SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

AGENDA

TUESDAY, MAY 14, 2024
BARBARA LEE SENIOR CENTER, 40 N MILPITAS BLVD, ROOM 140/141, MILPITAS, CA
5:30 PM (PUBLIC BUSINESS)

For assistance in the following languages, you may call:
Đối với Việt Nam, gọi 408-586-2400
Para sa Tagalog, tumawag sa 408-586-3051
Para español, llame 408-586-3072

The Special City Council meeting is held in the Barbara Lee Senior Center, 40 N. Milpitas Blvd, Milpitas, and via teleconference/Zoom webinar.
You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:
Facebook: https://www.facebook.com/CityofMilpitas/
YouTube: https://www.milpitas.gov/youtube
Web Streaming: https://www.milpitas.gov/webstreaming

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may only be provided live during the City Council meeting in person, unless the City Council approves remote public comment. All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items. Members of the public may submit written comments by email to CityClerk@milpitas.gov.

The meeting will be streamed via Zoom for viewing purposes only unless the City Council approves remote public comment. To watch via Zoom, please register at:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_XSov8R_BR0-G7wCrk-u8xQ

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk's Office by email to CityClerk@milpitas.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (5:30 PM)

PLEDGE OF ALLEGIANCE

PRESENTATIONS

PUBLIC FORUM (5:35 PM)

Members of the public are invited to address the City Council on the agenda item listed below only. Comments will be limited to three minutes or less at the Mayor's discretion. When called to speak, you are encouraged to state your name for the record.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

AGENDA ITEMS (5:40 PM)

1. **Receive Presentation on the FY 2024-25 Proposed City of Milpitas Operating Budget and Provide Direction (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111)**

   Recommendation: Receive a presentation on the FY 2024-25 Proposed City of Milpitas Operating Budget and provide direction to staff.

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

Members of the City Council or City Manager may make brief announcements at this time. Members of the City Council may also suggest future agenda items. For future agenda items, the City Council shall not debate the topic or engage in discussion but shall simply state a "yes" or "no" as whether to move the item forward. If a majority of the City Council agrees to move the item forward, the City Manager shall place the item on a future agenda.

ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail:mmutalipassi@milpitas.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.milpitas.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: www.milpitas.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.milpitas.gov or at Milpitas City Hall. Contact the City Clerk's Office at 408-586-3001 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to CityClerk@milpitas.gov prior to the meeting. You may request a larger font agenda.

CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Receive Presentation on the FY 2024-25 Proposed City of Milpitas Operating Budget and Provide Direction (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	5/14/2024
Recommendation:	Receive a presentation on the FY 2024-25 Proposed City of Milpitas Operating Budget and provide direction to staff.

Background:
This agenda report is supplemental to the FY2024-25 Proposed Operating Budget (Proposed Budget) and City Manager transmittal letter. At the FY 2024-25 Preliminary Budget Study Session held on January 30, 2024, the City Council received the preliminary ten-year General Fund Financial Forecast, the budget community engagement plan, and a report on accomplishments. During the Study Session, City staff projected a structurally balanced budget, modest revenue increases, and status quo service levels.

On May 9, 2024, the City Manager released a balanced FY 2024-225 Proposed Operating Budget, available on the City's website and attached here, consistent with his duties as City Manager as outlined in the City's Municipal Code.

Overall, the $248.4 million Proposed Budget reflects optimism regarding the City's financial future but also wariness of near-term economic uncertainty arising from continuing high interest rates, moderate-to-high inflation, foreign conflicts, and the lingering financial impacts of the worldwide COVID-19 pandemic. In addition, the City recognizes the Fiscal Year 2028-29 expiration of a critical local revenue source – the Milpitas Public Services Measure (Measure F) – requires strict fiscal discipline while simultaneously finding ways to increase revenues and control expenses.

The Proposed Budget aligns well with areas of high priority in the Milpitas community, investing over $1 million in staffing and equipment to address ongoing maintenance of City streets, parks, water and sewer infrastructure, and other critical community services. The Proposed Budget also includes a realignment of responsibilities in the City Manager's Office and Development Services as well as additional staff in Public Works, Finance, and Human Resources to ensure efficient delivery of key services in those departments. The Proposed Budget is balanced and maintains the City's financial reserves in accordance with Council-approved policies.

The Proposed Budget increases the position count by 3.0 full-time equivalents (FTE) from 452 to 455. Of the 3.0 FTE net increase, 2.0 FTEs are focused on maintaining critical utility infrastructure while the deletion or defunding of 2.0 FTE executive positions (in addition to the deletion of the Engineering Director position in December 2023) offsets the addition of needed support other areas.

Analysis
This staff report provides supplemental information related to the FY 2024-25 Proposed Budget, such as a summary of City Council prioritization referrals to date, an update on the Measure F Committee, and next steps in the FY2024-2025 budget process.

Fiscal Policies and Budget Guidelines
As part of the annual budget process, staff reviews the Fiscal Policies and Budget Guidelines. These policies and guidelines set the fiscal framework for the annual budget process and long-term financial decisions.

Fiscal Policies
City Fiscal Policies address the City general financial goals, with an emphasis on contingency and budgetary reserves, pension, facility, infrastructure, and Strategic Purchasing Acquisition Revenue (SPAR) fund, The City Fiscal Policies address Operating Budget, Revenues, and Expenditures; Utility Rates and Fees; Capital Budget; Debt, Reserve, and Investment; and Accounting, Auditing, and Financial Reporting. The City Debt and Investment Policies are reviewed and adopted consistent with State law requirements.

There are no recommended changes to the City Fiscal Policies in the FY2024-2025 Proposed Budget.

Budget Guidelines
The Budget Guidelines set forth the Basis of Budgeting; Budget Calendar requirements; form and content of the City Manager's Proposed Budget; adoption of the Proposed Budget by June 30; the City Manager budgetary authority; the requirement that budget amendments be approved by the City Council; budget transfers and modification procedures; automatic adjustments and re-appropriations; budget monitoring and reporting; and reserve requirements for all funds. Through adoption of this Proposed Budget, the City Council also approves the Budget Guidelines.

Available Funding for Council Consideration – Community Investment Funds
As part of the annual budget process, staff identified one-time funds available that the City Council may consider during the Proposed Budget deliberations. The table below demonstrates an estimated $483,000 available for reallocation from various programs originally funded by the American Rescue Plan Act. These projects and/or programs were included in the City Council approval of Agenda Report *Reallocation of American Rescue Plan Act Funds* to the General Fund at its April 16, 2024 meeting, and have been or will be completed soon.

During the Proposed Budget study session on May 14, 2024, staff will seek City Council feedback on projects and/or programs to which this excess funding.

Community Investment Funds	Estimated Program Reallocation Amount
Beautify Milpitas	$ 60,000
Emergency Management Program Assessment Study	13,000
Catalytic Converter Public Safety Initiative	134,000
Administration Funds	150,000
Unallocated Funds	126,000
Total Available for Reallocation	**$ 483,000**

Measure F Oversight Committee
On October 6, 2020, consistent with Measure F, the City Council adopted a Resolution establishing the Measure F Oversight Committee (Committee). On March 21, 2024, the Committee reviewed and confirmed the services recommended to be maintained with Measure F funding are an allowable expenditure consistent with Measure F. The estimated Measure F revenues in the amount of $7.3 million are equivalent to 5.3% of the $137.2 million General Fund revenues estimated for FY2024-2025. At the March 21 meeting, the Committee received the following summary of services that the City can maintain with Measure F. With the new budget information for Library services, the City will adjust funding for maintaining other services.

Description of Services Maintained with Measure F Funds	FY 2024-25 Budget Cost ($ Million)
Respond to 911 calls within established parameters, resolve crime, dedicate staff to traffic safety and practice community-oriented policing, and maintain necessary fleet & equipment and continue effort for Police succession planning	$2.3
Fire Stations to ensure 24/7 coverage across the City, maintain necessary fleet & equipment and create paramedic services	$2.3
Services for aquatic, senior, and youth services including restored defunded positions	$0.5
Services for parks, tree and facility maintenance and necessary fleet & equipment, including restored defunded positions and enhanced positions	$1.8
Support local businesses in their economic recovery, retain existing business and attract new businesses	$0.2
Neighborhood preservation and code enforcement	$0.2
Maintain library hours which keep the Library open on weekday evenings and weekends. Library District Board suspended Milpitas contribution for FY2024-25*.	$0.0
Total Services Funding	**$7.3**

**The extended library hours were maintained. However, library district suspended City of Milpitas financial contribution due to adequate reserves in the Library District's budget. This is a year-by-year determination based on Library District's budget funding status.*

City Council Prioritization

The next City Council prioritization discussion is currently scheduled for June 18, 2024. As this process will occur after the Proposed Budget is finalized, it is important to be aware of the items that have been proposed for potential prioritization since the last prioritization setting process in February 2024, and scheduled for City Council discussion and potential prioritization on June 18, 2024. The Mayor and City Council may decide to reserve a portion of the potential Community Investment Fund reallocation funding for future City Council priorities.

Item	Requested by	Date requested	Status
Catalytic Converter Ordinance	Vice Mayor Chua	2/20/2024	Scheduled for potential prioritization on June 18, 2024
Accessory Dwelling Unit Ordinance review	Vice Mayor Chua	3/5/2024	Scheduled for potential prioritization on June 18, 2024
Arts month potential exhibit for commissioners	Vice Mayor Chua	3/5/2024	Scheduled for potential prioritization on June 18, 2024
Recognize March as National Endometriosis month	Councilmember Phan	3/5/2024	Completed at 3/19/2024 city council meeting

Item	Requested by	Date requested	Status
Veteran’s Banner Program	Vice Mayor Chua	3/19/2024	Scheduled for potential prioritization on June 18, 2024
Change focus of Community Advisory Commission to Housing	Vice Mayor Chua	4/2/2024	Scheduled for potential prioritization on June 18, 2024
Explore increasing stipend for Planning Commission	Councilmember Barbadillo	4/16/2024	Scheduled for potential prioritization on June 18, 2024
Revisiting solicitation ordinance	Councilmember Barbadillo	4/16/2024	Scheduled for potential prioritization on June 18, 2024
Tobacco ordinance review	Vice Mayor Chua	5/7/2024	Scheduled for potential prioritization on June 18, 2024
No-smoking ordinance review	Vice Mayor Chua	5/7/2024	Scheduled for potential prioritization on June 18, 2024
Citywide Banner Program	Vice Mayor Chua	5/7/2024	Scheduled for potential prioritization on June 18, 2024
Escuela Parkway Traffic Study	Mayor Montano	5/7/2024	Scheduled for potential prioritization on June 18, 2024

Next Steps

Adoption of the FY 2024-25 Budget is scheduled during a public hearing on June 4, 2024. In preparation for the public hearing, staff will bring forward any amendments to the Proposed Budget, budget- and position-related resolutions, the debt ceiling calculation, Gann Limit calculation, and request authorization for award of contracts related to the approval of the FY 2024-25 Budget.

Fiscal Impact:

The FY 2024-25 Citywide Proposed Budget of $248.4 million funds 455.0 FTEs, with the General Fund Proposed Budget estimated at $137.2 million.

California Environmental Quality Act:

This item is not a Project under CEQA in accordance with CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) as it can be seen with certainty that a general discussion of funding priorities by the City Council will not have a significant effect on the environment. Further, the item is also not a Project pursuant to CEQA Guidelines Section 15378(b)(2) as an administrative activity which is defined in the CEQA Guidelines to include the purchase of supplies and personnel related actions. It is further exempt under CEQA Guideline 15378(b)(4) as it is a government fiscal activity that does not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment. Although the use of funding will be discussed for various potential projects, future environmental analysis will be conducted for the various potential projects prior to the City making any commitment or approval of any project, or it is covered by the CEQA Guideline 15061(b)(3) and/or 15378(b)(2).

Recommendation:

Receive a presentation on the FY 2024-25 Proposed City of Milpitas Operating Budget and provide feedback to staff.

Attachments:

FY 2024-25 Proposed Budget (binder edition previously distributed to City Council)

2024-2025

City of Milpitas • California

PROPOSED BUDGET & FINANCIAL PLAN

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 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

City Council

Carmen Montano
Mayor

Evelyn Chua
Vice Mayor

Anthony Phan
Councilmember

Hon Lien
Councilmember

Garry Barbadillo
Councilmember

Milpitas

Council Priority Areas

Community Wellness and Open Space

Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.

Economic Development and Job Growth

Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.

Environment

Promote a sustainable community and protect the natural environment.

Governance and Administration

Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.

Neighborhoods and Housing

Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.

Public Safety

Continue to invest in police and fire protection, in partnership with our community.

Transportation and Transit

Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.

Table of Contents

April 26, 2024

Honorable Mayor and Members of the City Council

The City Manager's Office is pleased to present to you the Proposed FY 2024-25 Budget in the amount of $248.4 million. The Proposed FY 2024-25 Budget will be formally presented to the Council at a special Council Study Session on May 14, 2024, and we look forward to receiving your additional consideration and input as well as feedback from the community. As the City continues to recover from the financial impacts of the worldwide COVID-19 pandemic, we remain optimistic about the future but wary of near-term economic uncertainty arising from the continued war in Ukraine, ongoing conflict in the Middle East, high interest rates, high-to-moderate inflation, growing income disparity, and the high cost of housing. Additionally, we are cognizant that rising labor costs and the expiration of a key revenue source - the Milpitas Public Services Measure (Measure F) – in FY 2028-29 will require the City to continue to maintain fiscal discipline and look for ways to simultaneously increase revenue while controlling expenses.

The Proposed FY 24-25 Budget aligns well with areas of high priority for the Milpitas community. For example, we are investing over $1.0 million in staffing and equipment to address the ongoing maintenance of our facilities, trees, parks, streets, utilities and community services. In addition, to ensure the efficient delivery of community services, this budget also includes realignments in the City Manager's Office and development services (Building Safety, Planning, and Housing) as well as enhanced service levels in public works and infrastructure and modest investments in internal support departments (Human Resources and Finance). The result is a balanced budget that maintains Council-approved reserves and leverages City funds as well as $16.7 million in one-time funding from the Federal American Rescue Plan Act (ARPA) to support a variety of critical needs among residents and businesses in our community. Under Council direction, we will continue to apply incremental and measured strategies to maximize City resources and optimize programs and services to serve the needs of our community.

