Arthur
Brian Shreve
Mandeep Singh
Yue George Liu

Senior Advisory Commission

Barbara Ebright
Melba Holliday
Jae Wi
Deborah R. Langley
Denny Weisgerber
Estrella Gilana
Karen Adams
Jenny Berryhill
Patrick Yung
Willy Wong
Nona Tolentino

Sister Cities Commission

Dennis Grilli
Dipak Awasthi
Massoud Arefi
Peter Chang
Michael Tsai
Jennifer Strohfus
Tiffany Dinh

Telecommunications

Commission
Albert Alcorn
Dinesh C. Gupta
William Lam
Sukhi Singh
Hai Tran
Kurt Bohan
Anh Bao
Niranjan Gupta
Ernesto Bautista
Jamie Hallera
Ratan Choudhury

Veterans Commission

Arthur Ebright
Denny Weisgerber
Ed Ackerman
Andre Ramones
William Devereux
Liliana Ramos
John Schmidt
Ricardo Martinez

Youth Advisory Commission

Emerald Gilana
Christie Maly
Clare Sern
Ravit Sharma
Claudia Wang
Amanda Jimenez
Isaac Chang

Directory of Officials

Fiscal Year 2018-2019

City Manager
Julie Edmonds-Mares

Police Chief
Armando Corpuz

Director of Financial Services
Will Fuentes

Acting Fire Chief
Rick Frawley

City Clerk
Mary Lavelle

City Attorney
Christopher Diaz

Chief Information Officer
Mike Luu

Human Resources Director
Liz Brown

Director of Engineering
Steven Erickson

Planning & Neighborhood Services Director
Ned Thomas

Building & Housing Director
Sharon Goei

Public Works Director
Tony Ndaah

Recreation Services Director
Renee Lorentzen

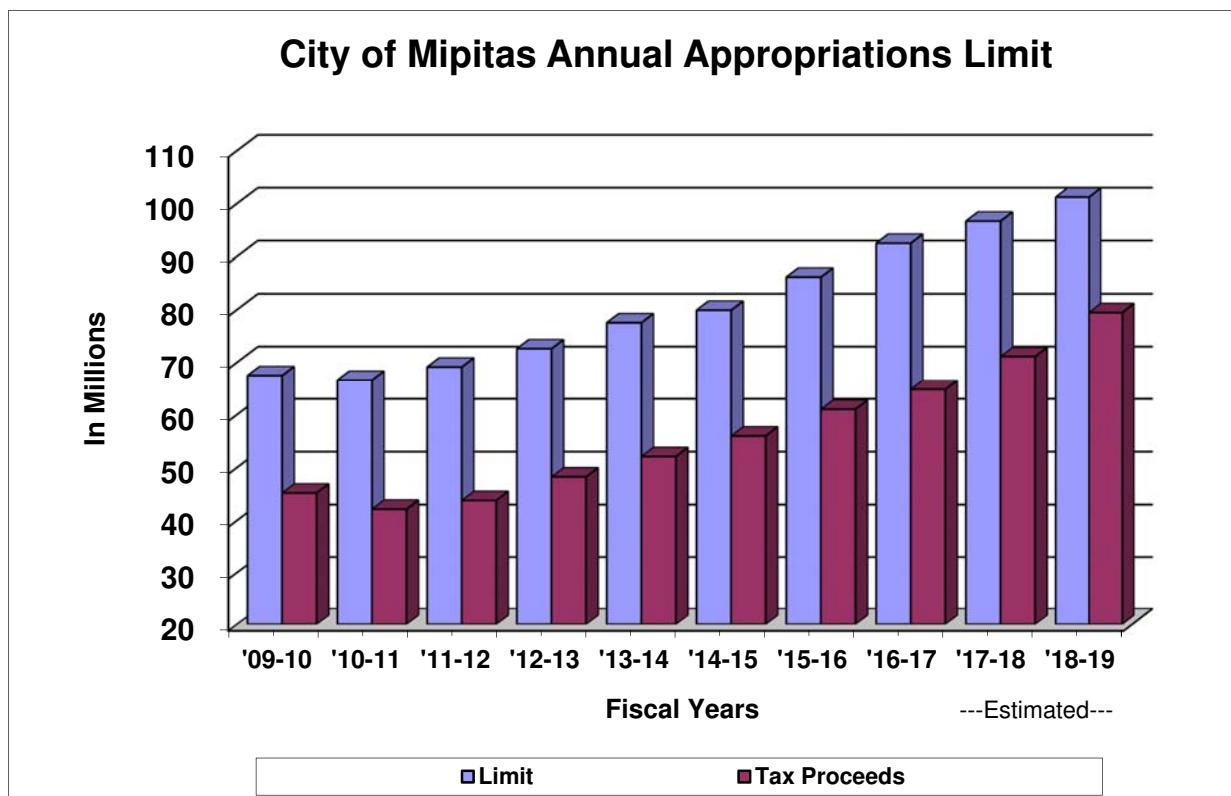
Economic Development Director
Vacant

Gann Limit Analysis

Article XIIIB 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 FY2018-19 has been computed to be \$101,169,019. Appropriations subject to the limitation in FY2018-19 budget total \$79,424,337 that is \$21,744,682 less than the computed limit.

The following chart shows the annual Appropriations Limit and the tax proceeds received since Fiscal Year 2009-2010. The City has not exceeded its annual Appropriations Limit in any single fiscal year. The City has been under 90% of the limitation and should not be impacted by the Appropriations Limit.



Computation of Legal Bonded Debt Margin

City of Milpitas
June 30, 2018

ASSESSED VALUATION:

Total property assessed value, net of exempt real property	<u>\$17,465,358,074</u>
BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$654,950,928</u>

AMOUNT OF DEBT SUBJECT TO LIMIT:

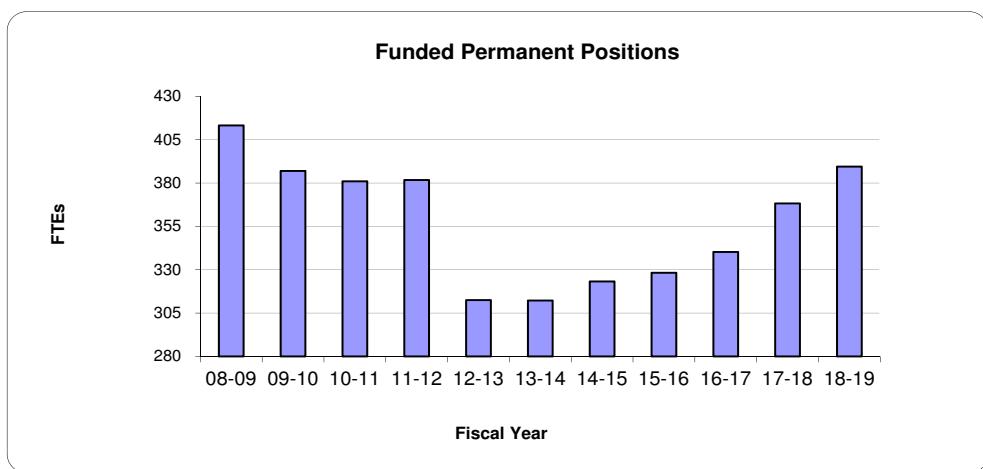
Total Bonded Debt	\$4,725,000
Less: 2017 Wastewater Revenue Refunding Bonds, not subject to limit	4,725,000
Amount of debt subject to limit	<u>-0-</u>
LEGAL BONDED DEBT MARGIN	<u>\$654,950,928</u>

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

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

Funded Permanent Positions by Department

	14-15		15-16		16-17		17-18	FY18	FY19	18-19
	Funded	Change	Funded	Change	Funded	Change	Funded	Mid-Yr	Adopted Add	Budget
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00		0.00	5.00
City Manager	4.00	0.00	4.00	0.00	4.00	(1.00)	3.00	1.00	2.00	6.00
City Clerk	2.00	0.00	2.00	0.00	2.00	1.00	3.00		0.00	3.00
Economic Development	0.00	0.00	0.00	0.00	1.00	2.00	3.00		0.00	3.00
City Attorney	3.00	0.00	3.00	(2.00)	1.00	0.00	1.00		0.00	1.00
Building and Housing	17.00	1.00	18.00	0.00	18.00	1.00	19.00	(1.00)	0.00	18.00
Information Services	10.00	(1.00)	9.00	1.00	10.00	0.00	10.00		1.00	11.00
Human Resources	3.00	1.00	4.00	0.00	4.00	1.00	5.00		0.00	5.00
Recreation Services	13.75	1.00	14.75	1.00	15.75	0.00	15.75		2.25	18.00
Finance	21.50	1.00	22.50	1.00	23.50	1.00	24.50		3.00	27.50
Public Works	41.00	0.00	41.00	5.00	46.00	19.00	65.00		3.00	68.00
Engineering	23.00	0.00	23.00	2.00	25.00	(7.00)	18.00	2.00	3.00	23.00
Planning & Nghbrhd Svres	11.00	0.00	11.00	0.00	11.00	3.00	14.00	1.00	0.00	15.00
Police	108.00	1.00	109.00	2.00	111.00	3.00	114.00		3.00	117.00
Fire	61.00	1.00	62.00	1.00	63.00	5.00	68.00		1.00	69.00
TOTAL	323.25	5.00	328.25	11.00	340.25	28.00	368.25	3.00	18.25	389.50



New Position Requests

FY 2017-18 MID YEAR

Public Works Inspector – Engineering Department

Since July of 2014, the City has experienced a high volume of private development construction. Currently, Engineering is managing 50 private development projects in different phases of the completion process, and is processing approximately 18 encroachment permits each month for work within the City's right-of-way. Encroachment Permits and Private Development construction for work within the City's public-right-of-way requires inspection by a City Public Works Inspector. The Inspector is there to review the construction work to ensure compliance with City standards, safety requirements, and to verify completed improvements to be dedicated to the City are completed as permitted. Public Works Inspectors also provide construction inspection duties on the City's Capital Improvement Program (CIP) projects, which are completed by the Design & Construction (D&C) Engineering Section. Currently, D&C completes approximately \$8 to 12 million in annual CIP projects which require inspection services. The 2018-2023 CIP document funds approximately \$43.9 million in CIP projects for Fiscal Year (FY) 2018-19 year. The volume of both CIP and Private Development projects exceeds the ability of the existing three (3) Public Works Inspectors. The addition of another full-time Public Works Inspector will reduce the inspection schedule backlog which impacts the development community as well as the City's CIP program. The Public Works Inspector would report to the Senior Public Works Inspector.

Associate Civil Engineer – Engineering Department

Since July of 2014, the City has experienced a high volume of private development construction requiring the review and permitting from Traffic Engineering and Land Development staff. Currently, Engineering is managing 50 private development projects in different phases of the completion process, and is processing approximately 18 encroachment permits each month within the City's right-of-way. The Traffic Engineering Section reviews and permits proposed street and traffic signal improvements; reviews development traffic impacts and recommends appropriate mitigation; provides timely response to traffic safety and operation concerns; and reviews and approves contractor submitted traffic control plans. The Traffic Engineering Section also completes CIP projects that are traffic related including the City's annual street resurfacing project and pedestrian/sidewalk improvement projects. The rapid growth and economy within Milpitas as well as the Counties of Santa Clara and Alameda have impacted on-street parking and traffic flow within Milpitas. To alleviate these growth related impacts, regional traffic management and planning with surrounding agencies will be required, and the Traffic Engineering Section would be at the front of this effort for the City of Milpitas. This new Associate Civil Engineer would report directly to and be supervised by the Land Development Principal Civil Engineer. Each of the Land Development Engineers would administer and manage of one or two statutory programs. Funding for this position is reimbursable through the private development projects.

Housing Authority Administrator – Planning Department

The Housing Authority Administrator will plan, develop and monitor programs and activities designed to stimulate the preservation, development and financing of affordable housing. In addition to identifying funding sources for housing program, the Housing Authority Administrator will develop and negotiate contracts with public, non-profit, and/or private developers. The Housing Authority Administrator will also keep updated of federal, state, and local legislative and regulatory changes effecting housing programs, and make presentations related to housing issues to the City Council, Commissions, management staff, non-profit organizations and other community groups. The Housing Authority Administrator position will be funded by 90% Housing Authority Fund and 10% General Fund. This position was previously approved as a Principal Planner.

Deputy City Manager (Development) – City Manager's Office

This Deputy City Manager (Development) position will coordinate the operations of the Building and Housing Department, the Planning and Neighborhood Services Department, Land Development, Economic Development, and some Fire Prevention Inspections. The Deputy City Manager will initially be responsible for an organizational review and continuous improvement of the City's development process. This would include an evaluation of current developer fees and proposed changes to ensure the City is in a cost recovery mode. The organizational review will be completed in collaboration with internal and external stakeholders and focused on the areas of entitlement, plan check, inspection, customer service and support to the development community. The ongoing cost for this position is partially offset by the removal of a vacant Permit Center Manager position.

FY 2018-19 NEW POSITIONS

Assistant Fire Marshal – Fire Department

The Assistant Fire Marshal position is essential due to the fast growth of construction in the community. This high paced growth has taxed the Fire Prevention Bureau to a point where employees cannot maintain compliance with building and code issues. This position will also act as a succession planning piece for the Fire Prevention Bureau. We anticipate a core group of employees retiring in this division within the next three years. The Assistant Fire Marshal position was previously maintained in the Fire Department but was eliminated. The position will report directly to the Fire Marshal.

Crime Analyst – Police Department

Crime analysis is beneficial in establishing effective strategies to respond to on-going crime patterns and apply predictive analytics to forecast crime trends. The Police Department's Crime Analyst position was funded from 1997 to 2008. From 2008 to late 2017, a Police Officer has been reassigned from patrol duties to analyze crime data, disseminate crime trend information and provide strategic recommendations to field deployed officers and detectives. Since late 2017, the Investigations Lieutenant has been responsible for evaluating crime data. Crime analysis is a highly technical, professional discipline. It consumes significant time and requires specialized certification and training to compile and analyze qualitative and quantitative crime data and accurately create intelligence reports. These specialized skill-sets generally extend beyond those of most Police Officers. A professional Crime Analyst is an invaluable component to the Police Department's crime prevention/ reduction efforts. The Crime Analyst will report directly to the Special Operations Division Captain. The Analyst will collect and analyze crime patterns, study offender behavior, support detectives' criminal investigations, and provide intelligence reports. The Analyst will collaborate with analysts from other jurisdictions and perform other related duties.

Police Clerk II – Police Department

An additional Police Clerk is beneficial due to the increase in police reports and citations caused by legislation releasing criminals back into the communities to reduce prison populations (California Proposition 47 and Assembly Bill (AB) 109). In the late 1990's, the Records Unit was staffed with six (6) Police Clerks and a full-time Court Liaison. Since 2011, the department has been operating with five (5) Police Clerks and have absorbed the duties of the Court Liaison. With the decriminalization of several crimes (ex. drugs), online reporting, and the automation of police reporting there has been an increase in staff workload. The current staffing levels have not been able to keep up with the high demands for data entry and public requests. Over the last 5 years there has been a steady increase in Police Clerk workload and we project the BART Project transitioning into operation will increase Police Clerk workload. The trend in Police case work processing for the last 5 years is as follows: 2013 - 6,998 reports, 2014 - 7,487 reports, 2015 - 7,728 reports, 2016 - 7,786 reports, 2017 - 8,053 reports. The Police Clerk will report directly to the Police Clerk Supervisor under the command of the Technical Services Division Captain. The Police Clerk will process daily reports, prepare paperwork for the District Attorney's Office and Court, provide counter assistance, input data entry of case reports, process subpoenas, process vehicle releases, respond to public requests, and other duties as assigned.

Assistant Chief of Police – Police Department

In the late 1990s, the Police Department's command staff was structured with a Police Chief, (2) Captains, and (3) Commanders. Currently, the command staff is comprised of a Police Chief and (3) Captains. The current structure limits the police department's bandwidth for succession planning, timely policy implementation, internal & external responsiveness, strategy assessment, and operational assessments. The City needs will continue to change with the Bay Area Rapid Transit (BART) station opening, the build out of the Transit Area Specific Plan (TASP) and the Mid-Town Specific Plan. Our City is becoming a destination point and it is imperative that the Police Department maintain services in respect to City growth, technology, the increase in crime, and community engagement. The Assistant Police Chief position will increase the capacity to maintain and enhance operational standards, succession planning, and service delivery. The Assistant Police Chief will report directly to the Chief of Police. The Assistant Police Chief will be responsible for administrative oversight of the Police Department's three divisions; assist in developing and implementing the department budget; develop and implement policy; forecast and resolve complex issues; establish positive internal / external working relationships; and act as the Chief of Police in his / her absence.

Sr. Public Works Lead – Public Works Department

The Sr. Public Works Lead position will manage customer service, community requests, and contractor support throughout the City as part of the Storm/Sewer element of the Utilities Maintenance Function. This new job classification will provide additional oversight of day-to-day operations and maintenance, including oversight of work crew(s) and division section(s). This is a request for a fully funded Sr. Public Works Lead position to be assigned to the Utilities Division to oversee Storm & Sewer Utilities section(s). The Sr. Public Works Lead will report to Public Works (Division) Manager. Sr. Public Works Lead is distinguished from Public Works Manager in that Public Works Manager is responsible for personnel management, finance and budget, and Strategic Plan implementation. The Sr. Public Works Lead will oversee one or more work sections within the respective division and provide general oversight of day-to-day operations and maintenance.

Environmental and Regulatory Compliance Specialist – Public Works Department

The Public Works Department is required to comply with federal, state, and local laws and regulations that are necessary for the City to operate and maintain water, sewer, storm water infrastructure, as well as maintaining compliance with OSHA safety requirements. Regulatory requirements often change and lack of compliance to state and federal requirements could lead to significant fines to the City. An Environmental and Regulatory Compliance Specialist is needed to provide the Public Works Department with expertise in working knowledge of the laws and regulations promulgated by various federal, state and local environmental and regulatory agencies to assure compliance with applicable laws and regulations, and provide compliance expertise to the department. Staff is also needed to provide compliance assistance and will advise management of pertinent regulations affecting operations and maintenance activities. The Environmental and Regulatory Compliance Specialist will report to the Deputy Public Works Director. This position will perform a variety of administrative and technical duties relating to environmental and regulatory management and reporting activities, and verify and ensure City compliance with all environmental regulation, reporting, and permit requirements. The position will be responsible for monitoring all regulations from Federal, State, and Public environmental agencies, such as the California Environmental Protection Agency (Cal-EPA), California Occupational Standards of Health Agency (Cal-OSHA), State Water Resources Control Board (SWRCB), Bay Area Air Quality Management District (BAAMQD), California Department of Health Services, and other public agencies as well as various private environmental agencies, to ensure that the Public Works Department remains in compliance. The position will be at a higher level than a Sr. Administrative Analyst position.

Administrative Analyst I – Public Works Department

In FY 2016-17, the San Jose/Santa Clara Water Pollution Control Plant completed an evaluation of its Fats, Oils, and Grease (FOG) program and concluded that the program provided minimal benefit to the Plant, but rather is of significant benefit to the sanitary sewer collection system of the tributary agencies. In May 2017, San Jose eliminated the FOG Program as it relates to the Plant (including the City of Santa Clara and the tributary agencies) and in July 2017 turned over all FOG related documents to the tributary agencies to develop and manage their own FOG Programs. Staff is needed to continue to manage this program which is critical to the City's sewer infrastructure. Although the California drought is over, California Governor's Executive Order B-37-16, directs the Department of Water Resources (DWR) and four other State agencies to develop framework to make conservation a way of life for California. The framework will likely require the City to continue its water wise and water conservation efforts, which have been managed by part time staff. The City will not have staff available to manage the conservation programs after December 2018. Also, in 2015, the state enacted major changes to the Water Efficiency Landscape Ordinance (WELO). Staff is needed to stay current on the WELO requirements, and review landscape projects to make sure new construction and rehabilitated landscape projects meet State requirements. The Administrative Analyst I would report to the Principal Engineer in the Utilities Engineering division.

Recreation Assistant IV – Recreation and Community Services Department

The Recreation Assistant IV (Contracts) position will manage all of Recreation's private and public class and specialty contracts for recreation's youth, senior and adult program and citywide special event. One of recreation's primary revenue streams is contract classes. Recreation and Community Services currently does not have a dedicated full time staff member to handle the supervision of 40+ contractors for classes and 10+ contractors for Special Events. Recreation currently generates over \$1,000,000 in revenue from contract classes annually. Recreation Assistant IV (Contracts) would report to a management staff member. Their duties will include handling the supervision of contracts for all contract classes, contracts for Special Events and Specialty contracts such as the Milpitas Community Concert Band and Center Stage Children's Theater. The position will be responsible for all contracts, proof of liability insurance, and payments performances from specialty contracts. Responsibilities will also include being the primary contact person for all possible contract classes. The person will also review and approve room diagrams, set-ups and handling all contract related issues and requests.

Recreation Services Assistant I – Recreation and Community Services Department

The Senior Nutrition Program at the Barbara Lee Senior Center is a foundational program element at the site and serves in excess of 110 participants during the lunch hour. As such, there has been an increased need for enhanced food service management and program support to maintain the high quality of service for our senior participants. The part-time Food Server position (part-time Recreation Services Assistant I), in particular, has had increased responsibilities over the last few years to keep pace with the growing program needs. The Food Server has experienced increased oversight of daily operations management and tasks requisite to maintaining this high standard of service. Because of this, the current 30-hour per week schedule is inadequate to currently support the demands of the position. Thus, the Recreation and Community Services Department is proposing that the former 30-hour per week Food Server position be elevated to a 40-hour per week position to successfully meet the demands of our Senior Nutrition Program at the Senior Center. This will allow for comprehensive oversight related to the daily operations management required to successfully maintain the highest quality of service to our senior participants. This position reports to the Senior Center Supervisor. These are the additional responsibilities that would encompass the additional 10 hours that are proposed: compile monthly recordkeeping for the County including sanitation and temperature logs, weekly food survey log and vendor receipts; track lunch program volunteer hours accrued for reporting; maintain daily "food quality" surveys related to food quality, portion size, presentation, etc. that is recorded for the County; initiate and track work order requests for equipment and kitchen facility repair needs/issues; temperature test the commercial-grade dishwasher on a weekly basis; ensure proper temperature record (for County) of food items upon delivery and also prior to serving; provide pertinent menu suggestions for County dissemination; oversee County's proper food-handling procedures for volunteers including aprons, hairnets, handwashing, food-serving gloves, appropriate clothing, etc.; collect and organize vendor receipts in support of the Nutrition Site Manager; manage daily lunch reservation system including working directly with outside food vendors.

Community Services Engagement and Inclusion Administrator – Recreation and Community Services Department

The City of Milpitas is one of the most diverse in cultural population and languages spoken, in Santa Clara County. As a full service city, it is important that residents are informed of all the programs, community events and services available to them. It is equally important that they are part of the discussion as to the types of programs and services that the city offers. The addition of a Community Services Engagement and Inclusion Administrator will be tasked with ensuring the residents of Milpitas, particularly our community where English is a second language are engaged, and that programs and experiences are accessible. This position would be located in the Recreation and Community Services Department and would report directly to the Director of Recreation and Community Services. Examples of duties include:

- Conduct outreach and engagement at events and gatherings, assist in coordination between the department and cultural groups for cultural celebrations, manage and provide citywide translation services, work with Recreation and Community Services Marketing Coordinator on cultural accessibility of department publications, conduct outreach meetings and focus groups in the community, create strategic plan on service accessibility, city facility and sign audits for non-English speakers, and serve as liaison to local non-profit organizations, faith-based organizations, community and universities.
- Establish good working relationships with the public and service organizations and to maintain those relationships, attend and be involved at community events; work across departmental lines to establish relationships with other departments to better be able address their community outreach needs.

Associate Civil Engineer – Engineering Department

The Design and Construction Engineering Section (D&C) serves the community by completing funded Capital Improvement Program (CIP) projects identified in the annual 5-year program including Streets, Utilities, Parks, and Community Improvements. Work includes the preparation of bid and construction documents; administration of design and construction projects; construction claim resolution; and project management. D&C currently has three project management engineers, and each manages approximately 2-4 CIP projects depending on size and complexity. The D&C Section completes approximately \$8 - 12 million in CIP projects annually. The 2018-2023 CIP document includes \$43.9 million in projects funded for the FY 2018-19 year. The number of annual funded projects exceeds the existing staff's capacity. The addition of another experienced Associate Engineer to the D&C project management team will help reduce the CIP backlog and to deliver requested projects for the community. This position will be 80% funded through the CIP projects assigned.

Associate Civil Engineer – Engineering Department

Since July of 2014, the City has experienced a high volume of private development construction requiring the review and permitting from Traffic Engineering and Land Development staff. Currently, Engineering is managing

50 private development projects in different phases of the completion process, and is processing approximately 18 encroachment permits each month within the City's right-of-way. Work includes the review and permitting of improvement plans for work within the public right-of-way for compliance with City development standards and safety. Land Development staff review proposed Parcel Maps, Final Maps, and Tract Maps for compliance with City standards and the State Subdivision Improvement Map Act requirements. In addition to managing and permitting development projects, Land Development Engineering staff are responsible for certain statutory programs including the Community Rating Service (CRS) Federal Flood Insurance Program; FEMA Flood Plain Management; State Stormwater NPDES requirements; City's landscape/irrigation efficiency ordinance compliance; and the management of Franchise Agreements. Land Development Engineering also coordinates the Community Facilities District 2005-1 and 2008-1 annexations, as well as coordination with Assessment Engineer for the annual assessment of the Landscape and Lighting Maintenance Districts 95-1 and 98-1. Thus, the Engineering Department is requesting a new Associate Civil Engineer. This position would report directly to and be supervised by the Land Development Principal Civil Engineer. Each of the Land Development Engineers would administer and manage of one or two statutory programs. Funding for this position is reimbursable through the private development projects.

Junior/Assistant Civil Engineer – Engineering Department

Since July of 2014, the City has experienced a high volume of private development construction requiring the review and permitting from Traffic Engineering and Land Development staff. Currently, Engineering is managing 50 private development projects in different phases of the completion process, and is processing approximately 18 encroachment permits each month within the City's right-of-way. Work includes the review and permitting of improvement plans for work within the public right-of-way for compliance with City development standards and safety. Land Development staff review proposed Parcel Maps, Final Maps, and Tract Maps for compliance with City standards and the State Subdivision Improvement Map Act requirements. In addition to managing and permitting development projects, Land Development Engineering staff are responsible for certain statutory programs including the Community Rating Service (CRS) Federal Flood Insurance Program; FEMA Flood Plain Management; State Stormwater NPDES requirements; City's landscape/irrigation efficiency ordinance compliance; and the management of Franchise Agreements. Land Development Engineering also coordinates the Community Facilities District 2005-1 and 2008-1 annexations, as well as coordination with Assessment Engineer for the annual assessment of the Landscape and Lighting Maintenance Districts 95-1 and 98-1. Thus, the Engineering Department requesting a new Junior/Assistant Civil Engineer. This position would report directly to and be supervised by the Land Development Associate Civil Engineer. Each of the Land Development Engineers would administer and manage of one or two statutory programs. Funding for this position is reimbursable through the private development projects

Public Information Officer – City Manager's Office

The City of Milpitas is a growing and dynamic city. It has and is continuing to expand in its population, business portfolio, high profile projects, events, and policy. As a mid-size city, it is imperative to have an experienced point of contact to strategically manage information. The new Public Information Officer (PIO) position will oversee the city collaborative development and management of comprehensive communications and marketing programs. The PIO will be a resourceful resources who is able to find effective ways to tell the City's story in the right way for the right audience at the right time. This position would be located in the City Manager's office and would report directly to the Assistant City Manager. Example of duties include:

- The PIO will be responsible for the strategic leadership and professional support for Citywide communications programs and campaigns; developing and carrying out comprehensive communications strategies and resources; and, counseling, coaching and coordinating the decentralized communications of City departments that range from development to recycling.
- The PIO will identify and promote the City's achievements, innovations, and public policy and service goals across all appropriate channels. These include news media of all types, speaking opportunities and thought leader programs, presentations, direct mail, advertising, special events, and the entire realm of communications technologies including web content, social media, and audio visual.
- The PIO will also ensure that the City continues its strong commitment to governmental transparency and responsiveness to news media and the community that is essential for building and maintaining the public trust through effective two-way communications.

Office Specialist – City Manager's Office

The full-time Office Specialist positon in the City Manager's Office is a merging of two (2) former part-time support staff positions in the City Manager's Office. All costs are offset by the reduction in the two (2) former part-time support staff positions. With a growing community and the need to increase leadership staffing in the City Manager's Office by adding a new Deputy City Manager (Development) and a new Public Information Officer

(PIO) as well as filling the vacant Assistant City Manager position, there is also the need to add higher level support staff to assist in leadership efforts. The Office Specialist is the technical specialist level in the Office Assistant series. Supervision will be received by the City Manager's Executive Secretary and the leadership positions within the City Manager's Office. The position will perform complex, technical and specialized office support duties that require the use of judgment and initiative and ability to act independently. The position requires specialized knowledge and skills that are not learned in a short period of time and are at a higher level than those required of journey level office support workers or part-time support staff. Due to the nature of work and complexity of issues in the City Manager's Office and citywide, this is a needed and appropriate position to provide support to a growing community.

Financial Analyst I (Budget) – Finance Department

Due to a growing City and increasing complexity within municipal finance, the Finance Department has a need for high level analysis within the budget team. The new Financial Analyst I position will report to the Budget Manager and provide ongoing support with the annual budget process as well as support for external and internal financial reporting, expense and revenue tracking, equipment inventory process, budget process improvements, budgetary community engagement, possible implementation of a new budget system for entry, labor and other cost projections, and document production. This will enhance the budget process as well as long-range forecasting so as to ensure we remain on strong financial footing now and well into the future.

Financial Analyst I (Generalist) – Finance Department

The Finance Department has been tasked with implementing new internal controls, policies, procedures, and projects such as a contract management program, a new cost allocation plan, a needs assessment for enterprise resource planning (ERP) system, water rate study support, sewer rate study support, bond issuances for the Water Fund, bond issuances for Sewer Fund, potential new debt issuances for other infrastructure needs, analytical support to the Cannabis subcommittee, and improving investment returns either internally or through a partnership with an external investment advisor. The new Financial Analyst I will be a generalist reporting directly to Director of Financial Services and will support projects and efforts listed above. Some of their projects may overlap with the budgetary Financial Analyst and they would partner on projects as needed. This would greatly enhance the analytical abilities of the Finance Department and allow needed projects, policies, procedures, and improvements to be implemented much more timely; thereby benefiting citywide internal staff and the public. It would also benefit the Director of Financial Services and the Assistant Director of Financial Services by allowing both to dedicate more time to the management and strategic leadership and vision of the department.

Customer Services Supervisor – Finance Department

The requested Customer Services Supervisor will be a front line supervisor of counter and telephone staff in Fiscal Services, reporting to the Assistant Director of Financial Services and working in close coordination and partnership with the current supervisor in Fiscal Services, which is a Sr. Accountant. Supervision of the current 8 member division unit would be split to allow for enhanced guidance, communication, and operational coordination. While the position will be a supervisor who can handle customer escalations, they will also act as a floater, able to cover the counter and telephones and allow staff to take breaks, vacations, and sick time when needed. This should enhance oversight and guidance within Fiscal Services, provide for better coverage, and allow other staff within Fiscal Services to address issues such as business license compliance, auditing, discovery, collection, and tax code modernization (should Council and the public vote for it) and implementation of automated meter infrastructure (AMI). The existing Sr. Accountant in Fiscal Services will again work in close coordination and partnership with this position and will supervise the remaining staff in Fiscal Services. This position could be fully cost covering due to the ability of other team members to increase revenue through business license compliance, auditing, discovery, collection, and tax code modernization efforts, but it is not contingent upon a business license tax code modernization.

Senior Information Analyst/Developer – Information Services Department

The Senior Information Analyst/Developer position is needed to fill the void left from staff retirement and internal promotion of a Systems Administrator to Operations Manager. With the new implementation of a new Police Records Management Systems and Computerized Maintenance Management System (CMMS), the new position will be assisting in developing new reports and integrations to other internal systems. The Senior Information Analyst/Developer will also be tasked to manage current upgrade projects and new projects. The position will take the lead in a process of continual review and data quality audit, to ensure reliability and improvement in data sharing among internal systems. The Senior Information Analyst/Developer will report to Information Services Director.

RECLASSIFICATION

Economic Development and Sustainability Coordinator – Economic Development Department

The job title, descriptions, and scope of work duties as Economic Development Specialist do not meet the current and future Department needs in a fast-growing city. This position has taken on more complicated issues such as sustainability over the last year. With the City joining SVCE, the Economic Development Department needs to expand the role and responsibilities to include sustainability as part of the job description and duties. The reclassification from Economic Development Specialist to Economic Development and Sustainability Coordinator would reflect the actual needs and responsibilities in order to implement current workload and programs.

Payroll Specialists (2) (Payroll) – Finance Department

Within the Finance Department, there are two (2) Fiscal Assistant positions that perform payroll processing. Payroll is a highly specialized function involving complex calculations, knowledge of payroll laws, retirement laws, and tax codes, great attention to detail, and the ability to produce on time, all the time, payroll checks every two weeks. Mistakes can result in overpayment or underpayment of employees, missed payroll processing check dates, and penalties and fines from the Internal Revenue Services (IRS) and California Public Employee Retirement System (CalPERS) to name a few. However, the Fiscal Assistant title is also used for Accounts Payable and Revenue Collection/Customer Service functions. While both the Accounts Payable and Revenue Collection/Customer Service functions have their own challenges, they do not require the same high level of skill, precision, timeliness, and knowledge that the Payroll function does and thus, it is appropriate to reclassify the two (2) Fiscal Assistant positions that perform payroll processing to the higher level Payroll Specialist position title. Making a higher level distinction between the Payroll function and the Accounts Payable and Revenue Collection/Customer Service functions is common practice in other public agencies and allows Milpitas to retain and attract qualified professional personnel. As such, this reclassification will better allow the City to retain and build up the knowledge and experience of current staff and remain competitive with other jurisdictions in the pursuit of experienced, high quality staff.

Sr. Fiscal Assistant (Fiscal Services) – Finance Department

The Sr. Fiscal Assistant will lead the existing staff to handle daily activities in utility billing, business license and TOT processing, miscellaneous Accounts Receivable processing, and monitoring water meter reading activities. The incumbent in the reclassified Fiscal Assistant II position is very familiar with the utility system and capable of trouble shooting. The Sr. Fiscal Assistant will train new staff, provide support to the existing Fiscal Services Division staff and assist in special projects. The Sr. Fiscal Assistant will report to the Senior Accountant in Fiscal Services.

Transportation and Traffic Manager – Engineering Department

Since July of 2014, the City has experienced a high volume of private development construction requiring the review and permitting from Traffic Engineering and Land Development staff. Currently, Engineering is managing 50 private development projects in different phases of the completion process, and is processing approximately 18 encroachment permits each month within the City's right-of-way. The Traffic Engineering Section reviews and permits proposed street and traffic signal improvements; reviews development traffic impacts and recommends appropriate mitigation; provides timely response to traffic safety and operation concerns; and reviews and approves contractor submitted traffic control plans. The Traffic Engineering Section also completes Capital Improvement Program (CIP) projects that are traffic related including the City's annual street resurfacing project and pedestrian/sidewalk improvement projects. The rapid growth and economy within Milpitas as well as the Counties of Santa Clara and Alameda have impacted on-street parking and traffic flow within Milpitas. To alleviate these growth related impacts, regional traffic management and planning with surrounding agencies are required, and the Traffic Engineering Section would be at the forefront of this effort for the City of Milpitas. It is desired to have a higher level management position to operate and oversee regional traffic problems and to implement future transportation related planning effecting the City of Milpitas. This request will reclassify a Traffic Engineer to a Transportation and Traffic Engineer. The reclassified position will report to the Engineering Director/City Engineer. The reclassified job description and duties would provide the City of Milpitas with a designated City Transportation and Traffic Manager who can operate at a higher level than the current Traffic Engineer position. The "working" Manager would be responsible for both present and future transportation planning, including the review of traffic impact analysis for new private development projects. Additional management duties and leadership roles of this position include:

- Operation and implementation of traffic safety mitigation measures
- Coordination, outreach, and advocacy with outside agencies on Transportation related issues

- Provide transportation related recommendations to the City Council and Senior Management
- Make decisions associated with traffic safety and quality of life as part of core City service.
- Develop and administrate transportation and parking policy as it relates to the general plan and circulation element goals
- Administer transportation related improvements and Capital projects
- Provide transportation related program coordination with outside agencies including Congestion Management Agency; Caltrans; MTC; VTA and various County agencies on transportation infrastructure and operational programs and projects.
- Monitor current Federal and State transportation state of practices, regulations, and mandates
- Administer emergency transportation infrastructure repair projects
- Assist the City Council and Senior Management with development of transportation related policies, goals and objectives for innovative multi-modal transportation measures to enhance safety, mobility, and quality of life for Milpitas residents and businesses.
- Obtain and administer grant funding for pedestrian and traffic related improvements

Equipment Maintenance Worker III – Public Works Department

Under Project 6119 of FY 2017-22 Capital Improvement Program Budget, Public Works was authorized to purchase a Closed Circuit Television (CCTV) truck to be used for sanitary sewer assessments. In order to support this program, the 2017-18 Operating Budget included the approval of one (1 FTE) Maintenance Worker II and one (1 FTE) Equipment Maintenance Worker II to operate the CCTV truck and assess sanitary sewer infrastructure. During contract negotiations with the Milpitas Employees Association (MEA), MEA argued that the CCTV truck would be more appropriately staffed with one (1 FTE) Equipment Maintenance Worker II and one (1 FTE) Equipment Maintenance Worker III. The City negotiators concurred with this assessment. Based on the side letter agreement for Special Equipment Operation, it is necessary to reclassify the Maintenance Worker II position that was approved as part of the FY2017-18 Operating Budget to an Equipment Maintenance Worker III position effective as soon as feasibly possible. Given that the crew will maintain an Equipment Maintenance Worker II, Public Works anticipates a neutral impact for this position. The true fiscal impact is found in the change from a Maintenance Worker II being reclassified to an Equipment Maintenance Worker III. The funding for the position reclassification is to be consistent with the original fund split for the CCTV crews, with 90% against the Sewer fund and 10% against the Water fund.

Sr. Code Enforcement Officer – Planning and Neighborhood Services Department

The Department of Planning and Neighborhood Services is requesting a reclassification of one (1) Neighborhood Preservation Specialist position to Senior Code Enforcement Officer. The purpose of the position would be to support the ongoing and expected future demand for code enforcement and establish a Policy team-approach allowing more forward thinking problem solving. The funding of this position enables the department to create an additional Senior Level Code Enforcement officer which can help develop an enhanced policy component of the division. This position would be instrumental in the evaluation of existing codes, public outreach, and would administer the Neighborhood Beautification program.

Senior Building Inspector – Building and Housing Department

The Building and Housing Department has a need for additional supervision and assistance due to heavy workloads and number of inspectors. Due to turnover and vacancies, the Building Inspection and Permit Center units have been supervised by a Building Inspector working out of class and receiving special assignment pay. This reclassification will properly classify and compensate said Building Inspector permanently and allow the new Sr. Building Inspector position to fully and officially supervise both the Building Inspection and Permit Center units. These units were previously managed by a Building Inspection Manager and a Permit Center Manager, respectively, and have been vacant for some time now. Thus, this is both a reclassification and a reorganization within the Building and Housing Department based on actual ongoing practice and need.

Building and Housing Director – Building and Housing Department

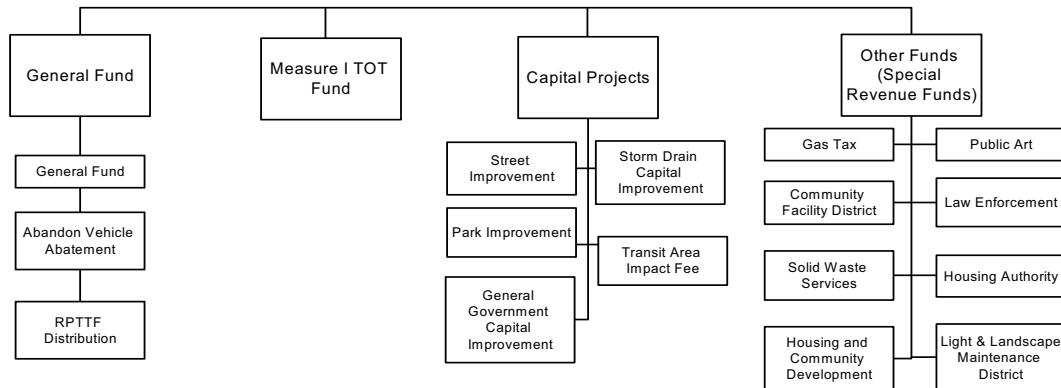
At mid-year FY 2017-18, the Building and Housing Department received approval to reclassify the Building and Housing Director position to Chief Building Official. After careful consideration and analysis, it was thought that this would generate a larger candidate pool for the recently vacated position resulting from the retirement of a long-term staff member. Nevertheless, after a successful recruitment, staff has identified highly qualified and experienced candidates that can fully meet the job specifications of the Building and Housing Director position.

Thus, to complete and ensure a successful recruitment, staff wished to reclassify the Chief Building Official position back to Building and Housing Director at an added cost of \$53,000.

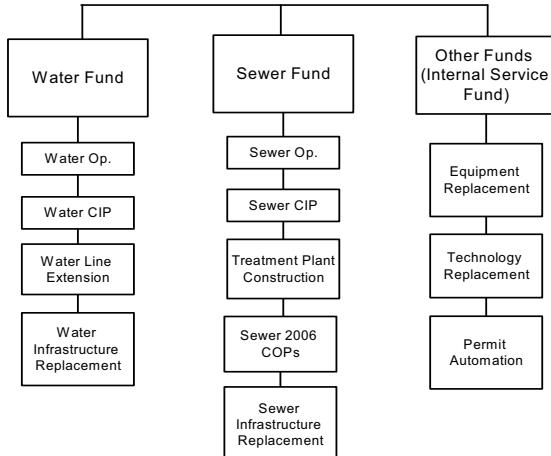
City of Milpitas Fund Structure

By Budgetary Basis

Modified Accrual Basis of Budgeting



Accrual Basis of Budgeting



Basis of Budgeting

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

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

Modified Accrual Basis is a basis of accounting in which revenues are recognized when measurable and available and expenditures are recorded when the related fund liability is incurred.

* The description of the funds can be found in the Appendix, Fund Descriptions

Budget Summary

		Grand Total	General Fund (1)	Measure I TOT
ESTIMATED REVENUES				
PROPERTY TAXES		31,405,000	31,405,000	0
TAXES OTHER THAN PROPERTY		47,458,907	44,765,907	2,483,000
LICENSES AND PERMITS		9,781,714	9,781,714	0
FINES AND FORFEITS		471,500	471,500	0
USE OF MONEY AND PROPERTY		3,204,000	703,000	53,000
INTERGOVERNMENTAL		2,176,610	555,500	0
CHARGES FOR CURRENT SERVICES		58,492,506	7,452,954	0
OTHER REVENUE		45,607,074	41,000	0
	sub-total	198,597,311	95,176,575	2,536,000
OTHER FINANCING SOURCES				
(INCREASE) DECREASE IN FUND BALANCE		2,739,915	2,650,000	(133,378)
(INCREASE) DECREASE IN CIP RSRV		(10,227,643)	0	0
OPERATING TRANSFERS IN		15,901,075	6,355,432	0
OPERATING TRANSFERS OUT		(15,901,075)	(2,950,000)	(1,600,000)
	sub-total	(7,487,728)	6,055,432	(1,733,378)
	TOTAL	191,109,583	101,232,007	802,622
BUDGETED APPROPRIATIONS				
PERSONNEL SERVICES		93,466,588	82,404,819	206,222
SUPPLIES & CONTRACTUAL SERVICES		50,220,144	18,640,220	596,400
CAPITAL OUTLAY		2,018,071	186,968	0
	sub-total	145,704,803	101,232,007	802,622
CAPITAL IMPROVEMENTS		43,867,480	0	0
DEBT SERVICE		1,537,300	0	0
	sub-total	45,404,780	0	0
	TOTAL	191,109,583	101,232,007	802,622
FUND BALANCE				
FUND BALANCE 7/1/2017		241,804,620	60,325,620	3,400,000
NET CHANGES IN FUND BALANCE		7,487,728	(2,650,000)	133,378
	TOTAL	249,292,348	57,675,620	3,533,378
RESTRICTED		24,876,373	10,000,000	0
UNRESERVED - ASSIGNED		21,608,878	4,000,000	3,533,378
RESTRICTED FOR CIP		132,482,643	0	0
COMMITTED FOR PERS		26,775,620	26,775,620	0
UNASSIGNED, UNRESTRICTED		43,548,834	16,900,000	0
	TOTAL	249,292,348	57,675,620	3,533,378

(1) General Fund includes RPTTF Distribution Fund, Abandon Vehicle Abatement Fund and administration funds of the former Redevelopment Agency.

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

Financial Information Distribution of Revenues

Housing Authority	Other Funds (2)	Capital Projects (3)	Water Fund (4)	Sewer Fund (5)
0	0	0	0	0
0	210,000	0	0	0
0	0	0	0	0
0	0	0	0	0
591,000	200,000	969,000	306,000	382,000
0	3,615,310	(2,134,200)	140,000	0
150,000	3,689,552	0	30,400,000	16,800,000
0	2,363,074	26,700,000	15,439,000	1,064,000
<u>741,000</u>	<u>10,077,936</u>	<u>25,534,800</u>	<u>46,285,000</u>	<u>18,246,000</u>
58,092	(209,733)	0	3,346,737	(2,971,803)
0	0	(1,969,443)	(9,541,200)	1,283,000
0	300,000	6,915,643	2,330,000	0
0	(3,256,244)	(2,330,000)	(3,643,579)	(2,121,252)
<u>58,092</u>	<u>(3,165,977)</u>	<u>2,616,200</u>	<u>(7,508,042)</u>	<u>(3,810,055)</u>
<u>799,092</u>	<u>6,911,959</u>	<u>28,151,000</u>	<u>38,776,958</u>	<u>14,435,945</u>
534,692	2,762,950	0	4,060,260	3,497,645
264,400	2,922,906	0	20,268,541	7,527,677
0	1,226,103	0	560,000	45,000
<u>799,092</u>	<u>6,911,959</u>	<u>0</u>	<u>24,888,801</u>	<u>11,070,322</u>
0	0	28,076,000	13,098,157	2,693,323
0	0	75,000	790,000	672,300
0	0	28,151,000	13,888,157	3,365,623
<u>799,092</u>	<u>6,911,959</u>	<u>28,151,000</u>	<u>38,776,958</u>	<u>14,435,945</u>
7,700,000	16,624,000	96,555,000	28,000,000	29,200,000
(58,092)	209,733	1,969,443	6,194,463	1,688,803
<u>7,641,908</u>	<u>16,833,733</u>	<u>98,524,443</u>	<u>34,194,463</u>	<u>30,888,803</u>
7,641,908	7,234,465	0	0	0
0	75,500	14,000,000	0	0
0	0	84,524,443	31,441,200	16,517,000
0	0	0	0	0
0	9,523,768	0	2,753,263	14,371,803
<u>7,641,908</u>	<u>16,833,733</u>	<u>98,524,443</u>	<u>34,194,463</u>	<u>30,888,803</u>

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

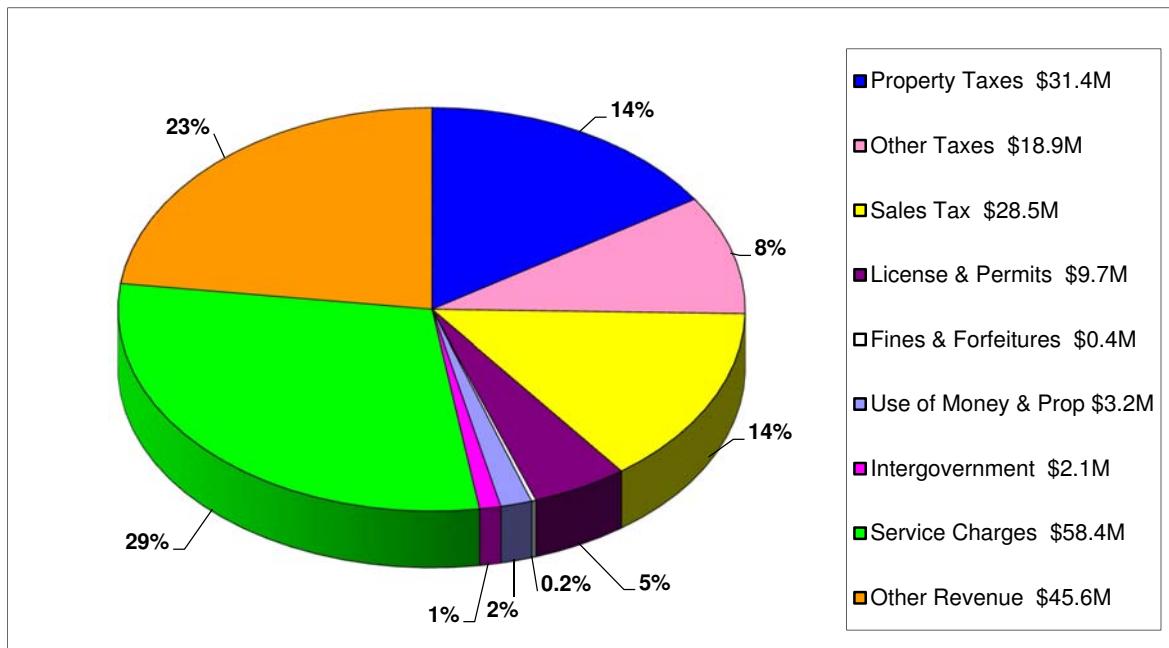
(4) Water Fund includes Water Fund, Water Fund CIP, Water Line Extension Fund and Water Infrastructure Replacement Fund.