Going into this new budget year, the economic impacts of the COVID-19 pandemic continue to affect the financial condition of the City's General Fund, which is used to pay for essential City services such as police and fire; youth, senior, and recreation services; repairing park equipment and maintaining parks and recreation centers; and internal support departments and administration. The Council's fiscal discipline and decisive actions have helped maintain the City's service levels in these key areas while maintaining fiscal stability. The General Fund portion of the Proposed FY2024-25 Budget is a balanced budget of $137.2 million which includes a one-time General Fund transfer of prior year reserve in the amount of $2.5 million to fund capital improvement plan (CIP) projects. Based on current assumptions, the City's five-year forecast shows a balanced General Fund until FY 2027-28, which is a year prior to the Measure F expiration (see Table 1).

Table 1 – Five-Year General Fund Forecast ($ in millions)

	FY 23-24 Adopted Budget	FY 24-25 Proposed Budget	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast
Revenues and other Sources	$129.5	$137.2	$139.8	$145.6	$148.7	$152.3
Expenditures	(129.5)	(137.2)	(139.5)	(145.6)	(151.6)	(159.4)
Annual Surplus/(Deficit)	**$0.0**	**$0.0**	**$0.3**	**$0.0**	**($2.9)**	**($7.2)**

During the FY 2024-25 Preliminary Budget Study Session held on January 30, staff projected a structurally balanced budget, modest revenue increases and a status quo service level. Since that time, more data has been provided to inform the revenue assumptions and service prioritizations through the City Council direction and community and employee engagements. This Proposed FY2024-25 budget includes modest service enhancements and funding CIP projects for $2.5 million from the General Fund designated reserves. This remains a transitional stage that allows incremental strategies to utilize City resources in a manner that optimizes services to the community.

Economic Outlook

Various factors influence our economic outlook. These include the continued war in Ukraine, ongoing conflict in the Middle East, high interest rates, high-to-moderate inflation, high housing costs, growing income disparity, and recent layoffs in the technology sector. While inflation remains high, the Federal Reserve has signaled that it will continue to adjust interest rate hikes to address inflationary pressure within the larger economy. Recent layoffs in the technology sector are especially relevant in Silicon Valley and signal continued uncertainty and concern in the local economy. Thus, the budget is conservative, taking these economic factors into consideration. Another critical variable is how societal changes from the pandemic continue to affect the economy, such as cut backs in in-person commerce or services through online shopping, a significant rise in virtual work, and a decrease in conferences and/or leisure services. Recoveries in sales tax and hotel tax (transient occupancy tax) are encouraging; however, we are cognizant that full recovery of hotel tax revenue may be challenging and require multiple years. Overall, various economists forecast a sluggish 2024 but not a significant slow down or a deep, long-term recession. Thus, the proposed budget is conservative, taking this economic outlook into consideration.

Economic development continues to support business attraction, retention, and expansion, and the City continues to monitor key metrics such as the unemployment rate in Milpitas, which is 4.7% as of February 2024 and represents an increase from the overall unemployment rate in Milpitas of 3.9% in 2023. This compares favorably to the State of California unemployment rate of 5.6% issued by the Employment Development Department but is higher than the national rate of 3.8% issued by the U.S. Bureau of Labor Statistics. The information management and manufacturing sectors saw employment declines, with cutbacks in the publishing industries and durable goods, which include consumer electronics, appliances, medical equipment and vehicles. However, education, health services and professional development and business services experienced employment increases due to gains in professional, scientific and technical services.

FY 2024-25 Citywide Budget

The FY 2024-25 Proposed Budget includes service realignments in the City Manager's Office and development services areas while maintaining or enhancing service levels in other key areas as compared to FY 2023-24. The FY 2024-25 citywide Proposed Budget of $248.4 million has increased $16.5 million, or 7.1%, in comparison to the Fiscal Year 2023-24 Adopted Budget of $231.9 million. This Budget proposes to increase the position count by 3.0 full-time equivalent (FTE) from 452 to 455 total FTEs. Of the 3.0 FTE net increases, 2.0 FTEs are needed to maintain critical utility infrastructure while the deletion or defunding of 2.0 FTE executive positions will offset the addition of needed support other areas. The increase in position count also includes the consolidation of the Public Works and Engineering Departments that was approved by Council on December 12, 2023, which resulted in the deletion of 1.0 FTE executive Director-level position and compensatory adjustments in other positions.

Table 2 – FY 2024-25 Funded Position Summary by City Service Area

City Service Area	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget Changes	FY 2024-25 Proposed Budget
Public Safety	199.0	0.0	199.0
Community Development	64.0	(2.0)	62.0
Community Services and Sustainable Infrastructure	121.0	4.0	125.0
Leadership and Strategic Support	68.0	1.0	69.0
Total	**452.0**	**3.0**	**455.0**

As shown in Table 3 below, the FY 2024-25 Proposed Budget is balanced with $248.4 million in revenues (including Transfers In) and $248.4 million in expenditures (including Transfers Out). The FY 2024-25 estimated revenue across all funds of $248.4 million has increased $16.5 million, or 7.1% compared to the FY 2023-24 Adopted Budget estimated revenue of $231.9 million. The FY 2024-25 estimated expenditures across all funds of $248.4 million is an increase of $16.5 million, or 7.1%, compared to FY 2023-24 adopted expenditures of $231.9 million. This is primarily due to an increase in Capital Improvement Program funding for community infrastructure, scheduled salary increases, and increases in supplies and services.

Table 3 – FY 2024-25 Citywide Budget Summary (All Funds)
Citywide Revenues and other Financing Sources ($ in millions)

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	% Change from Prior Year Adopted
General Fund	$129.5	$137.2	5.9%
Housing Authority	0.4	0.1	(75.0)%
Other Funds	16.8	13.7	(18.5)%
Water Fund	38.6	37.3	(3.4)%
Sewer Fund	27.3	34.0	24.5%
Net Operating Funds Total	**192.3**	**222.3**	**15.6%**
Capital Projects Funds	15.5	26.1	68.4%
Total	**$231.9**	**$248.4**	**7.1%**

Citywide Expenditures

	FY 2023-24 Adopted Budget	FY 2024-25 Proposed Budget	% Change from Prior Year Adopted
Personnel Services	$112.0	$120.0	7.1%
Supplies & Contractual Services	64.8	68.7	6.0%
Capital Outlay	2.1	1.1	(47.6)%
Operating Transfers Out	16.2	20.7	27.8%
Subtotal	195.1	210.5	7.9%
Capital Improvements	32.1	33.2	3.4%
Debt Service	4.7	4.7	0.0%
Total	**$231.9**	**$248.4**	**7.1%**

General Fund

The Fiscal Year 2024-25 Proposed General Fund budget of $137.2 million is balanced with $137.2 million in estimated revenues and other sources (Revenues) without the use of Contingency or Budget Stabilization Reserves. The General Fund budget also includes a one-time transfer of $2.5 million from facility replacement reserves to be used for approved CIP infrastructure projects. The Fiscal Year 2024-25 Revenues are estimated at $137.2 million (including prior year sources and transfers), an increase of $7.7 million, or 5.9 percent, in comparison to the Fiscal Year 2023-24 Revenue estimate of $129.5 million. The increase in revenue is primarily due to estimates from property tax ($4.2 million increase), sales tax including Measure F ($1.0 million increase), and transient occupancy tax ($1.2 million increase). However, due to lower federal grants to be received, the Fiscal Year 2024-25 intergovernmental estimate is $0.5 million less than Fiscal Year 2023-24. The City is also closely monitoring pending litigation related to the Educational Revenue Augmentation Fund (ERAF), which is a mechanism created by the State Legislature in 1992, to shift local tax revenues from cities, counties, and special districts to a State-controlled fund used to reduce its obligation to the schools. The City will continue to monitor the outcome of current litigation, which may reduce the City's property tax excess ERAF revenues. The litigation involves the California School Boards Association (CSBA) vs. State Controller litigation over the guidance on charter schools.

This budget and the accompanying FY 2025-2034 Ten-Year General Fund Financial Forecast (Forecast) assume that the City's revenues will continue to recover from the economic impacts of the COVID-19 pandemic, although we expect a longer recovery for the City transient occupancy tax revenues and a return of larger deficits in FY 2027-28 and beyond due to the currently scheduled sunset of Measure F.

Measure F Sales Tax Enhancement

With the passage of Measure F, a sales tax measure with a sunset of eight years and requiring independent audits and a citizens' oversight committee, the voters set the foundation for the City to maintain fiscal stability and preserve basic City services over several years. Consistent with the ballot measure, the City Council established the Measure F Oversight Committee (Committee) and charged it with the responsibility to annually review projected revenues and expenditures for the funds generated by Measure F. The Committee exercises this oversight as part of the development of the budget and advises the Council on whether the recommended Measure F funded expenditures are consistent with the ballot measure. The Committee conducted an annual review of all services maintained by Measure F Funds (see Table 4 below) on March 21, 2024, and confirmed that the services recommended to be maintained with Measure F funding are an allowable expenditure consistent with Measure F. The estimated Measure F revenues in the amount of $7.3 million are equivalent to 5.4% of the $137.2 million General Fund revenues estimated for Fiscal Year 2024-2025. With this additional tax revenue, the City is able to maintain the services as summarized in the table below:

Table 4 - Services Maintained by Measure F Funds ($ in millions)

Description of Services Maintained with Measure F Funds	FY 2024-25 Budget Cost ($ Million)
Respond to 911 calls within established parameters, resolve crime, dedicate staff to traffic safety and practice community-oriented policing, and maintain necessary fleet & equipment and continue effort for Police succession planning	$2.3
Fire Stations to ensure 24/7 coverage across the City, maintain necessary fleet & equipment and create paramedic services	$2.3
Services for aquatic, senior, and youth services including restored defunded positions	$0.5
Services for parks, tree and facility maintenance and necessary fleet & equipment, including restored defunded positions and enhanced positions	$1.8
Support local businesses in their economic recovery, retain existing business and attract new businesses	$0.2
Neighborhood preservation and code enforcement	$0.2
Maintain library hours which keep the Library open on weekday evenings and weekends. Library District Board suspended Milpitas contribution for FY2024-25*.	$0.0
Total Services Funding	**$7.3**

*The extended library hours were maintained. However, library district suspended City of Milpitas financial contribution due to adequate reserves in the Library District's budget. This is a year-by-year determination based on Library District's budget funding status.

As shown in Table 5 below, Measure F sunsets effective April 1, 2029, and deficits are anticipated starting with FY 2027-28, one year prior to the sunset date. The City continues to prioritize economic development, innovation, and cost management to eliminate this forecasted deficit. Additionally, the City is currently conducting a community survey to determine whether the Milpitas community would be supportive of placing a measure on the November 2024 ballot to extend the term for Measure F.

The Fiscal Year 2024-25 General Fund proposed expenditures of $137.2 million are $7.7 million, or 5.9% higher, in comparison to the Fiscal Year 2023-24 General Fund expenditures of $129.5 million primarily due to increase in salaries and benefits ($6.4 million), services and supplies ($1.4 million), and operating transfers ($0.1 million) to stormwater fund and CIP projects. The increase in salaries is due to cost of living adjustment (COLA) per labor contracts, increase in unaccrued actuarial liability, and base budget adjustments due to inflation. There are no newly added employee benefits; however, as salaries increase, benefit costs also increase as they are directly correlated. Risk management costs for liability and property insurance will increase approximately $0.4 million for all funds, with 69% allocated to General Fund and 31% to other funds. The plan includes the purchase of six vehicles to serve ongoing needs within the Police and Public Works Departments.

Table 5 below shows the FY 2024-2034 Ten-Year General Fund Financial Forecast. Over the ten years of the Forecast based on information available in March 2024, staff projects annual surplus and deficits between $0.3 million and -$20 million respectively. With the sunsetting of Measure F effective April 1, 2029, larger deficits are anticipated starting with FY 2027-28. Additionally, the below forecast does not include potential salary increases currently under discussion with MPOA and IAFF. The City remains cautious and concerned about the longer term economic forecast and will continue to work with the City Council on options to maintain a balanced budget in future years.

Table 5 – Ten-Year General Fund Financial Forecast ($ in millions)

	FY 23-24 Adopted Budget	FY 24-25 Proposed Budget	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast	FY 28-29 Forecast
Revenues and other Sources	$129.5	$137.2	$139.8	$145.6	$148.7	$152.3
Expenditures	(129.5)	(137.2)	(139.5)	(145.6)	(151.6)	(159.4)
Annual Surplus/(Deficit)	**$0.0**	**$0.0**	**$0.3**	**$0.0**	**($2.9)**	**($7.2)**

	FY 29-30 Forecast	FY 30-31 Forecast	FY 31-32 Forecast	FY 32-33 Forecast	FY 33-34 Forecast
Revenues and other Sources	$151.1	$156.1	$161.1	$166.2	$172.1
Expenditures	(165.9)	(173.2)	(178.9)	(186.0)	(192.7)
Annual Surplus/(Deficit)	**($14.8)**	**($17.1)**	**($17.8)**	**($19.8)**	**($20.6)**

American Rescue Plan Act

On March 11, 2021, President Biden signed into law the American Rescue Plan Act (ARPA), a $1.9 trillion stimulus package, to counteract the economic impacts of the COVID-19 pandemic. The bill contains a $350 billion allocation for state and local government aid including $45.5 billion allocated to metropolitan cities (pop. over 50,000), such as the City of Milpitas, utilizing a modified CDBG (Community Development Block Grant) formula. Based on this formula, our City received $16.7 million paid in two tranches - the first half was received on June 1, 2021 and the second half was received on June 9, 2022.