(5) Sewer Fund includes Sewer Fund, Sewer Fund CIP, Treatment Plant Construction Fund, Sewer 2006 COPs fund and Sewer Infrastructure Replacement Fund.

Distribution of Revenues

2018-2019

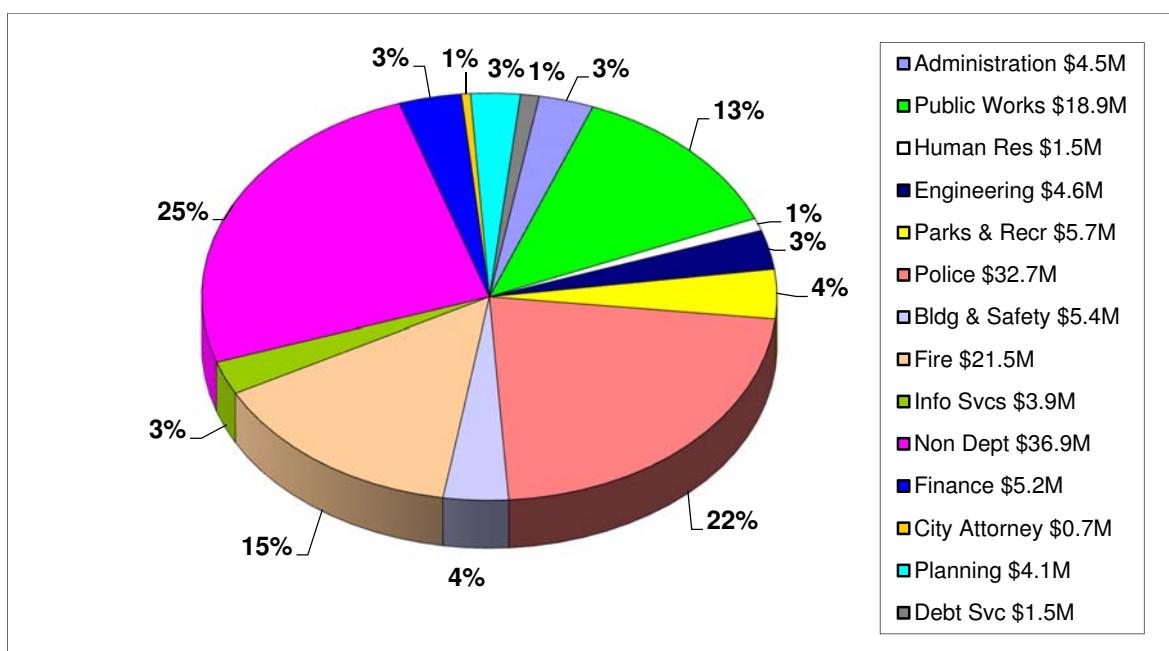
(All Funds)



Distribution of Expenditures

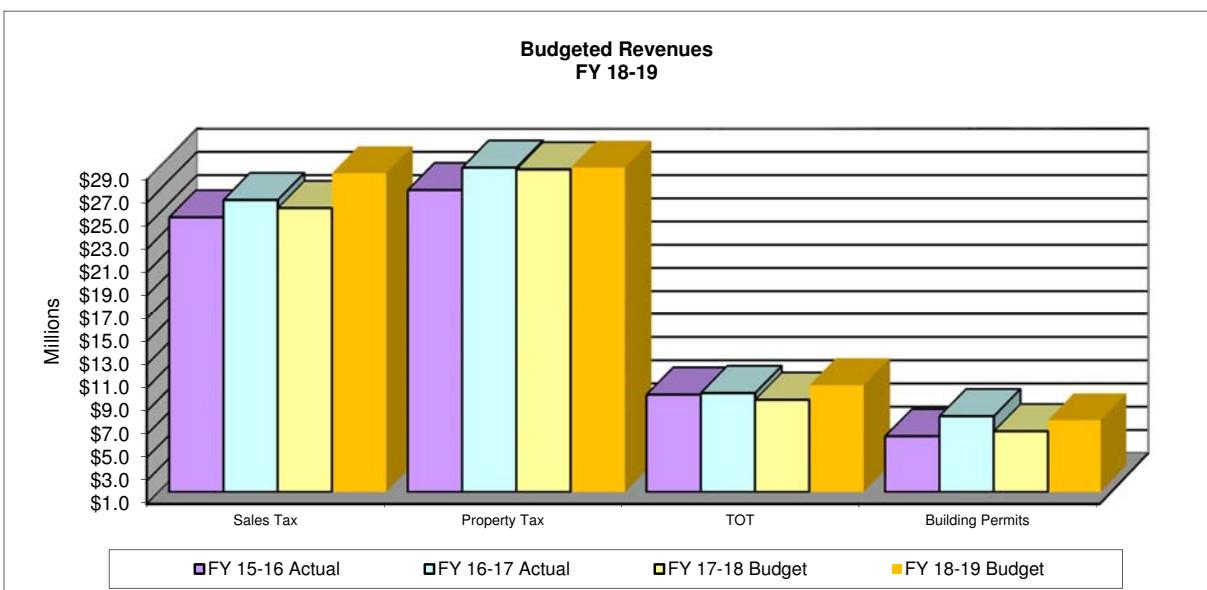
2018-2019

(All Funds)



General Fund Revenue Assumptions

CPI	Projected to be in the 2 to 3% increase range based on the average urban Consumer Price Index in the last 10 years for the San Francisco-Oakland-San Jose Metropolitan Areas. CPI is only applied to non-major revenues and only after specific annual trends have been reviewed.
Sales Tax	Staff's assumption for FY 18-19 sales tax revenue is an 11.8% increase from the FY 17-18 estimate. The projected increase reflects continuing economic growth in the region and population growth in the City as many of the new residential developments are constructed and occupied. It is assumed that Milpitas businesses will capture a portion of the consumer spending, especially in the retail and restaurant economic segments. The projection is consistent with the projection of the City's sales tax consultant.
Property Tax	Property tax revenues are estimated to increase by 8.9% in FY 18-19 from the FY 17-18 budgeted revenue. The increase is partially attributed to the inflation adjustment allowed by Proposition 13 at the lower of 2% or California Consumer Price Index, and partially due to new residential units that added to the assessed valuation of the secured properties. The projection is consistent with the assessed valuation information provided by the County of Santa Clara Assessor's office. In addition, pursuant to ABx1 26 that legislates the dissolution of the RDA, all remaining RDA property tax revenue after satisfying the approved obligations of the RDA, will be distributed to the taxing entities within the RDA project area. The City is one of the taxing entities that will receive its estimated share of approximately \$6.6 million in FY 18-19.
Transient Occupancy Tax (TOT)	Transient Occupancy tax revenue is projected to increase \$1,248,000 or 13.9% from the FY 17-18 budget. All 19 hotels in the local area continue to have high occupancy rates, and it is anticipated that FY 18-19 will continue with a slight increase.
Building Permits	In FY 18-19, building permit and inspection revenues are projected to be \$7.2 million, an increase of 15.2% or \$0.9 million over the FY 17-18 budgeted revenue. It is anticipated that residential developments will continue at a high level similar to FY 17-18 and TASP growth will be strong. The projection is based on the number of recent applications submitted and the potential commencement dates of the construction. Other more routine building permit and inspection revenues from home improvement and commercial tenant improvement are included in the projection.



Revenues by Fund (Summary)

	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
100 General Fund	75,098,253	98,698,899	89,887,181	98,284,507
102 Measure I TOT	1,840,144	(508,348)	687,000	936,000
103 1452-1474 S. Main	268,103	355,637	250,000	250,000
105 Abandon Veh Abatement	79,640	67,788	45,000	47,500
150 Redevelopment Administration	165,377	103,940	0	0
211 H-Hetch Ground Lease	30,614	15,099	0	1,000
213 Public Art Fund-Nonrestricted	3,801	147,158	1,000	3,000
214 Community Planning Fee Fund	90,553	313,771	54,000	258,000
221 Gas Tax Fund	(237,020)	(1,499,891)	(383,217)	1,420,310
235 95-1 Lighting/Lscape Dist	291,228	213,620	182,000	269,178
236 98-1 Lighting/Lscape Dist	37,876	38,918	39,000	21,000
237 05 Community Fcty Dist	1,092,098	909,909	1,062,722	1,086,896
238 08 Community Fcty Dist	(62,665)	(49,794)	(100,000)	0
250 HCD Fund	409,991	417,808	400,000	425,000
251 HCD Loan	1,486	98,216	0	1,000
261 Supplemental Law Enforcement	67,803	169,830	2,000	1,000
262 State Asset Seizure	4,401	3,504	0	0
263 Federal Asset Seizure	610	390	0	0
267 Justice Assistance Grant	(12)	47,082	0	0
268 Justice Assistance Grant 2009	0	1,251	0	1,000
269 Grant Fund	164,794	11,576	0	0
280 Solid Waste Services	511,975	514,632	544,000	(39,244)
295 Housing Authority	961,316	907,029	749,000	741,000
310 Street Fund	67,191	(47,961)	(132,000)	(1,055,000)
311 Street CIP	9,329,503	7,696,912	5,550,000	6,575,000
312 Traffic Impact Fee	(644,875)	(33,728)	59,000	14,000
314 Vehicle Registration Fee	(7,409)	8,539	(40,000)	(30,000)
315 Calaveras Widening Impact Fee	30,701	244,958	0	0
316 Montague Widening Impact Fee	3,247	2,222	0	0
317 Milpitas Business Park Impact Fee	(493,361)	4,591	7,000	8,000
318 1997 TABs	(276,640)	0	0	0
319 2003 TABs	(3,465,859)	0	0	0
320 Park Improvement Fund	(1,085,961)	(1,171,118)	(2,525,000)	(1,662,500)
321 Park Improvement CIP	7,585,000	1,675,000	11,175,000	9,635,000
322 Midtown Park Fund	(3,049,065)	(585,105)	(2,245,000)	2,004,458
330 General Government	8,690,412	(3,373,522)	(11,457,557)	(4,420,000)
331 General Government CIP	2,191,800	5,691,685	11,091,840	5,433,000
340 Storm Drain Development	(346,795)	1,561,595	(478,000)	438,000
341 Storm Drain CIP	1,950,000	1,365,000	1,515,000	143,000
350 Transit Area Impact Fee Fund	26,433,549	14,888,396	18,823,000	6,747,485
351 Transit Area Impact Fee CIP Fund	0	8,302,644	3,800,000	6,290,000
400 Water M & O Fund	18,496,613	19,906,999	22,919,479	22,332,064
401 Water CIP	(675,000)	4,615,000	16,046,700	13,098,157
402 Water Line Extension Fund	556,271	624,221	(1,905,000)	657,900
403 Water Bonds	0	0	18,573,300	6,300,000
405 Water Infrastructure Replmnt	0	2,607,939	909,000	2,583,300

Revenues by Fund (Summary)

	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
450 Sewer M & O Fund	12,403,652	10,062,410	6,852,800	14,714,425
451 Sewer CIP	3,815,000	6,440,000	11,305,000	2,693,323
452 Treatment Plant Construction	(747,047)	1,888,058	(2,184,000)	(911,000)
453 Sewer 2006 COPS	1	4	0	0
455 Sewer Infrastructure Replmnt	60,411	(985,727)	(167,000)	(372,000)
500 Equipment Mgmt Fund	2,788,503	2,453,824	(1,965,000)	2,950,552
505 Information Tec Replmt	300,347	301,490	300,000	300,000
506 Permit Automation Fund	1,005,426	1,009,489	416,000	423,000
TOTAL	<u>165,735,981</u>	<u>186,131,842</u>	<u>199,664,248</u>	<u>198,597,311</u>

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
GENERAL FUND (100)				
PROPERTY TAXES				
3010 Property Taxes, Current	21,197,998	22,194,991	23,200,000	23,951,000
3030 Property Taxes, Supplement	742,121	822,581	550,000	823,000
3050 Property Taxes, RPTTF Distribution	5,127,991	7,243,941	5,100,000	6,631,000
sub-total	27,068,110	30,261,513	28,850,000	31,405,000
TAXES OTHER THAN PROPERTY				
3110 Sales and Use Tax	24,718,975	26,213,910	25,520,000	28,520,056
3120 Real Estate Transfer Tax	701,412	727,728	700,000	750,000
3131 Electric Franchise	1,393,478	1,379,560	1,400,000	1,420,000
3132 Gas Franchise	158,302	166,938	157,000	170,000
3133 Garbage Franchise-Commercial	1,118,917	1,180,701	1,225,000	2,484,851
3134 Garbage Franchise-NonCommercial	470,188	509,101	550,000	0
3137 Nitrogen Gas Franchise	55,587	55,950	49,000	56,000
3138 CATV Franchise	644,538	578,952	600,000	600,000
3140 Business License Tax	334,117	329,362	355,000	555,000
3150 Hotel/Motel Tax	9,401,800	9,536,211	8,962,000	10,210,000
sub-total	38,997,315	40,678,416	39,518,000	44,765,907
LICENSES AND PERMITS				
3210 Building Permits	5,819,943	7,545,221	6,251,690	7,199,714
3220 Fire Permits	1,264,284	1,793,370	1,605,000	1,915,000
3240 Life Safety Annual Permits	353,222	434,072	345,000	455,000
3250 Fire Inspections	152,973	164,465	187,000	212,000
sub-total	7,590,422	9,937,129	8,388,690	9,781,714
FINES AND FORFEITS				
3301 Vehicle Code Fines	149,561	150,389	110,000	140,000
3302 Other Court Fines	159,205	159,029	110,000	120,000
3305 Booking Fees	12,891	13,969	16,000	12,000
3306 NBO Violation Fees	7,695	9,550	8,000	8,500
3307 Impound Fees	78,126	90,962	86,000	84,000
3308 Animal Violations	7,488	5,290	6,000	7,000
3309 False Alarm Fee	45,300	61,620	40,000	40,000
3310 Fire Administrative Citations	0	68,800	10,000	60,000
sub-total	460,265	559,609	386,000	471,500
USE OF MONEY AND PROPERTY				
3431 Pooled Investment Interest (Nonalloc)	155,334	161,476	0	0
3433 Other Interest Income	345,960	(399,585)	0	0
3434 Pooled Interest Allocation	189,972	326,276	324,000	703,000
sub-total	691,266	88,167	324,000	703,000
INTERGOVERNMENTAL				
3511 Motor Vehicle In Lieu Tax	29,295	33,832	33,000	33,000
3521 Homeowners Property Tax Relief	120,256	75,691	130,000	115,000
3556 Federal Contributions-Recreation	15,800	32,946	0	0
3557 Federal Contributions-Police	11,930	23,549	0	0
3558 Federal Contributions-Fire	10,220	0	0	0
3562 POST Grant	22,647	11,733	0	0
3575 County Cont-Public Works	588,141	273,102	450,000	100,000

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3576 County Contributions-Recreation	78,174	77,031	80,000	80,000
3577 County Contributions-Police	81,166	60,093	80,000	60,000
3578 County Contributions-Fire	38,673	0	0	0
3581 Other Restricted Grants-General Gov't	183,692	151,057	110,000	100,000
3582 SB90 Grant	20,880	46,317	20,000	20,000
3591 Misc Unrestricted Intergovernmental	14,523	0	0	0
sub-total	1,215,397	785,352	903,000	508,000
CHARGES FOR CURRENT SERVICES				
3601 General Government Service Charges	211,331	51,781	50,000	78,750
3602 Sales of Maps and Documents-Gen Gov't	111	155	0	0
3603 Rents, Leases and Concessions-Gen Gov't	239,136	281,773	240,000	240,000
3604 B L Processing Fee	164,927	167,497	160,000	160,000
3609 PJ Legal Reimbursement	122,833	140,960	0	0
3611 PJ Overhead Charges-PW/E	646,615	504,879	976,091	1,042,000
3612 PJ Labor Reimbursement-PW/E	272,721	176,707	350,800	700,000
3613 PJ Vendor Reimbursement-PW/E	902,005	880,073	45,000	300,000
3616 Engineering Plan Check Fee	2,440	15,264	2,000	2,000
3617 Planning Fees	2,823	5,491	3,000	5,000
3618 Sales of Maps and Doc-PW/Engr	4,049	3,864	2,000	2,000
3619 Rent,Lease & Concession-PW/Eng	28,000	28,000	25,000	25,500
3631 PJ Overhead Charges - Fire	21,391	13,545	23,360	10,000
3632 PJ Labor Reimbursement - Fire	13,258	7,695	13,000	5,000
3633 Fire Cost Recovery	323,398	583,352	0	0
3634 Unwanted Alarms-Fire	45,300	31,200	40,000	40,000
3637 Fire Service Charges	328,091	273,958	324,000	282,000
3638 Sale of Maps & Documents-Fire	15	6	0	0
3639 Fire Electroinc Archive Charge	9,325	11,332	10,000	10,000
3641 Police Service Charges	658,408	658,567	600,000	660,000
3643 Fingerprints	1,008	556	1,000	1,000
3644 Sales of Maps & Documents-Police	10,596	10,815	10,000	10,000
3645 Police Cost Recovery	325	7,968	0	0
3646 Rents, Leases & Concessions-Police	12,600	14,400	0	0
3647 DUI-Police Cost Recovery	6,906	15,185	13,000	10,000
3648 PJ Overhead Charges-Police	520	0	0	0
3649 PJ Labor Reimb - Police	713	0	0	0
3651 Rents, Leases & Concessions-Recreation	210,444	216,952	275,000	287,000
3652 Recreation Fees	1,710,440	2,026,091	2,129,300	2,525,704
3653 Senior Nutrition Fees	24,933	23,153	25,000	25,000
3655 Sales of Merchandise Recreation	257	349	0	0
3656 Recreation Transaction Fees	34,733	34,792	36,500	36,500
3662 Records Retention Fee-Building	63,540	99,247	50,000	75,000
3663 Building Service Charges	2,182	3,676	1,000	1,500
3665 PJ Overhead Charges-Building	9,421	1,921	0	0
3666 PJ Labor Reimbursement-Building	4,609	977	0	0
3667 Building State Mandated Standard Fee	11,918	20,599	10,000	15,000
3672 Public Works Cost Recovery	19,692	103,116	20,000	20,000

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3681 PJ Overhead Charge-Planning	265,670	125,690	548,959	368,000
3682 PJ Labor Reimbursement-Planning	89,974	42,726	200,481	200,000
3683 PJ Vendor Reimbursement-Planning	308,007	93,172	20,000	20,000
3685 Housing & Neighborhood Services	13,580	10,304	12,000	12,000
3686 Planning Plan Check Fee	9,263	15,854	12,000	12,000
3691 Fire GIS Mapping	164	0	0	0
3692 Fire Automation Fee	21,912	22,381	21,000	22,000
sub-total	6,829,581	6,726,022	6,249,491	7,202,954
OTHER REVENUE				
3710 Development	4,950	(11,383)	15,000	15,000
3730 Recycling	3,332	0	0	0
3750 Donations	5,679	45,045	5,000	5,000
3770 Sale of Property, Plant and Equipment	161,618	7,276,654	1,000	1,000
3790 Miscellaneous Other Revenue	95,657	108,371	120,000	20,000
sub-total	271,236	7,418,687	141,000	41,000
OPERATING TRANSFERS IN				
3806 Op Trfs in from Solid Waste Service	277,000	282,000	248,000	286,244
3812 Op Trfs in from Water Fund	2,347,000	2,633,000	2,594,000	3,162,936
3815 Op Trfs in from Sewer Fund	1,575,000	1,641,000	1,685,000	2,006,252
3819 Op Trfs in from Other	207,500	859,000	900,000	900,000
3852 Appn Tfr in from General Gov't Fund	0	9,100	0	0
3854 Appn Tfr in from Transit Area Fund	62,500	0	0	0
sub-total	4,469,000	5,424,100	5,427,000	6,355,432
OPERATING TRANSFERS OUT				
3917 Op Trfs Out To the Equipment Fund	(300,000)	(300,000)	0	(300,000)
3919 Op Trfs Out To Other Miscellaneous Funds	0	0	(300,000)	0
3922 Op Trfs Out To the General Government Fund	(12,000,000)	0	0	(2,650,000)
3939 Appn Trfs out to Street Fund	0	(200,000)	0	0
3952 Appn Trfs out to General Gov't Fund	0	(2,070,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(194,339)	(110,096)	0	0
sub-total	(12,494,339)	(2,680,096)	(300,000)	(2,950,000)
TOTAL (100)	75,098,253	99,198,899	89,887,181	98,284,507
MEASURE I TOT (102)				
3150 Hotel/Motel Tax	2,355,527	2,321,647	2,234,000	2,483,000
3431 Pooled Investment Interest (Nonalloc)	12,245	(9,685)	0	0
3433 Other Interest Income	39,708	47,542	0	0
3434 Pooled Interest Allocation	32,663	32,149	53,000	53,000
3826 Op Trfs in from Measure I TOT Fund	0	600,000	0	0
3909 Op Trfs Out To the Street Improvement Fund	(600,000)	(2,150,000)	(1,600,000)	(1,600,000)
3922 Op Trfs Out To the General Government Fund	0	(150,000)	0	0
3939 Appn Trfs out to Street Fund	0	(1,200,000)	0	0
TOTAL (102)	1,840,144	(508,348)	687,000	936,000
1452-1474 S. MAIN (103)				
3431 Pooled Investment Interest (Nonalloc)	936	670	0	0

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3434 Pooled Interest Allocation	1,343	3,741	0	0
3603 Rents, Leases and Concessions-Gen Gov't	265,824	351,227	250,000	250,000
TOTAL (103)	268,103	355,637	250,000	250,000
ABANDON VEH ABATEMENT (105)				
3577 County Contributions-Police	50,678	61,633	45,000	47,500
3899 Op Trfs in from Subsidiary CIP Fund	28,961	6,155	0	0
TOTAL (105)	79,640	67,788	45,000	47,500
REDEVELOPMENT ADMINISTRATION (150)				
3899 Op Trfs in from Subsidiary CIP Fund	165,377	103,940	0	0
TOTAL (150)	165,377	103,940	0	0
H-HETCH GROUND LEASE (211)				
3431 Pooled Investment Interest (Nonalloc)	11,221	21,060	0	0
3433 Other Interest Income	26,463	(6,406)	0	0
3434 Pooled Interest Allocation	430	444	0	1,000
3901 Op Trfs Out To the General Fund	(7,500)	0	0	0
TOTAL (211)	30,614	15,099	0	1,000
PUBLIC ART FUND-NONRESTRICTED (213)				
3431 Pooled Investment Interest (Nonalloc)	170	246	0	0
3433 Other Interest Income	315	(1,391)	0	0
3434 Pooled Interest Allocation	915	1,035	1,000	3,000
3750 Donations	2,400	0	0	0
3760 Developer Contribution	0	147,267	0	0
TOTAL (213)	3,801	147,158	1,000	3,000
COMMUNITY PLANNING FEE FUND (214)				
3431 Pooled Investment Interest (Nonalloc)	712	494	0	0
3434 Pooled Interest Allocation	1,527	3,526	4,000	8,000
3617 Planning Fees	288,313	509,750	250,000	250,000
3922 Op Trfs Out To the General Government Fund	0	(200,000)	(200,000)	0
3952 Appn Trfs out to General Gov't Fund	(200,000)	0	0	0
TOTAL (214)	90,553	313,771	54,000	258,000
GAS TAX FUND (221)				
3431 Pooled Investment Interest (Nonalloc)	5,065	(7,395)	0	0
3434 Pooled Interest Allocation	23,636	15,043	31,000	23,000
3543 Sec 2103-Gas Tax	372,974	201,569	302,370	663,867
3545 Sec 2105-Gas Tax	407,646	424,346	438,947	434,156
3546 Sec 2106-Gas Tax	265,347	286,020	269,910	275,866
3547 Sec 2107-Gas Tax	530,811	523,025	567,056	538,659
3548 Sec 2107.5-Gas Tax	7,500	7,500	7,500	7,500
3549 Sec 2032-RM&R	0	0	0	1,252,262
3909 Op Trfs Out To the Street Improvement Fund	(1,850,000)	(2,950,000)	(2,000,000)	(1,775,000)
TOTAL (221)	(237,020)	(1,499,891)	(383,217)	1,420,310
95-1 LIGHTING/LSCAPE DIST (235)				
3431 Pooled Investment Interest (Nonalloc)	478	36	0	0
3433 Other Interest Income	198	274	0	0
3434 Pooled Interest Allocation	662	1,409	1,000	2,000

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3720 Special Assessments	289,890	305,158	281,000	341,178
3922 Op Trfs Out To the General Government Fund	0	(93,256)	(100,000)	(74,000)
TOTAL (235)	291,228	213,620	182,000	269,178
98-1 LIGHTING/LSCAPE DIST (236)				
3431 Pooled Investment Interest (Nonalloc)	66	(12)	0	0
3433 Other Interest Income	26	36	0	0
3434 Pooled Interest Allocation	111	164	0	0
3720 Special Assessments	37,673	38,730	39,000	42,000
3922 Op Trfs Out To the General Government Fund	0	0	0	(21,000)
TOTAL (236)	37,876	38,918	39,000	21,000
05 COMMUNITY FCLTY DIST (237)				
3431 Pooled Investment Interest (Nonalloc)	1,799	130	0	0
3433 Other Interest Income	520	846	0	0
3434 Pooled Interest Allocation	1,533	3,182	4,000	7,000
3720 Special Assessments	888,246	1,049,751	1,058,722	1,079,896
3899 Op Trfs in from Subsidiary CIP Fund	200,000	0	0	0
3901 Op Trfs Out To the General Fund	0	(144,000)	0	0
TOTAL (237)	1,092,098	909,909	1,062,722	1,086,896
08 COMMUNITY FCLTY DIST (238)				
3431 Pooled Investment Interest (Nonalloc)	(85)	1,690	0	0
3433 Other Interest Income	69	322	0	0
3434 Pooled Interest Allocation	248	1,983	0	0
3720 Special Assessments	337,103	661,212	800,000	900,000
3901 Op Trfs Out To the General Fund	(200,000)	(715,000)	(900,000)	(900,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	(200,000)	0	0	0
TOTAL (238)	(62,665)	(49,794)	(100,000)	0
HCD FUND (250)				
3555 Federal Contri-Public Works	60,648	0	0	0
3559 Federal Contributions-Planning	349,342	417,808	400,000	425,000
TOTAL (250)	409,991	417,808	400,000	425,000
HCD LOAN (251)				
3433 Other Interest Income	1,486	1,163	0	0
3434 Pooled Interest Allocation	0	0	0	1,000
3559 Federal Contributions-Planning	0	97,053	0	0
TOTAL (251)	1,486	98,216	0	1,000
SUPPLEMENTAL LAW ENFORCEMENT (261)				
3431 Pooled Investment Interest (Nonalloc)	501	(485)	0	0
3434 Pooled Interest Allocation	1,208	1,394	2,000	1,000
3567 State Contributions-Police	66,095	168,922	0	0
TOTAL (261)	67,803	169,830	2,000	1,000
STATE ASSET SEIZURE (262)				
3431 Pooled Investment Interest (Nonalloc)	81	(133)	0	0
3434 Pooled Interest Allocation	563	519	0	0
3567 State Contributions-Police	3,756	3,118	0	0

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
TOTAL (262)	4,401	3,504	0	0
FEDERAL ASSET SEIZURE (263)				
3431 Pooled Investment Interest (Nonalloc)	31	(66)	0	0
3434 Pooled Interest Allocation	567	456	0	0
3899 Op Trfs in from Subsidiary CIP Fund	12	0	0	0
TOTAL (263)	610	390	0	0
JUSTICE ASSISTANCE GRANT (267)				
3434 Pooled Interest Allocation	0	0	0	0
3557 Federal Contributions-Police	0	47,082	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(12)	0	0	0
TOTAL (267)	(12)	47,082	0	0
JUSTICE ASSISTANCE GRANT 2009 (268)				
3431 Pooled Investment Interest (Nonalloc)	0	289	0	0
3434 Pooled Interest Allocation	0	962	0	1,000
TOTAL (268)	0	1,251	0	1,000
GRANT FUND (269)				
3431 Pooled Investment Interest (Nonalloc)	(64)	0	0	0
3434 Pooled Interest Allocation	(502)	(54)	0	0
3558 Federal Contributions-Fire	0	11,630	0	0
3578 County Contributions-Fire	165,360	0	0	0
TOTAL (269)	164,794	11,576	0	0
SOLID WASTE SERVICES (280)				
3135 Solid Waste-Community Relations	165,286	166,536	165,000	0
3136 Solid Waste-HHW-Contract & Public	265,164	265,733	250,000	0
3139 County-wide AB 939 Fee	208,285	213,747	200,000	210,000
3431 Pooled Investment Interest (Nonalloc)	2,598	(2,498)	0	0
3434 Pooled Interest Allocation	14,984	12,259	18,000	19,000
3565 State Contri-Public Works	14,888	14,690	9,000	18,000
3615 Public Works and Engr Fees	111,167	112,306	110,000	0
3671 Public Works Service Charges	229,230	210,941	40,000	0
3790 Miscellaneous Other Revenue	4,174	2,918	0	0
3845 Appn Transfers in from Sewer Fund	80,000	0	0	0
3901 Op Trfs Out To the General Fund	(277,000)	(282,000)	(248,000)	(286,244)
3952 Appn Trfs out to General Gov't Fund	(306,800)	(200,000)	0	0
TOTAL (280)	511,975	514,632	544,000	(39,244)
HOUSING AUTHORITY (295)				
3431 Pooled Investment Interest (Nonalloc)	14,697	(5,683)	0	0
3433 Other Interest Income	738,901	650,089	500,000	500,000
3434 Pooled Interest Allocation	53,517	55,927	74,000	91,000
3603 Rents, Leases and Concessions-Gen Gov't	154,201	153,209	175,000	150,000
3770 Sale of Property, Plant and Equipment	0	47,944	0	0
3790 Miscellaneous Other Revenue	0	5,543	0	0
TOTAL (295)	961,316	907,029	749,000	741,000
STREET FUND (310)				
3431 Pooled Investment Interest (Nonalloc)	12,788	1,717	0	0
3433 Other Interest Income	24,459	(77,217)	0	0

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3434 Pooled Interest Allocation	37,836	63,954	68,000	95,000
3912 Op Trfs Out To the Water Fund	(7,892)	(18,207)	(200,000)	0
3915 Op Trfs Out To the Sewer Fund	0	(18,207)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(1,150,000)
TOTAL (310)	67,191	(47,961)	(132,000)	(1,055,000)
STREET CIP (311)				
3555 Federal Contri-Public Works	1,712,648	0	0	0
3561 State Contributions-General Gov't	0	0	108,083	0
3575 County Cont-Public Works	352,385	206,912	0	0
3802 Op Trfs in from Gas Tax Fund	1,850,000	2,950,000	2,000,000	1,775,000
3810 Op Trfs in from Park Improvement	0	0	0	50,000
3812 Op Trfs in from Water Fund	100,000	250,000	0	0
3815 Op Trfs in from Sewer Fund	100,000	250,000	100,000	100,000
3822 Op Trfs in from General Gov't Fund	0	0	1,291,917	0
3824 Op Trfs in Transit Area Fund	40,000	40,000	0	1,400,000
3826 Op Trfs in from Measure I TOT Fund	600,000	2,150,000	1,600,000	1,600,000
3831 Appn Transfers in from General Fund	0	200,000	0	0
3849 Other Appn Transfers In	0	1,200,000	0	0
3852 Appn Tfr in from General Gov't Fund	200,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	4,374,470	450,000	500,000	1,650,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(50,000)	0
TOTAL (311)	9,329,503	7,696,912	5,550,000	6,575,000
TRAFFIC IMPACT FEE (312)				
3434 Pooled Interest Allocation	1,885	1,472	9,000	14,000
3710 Development	35,200	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	50,000	0
3952 Appn Trfs out to General Gov't Fund	(500,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(181,960)	(35,200)	0	0
TOTAL (312)	(644,875)	(33,728)	59,000	14,000
VEHICLE REGISTRATION FEE (314)				
3431 Pooled Investment Interest (Nonalloc)	388	(228)	0	0
3434 Pooled Interest Allocation	1,763	1,570	0	0
3575 County Cont-Public Works	440,441	457,197	460,000	470,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(450,000)	(450,000)	(500,000)	(500,000)
TOTAL (314)	(7,409)	8,539	(40,000)	(30,000)
CALAVERAS WIDENING IMPACT FEE (315)				
3431 Pooled Investment Interest (Nonalloc)	350	464	0	0
3434 Pooled Interest Allocation	1,131	1,745	0	0
3710 Development	29,219	207,550	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	35,200	0	0
TOTAL (315)	30,701	244,958	0	0
MONTAGUE WIDENING IMPACT FEE (316)				
3431 Pooled Investment Interest (Nonalloc)	617	(375)	0	0
3434 Pooled Interest Allocation	2,630	2,597	0	0
TOTAL (316)	3,247	2,222	0	0

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
MILPITAS BUSINESS PARK IMPACT FEE (317)				
3431 Pooled Investment Interest (Nonalloc)	280	(774)	0	0
3434 Pooled Interest Allocation	6,359	5,365	7,000	8,000
3952 Appn Trfs out to General Gov't Fund	(500,000)	0	0	0
TOTAL (317)	(493,361)	4,591	7,000	8,000
1997 TABS (318)				
3432 Cash with Fiscal Agents	0	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(276,640)	0	0	0
TOTAL (318)	(276,640)	0	0	0
2003 TABS (319)				
3432 Cash with Fiscal Agents	11	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(3,465,869)	0	0	0
TOTAL (319)	(3,465,859)	0	0	0
PARK IMPROVEMENT FUND (320)				
3431 Pooled Investment Interest (Nonalloc)	20,682	(17,510)	0	0
3433 Other Interest Income	38,548	(100,953)	0	0
3434 Pooled Interest Allocation	89,649	72,346	100,000	100,000
3710 Development	2,135,160	0	1,000,000	0
3922 Op Trfs Out To the General Government Fund	0	(300,000)	0	0
3924 Op Trfs Out To the Transit Area Impact Fund	0	(150,000)	0	0
3942 Appn Trfs out to Water Fund	(200,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(3,170,000)	(675,000)	(3,625,000)	(1,762,500)
TOTAL (320)	(1,085,961)	(1,171,118)	(2,525,000)	(1,662,500)
PARK IMPROVEMENT CIP (321)				
3575 County Cont-Public Works	0	0	0	62,958
3815 Op Trfs in from Sewer Fund	0	0	500,000	0
3822 Op Trfs in from General Gov't Fund	0	0	1,525,000	2,285,000
3824 Op Trfs in Transit Area Fund	0	0	3,250,000	6,425,000
3852 Appn Tfr in from General Gov't Fund	855,000	0	0	0
3854 Appn Tfr in from Transit Area Fund	0	400,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	6,730,000	1,275,000	5,900,000	2,237,042
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(1,375,000)
TOTAL (321)	7,585,000	1,675,000	11,175,000	9,635,000
MIDTOWN PARK FUND (322)				
3431 Pooled Investment Interest (Nonalloc)	85	(4,890)	0	0
3434 Pooled Interest Allocation	30,894	19,785	30,000	29,000
3710 Development	479,955	0	0	1,200,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	1,375,000
3909 Op Trfs Out To the Street Improvement Fund	0	0	0	(50,000)
3922 Op Trfs Out To the General Government Fund	0	0	0	(75,000)
3999 Op Trfs Out To the Subsidiary CIP Fund	(3,560,000)	(600,000)	(2,275,000)	(474,542)
TOTAL (322)	(3,049,065)	(585,105)	(2,245,000)	2,004,458
GENERAL GOVERNMENT (330)				
3431 Pooled Investment Interest (Nonalloc)	44,411	6,839	0	0

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3434 Pooled Interest Allocation	143,087	210,318	288,000	278,000
3801 Op Trfs in from General Fund	12,000,000	0	0	2,650,000
3823 Op Trfs in Storm Drain Fund	0	164,838	0	0
3831 Appn Transfers in from General Fund	0	2,070,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	200,000	0	0
3902 Op Trfs Out To the Gas Tax Fund	(200,000)	0	0	0
3909 Op Trfs Out To the Street Improvement Fund	0	0	(1,291,917)	0
3910 Op Trfs Out To the Park Improvement Fund	0	0	(1,525,000)	(2,285,000)
3917 Op Trfs Out To the Equipment Fund	0	(17,978)	0	0
3923 Op Trfs Out To the Storm Drain Fund	(1,200,000)	(830,000)	(400,000)	0
3940 Appn Trfs out to Park Improvement	(855,000)	0	0	0
3942 Appn Trfs out to Water Fund	(278,543)	0	0	0
3945 Appn Trfs out to Sewer Fund	(278,543)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(685,000)	(5,177,540)	(8,528,640)	(5,063,000)
TOTAL (330)	8,690,412	(3,373,522)	(11,457,557)	(4,420,000)
GENERAL GOVERNMENT CIP (331)				
3567 State Contributions-Police	0	96,785	0	0
3760 Developer Contribution	0	0	(100,000)	0
3810 Op Trfs in from Park Improvement	0	300,000	0	75,000
3812 Op Trfs in from Water Fund	0	100,000	0	0
3815 Op Trfs in from Sewer Fund	0	100,000	103,200	0
3817 Op Trfs in from Equipment Replacement	0	0	2,060,000	0
3819 Op Trfs in from Other	0	200,000	400,000	200,000
3826 Op Trfs in from Measure I TOT Fund	0	150,000	0	0
3827 Op Trfs in from LLMD Fund	0	93,256	100,000	95,000
3836 Appn Trfs in from Solid Waste Services	306,800	200,000	0	0
3839 Appn Transfers in from Street Fund	1,000,000	0	0	0
3847 Appn Transfers in from Equipment	0	83,204	0	0
3849 Other Appn Transfers In	200,000	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	685,000	5,177,540	8,528,640	5,063,000
3926 Op Trfs Out to Measure I TOT	0	(600,000)	0	0
3931 Appn Trfs out to General Fund	0	(9,100)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(200,000)	0	0
TOTAL (331)	2,191,800	5,691,685	11,091,840	5,433,000
STORM DRAIN DEVELOPMENT (340)				
3431 Pooled Investment Interest (Nonalloc)	8,784	1,849	0	0
3434 Pooled Interest Allocation	22,880	34,545	37,000	66,000
3565 State Contri-Public Works	0	49,640	0	0
3710 Development	371,540	1,675,400	600,000	500,000
3831 Appn Transfers in from General Fund	0	500,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	217,000
3922 Op Trfs Out To the General Government Fund	0	(14,838)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(750,000)	(685,000)	(1,115,000)	(345,000)
TOTAL (340)	(346,795)	1,561,595	(478,000)	438,000

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
STORM DRAIN CIP (341)				
3815 Op Trfs in from Sewer Fund	0	0	0	15,000
3822 Op Trfs in from General Gov't Fund	1,200,000	830,000	400,000	0
3899 Op Trfs in from Subsidiary CIP Fund	750,000	685,000	1,115,000	345,000
3922 Op Trfs Out To the General Government Fund	0	(150,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(217,000)
TOTAL (341)	1,950,000	1,365,000	1,515,000	143,000
TRANSIT AREA IMPACT FEE FUND (350)				
3431 Pooled Investment Interest (Nonalloc)	56,921	14,436	0	0
3434 Pooled Interest Allocation	120,143	214,896	248,000	379,000
3710 Development	26,160,762	23,674,063	25,000,000	25,000,000
3740 Reimbursements	198,223	0	0	0
3812 Op Trfs in from Water Fund	0	0	0	480,643
3899 Op Trfs in from Subsidiary CIP Fund	0	150,000	0	0
3909 Op Trfs Out To the Street Improvement Fund	(40,000)	(40,000)	0	(1,400,000)
3910 Op Trfs Out To the Park Improvement Fund	0	0	(3,250,000)	(6,425,000)
3912 Op Trfs Out To the Water Fund	0	0	(2,075,000)	(2,330,000)
3931 Appn Trfs out to General Fund	(62,500)	0	0	0
3940 Appn Trfs out to Park Improvement	0	(400,000)	0	0
3942 Appn Trfs out to Water Fund	0	(1,200,000)	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(7,525,000)	(1,100,000)	(8,957,158)
TOTAL (350)	26,433,549	14,888,396	18,823,000	6,747,485
TRANSIT AREA IMPACT FEE CIP FUND (351)				
3561 State Contributions-General Gov't	0	0	2,700,000	(2,700,000)
3575 County Cont-Public Works	0	697,362	0	32,842
3760 Developer Contribution	0	80,282	0	0
3810 Op Trfs in from Park Improvement	0	150,000	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	7,525,000	1,100,000	8,957,158
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(150,000)	0	0
TOTAL (351)	0	8,302,644	3,800,000	6,290,000
WATER M & O FUND (400)				
3431 Pooled Investment Interest (Nonalloc)	21,454	(12,991)	0	0
3433 Other Interest Income	55,276	(181,229)	0	0
3434 Pooled Interest Allocation	146,951	141,930	179,000	225,000
3585 Other Res Grant-Public Works	63,379	88,515	36,000	140,000
3623 Metered Water Sales	18,461,686	21,975,908	24,900,000	24,900,000
3626 Construction Water	89,329	99,349	60,000	100,000
3672 Public Works Cost Recovery	8,479	8,479	8,479	0
3790 Miscellaneous Other Revenue	123,125	137,719	130,000	130,000
3809 Op Trfs in from Street Fund	7,892	18,207	0	0
3852 Appn Tfr in from General Gov't Fund	278,543	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	5,415,000	400,000	200,000	0
3901 Op Trfs Out To the General Fund	(2,347,000)	(2,633,000)	(2,594,000)	(3,162,936)
3909 Op Trfs Out To the Street Improvement Fund	(100,000)	(250,000)	0	0

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3922 Op Trfs Out To the General Government Fund	0	(100,000)	0	0
3981 Contributions-Proprietary Fund	812,500	814,113	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(4,540,000)	(600,000)	0	0
TOTAL (400)	18,496,613	19,906,999	22,919,479	22,332,064
WATER CIP (401)				
3810 Op Trfs in from Park Improvement	0	0	200,000	0
3815 Op Trfs in from Sewer Fund	0	125,000	0	0
3840 Appn Transfers in from Park Improvement	200,000	0	0	0
3854 Appn Tfr in from Transit Area Fund	0	1,200,000	2,075,000	2,330,000
3899 Op Trfs in from Subsidiary CIP Fund	4,540,000	3,690,000	15,171,700	11,248,800
3924 Op Trfs Out To the Transit Area Impact Fund	0	0	0	(480,643)
3999 Op Trfs Out To the Subsidiary CIP Fund	(5,415,000)	(400,000)	(1,400,000)	0
TOTAL (401)	(675,000)	4,615,000	16,046,700	13,098,157
WATER LINE EXTENSION FUND (402)				
3431 Pooled Investment Interest (Nonalloc)	6,296	(1,594)	0	0
3434 Pooled Interest Allocation	20,800	22,915	31,000	46,000
3710 Development	519,554	2,183,279	1,500,000	1,000,000
3790 Miscellaneous Other Revenue	9,621	9,621	9,000	9,000
3899 Op Trfs in from Subsidiary CIP Fund	0	0	1,200,000	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(1,590,000)	(4,645,000)	(397,100)
TOTAL (402)	556,271	624,221	(1,905,000)	657,900
WATER BONDS (403)				
3970 Bond Proceeds	0	0	25,000,000	14,300,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	(6,426,700)	(8,000,000)
TOTAL (403)	0	0	18,573,300	6,300,000
WATER INFRASTRUCTURE REPLMT (405)				
3431 Pooled Investment Interest (Nonalloc)	0	6,181	0	0
3434 Pooled Interest Allocation	0	14,681	9,000	35,000
3629 Capital Surcharge	0	4,087,076	5,000,000	5,400,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(1,500,000)	(4,100,000)	(2,851,700)
TOTAL (405)	0	2,607,939	909,000	2,583,300
SEWER M & O FUND (450)				
3431 Pooled Investment Interest (Nonalloc)	58,376	(22,664)	0	0
3433 Other Interest Income	125,136	(279,916)	0	0
3434 Pooled Interest Allocation	168,567	181,659	232,000	265,000
3628 Sewer Service Charges	15,770,897	16,651,740	16,800,000	16,800,000
3790 Miscellaneous Other Revenue	72,133	69,384	64,000	64,000
3809 Op Trfs in from Street Fund	0	18,207	0	0
3852 Appn Tfr in from General Gov't Fund	278,543	0	0	0
3899 Op Trfs in from Subsidiary CIP Fund	0	0	0	1,706,677
3901 Op Trfs Out To the General Fund	(1,575,000)	(1,641,000)	(1,685,000)	(2,006,252)
3909 Op Trfs Out To the Street Improvement Fund	(100,000)	(250,000)	(100,000)	(100,000)
3910 Op Trfs Out To the Park Improvement Fund	0	0	(500,000)	0
3912 Op Trfs Out To the Water Fund	0	(125,000)	0	0

Revenues by Fund (Detail)

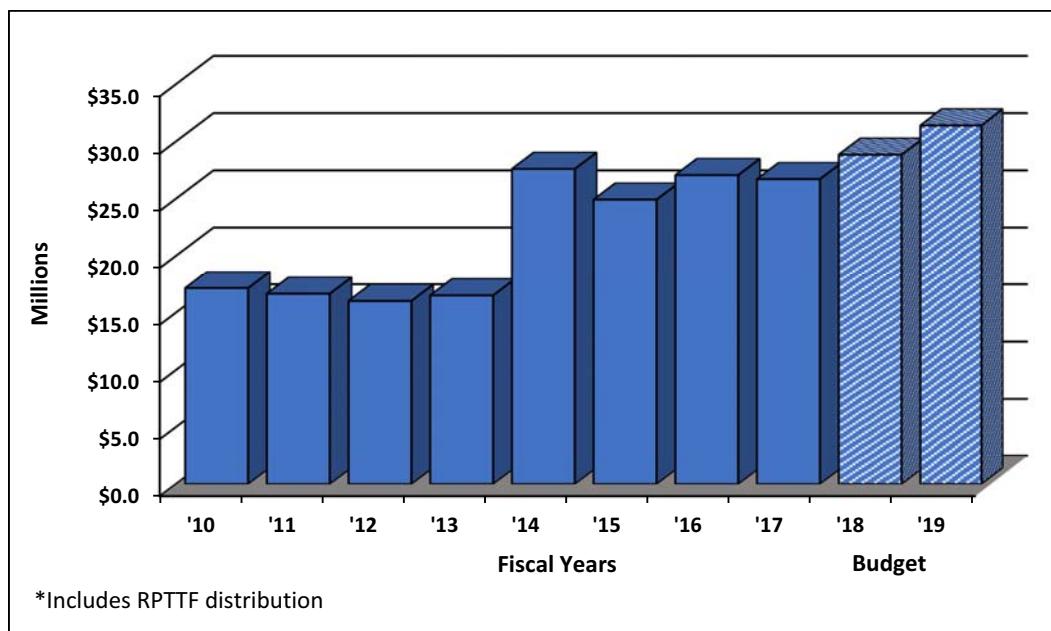
Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
3922 Op Trfs Out To the General Government Fund	0	(100,000)	(103,200)	0
3923 Op Trfs Out To the Storm Drain Fund	0	0	0	(15,000)
3936 Appn Trfs out to Solid Waste Services	(80,000)	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	(2,315,000)	(4,440,000)	(7,855,000)	(2,000,000)
TOTAL (450)	12,403,652	10,062,410	6,852,800	14,714,425
SEWER CIP (451)				
3899 Op Trfs in from Subsidiary CIP Fund	3,815,000	6,440,000	11,305,000	4,400,000
3999 Op Trfs Out To the Subsidiary CIP Fund	0	0	0	(1,706,677)
TOTAL (451)	3,815,000	6,440,000	11,305,000	2,693,323
TREATMENT PLANT CONSTRUCTION (452)				
3431 Pooled Investment Interest (Nonalloc)	9,688	(2,000)	0	0
3434 Pooled Interest Allocation	50,720	53,683	66,000	89,000
3710 Development	692,545	2,836,375	1,000,000	1,000,000
3999 Op Trfs Out To the Subsidiary CIP Fund	(1,500,000)	(1,000,000)	(3,250,000)	(2,000,000)
TOTAL (452)	(747,047)	1,888,058	(2,184,000)	(911,000)
SEWER 2006 COPS (453)				
3432 Cash with Fiscal Agents	1	4	0	0
TOTAL (453)	1	4	0	0
SEWER INFRASTRTURE REPLMNT (455)				
3431 Pooled Investment Interest (Nonalloc)	6,176	(6,371)	0	0
3434 Pooled Interest Allocation	26,027	20,644	33,000	28,000
3710 Development	28,208	0	0	0
3999 Op Trfs Out To the Subsidiary CIP Fund	0	(1,000,000)	(200,000)	(400,000)
TOTAL (455)	60,411	(985,727)	(167,000)	(372,000)
EQUIPMENT MGMT FUND (500)				
3431 Pooled Investment Interest (Nonalloc)	17,237	(8,598)	0	0
3433 Other Interest Income	34,033	(90,732)	0	0
3434 Pooled Interest Allocation	69,463	72,327	95,000	111,000
3558 Federal Contributions-Fire	40,145	0	0	0
3619 Rent,Lease & Concession-PW/Eng	1,200	900	0	0
3671 Public Works Service Charges	2,390,442	2,393,310	0	2,839,552
3672 Public Works Cost Recovery	0	50,274	0	0
3770 Sale of Property, Plant and Equipment	16,792	0	0	0
3790 Miscellaneous Other Revenue	158	3,895	0	0
3822 Op Trfs in from General Gov't Fund	0	17,978	0	0
3922 Op Trfs Out To the General Government Fund	0	0	(2,060,000)	0
3952 Appn Trfs out to General Gov't Fund	0	(83,204)	0	0
3981 Contributions-Proprietary Fund	219,034	97,675	0	0
TOTAL (500)	2,788,503	2,453,824	(1,965,000)	2,950,552
INFORMATION TEC REPLMT (505)				
3431 Pooled Investment Interest (Nonalloc)	173	104	0	0
3434 Pooled Interest Allocation	173	1,386	0	0
3801 Op Trfs in from General Fund	300,000	300,000	300,000	300,000
TOTAL (505)	300,347	301,490	300,000	300,000

Revenues by Fund (Detail)

Description	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERMIT AUTOMATION FUND (506)				
3431 Pooled Investment Interest (Nonalloc)	4,189	(558)	0	0
3434 Pooled Interest Allocation	9,623	12,872	16,000	23,000
3601 General Government Service Charges	991,613	997,174	600,000	600,000
3922 Op Trfs Out To the General Government Fund	0	0	(200,000)	(200,000)
TOTAL (506)	<u>1,005,426</u>	<u>1,009,489</u>	<u>416,000</u>	<u>423,000</u>
TOTAL	<u>165,735,981</u>	<u>186,631,842</u>	<u>199,664,248</u>	<u>198,597,311</u>

History of Property Tax Revenue

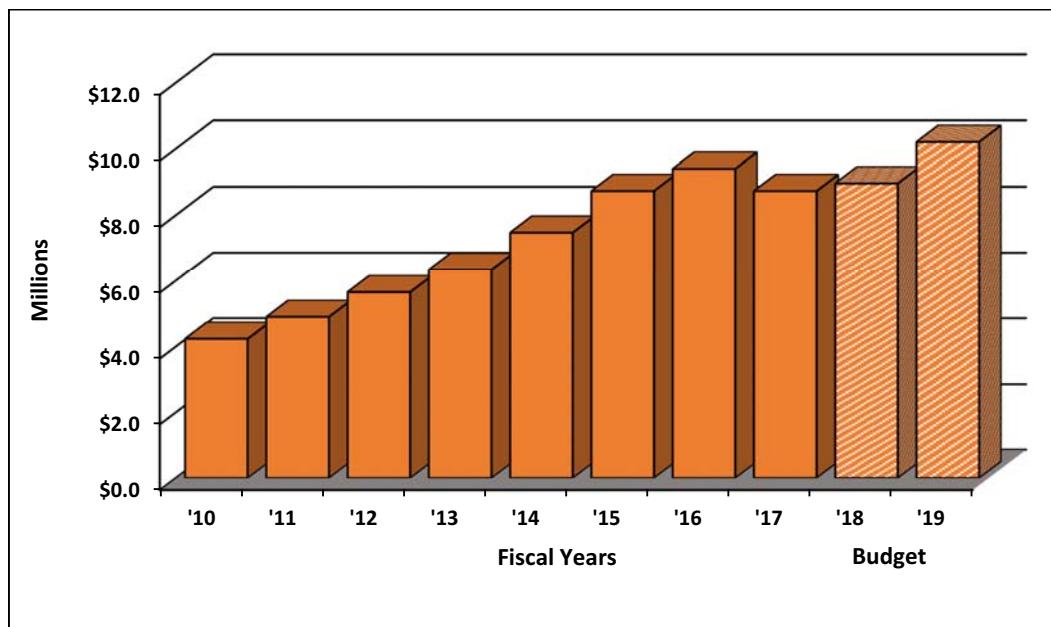
General Fund
2010 through 2019



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

History of Transient Occupancy Tax Revenue

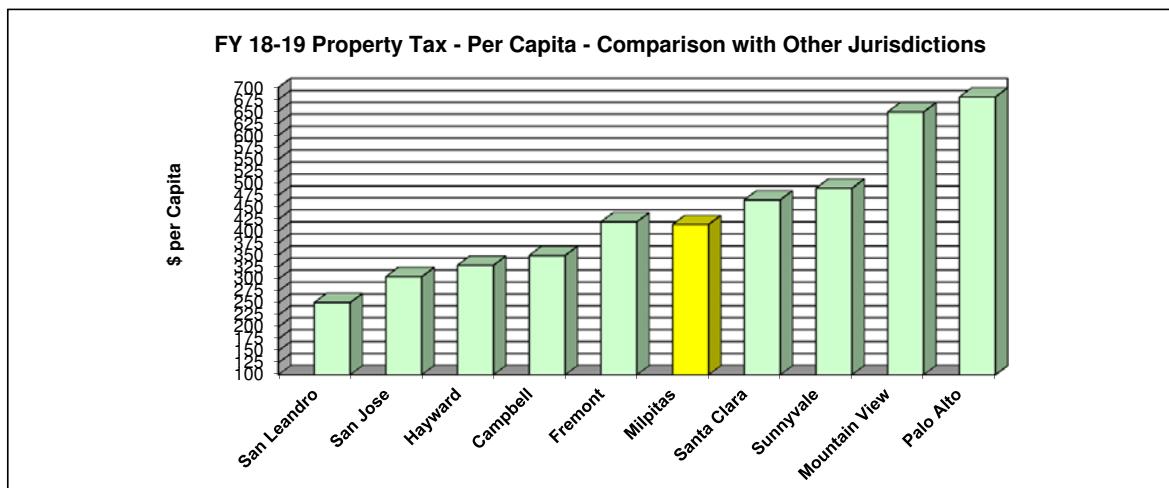
General Fund
2010 through 2019



The City of Milpitas Transient Occupancy Rate is currently 10%

Property Tax, Comparison with Other Jurisdictions
FY 2014-15 through FY 2018-19

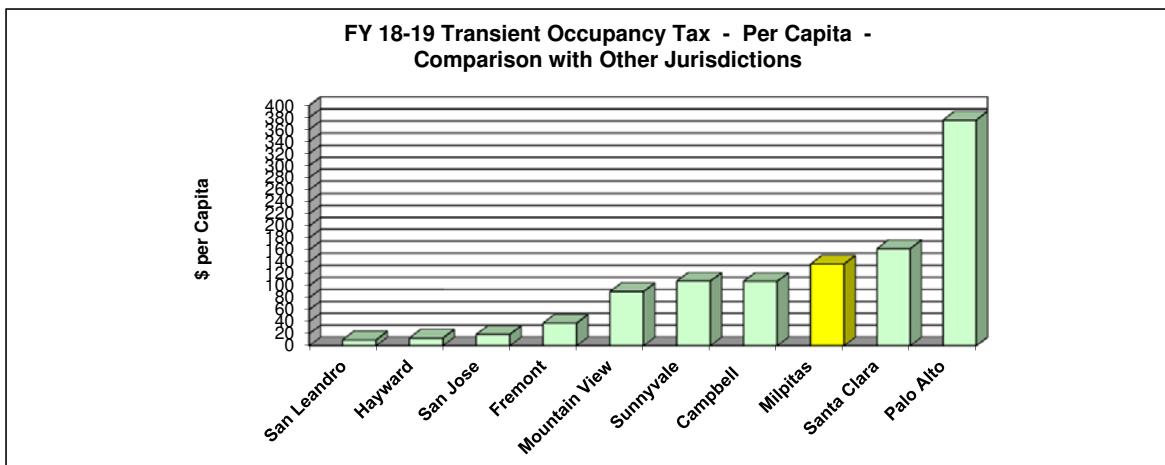
City	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budgeted 2017-18	Budgeted 2018-19
Milpitas	\$24,926,915	\$27,068,110	\$30,261,513	\$28,850,000	\$31,405,000
% of General Fund	36%	35%	31%	32%	32%
Per Capita	343.32	365.09	400.70	382.58	419.49
Campbell	\$11,240,729	\$12,075,059	\$13,032,100	\$13,785,000	\$14,943,000
% of General Fund	25%	24%	26%	28%	29%
Per Capita	267.68	283.56	307.56	322.86	349.14
Fremont	\$75,028,000	\$79,388,000	\$86,698,000	\$91,318,000	\$97,443,000
% of General Fund	48%	43%	48%	49%	49%
Per Capita	334.99	348.14	378.06	394.18	413.88
Hayward	\$42,128,306	\$44,159,000	\$47,195,566	\$48,912,000	\$53,267,000
% of General Fund	32%	29%	30%	33%	33%
Per Capita	286.27	277.55	296.63	302.95	328.75
Mountain View	\$35,173,321	\$39,460,578	\$43,773,612	\$45,285,200	\$52,908,540
% of General Fund	33%	34%	35%	35%	38%
Per Capita	458.10	506.46	558.37	559.79	648.97
Palo Alto	\$34,116,747	\$36,607,000	\$39,381,477	\$41,927,000	\$45,332,000
% of General Fund	18%	19%	22%	23%	23%
Per Capita	509.31	554.41	588.06	630.69	680.16
San Jose	\$247,258,146	\$263,299,078	\$276,388,433	\$307,990,000	\$320,450,000
% of General Fund	24%	25%	25%	24%	29%
Per Capita	247.13	255.62	266.70	295.35	304.81
San Leandro	\$18,900,000	\$20,044,219	\$20,858,028	\$21,201,900	\$22,156,000
% of General Fund	21%	19%	20%	20%	20%
Per Capita	216.72	228.55	236.14	240.03	250.83
Santa Clara	\$37,576,165	\$45,621,226	\$50,920,368	\$51,359,000	\$60,300,000
% of General Fund	21%	23%	24%	23%	24%
Per Capita	309.96	377.12	411.47	414.24	465.26
Sunnyvale	\$54,940,570	\$62,390,637	\$66,608,795	\$73,799,066	\$75,105,869
% of General Fund	37%	35%	39%	36%	35%
Per Capita	374.69	421.48	448.93	490.04	489.64



Transient Occupancy Tax, Comparison with Other Jurisdictions

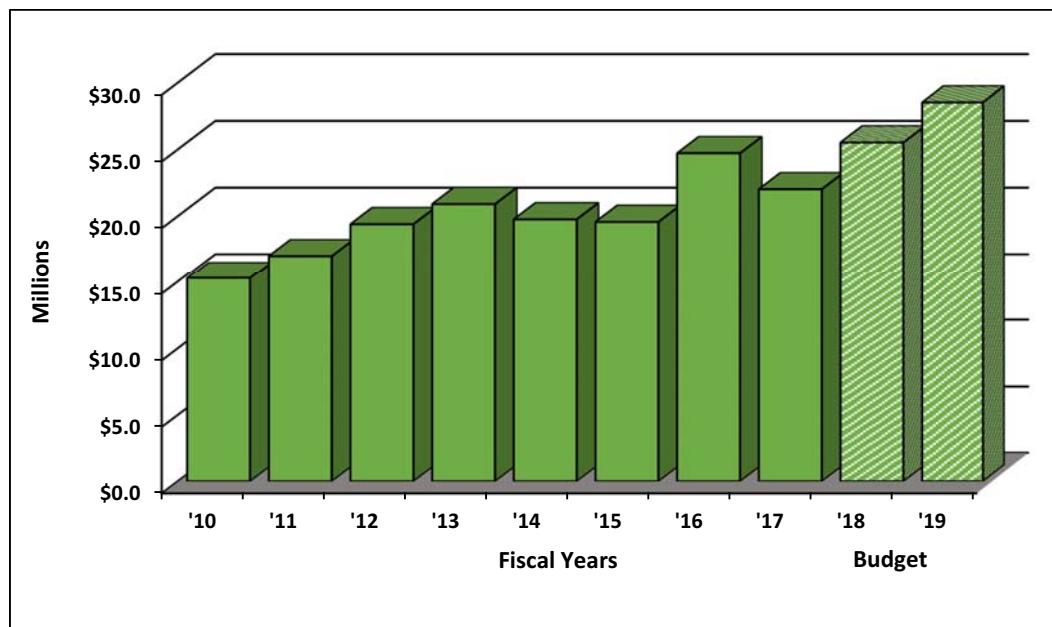
FY 2014-15 through FY 2018-19

City	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budgeted 2017-18	Budgeted 2018-19
Milpitas	\$8,733,319	\$9,401,800	\$9,536,211	\$8,962,000	\$10,210,000
% of General Fund	13%	12%	10%	10%	10%
Per Capita	120.28	126.81	126.27	118.84	136.38
Campbell	\$4,091,923	\$4,439,668	\$4,420,208	\$4,700,000	\$4,600,000
% of General Fund	9%	9%	9%	10%	9%
Per Capita	97.44	104.26	104.32	110.08	107.48
Fremont	\$7,181,000	\$8,087,000	\$8,391,000	\$8,502,000	\$8,837,000
% of General Fund	5%	4%	5%	5%	4%
Per Capita	32.06	35.46	36.59	36.70	37.53
Hayward	\$2,033,057	\$2,591,000	\$2,559,873	\$2,036,000	\$2,077,000
% of General Fund	2%	2%	2%	1%	1%
Per Capita	13.82	16.28	16.09	12.61	12.82
Mountain View	\$6,559,072	\$6,590,636	\$7,042,794	\$6,954,300	\$7,358,800
% of General Fund	6%	6%	6%	5%	5%
Per Capita	85.43	84.59	89.84	85.96	90.26
Palo Alto	\$16,699,331	\$22,366,000	\$23,477,173	\$25,143,000	\$25,049,000
% of General Fund	9%	12%	13%	13%	13%
Per Capita	249.30	338.73	350.57	378.22	375.83
San Jose	\$14,797,674	\$16,564,848	\$18,274,899	\$18,720,000	\$19,700,000
% of General Fund	1%	2%	2%	1%	2%
Per Capita	14.79	16.08	17.63	17.95	18.74
San Leandro	\$540,000	\$609,652	\$711,406	\$830,000	\$854,900
% of General Fund	0.59%	0.57%	0.67%	0.77%	0.78%
Per Capita	6.19	6.95	8.05	9.40	9.68
Santa Clara	\$17,843,363	\$20,034,096	\$20,069,227	\$20,600,000	\$21,000,000
% of General Fund	10%	10%	9%	9%	8%
Per Capita	147.19	165.61	162.17	166.15	162.03
Sunnyvale	\$14,137,069	\$16,295,589	\$16,589,743	\$16,294,653	\$16,541,424
% of General Fund	9%	9%	10%	8%	8%
Per Capita	96.41	110.08	111.81	108.20	107.84



History of Sales Tax Revenue

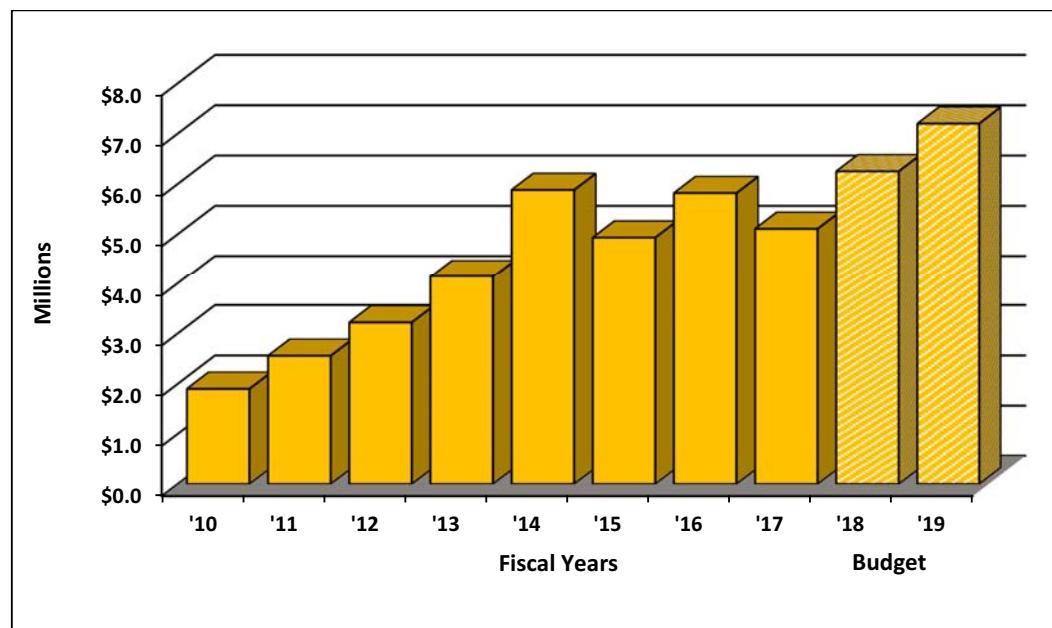
General Fund
2010 through 2019



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

History of Building Permit Revenue

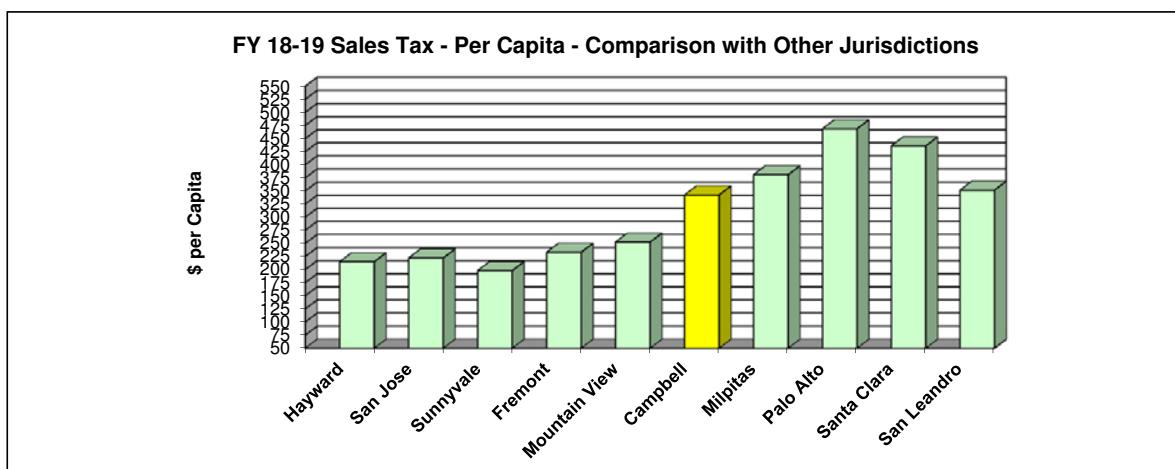
General Fund
2010 through 2019



Sales Tax, Comparison with Other Jurisdictions

FY 2014-15 through FY 2018-19

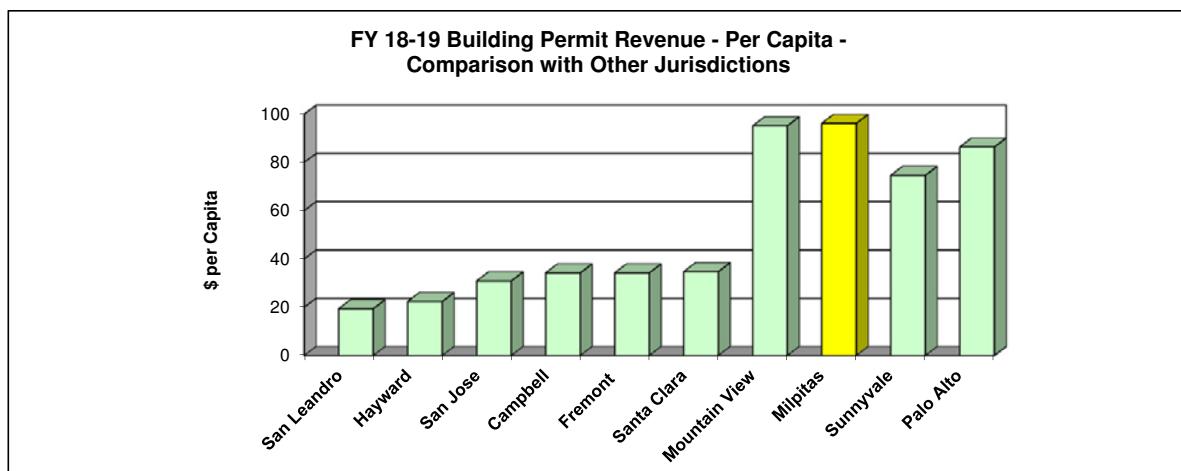
City	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budgeted 2017-18	Budgeted 2018-19
Milpitas	\$19,572,356	\$24,718,975	\$26,213,910	\$25,520,000	\$28,520,056
% of General Fund	29%	32%	27%	28%	29%
Per Capita	269.57	333.41	347.11	338.42	380.95
Campbell	\$13,915,291	\$14,818,496	\$14,297,751	\$14,432,000	\$14,656,000
% of General Fund	31%	30%	29%	29%	29%
Per Capita	331.37	347.98	337.43	338.02	342.43
Fremont	\$40,744,000	\$48,580,000	\$49,536,000	\$50,717,000	\$54,876,000
% of General Fund	26%	26%	27%	27%	28%
Per Capita	181.92	213.04	216.01	218.92	233.08
Hayward	\$31,058,161	\$33,059,000	\$34,839,287	\$32,609,000	\$34,817,000
% of General Fund	23%	21%	22%	22%	22%
Per Capita	211.05	207.78	218.97	201.97	214.88
Mountain View	\$19,773,384	\$21,401,425	\$21,828,516	\$21,194,100	\$20,026,480
% of General Fund	19%	20%	19%	18%	16%
Per Capita	259.29	278.73	280.16	271.98	252.61
Palo Alto	\$29,675,408	\$30,018,000	\$29,922,926	\$31,458,000	\$31,246,496
% of General Fund	16%	15%	17%	17%	16%
Per Capita	443.01	454.62	446.82	473.21	468.82
San Jose	\$180,406,910	\$201,797,183	\$207,695,033	\$230,000,000	\$233,500,000
% of General Fund	17%	19%	19%	18%	21%
Per Capita	180.31	195.91	200.41	220.56	222.10
San Leandro	\$32,900,000	\$42,336,643	\$30,342,598	\$30,650,600	\$31,054,000
% of General Fund	36%	40%	29%	28%	28%
Per Capita	377.25	482.74	343.52	347.00	351.57
Santa Clara	\$49,933,155	\$50,254,965	\$62,528,632	\$59,047,475	\$56,530,000
% of General Fund	27%	26%	29%	27%	23%
Per Capita	411.89	415.42	505.27	476.25	436.17
Sunnyvale	\$29,676,176	\$32,909,169	\$29,408,259	\$30,244,896	\$30,366,206
% of General Fund	20%	18%	17%	15%	14%
Per Capita	202.39	222.32	198.21	200.83	197.97



Building Permit Revenue, Comparison with Other Jurisdictions

FY 2014-15 through FY 2018-19

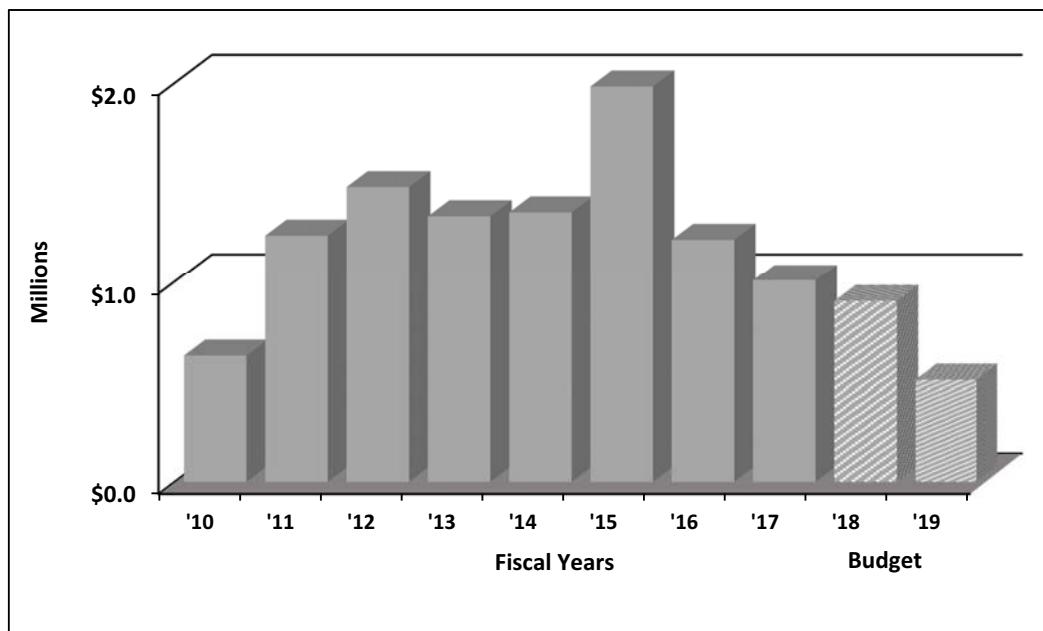
City	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budgeted 2017-18	Budgeted 2018-19
Milpitas	\$4,934,766	\$5,819,943	\$7,545,221	\$6,251,690	\$7,199,714
% of General Fund	7%	8%	8%	7%	7%
Per Capita	67.97	78.50	99.91	82.90	96.17
Campbell	\$1,180,622	\$2,488,271	\$1,965,323	\$1,512,000	\$1,465,000
% of General Fund	3%	5%	4%	3%	3%
Per Capita	28.11	58.43	46.38	35.41	34.23
Fremont *	\$783,842	\$8,696,988	\$13,981,333	\$9,643,296	\$10,658,065
% of General Fund	1%	5%	7%	5%	5%
Per Capita	3.50	38.14	60.97	41.63	45.27
Hayward	\$2,499,636	\$3,602,843	\$4,212,602	\$3,500,000	\$3,622,000
% of General Fund	2%	2%	3%	2%	2%
Per Capita	16.99	22.64	26.48	21.68	22.35
Mountain View *	\$6,222,485	\$6,409,790	\$7,080,287	\$5,621,000	\$7,755,000
% of General Fund	6%	5%	5%	4%	5%
Per Capita	81.04	82.27	90.31	69.48	95.12
Palo Alto	\$4,641,442	\$4,814,233	\$4,404,910	\$5,758,296	\$5,758,296
% of General Fund	3%	2%	2%	3%	3%
Per Capita	69.29	72.91	65.78	86.62	86.40
San Jose	\$27,437,791	\$30,506,052	\$32,113,377	\$32,500,000	\$32,500,000
% of General Fund	3%	3%	3%	3%	3%
Per Capita	27.42	29.62	30.99	31.17	30.91
San Leandro	\$1,410,000	\$1,734,799	\$1,828,458	\$1,700,000	\$1,710,000
% of General Fund	2%	2%	2%	2%	2%
Per Capita	16.17	19.78	20.70	19.25	19.36
Santa Clara	\$4,404,007	\$6,036,116	\$5,876,550	\$5,000,000	\$4,500,000
% of General Fund	2%	3%	3%	2%	2%
Per Capita	36.33	49.90	47.49	40.33	34.72
Sunnyvale *	\$12,154,616	\$17,240,132	\$13,306,587	\$13,491,112	\$11,447,742
% of General Fund	8%	9%	7%	6%	5%
Per Capita	82.89	116.47	89.68	89.58	74.63



* For the Cities of Fremont, Mountain View and Sunnyvale, building permits are not part of the General Fund revenues, but for comparison purposes, we included this revenue as part of the General Fund.

History of Intergovernmental Revenue

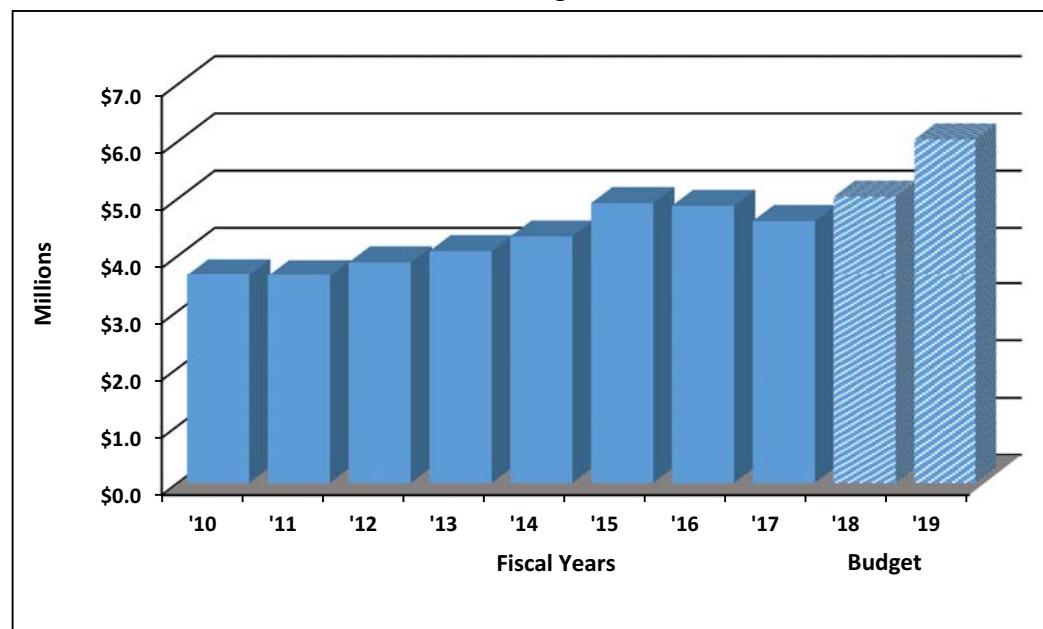
General Fund
2010 through 2019



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

History of "Other" Tax Revenue

General Fund
2010 through 2019



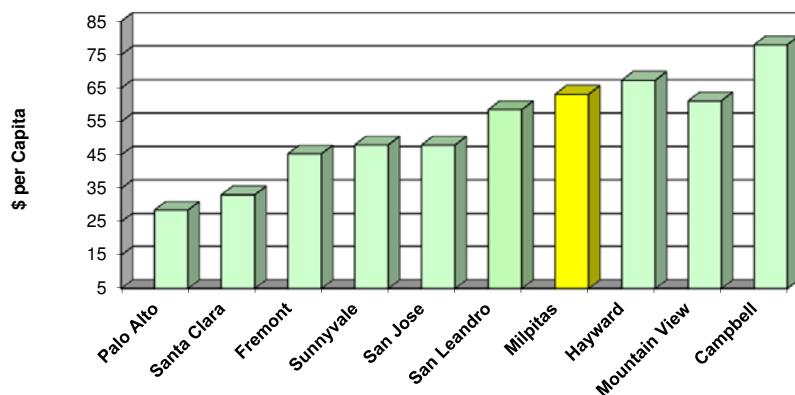
"Other" Tax Revenue include: Real Estate Transfer Tax, Franchise Fees and Business License Tax

Franchise Fees, Comparison with Other Jurisdictions

FY 2014-15 through FY 2018-19

City	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budgeted 2017-18	Budgeted 2018-19
Milpitas	\$3,658,729	\$3,841,010	\$3,871,202	\$3,981,000	\$4,730,851
% of General Fund	5%	5%	4%	4%	5%
Per Capita	50.39	51.81	51.26	52.79	63.19
Campbell	\$3,322,031	\$3,319,602	\$3,478,915	\$3,349,413	\$3,339,000
% of General Fund	7%	7%	7%	7%	6%
Per Capita	79.11	77.95	82.10	78.45	78.01
Fremont	\$9,299,000	\$9,606,000	\$9,887,000	\$10,200,000	\$10,505,000
% of General Fund	6%	6%	5%	6%	5%
Per Capita	42.28	42.89	43.36	44.44	45.35
Hayward	\$10,128,000	\$10,139,000	\$9,646,262	\$9,462,000	\$10,921,000
% of General Fund	8%	7%	6%	6%	7%
Per Capita	68.82	63.73	60.63	58.60	67.40
Mountain View	\$4,529,685	\$4,704,290	\$4,741,035	\$4,914,940	\$4,990,480
% of General Fund	4%	4%	4%	4%	4%
Per Capita	58.99	60.38	60.48	60.76	61.21
Palo Alto¹	\$1,860,312	\$1,895,062	\$1,900,079	\$1,700,000	\$1,900,000
% of General Fund	1%	1%	1%	1%	1%
Per Capita	27.77	28.70	28.37	25.57	28.51
San Jose	\$46,908,554	\$48,948,942	\$49,641,551	\$50,813,083	\$50,474,798
% of General Fund	4%	5%	4%	4%	5%
Per Capita	46.88	47.52	47.90	48.73	48.01
San Leandro	\$4,800,000	\$4,968,614	\$5,102,904	\$5,125,029	\$5,176,009
% of General Fund	5%	5%	5%	5%	5%
Per Capita	55.04	56.65	57.77	58.02	58.60
Santa Clara	\$3,698,326	\$3,822,934	\$4,017,605	\$3,916,300	\$4,287,638
% of General Fund	2%	2%	2%	2%	2%
Per Capita	30.51	31.60	32.46	31.59	33.08
Sunnyvale	\$6,897,803	\$7,056,709	\$7,117,732	\$7,181,772	\$7,368,207
% of General Fund	5%	4%	4%	4%	3%
Per Capita	47.04	47.67	47.97	47.69	48.04

FY 18-19 Franchise Fee Revenue - Per Capita - Comparison with Other Jurisdictions



¹ Only cable franchise fees are included

Expenditures by Fund (Summary)

	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
100 General Fund	72,334,671	79,630,340	90,018,839	101,108,797
102 Measure I TOT	127,396	414,819	816,225	802,622
103 1452-1474 S. Main	35,193	39,125	40,363	44,000
105 Abandon Veh Abatement	79,609	68,111	22,500	22,500
130 Private Jobs Developer Deposit	0	8,626	0	0
150 Redevelopment Administration	160,732	103,804	100,479	56,710
211 H-Hetch Ground Lease	30,870	31,834	35,000	35,000
213 Public Art Fund-Nonrestricted	14,550	7,500	67,000	127,500
214 Community Planning Fee Fund	0	29,007	0	0
235 95-1 Lighting/Lscape Dist	225,650	197,486	259,336	376,820
236 98-1 Lighting/Lscape Dist	31,118	33,467	37,990	59,065
237 05 Community Fcty Dist	682,971	674,644	1,169,641	1,231,353
238 08 Community Fcty Dist	3,154	20,650	5,000	5,000
250 HCD Fund	413,762	417,808	400,000	541,000
251 HCD Loan	(4,034)	58,753	350,000	200,000
261 Supplemental Law Enforcement	66,791	184,454	0	0
262 State Asset Seizure	0	22,896	30,000	30,000
263 Federal Asset Seizure	29,855	0	30,000	30,000
267 Justice Assistance Grant	0	62,322	0	0
269 Grant Fund	169,980	11,630	0	0
280 Solid Waste Services	773,294	718,161	870,408	386,437
295 Housing Authority	433,018	444,703	439,904	799,092
310 Street Fund	595	0	0	0
311 Street CIP	7,253,253	4,139,255	5,550,000	6,575,000
321 Park Improvement CIP	5,869,958	2,465,932	11,175,000	9,635,000
331 General Government CIP	1,722,389	2,778,557	11,091,840	5,433,000
341 Storm Drain CIP	308,901	305,180	1,515,000	143,000
350 Transit Area Impact Fee Fund	9,681,636	8,818,290	75,000	75,000
351 Transit Area Impact Fee CIP Fund	134,843	7,672,156	3,800,000	6,290,000
400 Water M & O Fund	16,099,089	19,452,313	25,306,655	25,678,801
401 Water CIP	3,644,260	1,213,819	16,046,700	13,098,157
450 Sewer M & O Fund	5,770,194	3,245,710	11,492,057	11,742,622
451 Sewer CIP	5,102,114	6,723,086	11,305,000	2,693,323
500 Equipment Mgmt Fund	2,193,638	2,230,852	2,116,862	2,873,163
505 Information Tec Replmt	238,928	227,405	157,500	271,250
506 Permit Automation Fund	301,002	557,738	864,935	745,371
TOTAL	133,929,380	143,010,431	195,189,234	191,109,583

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Contractual Svcs	Supplies & Capital Outlay	Debt Service	Capital Improvements	Total
GENERAL FUND						
City Council	238,922	193,185	0	0	0	432,107
City Manager	1,618,148	231,300	0	0	0	1,849,448
City Clerk	534,122	238,500	0	0	0	772,622
Economic Development	676,429	296,005	0	0	0	972,434
City Attorney	180,882	567,150	0	0	0	748,032
Building Inspection Services	3,216,303	57,046	0	0	0	3,273,349
Plan Checking	993,816	3,700	0	0	0	997,516
Building Administration	306,120	7,500	0	0	0	313,620
Permit Center	514,518	13,950	0	0	0	528,468
Information Services	2,090,234	1,070,793	0	0	0	3,161,027
Human Resources	909,504	547,925	0	0	0	1,457,429
Recreation & Community Services Administration	1,467,644	129,046	0	0	0	1,596,690
Senior Citizen Services	661,323	263,988	0	0	0	925,311
Pre-K Enrichment	0	150,000	0	0	0	150,000
Youth Programs	669,884	219,200	0	0	0	889,084
Special Events	146,872	170,888	0	0	0	317,760
Marketing	183,692	67,000	0	0	0	250,692
Performing Arts	0	38,500	0	0	0	38,500
General Classes	104,494	218,099	0	0	0	322,593
Aquatics	375,463	11,300	0	0	0	386,763
Sports & Fitness	435,654	217,868	0	0	0	653,522
Adult Sports	0	11,860	0	0	0	11,860
Finance Administration	1,530,654	166,405	0	0	0	1,697,059
Finance Operations	1,756,118	95,040	0	0	0	1,851,158
Public Works Administration	824,008	37,734	0	0	0	861,742
Street Maintenance	868,033	340,305	15,946	0	0	1,224,284
Utility Engineering	0	0	0	0	0	0
Utility Maintenance	0	0	0	0	0	0
Park Maintenance	0	1,361,405	0	0	0	1,361,405
Trees & Landscape Mnt	543,909	445,547	0	0	0	989,456

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Contractual Svcs	Supplies & Capital Outlay	Debt Service	Capital Improvements	Total
Facilities Maintenance	1,271,642	1,415,978	0	0	0	2,687,620
Engineering Administration	439,194	17,340	0	0	0	456,534
Design & Construction	1,121,421	17,478	0	0	0	1,138,899
Land Development	1,532,879	491,129	0	0	0	2,024,008
Traffic Engineering	390,084	108,997	0	0	0	499,081
Planning	1,805,450	38,390	0	0	0	1,843,840
Neighborhood Services	630,939	455,927	0	0	0	1,086,866
Police Administration	1,095,660	18,438	0	0	0	1,114,098
Records	1,819,369	201,968	0	0	0	2,021,337
Personnel & Training	326,867	151,020	0	0	0	477,887
Communications	3,544,569	302,610	0	0	0	3,847,179
Patrol Services	17,705,692	529,951	20,930	0	0	18,256,573
Traffic	1,797,288	81,963	6,819	0	0	1,886,070
Crossing Guards	419,512	2,000	0	0	0	421,512
Community Relations	603,153	21,602	1,347	0	0	626,102
Investigations	3,564,226	367,509	11,844	0	0	3,943,579
Fire Administration	900,046	50,880	0	0	0	950,926
A/B/C Battalions Operations	14,804,572	2,505,803	120,082	0	0	17,430,457
Disaster Prep & Public Ed	216,220	54,500	0	0	0	270,720
Prevention Div Admin	1,037,247	54,031	0	0	0	1,091,278
Fire Inspection, Plan Check & Investigation	1,725,664	15,300	10,000	0	0	1,750,964
Non-Departmental	4,734,469	4,514,867	0	0	0	9,249,336
sub-total (100)	82,332,909	18,588,920	186,968	0	0	101,108,797
MEASURE I TOT						
City Council	0	510,000	0	0	0	510,000
Recreation & Community Services Administration	86,284	0	0	0	0	86,284
Special Events	53,084	20,000	0	0	0	73,084
Performing Arts	0	46,400	0	0	0	46,400
Facilities Maintenance	66,854	0	0	0	0	66,854
Non-Departmental	0	20,000	0	0	0	20,000
sub-total (102)	206,222	596,400	0	0	0	802,622

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Contractual Svcs	Supplies & Capital Outlay	Debt Service	Capital Improvements	Total
1452-1474 S. MAIN						
Non-Departmental	0	20,000	0	0	0	20,000
1452 S. Main Street Properties	0	24,000	0	0	0	24,000
sub-total (103)	0	44,000	0	0	0	44,000
ABANDON VEH ABATEMENT						
Traffic	22,500	0	0	0	0	22,500
sub-total (105)	22,500	0	0	0	0	22,500
REDEVELOPMENT ADMINISTRATION						
City Manager	6,324	0	0	0	0	6,324
City Clerk	1,278	0	0	0	0	1,278
City Attorney	900	0	0	0	0	900
Human Resources	3,322	0	0	0	0	3,322
Finance Administration	25,124	0	0	0	0	25,124
Finance Operations	12,462	0	0	0	0	12,462
Non-Departmental	0	7,300	0	0	0	7,300
sub-total (150)	49,410	7,300	0	0	0	56,710
H-HETCH GROUND LEASE						
Non-Departmental	0	35,000	0	0	0	35,000
sub-total (211)	0	35,000	0	0	0	35,000
PUBLIC ART FUND- NONRESTRICTED						
Non-Departmental	0	127,500	0	0	0	127,500
sub-total (213)	0	127,500	0	0	0	127,500
95-1 LIGHTING/LSCAPE DIST						
Street Maintenance	50,774	0	0	0	0	50,774
Trees & Landscape Mnt	189,981	61,515	0	0	0	251,496
Land Development	700	73,850	0	0	0	74,550
sub-total (235)	241,455	135,365	0	0	0	376,820
98-1 LIGHTING/LSCAPE DIST						
Trees & Landscape Mnt	38,015	16,400	0	0	0	54,415
Land Development	700	3,950	0	0	0	4,650
sub-total (236)	38,715	20,350	0	0	0	59,065

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
05 COMMUNITY FCLTY DIST						
Street Maintenance	673,621	0	0	0	0	673,621
Park Maintenance	0	185,500	0	0	0	185,500
Trees & Landscape Mnt	287,932	76,300	0	0	0	364,232
Non-Departmental	0	8,000	0	0	0	8,000
sub-total (237)	961,553	269,800	0	0	0	1,231,353
08 COMMUNITY FCLTY DIST						
Non-Departmental	0	5,000	0	0	0	5,000
sub-total (238)	0	5,000	0	0	0	5,000
HCD FUND						
Finance Operations	15,000	0	0	0	0	15,000
Neighborhood Services	65,000	454,000	0	0	0	519,000
Non-Departmental	0	7,000	0	0	0	7,000
sub-total (250)	80,000	461,000	0	0	0	541,000
HCD LOAN						
Neighborhood Services	0	200,000	0	0	0	200,000
sub-total (251)	0	200,000	0	0	0	200,000
STATE ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (262)	0	0	30,000	0	0	30,000
FEDERAL ASSET SEIZURE						
Investigations	0	0	30,000	0	0	30,000
sub-total (263)	0	0	30,000	0	0	30,000
SOLID WASTE SERVICES						
Public Works Administration	0	106	0	0	0	106
Land Development	225,031	161,300	0	0	0	386,331
sub-total (280)	225,031	161,406	0	0	0	386,437
HOUSING AUTHORITY						
Finance Operations	85,164	0	0	0	0	85,164
Planning	226,748	0	0	0	0	226,748
Neighborhood Services	222,780	6,000	0	0	0	228,780
Non-Departmental	0	210,600	0	0	0	210,600

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Contractual Svcs	Supplies & Capital Outlay	Debt Service	Capital Improvements	Total
1432 S. Main Street Properties	0	47,800	0	0	0	47,800
sub-total (295)	534,692	264,400	0	0	0	799,092
STREET CIP						
Capital Improvement Projects	0	0	0	0	6,575,000	6,575,000
sub-total (311)	0	0	0	0	6,575,000	6,575,000
PARK IMPROVEMENT CIP						
Capital Improvement Projects	0	0	0	0	9,635,000	9,635,000
sub-total (321)	0	0	0	0	9,635,000	9,635,000
GENERAL GOVERNMENT CIP						
Capital Improvement Projects	0	0	0	0	5,433,000	5,433,000
sub-total (331)	0	0	0	0	5,433,000	5,433,000
STORM DRAIN CIP						
Capital Improvement Projects	0	0	0	0	143,000	143,000
sub-total (341)	0	0	0	0	143,000	143,000
TRANSIT AREA IMPACT FEE FUND						
Debt Service	0	0	0	75,000	0	75,000
sub-total (350)	0	0	0	75,000	0	75,000
TRANSIT AREA IMPACT FEE CIP FUND						
Capital Improvement Projects	0	0	0	0	6,290,000	6,290,000
sub-total (351)	0	0	0	0	6,290,000	6,290,000
WATER M & O FUND						
Finance Operations	810,176	148,865	30,000	0	0	989,041
Public Works Administration	591,655	234,112	0	0	0	825,767
Utility Engineering	705,720	300,200	0	0	0	1,005,920
Utility Maintenance	1,723,259	643,881	530,000	0	0	2,897,140
Non-Departmental	229,450	18,941,483	0	0	0	19,170,933
Debt Service	0	0	0	790,000	0	790,000
sub-total (400)	4,060,260	20,268,541	560,000	790,000	0	25,678,801
WATER CIP						
Capital Improvement Projects	0	0	0	0	13,098,157	13,098,157
sub-total (401)	0	0	0	0	13,098,157	13,098,157

Expenditures by Fund (Detail)

Fund/Function	Personnel Services	Contractual Svcs	Capital Outlay	Debt Service	Capital Improvements	Total
SEWER M & O FUND						
Finance Operations	359,156	134,004	0	0	0	493,160
Public Works Administration	676,693	35,248	0	0	0	711,941
Utility Engineering	536,908	250,100	0	0	0	787,008
Utility Maintenance	1,743,438	331,275	45,000	0	0	2,119,713
Non-Departmental	181,450	6,777,050	0	0	0	6,958,500
Debt Service	0	0	0	672,300	0	672,300
sub-total (450)	3,497,645	7,527,677	45,000	672,300	0	11,742,622
SEWER CIP						
Capital Improvement Projects	0	0	0	0	2,693,323	2,693,323
sub-total (451)	0	0	0	0	2,693,323	2,693,323
EQUIPMENT MGMT FUND						
Fleet Maintenance	867,364	953,946	0	0	0	1,821,310
Non-Departmental	0	59,000	0	0	0	59,000
Equipment to be Depreciated	0	0	992,853	0	0	992,853
sub-total (500)	867,364	1,012,946	992,853	0	0	2,873,163
INFORMATION TEC REPLMT						
Information Services	0	98,000	173,250	0	0	271,250
sub-total (505)	0	98,000	173,250	0	0	271,250
PERMIT AUTOMATION FUND						
Plan Checking	182,338	0	0	0	0	182,338
Permit Center	0	90,000	0	0	0	90,000
Information Services	166,494	290,539	0	0	0	457,033
Prevention Div Admin	0	16,000	0	0	0	16,000
sub-total (506)	348,832	396,539	0	0	0	745,371
TOTAL	93,466,588	50,220,144	2,018,071	1,537,300	43,867,480	191,109,583