The U.S. Treasury issued the Interim Final Rule (IFR) on May 10, 2021, and the Final Rule on January 6, 2022, which went into effect on April 1, 2022. Council began ARPA discussions in March 2021 and adopted guidelines, investments plans, and project appropriations by August 2021. The five ARPA investment areas included: community services, economic vitality, infrastructure, public safety, and technology. The majority of ARPA funding is directly allocated to programs with only 2.1% set aside for administration costs. Appropriation and planning for ARPA programs are ongoing processes and are reviewed and modified periodically per guidance provided by Council. On April 16, 2024, the City Council approved the reallocation of funds between the City's remaining ARPA projects and the General Fund. Remaining ARPA dollars will be used to fund staff's wages in various City's Department, and an offset amount from the General Fund will be used to cover the remaining costs of the Community Projects previously funded by ARPA. As a result, all ARPA funds will be expended as of March 31, 2024.

Utility Funds

The City's Utility Funds for the Water and Sewer utilities are balanced. On April 18, 2023 the City Council adopted Ordinance Nos. 120.50 and 208.55, adjusting water, recycled water, and sewer service charges and fees for Fiscal Years FY 2023-24 through FY 2027-28. In accordance with the rate ordinances, Water and Sewer rates will increase by approximately 6.4 percent and 4.0 percent, respectively. For a typical single-family residential household, the bi-monthly water charge will increase by $9.76 from $152.21 to $161.97; and the bi-monthly sewer charge will increase by $5.14 from $128.44 to $133.58. The combined increased cost for a typical single-family residential household will be $14.90 bi-monthly, or $89.40 annually.

With the increased water rates, the Water Utility is better positioned to respond to water system gaps including infrastructure repair and rehabilitation identified in the Water Master Plan. The increased water rates will also ensure sufficient funds are available to pay for projected wholesale rates from our two providers for future years. However, Staff will continue to monitor wholesale rates which may increase at a higher rate than the budget assumption consequently diminishing water fund resources for infrastructure repair. Similarly, the sewer rate increase will better position the Sewer Utility to cover anticipated funding needs for CIP projects expected to be identified in the Sewer Master Plan, and the many unknowns associated with the modernization of the San Jose/Santa Clara Regional Wastewater Facility (RWF).

Capital Improvement Program

On February 22, 2024, the City Council held a Special Study Session to consider the draft FY 2025-2029 Capital Improvement Program (CIP), and on April 16, 2024, the Council approved the proposed CIP. A summary of the CIP can be found in this document as resources from various funds are transferred to capital projects annually. The funds for the first year of the Council approved FY 2025-2029 CIP are appropriated with the approval of the FY 2024-25 budget. The FY 2024-25 Adopted Capital Improvement Program funding in the amount of $33.2 million is $1.1 million more than the FY 2023-24 Adopted CIP of $32.1 million, which includes projects across six areas: community improvements, parks, streets, water, sewer and storm.

Council Priority Areas

During the FY 2024-25 Preliminary Budget Study Session held on January 30, the City Council reviewed and confirmed its seven priority areas to guide the development of the Budget.

Community Wellness and Open Space: *Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.*

Economic Development and Job Growth: *Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.*

Environment: *Promote a sustainable community and protect the natural environment.*

Governance and Administration: *Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.*

Neighborhoods and Housing: *Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.*

Public Safety: *Continue to invest in police and fire protection, in partnership with our community.*

Transportation and Transit: *Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.*

Citywide Budget Process, Council Referrals, and Community Engagement

The development of the annual budget is a comprehensive fiscal strategic planning process that involves overall guidance from the City Council, input from the community, and close coordination between the executive team and numerous staff budget representatives across all departments. At the January 30, 2024 meeting, Council received the preliminary FY 2025-34 ten-year General Fund financial forecast and provided feedback on prioritization of Council referrals to consider in the development of the FY2024-25 budget.

The community outreach program included a statistically valid survey, an Open Townhall online survey, a virtual community meeting (early May), and an employee townhall (April 25). In the December 2023 community engagement survey, 77% of adult voters are satisfied with the overall quality of life in Milpitas, 59% approve of City government overall, and 84% are “proud to live in Milpitas.” Furthermore, Public Safety continues to rate as residents’ top priority.

Community members were also given a hypothetical $100 budget and asked to allocate dollars based on what they considered the most important of the six Council Priority Areas the City should invest for the upcoming year. The dollars respondents allocated to each Council Priority Area shows how important, in the aggregate, a particular Priority Areas is. Based on the responses, Public Safety was ranked as the most important Council Priority Area with $25.20 of the allocations, followed by Neighborhoods and Housing ($17.40), Economic Development ($15.30), Community Wellness and Open Space ($14.30), Transportation and Transit ($14.10), and Environment ($13.70).

'Dollars' allocated to Council Priority Areas

$25.20	$17.40	$15.30	$14.30	$13.70	$14.10
Public Safety	Neighborhoods & Housing	Economic Development	Community Wellness & Open Space	Environment	Transportation / Transit

Both the Open Townhall online survey and the community research reflect a consensus among community members that things are progressing positively in Milpitas. 64.7% of respondents agree that things in Milpitas are generally headed in the right direction and indicate that the diversity, safety, geographic location, and small town feel are the reasons why they choose to live in Milpitas. In addition, maintaining 911 emergency response times and public safety services, repairing streets and fixing potholes, and tracking and investigating crime are considered top priorities of community members

Proposed Service Level Changes

This Proposed Budget includes modest service level changes that reflect the current management needs of the City; respond to prioritized City Council referrals; adds positions to support a backlog of service demands in facility and infrastructure maintenance, and invests in capital improvements. City Council referrals will be considered on an on-going basis and will be incorporated into the budget as prioritized by the Council and as funding becomes available.

The Proposed Budget includes enhanced service levels across all four City Service Areas (CSAs). The largest investment is in the Community Services and Sustainable Infrastructure CSA in the amount of $1.4 million. The second largest investment is in the Community Development CSA in the amount of $155,101. The Proposed Budget also invests $13,200 in the Public Safety CSA and reduces overall costs in the Leadership and Strategic Support CSA by $84,792 as a result of realignment of functions. Importantly, the costs associated with new positions or service enhancements are largely offset by the defunding or deletion of two executive-level positions (Deputy City Manager and Director of Building Safety and Housing) and other organizational changes. This adds to the budget savings created by the deletion of a third executive-level position (Engineering Director) in December 2023 when the Council approved merging the Engineering and Public Works Departments.

Community Services and Sustainable Infrastructure $1,423,037

(Information Technology, Public Works, Recreation & Community Services)

Service Level Changes

1. **Public Works Facilities Maintenance Staffing Enhancement ($205,190)**
   This action will add 1.0 FTE Equipment Maintenance Worker III position ongoing to the Facility Maintenance section. The Facility Maintenance section maintains 23 buildings totaling 454,655 square feet. Current industry standards for staffing for facility maintenance is 1 technician for every 50,000 square feet. The maintenance section is currently staffed with 5-FTE’s (1-Equipment Maintenance Worker III, 1-Equipment Maintenance Worker II, and 3-Maintenance Worker II).

2. **Transit Area Specific Plan Administrative Support ($232,450)**
   This action funds 1.0 FTE Management Analyst ongoing to support the projects funded by the Transit Area Specific Plan (TASP) developer impact fees and assist in updates to the infrastructure plan and impact fees in the expanded TASP, now called the Milpitas Metro Plan. This position will track all revenues and expenditures associated with developer impact fees in both the old TASP area and the new Milpitas Metro area to ensure timely and effective use of the funds as well as compliance with current legislation related to impact fees.

3. **Public Works Utility Maintenance Staffing Enhancement ($346,870)**
   This action will add an additional 2.0 FTE Water System Operator ongoing that will initially serve in a succession planning initiative with the eventual transfer to oversight and operations of the City's new drinking water wells. The City's Drinking Water System is regulated by the State's Division of Drinking Water and is required to have operations staff with a Distribution System Level 5 certification. Currently, the Utility Maintenance division has 3 operators with D5 certification. Two of these three operators will be eligible to retire in 2024. These staff have been with the City for more than 28 years each. Succession planning will be essential to ensure that the more than 50 years of institutional knowledge of the City's drinking water system can be transferred to new/existing staff to ensure that the City can continue to operate the System in a way that protects public health and is in compliance with State and Federal requirements. The position will create capacity within the section to allow for job shadowing, system documentation, and operational manual updates.

4. **Facilities Division Maintenance Supplies Enhancement ($50,000)**
   This action will provide an increase to the Facilities maintenance supplies budget will provide more accurate funding for the on-going maintenance needs for City facilities. In FY 2022/23, a total of $194,030 was expended from the Facilities maintenance supply budget (FY 2022/23 Approved Budget $159,300).

5. **Parks Division Maintenance Supplies Enhancement ($30,000)**

   The action will provide an increase to the Parks maintenance supplies budget will provide the required funding for necessary maintenance needs for 36 City parks. In FY 2022/23, a total of $72,151 was expended from the Parks maintenance supply budget (FY 2022/23 Approved Budget $36,720).

6. **Contract Classes Enhancement ($190,000)**

   This action would fund ongoing Contract Classes that have experienced sustained and substantial growth in the past fiscal year with a projected expansion of approximately 40-45% for FY23 -24 (from the previous FY). A mid-year budget adjustment of $190,000 for FY23/24 was requested in this area to meet the current FY contract class demand. In FY 24-25, approximately 40 classes are projected to be added to meet the demand from the Milpitas community including youth, teen, and adult class offerings in the new year.

   The proposed service level increase request of $190,000 will allow staff to meet contract class enrollment increase trends as well as accommodate increased class fees and associated contract instructor payments in FY24-25. This proposal is offset with revenues in amount of $292,000.

7. **Senior Nutrition Meals Enhancement ($6,444)**

   This action funds the ongoing Senior Nutrition Program at the Barbara Lee Senior Center, which provides a valuable service to the older adult community in Milpitas. The Senior Nutrition Program is a joint partnership with the County of Santa Clara and is contracted in FY23/24 to offer 88 meals per day for 241 service days to ensure food security to our senior adults.

   The Senior Nutrition Program additionally meets the wellness and health benefits of positive socialization and connection to fellow seniors. This environment encourages and supports those important health benefits to seniors.

   Since July 1, 2023, the Senior Nutrition Program has sustained a waitlist on average of 4-5 participants per day above the contracted amount of 88 participants per day. The proposal to add $6,443.50 to this service level would accommodate an additional 4 meals per day for the 241 service days in FY24/25. This proposal is offset with revenues in amount of $950.

8. **Curtner After the Bell After School Program Enhancement ($128,267)**

   This action will fund the Recreation and Community Services Department request for additional monies to expand the After the Bell (ATB) after-school program for the 2024-2025 school year by re-instating programs at Curtner Elementary School to provide ongoing, needed childcare services to 90 students from kindergarten to sixth grade. This proposal is offset with revenues in amount of $226,800.

9. **Public Works Vehicle Enhancement ($133,816)**

   This action funds two utility vehicles (2025 Ford F-250), one of which is to be assigned to a Water System Operator (WSO) in order for this staff member to be able to travel around the city to perform well maintenance activities and other functions in support of the water distribution system. The other vehicle is to be assigned to the Cross Connection Specialist which was approved in the FY 23/24 budget. At that time, staff had inadvertently omitted to request a vehicle for the position.

10. **Public Works Trees & Landscape Maintenance Equipment Enhancement ($100,000)**

    This action funds one chipper in support of the tree-trimming operation and to better facilitate emergency tree and stump grinding work. This additional piece of equipment will also aid in the deployment of a secondary tree-trimming operation in order to more quickly respond to service requests by the community.

<u>Community Development CSA</u> $155,101

(Building Safety, Economic Development & Strategic Initiatives, Housing, Planning)

Service Level Changes

1. **Affordable Housing Ordinance ($70,000, one-time)**

   This action provides $70,000 one-time basis for consultant support for revisions to the Affordable Housing Ordinance. At the December 5, 2023, City Council meeting, Mayor Montano requested that staff explore the possibility of amending the Affordable Housing Ordinance to increase the level of affordable housing required from 15% to 20% and/or other changes that could entice additional low income housing development.

   To amend the ordinance's affordability requirement staff would need to hire a consultant. The consultant would conduct community roundtables, stakeholder interviews, and/or other outreach events to gauge feedback on various alternatives. Additionally, the consultant would create a financial feasibility document to present to the City Council as part of the final policy analysis.

2. **Housing Supplies and Materials Budget Enhancement ($1,000)**

   This action funds $1,000 Supplies and Materials budget on an ongoing basis to the Housing division budget as part of the elimination of the Building Safety and Housing department to ensure that the Housing team can continue to procure appropriate supplies and materials.

3. **Housing Division Travel and Training Budget Enhancement ($3,000)**

   This action provides $3,000 on an ongoing basis for training. The current training budget for the housing team only covers 3.0 FTE and does not cover the additional funding needed for the additional administrative analyst that was funded for the Rent and Mortgage Relief Program oversight in Fiscal Year 2002-2003. With the increased costs of training and travel and a new hire, an increase to this budget line is required.

4. **Planning Department Part-time Staff Assistant ($53,794, one-time)**

   This action provides funding for a part-time staff assistant (one-time). The Staff Assistant will support the training and onboarding of new staff and ensure adequate coverage and service levels during periods of transition and unexpected vacancies within the department. Many customers find it more convenient and are now accustomed to conducting business remotely rather than coming to City Hall. This has resulted in significant added workload and increased response times because of the need to juggle increased phone calls and email messages with other work such as meetings, staff report preparation, and project coordination.

5. **Planning Department Records Specialist Intern ($27,307)**

   This action changes the previously funded one-time funded Records Specialists Intern into an ongoing funded position. The Planning Department maintains current and historic records related to land development, census and demographics, zoning determinations, long-range planning, etc. Many of these records are legal documents related to Planning entitlements and must be accessible to the public. The records for larger, complex projects are often voluminous and may include paper files, digital files, and exhibits. The department also maintains a library of reference materials related to planning, zoning, and land development. With frequent staff turnover going back a decade or more, the Department files have not been well maintained, and the volume of disorganized files increases significantly each year. Future staff and members of the public will find it increasingly difficult to research files and quickly access critical information due to poor housekeeping and records management. As a best practice, current and historic records should be available online for greater transparency and accessibility. There is an immediate and acute need in the Planning Department for a Records Specialist dedicated specifically to purging, organizing, and establishing protocols for a shared system for records management, retention, and access. Regular staff does not have adequate time to develop this type of system on a department-wide basis - a person with specialized skills in records management is needed to drive the process.