Expenditures by Function

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
City Council	432,107	-	-	-	510,000	942,107
City Manager	1,855,772	-	-	-	-	1,855,772
City Clerk	773,900	-	-	-	-	773,900
Economic Development	972,434	-	-	-	-	972,434
City Attorney	748,932	-	-	-	-	748,932
Building Inspection Services	3,273,349	-	-	-	-	3,273,349
Plan Checking	997,516	-	-	-	182,338	1,179,854
Building Administration	313,620	-	-	-	-	313,620
Permit Center	528,468	-	-	-	90,000	618,468
Information Services	3,161,027	-	-	-	728,283	3,889,310
Human Resources	1,460,751	-	-	-	-	1,460,751
Recreation Administration	1,596,690	-	-	-	86,284	1,682,974
Senior Citizen Services	925,311	-	-	-	-	925,311
Pre-K Enrichment	150,000	-	-	-	-	150,000
Youth Programs	889,084	-	-	-	-	889,084
Special Events	317,760	-	-	-	73,084	390,844
Marketing	250,692	-	-	-	-	250,692
Performing Arts	38,500	-	-	-	46,400	84,900
General Classes	322,593	-	-	-	-	322,593
Aquatics	386,763	-	-	-	-	386,763
Sports & Fitness	653,522	-	-	-	-	653,522
Adult Sports	11,860	-	-	-	-	11,860
Finance Administration	1,722,183	-	-	-	-	1,722,183
Finance Operations	1,863,620	85,164	989,041	493,160	15,000	3,445,985
Public Works Administration	861,742	-	825,767	711,941	106	2,399,556
Street Maintenance	1,224,284	-	-	-	724,395	1,948,679
Utility Engineering	-	-	1,005,920	787,008	-	1,792,928
Utility Maintenance	-	-	2,897,140	2,119,713	-	5,016,853
Park Maintenance	1,361,405	-	-	-	185,500	1,546,905
Trees & Landscape Mnt	989,456	-	-	-	670,143	1,659,599
Fleet Maintenance	-	-	-	-	1,821,310	1,821,310
Facilities Maintenance	2,687,620	-	-	-	66,854	2,754,474
Engineering Administration	456,534	-	-	-	-	456,534
Design & Construction	1,138,899	-	-	-	-	1,138,899
Land Development	2,024,008	-	-	-	465,531	2,489,539
Traffic Engineering	499,081	-	-	-	-	499,081
Planning	1,843,840	226,748	-	-	-	2,070,588
Neighborhood Services	1,086,866	228,780	-	-	719,000	2,034,646
Police Administration	1,114,098	-	-	-	-	1,114,098
Records	2,021,337	-	-	-	-	2,021,337
Personnel & Training	477,887	-	-	-	-	477,887

Function	General Fund	Housing Authority	Water Fund	Sewer Fund	Other Funds	Total
Communications	3,847,179	-	-	-	-	3,847,179
Community Relations	626,102	-	-	-	-	626,102
Patrol Services	18,256,573	-	-	-	-	18,256,573
Traffic	1,908,570	-	-	-	-	1,908,570
Crossing Guards	421,512	-	-	-	-	421,512
Investigations	3,943,579	-	-	-	60,000	4,003,579
Fire Administration	950,926	-	-	-	-	950,926
A/B/C Battalions Operations	17,430,457	-	-	-	-	17,430,457
Prevention Div Admin	1,091,278	-	-	-	16,000	1,107,278
Fire Insp, Plan Check & Invg	1,750,964	-	-	-	-	1,750,964
Disaster Prep & Public Ed	270,720	-	-	-	-	270,720
Non-Departmental	9,276,636	210,600	19,170,933	6,958,500	261,500	35,878,169
Debt Service	-	-	790,000	672,300	75,000	1,537,300
Equipment to be Depreciated	-	-	-	-	992,853	992,853
1432 S. Main Street Properties	-	47,800	-	-	-	47,800
1452 S. Main Street Properties	24,000	-	-	-	-	24,000
Capital Improvement Projects	-	-	13,098,157	2,693,323	28,076,000	43,867,480
TOTAL	101,232,007	799,092	38,776,958	14,435,945	35,865,581	191,109,583

Internal Cost Allocation by Function Schedule

Indirect Costs	Police	Fire	Water	Sewer	Solid Waste
Legislation & Policy	24,895	28,451	48,012	5,335	14,226
General Administration					
City Manager	309,572	309,572	309,572	309,572	154,786
City Clerk	44,587	50,956	85,989	9,554	25,478
City Attorney	152,127	23,404	46,808	35,106	23,404
Human Resources	528,160	312,303	89,282	72,197	4,593
General Liability	232,683	137,587	39,334	31,807	2,023
Financial Services	1,006,443	707,410	806,671	453,250	11,984
Information Technology					
Citywide Support	1,074,808	635,539	181,689	146,922	9,346
Telephones	30,863	28,548	7,500	6,064	386
Cell Phones	13,704	13,519	3,600	2,911	185
Retiree Medical Reserve and Other Non-Department					
Salaries & Benefits	787,223	553,324	630,964	354,524	9,373
Leave Cashout	297,832	228,737	41,554	30,998	0
Audit Fees	21,571	15,162	17,289	9,714	257
Uncollectible Accounts/					
Collection Fee	2,387	316	7,914	7,568	1,348
Contingent Reserve	245,743	172,728	196,964	110,670	2,926
Contractual Services	78,392	55,100	62,832	35,304	933
Facilities Maintenance	595,591	421,266	228,037	138,514	4,311
Utilities	571,126	403,962	218,670	132,825	4,134
Building Occupancy - Direct					
Building Occupancy - Indirect	530,268	313,550	89,638	72,485	4,611
TOTAL INDIRECT COSTS	6,547,974	4,411,433	3,162,936	2,006,252	286,244
TOTAL DIRECT COSTS	32,456,231	22,812,870	26,013,879	14,616,594	386,455
TOTAL COSTS	39,004,204	27,224,303	29,176,815	16,622,846	672,699
INDIRECT COST RATE	20.2%	19.3%	12.2%	13.7%	74.1%

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

DIRECT COST PROGRAMS					
Building & Safety	Recreation	Public Works	Engineering	Planning & Neighborhood Services	TOTAL
21,339	51,568	67,572	117,362	53,347	432,107
309,572	309,572	526,272	92,871	464,357	3,095,716
38,217	92,358	121,021	210,195	95,543	773,900
11,702	11,702	81,914	35,106	327,658	748,932
87,261	72,335	165,245	78,076	64,298	1,473,751
38,443	31,867	72,799	34,397	28,327	649,267
160,331	156,395	198,013	74,115	111,357	3,685,967
					0
177,577	147,202	336,275	158,885	130,846	2,999,088
10,802	14,274	6,497	6,944	8,487	120,364
5,926	2,037	7,933	2,593	2,593	55,000
125,408	122,329	154,882	57,971	87,101	2,883,100
3,020	9,997	26,465	11,144	253	650,000
3,436	3,352	4,244	1,588	2,387	79,000
2	251	1,347	1,343	28,524	51,000
39,148	38,187	48,349	18,097	27,190	900,000
12,488	12,182	15,423	5,773	8,674	287,100
39,449	970,567	234,033	73,289	48,238	2,753,296
37,829	930,700	224,420	70,278	46,256	2,640,200
		(91,551)	(11,939)		0
87,610	72,624	165,905	78,387	64,554	1,479,632
1,209,559	3,049,499	2,367,059	1,116,474	1,599,990	25,757,420
5,170,416	5,043,486	6,385,610	2,390,081	3,591,085	118,866,706
6,379,975	8,092,985	8,752,669	3,506,555	5,191,074	144,624,127
23.4%	60.5%	37.1%	46.7%	44.6%	21.7%

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
From the General Fund	To the Equipment Fund for: Capital Reserve IT Equipment Replacement sub-total
	300,000 300,000
From the General Fund	To the General Government Fund for: Capital Projects sub-total
	2,650,000 2,650,000
From the Measure I TOT	To the Street Improvement Fund for: Street Resurfacing Project 2018-19 (4291) sub-total
	1,600,000 1,600,000
From the Gas Tax Fund	To the Street Improvement Fund for: ADA Curb Ramp Transition Progrogram 2016 (4283) Traffic Studies & Minor Improvements (4288) Annual Bridge Rehabilitation (4290) Street Resurfacing Project 2018-19 (4291) sub-total
	300,000 100,000 75,000 1,300,000 1,775,000
From the 95-1 Lighting/Lscape Dist	To the General Government Fund for: McCarthy Blvd Landscape & Lighting (3402) sub-total
	74,000 74,000
From the 98-1 Lighting/Lscape Dist	To the General Government Fund for: Sinclair Landscape & Lighting (3411) sub-total
	21,000 21,000
From the 08 Community Fclty Dist	To the General Fund for: Operating Cost Reimbursement sub-total
	900,000 900,000
From the Solid Waste Services	To the General Fund for: Operating Cost Reimbursement sub-total
	286,244 286,244
* From the Street Fund	To the Subsidiary CIP Fund for: Green Infrastructure Plan (4289) Street Resurfacing Project 2018-19 (4291) sub-total
	50,000 1,100,000 1,150,000
* From the Vehicle Registration Fee	To the Subsidiary CIP Fund for: Street Resurfacing Project 2018-19 (4291) sub-total
	500,000 500,000

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
* From the Park Improvement Fund	To the Subsidiary CIP Fund for: Creighton Park Renovation (5109) 600,000 Sandalwood Park Renovation (5110) 900,000 Minor Sports Courts Rehab (5113) 112,500 MSC Master Plan Update (5114) 150,000 sub-total 1,762,500
* From the Park Improvement CIP	To the Subsidiary CIP Fund for: Defunding Main St Park (5107) 1,375,000 sub-total 1,375,000
* From the Midtown Park Fund	To the General Government Fund for: Citywide Park Playground Rehab (3424) 75,000 sub-total 75,000
* From the Midtown Park Fund	To the Street Improvement Fund for: Green Infrastructure Plan (4289) 50,000 sub-total 50,000
* From the Midtown Park Fund	To the Subsidiary CIP Fund for: Alviso Adobe Renovation (5055) 262,042 Sports Fields Turf Rehab Prog (5108) 100,000 Minor Sports Courts Rehab (5113) 112,500 sub-total 474,542
* From the General Government	To the Park Improvement Fund for: Creighton Park Renovation (5109) 400,000 Sports Center Skate Park (5111) 1,000,000 Alviso Adobe Renovation (5055) 535,000 Sports Fields Turf Rehabilitation Program (5108) 125,000 Carlo Park (5112) 225,000 sub-total 2,285,000
* From the General Government	To the Subsidiary CIP Fund for: City Building Improvement (3406) 350,000 Replacement Fire Station AlertSystem (3421) 143,000 City Bldg Roofing Repairs (3422) 500,000 Technology Projects (3427) 250,000 Shuttle Study (3428) 20,000 2018-19 Finance System Upgrade (3435) 850,000 Midtown Specific Plan Update (3437) 100,000 Annual Tree Replacement Program (3438) 150,000

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
Annual Street Light and Signage (3440)	150,000
Fire Department USAR Forklift (3441)	40,000
Main Fire Station No. 1 Assessment (3442)	100,000
Police/Fire Issued Equipment Procurement (3443)	250,000
Police/Public Works Building Assessment (3444)	250,000
Public Safety/DPW Disaster Plan Assessment (3445)	100,000
South Bay Arrival Noise Study (3446)	60,000
Fire Station #2 Replacement (3447)	650,000
Trails & Bikeway Master Plan Update (3448)	100,000
Street Landscape Irrigation Repair (3449)	150,000
Midtown Street Light Project (3430)	850,000
sub-total	5,063,000
* From the Storm Drain Development	
To the Subsidiary CIP Fund for:	
Storm Drain System Rehabilitation (3700)	45,000
Flap Gate Replacement (3714)	125,000
City Parking Lot Rehab Program (3716)	75,000
Minor Storm Projects (3717)	100,000
sub-total	345,000
* From the Storm Drain CIP	
To the Subsidiary CIP Fund for:	
Defunding BART Improvement (3711)	217,000
sub-total	217,000
* From the Transit Area Impact Fee Fund	
To the Park Improvement Fund for:	
McCandless Park (5102)	6,425,000
sub-total	6,425,000
* From the Transit Area Impact Fee Fund	
To the Street Improvement Fund for:	
Montague Expwy Widening @ Great Mall Pkwy (4179)	1,300,000
TASP Underground Utility District (4281)	100,000
sub-total	1,400,000
* From the Transit Area Impact Fee Fund	
To the Subsidiary CIP Fund for:	
Lower Penitencia Creek Pedestrian Bridgt (2005)	882,158
Transit Area Specific Plan Update (2006)	75,000
Montague Expwy Pedestrian Overcrossing at Piper (2008)	8,000,000

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
	sub-total
	8,957,158
From the Transit Area Impact Fee Fund	To the Water Fund for:
	Well Upgrade Project (7076)
	sub-total
	2,330,000
	2,330,000
From the Water M & O Fund	To the General Fund for:
	Operating Cost Reimbursement
	sub-total
	3,162,936
	3,162,936
From the Water CIP	To the Transit Area Impact Fund for:
	Defunding BART Improvements (7125)
	sub-total
	480,643
	480,643
* From the Water Line Extension Fund	To the Subsidiary CIP Fund for:
	Hydrant Replacement Program (7110)
	Annual Water distribution Rehab Prog (7132)
	Water O&M Database Management (7134)
	sub-total
	72,100
	300,000
	25,000
	397,100
* From the Water Bonds	To the Subsidiary CIP Fund for:
	Well Upgrade Project (7076)
	Aging Water System Seismic Improvements (7100)
	sub-total
	3,300,000
	4,700,000
	8,000,000
* From the Water Infrastructure Replmnt	To the Subsidiary CIP Fund for:
	Reservoir Cleaning (7112)
	Automated Water Meter Replacement (7121)
	Annual Water Distribution Rehab Prog (7132)
	Minor Water Projects (7133)
	Water O&M Database Management (7134)
	Water Leak Detection & Condition Assessment (7135)
	Water Master Plan 2019 (7136)
	sub-total
	150,000
	1,726,700
	300,000
	100,000
	25,000
	150,000
	400,000
	2,851,700
From the Sewer M & O Fund	To the General Fund for:
	Operating Cost Reimbursement
	sub-total
	2,006,252
	2,006,252

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
From the Sewer M & O Fund	To the Storm Drain Fund for: City Parking Lot Rehab Program(3716) sub-total
	15,000 15,000
From the Sewer M & O Fund	To the Street Improvement Fund for: Street Resurfacing Project 2018-19 (4291) sub-total
	100,000 100,000
* From the Sewer M & O Fund	To the Subsidiary CIP Fund for: Sanitary Sewer Condition Assessment (6119) Sanitary Sewer Overflow Improvement (6123) Sewer Pump Station Treatment Improv. (6125) Minor Sewer Projects (6126) Sewer System Hydraulic Modeling 17-19 (6129) Sanitary Sewer Cathodic Protection Improv (6131) Sewer Master Plan 2019 (6132) Sewer System Replacement (6133) sub-total
	100,000 75,000 150,000 50,000 50,000 625,000 450,000 500,000 2,000,000
* From the Sewer CIP	To the Subsidiary CIP Fund for: Sewer System 11-12 (6115) sub-total
	300,000 300,000
* From the Sewer CIP	To the Subsidiary CIP Fund for: Defunding BART Improvements (6121) sub-total
	106,677 106,677
* From the Sewer CIP	To the Subsidiary CIP Fund for: Sewer System 12-13 (6116) sub-total
	1,300,000 1,300,000
* From the Treatment Plant Construction	To the Subsidiary CIP Fund for: SJ/Santa Clara Regional Wastewater (6118) sub-total
	2,000,000 2,000,000
* From the Sewer Infrastrture Replmnt	To the Subsidiary CIP Fund for: Sewer Pump Station Treatment Improv (6125) Main Lift Station Odor Emission Control (6130) sub-total
	100,000 300,000 400,000
From the Permit Automation Fund	To the General Government Fund for: Permitting Technology Improvements (3434)
	200,000

Operating Transfers Statement

Origin and Purpose of Transfer	Transfer Distribution
sub-total	200,000
TOTAL TRANSFERS:	63,335,752

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

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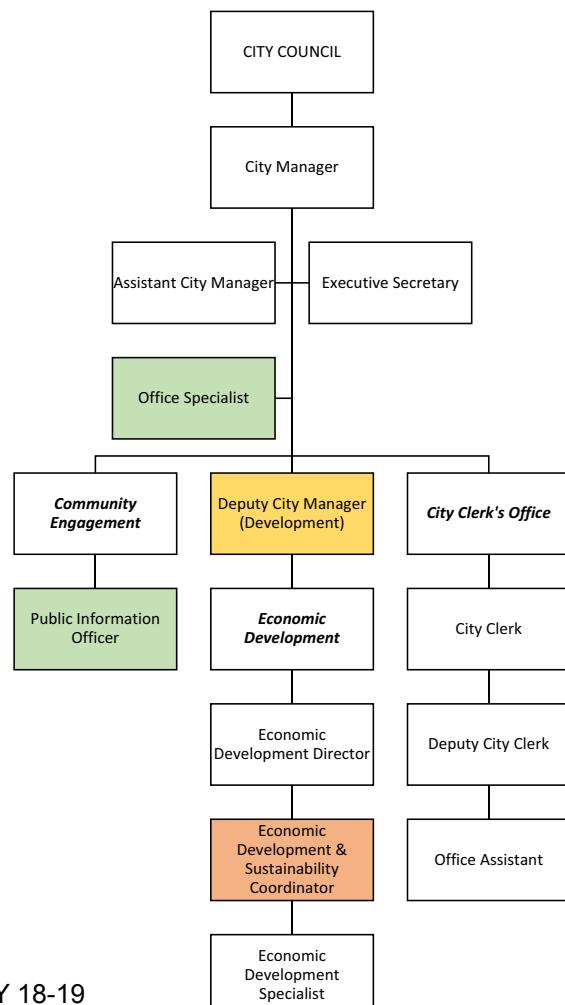
Mission

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

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

Functions

City Council
City Manager
City Clerk
Economic Development



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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FUNCTION: City Council	MAYOR: Rich Tran
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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

- Serves as governing body of the City.
- Provides legislative direction to the City.
- Promulgates policies for provision of services and direction for the City.
- Enacts ordinances and resolutions necessary for governing the affairs of the City.
- Adopts the Annual Operating Budget and Capital Improvement Plan.
- Serves as City Representatives at public events and functions.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2017-2018 Accomplishments					
1. Provided comprehensive policy direction for the City's ongoing operations.	x	x	x	x	
2. Selected a new permanent City Manager.	x	x	x	x	x
3. Championed several Affordable Housing initiatives.	x			x	
4. Commenced with developing Citywide priorities for fiscal year 2018-19.	x	x	x	x	x
5. Provided leadership and guidance to regional commissions and City Commissions.	x	x		x	
6. Connected to and engaged residents, businesses and stakeholders on local government issues and practices.	x	x	x	x	
7. Supported funding in collaboration with the MUSD for joint use outdoor facilities at a new school/park location.	x				
8. Approved the first Senior Assisted Living Facility supporting Low Income residents.	x		x		
9. Celebrated Milpitas' diverse culture through a resolution recognizing the Vietnamese Heritage and Freedom Flag.			x		x
10. Considered and provided support and opposition statements for considered legislation that will affect resident quality of life.	x		x	x	

	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
2018-19 Goals					
1. Provide comprehensive policy direction for the City's operation.	x	x	x	x	x
2. Continue to establish citywide priorities for fiscal year 2017-18 & 2018-19.	x	x	x	x	x
3. Provide sound fiscal policies to increase efficiency for service delivery.					x
4. Review and adopt policies to increase efficiency for service delivery.	x	x	x	x	x
5. Review and adopt Affordable Housing Policies.				x	
6. Review Enterprise Fund policies and priorities.		x			x
7. Continue community meetings and innovative social media outreach to share information.	x	x	x	x	x

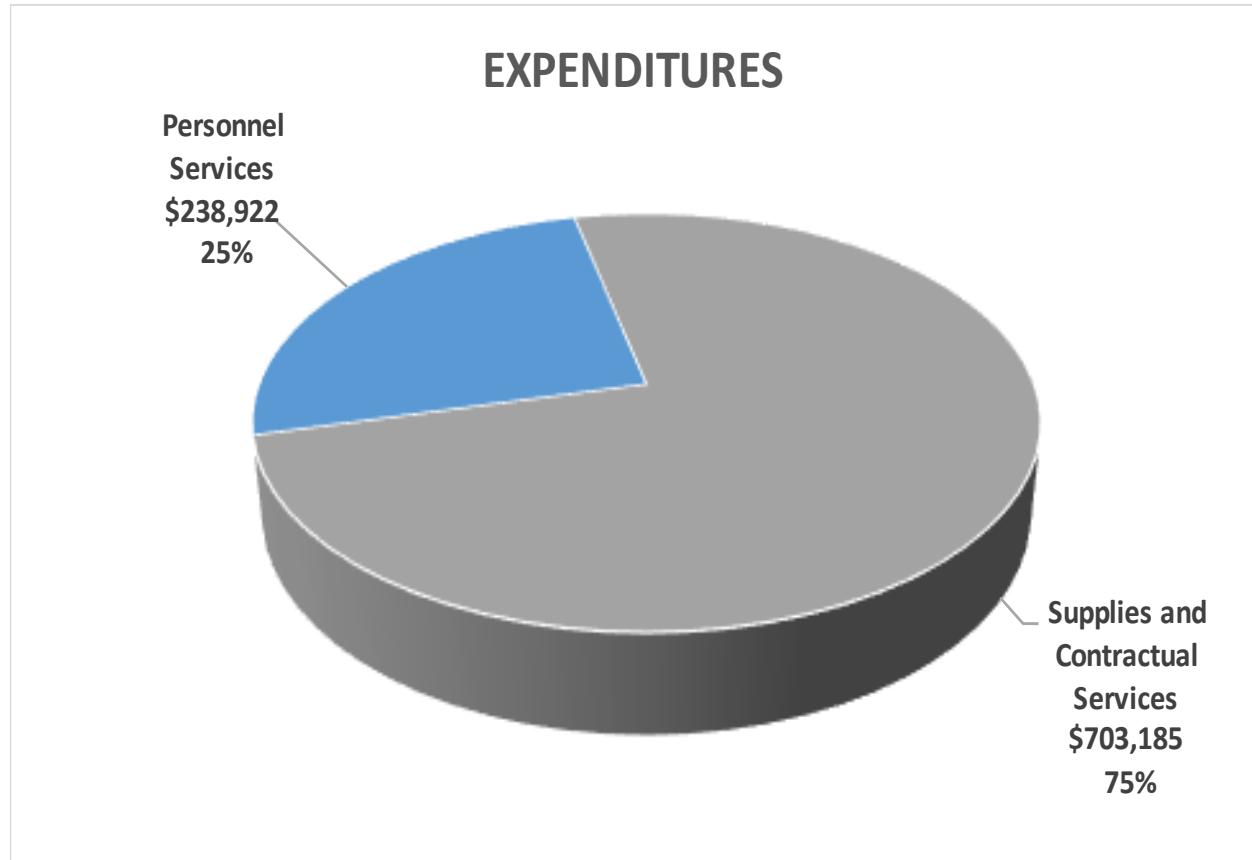
Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
City Council Meetings	34	39	39	24
Commission Meetings	115	117	114	95
Subcommittee Meetings	18	30	40	25
County/Regional Agency/Association Meetings	72	72	80	85

Permanent Personnel Allotment of 5 FTE

Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19
Council Members	5	0	0	5					
				TOTAL		5	0	0	5

Expenditure Analysis

Personnel Services	No Change.
Services and Supplies / Community Promotions	Increase attributed to funding of additional library hours.
Capital Outlay	None



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	56,770	57,077	63,584	56,994
4112 Temporary Salaries	2,625	3,100	4,800	4,800
4121 Allowances	39,351	37,549	50,700	38,700
4131 PERS	8,001	8,996	26,638	21,560
4132 Group Insurance	1,647	42,268	107,520	112,380
4133 Medicare	1,262	1,368	1,774	1,370
4135 Worker's Compensation	221	296	410	274
4139 PARS	1,892	438	288	0
4161 Retiree Medical Reserve	0	0	0	2,844
sub-total	111,769	151,093	255,714	238,922
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	30,183	43,221	48,040	552,740
4220 Supplies	5,490	7,575	4,500	11,000
4230 Services	34	19,539	501,652	31,600
4501 Memberships and Dues	37,218	53,840	57,145	65,845
4503 Training	6,153	21,572	11,500	28,000
4520 Commissions and Boards	18,755	4,700	19,200	14,000
sub-total	97,833	150,446	642,037	703,185
TOTAL	<u>209,601</u>	<u>301,538</u>	<u>897,751</u>	<u>942,107</u>

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FUNCTION: City Manager	CITY MANAGER: Julie Edmonds-Mares
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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 Successor Agency resulting from the dissolution of Redevelopment Agency.
- Implements the City's general policy guidelines.
- Submits for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Recommends strategies and solutions to City Council.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2017-2018 Accomplishments					
1. Negotiated the final contract and agreement with two companies for solid waste, collection and disposal services.	X		X	X	
2. Implemented City Council priorities for fiscal year 2017-18.	X		X	X	
3. Maintained "AAA" rating from S&P for City's strong economic base as well as the City's moderate liabilities and strong financial management policies and practices. Also achieved "AA+" rating from S&P for the City's Wastewater Utility.			X	X	X
4. Provided leadership to municipal organization.	X	X	X	X	
5. Continued showing fiscal management that limited expenditures with revenue.	X		X	X	
6. Completed Citywide Strategic Planning Process.	X	X		X	
7. Continued to reorganize City departments and divisions to improve staff utilization, increase efficiency, accountability and savings to the City.	X		X	X	
8. Continued to implement the roadmap to service improvement project resulting in improved permit turn-around time and customer satisfaction.	X		X	X	
9. Continued to improve the economic base of the City.	X		X	X	
10. Developed leadership training program, succession planning.	X	X	X	X	X

	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
2018-19 Goals					
1. Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy to achieve community goals and objectives.	X	X	X	X	X
2. Advance organizational vision, determine accountability, set organizational goals, and build organizational capacity.	X	X	X	X	X
3. Implement City Council's Strategic Goals and monitor and measure the performance of these goals in the coming year.	X	X	X	X	X
4. Provide strategic direction and management for city-wide operations and high-quality, cost-effective service delivery that meet the needs of the community.	X	X	X	X	X
5. Promote sound financial practices and a balanced revenue and expenditure base.					X
6. Provide timely and reasonable responses to citizens, customers, and the City Council.	X	X	X	X	X

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
7. Evaluate the development review process and make recommendations to improve customer service, optimize efficiency, and ensure recovery of costs fairly and fully in collaboration with internal and external stakeholders.				x	
8. Collaborate with regional partners to ensure successful launch of BART station.			x		
9. Assist the City Council in Affordable Housing policy development that leads to the achievement of the community's vision.				x	
10. Increase participation as a regional jurisdiction, optimizing and leveraging collaborations for the benefit of Milpitas residents.	x	x	x	x	x
11. Foster a work environment that supports city staff and creates a place where all employees can do their best work in service to the community.	x	x	x	x	x

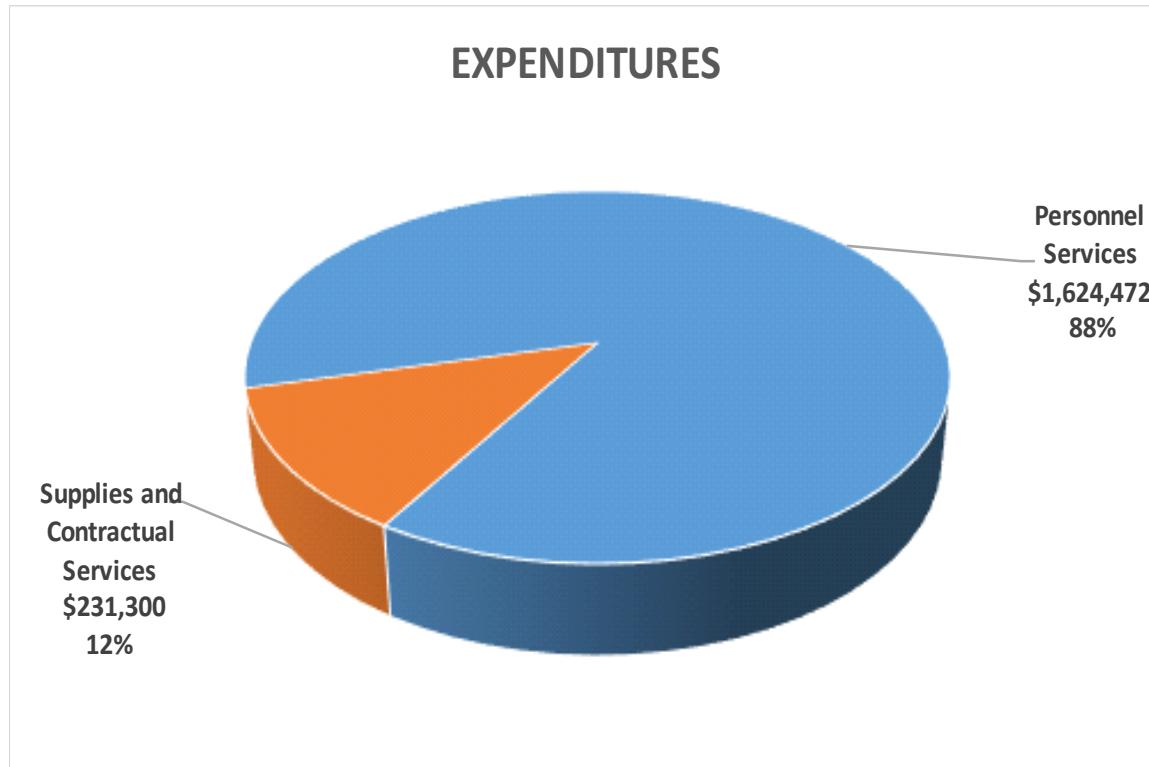
Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
City Council Meetings	34	39	39 ¹	24
Capital Improvement Program Projects Completed	11	9	8	7
Conducted meetings with developers	76	17	20	24
Balanced Budget	100%	100%	100%	100%
Major Contracts Negotiated	4	1	0	1

Permanent Personnel Allotment of 6 FTE

Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19
Assistant City Manager	1	0	0	1	Executive Secretary	1	0	0	1
City Manager	1	0	0	1	Office Specialist	0	0	1	1
Deputy City Manager	0	1	0	1	Public Information Officer	0	0	1	1
TOTAL					TOTAL	3	1	2	6

Expenditure Analysis

Personnel Services	Net increases due to adding three positions noted in the above table.
Services and Supplies	Increase of contractual services and newsletter printing.
Capital Outlay	None



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	686,326	586,172	602,128	1,041,244
4112 Temporary Salaries	20,812	20,558	30,000	0
4113 Overtime	(2,925)	5,889	0	0
4121 Allowances	1,375	0	0	6,600
4124 Leave Cashout	136,709	38,148	0	0
4131 PERS	198,457	195,167	223,648	364,054
4132 Group Insurance	80,526	85,631	64,512	134,856
4133 Medicare	12,107	9,155	9,217	15,276
4135 Worker's Compensation	2,776	2,620	3,138	5,190
4138 Deferred Comp-Employer	3,479	3,188	2,700	5,400
4139 PARS	315	297	450	0
4161 Retiree Medical Reserve	35,748	24,756	29,892	51,852
sub-total	1,175,704	971,583	965,685	1,624,472
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	515	8,186	7,000	10,000
4211 Equip Replacement Amortization	3,309	3,234	2,126	0
4220 Supplies	6,528	6,887	7,000	7,000
4230 Services	214,958	287,064	50,000	200,000
4501 Memberships and Dues	22,247	22,476	1,000	3,300
4503 Training	9,634	13,934	11,500	11,000
4520 Commissions and Boards	30	0	0	0
sub-total	257,220	341,781	78,626	231,300
TOTAL	1,432,925	1,313,363	1,044,311	1,855,772

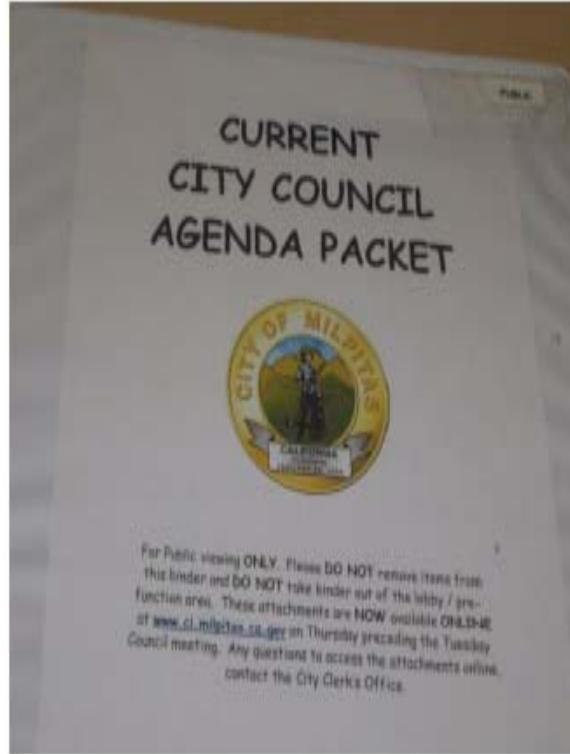
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FUNCTION: City Clerk	CITY CLERK: Mary Lavelle
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Description: The City Clerk serves as the legislative administrator, elections official, and records manager for the City. Serves as Secretary to the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

Services

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



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2017-2018 Accomplishments					
1. Prepared all City Council meeting agendas and minutes for 22 regular meetings and 21 additional special meetings.	x	x	x	x	
2. Collected required FPPC* filings (campaign documents and Conflict of Interest forms) and submitted appropriate Forms 700 to State of California.	x			x	
3. Scanned and posted more current City Clerk records (resolutions, ordinances, agendas, minutes) for online document management application on City website.	x	x	x	x	
4. Provided Notary Public acknowledgment service on City documents and for employees. City Clerk renewed Notary Public commission via Secretary of State in August 2017.	x		x		
5. Created draft Commissioners Handbook in spring 2018.	x		x		
6. Served more than 1,500 customers via popular U.S. Passport Application Acceptance program and earned revenue for the General Fund. Staff recertified as acceptance agents in December, following annual training.	x	x	x		

	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
2018-19 Goals					
1. Prepare all City Council, Housing Authority, Public Financing Authority and Successor Agency meetings' agendas and minutes.	x	x	x	x	x
2. Conduct Candidate Filing for Municipal Election scheduled Nov. 6, 2018. Coordinate with Registrar of Voters for all election matters, including any ballot measures called by City Council.					x
3. Respond to Public Records Act and Open Government Ordinance requests for records.	x	x	x	x	x
4. Continue U.S. Passport Acceptance Agency program with service by appointment only.				x	x

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
5. Continue with training and professional development opportunities for Deputy City Clerk toward her Certification, and update City Clerk's training for administrative hearing officer function.				x	
6. Provide Notary Public service to departments and City staff, upon request.		x	x	x	x
7. Cull and destroy eligible records/files, per adopted schedule, and add more current records to online storage location for Public Access to Documents on website.					
8. Collect and post online required FPPC* documents, i.e. Forms 700 and Forms 460 (& others) for campaigns.					
9. Per Council direction, complete and distribute Commissioners Handbook.					

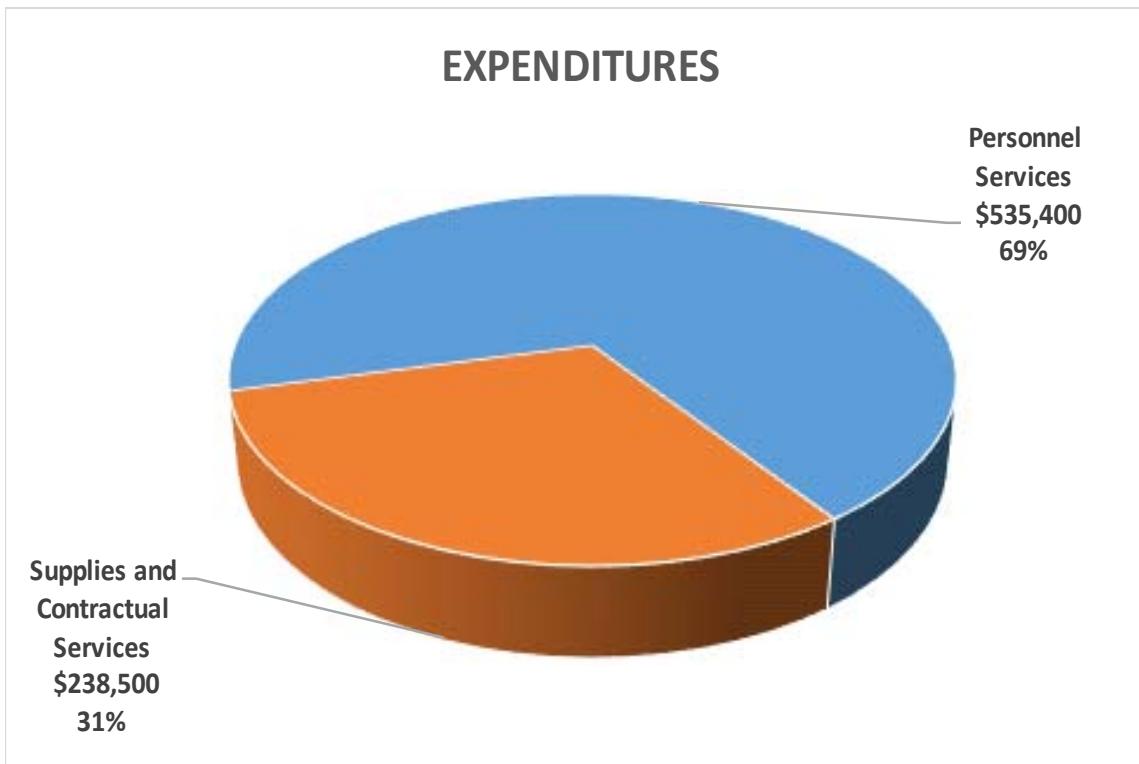
Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
City Council regular meeting agenda items	358	360	350	350
Passport applications accepted	2,082	1,654	2,250	2,300
# of Candidates assisted in Municipal Election	N/A	11	N/A	12
# of Tort Claims received by City Clerk	62	51	68	60

Permanent Personnel Allotment of 3 FTE

Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19
City Clerk	1	0	0	1	Office Assistant	1	0	0	1
Deputy City Clerk	1	0	0	1					
					TOTAL	3	0	0	3

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase.
Services and Supplies	Increase due to election costs this year, on Nov. 6, 2018.
Capital Outlay	None



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	230,404	237,666	314,014	322,196
4112 Temporary Salaries	7,741	17,254	0	0
4124 Leave Cashout	1,302	6,340	0	0
4131 PERS	57,124	71,979	105,918	121,452
4132 Group Insurance	25,194	25,408	64,512	67,428
4133 Medicare	3,650	3,928	4,606	4,708
4135 Worker's Compensation	892	1,179	1,572	1,544
4138 Deferred Comp-Employer	1,793	1,800	2,700	2,700
4139 PARS	116	259	0	0
4161 Retiree Medical Reserve	11,998	11,839	15,696	15,372
sub-total	340,214	377,651	509,018	535,400
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	1,280	1,750	3,000	3,000
4230 Services	19,300	25,824	27,500	28,000
4280 Elections	10,309	168,581	0	200,000
4501 Memberships and Dues	530	540	1,500	1,500
4503 Training	3,567	4,854	5,000	6,000
sub-total	34,987	201,549	37,000	238,500
TOTAL	<u>375,200</u>	<u>579,200</u>	<u>546,018</u>	<u>773,900</u>

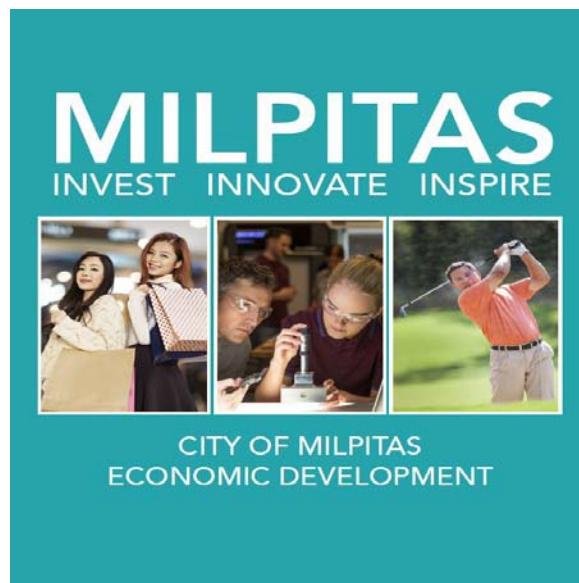
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FUNCTION: Economic Development	Economic Development Director: Vacant
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Description: Economic Development Department strategizes, manages and directs programs and activities such as business retention and attraction, workforce development, revitalization, land-use, marketing & branding, and real estate economics.

Services

- Business Retention and Recruitment: Economic Development Department meets with top 25 tax contributors and largest employers in order to retain and expand their businesses.
- Workforce Development: Support workforce development by collaborating with regional workforce development organizations, local educational organizations, and local companies.
- Small Businesses Assistance: Develop seminars, educational programs, and collateral to assist small businesses in various aspects of business management, permits, and marketing.
- Development Facilitation: Facilitate development projects that generate property tax, Transient Occupancy Tax (TOT) and sales tax revenues. Ombudsman for permitting process to largest economic development projects from the inception of the project to the completion. These projects include hotels, mixed-use development, industrial, restaurants, retail and many more.
- Economic Development Studies: Conduct studies that enhance and sustain the City's economic vitality. Manage consulting contracts for economic development studies to utilize data to enhance economic base of the City.
- Retail Development: Recruit key businesses that fill retail gaps and provide sales tax revenues and needed services to the community.
- Business Recruitment: Recruitment of job and revenue generating businesses by engaging brokers, companies, developers, hotels, business media and key stakeholders throughout the region.
- Branding and Marketing: Develop and implement branding and marketing strategies to promote the City and the Transit District at the regional, national, and international levels.
- Economic Development Analysis: Tracking of sales and transient occupancy taxes to follow trends and gaps. Evaluate economic development data such as, but not limited to jobs, GDP, populations growth locally, regionally, statewide, and nationally.
- Special Projects: Manage special projects and programs that will enhance the City's sales tax, TOT, sustainability, and mobility.



2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Continue business recruitment and retention and outreach programs.	x	x	x	x	x
2. Promoting Milpitas-based manufacturing companies in order to retain and recruit companies and jobs.	x	x	x	x	x
3. Support workforce development.	x	x	x	x	x
4. Support small businesses.	x	x	x	x	x
5. Facilitate development projects that generate property tax and sales tax revenue.	x	x	x	x	x
6. Conduct studies that enhance and sustain the City's economic vitality.	x	x	x	x	x
7. Recruitment of key businesses such as a grocery store in the TASP area.	x	x	x	x	x
8. Branding and marketing of the City and the Transit Area.	x	x	x	x	x
9. Partnership with MUSD and Evergreen Valley College.	x	x	x	x	x
10. Implement a Business Roundtable.	x	x	x	x	

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Continue business recruitment and retention and outreach programs.	x	x	x	x	x
2. Promoting Milpitas-based manufacturing companies in order to retain and recruit companies and jobs.	x	x	x	x	x
3. Support workforce development.	x	x	x	x	x
4. Support small businesses.	x	x	x	x	x
5. Facilitate development projects that generate property tax and sales tax revenue.	x	x	x	x	x
6. Conduct studies that enhance and sustain the City's economic vitality.	x	x	x	x	
7. Recruitment of key businesses in the TASP area and beyond.	x	x	x	x	x
8. Branding and marketing of the City and the Transit Area.	x	x	x	x	x
9. Partnership with MUSD and Evergreen Valley College.	x	x	x	x	x
10. Increasing the City tax base through varies means.	x	x	x	x	x

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Policies and Programs	0	2	3	1
Customer Service Survey	N/A	N/A	90%	90%
International Engagement/Presentations	N/A	9	9	9
Regional Engagement/Presentations	N/A	38	45	45
Local Business Engagement/Presentations	N/A	28	30	30
Business Engagement to Top Employers	N/A	2	10	10
Business Outreach by Mail/E-Mail	N/A	3,500	7,000	2,000

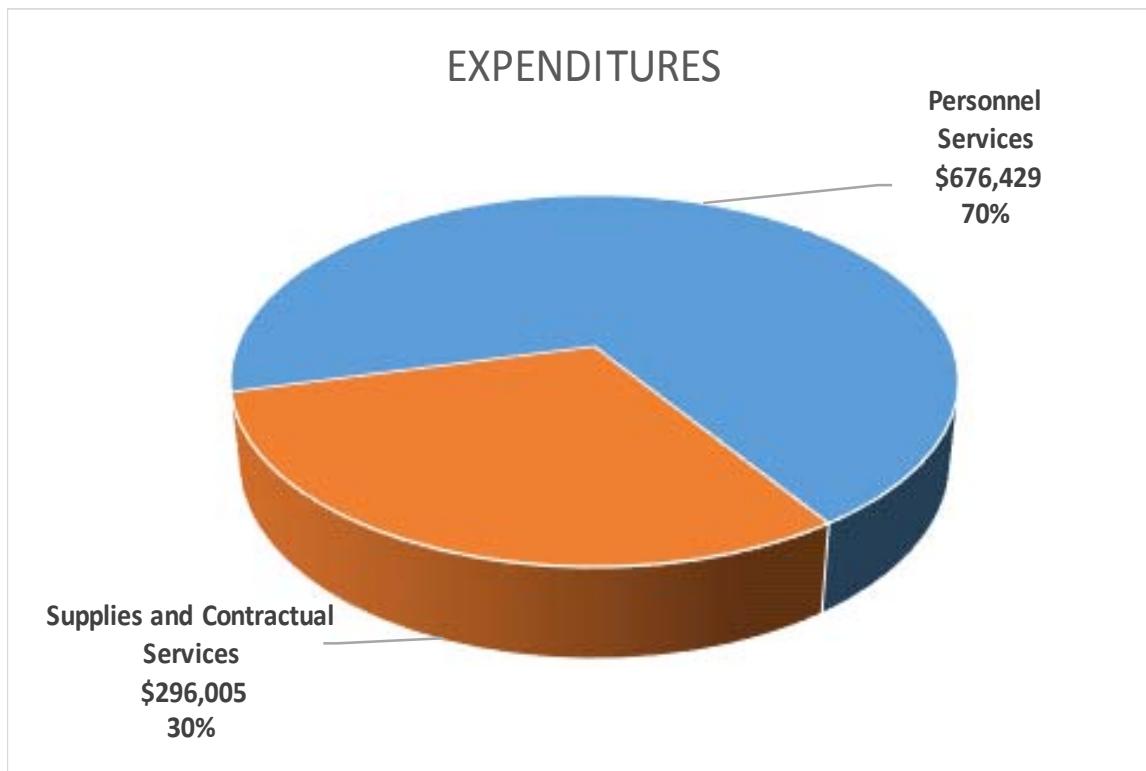
Permanent Personnel Allotment of 3 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Economic Development Coordinator	0	0	1	1	Economic Development Specialist	2	0	-1	1
Economic Development Director	1	0	0	1					
					TOTAL	3	0	0	3

* Total temporary FTE: 1

Expenditure Analysis

Personnel Services	Increase due to reclassification of one Economic Development Specialist to one Economic Development Coordinator.
Services and Supplies	Increase of contractual services for printing and communications.
Capital Outlay	None

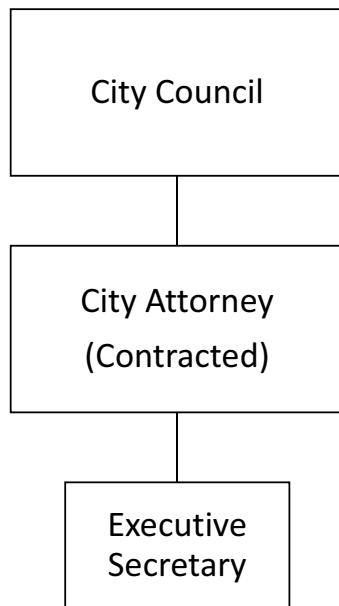


	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	0	0	453,830	421,937
4112 Temporary Salaries	0	0	30,000	30,000
4131 PERS	0	0	99,088	127,326
4132 Group Insurance	0	0	43,008	67,428
4133 Medicare	0	0	4,719	5,672
4135 Worker's Compensation	0	0	1,618	1,938
4138 Deferred Comp-Employer	0	0	1,800	2,700
4139 PARS	0	0	450	0
4161 Retiree Medical Reserve	0	0	14,700	19,428
sub-total	0	0	649,213	676,429
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	0	0	0	1,500
4230 Services	0	0	155,000	255,000
4501 Memberships and Dues	0	0	23,980	24,505
4503 Training	0	0	15,000	15,000
sub-total	0	0	193,980	296,005
TOTAL	0	0	843,193	972,434

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Mission Statement

The Office of the City Attorney provides cost effective legal representation, analysis and guidance to the City Council and City staff at the highest level of professionalism.



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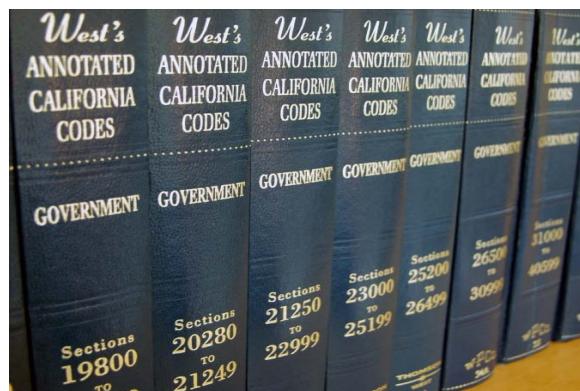
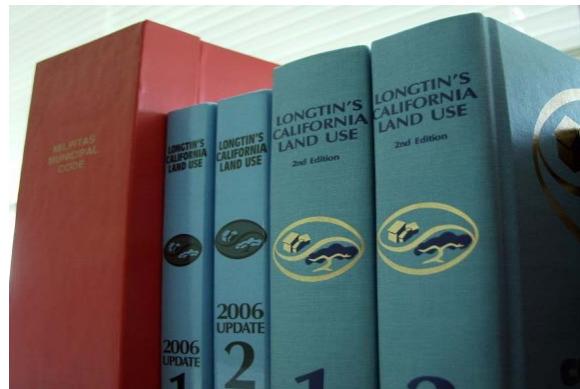
DEPARTMENT: Office of the City Attorney

CITY ATTORNEY: Christopher J. Diaz

Description: This department provides general legal advice and services to the City Council, RDA Successor Agency, Housing Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. The City Attorney's department prepares or approves as to form all proposed ordinances, resolutions, agreements and amendments thereto. This department negotiates and drafts complex agreements, including at times development agreements with developers. This department represents the City in litigation and supervises litigation of ABAG appointed counsel. This department also provides guidance in personnel matters.

Services

- General legal advice
- Personnel advice
- Litigation
- Employee legal training
- Compliance advice related to current and forthcoming federal and State regulations
- Housing Authority and RDA Successor Agency legal services
- Land use advice and document preparation
- Conflict of Interest and Open Government guidance



2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Provide superior, affordable, timely legal advice and service.	x	x	x	x	
2. Provide ongoing legal training to staff, commissions, etc.	x	x	x	x	
3. Provide ongoing advice re: TASP, including BART project.	x		x	x	
4. Update various Municipal Code sections, as authorized, including adding new legislation and/or clean up of existing sections.	x	x	x	x	
5. Provide legal guidance through continuing RDA wind-down.	x	x	x	x	

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Provide superior, affordable, timely legal advice and service.	x	x	x	x	x
2. Continue to serve the Police Department on gun confiscation petitions and other related matters.	x				
3. Provide ongoing legal training to staff, commissions, etc.	x	x	x	x	x
4. Provide ongoing advice re: TASP and development in the TASP, including BART project.		x	x	x	x
5. Update various Municipal Code sections, as authorized.	x	x	x	x	x
6. Assist staff with various ordinances regarding affordable housing.				x	

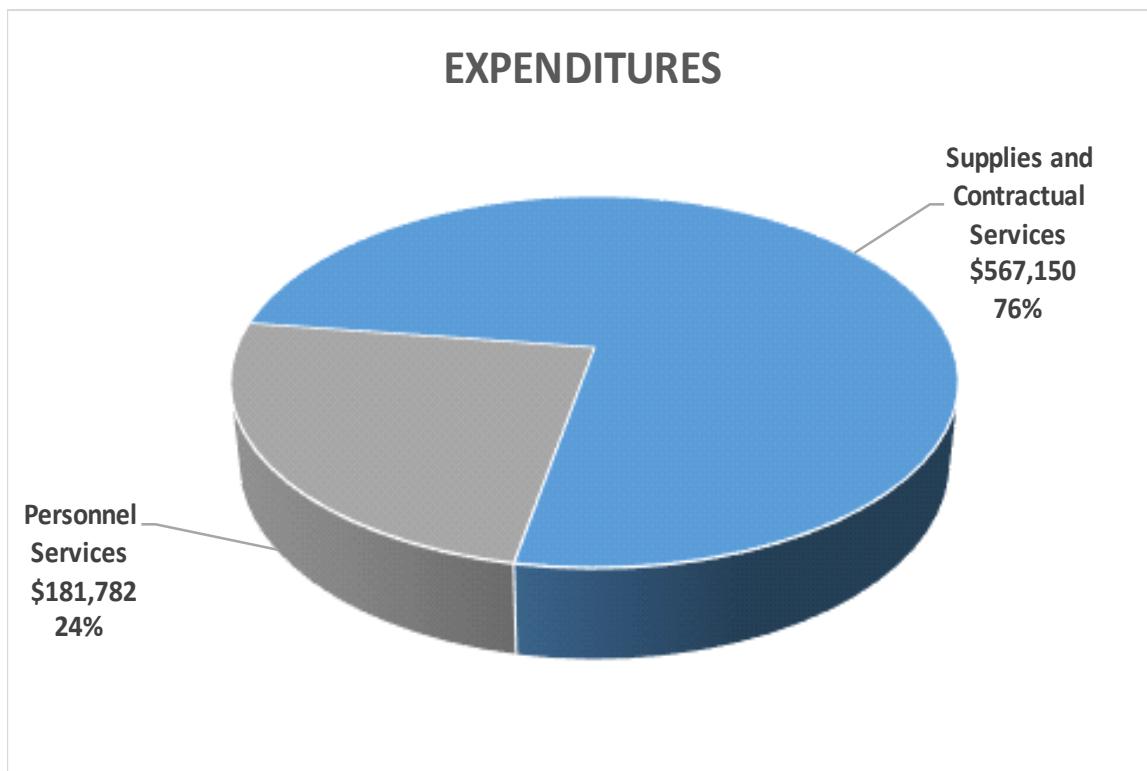
Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Council agenda contracts drafted/reviewed/edited	93	92	112	100
Council agenda resolutions/ordinances drafted/reviewed/edited	89	130	124	130
Court/administrative cases handled/supervised	37	37	45	40
Contract complaints/Council agenda contracts	0/93	0/99	0/100	0/100
Percentage of documents timely produced for agenda	100%	100%	100%	100%

Permanent Personnel Allotment of 1 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Executive Secretary	1	0	0	1					
TOTAL									1

Expenditure Analysis

Personnel Services	Increase due to negotiated union salary, benefits and PERS rate increase.
Services and Supplies	No significant changes.
Capital Outlay	No change.



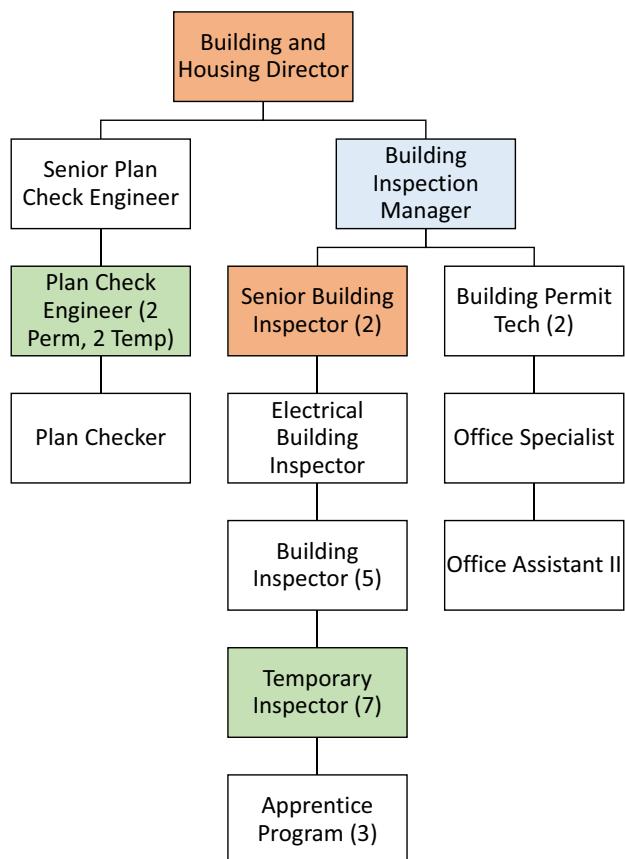
	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	111,772	104,048	106,708	109,912
4112 Temporary Salaries	8,873	0	0	0
4131 PERS	26,257	28,142	36,072	41,486
4132 Group Insurance	28,543	20,810	21,504	22,476
4133 Medicare	2,406	1,522	1,558	1,608
4135 Worker's Compensation	1,735	456	480	492
4138 Deferred Comp-Employer	962	900	900	900
4139 PARS	130	0	0	0
4161 Retiree Medical Reserve	5,644	4,584	4,764	4,908
sub-total	186,320	160,462	171,986	181,782
SUPPLIES AND CONTRACTUAL SERVICES				
4220 Supplies	11,959	818	1,500	1,500
4230 Services	1,001,053	922,202	561,400	565,650
4503 Training	54	0	0	0
sub-total	1,013,065	923,020	562,900	567,150
TOTAL	<u>1,199,385</u>	<u>1,083,481</u>	<u>734,886</u>	<u>748,932</u>

Mission Statement

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

Functions

Plan Check
Administration
Permit Center
Building Inspection



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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DEPARTMENT: Building and Housing	DIRECTOR OF BUILDING AND HOUSING: Sharon Goei
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Description: This Department is responsible for implementation of life safety and quality standards in private and public construction achieved by enforcing California Building Codes and State and Federal regulations that pertain to physical development of the City. The Department's four functions include: Building Inspection Services, Plan Checking Services, Building Administration and Permit Center.

Services

- Reviews construction plans and documents to ensure safety through compliance with technical codes, State and local regulations and acceptable engineering practices.
- Provides inspections, including occupancy inspections, to ensure safety of occupants and that buildings, streets, parks and community projects are constructed in accordance with approved plans and applicable State and local regulations.
- Schedules inspections, provides access to inspection results and plan check status using Integrated Voice Recognition System (IVR), online or by phone.
- Assists customers in obtaining building permits and monitors plan submittal process from initial submittal to permit issuance using "One Point of Contact" approach.
- Issues permits, including permits submitted by fax, online and by mail.
- Processes permit applications, collects permit fees, performs records research, and maintains the building plans and records.
- Provides permit submittal information to the public and responds to codes-related questions in person, by telephone, e-mails and through web site.
- Provides general information related to City services and operations. Directs customers to proper City staff members, Departments and outside agencies.
- Provides and updates submittal requirements, checklists, design guidelines and pamphlets to explain how to obtain permits, and comply with construction requirements.
- Develops and updates easy-to-follow web site allowing customers to receive up-to-date information on code requirements, submit permit applications, obtain submittal requirements and ask questions and other related information.
- Provides after business hours and weekend inspections. Meets with design professionals, homeowners and contractors to assist them in the timely issuance of permits and completion of projects including after business hours. Provides same day and online plan check services.
- Provides assistance to the Community Development Block Grant (CDBG) Housing Rehabilitation Program to enhance the quality of life for low-income families.
- Provides assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provides assistance and inspections to mobile home parks.
- Provides Code Enforcement to correct Health and Safety Code violations.



2017 - 2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Commenced the integration of the newly acquired plan review software with the current permitting software to prepare for 100% paperless plan submittal.	x	x	x	x	
2. Launched the building inspection apprentice program.	x		x	x	x
3. Enhanced record search efficiency by digitalization of historic microfiche records.	x	x	x	x	
4. Continued to enhance public outreach with e-Newsletters and social media.	x	x	x	x	x
5. Continued cross-training of staff to improve consistency and efficiency.	x	x	x	x	
6. Continued to utilize same plan checker and inspector from project start to finish.	x	x	x	x	

2018- 2019 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Implement 100% paperless plan submittal and permit issuance.	x	x	x	x	x
2. Update software to improve permitting and inspections.	x	x	x	x	x
3. Assist the building inspection apprentices to be certified in all trades and as fully trained building inspectors.	x		x	x	x
4. Enhance the Department website based on feedbacks provided by customers.	x	x	x	x	x
5. Streamline permit process by simplifying fee schedule.	x		x	x	x
6. Enhance customer service with improved electronic service request forms.	x	x	x	x	x
7. Continue to enhance the functionality of the Building Department smartphone app.	x	x	x	x	x
8. Continue to train staff on codes and cross-train staff to improve consistency.	x	x	x	x	x
9. Improve percentage of plan checks and inspections completed on time.	x	x	x	x	x

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
New Construction Valuation (Millions)249	249	438	450	460
Total Building Permits Issued/Avg. Permits Issued per day	4,131/16	4,434/18	4,200/17	4,300/17
Total Plan Checks /% Express Plan Checks *	1,325/50	1,623/50	1,700/50	1,600/50
Number of Customers Served/Avg. Waiting Time to assist customers (minutes)	4,186/1.5	5,921/2	5,550/1.5	5,000/1.5
Daily Inspections per Inspector/Avg. Min. **	9/40	9/37	10/40	10/38

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Customer Survey overall rating Excellent / Good	99%	99%	99%	99%
Plan Checks completed on schedule	78%	65%	90%	90%
Inspections completed on requested time	98%	98%	98%	98%
Accuracy of building plan check	98%	98%	98%	98%
Respond to after-hour emergency inspections	100%	100%	100%	100%

NOTE: * Express projects performed over the counter/same day.

** Inspections (building and misc.). Include inspection time travel, paperwork, computer input and phone calls. Public Works Inspections are not included.

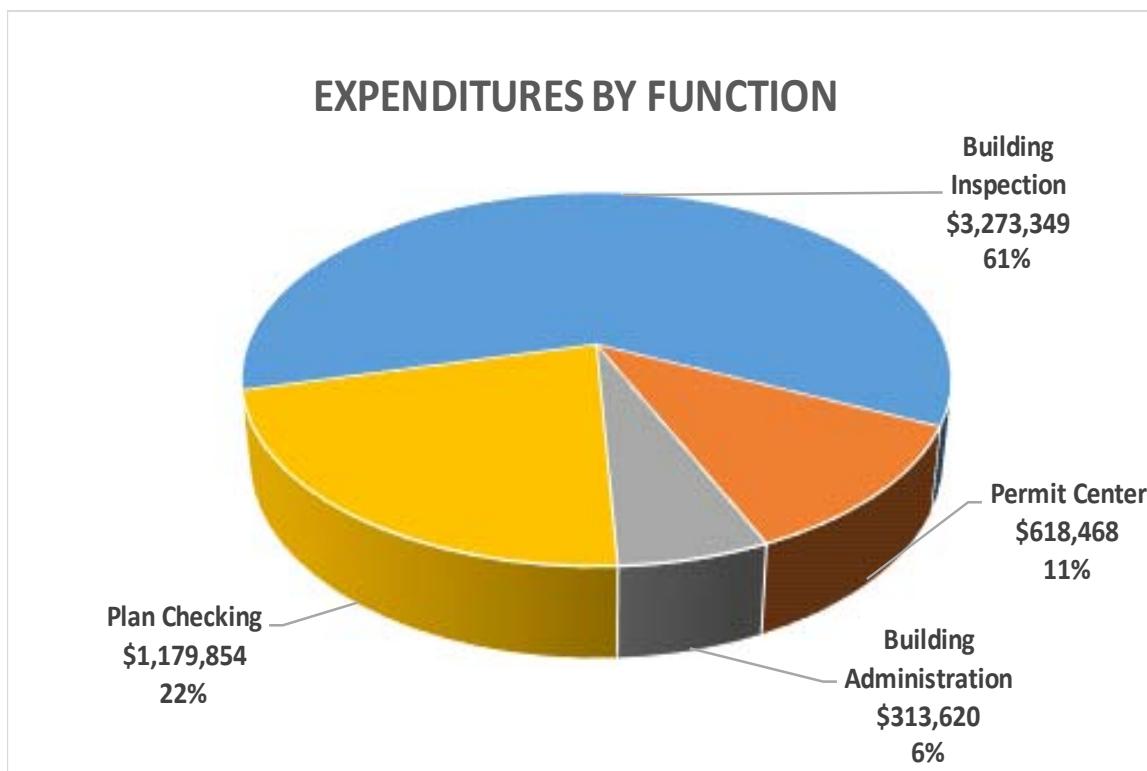
Permanent Personnel Allotment of 18 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Building and Housing Department Director	1	0	0	1	Office Specialist	1	0	0	1
Bldg Inspection Mgr	1	0	0	1	Permit Center Manager	1	0	-1	0
Building/NP Inspector	6	0	-1	5	Plan Checker	1	0	0	1
Building Permit Technician	2	0	0	2	Plan Check Engineer	2	0	0	2
Electrical Building Inspector	1	0	0	1	Senior Building Inspector	1	0	1	2
Office Assistant II	1	0	0	1	Senior Plan Check Engineer	1	0	0	1
					TOTAL	19	0	-1	18

* Total temporary FTE: 11

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes shown above. Increase due to Increasing Apprentice salaries and adding a temporary Dedicated Building Inspector and a temporary Dedicated Plan Checker.
Services and Supplies	No significant changes.
Capital Outlay	None

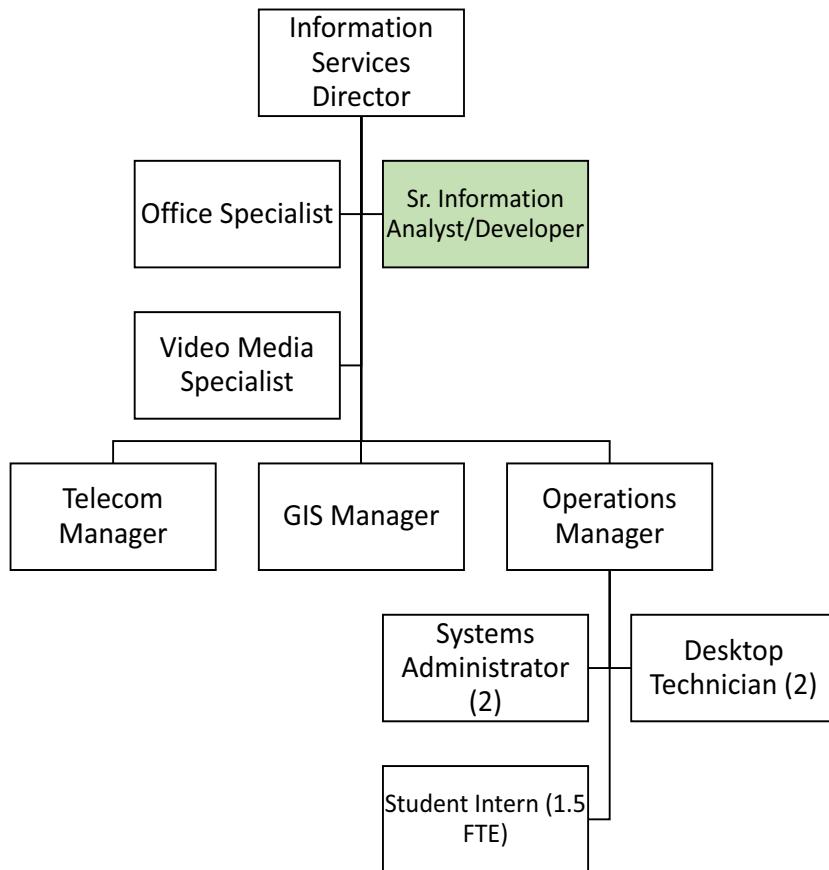


	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	1,595,630	1,617,667	2,420,468	2,054,120
4112 Temporary Salaries	228,340	384,985	656,698	1,080,937
4113 Overtime	14,592	1,615	70,000	30,000
4124 Leave Cashout	56,657	12,544	0	0
4131 PERS	413,828	596,692	938,954	1,150,112
4132 Group Insurance	317,930	375,338	537,594	651,797
4133 Medicare	27,305	29,108	40,595	45,523
4135 Worker's Compensation	20,450	28,507	26,996	29,055
4138 Deferred Comp-Employer	13,463	14,050	17,100	16,200
4139 PARS	96	0	0	0
4161 Retiree Medical Reserve	109,688	120,245	139,069	155,351
sub-total	2,797,979	3,180,751	4,847,474	5,213,095
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	24,224	37,464	41,358	40,546
4220 Supplies	11,164	10,759	31,550	21,750
4230 Services	50,231	67,232	78,250	91,000
4501 Memberships and Dues	1,455	1,755	1,530	1,800
4503 Training	8,840	19,199	38,400	17,100
sub-total	95,914	136,409	191,088	172,196
CAPITAL OUTLAY				
4850 Vehicles	0	24,526	0	0
sub-total	0	24,526	0	0
TOTAL	2,893,893	3,341,686	5,038,562	5,385,291

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Mission Statement

The Information Services Department supports the operations of the City by providing high quality, reliable and cost effective services in the areas of telecommunications, data processing, desktop support and technology project management.



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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DEPARTMENT: Information Services	IS DIRECTOR: Mike Luu
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Description: This department provides automation planning, coordination of system procurement and implementation, management of technology projects to fulfill customer-defined functional requirements, development and maintenance of the City's technical architecture and infrastructure, partnering with key product and service providers, ensuring customer satisfaction, providing automation support and training development, support of the City's web site, Cable TV channel, AM radio station and public-access TV studio, implementation and support of security access systems and all automated data systems. Additionally, Information Services is responsible for the City's public information function.

Services

- Strategic Planning – This service includes maintaining and updating the City's Telecommunications Master Plan in addition to providing the technology planning and support for each department to achieve their annual goals and objectives.
- Project Management – One of the key services provided by the Information Services Department includes project management for both large and small technology projects. These services range from small projects to large multi-year efforts.
- Development and support of the technical architecture and infrastructure. This service includes the maintenance and support of the City's telephone systems, mobile phone and data services, metropolitan-area fiber optic network, paging, radio, video, remote communications and the wired and wireless computer networks.
- Development and support of the City's website, cable TV channel and AM radio system. This service serves City staff, City residents and visitors, both locally and foreign. One of the fastest and easiest ways to evaluate a city as a potential site for starting a business is by visiting that City's website. Since first impressions are lasting impressions, this service provides an invaluable opportunity to advertise the benefits of doing business within the community.
- Implementation and operation of the City's security access and control systems. It is essential to protect City assets, especially given the times we operate and live in.

This service is used to enhance the safety of not only City staff and residents but also the City's public buildings.

- Management and support of the complex information systems. The City supports a data network of more than 65 servers, 500 computers, 80 laptops and 120 printers. It is critical to continuously maintain and upgrade these systems to ensure highest possible availability for all business users
- Development and support of the City's Geographic Information System. The GIS system supports the work of virtually all departments within the City. From the 911 emergency computer-aided dispatch system to the notification of residents regarding pending zoning actions, the GIS system is used widely to support all of the City's business functions.
- Support of the Public Information function. This service includes acting as the City's liaison for information dissemination through the City's website, cable TV channel and AM radio station. It also includes the duties and responsibilities associated with performing the role of Public Information Officer during times of emergencies.



2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Completed CAD system upgrade.	x	x		x	
2. Completed Citywide Network Upgrade.	x			x	
3. Completed Security ID Readers Replacement at City Hall.	x			x	
4. Work with Building to Deploy Electronic Plan Review Solution.	x	x		x	
5. Continued with Servers Virtualization Project.	x			x	

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Complete Exchange Mail Server Upgrade.	x			x	x
2. Complete Records Management System Upgrade.	x			x	x
3. Complete Permitting System Upgrade.	x			x	x
4. Complete Servers Virtualization Project.	x			x	x
5. Complete Phase II of ProjectDox Implementation.	x	x		x	x

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
City Council Meetings	100%	100%	100%	100%
Network Availability	99.99%	99.99%	98.00%	99.99%
Server Availability A	99.99%	99.99%	99.9%	99.99%
Website Availability A	100%	100%	99.9%	100%
Percent of customer surveys received with a score of 4 or better (out of 5)	97%	98%	96%	95%

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

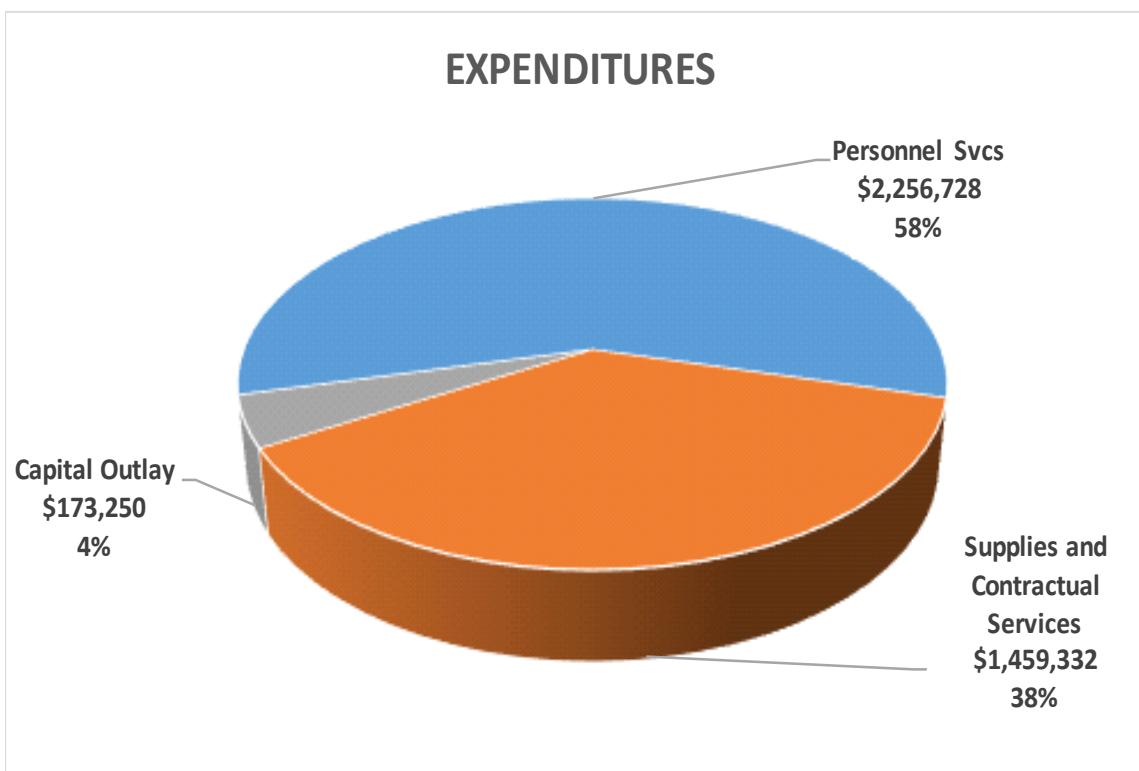
Permanent Personnel Allotment of 11 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Desktop Technician	2	0	0	2	Sr. Information Analyst/Developer	0	0	1	1
GIS Manager	1	0	0	1	Systems Administrator	2	0	0	2
Information Services Director	1	0	0	1	Telecommunications Manager	1	0	0	1
Office Specialist	1	0	0	1	Video Media Specialist	1	0	0	1
Operations Manager	1	0	0	1					
					TOTAL	10	0	1	11

* Total temporary FTE: 1

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes shown in the table above.
Services and Supplies	Increase software and hardware maintenance and contractual services.
Capital Outlay	No significant changes.

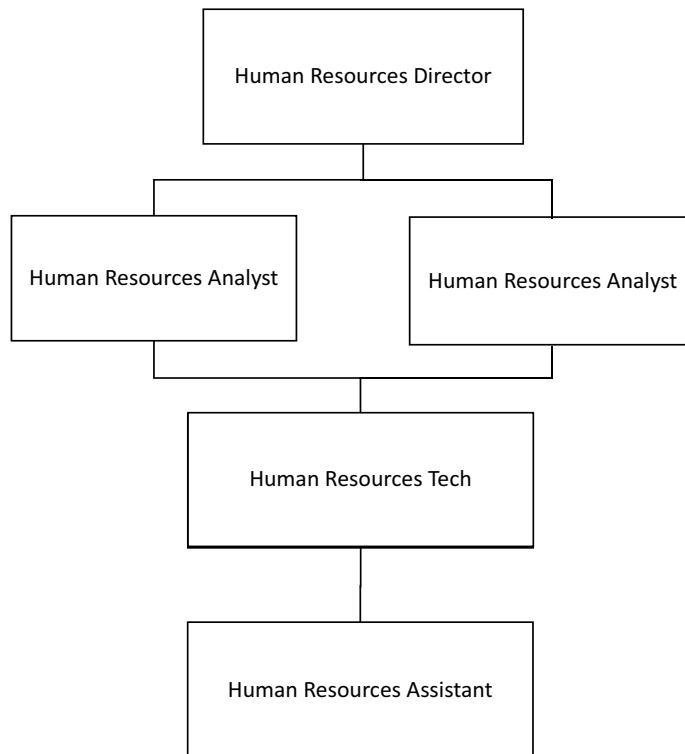


	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	1,036,636	1,067,838	1,224,794	1,348,244
4112 Temporary Salaries	8,227	16,998	75,000	50,000
4113 Overtime	667	0	0	0
4121 Allowances	1,500	1,500	0	0
4124 Leave Cashout	40,171	46,171	0	0
4131 PERS	243,530	316,328	413,072	507,708
4132 Group Insurance	145,823	156,717	215,040	247,236
4133 Medicare	15,771	16,457	18,994	19,686
4135 Worker's Compensation	3,835	6,115	6,489	6,730
4138 Deferred Comp-Employer	8,100	8,100	9,000	9,900
4139 PARS	124	259	1,125	0
4161 Retiree Medical Reserve	51,440	57,428	61,080	67,224
sub-total	1,555,823	1,693,911	2,024,594	2,256,728
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	9,207	8,999	8,116	6,917
4220 Supplies	16,108	12,280	18,000	18,180
4230 Services	644,951	622,791	861,286	1,151,499
4410 Communications	171,392	185,323	244,578	269,036
4501 Memberships and Dues	0	404	2,000	2,200
4503 Training	9,694	8,514	10,500	11,500
sub-total	851,352	838,311	1,144,480	1,459,332
CAPITAL OUTLAY				
4870 Machinery & Equipment	5,926	0	0	0
4920 Machinery Tools & Equipment	241,252	247,328	157,500	173,250
sub-total	247,179	247,328	157,500	173,250
TOTAL	2,654,353	2,779,550	3,326,574	3,889,310

Mission Statement

The Human Resources Department is committed to:

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



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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

Services

- Recruitment - The HR Department is committed to finding high quality candidates in a timely manner. The HR Department takes an aggressive approach in identifying and recruiting the most qualified candidates for City positions.
- Benefits Administration - The HR Department provides benefits administration to approximately 350 active employees with an excellent benefit package that includes medical coverage through CalPERS Health. Additional benefits include Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Deferred Compensation (457 Plan), and the Employee Assistance Program (EAP).
- Workers' Compensation - The City is self-insured for workers' compensation contracted through a Third Party Administrator (TPA). Staff works closely with our TPA to ensure that all injured employees receive proper care for their work-related injuries.
- Labor Relations - The HR Department negotiates on behalf of the City and oversees six separate bargaining units by administering, implementing and interpreting labor contracts and assisting in the resolution of grievances.
- Employee Relations and Customer Service - The HR Department treats all applicants, employees, retirees, and residents with dignity and respect. We strive to ensure equal employment opportunities and a workplace free of discrimination and harassment. We encourage positive employer-employee relations and maintain a high level of service to those we serve.
- Training - The HR Department coordinates Citywide training on topics such as customer service, employee safety, benefits, harassment prevention, ergonomics, and leadership to provide professional and personal development opportunities for employees.



2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust and Respect	Integrity & Accountability	Recognition & Celebration
1. Held successful Open Enrollment; hosted Health and Benefits Fair with 25 benefit vendors; updated Open Enrollment website for remote access of benefit information and forms; implemented new voluntary benefit for LegalShield.	x	x		x	
2. Continued to enhance new hire orientation process; automate forms for easier onboarding; assist with coordination for electronic badge photos with Information Services Department.	x	x	x	x	
3. Trained all City employees on Harassment Prevention.	x	x	x	x	
4. Administered process to automate Personnel Action Forms (PAF) for routine items (e.g., longevity and step increases) to increase efficiency and timely data entry.	x	x		x	x
5. Hosted City employee recognition events (e.g., Service Awards luncheon, National S'mores Day, Pi Day) to acknowledge and thank employees for their service to the City; held 3 new employee Meet and Greet breakfasts.	x	x	x	x	x
6. Improved process to track participation in training classes by employee.	x	x	x	x	x
7. Educated employees on benefits; worked with third party vendors to provide additional information and literature on benefits offered; encouraged participation in wellness events.	x	x	x	x	
8. Completed classification review and updated job descriptions as part of the City-wide Classification and Compensation Study.	x	x			x
9. Transferred IAFF members to City's Delta Dental Program; re-evaluated funding for Dental programs.	x	x	x	x	x
10. Prepared new City of Milpitas recruitment video for difficult to recruit positions; promoted City of Milpitas as a great place to work.				x	x
11. Reviewed, streamlined, and updated Human Resources policies and practices related to the Family Medical Leave Act and Modified Work.	x			x	
12. Transitioned volunteer internship components of City-wide Volunteer Management program to Human Resources Department.	x	x		x	
13. Lead community outreach events, including Blood Drive, Family Giving Tree Backpack donation drive and assisted with holiday gift drives.	x	x		x	x

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Update new employee handbook; streamline and automate employee forms.	X			X	X
2. Assist in streamlining requisition and recruitment processes for internal City departments; create more detailed information for applicants and candidates.	X			X	X
3. Offer comprehensive training programs to provide training opportunities for all City employees; provide training of benefits, workers' compensation, and retirement for employees; improve training management system to track attendance.	X			X	X
4. Conduct interviewer training for department and division managers; test preparation for all employees.				X	X
5. Continue to host City employee recognition events; offer networking opportunities for employees.				X	
6. Improve internal training for Human Resources staff, including cross-training.				X	X
7. Educate employees on benefits; work with third party vendors to provide additional information and literature on benefits offered; encourage participation in wellness events.				X	X
8. Finalize City-wide Classification and Compensation Study.				X	X
9. Continue to improve on-boarding and off-boarding experience for employees; involve departments in experience to ensure retention of quality employees.				X	X
10. Prepare new City of Milpitas recruitment videos for difficult to recruit positions; continue to promote City of Milpitas as a great place to work; improve appearance of recruitment flyers.	X			X	X
11. Continue to review, streamline, and update Human Resources policies and practices.				X	X
12. Create plan for enhanced Wellness Program.	X			X	X
13. Enhance City's TRIP (Transportation Reduction Incentive Program) for employees, including education of safe alternative modes of transportation.	X		X	X	

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Average time to fill a vacancy. (Number of days from posting job announcement to extending an offer).	90 days	70 days	80 days	75 days
Percentage of recruitments completed within established timelines.*	N/A	90%	80%	90%
Percentage of Customer Satisfaction Survey overall ratings Satisfied/Very Satisfied.	80%	85%	96%	85%
Percentage of Training Satisfaction Survey overall ratings Good/Excellent. *	N/A	86%	85%	85%

*New Performance Measures effective 2016-17

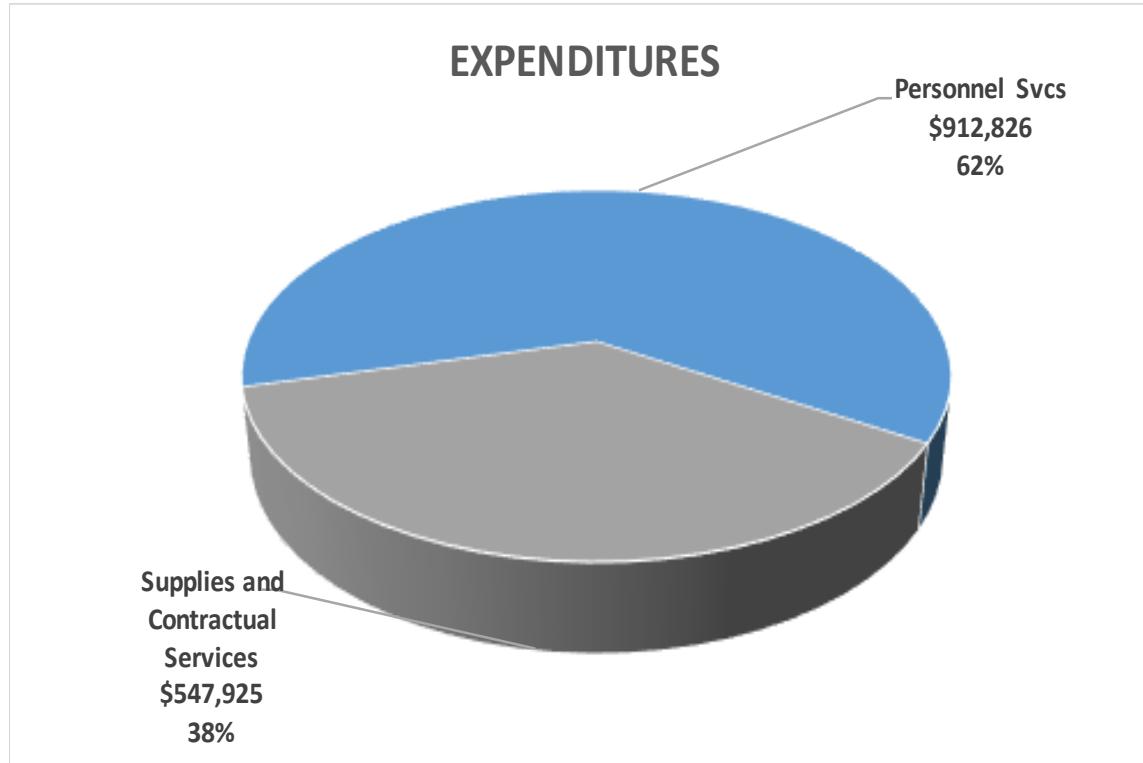
Permanent Personnel Allotment of 5 FTE

Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19
Human Resource Analyst I/II	2	0	0	2	Human Resources Director	1	0	0	1
Human Resources Assistant	1	0	0	1	Human Resources Technician	1	0	0	1
					TOTAL	5	0	0	5

* Total temporary FTE: 0.5

Expenditure Analysis

Personnel Services	Increases due to negotiated union salaries, benefits and PERS contribution rates.
Services and Supplies	Increase due to contractual services and recruitment efforts.
Capital Outlay	None



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	387,325	366,035	556,530	542,764
4112 Temporary Salaries	30,390	25,073	25,000	10,000
4113 Overtime	0	0	1,000	1,000
4121 Allowances	250	0	0	0
4124 Leave Cashout	313	11,759	0	0
4131 PERS	94,740	110,626	187,784	204,394
4132 Group Insurance	61,472	54,476	107,520	112,380
4133 Medicare	6,204	5,716	8,511	7,942
4135 Worker's Compensation	1,809	2,295	2,890	2,702
4138 Deferred Comp-Employer	3,000	2,750	4,500	4,500
4139 PARS	453	290	375	0
4141 Adjustments-Payroll	15,000	0	0	0
4161 Retiree Medical Reserve	22,908	22,908	27,756	27,144
sub-total	623,864	601,928	921,866	912,826
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	5,895	5,636	8,000	8,500
4220 Supplies	5,569	1,600	5,000	5,500
4230 Services	434,958	497,738	472,500	500,450
4501 Memberships and Dues	699	16,350	1,562	2,475
4503 Training	27,190	20,403	19,000	31,000
sub-total	474,310	541,727	506,062	547,925
TOTAL	<u>1,098,174</u>	<u>1,143,655</u>	<u>1,427,928</u>	<u>1,460,751</u>

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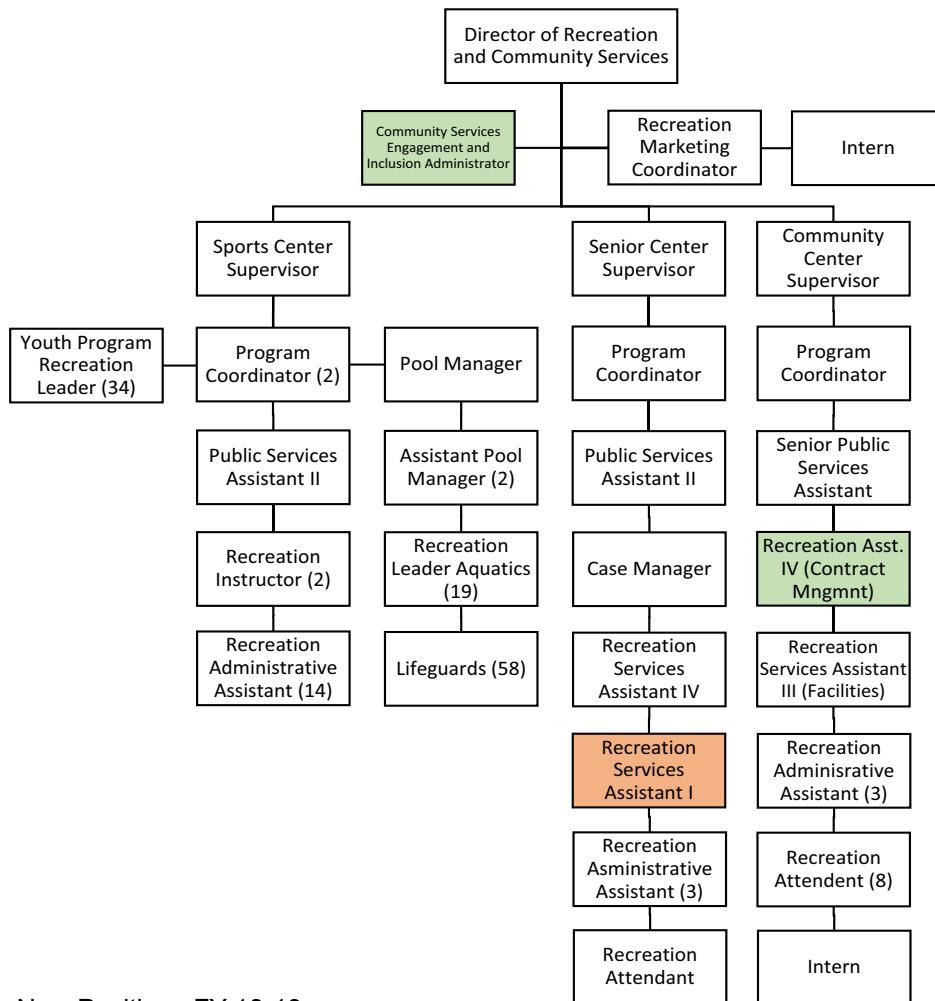
Mission Statement

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

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

Functions

Recreation Administration
 Senior Citizen Services
 Pre-K Enrichment
 Youth Programs
 Special Events
 Marketing
 Performing Arts
 General Classes
 Aquatics
 Sports & Fitness
 Adult Sports
 Volunteer Services



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DEPARTMENT: Recreation Services	RECREATION SERVICES DIRECTOR: Renee Lorentzen
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Description: The department provides recreational opportunities and experiences, park and facility rentals for all residents and visitors of Milpitas. We are committed to providing the highest standard of excellence in public service through our programs, events, and interactions with the community. We create a sense of community, support economic development, promote health and wellness, increase cultural awareness and facilitate solutions to community needs. Monitors daily operation at three Full Service Recreation Centers and two Satellite centers. Also oversees and offers a Recreational Assistance program for low income residents.

Services

- Oversees Community Center daily operations, indoor/outdoor recreation facility rentals, sponsor and donation functions, supervises departmental operations, coordinates promotions, public relations, publishes Recreation Activity Guide, and currently staffs five City Commissions. Provides a volunteer program for individuals to help serve their community.
- Monitors daily operation of the Senior Center that provides a daily lunch program, a wide variety of drop-in programs, trips, classes, specials events and social services. Also oversees and offers a Recreational Assistance program for low income residents.
- Oversees the operation of the Sports Center with a Fitness Center, fitness and wellness classes, personal training, aquatic classes, lap swimming, adult and youth sports programs and more.
- Offers Cultural Arts programs - the Phantom Art Gallery, Center Stage Performing Arts, Milpitas Community Concert Band, and the Milpitas Art and Cultural Grant Program.
- Provides a variety of youth classes and programs. Also offers a multitude of programs for children ages 2-5, which provide enriching experiences and emphasizes learning through active play and socialization, including a Pre-K Enrichment program through various vendors. For ages 6-12, Recreation offers a wide-range of youth sports leagues, classes, specialty camps and weekly summer camps which provides recreational opportunities for children to promote healthy living and socialization.

During the school year, After the Bell is offered at five school sites for grades 1-6 and provides several enrichment activities, homework assistance, sports and more.

- Provides City wide special events to the community that includes the 4th of July Celebration, Veterans Day Ceremony, Memorial Day Ceremony, Tree Lighting Event, Summer Concert Series, Summer Movie Night Out, Pumpkins in the Park, Lunar new Event, Food Truck Event Commissioners' Recognition Event and support for the Veterans Car Show.