Public Safety CSA $13,200

(Fire (except Fire Prevention) and Police)

Service Level Changes

1. **FirstTwo Software ($7,200)**
   This action will fund the ongoing purchase of FirstTwo, which is a public safety software that Police Department patrol, investigations, and dispatch staff utilize to get in touch with people through publicly available contact and identity information. The software streamlines the process by which department staff accesses contact information associated with physical locations. Staff can do this by inputting an address or clicking on a digital map. Having this information readily available helps dispatchers and officers make important notifications during emergencies (such as a fire or other critical incident); helps reunite lost individuals with their family members; and assists officers and detectives locate and contact potential witnesses and victims during calls for service and criminal investigations.

2. **LeadsOnline CellHawk Software ($6,000)**
   This action will fund the ongoing purchase of a modern web-based software system called CellHawk to assist with gathering evidence and investigating crimes. The Criminal Investigations Bureau of the Police Department uses different methods to gather evidence and investigate crimes. With the advancement of technology, many of these investigations involve analyzing complex mobile device records that are acquired after a search warrant is issued. Formerly, the department's Crime Analyst and detectives sifted through this data manually, which took up a significant amount of staff time. However, with the purchase of a modern web-based software system called CellHawk, they can quickly and easily map, connect, and analyze digital location evidence. In addition, this software produces a clear visual representation of evidence that is easy to understand in court. After implementing, testing, and evaluating the software, detectives and the Crime Analyst have been able to significantly reduce the time spent on analyzing mobile device data from days and weeks to just minutes and hours. This has allowed them to successfully evaluate digital evidence while also being able to focus their efforts on additional important investigations.

Leadership and Strategic Support CSA ($84,792)

(City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources,)

Service Level Changes

1. **Finance Department Staffing Enhancement – Purchasing ($100,870)**
   This action would convert an existing 0.5 Temporary Buyer to 1.0 FTE Buyer on an ongoing basis. The current temporary buyer in FY23-24 budget includes 49 hours per week already. This proposal includes benefit costs only. Additional capacity is needed in this function to ensure that the Finance Department can efficiently, accurately, and fairly administer the City's procurement policies in a timely manner to meet the needs of all City departments.

2. **Human Resources Department Staffing Enhancement - Recruitment ($154,149)**
   This action would fund 1.0 FTE Human Resources Analyst to replace an existing part-time Analyst who works remotely. Additional capacity is needed in this function to ensure that the Human Resources

Department can attract efficiently, accurately, and fairly administer the City's hiring policies in a timely manner to meet the needs of all City departments and attract new talent to the City.

3. **City Attorney Internship Program ($17,587 one-time)**

   This action will fund a summer law clerk position. The law clerk would conduct research and make recommendations on document templates and Municipal Code updates. This will allow timely completion of discrete long-term projects and help build the Milpitas brand within the municipal law bar.

4. **City Manager's Office Realignment (-$181,550)**

   This action realigns positions within the City Manager's Office executive leadership to realize cost savings to support the City's general fund forecast challenges on an ongoing basis. This realignment would result in defunding the Deputy City Manager position (-$370,025), reclassifying the Economic Development Director position to Director of Economic Development & Strategic Initiatives ($32,558), and creating a new temporary benefited Senior Special Projects Associate position ($155,917). Given economic realities, defunding the Deputy City Manager position will allow the City to re-evaluate the long-term need for this position in light of other city priorities. The significant level of work associated with the Deputy City Manager position will be distributed amongst the City Manager's Office and executive leadership team staff. In particular, the Director of Economic Development & Strategic Initiatives will take over legislative activities and certain strategic policy work that is closely aligned with business attraction, revenue generation, and the City's fiscal sustainability. In addition, the current, part-time Senior Special Projects Associate position would continue in an unbenefited role to assist with policy analysis of key City Council strategic initiatives such as, but not limited to, the Senior Discount program, American Rescue Plan Act funding, Charter City analysis, grant program and other priority initiatives.

5. **Development Services Realignment (-$433,223)**

   This action realigns the Building Safety, Code Enforcement and Housing functions into more appropriate work areas within the City as opposed to being combined into one department to provide for more efficient and effective service delivery to our customers on an ongoing basis. This action would result in the deletion of the Building Safety & Housing Department. With the exception of the Building Safety & Housing Director, all staff and budget from this department will be shifted as follows: (1) Building Safety staff and budget will be shifted to the City Manager's Office in a new "Office of Building Safety;" (2) Housing staff and budget will be shifted to the City Manager's Office in a new "Office of Housing;" (3) Code Enforcement staff and budget will be shifted to the Planning Department.

   Additionally, the following position changes will be made: (1) The vacant Building Safety & Housing (BSH) Director position will be deleted (-$288,940); (2) The Housing Authority Administrator position will be reclassified to Housing Official in recognition of the higher-level responsibility this position will have with the deletion of the BSH Director position ($38,414), and; (3) a vacant Building Inspector position (1.0 FTE) will be deleted due to decreased building inspection volume (-$182,697).

6. **Human Resources – Citywide Training Enhancement ($25,000)**

   This action will provide ongoing funding of $25,000 dedicated to training and professional development of City staff. The government sector continues to experience challenges in attracting and retaining the next generation. While retirements continue (leaving knowledge and experience gaps), there are now more than five generations in our workplace and many in mid-level supervisory and leadership positions who are critical to organizational success and in retain our employees (Gallup) and yet may not have the skills to support their success. In general, government has lagged behind the private sector in investment in employees and yet the next generation is looking for many things from employers, one of which is growth opportunities (training and professional development).

7. **Grant Consultant Annual Services ($50,000)**
   This action will fund $50,000 ongoing for consultant support for the City in identifying and seeking grant opportunities that match with the highest priority needs of our community. The consultant will coordinate closely with City Departments, review master plans, budgets and community priority surveys and work with city staff to target key grant opportunities for capital and operational needs.

8. **Business License Contractual Services ($111,528, net $0)**
   This action would will enhance services provided by the City to the business community by funding HdL Companies to provide full business license service and administration. This will streamline the business licensing process by making everything available online in a user-friendly format. HdL would administer full business license services to the new and existing businesses in the City of Milpitas and will allow Fiscal Services staff to focus on other customer service needs and projects. The cost of this proposal is cost neutral.

9. **Finance Fiscal Services Enhancement ($40,847)**
   This action restores 0.5 FTE Water Meter Technician (Temporary) - 20 hours per week in the Fiscal Services section of Finance Department on an ongoing basis. In FY24 Adopted Budget, City defunded 0.5 part-time FTE Water Meter Technician (Temporary) for Fiscal Services Reorganization. Upon further evaluation, Water Meter Technician position was highly skilled with specific water meter knowledge, and it is difficult to train office staff to complete that level of work.

10. **Senior Discount Community Survey ($30,000, one-time)**
    This action will fund $30,000 one-time for a survey of local businesses to help determine options and alternatives for a potential citywide senior discount. In June 2023 the Mayor and City Council prioritized the review of a potential citywide senior discount for Milpitas residents. If a program is ultimately approved by the City Council additional funds will be required for program implementation.

Amendments to Fiscal Policies and Budget Guidelines

As part of the annual budget process, staff reviews the Fiscal Policies and Budget Guidelines, which can be found in a separate section of this budget document. These policies and guidelines set the fiscal framework for the annual budget process and long-term financial decisions. Below please find a summary of the Fiscal Policies and Budget Guidelines, which will be presented for Council consideration on May 14, 2024.

Changes to Fiscal Policies

The City's Fiscal Policies are organized in the following categories: General Financial Goals; Operating Budget, Revenue, and Expenditure Policies; Utility Rates and Fees; Capital Budget Policies; Debt, Reserve, and Investment Policies; and Accounting, Auditing, and Financial Reporting Policies. The City Council has also adopted separate debt and investment policies consistent with State law.

This Proposed Budget is balanced and remains focused on sound City fiscal policies and protecting existing reserves. These reserves provide some flexibility on an operating surplus, if any, and consistent with Council direction, continue to fund the City's Strategic Property Acquisition Reserve (SPAR). Staff does not propose any changes to the Fiscal Policies as part of the FY24-25 budget.

Reserves

This budget protects the City's reserves and balance sheet position by not utilizing the contingency reserve, budget stabilization reserve, future year deficit reserve, ERAF litigation contingency (ERAF Reserve), nor PERS stabilization reserve to fund FY 2024-25 appropriations. General Fund facility replacement reserves are proposed to fund specific CIP facility maintenance projects in the FY2024-25, in accordance with the purpose of the reserves. Specifically, as of the audited FY2023 reserve balances, the City will retain $94.4 million of General Fund reserves as shown below in the “committed” category of $17.0 million and “unassigned” category of $44.7 million and Section 115 Pension Irrevocable Trust of $32.7 million* (as of 6/30/2023), which is held separately in a trust fund. Table 6 below summarizes the Audited Comprehensive Financial Report (ACFR) for the General Fund balance and considers the footnote for the Section 115 Trust (effective June 30, 2023), which is presented separately from the General Fund in the ACFR. The proposed General Fund 10-year forecast currently does not include the final costing for MPOA and IAFF labor negotiations result. In order fund potential increases, the City may have to utilize the future year deficit reserve and PERS stabilization reserve to balance the budget in outyears if needed.

Table 6 – General Fund – Fund Balance FY2017-18 to FY2022-23 (Audited balances, $ in Millions)

($ in Million)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Nonspendable:						
Loan receivable	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Prepaids, materials, supplies and deposits	$0.7	$0.7	$0.6	$0.6	$0.7	$0.7
Property held for resale	$4.2	$4.2	$4.2	$4.2	$4.2	$4.2
Advance to Other Funds	$5.2	$5.3	$5.4	$0.0	$0.0	$0.0
Subtotal Nonspendable	**$10.1**	**$10.2**	**$10.2**	**$4.8**	**$4.9**	**$4.9**
Committed to:						
PERS stabilization†	$29.9	$33.9	$33.9	$2.8†	$5.1*	$6.1
Artificial turf replacement	$0.8	$1.0	$1.2	$1.4	$1.7	$1.9
Technology replacement	$1.0	$2.0	$2.0	$2.0	$2.0	$2.0
Facilities replacement	$2.0	$7.0	$7.0	$7.0	$7.0	$7.0
Subtotal Committed	**$33.7**	**$43.9**	**$44.1**	**$13.2**	**$15.8***	**$17.0**
Assigned to:						
Change in investment market values	$0.0	$0.0	$1.1	$0.0	$0.0	$0.0
Uninsured claims payable	$2.8	$2.8	$2.0	$2.3	$2.3	$2.8
Contracts	$1.2	$3.1	$3.0	$2.4	$2.5	$3.6
Other assigned	$0.0	$0.0	$0.0	$1.8	$1.2	$0.5
General government capital projects	$4.6	$0.0	$0.0	$0.0	$0.0	$0.0
Subtotal Assigned	**$8.6**	**$5.9**	**$6.1**	**$6.5**	**$6.1**	**$6.9**
Unassigned:						
General Fund Contingency Reserve	$0.0	$0.0	$17.3	$18.3	$18.5	$19.8
Budget stabilization	$4.0	$9.5	$17.1	$18.3	$18.5	$19.8
Future deficit	$0.0	$0.0	$0.0	$1.5	$1.5	$1.5
ERAF Reserve	$0.0	$0.0	$0.0	$1.2	$1.2	$2.3
‡SPAR (Strategic Property Acquisition Revenue)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.7
Unassigned	$36.5	$31.2	$0.0	$0.2	$0.3	$0.7
Subtotal Unassigned	**$40.5**	**$40.7**	**$34.4**	**$38.3**	**$40.0**	**$44.7**
Total fund balances	**$92.9**	**$100.7**	**$94.8**	**$62.8**	**$66.8**	**$73.5**

*For the General Fund, Water and Sewer Funds, the Section 115 Pension Trust market value was $30.6 million on June 30, 2022.
†General Fund of $33.9 million of PERS stabilization was put into a Section 115 Pension Trust on June 30, 2021 at Council’s direction.
‡SPAR (Strategic Property Acquisition Revenue) was established in FY23-24 budget to support long-term revenue opportunities for strategic property acquisition and development. See Reserve Policies statement no. 57.

Major Development Activities in the City

Milpitas Metro Specific Plan – The Milpitas City Council unanimously adopted the Milpitas Metro Specific Plan (Metro Plan) on February 7, 2023. The Metro Plan updates the original 20-year Transit Area Specific Plan (TASP) and incorporates changes to address current and future economic and social conditions that have evolved since the original plan was adopted in 2008. As described in the Plan document: "The Milpitas Metro area is a unique and vital hub in Silicon Valley. It is a major transportation crossroads, including transit stops served by BART, VTA light rail, and bus, and it includes major roadways and highway access. It is also emerging as Milpitas's densest urban center, featuring new multifamily development, a range of shopping opportunities, and a planned Innovation District. Milpitas Metro will be an urban, future-forward center that supports a balanced mix of housing, retail, and employment uses; provides safe multimodal connections and public spaces; and is distinguished by urban design standards that create a visually memorable environment."

The expansion of the Metro Plan area eastward toward Interstate 680 will include approximately 75 acres on both sides of Montague Expressway for future development of an Innovation District. This area will focus primarily on technology and research and development that provides employment opportunities and revenue generation for the City. The Office of Economic Development will commence business attraction efforts focused on artificial intelligence, biosciences, and automotive technology sectors. In preparation for targeted business attraction efforts, staff is developing the Innovation District Branding Initiative in partnership with local marketing firm Navajo Company. This area may also include some existing and future housing in a mixed-use environment within proximity to jobs and transit. The Metro Plan also envisions future hotel and hospitality uses within the Innovation District as demand emerges. In addition, the Metro Plan recognizes the great potential for future evolution of the 99-acre Great Mall site into a wider range of mixed uses. The Plan anticipates that both the City and the property owner of the Great Mall will want to plan in more detail how future redevelopment of the Great Mall could occur in the best interests of both parties, retaining commercial services and enhancing the value of this land, such that a comprehensive Development Agreement (DA) would be a likely path to follow up on how to implement the Metro Plan in that area following Metro Plan adoption. The Metro Plan establishes a framework articulating the initial expectations of the City relative to the redevelopment of the site and will serve as a strong foundation for a future Development Agreement.

Finally, the Metro Plan recognizes the great value of the Milpitas Transit Center and its connection to regional BART service to support significant commercial and employment development. The Metro area, particularly with the eastward boundary expansion of the Innovation District, can add significant capacity to the original commercial opportunity by adding more commercial/ employment space. It is anticipated that such development could bring new high-paying jobs to the City, particularly providing new opportunities for Milpitas residents. Significant job growth near new and existing residential development can also be expected to reduce VMT and enhance the City's overall fiscal and environmental sustainability.

The City is preparing an update to the Transit Area Development Impact Fee (TADIF) based on changes in property valuations and the proposed public improvements in the Metro Plan. The TADIF will be used to fund public improvements such as streets, utilities, pedestrian facilities, and parks and open space as the Metro area continues to redevelop. The City is also creating new zoning districts to implement the land use designations identified in the Metro Plan and facilitate redevelopment.

Gateway-Main Street Specific Plan (Midtown Specific Plan Update) – In March 2002, the Milpitas City Council adopted the Milpitas Midtown Specific Plan to establish a framework for redevelopment of the City's historic Main Street and adjacent areas along the Calaveras Blvd. corridor between Main Street and Interstate 880. The overall strategy for the Midtown area was to create a mixed-use community that includes high-density, transit-oriented housing and a central community "gathering place" while maintaining needed retail and commercial service uses. The original Midtown Plan was amended in 2008 concurrent with adoption of the Transit Area Specific Plan.

In October 2021, the City of Milpitas and a team of consultants from Ascent Environmental teamed up to kick off the long-awaited update of the Midtown Specific Plan. This effort has identified four primary focus areas: South Main Street between Sinnott Lane and Curtis Ave., the area surrounding the Serra Way and South Main Street intersection, Calaveras Blvd. between I-880 and S. Abbott Ave., and the I-880 frontage along Abbott Ave and Thompson Court. These four inter-related areas form an important gateway into the City via Highway 237 and South Main Street, and the updated Midtown Plan has been rebranded as the Milpitas Gateway-Main Street Specific Plan in recognition of the significance of this area as a primary entrance to the City. The Gateway-Main Street Plan will establish the types, locations, and intensities of land uses to be accommodated within each focus area. A variety of uses will be allowed, including entertainment, retail, civic, cultural, office, and high-density mixed-use residential in a compact, walkable, and unique centralized setting. Work is well underway on the Plan with completion of the existing conditions report, analysis of the area's urban form, a detailed market study, community outreach, and preferred Plan strategies. The Draft Plan and environmental analysis are in progress. The Plan's estimated completion date is Fall 2024.

Economic Development Strategy – Economic Development and Job Growth is a key City Council priority, which is vital to the health of the local economy and revenue generation. The City Council adopted the Economic Development Strategy and Implementation Actions report (EDS) on May 5, 2020, to serve as Milpitas' road map to grow and diversify the City's economy, support businesses and workers, and improve quality of life in the community. The EDS is a five-year strategy and implementation action plan that is 69% complete in four years.

The Office of Economic Development has executed several implementation actions of the EDS. Accomplishments include business attraction, retention and expansion with Amazon, Apple, Asteelflash, BD Biosciences, Falcon X, Flex, The Great Mall of Milpitas, Torrent Labs, and Turner Construction. The Office of Economic Development has commenced the Innovation District Branding Initiative with a project scope including naming concept, brand development and messaging, marketing and promotional materials, and a website dedicated to the Innovation District.

Staff also hosted a successful seventh annual Manufacturing Day event in partnership with KLA, Flex and the Milpitas Unified School District. More than 100 guests including students, teachers, City and school district officials and community members participated in facility tours, product and process demonstrations, and professional development Q&A sessions to educate and inform high school students about manufacturing careers. Staff led and developed a panel discussion for the International Council of Shopping Centers' (ICSC) annual deal making conference in Monterey promoting thought leadership and best practices for retail development. Staff also created a webinar series in partnership with ICSC and the northern California chapter of the American Planning Association. This four-part series examined contemporary retail land use activities and how local zoning codes can adapt to them.

The Office of Economic Development. staff approved five Storefront Improvement Grant Program applications totaling $185,000 in eligible grant-funded exterior improvements to commercial buildings on Main Street as part of the City's Economic Vitality Investment Framework actions.

Residential Development – The City continues to process new development projects in FY 2023-24. The City entitled significant multi-family residential projects, including a 206-unit residential development at 1355 California Circle. The project includes 131 market-rate townhomes and 75 affordable apartment units. Within the Metro area, the City also entitled a 100 percent affordable 116-unit apartment development at 1300 South Main Street. The project includes a mix of studios and one-, two-, and three-bedroom units and will also provide 39 parking spaces in a parking garage. The Planning Department is also reviewing a proposal for a 43-unit townhouse development at 1905 Tarob Court, which will include 13 ground-floor accessory dwelling units (ADUs). The project includes a mix of two-, three-, and four-bedroom units and will also provide 109 parking spaces, including two-car garages for each townhome. The project is significant because it includes the connector street between Tarob Court with Sango

Court, which will eventually connect to a new bridge over Penitencia Creek and create a direct connection from this neighborhood to the Milpitas Transit Center.

New Business Development – The following technology and advanced manufacturing businesses have moved to, are in the process of moving, or have expanded in Milpitas: Apple (production studio), Corsair Gaming , BD Biosciences, Commonwealth Fusion Systems, KLA+, TDK, Headway Technologies, Tarana Wireless, Ascenx, Trace3 and Global4PL. As of March 2024, BD Biosciences has welcomed approximately 500 employees onsite, and a total of 850 employees are expected by August 2024. These Milpitas businesses have created new jobs and generate sales tax revenues through business-to-business relationships.

Non-residential Development – In FY 2023-24, the City approved several new non-residential development projects. In November 2023, the Planning Commission approved a time extension to allow the development of a 130,665-square-foot hotel at 1851 McCarthy Boulevard. In February 2023, the City approved a new 293,000-square foot warehouse-distribution facility on a 14-acre site at 475-525 Sycamore Lane in the Southwest Employment area. Following the demolition of the existing office buildings in January 2024, the project is currently under construction. This new development should attract multiple advanced manufacturing businesses looking to relocate or expand in Santa Clara County.

Conclusion

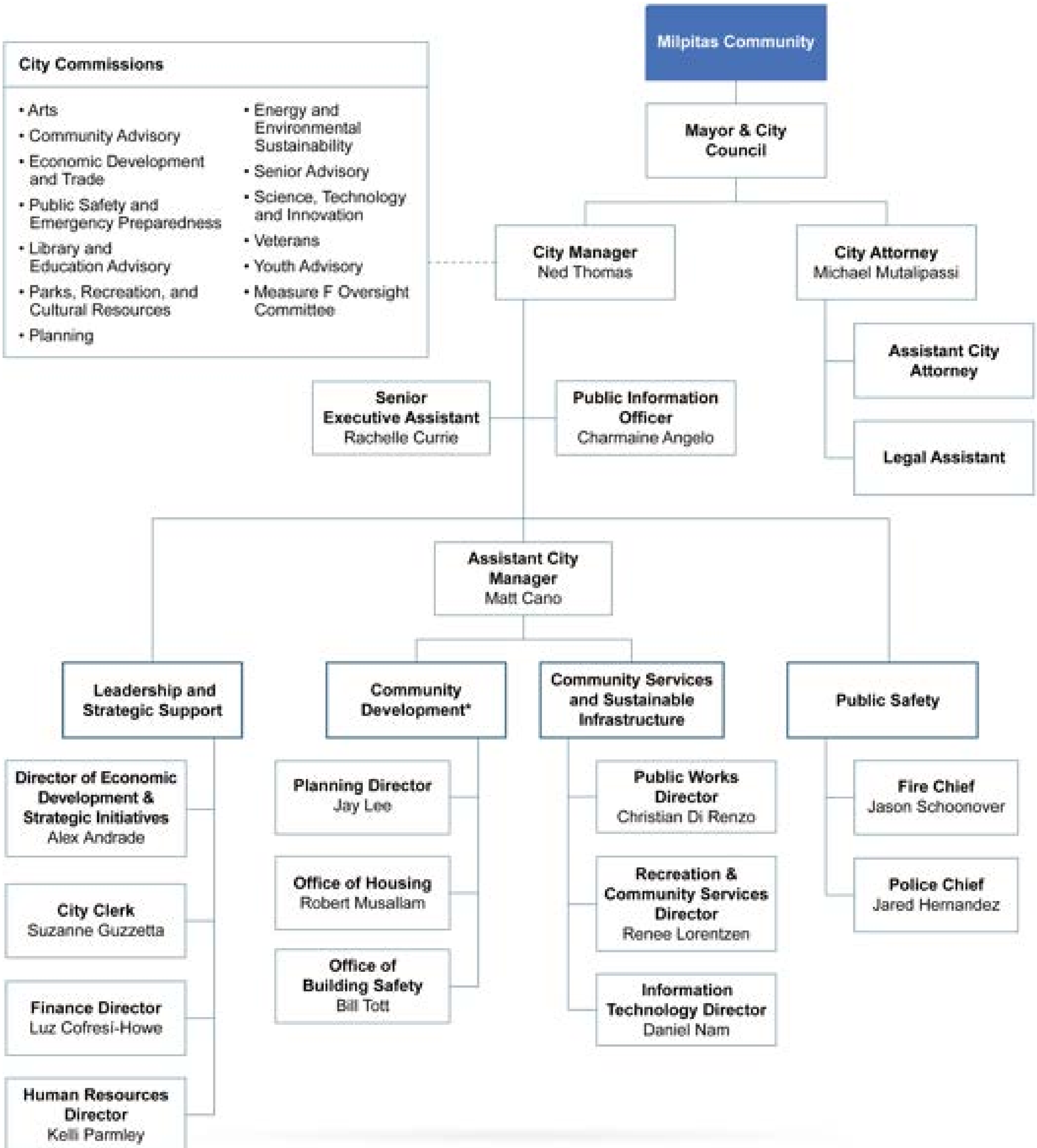
The Proposed FY 2024-25 Budget appropriately maintains and realigns priority service areas to address the current needs of the Milpitas community and the need of the City as an organization. We remain committed to supporting our community and maintaining fiscally sound policies to fund City reserves, continue long-term planning and investing in City economic development. This balanced budget provides funding for a portfolio of essential City services and infrastructure improvements. Throughout this process, we have faithfully sought Council, community, and employee feedback to inform budget priorities.

This budget could not be accomplished without the tremendous work of the Executive Leadership Team and their staff. I am especially thankful to the Budget Team, including Acting Finance Director Gabrielle Tsang and Budget Manager Christine Nguyen, as well as the entire Finance Department for their dedication, professionalism, and expertise in the development and publication of the FY 2024-25 Proposed Budget. Above all, I greatly appreciate the foresight, leadership, and direction of Mayor Montano and our dedicated City Council members, in pursuing a collaborative and successful budget process. With your guidance and support, Milpitas is poised for fiscal stability and continued success as we face the year ahead, however, we remain cautious and concerned about the longer term economic forecast and will continue to work with the City Council on options to maintain a balanced budget in future years.

Respectfully submitted,

Ned P. Thomas, AICP
City Manager

Organization Chart



*Community Development includes Fire Prevention (Fire Dept.), Land Development (Public Works Dept.), and Office of Economic Development & Strategic Initiatives (City Manager's Office).
FY2024-25 Proposed Organization Department changes

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-1800s which still stand today.

The José Alviso Adobe principal residence of Rancho Milpitas as it appeared in 1940. (Photo by Willis Foster, Library of Congress Historic American Buildings Survey collection).

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.

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, population 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 81,067 residents[1].

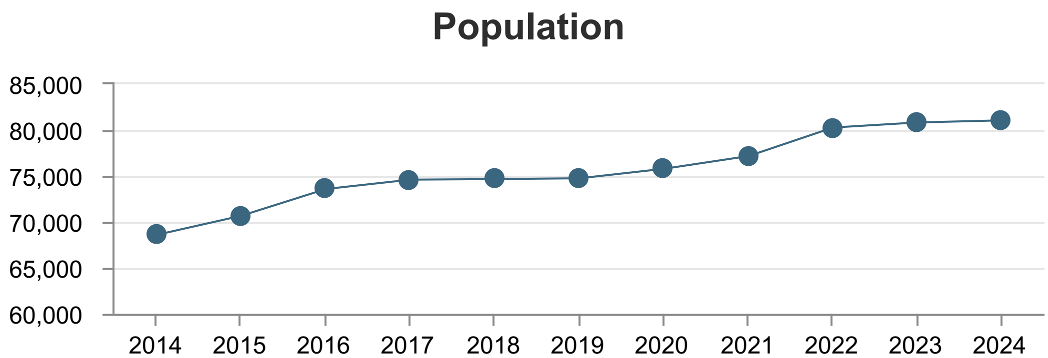
Alviso Adobe Park is one of Milpitas' hidden gems – perfect for a family or small group outing to discover the past. Built on the site of the 1837 José Maria Alviso Adobe, today this peaceful special purpose park celebrates and preserves the community's ranching and agriculture roots with historic farm outbuildings, public art, interpretive signage, heritage trees, fruit trees, flowers and wildlife visitors. There is an interpretive exhibit – If These Walls Could Talk – that tells the adobe's story through a dynamic visual and audio presentation that helps visitors learn about the adobe's significance both locally and regionally.

History courtesy of: The Milpitas Post

Demographic Profile

Population

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. Residents of the burgeoning city of 81,067 are part of family-centered communities that embrace cultural diversity, quality schooling, and conveniently located neighborhood parks and shopping centers.[1] The table below reflects City population based upon data from Department of Finance.