2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Offered 5 intergenerational events at the Barbara Lee Senior Center.	x	x	x	x	x
2. Hosted 5 new special events and ceremonies celebrating culture including Oktoberfest, Lunar New Year, Cesar Chavez Plaza Dedication, and Juneteenth.	x	x	x	x	x
3. Applied for and received World Health Organization designation declaring City of Milpitas an Age Friendly City.	x	x	x	x	x
4. Enhanced Customer Service by making Facility Rental availability viewable online.	x	x	x	x	x
5. In collaboration with MUSD promoted the return of a "Summer Lunch" program for youth in 2017, and has volunteered to be a host site for the 2018 Summer Lunch program.	x	x	x	x	x
6. Received National "Walk with Ease" Grant promoting active, healthy senior lifestyles.	x	x	x	x	x

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Re-Institute Teen programs and activities.	x		x		x
2. Develop and broaden Special Needs services and events.			x		x
3. Establish and pursue a partnership with Dignity on Wheels Programs to serve or assist the Milpitas homeless population.	x	x	x		x
4. Increase Senior Life Skills presentations and workshops, with a focus on mental health and well being.	x		x		x

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Recreation Program and Class Fees	\$1,710,440	\$2,026,091	\$2,129,300	\$2,525,704
Senior Center Membership	1,514	1,205	1,450	1,575
Facility Rental Revenue	\$210,444	\$216,952	\$275,000	\$287,000
Sports Center Yearly Use	62,016	78,290	86,695	87,678

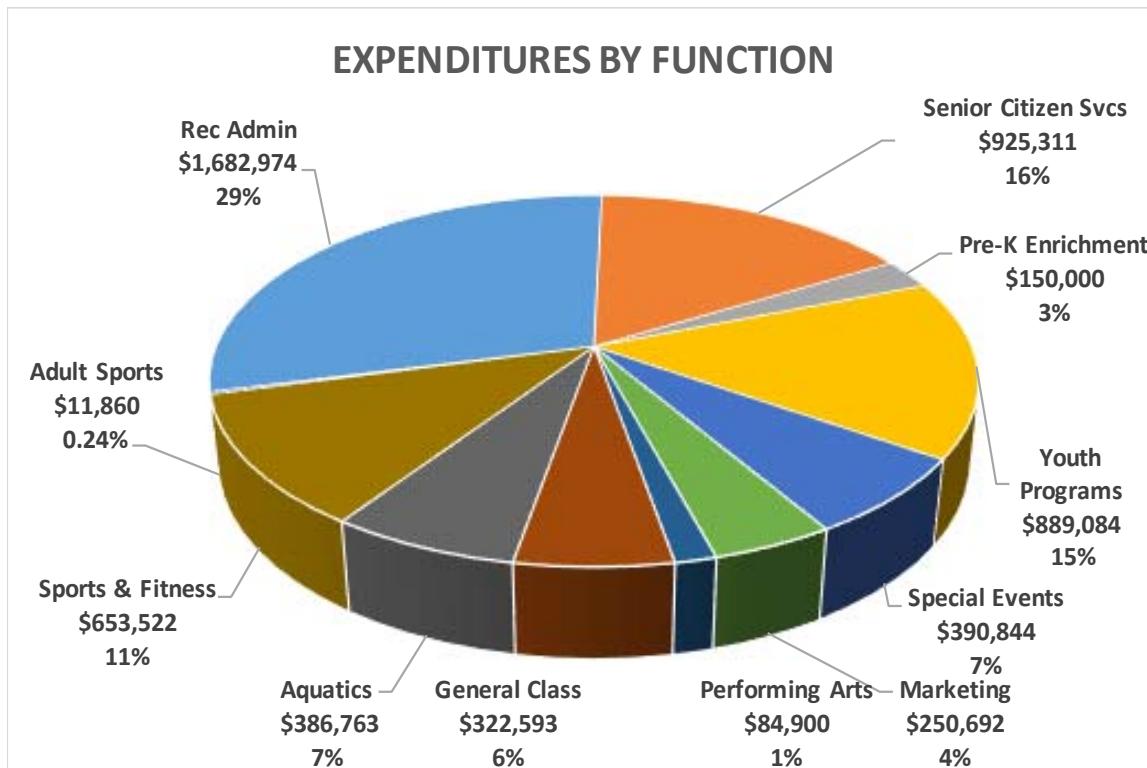
Permanent Personnel Allotment of 18 FTE

Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19
Case Manager	1	0	0	1	Recreation Services Asst I	0.75	0	0.25	1
Community Services Engagement and Inclusion Administrator	0	0	1	1	Recreation Services Asst III		1	0	1
Director of Rec & Comm Svcs	1	0	0	1	Recreation Services Asst IV		1	0	1
Marketing Coordinator	1	0	0	1	Recreation Services Supervisor	3	0	0	3
Program Coordinator	4	0	0	4	Senior Public Services Asst	1	0	0	1
Public Services Assistant II	2	0	0	2					
					TOTAL	15.75	0	2.25	18

* Total temporary FTE: 45

Expenditure Analysis

Personnel Services	Increases due to negotiated union salaries, benefits PERS contribution rates, new positions shown in the table above and increased temporary salaries.
Services and Supplies	No significant changes.
Capital Outlay	None



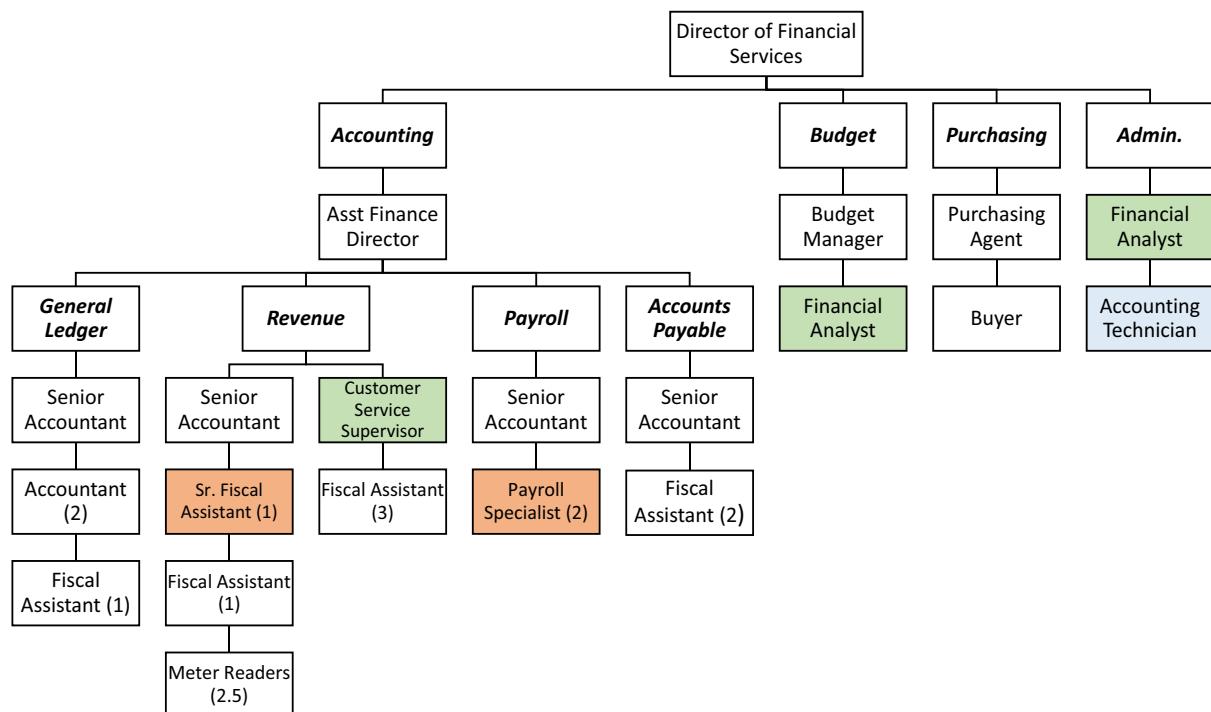
	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	983,501	1,157,895	1,342,376	1,631,675
4112 Temporary Salaries	688,118	757,931	1,166,953	1,392,825
4113 Overtime	10,955	10,281	29,970	29,970
4121 Allowances	0	0	5	0
4124 Leave Cashout	19,819	26,629	0	0
4131 PERS	232,997	346,275	476,807	598,205
4132 Group Insurance	264,468	273,147	338,688	398,952
4133 Medicare	24,568	28,377	36,574	23,698
4135 Worker's Compensation	12,649	18,248	20,607	11,994
4138 Deferred Comp-Employer	12,239	13,414	14,400	16,200
4139 PARS	10,026	11,317	16,418	0
4161 Retiree Medical Reserve	55,016	60,509	67,129	80,875
sub-total	2,314,356	2,704,022	3,509,927	4,184,394
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	23,735	41,043	23,500	35,000
4211 Equip Replacement Amortization	58,434	47,605	68,924	61,754
4220 Supplies	281,029	313,052	370,878	381,101
4230 Services	675,858	754,630	900,257	1,065,014
4501 Memberships and Dues	2,283	2,072	10,400	12,500
4503 Training	5,454	11,859	6,415	6,800
4600 Ins, Settlements & Contgcy	1,980	1,800	1,980	1,980
sub-total	1,048,773	1,172,062	1,382,354	1,564,149
CAPITAL OUTLAY				
4870 Machinery & Equipment	13,402	0	0	0
4920 Machinery Tools & Equipment	7,066	0	0	0
sub-total	20,468	0	0	0
TOTAL	3,383,596	3,876,084	4,892,281	5,748,543

Mission Statement

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

Divisions

Administration
Operations



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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DEPARTMENT: Finance	FINANCE DIRECTOR: Will Fuentes
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Description: Finance provides a key service role to all departments, the City Council, and the public and manages the City's financial operations in accordance with industry standards and established fiscal policies. Prudent fiscal stewardship, customer service, compliance, strategic planning, transparency and effective financial reporting are key elements of its mission. The department is organized into two divisions, Administration and Operations; each provides essential customer services and support to City departments, the City Council, and the public.

Services

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



2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Received awards for "Distinguished Budget Presentation" and "Excellence in Financial Reporting" for 18 and 25 years, respectively.				x	
2. Received an unqualified "clean" audit opinion for June 30, 2017 Comprehensive Annual Financial Report.			x	x	
3. Implemented new policies and procedures for purchasing card and city contracts.	x	x	x		
4. Updated the City's Investment policy to increase returns and align with State allowable limits.				x	
5. Implemented a new participative budget process.	x			x	
6. Provided support to Milpitas Oversight Board to sell last Successor Agency Property.	x			x	
7. Began implementing electronic timecard system.	x			x	
8. Refinanced wastewater bond resulting in NPV savings of \$369,000 and 7.2%.				x	
9. Implemented a new Business License software to increase efficiency.	x			x	

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Work with City Council and stakeholders to achieve long-term fiscal sustainability.				x	
2. Implement contract management software for procurement tracking, routing, and approval.				x	
3. Review and update finance related SOPs (Standard Operating Procedures).				x	
4. Continue Automated Water Meter replacement project to provide real time consumption amounts to consumers.				x	

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
5. Provide accurate and timely reports within 15 days from month-end to assist departments in monitoring their budget.		x			x
6. Improve transparency and Citywide decision making capabilities by implementing enhanced internal and external financial reporting.					x
7. Fully implement an electronic timecard system.					x
8. Work collaboratively with all City departments to assess needs for either current or new Enterprise Resource Planning (ERP) system.					x
9. Continue and further enhance a participative budget process involving key internal and external stakeholders.					x

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Consecutive years in receiving awards for: Distinguished Budget Presentation	16	17	18	19
Certificate of Achievement for Excellence in Financial Reporting	23	24	25	26
Percent of tort claims resolved within 180 days	96%	96%	96%	96%
Average turn around time of A/P invoices (days)	5	5	5	5
Average turn around time of purchase requisitions (days)	10	10	10	10
Percent of accurate meter reads	99.9%	99.9%	99.9%	99.9%

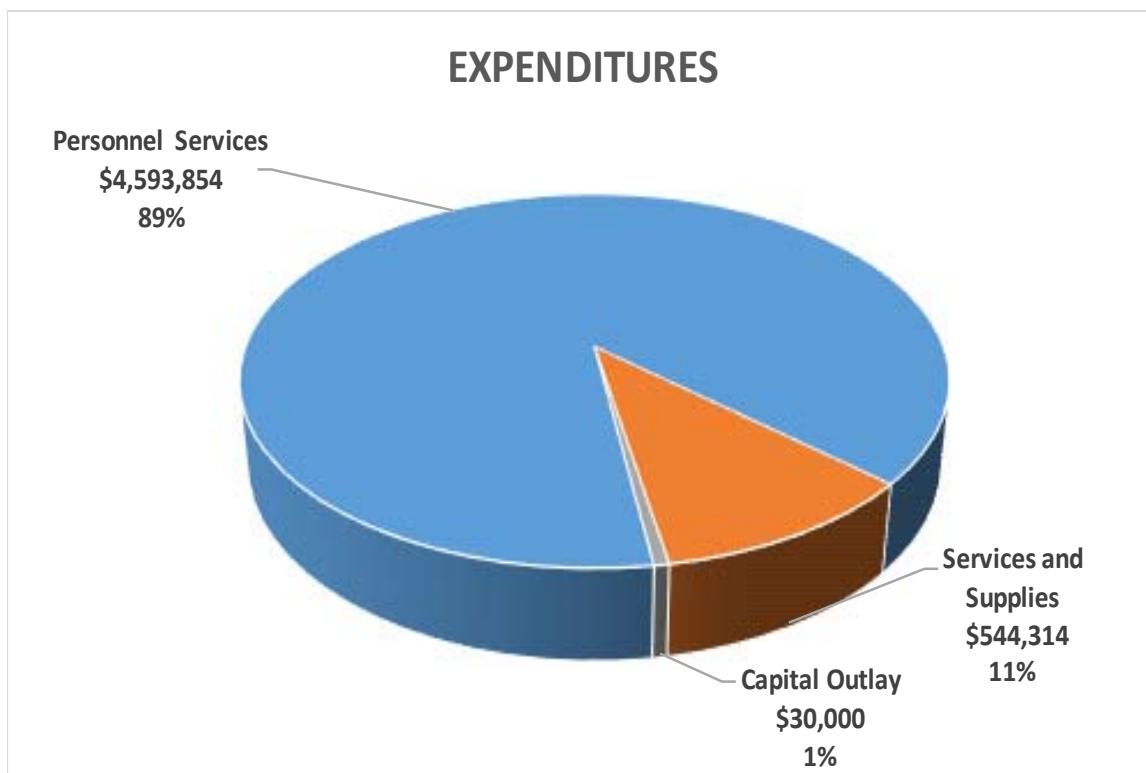
Permanent Personnel Allotment of 27.5 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Accountant	2	0	0	2	Financial Analyst I	0	0	2	2
Accounting Technician	1	0	0	1	Fiscal Assistant I/II	10	0	-3	7
Assistant Finance Director	1	0	0	1	Payroll Specialist	0	0	2	2
Budget Manager	1	0	0	1	Purchasing Agent	1	0	0	1
Buyer	1	0	0	1	Senior Accountant	4	0	0	4
Customer Services Supervisor	0	0	1	1	Sr. Fiscal Assistant	0	0	1	1
Director of Financial Services	1	0	0	1	Water Meter Reader II	2.5	0	0	2.5
TOTAL						24.5	0	3	27.5

* Total temporary FTE: 3

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes shown in the table above.
Services and Supplies	Increase of contractual services.
Capital Outlay	Include Smart Water Meters.



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	1,730,231	1,793,059	2,370,157	2,675,692
4112 Temporary Salaries	117,178	123,689	84,480	89,600
4113 Overtime	14,884	3,955	15,000	15,000
4121 Allowances	2,981	3,000	0	0
4124 Leave Cashout	57,968	49,654	0	0
4125 Accrued Leave	(5,078)	(636)	0	0
4131 PERS	409,355	535,554	783,725	988,776
4132 Group Insurance	370,350	371,001	526,848	618,084
4133 Medicare	28,168	28,618	35,126	38,382
4135 Worker's Compensation	10,129	14,151	14,529	15,788
4138 Deferred Comp-Employer	17,710	16,798	19,800	22,500
4139 PARS	1,410	1,404	1,268	0
4143 Charged to CIPs	0	0	(45,000)	0
4161 Retiree Medical Reserve	100,260	104,421	115,723	130,032
sub-total	2,855,547	3,044,668	3,921,656	4,593,854
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	14,161	3,050	23,619	15,769
4220 Supplies	108,137	71,653	120,350	122,850
4230 Services	309,474	422,275	296,450	377,110
4501 Memberships and Dues	1,852	1,497	2,150	2,150
4503 Training	12,377	7,693	25,885	26,435
sub-total	446,001	506,167	468,454	544,314
CAPITAL OUTLAY				
4850 Vehicles	7,504	0	0	0
4920 Machinery Tools & Equipment	392	1,668	0	0
4930 Hydrants & Meters	0	15,165	30,000	30,000
sub-total	7,896	16,832	30,000	30,000
TOTAL	3,309,444	3,567,667	4,420,110	5,168,168

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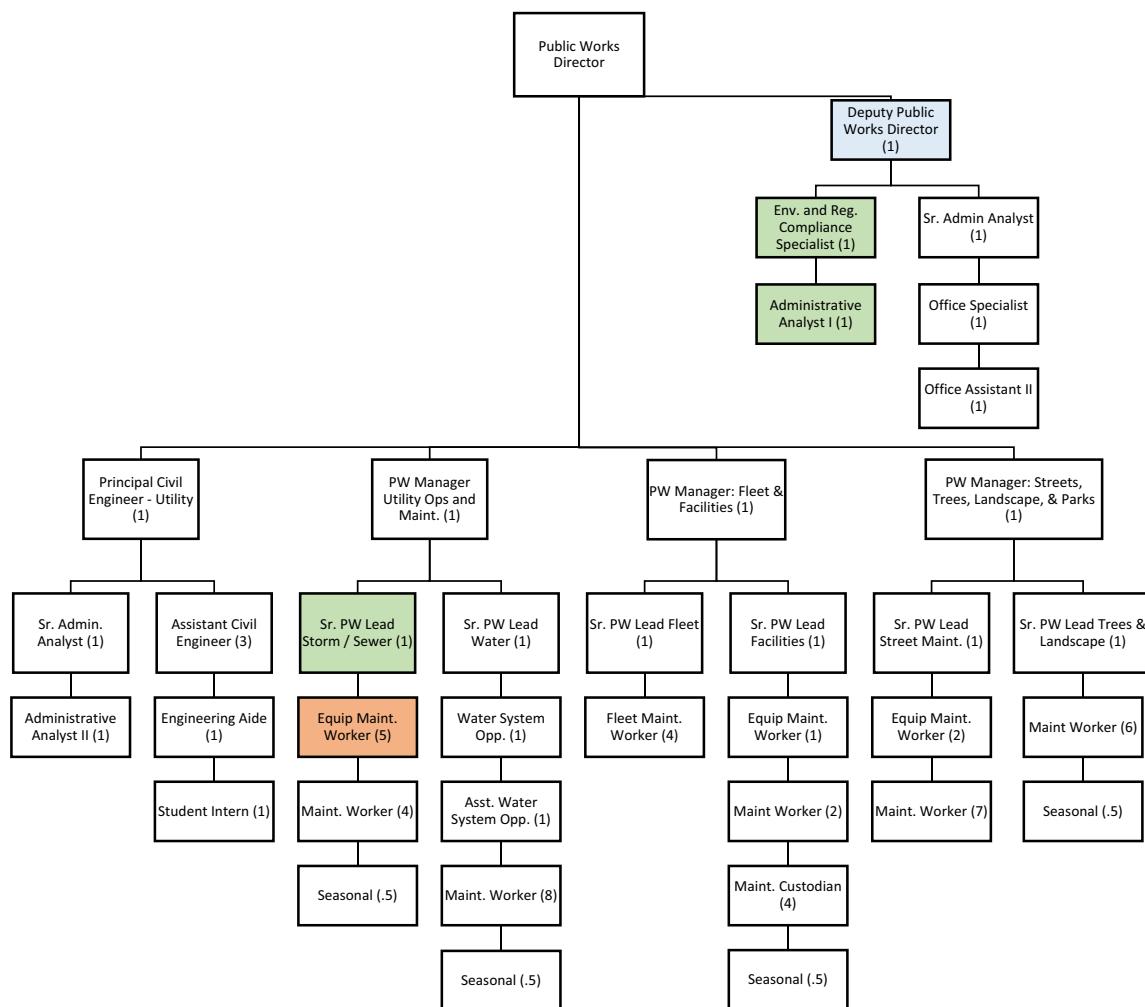
Mission Statement

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

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

Functions

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



Green = New Positions FY 18-19
 Yellow = Mid Year Positions FY 17-18
 Orange = Reclassifications
 Blue = Organizational Changes

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

Services

- Provides management, direction and coordination for the operation, maintenance, cleaning, and repair of City infrastructure and equipment assets. Responds to over 18,000 customer service calls and 2,800 work order requests annually.
- Maintains the City's traffic signal system, traffic signs, street lights, paved roadways, and pavement markings in accordance with the Clean & Safe Streets program and State Code requirements.
- Provides sidewalk repair, right-of-way weed abatement, and graffiti removal.
- Operates and maintains the water distribution system, including 206 miles of water lines, 4 pumping stations, 5 storage reservoirs, and numerous pressure valves regulating 7 pressure zones, to deliver 11 million gallons per day of potable water to 19,000 accounts.
- Provides engineering support and ensures compliance with regulatory permits for the City's water, sewer, and stormwater systems.
- Operates and maintains the sewer collection system, including 175 miles of sewer lines and 2 pumping stations to discharge 8 million gallons per day to the San Jose/Santa Clara Water Pollution Control Plant.
- Operates and maintains the stormwater collection system, including 105 miles of storm pipe and 13 pump stations to transmit storm water through the levees to creeks.
- Marks out locations of City's underground utilities (water, sewer, storm, and traffic communication fiber) to protect against construction damage to these underground assets.
- Provides park maintenance for more than 170 acres of parkland, including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains more than 15,400 trees and 125 acres of median landscaping, including City tree planting and pruning, trails, and litter control.
- Maintains and repairs City vehicles and motorized equipment including police vehicles, fire apparatus, construction equipment, mowers, and communication radios.
- Maintains City buildings and grounds, including building systems (plumbing, electrical, heating, air conditioning, and ventilation; and backup power). Sets up rooms for rental groups and meetings. Manages custodial and janitorial services.



Accomplishments 2017-18	Superior Customer Service	Open Communication	Trust and Respect	Integrity & Accountability	Recognition & Celebration
1. Implemented in-house pavement repair program utilizing new pothole truck.	x			x	
2. Completed installation of emergency backup generator power for the City's care and shelter facility.	x			x	
3. Completed major repairs of HVAC chillers and boilers at the Police Department and Public Works Building.	x	x	x	x	
4. Completed 642 preventative maintenance work orders and 574 repairs on Citywide fleet and equipment.	x	x	x	x	
5. Responded to 551 utility service requests and completed repairs on 53 water leaks in the distribution system.	x	x	x	x	
6. Achieved compliance with San Jose's Environmental Services Division (ESD) for the Recycled Water Program and resumed State permitting of new recycled water projects.	x	x		x	

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Provide cost effective maintenance and repair services that meet or exceed industry standards or best practices.	x	x	x		x
2. Establish asset management programs to ensure the City's assets and infrastructures are updated and well maintained.	x	x	x		x
3. Develop, support, and retain an exceptionally qualified, well trained, and diverse work force.	x	x	x	x	x
4. Utilize technology to enhance services to the community and improve the transfer of information between the Milpitas community and Public Works staff.	x	x	x		x
5. Work to meet the City's sustainability goals and ensure compliance with state and federal regulatory agencies and cooperate with other agencies to safeguard natural resources for the benefit of the environment, residents, development community, overall quality of life, and more.	x	x	x	x	x

Description	Average Assessment Time (Business Days)	Priority 1 (business days)	Priority 2 (business days)
Water Leaks/Breaks	Immediate	2 days	2 weeks
Sewer Backup	Immediate	Refer to SSMP	1 week
Street Lights	5 days	5 days*	15 days*
Traffic Signals	Immediate	1 days*	2 weeks*
MUTCD Standard Street Signs	5 days	5 days*	4 weeks*
Non-standard Street Signs	5 days	N/A	8 weeks*
Trees - Assessment	2 weeks	N/A	N/A
Trees - Trimming	5 days	2 weeks	8 weeks
Trees - Hazardous Conditions	1 day	1 day	8 weeks
Weed Abatement	1 day	4 weeks	8 weeks
Sidewalk Hazards	1 day	2 week	N/A
Graffiti	1 day	10 days	N/A
Roadway Hazards (potholes, debris, etc.)	Immediate	3 days	N/A
Facilities - Mechanical	1 day	2 days*	5 days*
Facilities - HVAC	1 day	2 days*	5 days*
Facilities - Electrical	1 day	2 days*	5 days*
Facilities - Lighting	1 day	2 days*	5 days*
Facilities - Plumbing	1 day	2 days*	5 days*
Facilities - Structural	1 day	2 days*	5 days*
Facilities - Roof Repairs and Leaks	1 day	2 days*	5 days*
Facilities - Floor surfaces	1 day	2 days*	5 days*
Facilities - User Group/Event Setups	1 day	2 days*	5 days*
Facilities - Office Setups	1 day	2 days*	5 days*
Facilities - Appliance Maintenance and Installation	1 day	2 days*	5 days*
Fleet - Public Safety Vehicles	Immediate	1 day*	3 days*
Fleet - General Fleet Vehicles	Immediate	2 days*	5 days*

* Pending availability of parts, equipment, or labor

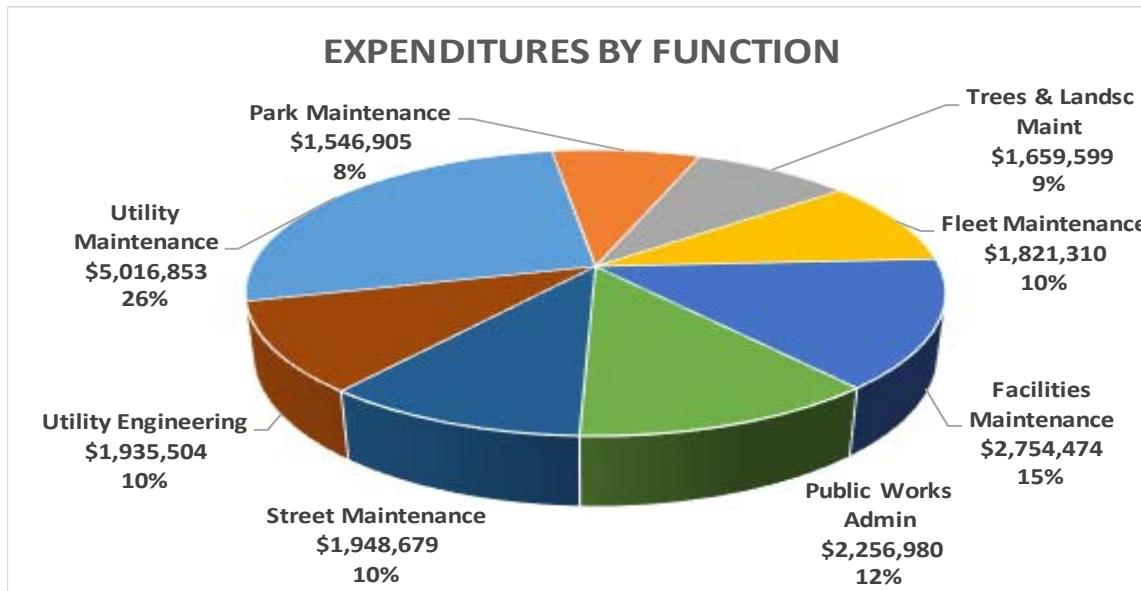
Permanent Personnel Allotment of 68 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Administrative Analyst I/II	1	0	1	2	Maintenance Custodian III	1	0	0	1
Assistant Civil Engineer	1	0	0	1	Maintenance Worker I	3	0	0	3
Assistant Water Operator	1	0	0	1	Maintenance Worker II	17	0	-1	16
Associate Civil Engineer	2	0	0	2	Maintenance Worker III	8	0	0	8
Deputy Public Works Director	1	0	0	1	Office Assistant II		1	0	1
Engineering Aide	1	0	0	1	Office Specialist	1	0	0	1
Environmental and Regulatory Compliance Specialist	0	0	1	1	Principal Civil Engineer		1	0	1
Equipment Maint Worker II	3	0	0	3	Public Works Manager	3	0	0	3
Equipment Maint Worker III	4	0	1	5	PW Director	1	0	0	1
Fleet Maintenance Worker II	3	0	0	3	Senior Admin Analyst	2	0	0	2
Fleet Maintenance Worker III	1	0	0	1	Senior Public Works Lead	5	0	1	6
Maintenance Custodian II	3	0	0	3	Water System Operator	1	0	0	1
					TOTAL	65	0	3	68

* Total temporary FTE: 3.5

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, PERS contribution rates increase and staffing changes shown in the chart above.
Services and Supplies	Increase mainly attributed to cost escalation in contractual services.
Capital Outlay	Increase attributed to purchase of a flushing trailer and two new street maintenance vehicles.



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	3,229,536	3,536,524	6,210,936	6,543,644
4112 Temporary Salaries	320,328	255,327	201,000	201,000
4113 Overtime	195,200	254,953	301,400	297,700
4121 Allowances	81,050	80,000	120,000	140,000
4124 Leave Cashout	101,852	96,081	0	0
4125 Accrued Leave	35,199	(41,712)	0	0
4131 PERS	911,089	1,099,499	2,061,038	2,442,482
4132 Group Insurance	891,825	924,590	1,397,760	1,528,368
4133 Medicare	55,226	60,480	91,518	93,715
4135 Worker's Compensation	56,889	84,395	89,688	94,025
4138 Deferred Comp-Employer	3,912	7,142	13,628	12,600
4139 PARS	2,413	2,603	3,916	0
4161 Retiree Medical Reserve	157,008	184,779	284,870	306,272
sub-total	6,041,527	6,544,663	10,775,754	11,659,806
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	0	0	25,000	15,000
4211 Equip Replacement Amortization	558,335	701,976	597,162	707,507
4220 Supplies	910,326	983,591	1,149,475	1,203,835
4230 Services	3,747,531	3,857,061	4,053,000	4,432,410
4410 Communications	5,326	2,472	7,200	11,880
4420 Utilities	97,869	98,637	152,215	152,215
4501 Memberships and Dues	3,910	4,315	18,260	22,655
4503 Training	17,557	28,197	92,930	144,050
4600 Ins, Settlements & Contgcy	4,605,501	4,844,867	0	0
sub-total	9,946,355	10,521,116	6,095,242	6,689,552
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	460,946
4920 Machinery Tools & Equipment	1,691	0	0	0
4930 Hydrants & Meters	(41,513)	100,667	130,000	130,000
sub-total	(39,822)	100,667	130,000	590,946
TOTAL	15,948,060	17,166,445	17,000,996	18,940,304

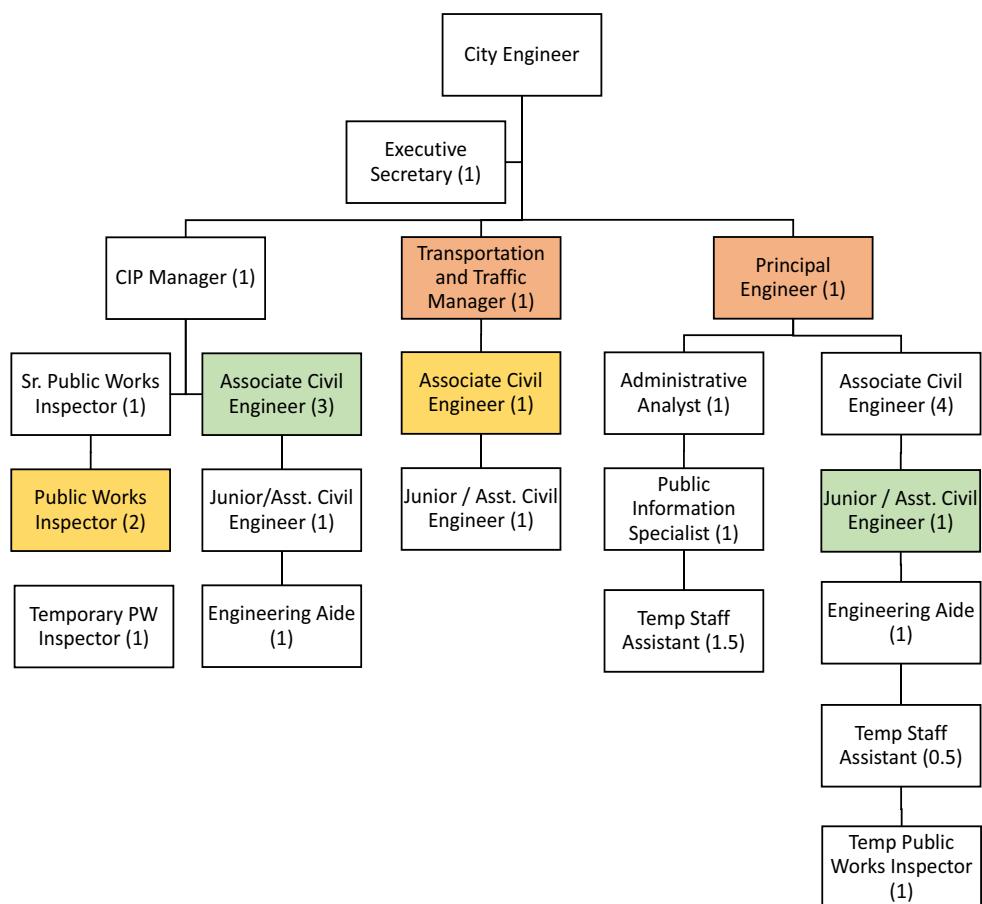
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Mission Statement

The Engineering Division provides the resources to enhance the City infrastructure through the design, management, and construction of public improvements and the management of various public works programs in a safe, coordinated, timely, and cost effective manner with responsive service to the entire community.

Functions

Engineering Administration
Design & Construction
Land Development
Traffic



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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DEPARTMENT: Engineering	DIRECTOR OF ENGINEERING: Steve Erickson
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Description: This department provides professional engineering services for the completion of the City's Capital Improvement Program (CIP), performs construction inspection of both CIP projects and private development infrastructure impacting the public right-of-way. The department reviews private development projects, and maps for subdivision of land for compliance with City engineering standards, and state regulations. The department manages encroachment permits for construction work within the public right-of-way. The Engineering Division participates in regional programs and coordinates with local agencies in the areas of flood control, water supply, urban runoff, sewer treatment, transportation and solid waste and recycling. The three engineering department functions are Design & Construction, Land Development, and Traffic.

Services

- The Director of Engineering/City Engineer leads the Department including allocation of resources, assignments, and staff development to ensure that City infrastructure is constructed in accordance with City codes, state and federal regulations, and industry standards to protect public health and safety.
- The Design & Construction Civil Engineers prepare and review construction plans for public infrastructure. Provide planning and management of the Capital Improvement Program, including design, construction, and project management of street, water, sewer, storm drain, parks, and community projects. Design & Construction Inspection staff review both City and private development projects in construction for compliance with the approved construction plans and City standards.
- The Land Development Civil Engineers regulate right-of-way encroachments and review private development plans and subdivision maps for conformance with City Standards and local, state and federal regulations. They ensure that private development projects provide all necessary public infrastructure and manage development documents including Encroachment Permits, Right of Way Vacations, Dedication of Easements, Lot-Line Adjustment, maintains Floodplain Management records and Community Rating System (CRS) standing. They also maintain as-built drawings, deeds, maps, assessment district diagrams, flood control documents.
- Traffic Engineering services consist of technical review and evaluation of traffic system design construction and operations to ensure safe and efficient operations of the City street system. Traffic engineering also includes review private development projects and regional and adjacent municipality transportation projects to determine their traffic impacts to the City's transportation system.



2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Completed construction of Higuera Adobe Park Renovations.	x	x	x	x	
2. Completed construction of Great Mall Parkway Median Landscape Improvements.	x	x	x	x	x
3. Continued efforts to improve solid waste disposal and collection services.	x	x	x	x	
4. Completed installation of the 1st phase of the storm drain catch basin trash capture devices.		x	x	x	
5. Started design phase for the Sports Center Skateboard Park.	x	x	x	x	x
6. Completed McCarthy Boulevard Bridge Landscaping improvements.	x	x	x	x	x
7. Completed maintenance repairs to Wrigley Creek.	x	x	x	x	x
8. Started design services for the renovation of Creighton Park.	x	x	x	x	
9. Completed Annual Street Resurfacing Improvements.	x	x	x	x	

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Complete construction of decorative street light installation along South Main Street from Carlo Avenue to Corning Avenue.	x	x	x	x	
2. Complete construction of Marrylinn Drive Sanitary Sewer Rehabilitation Project.	x	x			
3. Start construction on the Dempsey Road Water Improvements.	x	x			
4. Start construction of the McCandless Park improvements.		x	x		
5. Complete construction of Annual Streets Resurfacing Project.	x	x	x	x	

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Contracts Awarded/Value	8/5.6M	8/10.5M	5/6.3m	10/29M
Achieve State-mandated solid waste diversion rate goals	Yes	Yes	Yes	Yes
Review first submittals of private development plans within 20 working days	85%	25%	35%	75%
Encroachment Permit Processed	178	158	203	225
Development Improvement agreements prepared for Council	6	10	9	10
Engineering and traffic surveys	10	10	10	10
Grant Applications submitted	10	8	10	8
Projects completed (initial acceptances)	7	9	8	7

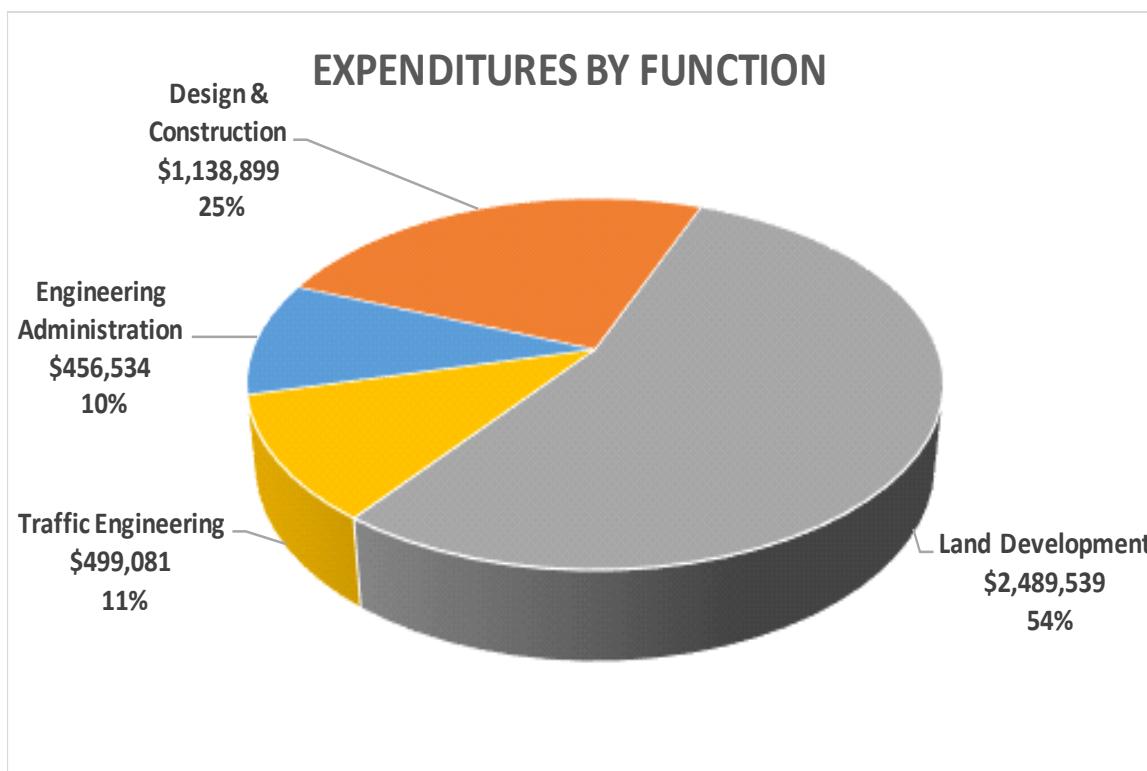
Permanent Personnel Allotment of 23 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Administrative Analyst II	1	0	0	1	Executive Secretary	1	0	0	1
Assistant City Engineer	1	-1	0	0	Principal Civil Engineer	0	1	0	1
Assistant Civil Engineer	2	0	1	3	Public Information Specialist	1	0	0	1
Associate Civil Engineer	5	1	2	8	Public Works Inspector	1	1	0	2
CIP Manager					Senior Public Works Inspector	1	0	0	1
City Engineer	1	0	0	1	Traffic Engineer	1	0	-1	0
Engineering Aide	2	0	0	2	Transportation and Traffic Mgr	0	0	1	1
					TOTAL	18	2	3	23

* Total temporary FTE: 2.5

Expenditure Analysis

Personnel Services	Increase due to negotiated union Salary and benefit increases and increases in PERS contribution rates, as well as five new positions listed in the table above.
Services and Supplies	Reduction of contractual services.
Capital Outlay	None



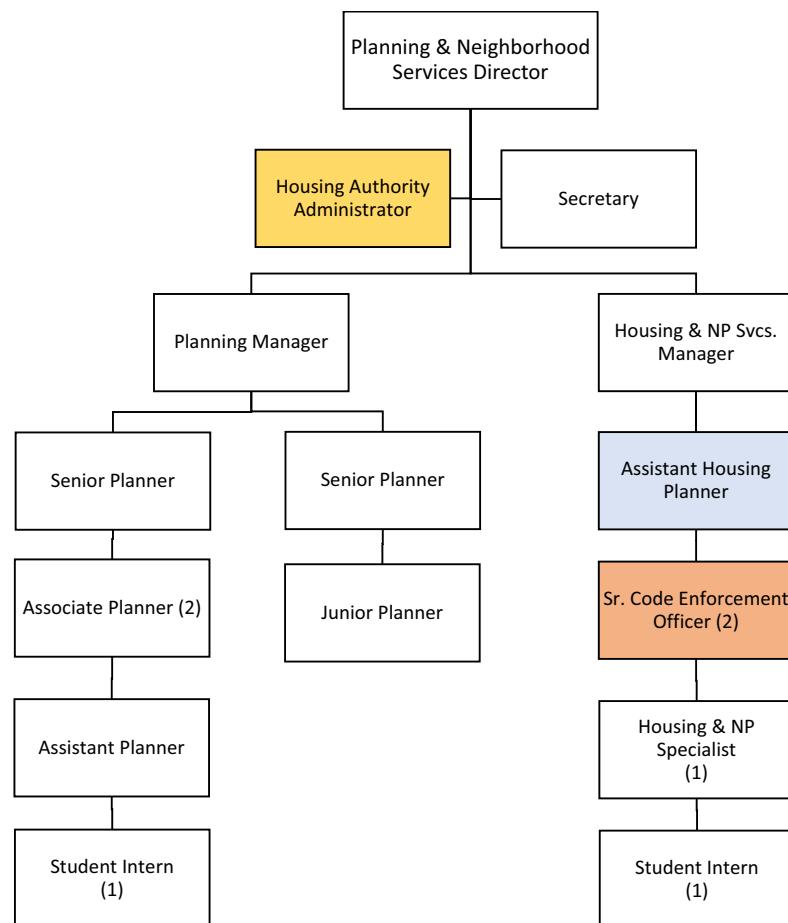
	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	1,659,430	1,309,099	2,234,126	2,782,224
4112 Temporary Salaries	67,428	71,303	160,719	179,718
4113 Overtime	16,686	35,929	49,000	22,000
4121 Allowances	11,794	0	0	0
4124 Leave Cashout	109,718	376,285	0	0
4125 Accrued Leave	(55,555)	(182,132)	0	0
4131 PERS	392,762	399,040	785,371	1,064,713
4132 Group Insurance	327,770	270,873	408,575	539,423
4133 Medicare	25,101	23,352	34,733	42,388
4135 Worker's Compensation	12,192	18,053	15,285	19,215
4138 Deferred Comp-Employer	15,728	15,220	17,100	20,700
4139 PARS	587	835	765	1,095
4143 Charged to CIPs	0	0	(910,117)	(1,102,107)
4161 Retiree Medical Reserve	140,903	154,579	115,780	140,640
sub-total	2,724,544	2,492,434	2,911,337	3,710,009
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	193,323	150,223	173,700	100,500
4211 Equip Replacement Amortization	11,263	32,058	27,686	23,594
4220 Supplies	16,698	16,132	16,450	16,150
4230 Services	3,628,753	3,251,818	1,095,300	727,550
4501 Memberships and Dues	9,209	9,874	3,145	1,450
4503 Training	6,450	3,132	9,000	4,800
sub-total	3,865,697	3,463,237	1,325,281	874,044
TOTAL	6,590,241	5,955,671	4,236,618	4,584,053

Mission Statement

The Planning and Neighborhood Services Department promotes and facilitates high quality of life through community partnerships, innovation, vision, and exemplary customer service to ensure a vibrant Milpitas.

Divisions

Planning
Neighborhood Services



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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DEPARTMENT: Planning & NS	PLAN & NEIGH SVCS DIRECTOR: Ned Thomas
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Description: The Planning & Neighborhood Services Department assists residents, businesses, and the development community to understand City Zoning regulations, the Neighborhood Beautification Ordinance, the General Plan, and the development review and code compliance processes. To deliver these services, Department staff ensures that all planning applications, environmental assessments, code compliance issues, and housing related issues are compliant with applicable Federal, State, and Local regulations including the City's General Plan, Zoning Ordinance, and Housing Element. The Department promotes informed decision making, which facilitates sustainable development, affordable housing, and reinvestment in the community through periodic updates to the City's General Plan, specific plans, and zoning ordinance. Department Staff supports the Planning Commission, Milpitas Successor Agency, Milpitas Housing Agency, Economic Development Corporation, and various commissions and subcommittees of the City Council. The Department implements housing, neighborhood preservation, and code enforcement programs, including affordable housing and rehabilitation programs, graffiti, shopping cart, and abandoned vehicle abatement, and oversees the fair housing services and animal control regulations.

Services

- Prepares long-range planning analysis documents and assists other departments in preparing special-purpose long range plans. Staff also, ensures new development is in compliance with land use policies and zoning regulations. Coordinates with outside agencies concerning regional planning, environmental, and transportation issues and maintains city information on demographics and municipal boundaries.
- Performs and coordinates review of land development applications, oversees implementation of Zoning Ordinance and planning policies and maintains them in compliance with State and Federal regulations, conducts environmental review assessments, provides public information on land development regulations and processes.
- Responds to public service requests to ensure residential, commercial, and industrial properties are maintained in accordance with city regulations. Additionally, staff administers programs for neighborhood beautification, graffiti abatement, abandoned vehicles, shopping carts, and animal control.
- Administers the Community Development Block Grant (CDBG) program, the housing rehabilitation loan program, and housing authority.
- Provides staff support to the Planning Commission, Community Advisory Commission, Library Advisory Commission, and Economic Development Commission.
- Assists developers in obtaining planning entitlement permits and coordinates development review from pre-planning consultation to initial submittal through permit approval.
- Implements the Transit Area Specific Plan, and the Mid-Town Specific Plan, by providing a single point of contact for the development community, and coordinates all City Departments when reviewing development proposals.
- Provides planning and permit submittal information to the public and responds to code-related questions in person, by telephone, e-mail, through the City's web site, and on My Milpitas App.
- Provides and updates planning permit submittal requirements, checklists, design guidelines and publications to assist in a streamlined permit application process.
- Coordinates with the City Manager's Office in working with regional organizations, existing and prospective Milpitas firms and with local and international ties to strengthen Milpitas" position in the Bay Area/Silicon Valley global economy.

2017-2018 Accomplishments	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
1. Provide staff development and cross-training.	x		x		
2. Initiate implementation of the City Gateway Tree Planting 2019-20 CIP project.	x		x	x	
3. Initiate Mid-town Specific Plan Update.	x			x	
4. Reorganize the Code Compliance functions.	x	x		x	
5. Finalize Development Review Handbook.	x	x			
6. Initiate Design Review improvements.		x		x	
7. Increase planning staff attendance at regional meetings, conferences.		x		x	
8. Increase Affordable Housing development.	x				
9. Initiate update of the Transit Area Specific Plan (reprioritized).	x	x			
10. Initiate Zoning Ordinance amendments to streamline process and to comply with State law.	x	x		x	
11. Maintain the General Plan update schedule.	x	x			

2018-19 Goals	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
1. Provide staff development opportunities and cross-training.				x	x
2. Increase staff attendance at regional meetings and conferences.			x	x	
3. Complete Mid-Town Specific Plan.			x	x	
4. Adopt and implement new Affordable Housing Ordinance.				x	
5. Maintain General Plan Update schedule.	x	x	x	x	
6. Hire and train Housing Authority Administrator.				x	
7. Initiate Development Review Committee improvements.			x	x	
8. Initiate Zoning Ordinance updates (ADU, Development Thresholds).			x	x	
9. Update Code Enforcement Ordinances.	x				

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Percentage of Use Permit applications processed within 3 months of being deemed complete.	70%	80%	90%	90%
Percentage of Minor Site Development applications processed within 2 months.	90%	90%	85%	90%
Planning Division customer contacts.	3,200	3,600	4,400	4,500
Number of Milpitas residents served by CDBG funds.	2,400	3,942	4,000	3500
Neighborhood Preservation customer service requests.	755	800	850	900
Percentage of cases in compliance within 30 days of receipt.	500*	550*	90	90
Percentage of graffiti violations abated within 30 days.	20*	15*	85	85
Abandoned vehicles abated on private property.	85	90	90	95

* previous year's metric were based on number of cases, 17-18 estimated metric is a percentage.

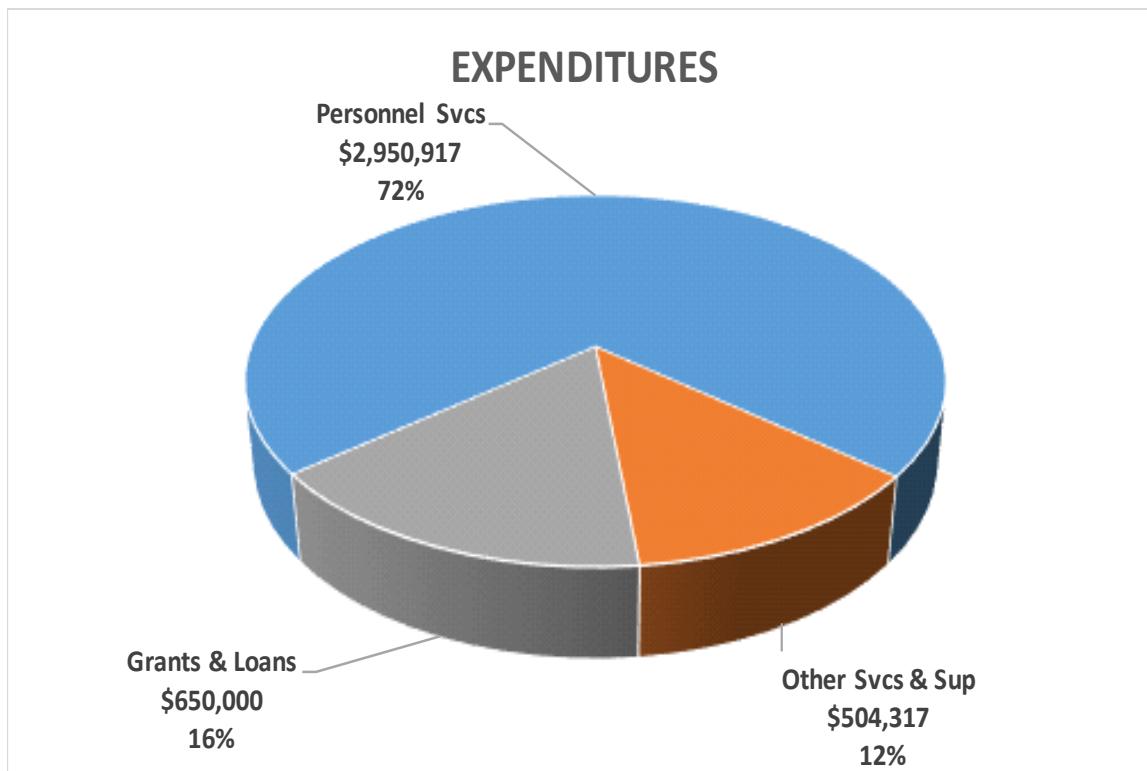
Permanent Personnel Allotment of 15 FTE

Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 Mid Yr. Add	Adopted Add	FY 19
Assistant Planner	2	0	0	2	Planning & Neigh Svcs Director	1	0	0	1
Associate Planner	2	0	0	2	Planning Manager	1	0	0	1
Housing & Neigh Svcs Manager	1	0	0	1	Secretary	1	0	0	1
Housing Authority Administrator	0	1	0	1	Senior Planner	2	0	0	2
Housing Neighbor'd Specialist	2	0	-1	1	Sr. Code Enforcement Officer	1	0	1	2
Junior Planner	1	0	0	1					
					TOTAL	14	1	0	15

* Total temporary FTE: 1

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes shown in the table above.
Services and Supplies	Decrease due to reduction in consultant services.
Capital Outlay	None



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	817,863	1,082,470	1,631,671	1,804,115
4112 Temporary Salaries	270,196	129,336	34,000	34,000
4113 Overtime	1,724	3,029	8,037	8,000
4124 Leave Cashout	16,196	6,027	0	0
4131 PERS	224,939	327,148	550,313	631,558
4132 Group Insurance	139,342	200,719	301,056	337,140
4133 Medicare	15,944	17,563	24,335	25,783
4135 Worker's Compensation	4,902	6,330	8,303	8,791
4138 Deferred Comp-Employer	7,209	9,161	12,600	13,500
4139 PARS	1,656	1,778	510	0
4161 Retiree Medical Reserve	59,504	58,565	81,395	88,030
sub-total	1,559,475	1,842,127	2,652,220	2,950,917
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	316,929	381,863	725,000	650,000
4211 Equip Replacement Amortization	12,701	13,464	15,285	13,027
4220 Supplies	19,498	12,012	12,000	14,000
4230 Services	837,746	688,729	438,341	455,500
4501 Memberships and Dues	1,194	1,915	5,450	5,450
4503 Training	7,088	11,435	16,260	16,340
sub-total	1,195,156	1,109,418	1,212,336	1,154,317
TOTAL	2,754,631	2,951,545	3,864,556	4,105,234

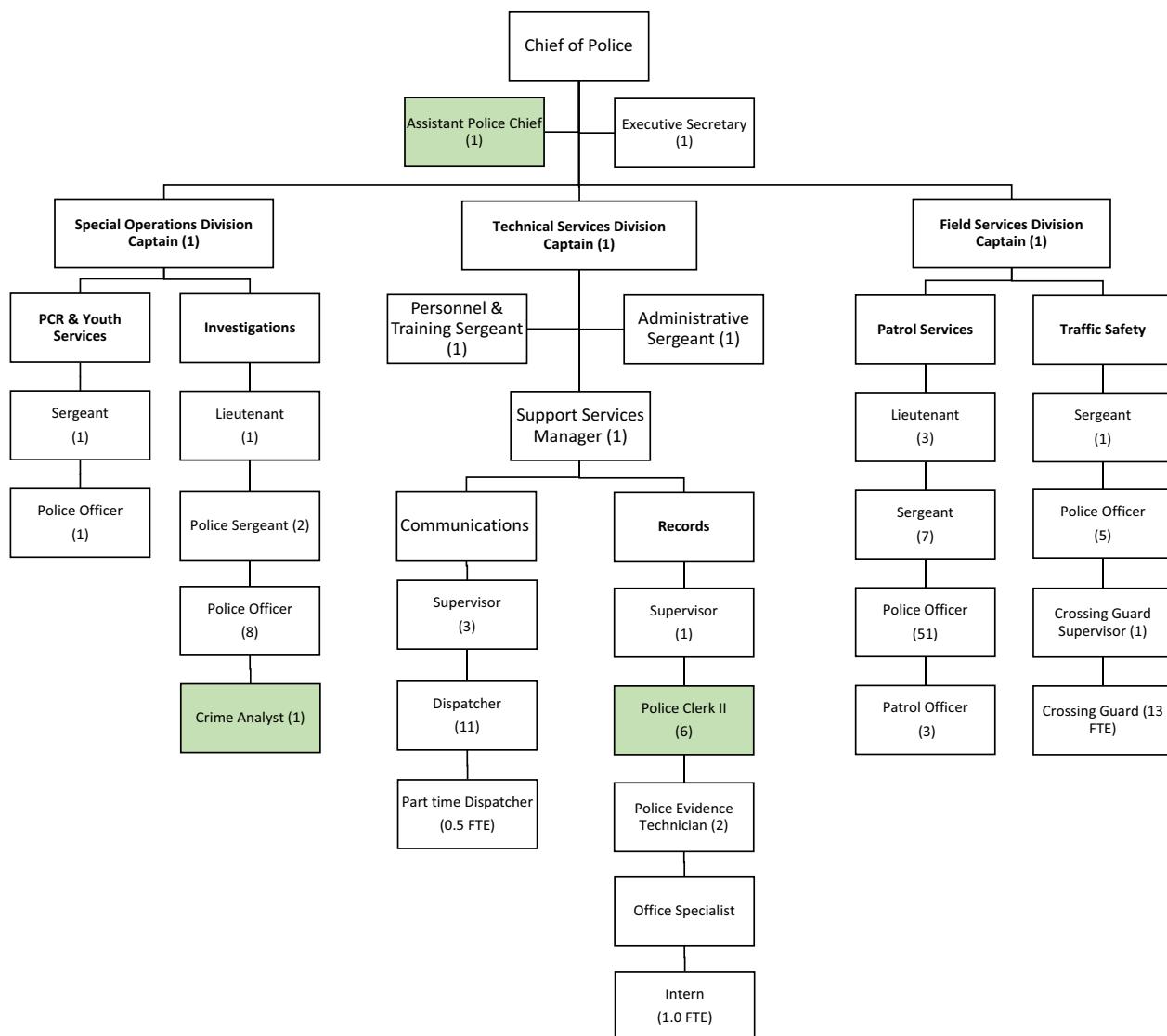
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Mission Statement

The Milpitas Police Department is committed to the protection of lives and property by working with our community and providing professional and responsive police services.

Divisions

Police Administration
Special Operations
Technical Services
Field Services



Green = New Positions FY 18-19

Yellow = Mid Year Positions FY 17-18

Orange = Reclassifications

Blue = Organizational Changes

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DEPARTMENT: Police	POLICE CHIEF: Armando Corpuz
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Description: This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace, and prevents & controls crime. The Department's nine functions include: Administration, Patrol Services, Traffic Safety Unit, Crossing Guards, Police Community Relations Unit, Investigations Unit, Communications Unit, Records Unit, and Personnel & 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 & property, and appropriately enforces laws & ordinances.
- Investigates automobile thefts, hit-and-runs collisions, and traffic accidents; conducts accident reconstruction for major injury & fatal collisions; provides traffic control at major events and enforces traffic laws.
- Manages the Crossing Guard program, which staffs critical intersections within the City to ensure the safety of children walking to and from schools.
- Facilitates PAL activities & programs and conducts Neighborhood Watch, Police Explorer, Citizen Volunteer, and other crime prevention & education programs.
- Works closely with the school district and county agencies to divert first time offenders from the juvenile justice system through parent counseling and other innovative programs. The School Resource Officer in the Police Community Relations Unit serves Milpitas High School and Calaveras Hills High School.
- Provides follow-up investigation of crimes against persons, fraud, high technology crimes, missing persons, and property crimes.
- Conducts gang prevention, intervention, and investigation programs; tracks sex registrants; and conducts proactive narcotic investigations.
- Provides 24 hours-a-day, 365 days-a-year 9-1-1 emergency telephone answering and emergency dispatching for the police department, fire department, and other City Departments.
- Provides public counter service, filing of criminal complaints, and evidence management. Processes, maintains, and distributes police reports and fire reports, prepares statistical data required by law, and responds to report requests and telephone inquiries from citizens and other authorized entities.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2017-2018 Accomplishments					
1. Established a Recruitment Team.	X	X	X	X	
2. Hosted a Citizen's Police Academy.	X	X	X	X	X
3. Increased citations by 16.5% in 2017.	X			X	
4. Created the Safe Exchange Zone for Internet Purchases/Child Custody cases.	X	X	X	X	
5. Four (4) employees completed accredited formal education programs and/or state certified leadership courses.	X	X	X	X	X
6. Initiated and Implemented Rugby into the PAL Sports Program.	X	X	X		X
7. Awarded the 'Diamond Level' Achievement Award for PAL Jr. Giants Baseball.	X	X	X	X	X
8. Implemented Police Homeless Outreach Team with the State Grant Funding.	X	X	X	X	

	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
2018-19 Goals					
1. Ensure average response times to emergency calls remain under three (3) minutes.	X				
2. Ensure 100% registration compliance by known sex offenders.	X				
3. Develop and host a Citizens' Police Academy Program.	X				
4. Extend the body-worn camera program to the Special Investigations Unit.	X				X
5. Provide 'Active Shooter Response' training to at least four (4) organizations.	X				
6. Collaborate/Partner with MUSD's Tabletop 'Active Shooter Response' Exercise.	X				

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Average response time to emergency calls (minutes)	2:52	2:42	2:67	2:54
Computer Aided Dispatch (CAD) system generated events	75,851	73,017	71,816	73,561
9-1-1 calls	21,179	19,346	20,084	20,203
Percentage of 9-1-1 calls answered by a dispatcher within ten (10) seconds	96%	96%	96%	96%
Arrests reported to FBI (all crimes)	2,669	2,663	2,260	2,531
Citations issued	5,605	5,850	6,231	5,895
Number of reports prepared by officers	7,728	7,945	7,845	8,000
Community presentations	57	78	76	70
Anti-terrorist patrol checks	2,357	1,946	1,545	1,949

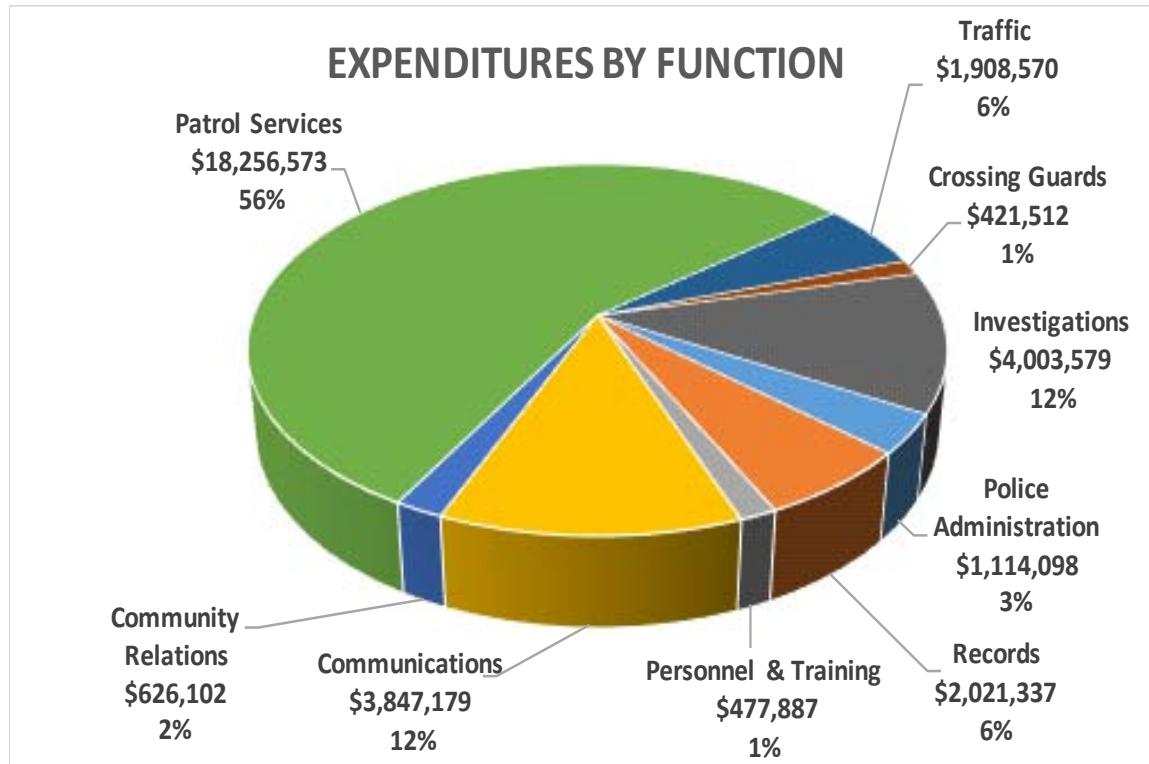
Permanent Personnel Allotment of 117 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Assistant Police Chief	0	0	1	1	Police Captain	3	0	0	3
Chief of Police	1	0	0	1	Police Clerk II	5	0	1	6
Communications Dispatcher	11	0	0	11	Police Clerk Supervisor	1	0	0	1
Communication Dispatch Spvisor	3	0	0	3	Police Evidence Technician		2	0	2
Crime Analyst	0	0	1	1	Police Lieutenant	4	0	0	4
Executive Secretary	1	0	0	1	Police Officer	65	0	0	65
Office Specialist	1	0	0	1	Police Sergeant	13	0	0	13
Patrol Officer	3	0	0	3	Support Services Manager	1	0	0	1
					TOTAL	114	0	3	117

* Total temporary FTE: 15

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, PERS contribution rates increase and staffing changes shown in the table above.
Services and Supplies	No significant changes.
Capital Outlay	Additional funding needed for five new various police vehicles.



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	14,219,562	14,228,432	16,755,149	17,187,866
4112 Temporary Salaries	394,168	519,294	494,872	512,552
4113 Overtime	596,917	677,687	693,283	693,283
4121 Allowances	138,644	133,716	143,208	145,344
4124 Leave Cashout	552,248	824,635	0	0
4131 PERS	5,131,347	5,723,505	7,031,893	8,103,352
4132 Group Insurance	2,181,876	2,184,247	2,449,428	2,656,212
4133 Medicare	219,512	225,484	247,709	252,369
4135 Worker's Compensation	372,052	519,397	553,406	577,115
4138 Deferred Comp-Employer	4,853	4,892	5,400	8,100
4139 PARS	5,415	5,565	7,030	0
4141 Adjustments-Payroll	225	0	4,500	4,500
4161 Retiree Medical Reserve	644,734	668,425	716,170	758,143
sub-total	24,461,553	25,715,280	29,102,048	30,898,836
SUPPLIES AND CONTRACTUAL SERVICES				
4200 Community Promotions, Grants & Loans	500	500	500	500
4211 Equip Replacement Amortization	534,329	409,852	559,018	511,449
4220 Supplies	146,959	151,394	150,115	150,115
4230 Services	612,802	649,836	843,411	882,832
4410 Communications	13,795	21,075	24,820	24,820
4501 Memberships and Dues	3,252	4,382	3,673	3,673
4503 Training	77,192	130,920	101,172	103,672
sub-total	1,388,829	1,367,958	1,682,709	1,677,061
CAPITAL OUTLAY				
4850 Vehicles	0	25,472	0	40,940
4870 Machinery & Equipment	20,758	24,487	0	0
4910 Office Furniture & Fixtures	5,874	0	0	0
4920 Machinery Tools & Equipment	77,487	125,542	60,000	60,000
sub-total	104,119	175,501	60,000	100,940
TOTAL	25,954,500	27,258,738	30,844,757	32,676,837

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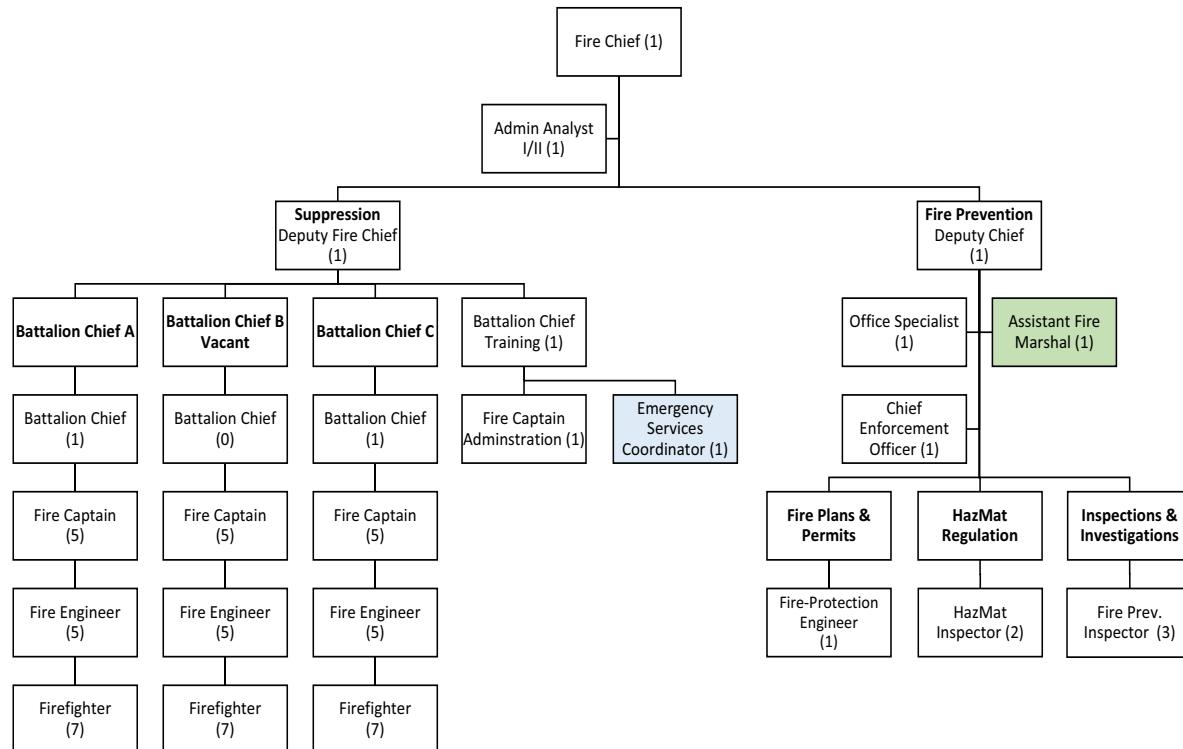
Mission Statement

The Milpitas Fire Department is driven by the vision to provide outstanding service to the community through the core values of our mission statement. "The preservation of life, property, and the environment within the community is the reason for our existence".

The core elements of this budget document support growth within the organization to ensure mission, succession planning for organizational stability, and the ability to be flexible with emergency response in the community.

Divisions

Fire Department Administration
 Fire Department Suppression Division
 Fire Department Training, Emergency Medical Services, and Safety Division
 Fire Prevention Division
 Office of Emergency Services (OES)



Green = New Positions FY 18-19
 Yellow = Mid Year Positions FY 17-18
 Orange = Reclassifications
 Blue = Organizational Changes

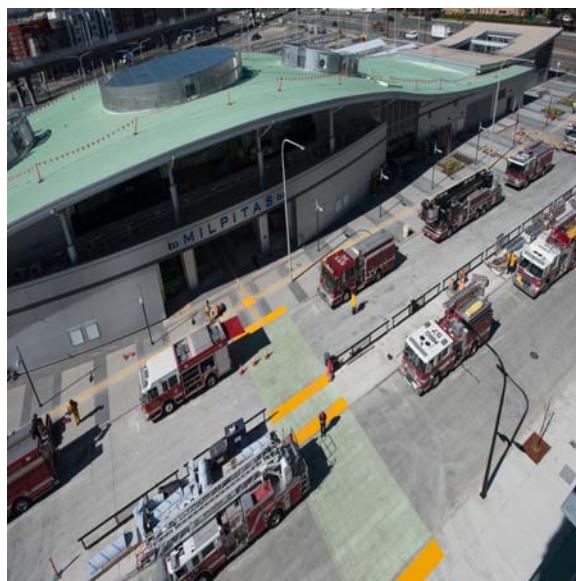
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DEPARTMENT: Fire	ACTING FIRE CHIEF: Rick Frawley
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Description: The Milpitas Fire Department is committed to providing comprehensive emergency response, fire protection, emergency medical services, disaster preparedness, community education, risk reduction, and other related services in an efficient, effective, and caring manner to the Milpitas community. The Fire Department is organized into five divisions as follows.

Services

- Fire Department Administration: Directs the department in field operations, budget and fiscal policy, administrative systems and procedures, employee training and development, and labor and management issues. Fire Administration is tasked with strategic planning for the implementation of fire service best practices and ensuring response readiness for the community.
- Fire Department Suppression Division: Responds to emergency incidents involving fires, medical emergencies, vehicle accidents, specialized rescues, hazardous material releases, and other risks affecting the health and welfare of the community. Personnel staff six apparatus at four stations strategically located for quick response throughout the City. Specialized actions within the division include patient transport rescue squad, urban search and rescue, hazardous materials response, high density housing response, and specialized response to the transit area. The Suppression Division is the primary function of the Fire Department.
- Fire Department Training, Emergency Medical Services, and Safety Division: Directs firefighter training and succession planning. 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. Ensures the readiness of the patient transport rescue squad. Provides safety programs to reduce the firefighter injury rate and risks. A Safety Officer is assigned to each shift to enhance firefighter safety and best practices.
- Fire Prevention Division: The Fire Prevention Division plans, organizes and implements all Fire Department prevention and inspection programs, including fire and arson investigations, vegetation management, hazard abatement, code enforcement, public fire safety education, plan checking, and evaluation and development of codes and ordinances. Provides fire cause and origin investigations. Conducts inspections related to fire code compliance for new construction and high-risk occupancies.
- Office of Emergency Services: The Office of Emergency Services implements disaster preparedness and response programs, outreach and education, and regional collaboration planning. Ensures citywide disaster readiness by performing Emergency Operations Center training and maintenance, community volunteer training, and care-and-shelter cache maintenance. Provides risk reduction efforts for the community by coordinating with allied agencies and non-governmental organizations.



	Superior Customer Service	Open Communication	Trust & Respect	Integrity & Accountability	Recognition & Celebration
2017-18 Accomplishments					
1. Responded to 4,038 emergency incidents with an average response time of 4:26 minutes. (July 1 - March 31).	X	X	X	X	X
2. Completed 810 plan reviews and 4,093 inspections. (July 1 - Dec. 31).	X	X		X	X
3. Under OES SAFE Program membership had 18 new graduates, developed two new Emergency Preparedness Programs, and increased Public Education by 300%.	X	X	X	X	X
4. Promoted 2 internal staff to Engineer positions and 4 staff to Captains.	X	X	X	X	X
5. Provided 129 public education events. (July 1 - Jan. 31).	X	X	X	X	X

	Public Safety	Infrastructure and Community Facilities Maintenance	Transportation and Transit	Economic Development and Job Growth	Fiscal Responsibility
2018-19 Goals					
1. Maintain response time of < 5 min, 90% of the time.	X	X	X		X
2. Maintain service delivery to meet all major project and construction schedules.	X	X	X	X	X
3. Achieve target turn around times of plan reviews/inspections at a rate of 98% or higher.	X	X		X	X
4. Develop training program for City emergency staff, and increase drill frequency.	X		X	X	X
5. Respond to 100% of public education requests.	X	X		X	X

Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Calls for service/average response time (minutes)	5,121/4:25	5,266/4:20	5,425/4:26	5,640/4:26
Change of outreach platform in 17/18 Emergency Preparedness Public Outreach Database	65	230	9,000	11,000
Personnel training hours/certifications to serve hire rank	19,672/38	15,000/30	13,720/20	14,000/25
Number of Plan Reviews/Inspections	1,340/6,653	1,671/7,347	1,700/7,577	1,750/7,606
Projected for 2018 Engine Company Inspections (based on calendar year)	2015 - 2,365	2016 - 2,365	2017 - 2,014	2018 - 2,038
YTD Property Loss to Fire	\$2.9 M	\$4.7M	\$490K	NA
Fire Caused Injury/Death	0	0	0	0
YTD Work Related Injuries	9	4	8	0
projected for 2017/18 CalOES (Wildland) Reimbursement to City	\$315,000	\$597,604	\$778,855	NA

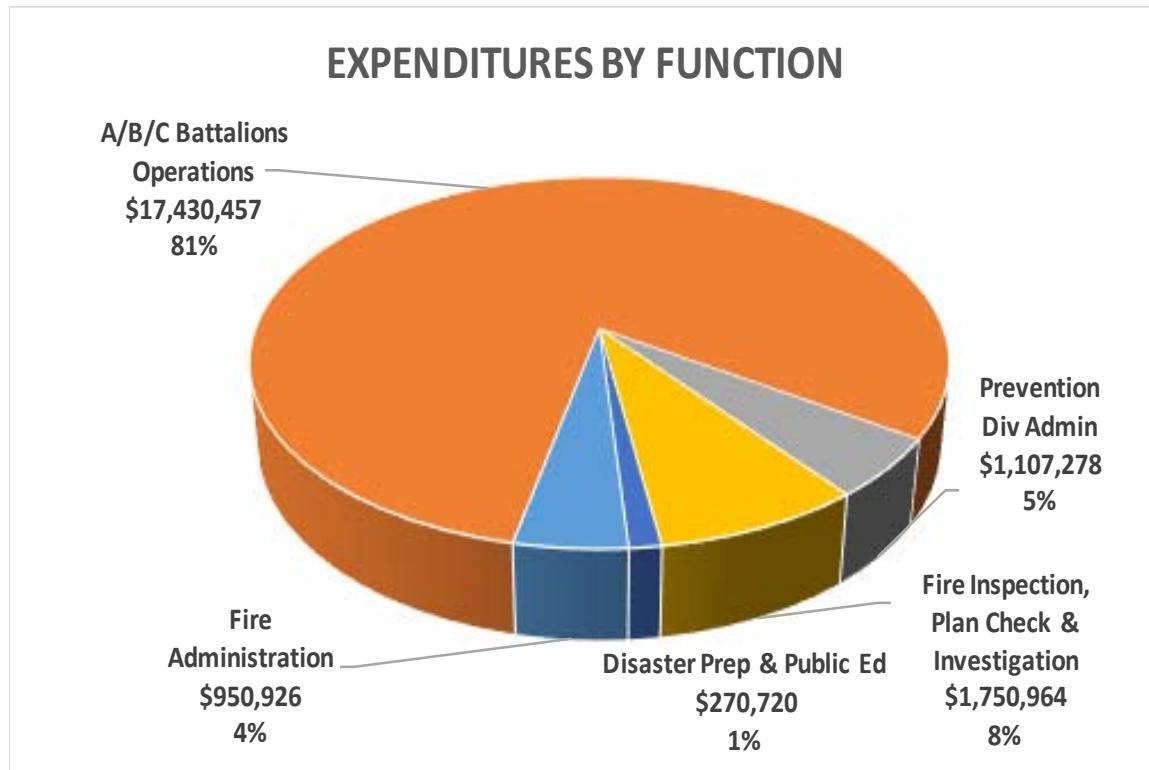
Permanent Personnel Allotment of 69 FTE

Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19	Position	FY 18	FY 18 MidYr. Add	Adopted Add	FY 19
Administrative Analyst II	1	0	0	1	Fire Engineer	4	0	0	4
Assistant Fire Marshal	0	0	1	1	Fire Engineer-Paramedic	11	0	0	11
Chief Fire Enforcement Offcr	1	0	0	1	Fire Protection Engineer	1	0	0	1
Deputy Fire Chief	2	0	0	2	Fire Prevention Inspector	3	0	0	3
Emergency Svcs Coordinator	1	0	0	1	Firefighter	14	0	0	14
Fire Battalion Chief	3	0	0	3	Firefighter/Paramedic	7	0	0	7
Fire Captain	16	0	0	16	Hazardous Materials Inspector	2	0	0	2
Fire Chief	1	0	0	1	Office Specialist	1	0	0	1
					TOTAL	68	0	1	69

* Total temporary FTE: 1

Expenditure Analysis

Personnel Services	Increase due to negotiated salary, benefits, and PERS contribution rates increase and staffing changes shown in the table above.
Services and Supplies	Increase in supplies, services, and training funds requested.
Capital Outlay	Increase in Capital Outlay requested.



	Actual 2015-16	Actual 2016-17	Budget 2017-18	Adopted 2018-19
PERSONNEL SERVICES				
4111 Permanent Salaries	8,412,611	8,897,231	9,949,992	10,176,573
4112 Temporary Salaries	23,445	43,861	15,000	33,981
4113 Overtime	1,407,256	1,535,641	1,219,000	1,220,000
4121 Allowances	57,769	58,558	64,740	65,736
4124 Leave Cashout	660,958	286,302	0	0
4131 PERS	2,954,992	3,471,921	4,231,989	4,639,493
4132 Group Insurance	1,394,380	1,428,023	1,470,072	1,559,424
4133 Medicare	152,240	149,816	143,570	149,138
4135 Worker's Compensation	228,899	322,377	320,615	321,733
4138 Deferred Comp-Employer	37,733	38,860	43,800	44,700
4139 PARS	118	186	225	0
4161 Retiree Medical Reserve	396,058	415,384	470,324	472,971
sub-total	15,726,458	16,648,158	17,929,327	18,683,749
SUPPLIES AND CONTRACTUAL SERVICES				
4211 Equip Replacement Amortization	1,164,479	1,135,608	1,341,081	1,458,989
4220 Supplies	340,050	461,144	448,200	698,200
4230 Services	138,680	116,539	250,100	302,900
4410 Communications	107	0	0	0
4501 Memberships and Dues	7,187	15,235	32,230	36,025
4503 Training	70,028	55,456	178,400	200,400
sub-total	1,720,532	1,783,982	2,250,011	2,696,514
CAPITAL OUTLAY				
4850 Vehicles	165,360	0	0	120,082
4870 Machinery & Equipment	6,084	23,190	0	0
4920 Machinery Tools & Equipment	25,973	12,290	10,000	10,000
sub-total	197,417	35,480	10,000	130,082
TOTAL	17,644,407	18,467,620	20,189,338	21,510,345

DEPARTMENT: Non-Departmental

Description: *This department funds a variety of activities that are not specific to any one department. Personnel Services include expenditures not budgeted in the individual departments such as vacation and leave cashouts, benefit administration fees, retiree medical benefits and self-funded unemployment insurance. Supplies and Contractual Services include centralized copier costs for City Hall, utility payments and citywide tuition reimbursement. Sewer treatment plant maintenance and operation are funded in this department, as are all water purchases for the water fund. This department also funds debt service, equipment and vehicle replacement.*

Expenditure Analysis

Personnel Services: \$5,145,369 will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits. Administration costs for the City's Public Agency Retirement System (PARS) program are included in this function.

Services and Supplies: \$6,200,000 is for Treatment Plant fees; \$3,625,000 is for gas, electric water and solid waste utilities; and \$18,100,000 is for water purchases. A total of \$35,000 is reflected in this function for citywide tuition reimbursement, computer training and personnel training. The City's insurance premium with ABAG is projected to be \$702,100 for the 2018-19 fiscal year.

Debt Service: \$672,00 is scheduled to pay the principal and interest due on the 2006 Certificates of Participation for the sewer system and interfund loan. \$790,000 principal and interest payment is anticipated for the new water bonds.

Equipment Replacement: \$992,853 is for equipment replacement from monies that are available in the Equipment and Information Technology Replacement Funds.

	100 General Fund	150 RDA Admin	102 Measure I TOT	211/237 H-H Lease CFD
PERSONNEL SERVICES				
4124 Leave Cashout	650,000	0	0	0
4131 PERS	22,500	0	0	0
4132 Group Insurance	24,300	0	0	0
4136 Unemployment	27,000	0	0	0
4137 MOU Contractual Agreements	671,400	0	0	0
4139 PARS	9,900	0	0	0
4141 Adjustments-Payroll	2,001,369	0	0	0
4161 Retiree Medical Reserve	1,328,000	0	0	0
sub-total	<u>4,734,469</u>	<u>0</u>	<u>0</u>	<u>0</u>
SUPPLIES & CONTRACTUAL SERVICES				
4205 Miscellaneous Grants	0	0	0	0
4220 Supplies	13,500	0	0	0
4237 Contractual Services	76,000	1,800	0	13,000
4239 Audit Fees	67,500	4,500	0	0
4241 Repair & Maintenance	0	0	0	0
4242 Rents & Leases	0	0	0	35,000
4253 ABAG Attorney's Fees	36,667	0	0	0
4254 ABAG Settlements	75,000	500	0	0
4421 Utilities-Gas	207,000	0	0	0
4422 Utilities-Electric	1,560,000	0	0	0
4423 Utilities-Water	868,200	0	20,000	0
4424 SFWD, Wholesale Water Purchase	0	0	0	0
4425 SCVWD, Wholesale Water Purchase	0	0	0	0
4426 Utilities - Solid Waste	0	0	0	0
4427 Recycled Water Purchase	0	0	0	0
4429 Treatment Plant, M&O	0	0	0	0
4503 Training and Registration	3,000	0	0	0
4509 Tuition Reimbursement	24,000	0	0	0
4600 Insurance & Settlements	477,000	500	0	0
4610 Uncollectible Accounts	51,000	0	0	0
4640 Contingent Reserve	1,100,000	0	0	0
sub-total	<u>4,558,867</u>	<u>7,300</u>	<u>20,000</u>	<u>48,000</u>
DEBT SERVICE				
4701 Retirement of Principal	0	0	0	0
4711 Interest Expense	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CAPITAL OUTLAY				
4850 Vehicles	0	0	0	0
sub-total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>9,293,336</u></u>	<u><u>7,300</u></u>	<u><u>20,000</u></u>	<u><u>48,000</u></u>

213/250 Public Art HCD Fund	280 Solid Waste Fund	295 Housing Authority	400 Water Fund	450 Sewer Fund	350/500 TASP/Eqmt Replacement	Adopted 2018-19
0	0	0	25,000	25,000	0	700,000
0	0	0	3,750	3,750	0	30,000
0	0	0	1,350	1,350	0	27,000
0	0	0	1,500	1,500	0	30,000
0	0	0	37,300	37,300	0	746,000
0	0	0	550	550	0	11,000
0	0	0	0	0	0	2,001,369
0	0	0	160,000	112,000	0	1,600,000
0	0	0	229,450	181,450	0	5,145,369
0	0	100,000	0	0	0	100,000
4,500	0	0	750	750	0	19,500
118,000	0	128,800	4,000	10,400	0	352,000
7,000	0	0	25,000	12,500	0	116,500
5,000	0	20,000	0	0	0	25,000
0	0	0	0	0	0	35,000
0	0	0	13,333	50,000	0	100,000
0	0	0	20,000	70,000	0	165,500
0	0	0	9,000	9,000	0	225,000
0	0	0	600,000	240,000	0	2,400,000
0	0	5,000	87,400	19,400	0	1,000,000
0	0	0	11,800,000	0	0	11,800,000
0	0	0	5,300,000	0	0	5,300,000
0	0	4,000	0	0	0	4,000
0	0	0	1,000,000	0	0	1,000,000
0	0	0	0	6,200,000	0	6,200,000
0	0	0	1,000	1,000	0	5,000
0	0	0	3,000	3,000	0	30,000
0	0	600	41,000	124,000	59,000	702,100
0	0	0	37,000	37,000	0	125,000
0	0	0	0	0	0	1,100,000
134,500	0	258,400	18,941,483	6,777,050	59,000	30,804,600
0	0	0	790,000	480,000	0	1,270,000
0	0	0	0	192,300	75,000	267,300
0	0	0	790,000	672,300	75,000	1,537,300
0	0	0	0	0	992,853	992,853
0	0	0	0	0	992,853	992,853
134,500	0	258,400	19,960,933	7,630,800	1,126,853	38,480,122

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City of Milpitas
2018-23 CAPITAL IMPROVEMENT PROGRAM
GRAND SUMMARY

Project Expenses	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Community Improvement	4,178,000	12,340,000	3,180,000	11,155,000	890,000	31,743,000
Park Improvement	10,625,000	20,870,000	13,000,000	12,550,000	375,000	57,420,000
Street Improvement	13,220,000	11,645,000	6,270,000	19,720,000	5,345,000	56,200,000
Water Improvement	13,098,157	14,779,103	34,565,150	18,373,800	4,605,850	85,422,060
Sewer Improvement	2,693,323	24,620,244	19,976,397	5,480,385	5,588,608	58,358,957
Storm Drain Improvement	53,000	4,295,000	9,520,000	11,770,000	225,000	25,863,000
Total	43,867,480	88,549,347	86,511,547	79,049,185	17,029,458	315,007,017
Funding Sources	2018-19	2019-20	2020-21	2021-22	2022-23	Total
GasTax Fund	1,775,000	3,075,000	2,815,000	2,775,000	2,400,000	12,840,000
General Government CIP Fund	7,348,000	3,275,000	1,065,000	500,000	0	12,188,000
Midtown Park Fund	(775,458)	1,787,500	187,500	75,000	75,000	1,349,542
Park Fund	1,762,500	187,500	112,500	0	0	2,062,500
Sewer Fund	408,323	3,349,910	1,653,428	1,907,057	790,000	8,108,718
Sewer Infrastructure Fund	400,000	850,000	100,000	100,000	100,000	1,550,000
Sewer Treatment Fund	2,000,000	3,950,000	750,000	750,000	0	7,450,000
Street Improvement Fund	1,150,000	0	0	0	0	1,150,000
Water Line Extension Fund	397,100	850,000	1,750,000	0	0	2,997,100
Storm Drain Fund	128,000	320,000	120,000	120,000	75,000	763,000
TASP Impact Fees	18,631,515	0	3,250,000	17,750,000	2,500,000	42,131,515
Transient Occupancy Tax (TOT)	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	8,000,000
LLMD	95,000	95,000	95,000	95,000	95,000	475,000
Vehicle Registration Fee	500,000	500,000	500,000	500,000	500,000	2,500,000
Water Capital Surcharge	2,851,700	3,750,910	7,403,150	1,418,800	2,105,850	17,530,410
Permit Automation Fund	200,000	100,000	0	0	0	300,000
Sub Total	38,471,680	23,690,820	21,401,578	27,590,857	10,240,850	121,395,785
External Financing	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Grants/Reimb./Developer Fees	(2,604,200)	11,223,193	20,372,000	13,205,000	0	42,195,993
Sanitary Sewer Bonds	0	16,695,244	17,701,397	2,955,385	4,813,608	42,165,634
Water Bonds	8,000,000	4,000,000	1,950,000	0	0	13,950,000
Sub Total	5,395,800	31,918,437	40,023,397	16,160,385	4,813,608	98,311,627
Unidentified	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Unidentified Funding	0	32,940,090	25,086,572	35,297,943	1,975,000	95,299,605
Total	43,867,480	88,549,347	86,511,547	79,049,185	17,029,458	315,007,017

NOTES

(a) FY18/19 includes \$2M for the City's portion of improvements to the SJ/SC wastewater treatment plant.
 (b) Grants are identified on the detailed project sheets.

Community Improvement Projects

The Community Improvement category includes continued funding of ten existing projects and funding of eight new projects:

Project Number-Name

Description

Operating Budget Impact

2006 - Transit Area Specific Plan Update

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

Operating Budget Impact: None

3406 - City Building Improvements

This project provides for repair, renovation, replacement, and improvements at City buildings including public works, police, senior center, community center, City Hall, library, parking garage, and the sports center. Work may include electrical and mechanical systems, pool equipment, motors/pumps, fountain repairs, leak repairs, emergency power, HVAC systems, painting, carpeting, code upgrades, replacement of City Hall desk tops, and other related improvements. Work may also include energy savings improvements, such as replacement of lighting fixtures with energy saving fixtures, and installation of a more efficient climate controls systems. Work will be completed on a priority and funding availability basis.

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

3421 - Replacement Fire Station Alert System

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

Operating Budget Impact: None

3422 - City Buildings Roofing Repairs

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

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

3427 - Technology Projects

This ongoing project will provide technology improvements and modernization to various City Departments for software and hardware specialty applications and upgrades. Project would include improvements to budget preparation software systems, citywide Geographic Information System (GIS) upgrades, network infrastructure, and the Engineering Divisions document management and record management and archival system.

Operating Budget Impact: None

3428 - Shuttle Study

This project funds a study to provide a citywide shuttle system. The study will explore the most effective routes, locations, times, types of partnerships, system costs, implementation schedule, budget, and funding opportunities.

Operating Budget Impact: None

3434 - Permitting Technology Improvement

This ongoing project will provide enhancement to the existing Building Department permitting automation system and will provide improvement to the electronic construction drawing submittal process used by City staff for permit issuance and fee collection in accordance with codes such as the UBC. Improvements will be made to the submission process, review, storage, and archival of different file formats. The project will streamline the presentation and retrieval of documents to the web and will ensure the systems operate efficiently for better customer service.

Operating Budget Impact: None

3435 - 2017-19 Finance System Upgrade

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

Operating Budget Impact: None

3437 - Midtown Specific Plan Update

The Midtown Specific Plan was developed with the assumption that the Redevelopment Agency would be a major contributor to the area's development. Without this funding and development source, the plan is reliant on purely private investment and consequently must be updated to reflect this situation.

Operating Budget Impact: None

3438 - Annual Tree Replacement Program

This project provides for the replacement of trees in areas where existing City trees are aging significantly and require replacement. This program includes a citywide tree survey to be conducted in FY17-18, and will remove and replace trees on City streets, in neighborhoods, and parks. The program will strive to maintain and grow the City's urban forest inventory, which includes over 15,000 City owned trees.

Operating Budget Impact: None

3441 - Fire Department USAR Forklift

This project will provide for the purchase of one high capacity forklift for use in deploying Urban Search and Rescue (USAR) resources. The vehicle would be used for placement of rescue equipment, and development of training simulations.

Operating Budget Impact: None

3442 - Main Fire Station No. 1 Assessment

This project provides for the study and assessment of the Main Fire Station No. 1 located on South Main Street. The study will determine the feasibility of adding additional dorm rooms, adding additional height to the garage for maintenance of the engines, providing covered parking with photo voltaic energy panels for vehicles and equipment, and replacement of the pavement surface around the station yard.

Operating Budget Impact: None

3443 - Police/Fire Issued Equipment Procurement

This project provides for the study, assessment, and procurement of equipment and assets used by the Police and Fire Departments for use as issued equipment to support the job duties of each department. The equipment to be acquired would support crime reduction, investigation, fire suppression, and to protect life and the

environment. The project will be completed in phases with phase one to assess and determine equipment needs required for staff to complete their jobs safely and efficiently. Phase two will be funded in phases as required for the procurement of equipment identified in phase 1.

Operating Budget Impact: None

3444 - Police/Public Works Buildings Assessment

This project provides for the study and assessment of the Police Department and Public Works Buildings located at 1265 & 1275 North Milpitas Boulevard to address building safety and staff comfort and livability issues. The assessment study will review both the interior and exterior of the structures and provide recommendations for repairs and improvements to address structural problems; weather proofing; ADA access; electrical; plumbing; restroom and locker room improvements; mechanical and HVAC upgrades; security; parking; lighting; window treatments; furniture; fixtures; and equipment replacement; carpet replacement, desk and partition replacement.

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

3445 - Public Safety/DPW Disaster Plan Update & Assessment

This project provides for the update of the City's Emergency Action Plan used by the Police, Fire, and Public Works Departments to manage large scale emergencies including natural disasters. The project will update the existing plan and provide an assessment of available resources, equipment, and asset needed. The study would catalogue and inventory existing equipment, identify staff training, develop training goals, and enhance the City's disaster cost recovery plan. The project will be completed in phases. Phase two will include the purchase of equipment and resources as identified in Phase 1.

Operating Budget Impact: None

3446 - South Bay Arrival Noise Study

This project provides for the monitoring and documentation of jet noise related to South Bay arrival flights to the Mineta San Jose International Airport that pass over the City of Milpitas.

Operating Budget Impact: None

3447 - Fire Station #2 Replacement

This project provides for the design and construction of a new replacement Fire Station #2. Fire Station #2 is located on Yosemite Drive, and was constructed in the late 1960's.

Operating Budget Impact: None

3716 - City Parking Lot Rehabilitation Program

This project provides for the rehabilitation of City owned parking lots at City Buildings including City Hall; Public Works, Police Department; Community Center; Barbara Lee Senior Center; Fire Stations; and Utility Pump Station.

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

NUMBER	PROJECT TITLE	APPROVED
351- 2006	Transit Area Specific Plan Update	75,000
331- 3406	City Building Improvements	350,000
331- 3421	Replacement Fire Station Alert System	143,000
331- 3422	City Buildings Roofing Repairs	500,000
331- 3427	Technology Projects	250,000
331- 3428	Shuttle Study	20,000
331- 3434	Permitting Technology Improvement	200,000
331- 3435	2017-19 Finance System Upgrade	850,000
331- 3437	Midtown Specific Plan Update	100,000
331- 3438	Annual Tree Replacement Program	150,000
331- 3441 *	Fire Department USAR Forklift	40,000
331- 3442 *	Main Fire Station No. 1 Assessment	100,000
331- 3443 *	Police/Fire Issued Equipment Procurement	250,000
331- 3444 *	Police/Public Works Buildings Assessment	250,000
331- 3445 *	Public Safety/DPW Disaster Plan Update &	100,000
331- 3446 *	South Bay Arrival Noise Study	60,000
331- 3447 *	Fire Station #2 Replacement	650,000
341- 3716 *	City Parking Lot Rehabilitation Program	90,000
TOTAL COST		<u>4,178,000</u>
AVAILABLE FINANCING SOURCE:		
General Government CIP Fund		3,813,000
TASP Impact Fees		75,000
Storm Drain Fund		75,000
Sewer Fund		15,000
Permit Automation Fund		200,000
TOTAL AVAILABLE		<u>4,178,000</u>

* New Project

Park Improvement Projects

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

Project Number-Name

Description

Operating Budget Impact

2005 - Lower Penitencia Creek Pedestrian Bridge

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

Operating Budget Impact: None

3424 - Citywide Park Playground Rehabilitation

This project provides for the assessment and rehabilitation of citywide park playgrounds needing minor improvements such as additional fill material to meet fall attenuation, surface improvement, equipment modification, and signage improvement. The project also provides for improvements to park amenities such as lighting, minor pathways and other amenities including restrooms, snack shacks, etc.

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

5055 - Alviso Adobe Renovation

This project is being completed in phases and provides for new park improvements and exterior restoration of the historic Alviso Adobe building. Phases 1 thru 4 completed park improvements, ADA access improvements, and seismic and exterior renovation of the historic adobe building. The final phase 5 provides for the interior restoration of the 1st floor including period furnishing, decorations and exhibits.

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

5102 - McCandless Park

This project provides for a new public park adjacent to a new MUSD elementary school located on McCandless Drive in the Transit Area. The park will provide a 4 acre City park and will include play field, athletic courts, picnic area, play structure, and restrooms.

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

5107 - Main Street/Library Park

This project provides for the design and construction of a new park on the City owned parcel just north of the Milpitas Library. Improvements include a gathering area to accommodate activities, shade structures, landscaping, drainage, and walkways.

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

5108 - Sports Fields Turf Rehabilitation Prog.

This project provides for the rehabilitation of turf at City sports fields to address deferred maintenance, trip hazards and over compaction which impacts the health and growth of the turf. The project may include resodding, re-seeding, irrigation repairs and minor rehabilitations.

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

5109 - Creighton Park Renovation

This project provides for the design and construction of improvements at Creighton Park. Improvements include picnic and playground area renovation, ADA access and path improvement, and renovation of lighting, irrigation, and landscaping.

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

5110 - Sandalwood Park Renovation

This project provides for the design and construction of improvements at Sandalwood Park. Improvements include picnic and playground area renovation, ADA access and path improvement, and renovation of irrigation, and landscaping.

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

5111 - Sports Center Skate Park

This project provides for the design and construction of a new skate park to be located at the Milpitas Sports Complex between the parking lot and the newly renovated fields. The 20,000 sq.ft skate park will include hardscape skate structures, lighting, irrigation, landscaping, drainage, and amenities. The project will also renovate the restroom/snack shack building. Snack shack/restroom building improvements may include electrical, mechanical, and plumbing replacements and upgrades, interior/exterior building repairs and upgrades, and ADA and Code related improvements. Being as the snack shack include food warming/preparation, a permit from the County Health Department for the facility is also required.

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

5112 - Carlo Park

This project provides design and construction of a new park on an undeveloped 5,200 square foot City-owned parcel at the south-west corner of South Main Street and Carlo Street. The parcel is an opportunity to provide for a small park with ADA pathway, landscaping, irrigation, bench(s) and interpretive displays.

Operating Budget Impact: None

5113 - Minor Sports Courts Rehabilitation

This project provides for the analysis and implementation of various minor rehabilitation improvements for the City's tennis, basketball, and other miscellaneous courts within the City.

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

5114 - MSC Master Plan Update

The Milpitas Sports Center (MSC) Master Plan Update will focus on revising several elements of the existing Plan, due to several physical changes due to currently added and planned amenities implemented since the completion of the current Plan, including vehicular, bicycle and pedestrian circulation. The Master Plan Update will also look at the current Sports Center Baseball Fields and asses needed improvements including ADA access improvements, drainage, irrigation, as well as the existing snack shack and restroom building located adjacent to the fields, as this structure has reached the end of its service life and requires restoration or replacement.