Development

Incorporated in 1954 with 825 residents, Milpitas is located at the southern tip of the San Francisco Bay and in Silicon Valley. The City 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 approximately 1.9 million residents. To the north is the city of Fremont. To the south lies San Jose, the third largest city in California. As of 2024, Milpitas had an existing inventory of approximately 15.3 million square feet of office, R&D, and manufacturing space.[1] This inventory is flexible and includes a diversity of building types and sizes, which can accommodate businesses in need of different types of spaces. About 6.7 million square feet of warehouse and distribution space existed in Milpitas in 2019.[2]

Milpitas has a large and diverse offering of retail stores and restaurants, mostly concentrated in suburban-style shopping centers. As of 2024, Milpitas had nearly 5 million square feet of retail, of which three quarters was located in retail centers of different sizes and trade areas.[2] Milpitas has an ethnically diverse array of retail and restaurants, and a significant portion of retail in Milpitas is specialized in Asian products. Milpitas has major regional retail destinations that attract shoppers from beyond the city. The largest centers are the Great Mall, a 1.4 million square feet super-regional mall, and McCarthy Ranch, a 415,000 square feet power retail center.[2]

Employment

With over 40,700 jobs[3] and 38,800 employed residents, Milpitas is a jobs rich community.[4] The two largest employers in Milpitas are Cisco Systems with approximately 3,000 employees and KLA with over 2,500 employees.[4] Other major employers include Amazon, Flex LTD, Headway Technologies, and Milpitas Unified School District. Several of these top employers have made Milpitas their corporate headquarters location. The largest percentage of the Milpitas workforce, approximately 25%, are employed in professional, scientific, and management, and administrative and waste management, 24% in manufacturing, and approximately 15% in educational services, and health care and social assistance. Approximately 8% work in retail trade while 6.2% are employed in arts and entertainment.[5]

The City's largest own-source revenue is property tax. Top ten property tax payers are shown below:[6]

Principal Property Tax Payers: Fiscal Year 2023-24

Taxpayers	Taxable Assessed Value[1]	% of Total City Assessed Value
1. KLA Tencor Corporation	$565,688,668	2.44%
2. Cisco Technology Inc	520,695,642	2.24%
3. Headway Technologies Inc.	367,013,914	1.58%
4. Milpitas Mills LP	360,394,095	1.55%
5. Sandbox Expansion LLC	228,703,699	0.99%
6. McCarthy Center Holdings LLC	214,696,475	0.93%
7. Milpitas-District 1 Owner LLC	196,855,292	0.85%
8. MG Eleanor Apartments LLC	192,150,000	0.83%
9. WH Silicon Valley VI LP	183,321,200	0.79%
10. Amalfi Milpitas LLC	179,562,301	0.77%
Total	$3,009,081,286	13%

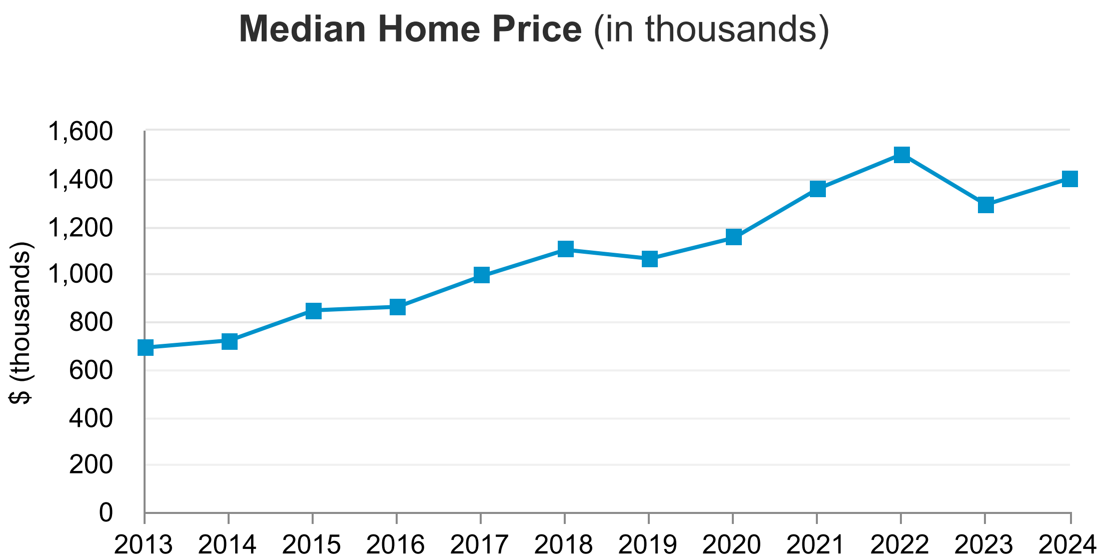
[1] The total City assessed valuation for fiscal year 2023-24 is $23,204,772,090.
Source: California Municipal Statistics, Inc.

Community

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. Milpitas' neighborhoods are dotted with over 20,000 households and well-placed parks. Thirty-seven city parks are maintained by Milpitas, including 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' median household income is $169,460.[7]

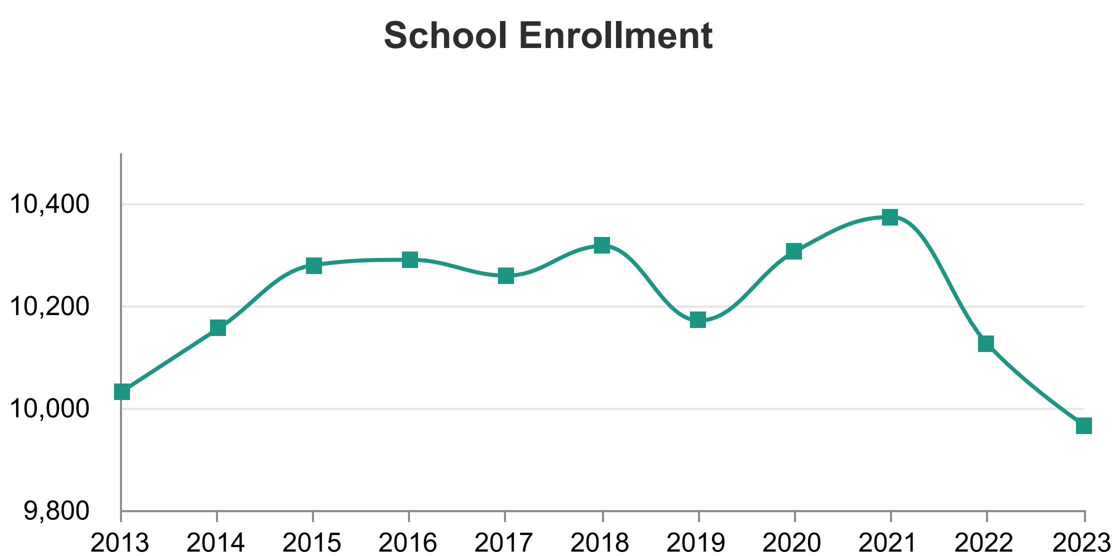
Housing[5]

Close to 63.7 percent of Milpitians own their own home. The median gross rent in Milpitas is $2,762. The median price of a single family residence as of January 2024 in Milpitas is $1,400,000. About 21.9 percent of the city's population are under 18 years of age. About 78 percent of the population are 18 years and over. About 12 percent of residents are 65 years and over.



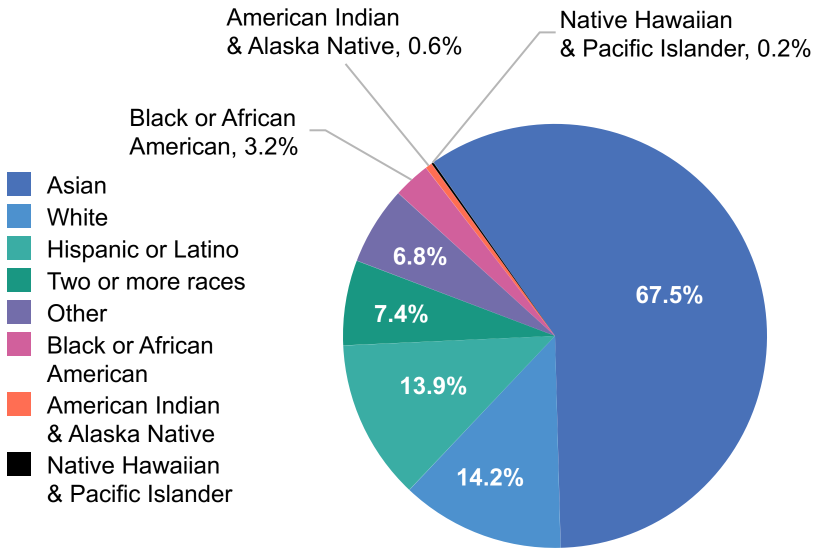
Education

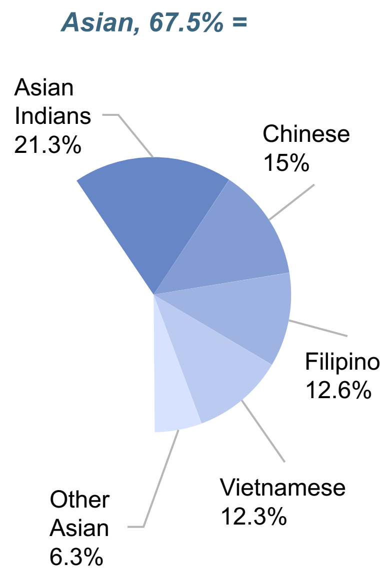
The Milpitas Unified School District operates ten elementary schools (K-6), two middle schools (7-8), two high schools (9-12), one continuation high school, and one adult education school. The district employs over 500 individuals on a full-time basis to serve approximately 10,000 students as a Pre K-12 grade school system.[8]



Facts About Our Residents

According to the latest Census Bureau American Community Survey (ACS) Five-Year Estimate, 67.5 percent of residents are Asian with Asian Indians at 21.3 percent, Chinese at 15 percent, Filipino at 12.6 percent, Vietnamese at 12.3 percent and Other Asian at 6.3 percent. 14.2 percent are White; Hispanic or Latino is at 13.9 percent; Black or African American is at 3.2 percent; American Indian and Alaska Native is at 0.6 percent; Native Hawaiian and Pacific Islander is at 0.2 percent; Other Race is at 6.8 percent and those who identify as belonging to two or more races is 7.4 percent.





Note: The race and ethnicity population numbers are acquired from two data sets. Currently, the Hispanic/Latino/Spanish option is separated out from the general race question.

Government

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 terms.

The City Council makes the ultimate planning and policy decisions for residents, and oversees the city's budget. The five members carry out twice a month public meetings. At these times, the public is able to provide comments.

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 12 Advisory Commissions and one Oversight Committee on which residents can participate - the Planning Commission, Arts Commission, Youth Advisory Commission, Library and Education Advisory Commission and Senior Advisory Commission, to name a few.

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[1]July 1, 2023 population data from Department of Finance
[2]City of Milpitas Economic Development Strategy and Implementation Actions Report (May 2020)
[3]The decline is due to different reporting methodology. In prior budgets, a different data set was used that included jobs held by non-Milpitas residents.
[4]California Employment Development Department
[5]2021 ACS 5-Year Estimates Data Profiles
[6]HdL Coren & Cone
[7]2022 American Community Survey One-Year Estimates (https://data.census.gov/all?q=milpitas+median+household+income)
[8]https://dq.cde.ca.gov/dataquest/

Milpitas at a Glance

Date of Incorporation:

January 26, 1954

Form of Government:

Council-Manager

Population (estimated*)	81,067
Land area (Square Miles)	13.6
Miles of Streets	308
Number of Street Lights	4,584

Fire Protection	
Number of Stations	4
Number of Firefighters	66
Fire Apparatus	13
Number of Fire Hydrants	2,308

Police Protection	
Number of Stations	1
Number of Substations	1
Number of Sworn Officers	94
Number of Crossing Guard Locations	34
Number of Police Patrol Vehicles	30

Employees - FY 24 Budget	
Permanent	455
Temporary (FTE)	63.3

*July 1, 2023 population provided by Department of Finance.

Water Utility	
Number of Customers	
Residential	14,704
Commercial	2,425
Recycled Water	248
Average Daily Consumption (in million gallons)	
Potable Water	6.5
Recycled Water	0.72
Miles of Water Mains	183

Sewer Utility	
Miles of Sanitary Sewers	160
Miles of Storm Drains	112

Public Schools Serving the Community	
Elementary Schools	10
Middle Schools	2
High Schools	2
San José City College in collaboration with the MUSD and San José Evergreen Community College district	1

Parks and Recreation	
Acres of Parkland	164.59
Number of Parks	37
Number of Playgrounds	35
Number of Tennis Courts	25
Number of Swimming Pools	3

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-model station opened for service in June 2020.

FY 2025-2034 Ten-Year General Fund Financial Forecast

Staff develops a Ten-Year General Fund Financial Forecast to highlight long-term impacts of projected revenues and expenditures primarily to enhance the City's fiscal long-term stability and pension costs management. When the California Public Employees Retirement System (CalPERS) changes the actuarial assumptions of the pension portfolio, such as lowering the interest earning or demographic assumptions, such changes become fully effective seven years after CalPERS Board approval. In addition, Measure F is an eight-year tax measure, consequently, long-term forecasts provide an invaluable planning tool to understand the fiscal implications of today's budget actions and are an indication of sound fiscal planning and strategy.

The table below shows the FY 2025-2034 Ten-Year General Fund Financial Forecast starting with the FY 2024-25 Proposed Budget. Over the ten years of the Forecast based on information available in March, staff projects annual surplus and deficits between $0.3 million and -$20.6 million. Deficits are anticipated to start in FY 2027-2028 and increasing significantly after the April 1, 2029 sunset of Measure F. Therefore, to prevent service reductions, the City continues with economic development, cost management and innovations. The table below also includes the information on the City's current year Adopted Budget for FY 2023-24. Revenues and other Sources includes taxes, fees, overhead charges and use of reserves, as applicable. Uses include personnel and non-personnel expenditures, debt service and contributions to reserves, as applicable.

Table 1 – FY 2025-2034 Ten-Year General Fund Financial Forecast - Overview ($ in millions)

	FY 23-24 Adopted Budget	FY 24-25 Proposed Budget	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast
Revenues and Other Sources	$129.5	$137.2	$139.8	$145.6	$148.7
Expenditures	(129.5)	(137.2)	(139.5)	(145.6)	(151.6)
Annual Surplus/(Deficit)	**$0.0**	**$0.0**	**$0.3**	**$0.0**	**($2.9)**

	FY 28-29 Forecast	FY 29-30 Forecast	FY 30-31 Forecast	FY 31-32 Forecast	FY 32-33 Forecast	FY 33-34 Forecast
Revenues and Other Sources	$152.3	$151.1	$156.1	$161.1	$166.2	$172.1
Expenditures	(159.4)	(165.9)	(173.2)	(178.9)	(186.0)	(192.7)
Annual Surplus/(Deficit)	**($7.2)**	**($14.8)**	**($17.1)**	**($17.8)**	**($19.8)**	**($20.6)**

The following sections discuss the year-over-year changes between the FY 2023-24 Adopted Budget and the FY 2024-25 Proposed Budget as well as assumptions embedded in the FY 2025-2034 Ten-Year General Fund Financial Forecast for major revenue and expenditure categories.

Revenues and Other Sources

Table 2 – FY 2025-2034 Ten-Year General Fund Financial Forecast – Revenues and Other Sources ($ in millions)

	FY 23-24 Adopted Budget	FY 24-25 Proposed Budget	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast
Revenues/Sources					
Property Taxes	$46	$50.3	$52.2	$54.1	$56.1
Sales & Use Tax	28.9	29.6	30.2	30.9	31.5
Sales Tax – Measure F	7.0	7.3	7.5	7.7	7.8
Transient Occupancy Tax	11.8	13.0	13.7	14.1	14.5
Licenses, Permits & Fines	8.7	9.2	10.0	10.3	10.7
Charges for Services	8.1	7.9	8.1	8.3	8.6
Franchise Fees	5.8	6.0	6.2	6.3	6.5
Use of Money and Property	0.4	1.2	1.2	1.2	1.3
Other Taxes	1.1	1.1	1.2	1.2	1.2
Intergovernmental	0.8	0.3	0.3	0.3	0.3
Other Revenues	0.4	0.3	0.3	0.3	0.3
Operating Transfers In	8.1	8.5	9.0	9.4	9.8
Facility & Technology Reserves	2.4	0.0	0.0	1.4	0.0
Total Revenues/Sources	**$129.5**	**$137.2**	**$139.8**	**$145.6**	**$148.7**

	FY 28-29 Forecast	FY 29-30 Forecast	FY 30-31 Forecast	FY 31-32 Forecast	FY 32-33 Forecast	FY 33-34 Forecast
Revenues/Sources						
Property Taxes	$58.9	$61.1	$63.4	$66.3	$68.8	$72.0
Sales & Use Tax	32.3	33.1	33.9	34.7	35.6	36.5
Sales Tax – Measure F	6.0	0.0	0.0	0.0	0.0	0.0
Transient Occupancy Tax	15.0	15.4	15.9	16.3	16.8	17.3
Licenses, Permits & Fines	11.1	11.5	11.9	12.3	12.8	13.2
Charges for Services	8.8	9.1	9.4	9.6	9.9	10.2
Franchise Fees	6.7	6.9	7.1	7.4	7.6	7.8
Use of Money and Property	1.3	1.3	1.4	1.4	1.5	1.5
Other Taxes	1.2	1.3	1.3	1.3	1.3	1.4
Intergovernmental	0.3	0.3	0.3	0.3	0.3	0.3
Other Revenues	0.3	0.3	0.3	0.3	0.4	0.4
Operating Transfers In	10.3	10.8	11.3	11.0	11.2	11.5
Other Reserves	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenues/Sources	**$152.3**	**$151.1**	**$156.1**	**$161.1**	**$166.2**	**$172.1**

Property tax revenues are estimated to be $50.3 million in FY 2024-25, an increase of $4.2 million, or 9.2%, compared to the FY 2023-24 Adopted Budget of $46.0 million. Excess ERAF (Educational Revenue Augmentation Fund) of $3.4 million was included for FY 2024-25. Due to recent ERAF litigation, there is a 30% contingency on the ERAF revenue source as a conservative approach. Excess ERAF is the mechanism that moves state funds through the County system. The California Legislature created the Educational Revenue Augmentation Fund in 1991 to reduce state general fund spending on schools, therefore a portion of property tax revenue goes to ERAF to support local school districts. The Excess ERAF formula for allocation to cities is based on various factors, mainly the countywide property tax growth, Redevelopment Agency assets sale, department of education’s local control funding formula, school districts attendance rate, and special education charges. Staff develops the Property Tax revenue estimates based on information provided by the City’s property tax consultant and the County of Santa Clara. For FY 2025-26, staff has built in a slight increase of property tax revenue estimates returning to historical annual growth rates over the remainder of the Forecast at 3.75% for secured property tax and 3.0% for ERAF.

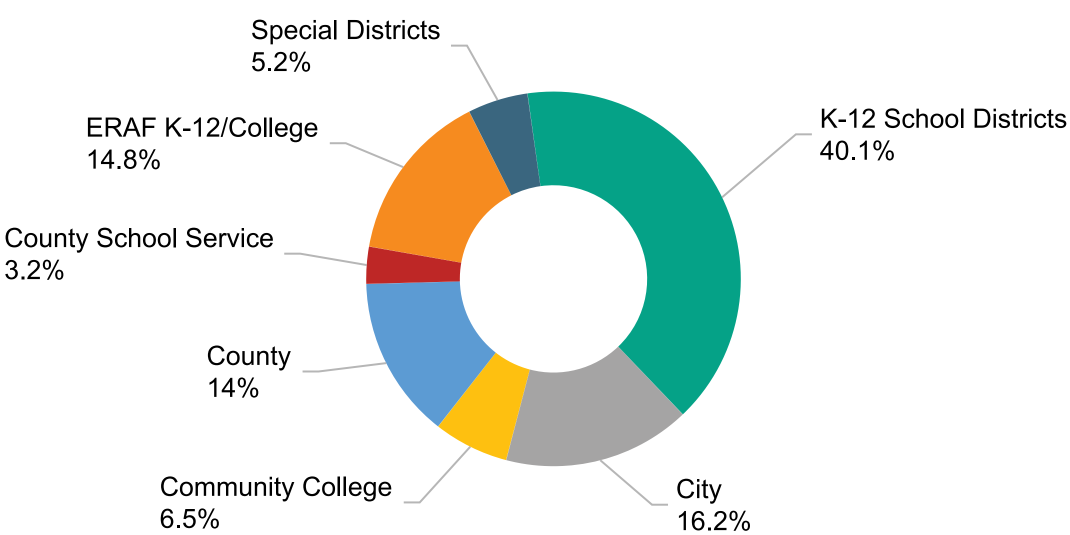
Property Tax - Excess ERAF – The dispute over the residual property tax source entitled "excess ERAF" revenue continues to be litigated in the Court of Appeals in the matter of California School Boards Assoc., et al. v. Yee, etc. (Case No. C096838) as related to the State Controller’s guidance on Charter School allocations. The trial Court found in favor of the State Controllers and the intervening Counties, and it entered judgment in their favor on June 24, 2022. The California School Board Assoc. filed a timely appeal. The matter before the Court of Appeals has been fully briefed, but has not yet been set for oral argument. Staff will continue to monitor and provide updates.

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-year average, staff estimated that the California consumer price index in the San Francisco/San Jose metropolitan area will likely increase at a rate of 2 to 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 are factored into the forecast.

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 16.2% of the 1% base rate.

Chart 1: Property Tax Allocation by Percent among various Governmental Entities

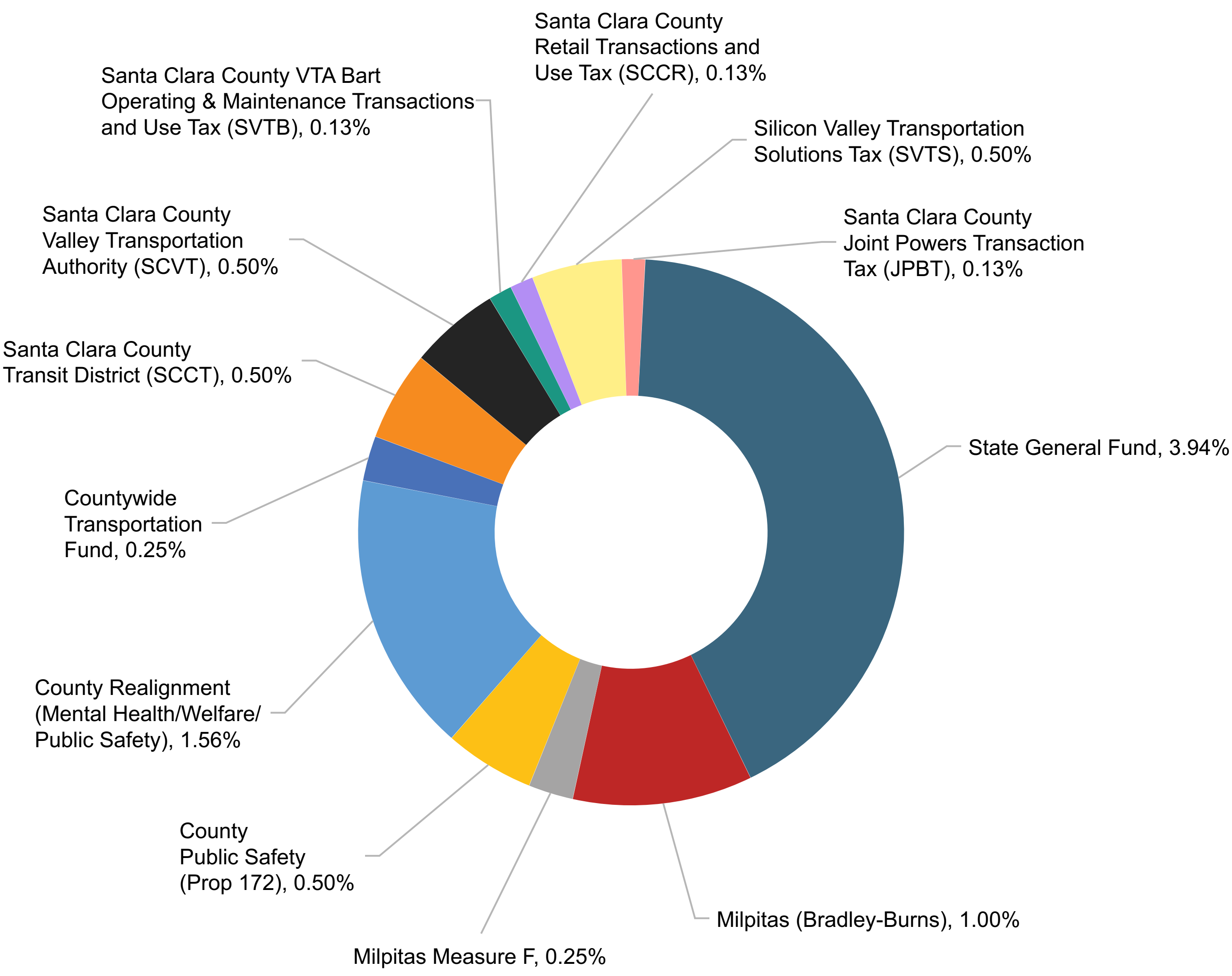


Sales tax revenue is projected to be $29.6 million in FY2024-25, an increase of $0.7 million, or 2.4% compared to FY2023-24 Adopted Budget of $28.9 million. The FY2024-25 Proposed Budget is approximately status quo to the Amended Budget revenue estimate – with a slight increase of $0.7 million, or 2.4%. State and local governments are in post-Covid recovery, and consumer spending is assumed to return to more sustained levels. A growth rate of about 2.5% is projected for the remainder of the Forecast. The projected increase is mostly based on estimates from the City's sales tax consultant.

The chart below shows the allocation of sales tax rate among the taxing jurisdictions. The City's share of the total sales tax rate is one percentage point.

Chart 2: 9.375% Sales Tax Allocation by Percentage Points among various Governmental Entities

Allocation of Sales Tax



Measure F ¼ Cent Local Sales Tax, approved by the voters of the City of Milpitas in November 2020 with an eight-year sunset clause, is projected to be $7.3 million in FY2024-25. At the February 20th City Council meeting, the City Council approved the increase of the FY2023-24 revenue estimate for Measure F sales tax in amount of $0.3 million, or 4.3%, from $7.0 million to $7.3 million due to conservative growth. The City of Milpitas Public Services Measure is a general tax to provide funding to maintain the City's finances and services, including: police and fire protection, 9-1-1 emergency response, and natural disaster preparation; youth, senior, and recreation services; repairing park equipment and maintaining parks and recreation centers; and attracting and retaining local businesses. Measure F has an 8-year sunset provision and is effective April 1, 2021 through March 31, 2029.

Transient Occupancy Tax (TOT), or Hotel/Motel tax Revenues, is projected to be $13.0 million in FY2024-25, an increase of $1.2 million, or 10.3% compared to FY2023-24 Adopted Budget of $11.8 million. With a post-COVID recovery economy, travel is resuming and demonstrated in hotel and lodging. It's not certain how the Pandemic may alter business travel and the impacts on hotel and lodging in the long-term. TOT revenue estimates are projected to increase about 5% in FY25-26 which assumes continued revenue recovery and then growth of 3.0% for the remainder of the Forecast.