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

NUMBER	PROJECT TITLE	APPROVED
351- 2005	Lower Penitencia Creek Pedestrian Bridge	915,000
331- 3424	Citywide Park Playground Rehabilitation	75,000
321- 5055	Alviso Adobe Renovation	860,000
321- 5102	McCandless Park	6,425,000
321- 5107	Main Street/Library Park	(1,375,000)
321- 5108	Sports Fields Turf Rehabilitation Prog.	225,000
321- 5109	Creighton Park Renovation	1,000,000
321- 5110	Sandalwood Park Renovation	900,000
321- 5111	Sports Center Skate Park	1,000,000
321- 5112 *	Carlo Park	225,000
321- 5113 *	Minor Sports Courts Rehabilitation	225,000
321- 5114 *	MSC Master Plan Update	150,000
TOTAL COST		<u>10,625,000</u>

AVAILABLE FINANCING SOURCE:

Park Fund	1,762,500
Midtown Park Fund	(825,458)
General Government CIP Fund	2,285,000
TASP Impact Fees	7,307,158
Grants/Reimb./Developer Fees	95,800
TOTAL AVAILABLE	
	<u>10,625,000</u>

* New Project

Street Improvement Projects

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

Project Number-Name

Description

Operating Budget Impact

2008 - Montague Ped. Overcrossing at Piper Dr.

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

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

3402 - McCarthy Blvd. LLMD Improvement

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

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

3411 - Sinclair LLMD Improvements 98-1

This project provides for design and construction of landscape and irrigation system renovation of 98-1 Landscape, Lighting, and Maintenance District (LLMD), surrounding the Sinclair Horizon Development. This project will also include lighting and other related improvements. Uncommitted balance from FY15-16 to be applied toward a needs evaluation of the landscape and lighting improvements for the district.

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

3430 - Midtown Street Light Project

This project provides for the installation of Midtown decorative street lighting and signal improvements along South Main Street from Carlo Street to Great Mall Parkway as a replacement to the existing cobra head lights. The project will be completed in phases. Conceptual cost estimates for the different project phases include: Carlo to Corning is \$1.5M; Curtis to Great Mall Parkway is \$2M; and Corning to Curtis is \$2.6M. The Corning to Curtis phase would be completed after PG&E Rule 20A undergrounding of private overhead utilities. Estimates are conceptual and actual construction cost will be developed during the design phases.

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

3440 - Annual Street and Signal Light Repair Prog.

This project provides for the repair and replacement of damaged, destroyed, or vandalized street lights, and includes the repair or replacement of copper wiring, street lights, street light poles, signal lighting, signal poles, traffic/pedestrian safety devices, signal battery backup system replacements, and related appurtenances.

Operating Budget Impact: None

3448 - Trails and Bikeway Master Plan Update

This project will provide an update to the City's trails master plan and City's bikeway master plan. An update of the trails master plan aims to improve connectivity to local destinations, such as BART. The plan will identify gaps in the trail system, and provide recommendations to increase safety and accessibility for all trail users,

support economic development, and enhance the quality of life for area residents. An update of bikeway master plan would identify ways to enhance and expand the existing bikeway network. Improvements would be construction in phases and could include the installation of new green bike lanes; buffered/separated bike lanes; bike trail opportunities to address the needs for commuter and recreational bicyclists to access transit hubs; work; recreational; and retail destinations. The plan update will also identify needs and challenging areas in order to upgrade or construct new, safe, and efficient bicycle facilities, and to encourage and increase bicycle ridership.

Operating Budget Impact: None

3449 - Street Landscape Irrigation Repair

This project provides for the repair and replacement of streetscape and median irrigation systems and related equipment on City streets.

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

4179 - Montague Expwy Widening at Great Mall Pkw

This project provides a fourth through lane in each direction on Montague Expressway at Great Mall Parkway. It also includes adding one westbound lane on Montague Expressway from Hwy 680 to UPRR rails, however, these limits may be revised due to right of way availability.

Operating Budget Impact: None

4281 - TASP Underground Utility District

This project provides for the creation of new Underground Utility District (UUD) #7 within the City's Transit Area Specific Plan redevelopment area. The purpose of the district is to allow Pacific Gas & Electric Company (PG&E) to underground existing overhead electric, PG&E, Cable TV, and communication utilities. The new district would be administered by the City, with engineering design and construction to be completed by PG&E using the City's Rule 20A funds. The City has approximately \$4.89M in available PG&E Rule 20A fund credits for use with this project.

Operating Budget Impact: None

4283 - ADA Curb Ramp Transition Program 2016

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

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

4288 - Traffic Studies & Minor Improvements

This project provides for traffic studies, speed surveys, and traffic counts. This project also includes minor traffic improvements that result from community service requests. Typical improvements include roadway markings/signage improvements and the installation of roadway undulators.

Operating Budget Impact: None

4289 - Green Infrastructure Plan

This project will fulfill the planning requirements for the National Pollution Discharge Elimination System (NPDES) Municipal Regional Stormwater Permit Section C.3.j (Green Infrastructure Planning and Implementation). The funding will be used to develop and implement a long-term Green Infrastructure Plan for use on City CIP projects for Streets, Buildings, and Park projects. The Plan would be utilized to assist in the design of low impact drainage infrastructure for City projects including bio-swales, detention systems, and other drainage improvements meeting the States C3 requirements.

Operating Budget Impact: None

4290 - Annual Bridge Rehabilitation

The project provides for the repair and rehabilitation of City owned bridges. The city owns and maintains eighteen roadway bridges and five pedestrian/bicycle bridges. They require ongoing repair and rehabilitation including deck resurfacing, crack sealing, guard rail repairs and work identified in the bi-annual bridge inspection reports performed by the California Department of Transportation.

Operating Budget Impact: None

4291 - Street Resurfacing Project 2018-19

This project provides for roadway pavement repair including overlay and reconstruction. Streets are selected for improvement based on the City's Pavement Management System to optimize the pavement condition rating and use of funding.

Operating Budget Impact: None

NUMBER	PROJECT TITLE	APPROVED
351- 2008	Montague Ped. Overcrossing at Piper Dr.	5,300,000
331- 3402	McCarthy Blvd. LLMD Improvement	74,000
331- 3411	Sinclair LLMD Improvements 98-1	21,000
331- 3430	Midtown Street Light Project	850,000
331- 3440	Annual Street and Signal Light Repair Prog.	150,000
331- 3448	Trails and Bikeway Master Plan Update	100,000
331- 3449	Street Landscape Irrigation Repair	150,000
311- 4179	Montague Expwy Widening at Great Mall Pkw	1,300,000
311- 4281	TASP Underground Utility District	100,000
311- 4283	ADA Curb Ramp Transition Program 2016	300,000
311- 4288	Traffic Studies & Minor Improvements	100,000
311- 4289	Green Infrastructure Plan	100,000
311- 4290	Annual Bridge Rehabilitation	75,000
311- 4291	Street Resurfacing Project 2018-19	4,600,000
TOTAL COST		13,220,000

AVAILABLE FINANCING SOURCE:

Gas Tax Fund	1,775,000
Vehical Registration Fee	500,000
Transient Occupancy Tax (TOT)	1,600,000
TASP Impact Fees	9,400,000
Grants / Reimb. / Developer Fees	(2,700,000)
LLMD	95,000
Sewer Fund	100,000
General Government CIP Fund	1,250,000
Midtown Park Fund	50,000
Street Improvement Fund	1,150,000
TOTAL AVAILABLE	
	13,220,000

* New Project

Water Improvement Projects

The Water Improvement category includes continued funding of nine existing projects and funding of two new projects:

Project Number-Name

Description

Operating Budget Impact

7076 - Well Upgrade Project

This well upgrade program includes recommendations from the Water Supply Augmentation Study. Pinewood well requires \$1M in improvements to improve, taste, odor, and hardness. This project also includes the installation of a new well and pump station at the City's McCandless Park site to serve the Midtown and Transit Area Specific Plan (TASP) including future development. Future project phases will complete the well buildings, pumps, control equipment, water quality treatment, piping, and back-up power.

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

7100 - Aging Water System/Seismic Improvements

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

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

7110 - Hydrant Replacement Program

This project involves replacement of hydrants in the Manor, Sunnyhills, and Milford neighborhoods. Other locations may include Calaveras Blvd, Park Victoria and Jacklin Road. Additional work may include replacement of the water valve for the hydrant.

Operating Budget Impact: None

7112 - Reservoir Cleaning

This project provides for the periodic interior cleaning of the new City's water system reservoirs.

Operating Budget Impact: None

7121 - Automated Meter Replacement Program

A City-Wide replacement of existing water meters will be implemented to improve overall service to the City's customers and improve the reliability of the meter reading data. As meters age, the meter readings will read lower over time.

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

7125 - BART Project - Water Improvements

The BART project will cause the relocation of existing utilities along the BART corridor at its own expense. In addition, there are other related water system improvements which have been identified by the City, to be completed as part of the BART utility relocation effort. The City is required to cost share for these enhancements. Water projects include: the upsize of existing water crossing at Montague and Capitol, installation of 2 new water crossings south of Montague, and possible upsizing of pipelines in the area of Piper Drive. This work also includes water system upgrades and new recycled water pipelines to be completed as part of the adjacent Montague Widening Project.

Operating Budget Impact: None

7132 - Annual Water Distribution Rehab. Program

This project provides for the replacement of water mains, valves, and other appurtenances on the water system. Annual ongoing main replacements and repairs including valve replacement are an important element of the improvement of an aging infrastructure, and allows the system to be isolated during emergency or planned work on the water system.

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

7133 - Minor Water Projects

This on-going project involves the analysis and implementation of various water projects which arise during the year. This project also provides for on-going modifications and improvements to existing water system including enhancing security at various water facilities.

Operating Budget Impact: None

7134 - Water O&M Database Management

This project would integrate and expand the CMMS (Computerized Maintenance Management System) GIS database(s) to include water system facility data, such as age of pipe, year of installation, type of pipe, age of valves, maintenance history, and frequency and type of breaks.

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

7135 - Water Leak Detection and Condition Asses

A citywide leak detection program is required to identify the type and where leaks are occurring in the system in order to reduce the volume of water lost and recover revenue. The program will include the real-time monitoring of leaks through the deployment of acoustic loggers and pressure transients, and other techniques and technologies that become available. This program will also fund the completion of pipeline condition assessments and field verification of critical segments of the water system to evaluate the remaining useful life of water pipelines.

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

7136 - Water Master Plan 2019

This project provides for the evaluation, study, and preparation of the City's Water Master Plan document. The water master plan is a comprehensive study that defines the City's strategy for providing a reliable and sustainable future water supplies. The document would guide the City's decisions on water infrastructure investments over the next 20 years. The document will incorporate miscellaneous general plan amendments and Transit Area Specific Plan (TASP) needs. The document also identifies deficiencies in the water system, recommends corrective actions, prioritizes improvements, and provides budgetary cost estimates.

Operating Budget Impact: None

* New Project

Sewer Improvement Projects

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

Project Number-Name

Description

Operating Budget Impact

6115 - Sewer System Replacement 11-12

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

Operating Budget Impact: None

6116 - Sewer System Replacement 12-13

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

Operating Budget Impact: None

6118 - SJ/SC Regional Waste Water Facility

The City of Milpitas pumps our sewage to the San Jose/Santa Clara Regional Waste Water Facility for waste water treatment before it can be discharged into the San Francisco Bay. This project will fund Milpitas's share of the facilities rehabilitation costs. The facility was originally constructed in 1956 and is reaching the end of its useful life and is in need of a complete overhaul. The City of San Jose which operates the facility is undergoing a large rehabilitation project to completely overhaul the facility over the next 30 years. The City of Milpitas uses approximately 7% of the facility and will be responsible for 7% of the estimated \$2 billion or \$140 million in improvements that will be made over the next 30 years.

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

6119 - Sanitary Sewer Condition Assessment Prgm

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

Operating Budget Impact: The Impact to the operating budget will be dependent on the technology chosen, operating approach, and the start-up schedule. Engineering estimate has not been completed, as such amount is unknown at this time. Maintenance cost will Increase based on the assessment.

6121 - BART Project - Sewer Improvements

The BART project will cause the relocation of existing sewer pipelines and utilities along the BART corridor at its own expense. The City has identified sewer pipeline improvements which should be completed as part of the BART utility relocation effort. These include rerouting and upsizing based on the City's Sewer Master Plan. These additional sewer system improvements are outside of the BART project scope and are to be paid for by the City.

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

6123 - Sanitary Sewer Overflow Improvements

This project includes multiple measures to reduce sewer system overflows. A program for "smart" manhole covers will be implemented to help prevent overflows. These manhole covers contain a sewer manhole flow

level sensor that would transmit alarms prior to overflows. In addition, sewer backflow devices would be installed at selected sites and upgrades would be made to the emergency response sanitary sewer overflow trailer.

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

6124 - Sewer Pump Station Rehab. Program

This program shall provide safe discharge and flow of sewage through the City's two wastewater pump stations. This includes pump rehabilitation, major repair and/or purchase of new wastewater pumps at both Main Lift Station and Venus Lift Station. This program shall include rotational assessment of the City's six wastewater pumps, including peripheral equipment replacement such as electrical control, flow equipment (flow meters), variable frequency drives and grinders.

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

6125 - Sewer Pump Station Treatment Improv.

This program shall provide for the modernization of equipment at the City's wastewater pump station. The updated equipment to be installed is critical for the function of the pump stations and will allow for the continued safe discharge of effluent from Main Lift Station.

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

6126 - Minor Sewer Projects

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

Operating Budget Impact: None

6129 - Sewer System Hydraulic Modeling 17-19

This project provides for ongoing hydraulic modeling of the sanitary sewer system as needed for Public Works operations and capacity impacts from new development.

Operating Budget Impact: None

6130 - Main Lift Station Odor Emissions Control

This project will construct odor emission control at the Main Lift Station to address concerns regarding elevated levels of hydrogen sulfide and other odorous compounds at the facility.

Operating Budget Impact: None

6131 - Sanitary Sewer Cathodic Protection Improv

This project provides for the evaluation, study, and installation of corrosion monitoring stations and equipment to protect buried City metallic pipelines, and to provide recommendations for retrofit or anode replacement. The project will provide for upgrade and improvement of system deficiencies defined in the evaluation study. Soils within the City have been found to be highly corrosive and are detrimental to metallic pipelines. Cathodic protection systems use sacrificial anodes and other means to protect the metal pipeline.

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

6132 - Sewer Master Plan 2019

This project provides for the update of the City's Sewer Master Plan document to incorporate miscellaneous general plan amendments, Transit Area Specific Plan (TASP) needs, and to provide CEQA environmental clearance. The update will identify deficiencies in the collection system and recommend corrective actions.

Operating Budget Impact: None

6133 - Sewer System Replacement

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

Operating Budget Impact: None

* New Project

Storm Improvement Projects

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

Project Number-Name

Description

Operating Budget Impact

3700 - Storm Drain System Rehabilitation

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

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

3711 - BART Project - Storm Improvements

The BART project will cause the relocation of existing storm drain utilities along the BART corridor at its own expense. The City has identified additional storm drain improvements which should be completed as part of the BART utility relocation effort, at the City's cost. These include rerouting storm drain lines on Capitol Avenue, to eliminate localized annual flooding and other enhancements.

Operating Budget Impact: None

3714 - Flap Gate Replacement

This project provides assessment and replaces and/or installs check valve assemblies at creek outfalls. The work also includes replacing deteriorated outfall piping and flap gates.

Operating Budget Impact: None

3717 - Minor Storm Projects

This project provides for the ongoing analysis and implementation of various minor modifications and improvements to existing storm drain systems.

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

NUMBER	PROJECT TITLE	APPROVED
341- 3700	Storm Drain System Rehabilitation	45,000
341- 3711	BART Project - Storm Improvements	(217,000)
341- 3714	Flap Gate Replacement	125,000
341- 3717	Minor Storm Projects	100,000
	TOTAL COST	53,000
	Storm Drain Funds	53,000
	TOTAL AVAILABLE	53,000

* New Project

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Budget and Budgetary Accounting

What is the City Budget?

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

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

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

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

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

What are "Funds"?

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

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

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

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

How is the Operating Budget Prepared?

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

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

How is the Capital Improvement Program Budget Prepared?

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

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

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

Budgets and Budgetary Accounting

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

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

- On or before May 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and identified financing means.
- Public budget hearings are conducted to evaluate the proposed budget and seek public input.
- Prior to July 1, the budget, as may be amended, is adopted by the City Council.
- A final budget document which summarizes the adopted budget is formally enacted, within 90 days, by resolution of the City Council.
- The City Manager is authorized to transfer budgeted amounts within departments within a fund. The

- City Manager has limited discretion to appropriate funds in an aggregate amount not to exceed the equivalent of 1% of the General Fund budget.
- Budgeted amounts are as originally adopted, or as amended by the City Council.

The legal level of budgetary control is exercised at the departmental level for those funds which have annually adopted budgets: General Fund, Special Revenue Funds and Capital Projects Funds.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Capital Projects Funds. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through the various bond indenture provisions.

Appropriations automatically lapse at the end of the fiscal year unless an encumbrance exists, with the exception of balances remaining in the capital project accounts and grant accounts at the end of the fiscal year. These balances are carried forward to the following fiscal year until the project is completed.

Prop 4 – Appropriations Limit

The City establishes an appropriations limit by resolution, each year during the budget process, which commences after the beginning of each fiscal year. The appropriation base is adjusted each year by changes in population, cost of living and transfers of financial responsibility.

Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The procedure for amending budgets depends on the type of change that is needed. One type of change does not affect the “bottom line” total for a department. These changes, mainly transfers from one-line item to another within a department’s operating budget or changes between two divisions within a department.

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

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

These types of changes would require City Council approval in the form of a budget appropriation.

Basis of Accounting

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

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

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

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

Use of Cost Accounting

The City uses cost accounting to determine the proper allocation to recover costs for services provided. For each City service or program, in addition to direct staff support and appropriations for supplies and services, it also receives support from the administrative staff and benefits from centralized services such as building occupancy and equipment maintenance. These indirect costs (also known as administrative and overhead costs) need to be allocated to each major service or program in order to determine the full cost of providing City services. Similarly, the centralized service costs also need to be allocated to various operating funds. Centralized service costs are typically budgeted and advanced by the General Fund. Cost allocation is necessary to ensure that each of these operating funds share the administrative and overhead costs equitably. In FY 2013-14, the City conducted an updated Cost Allocation study to calculate the percentage of costs that should be allocated to each major program and major operating fund. The same methodology was applied to the FY 17-18 Budget. A summary Internal Cost Allocation Schedule showing the cost allocation by fund for FY 17-18 can be found on pages 98-99 of this document.

How Can I Learn More?

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

Fund Descriptions

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

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

Governmental Funds

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

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

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

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

- **Public Art Fund** - was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas' citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City's share of state gasoline taxes.
- **Lighting and Landscape Maintenance District Fund** - was established to account for assessments within a district. Revenue is used for servicing and maintaining the public landscaping and additional lighting for the district.
- **Community Facility District Fund** - was established to account for special taxes collected within the district to provide park maintenance and street landscape maintenance services, public safety.
- **Housing and Community Development Fund** - was established to account for community development block grants and expenditures.
- **Law Enforcement Services Fund** - was established to account for the proceeds from the sale of assets which were seized in connection with drug related arrests made by the Allied Agency Narcotic Enforcement Team (AANET) of Santa Clara County and federal asset forfeiture funds received through the Equitable Sharing program. Shared funds must be used only for specified law enforcement purposes; funds are to be used to augment law enforcement budgets, not supplant them. This fund also accounts for the Supplemental Law Enforcement Services grant and expenditures.
- **Solid Waste Services Fund** - was established to account for landfill tipping fees allocated by Santa Clara County. The County allocates a fee of \$1 per ton to each City to be used in relation to the State of California Waste Reduction Act. Revenue is used for the implementation of future waste reduction programs to meet the future State required landfill deposits percentage reduction. The fund also accounts for special charges built into garbage rates specifically for community promotions and household hazardous waste activities. These activities support the City's ongoing efforts to meet State mandates to reduce waste.
- **Hetch-Hetchy Ground Lease Fund** - Established to account for the lease payment to the City and County of San Francisco for the permitted use of the Hetch-Hetchy land.

- **Housing Authority Fund** - was established to allow the City to aggressively plan and address aging of the Milpitas housing stock, limited amount of land, high costs of housing, continuous overcrowding and potential increase in unsanitary conditions. The establishment of a Housing Authority allows the City to improve the quality of life and standard of living for a substantial number of its residents.

Debt Service Funds - Debt Service Funds are used to account for financial resources to be used for the payment of principal and interest on governmental fund long-term debt. The City has the following outstanding bonds: 2015 Tax Allocation Bond and 2017 Wastewater Revenue Refunding Bonds.

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

- **Redevelopment Project** - was established to account for the financing and construction activities in the redevelopment project areas. This fund is inactive as of 1/31/2012 due to Assembly Bill 1X26.
- **Street Improvement Fund** - was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided through State and federal grants.
- **General Government Fund** - was established to account for the construction and maintenance of community improvements. Capital projects previously accounted for in the General Fund has been incorporated in this fund.
- **Park Improvement Fund** - was established to account for the construction and maintenance of City parks. Financing is provided by a special parks improvement fee imposed on developments.
- **Transit Area Impact Fee Fund** - was established to account for the financing and construction activities of infrastructure in the Transit Area Specific Plan.
- **Storm Drain Improvement Fund** - was established to account for the construction and maintenance of City storm drains. Financing is partially provided by fees imposed on developments

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

- **Employee Deferred Compensation Plan** - was established to account for accumulated employee funds withheld and invested as provided by the Plan.

- **Employee Benefit Fund** - was established to account for self-insured employee dental plan, short term disability plan and MOU contractual agreements.
- **Senior Advisory Commission Fund** - was established to account for the fund raising activities of the Commission.

Revenue Descriptions

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

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

Property Taxes

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

Other Taxes

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

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

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

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

Licenses and Permits

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

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

Fines and Forfeitures

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

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

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

Use of Money and Property

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

Intergovernmental

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

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

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

Miscellaneous Grants --

- Community Development Block Grant - The Housing and Community Development Block Grant (CDBG or HCD) program was designed by the Department of Housing and Urban Development (HUD) to revitalize low and moderate income areas within a city. The use of CDBG funds is restricted by specific provisions and is managed by the Housing function.
- Public Safety Grants - The City is currently receiving multiple public safety grants including: Supplemental Law Enforcement Services Grant, Local Law Enforcement Block Grant, and Justice Assistance Grant. Future grant spending will be designated for vehicles, equipment and technology improvements.
- SB90 - The law in the State of California provides for the reimbursement of costs incurred by local agencies for costs mandated by the State. Costs mandated by the State means any increased costs which a local agency is required to incur after July 1, 1990, as a result of any new statute enacted after January 1, 1975, or any executive order implementing such statute which mandates a new program or higher level of service in an existing program.

Charges for Current Services

Charges for Current Services -- All City's basic service charges are recorded at the department or division levels that are associated with specific governmental and enterprise activities. These service levels are: General Government, Planning, Fire, Police, Recreation, Building and Public Works. This is a GASB 34 requirement.

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

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

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

Other Revenues

Development --

- Park Development Fees - The Park Development Fee is paid by a developer or subdivider for park or recreation purposes, in-lieu of the dedication of the land.

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

Reimbursements –

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

Miscellaneous –

- Solid Waste - Currently the Solid Waste function has two very different revenue streams. The first AB939 is collected by the County as a Tipping Fee at the Landfill and reimbursed to the City on a quarterly basis. The purpose of this fee is to encourage achievement of the State's landfill reduction goal. The second fee is paid by the solid waste customers, incorporated in user rates, and is specifically earmarked for community education and the Household Hazardous Waste programs.

Expenditure Descriptions

Personnel Services

Salaries and Wages

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

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

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

Allowances / Leaves

Allowances – Amounts paid to employees who are entitled to allowances such as car, telephone, uniform, special licenses, canine, motorcycle, SWAT, pager and bilingual pay.

Leave CashOut – Amounts paid to employees for hours cashed out from sick or vacation time banks.

Accrued Leave – To record year-end adjustments of accrued vacation according to the Generally Accepted Accounting Principles (GAAP). For ACCOUNTING USE ONLY.

Benefits

PERS – 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.

PARS – Amounts contributed to the Public Agency Retirement System-Alternate Retirement System (PARS-ARS) plan for temporary employees not in the PERS system. This is an alternative to the Social Security System.

Retiree Benefits

Retiree Medical Reserve – Amount allocated to fund a portion of the outstanding retiree medical benefits liability.

Retiree Medical Payment – Payment of the outstanding retiree medical benefits liability.

Retiree Medical Reimbursement – Reimbursement from California Employer Benefit Trust fund for retiree medical payment.

Adjustments – Payroll

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

Vacancy Factor – Budget amount to account for vacant positions.

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

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

Salary Reduction – Budget amount to account for reduced funding.

Supplies and Contractual Services

Community Promotions, Grants and Loans

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

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

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

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

Miscellaneous Grants – Financial assistance provided for miscellaneous grant programs.

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

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

CDBG Grants – Payment to subrecipients of CDBG Grants.

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

Department Allocations

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

Supplies

Generally, these are items that are consumed.

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

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

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

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

Contractual Services

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

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

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

Contractual Services – Services rendered by organizations or personnel not on the payroll of the City of Milpitas under a contract or an agreement. Payment of fees to contractors to acquire license or permits for the City of Milpitas should be recorded in this account. NOTE: Copier charges should be paid from this account.

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

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

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

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

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

Contributions to Non-City owned Capital Assets – Costs incurred in capital improvement projects that the City does not have the ownership of the property. These costs generally incurred by the City for the benefits of the residents in Milpitas but the property is owned by another government agency. For example, the City spent money to improve the 1880/237 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, M & O – City of Milpitas waste water treatment fees paid to City of San Jose –Maintenance and Operation.

Memberships, Training and Travel

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

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

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

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

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

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

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

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

Commissions and Boards

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

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

Insurance and Settlements

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

Uncollectible Accounts

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

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

Depreciation and Amortization

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

Contingent Reserve

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

Loss on Sale

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

Adjustment – Service and Supplies

Reduced Funding – Budget amount to account for reduced funding.

Debt Service

Principal

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

Retirement of Principal – Payments of Bond Principal.

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

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

Interest

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

Interest Expense – Bond interest payments.

Interest – COP – Bond interest payments – Certificate of Participation

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

Contractual Obligation

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

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

Premium-Bond Prepayment

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

Capital Outlay > \$5,000

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

Capital Improvements

Capital Outlay

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

Land

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

Land Improvements

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

Buildings and Improvements

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

Infrastructure

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

Vehicles

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

Capitalized Leases

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

Machinery and Equipment

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

Computer Hardware – Example is a server.

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

Furniture and Fixtures

Furniture and Fixtures – Office furniture and building fixtures.

Adjustments – CIP

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

Capital Outlay < \$5,000

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

Office Furniture and Fixtures

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

Machinery and Equipment

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

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

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

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

Hydrants and Meters

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

List of Funds

100	General Fund	300	Capital Projects Funds
100	General	310	Street Improvement
102	Measure I TOT	311	Street CIP
103	1452 S. Main	312	Traffic Impact Fees
104	Cable Rebate	313	Traffic Congestion Relief
105	Abandoned Vehicle Abatement	314	Vehicle Registration Fee
120	Browning Ferris Holding	315	Calaveras Widening Impact Fee
130	Private Job Developer Deposits	316	Montague Widening Impact Fee
150	Redevelopment Activities	317	Milpitas Business PK Impact Fee
		320	Park Improvement
200	Special Revenue Funds	321	Park Improvement CIP
211	Hetchy-Hetchy Ground Lease	322	Midtown Park Fee
213	Public Art-Nonrestricted	330	General Government
214	Community Planning Fund	331	General Government CIP
221	Gas Tax	340	Storm Drain Development
235	95-1 Lighting and Landscape Maint. District	341	Storm Drain CIP
236	98-1 Lighting and Landscape Maint. District	350	Transit Area Impact Fee
237	2005 Community Facility District	351	Transit Area CIP
238	2008 Community Facility District	352	Piper Montague Infrastructure
250	Housing and Community Development		
251	Housing and Community Dev Loan		
261	Supplemental Law Enforcement Services		
262	State Asset Seizure		
263	Federal Asset Seizure		
267	Justice Assistance Grant		
269	Grant Fund		
280	Solid Waste Services		
295	Housing Authority		

400 Enterprise Funds

- 400 Water Maintenance and Operation
- 401 Water CIP
- 402 Water Line Extension
- 403 Water Bonds
- 405 Water Infrastructure Replacement
- 450 Sewer Maintenance and Operation
- 451 Sewer CIP
- 452 Treatment Plant Construction
- 453 Sewer 2017 Wastewater Refunding Bonds
- 455 Sewer Infrastructure Replacement

500 Internal Service Funds

- 500 Equipment Management
- 505 Information Technology Rplcmt
- 506 Permit Automation Fund

930 Successor Agency

- 930 Successor Agency

List of Departments/Divisions/Functions

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

8 Fire

- 80 Fire Administration
- 801 Fire Administration
- 81 Emerg Resp & Prep Division
- 812 A/B/C Battalions Operations
- 840 Disaster Prep & Public Education
- 82 Prevention Division
- 821 Prevention Division Admin
- 822 Fire Inspection, Plan Check & Investigation

9 Non-Departmental

- 91 Non-Departmental
- 910 Non-Departmental
- 92 Debt Service
- 920 Debt Service
- 93 Equipment to be Depreciated
- 930 Equipment to be Depreciated
- 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	3165	Homestead Village
3010 Property Taxes-Current	3166	Marriott Courtyard
3011 Current-Secured Property Taxes	3167	Milpitas Travelodge
3012 Current-Unsecured Property Taxes	3168	Sonesta Silicon Valley
3531 Property Tax, Supplemental	3169	Residence Inn by Marriott
3020 Property Taxes-Prior	3170	Best Value Inn
3020 Property Taxes-Prior	3171	Towneplace
3021 Prior-Secured Property Taxes	3172	Stay Bridge Suites
3022 Prior-Unsecured Property Taxes		
3050 Property Taxes-RPTTF Distribution	320 Licenses and Permits	
3051 Property Taxes-RPTTF Distribution	3210	Building Permits
	3210	Building Permits
	3211	Plan Check Revisions
	3212	After Hour Plan Check
310 Other Taxes	3213	After Hours Inspection
3110 Sales and Use Tax	3214	Re-inspection
3110 Sales and Use Tax	3215	Dedicated Building Services
3111 .5% Sales and Use Tax	3216	Mobile Home Inspections
3120 Real Estate Transfer Tax	3217	Plan Check
3120 Real Estate Transfer Tax	3218	Building Investigation
3130 Franchise Tax	3220	Fire Permits (Annual)
3131 Electric Franchise	3220	Haz Mat Const Permits & Insp
3132 Gas Franchise	3221	Life Safety Const Permits & Insp
3133 Garbage Franchise-Commercial	3222	Haz Mat Annual Permits & Insp
3134 Garbage Franchise-Non Commercial	3223	Fire Penalties
3135 Solid Waste-Community Relations	3224	Hazardous Waste Fees
3136 Solid Waste-Household Haz Waste	3225	Non-Pt Source Permits & Insp
3137 Nitrogen Gas Franchise	3240	Life Safety Annual Permits and Insp
3138 CATV Franchise	3240	Life Safety Annual Permits & Insp
3139 County-wide AB 939 Fees	3241	Haz Mat Construction Permits
3140 Business License Tax	3250	Fire Inspections
3140 Business License Tax	3250	Fire Inspections
3150 Hotel/Motel Tax	3251	Building Standards and Life Safety
3152 Embassy Suites	3252	Fast Track After Hour Inspection
3153 Crowne Plaza	3260	Planning Licenses and Permits
3154 Sheraton	3261	Animal Licenses
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		

330 Fines and Forfeits		
3300 Fines and Forfeits	3555	Federal Contrib-Public Works
3301 Vehicle Code Fines	3556	Federal Contrib-Recreation
3302 Other Court Fines	3557	Federal Contributions-Police
3304 Hazardous Materials Fines	3558	Federal Contributions-Fire
3305 Booking Fees	3559	Federal Contributions-Planning
3306 NBO Violation Fees	3560	State Contributions
3307 Impound Fees	3561	State Contrib-General Gov't
3308 Animal Violations	3562	POST Grant
3309 False Alarm Fee	3563	State Contributions-Building
3310 Fire Administrative Citation	3565	State Contrib-Public Works
3311 Building Administrative Citation	3566	State Contributions-Recreation
3312 Planning Administrative Citation	3567	State Contributions-Police
3313 PW Municipal Code Fines	3568	State Contributions-Fire
3321 Urban Runoff Fines	3569	State Contributions-Planning
	3570	County Contributions
	3571	County Contrib-General Gov't
	3572	S Bay Water Recycling Prog
	3573	County Contributions-Building
	3575	County Contrib-Public Works
	3576	County Contrib-Recreation
	3577	County Contributions-Police
	3578	County Contributions-Fire
	3579	County Contributions-Planning
	3580	Other Restricted Grants
	3581	Other Restricted Grants-General
	3582	SB90 Grant
	3583	Other Restricted Grants-Building
	3585	Other Restricted Grants-Pub Wks
	3586	Other Restricted Grants-Rec
	3588	Other Restricted Grants-Fire
	3589	Other Restricted Grants-Planning
	3590	Misc Unrestricted Intergovernmental
	3591	Misc Unrestricted Intergov'l
	3592	ERAF Refund
340 Revenues from Use of Money		
3430 Investments		
3430 Interest Income		
3431 Pooled Interest (nonallocation)		
3432 Cash with Fiscal Agents		
3433 Other Interest Income		
3434 Pooled Interest (allocation)		
3435 Gain on Sale of Investments		
3436 Market Value Gain/Loss on Inv		
3437 Gain on Bond Refunding		
3438 Interest from Deferred Revenue		
350 Intergovernmental Revenue		
3510 In Lieu Tax		
3511 Motor Vehicle In Lieu Tax		
3512 State Trailer Coach In Lieu Tax		
3520 Tax Relief		
3521 Homeowners Property Tax Relief		
3522 Business Inventory Tax Relief		
3530 Tax		
3532 Off-Highway Tax		
3540 Gas Tax		
3543 Section 2103-Gas Tax		
3545 Section 2105-Gas Tax		
3546 Section 2106-Gas Tax		
3547 Section 2107-Gas Tax		
3548 Section 2107.5-Gas Tax		
3549 Sec 2032 - RM&R		
3550 Federal Contributions		
3551 Federal Contrib-General Gov't		
3553 Federal Contrib-Building		

360 Charges for Services		
3600 General Government		3648 PJ Overhead Charges-Police
3601 Gen Government Service Charges		3649 PJ Labor Reimbursement - Police
3602 Sales of Maps and Documents-GG	3650	Recreation Services
3603 Rents, Lease and Concession-GG		3651 Rents, Lease & Concess-Rec
3604 B L Processing Fee		3652 Recreation Fees
3608 PJ Legal Overhead Charges		3653 Senior Nutrition Fees
3609 PJ Legal Reimbursement		3654 Sales of Maps & Docs-Rec
3610 Public Works and Engineering Services		3655 Sales of Merchandise-Rec
3611 PJ Overhead Charges - PW/E	3660	3656 Recreation Transaction Fee
3612 PJ Labor Reimbursement - PW/E		Building Services
3613 PJ Vendor Reimbursement- PW/E		3661 Sales of Documents-Building
3614 Assessment for Capital Purpose		3662 Records Retention Fee
3615 Public Works & Eng Service Charges		3663 Building Service Charges
3616 PW & Eng Plan Check Fee		3664 Overhead Chgs Reimbursement
3618 Sales of Maps & Documents - PW/E		3665 PJ Overhead Chgs - Building
3619 Rents, Lease & Concession - PW/E		3666 PJ Labor Reimbursmnt - Building
3671 Public Works Service Charges	3680	3667 Building State Mandated Stds Fee
3672 Public Works Cost Recovery		Planning Services
3620 Water and Sewer Charges		3617 Planning Fees
3621 Water Charges		3681 PJ Overhead Charges - Plan
3622 Water Service Agreements		3682 PJ Labor Reimbursement - Plan
3623 Metered Water Sales		3683 PJ Vendor Reimbursement - Plan
3624 Other Water Sales		3684 Sales of Maps & Documents - Plan
3625 Excess Water Use Charges		3685 Housing & Neighborhood Svcs
3626 Construction Water		3686 Planning Plan Check Fees
3627 Water and Sewer Reimbursements		3687 Animal Control Services Fee
3628 Sewer Service Charges		
3630 Fire Services		
3631 PJ Overhead Charges - Fire		
3632 PJ Labor Reimbursement - Fire		
3633 Fire Cost Recovery		
3634 Unwanted Alarms-Fire		
3635 Fire Enforcement-Penalties		
3636 Fire Enforcement-Training		
3637 Fire Service Charges		
3638 Sales of Maps & Docs-Fire		
3639 Fire Electronic Archive Fee		
3691 Fire GIS Mapping Fee		
3692 Fire Automation Fee		
3693 Fire - Rent, Lease & Concession		
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		

370 Miscellaneous Revenue

- 3710 Development
- 3710 Development
- 3711 Storm Drain Connection Fee
- 3712 Park Development Fees
- 3713 Sewer Permit Fees
- 3714 Treatment Plant Fees
- 3715 Connection Fees
- 3716 Fire Hydrant Fees
- 3717 Encroachment Permit Fees
- 3718 Impact Fees
- 3720 Special Assessments
- 3720 Special Assessments
- 3721 Special Assessments-Prepayments
- 3730 Recycling
- 3730 Recycling
- 3740 Reimbursements
- 3741 Repayment
- 3742 Principal
- 3743 Interest Income
- 3744 Advance-Principal Repayment
- 3745 Advance-Interest Earnings
- 3746 HazMat Incidents
- 3750 Donations
- 3750 Donations
- 3760 Developer Contribution
- 3760 Developer Contribution
- 3761 Contribution-Equipment
- 3770 Sale of Property, Plant and Equipment
- 3770 Sale of Property, Plant & Equipment
- 3771 Fire Safe Program
- 3772 Police Abandon Properties
- 3790 Miscellaneous Revenue
- 3791 Cash Over/(Short)
- 3792 Clearing, Various
- 3799 Miscellaneous Other Revenue

List of Expenditures

410	Personnel Services		
4110	Wages	4210	Department Allocations
4111	Permanent	4211	Equipment Replacement
4112	Temporary	4220	Supplies
4113	Overtime	4221	Office
4114	Reimbursable Overtime	4223	Departmental
4120	Allowances/Leaves	4224	Maintenance
4121	Allowances	4225	Health and Safety
4124	Leave Cashout	4230	Senior Nutrition Food Supplies
4125	Accrued Leave	Services	
4130	Benefits	4231	Advertising
4131	PERS	4232	Blueprinting
4132	Group Insurance	4237	Contractual Services
4133	Medicare	4238	Contractual Services/PJs'
4135	Workers' Compensation	4239	Audit Fees
4136	Unemployment	4240	Street Sweeping
4137	MOU Contractual Agreements	4242	Rents and Leases
4138	Deferred Compensation	4243	Contributions to Non-City
4139	PARS	4244	Senior Nutrition Non-Food
4140	Adjustments-Payroll	4250	Legal Services
4141	Payroll Adjustment	4252	Retainers and Fees
4142	Vacancy Factor	4253	ABAG Attorney's Fees
4143	Charged to CIPs	4254	ABAG Settlements
4144	Reduced Funding	4255	Litigation
4151	Compensation Reduction	4256	IBNR Adjustment
4152	Employee Pay PERS Contribution	4280	Elections
4199	Overhead-PJ's Contri Labor	4280	Elections
4198	Overhead-Payroll	421	REPAIRS & MAINTENANCE
4160	Retiree Benefits	4230	Repairs & Maintenance
4161	Retiree Medical Reserve	4241	Repairs & Maintenance
4162	Retiree Medical Payment	4244	Rpars & Maint for Rental Prop
4163	Retiree Medical Reimbursement		
420	Services and Supplies	440	Communications and Utilities
4200	Community Promotions, Grants and Loans	4410	Communications
4201	Community Promotions	4411	Phone-Local
4202	Community Promotions-CC Allocated	4412	Computer Data Lines
4203	Community Promotions-CC Unallocated	4413	Phone-Long Distance
4204	Cultural Arts Grants	4414	FAX
4205	Miscellaneous Grants	4415	Pagers
4206	Sports Grants	4416	Cellular Phones
4207	Housing Rehab Loans	4417	Fire Alarms
4208	CDBG Grants	4418	Police Alarms
4209	Miscellaneous Loans	4420	Utilities
		4421	Gas
		4422	Electric

4423	Water	4713	Interest-Advance
4426	Solid Waste	4720	Contractual Obligation
		4720	Contractual Obligation
		4721	Cost of Issuance
441	UTILITIES - WATER	4730	Premium- Bond Prepayment
4420	Utilities	4730	Premium- Bond Prepayment
4424	SFWD, Wholesale Water Purchase		
4425	SCVWD, Wholesale Water Purchase		
4427	Recycled Water Purchase	480	Capital Outlay > \$5,000
4428	Treatment Plant, Capital	4800	Capital Outlay
4429	Treatment Plant, M & O	4800	Capital Outlay
		4810	Land
		4811	Land
450	Memberships, Training and Travel	4820	Land Improvements
4500	Memberships, Training and Travel	4821	Land Improvements
4501	Memberships and Dues	4830	Buildings and Improvements
4502	Professional Licensing	4831	Buildings and Improvements
4503	Training and Registration	4840	Infrastructure
4505	Lodging and Travel	4841	Infrastructure
4506	Meals for Meetings	4850	Vehicles
4507	Per Diem	4851	Vehicles
4508	Mileage Reimbursement and Parking	4860	Capitalized Leases
4509	Tuition Reimbursement	4864	Capitalized Leases
4520	Commissions and Boards	4865	Capital Lease Interest
4521	Conference Expenses	4870	Machinery and Equipment
4522	Non-Conference Expenses	4873	Machinery and Equipment
		4874	Computer Hardware
		4875	Computer Software
460	Insurance Settlements and Contingencies	4880	Furniture and Fixtures
4600	Insurance and Settlements	4881	Furniture and Fixtures
4602	Liability		
4610	Uncollectible Accounts	490	Capital Outlay < \$5,000
4610	Uncollectible Accounts	4910	Office Furniture and Fixtures
4611	Collection Fees	4911	Office Furniture and Fixtures
4630	Depreciation and Amortization	4920	Machinery, Tools and Equipment
4630	Depreciation and Amortization	4921	Machinery, Tools & Equipment
4640	Contingent Reserve	4922	Computer Hardware
4640	Contingent Reserve	4923	Computer Software
4650	Loss on Sale	4924	Electronic Equipment
4650	Loss on Sale	4930	Hydrants and Meters
4660	Other Miscellaneous and Corrections	4931	Hydrants
4660	Other Miscellaneous and Corrections	4932	Meters
470	Debt		
4700	Principal		
4701	Retirement of Principal		
4702	Principal-COP		
4703	Principal-Advance		
4710	Interest		
4711	Interest Expense		
4712	Interest-COP		

Abbreviations and Acronyms

AB	Assembly Bill	DDA	Disposition and Development Agreement
ABAG	Association of Bay Area Governments	DMV	Department of Motor Vehicles
ADA	Americans with Disabilities Act	DOHS	Department of Health Services
ALS	Advanced Life Support	DPC	Document Processing Center
AMR	American Medical Response	DPW	Department of Public Works
AP	Accounts Payable	EAP	Employee Assistance Program
AR	Accounts Receivable	EIR	Environmental Impact Report
ARRA	American Recovery and Reinvestment Act	EMD	Emergency Medical Dispatch
Auth	FTE Authorized Full-Time Equivalent positions	EMS	Emergency Medical Service
AVASA	Abandoned Vehicle Abatement Service Authority	EMT	Emergency Medical Technician
A / V	Audio/Visual Equipment	EOC	Emergency Operations Center
AWS	Allied Waste Services	EPA	Environmental Protection Agency
BAAQMD	Bay Area Air Quality Management District	EPC	Emergency Preparedness Commission
BART	Bay Area Rapid Transit	ERAF	Educational Revenue Augmentation Fund
CAD	Computer Aided Dispatch	FBI	Federal Bureau of Investigation
CAFR	Comprehensive Annual Financial Report	FEHA	Fair Employment and Housing Act
CalPERS	California Public Employee Retirement System	FEMA	Federal Emergency Management Admin
Caltrans	California Department of Transportation	FICA	Federal Insurance Contributions Act
CAPER	Consolidated Annual Plan & Performance Eval Rpt	FMLA	Family Medical Leave Act
CATV	Cable Television	FPPC	Fair Political Practices Commission
CCPI	California Consumer Price Index	FTA	Federal Transit Authority
CDBG	Community Development Block	FTE	Full-Time Equivalent
CEQA	California Environmental Quality Act	FY	Fiscal Year
CIP	Capital Improvement Program	GAAP	Generally Accepted Accounting Principles
CIT	Counselor in Training Program	GASB	Governmental Accounting Standards Board
CMAS	California Multiple Awards Schedule	GFOA	Government Finance Officers Association
CMO	City Manager's Office	Grant	GIS Geographic Information System
CO	Certificate of Occupancy	GPS	Global Positioning System
COBRA	Consolidated Omnibus Budget Reconciliation Act	Haz Mat	Hazardous Materials
COMPST	Computerized Statistics I Interstate	HCD	Housing and Community Development
COPs	Certificates of Participation	HMO	Health Maintenance Organization
COPS	Community Oriented Policing Services	HR	Human Resources
CPI	Consumer Price Index	HUD	U.S. Housing and Urban Development
CPR	Cardio-Pulmonary Resuscitation	HVAC	Heating, Ventilating and Air Conditioning
CRS	Community Rating System	ICMA I	intern'l City/County Mgmt Association
CSMFO	California Society of Municipal Finance Officers	IS	Information Services
		IVR	Integrated Voice Recognition
		JPA	Joint Power Authority
		LAFCO	Local Agency Formation Commission

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

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fund — The main operating fund of the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Prior-Year Encumbrances — Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be an encumbrance when the obligations are paid or otherwise terminated.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Index

A

Abbreviations and Acronyms	274
Appendix	247
Awards	21

B

Budget and Budgetary Accounting	247
Budget Guidelines	23
Budget Message	3
Budget Preparation Process and Timeline	26
Budget Summary	74
Building and Housing	151
Building and Housing Summary	156
Building Permit Revenue, Comparison with Other Jurisdictions	98

C

Capital Budget	227
Capital Budget Summary	227
City Attorney	145
City Attorney Summary	149
City Clerk	133
City Clerk Summary	136
City Council	119
City Council Summary	124
City Council, Board and Commissions	58
City History	50
City Manager	127
City Manager Summary	130
Classification Plan Amendments	47
Community Improvement Projects	228
Computation of Legal Bonded Debt	62

D

Demographic Profile	51
Directory of Officials	60
Distribution of Expenditures	75
Distribution of Revenues	75

E

Economic Development	139
Economic Development Summary	142
Engineering	195
Engineering Summary	199
Expenditure Descriptions	257
Expenditures by Function	108
Expenditures by Fund (Detail)	102
Expenditures by Fund (Summary)	101

F

Finance	179
Finance Summary	184
Financial Information	73
Fire	217
Fire Summary	221
Fiscal Policies	30
Fiscal Year 2018-19 through Fiscal Year 2022-24	17
Franchise Fees, Comparison with Other Jurisdictions	100
Fund Descriptions	251
Fund Structure	73
Funded Permanent Positions by Department ..	63

G

Gann Limit Analysis	61
General Fund Revenue Assumptions	77
General Information	49
Glossary of Terms	276

H

History of "Other" Tax Revenue	99
History of Building Permit Revenue	96
History of Intergovernmental Revenue	99
History of Sales Tax Revenue	96
History of Transient Occupancy Tax	93
History of Transient Occupancy Tax Revenue ..	93
Human Resources	165
Human Resources Summary	170

I

Information Services	159
Information Services Summary	163
Internal Cost Allocation by Function Schedule	110

J

Joint Resolution Adopting the Final Budget ..	42
---	----

L

List of Departments/Divisions/Functions	266
List of Expenditures	272
List of Funds	264
List of Revenues	268

N

New Position Requests	64
Non-Departmental	223

O

Operating Transfers Statement	112
Organization Chart	49

P

Park Improvement Projects	232
Planning & Neighborhood Svcs	201
Planning & Neighborhood Svcs Summary	206
Police	209
Police Summary	214
Property Tax, Comparison with Other Jurisdictions	94
Public Works	187
Public Works Summary	192

R

Recreation	173
Recreation Summary	177
Resolution Adopting the Appropriations Limit	35
Resolution Updating the City's Fiscal Policies	37
Revenue Descriptions	254
Revenues by Fund (Detail)	80
Revenues by Fund (Summary)	78

S

Sales Tax, Comparison with Other Jurisdictions	97
Sewer Improvement Projects	242
Storm Improvement Projects	245
Street Improvement Projects	235

T

Transient Occupancy Tax, Comparison with Other Jurisdictions	95
--	----

V

Vicinity Map	57
Vision, Values and Goals	1

W

Water Improvement Projects	239
----------------------------------	-----