Licenses and permits consist of building permits and fire permits which are primarily construction related. The estimated revenue for licenses and permits, for the FY 2024-25 estimated revenue is $9.2 million. It is projected to increase by $0.06 million, or 0.8% from $9.16 million to $9.23 million in comparison to the FY 2023-24 Amended Budget (an increase of $0.6 million, or 6.6%, from the FY2023-24 Adopted revenue estimates of $8.7 million). The estimated revenue reduction is primarily due to the current declining trends for building permits in comparison to prior years. While plan check revenues are holding steady, construction of projects and therefore related fees (i.e. building permit fees) are not reaching current year FY 2023-24 budget estimations. With the current slower economic outlook, the FY 2024-25 Proposed Budget conservatively assumes the construction delays and lower building permit revenues. The forecast for FY2025-26 and FY2026-27 assumes significant revenue recovery and then it is projected to increase between 3.5% to 3.8% for the remainder of the Forecast.

Charges for Services are primarily user fees, including charges for private development related services, engineering fees and recreation service charges. The FY 2024-25 estimated revenue from Charges for Services is $7.9 million, a decrease of $0.04 million, or 0.5%, to FY 2023-24 amended revenue estimates of $7.9 million (a decrease of $0.2 million, or 2.9%, from the FY 2023-24 adopted revenue estimates of $8.1 million). The decrease is primarily related to Recreation programs, specifically the partnership with the State for After-The-Bell program(s) sites being reduced and thus less students being served. Charges for Services is projected to increase 2.8% for the remainder of the forecast. As demand for recreation services increases over the next few years, associated program expenditures will adjust accordingly.

Franchise Fees are 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). The FY 2024-25 estimated revenue from Franchise Fees is $6.0 million, an increase of $0.2 million, or 3.1%, compared to FY 2023-24 Adopted Budget revenue estimates of $5.8 million. Franchise Fees are projected to increase an average of 3.0% for the remainder of the Forecast.

Use of Money and Property includes interest earnings on the City's cash pool. The City expects an increase in interest earnings from the FY 2023-24 estimate of $0.4 million to $1.2 million in FY 2024-25.This uptick in interest income is primarily due to 1) the quick rise in market rates over the past year as a result of tighter Fed policy designed to combat inflation; and 2) the management of the City's diversified portfolio of fixed income assets that has taken advantage of this shift in the market while providing safety and liquidity.

Other Taxes include real estate transfer tax (approximately $0.7 million), business license tax (approximately $0.3 million) and motor-vehicle-in-lieu (approximately $80,000). The FY 2024-25 estimated revenue from Other Taxes is $1.1 million. When real estate transfers ownership (i.e. via existing real estate sales and/or newly constructed real estate sales), it generates a transfer tax revenue to the City. Average annual increases of 2.8% are projected for the remainder of the Forecast.

Intergovernmental represents the revenue account for federal and state grants. The FY2024-25 estimated revenue for Intergovernmental is $0.3 million, a decrease of $0.5 million, or 63.5%, from FY2023-24 Adopted Budget of $0.8 million. The variability of the revenue depends upon the award of competitive grants, which the forecast does not include, to be conservative.

Operating Transfers In are mainly reimbursements from other funds for the staff support and administrative services provided by the General Fund. These costs are determined through a methodological allocation process (known as the Cost Allocation Plan, or CAP). Net transfers into the General Fund will increase in conjunction with operating expenditure increases, an average of 3.6% annually over the Forecast period. Operating Transfers are projected to be $8.5 million in FY 2024-25, an increase of $0.3 million, or 4.3%, compared to FY 2023-2024 Adopted Budget revenues estimates of $8.1 million.

Expenditures

Table 3 – FY 2025-2034 Ten-Year General Fund Financial Forecast - Expenditures ($ in millions)

	FY 23-24 Adopted Budget	FY 24-25 Proposed Budget	FY 25-26 Forecast	FY 26-27 Forecast	FY 27-28 Forecast
Expenditures					
Salaries	$60.7	$62.7	$64.7	$66.6	$68.7
Benefits	38.7	43.0	44.8	47.1	49.6
Services & Supplies	25.1	26.6	27.7	29.3	30.6
Debt Services	1.2	1.3	1.2	1.3	1.5
Capital Outlay	0.5	0.3	0.4	0.4	0.4
Operating Transfers Out	3.2	3.3	0.8	0.8	0.8
Total Expenditures	**$129.5**	**$137.2**	**$139.5**	**$145.6**	**$151.6**

	FY 28-29 Forecast	FY 29-30 Forecast	FY 30-31 Forecast	FY 31-32 Forecast	FY 32-33 Forecast	FY 33-34 Forecast
Expenditures						
Salaries	$70.8	$72.9	$75.1	$77.4	$79.8	$82.2
Benefits	53.3	55.8	58.3	59.4	62.1	63.5
Services & Supplies	32.6	34.3	36.7	38.9	41.9	44.9
Debt Services	1.5	1.7	1.8	1.8	0.8	0.8
Capital Outlay	0.4	0.4	0.4	0.4	0.4	0.5
Operating Transfers Out	0.8	0.9	0.9	0.9	0.9	0.9
Total Expenditures	**$159.4**	**$165.9**	**$173.2**	**$178.9**	**$186.0**	**$192.7**

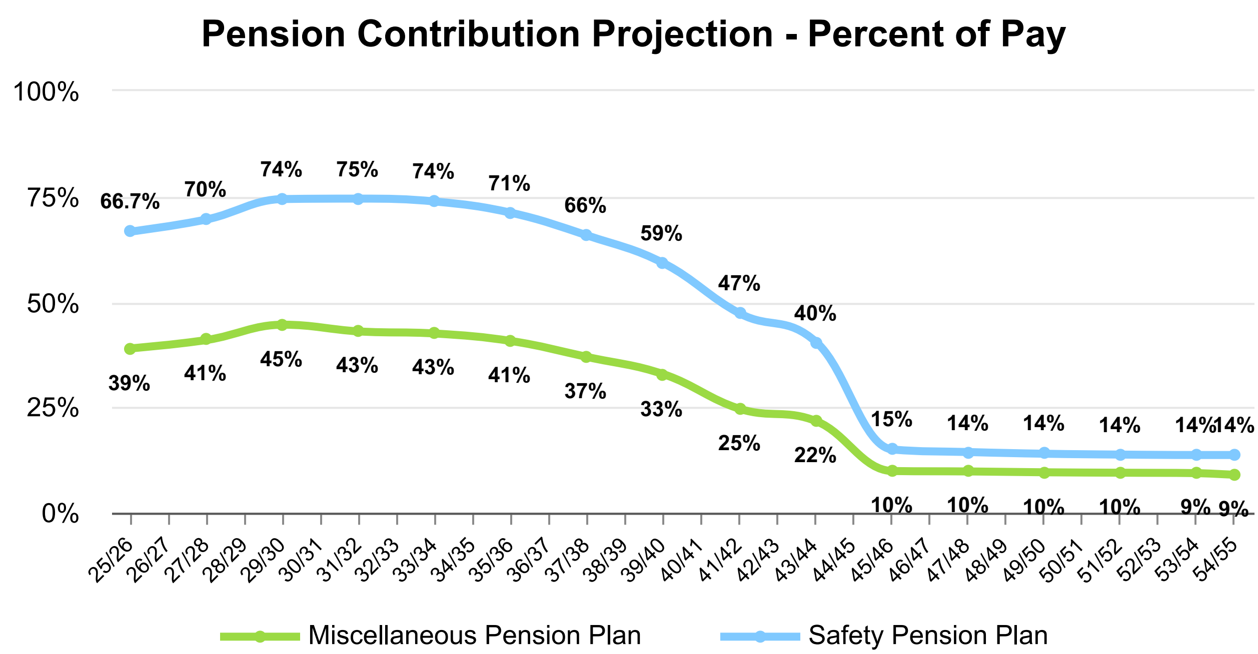
Salaries and Benefits is projected to increase due to scheduled salary increases along with related benefit increases. The overall FTE increases by net of 3 FTEs to 455 FTE. Of the $6.3 million salaries and benefits increase, it is primarily related to scheduled cost of living adjustment and associated benefits and increase in unaccrued actuarial liability due to CalPERS loss of 6.1% in fiscal year 2022. Based upon current contracts, the scheduled COLA are as follows: MEA (4%), PROTECH (4%), MidCon (3% 7/1/2024), IAFF/UNREP Fire (3% 1/1/2025, pending negotiation), MPOA/UNREP Police (3% 7/1/2024, pending negotiation), UNREP MISC (3% 7/1/2024, estimated). COLA for these groups for FY 2024-2025 are subject to change pending finalization of negotiations.

The California Public Employees Retirement System (CalPERS) annually provides member agencies with an actuarial valuation of member agencies' pension plans. The City has two pension plans with CalPERS, the Safety Plan for sworn Police and Fire Department employees and the Miscellaneous Plan for non-sworn employees working in all City Departments. For FY 2024-25, the City budget reflects pension contribution costs based on the most recent actuarial valuation available by CalPERS dated July 2023. These valuations are based on data, including payroll data, as of June 30, 2022. Often, due to increased positions and granted salary increases per MOUs with the City's bargaining units, the budgeted payroll data is higher than CalPERS' assumption in its valuations.

In Fiscal Year 2015-16, CalPERS started to change its pension contribution methodology for agencies. Agencies are being charged a flat fee for the unfunded accrued liability (UAL), which is not based on a percent of payroll, and the normal cost of the pension benefit, which is based on a percent of payroll. Normal cost is the percentage of payroll that is required to fully fund the annual cost of service for the upcoming fiscal year for active employees only. Unlike normal costs, UAL represents outstanding funding needed for services provided by active or former City employees. The UAL is impacted when current plan benefit, demographic assumptions (retiree longevity), or assumed rate of investment earnings change, or when CalPERS does not meet or exceed its investment earnings target.

The charts below were part of the report prepared by Foster and Foster, the City's actuary. With a 50% probability, the City's Sworn Plan contribution percentages will peak in just over 8 years at 74.5% of payroll; similarly, the City's Miscellaneous Plan contribution percentages will peak in just over 8 years at 44.6% of payroll. In Fiscal Year 2021-22, CalPERS experienced lower than expected return of -6.1%. Consequently, the return increased overall unfunded accrued liability (UAL) for out years, increasing contribution rates. Actual Fiscal Year 2023 CalPERS investments results have not been published as of the date of this report. Currently, the retirement plan has three tiers based on the hire date of the employee. Tier 1 consists of employees hired before October 9, 2011. Tier 2 consists of employees hired on or after October 9, 2011. Lastly, PEPRA (Public Employees' Pension Reform Act), applies to employees hired on or after January 1, 2013. Tier 1 and 2 retiree benefits are significantly more costly than the PEPRA tier because PEPRA has a much lower pensionable compensation cap. Accordingly, as the chart for both pension plan shows, due to the demographic changes of the plans' population over the next 30 years as Tier 1 and 2 member population declines, the pension contributions as a percent of payroll are expected to decline substantially.

Chart 3: Miscellaneous and Safety Plans Contribution Projections as a Percent of Payroll (Foster and Foster, January 2024)



On March 3, 2020, the City Council reviewed the City's Pension Actuarial Report and directed staff to return to City Council with the necessary documents for the establishment of a 115 Pension Trust to invest reserve funds set aside to pay future pension obligations. After a competitive procurement process and a detailed legal review, staff brought forward a plan for Council consideration and awarded the contract to PFM to establish a Section 115 Trust with the $33.9 million CalPERS reserve. The charts below were prepared by Bartel & Associates to demonstrate scenarios where annual withdrawal from Section 115 Trust is used to stabilize contribution rates to smooth out the peak years for Miscellaneous and Safety plans.

Chart 4: Payment to 115 Trust - Miscellaneous Contribution Rate Projection (Foster and Foster, January 2024)

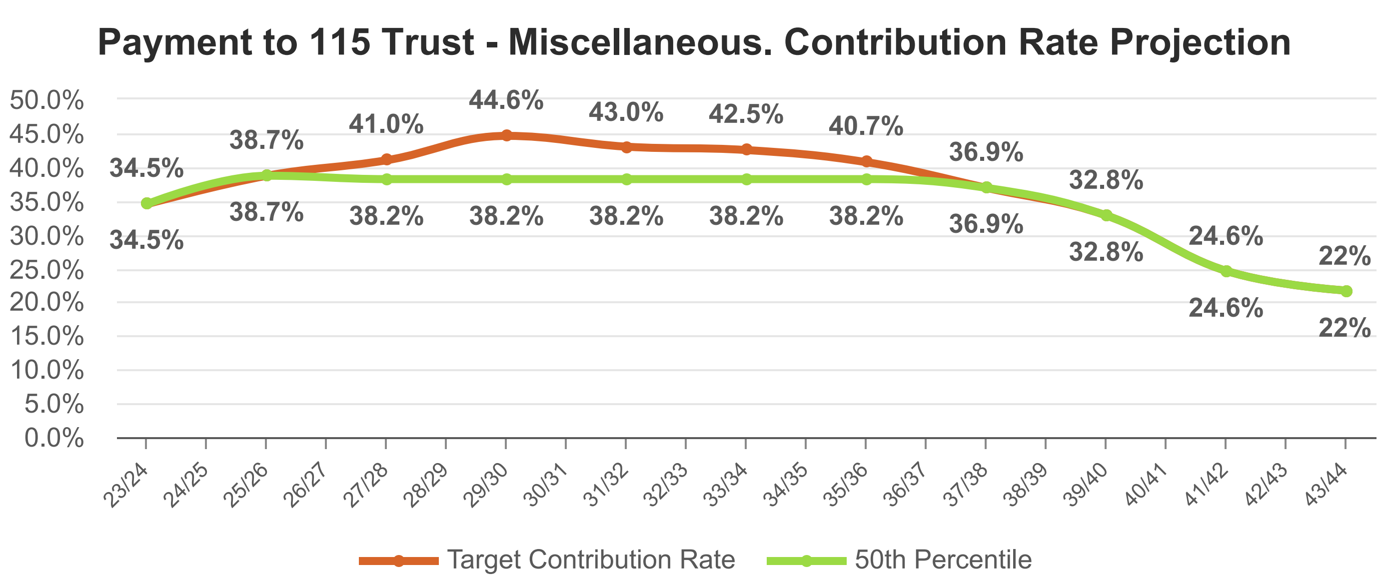
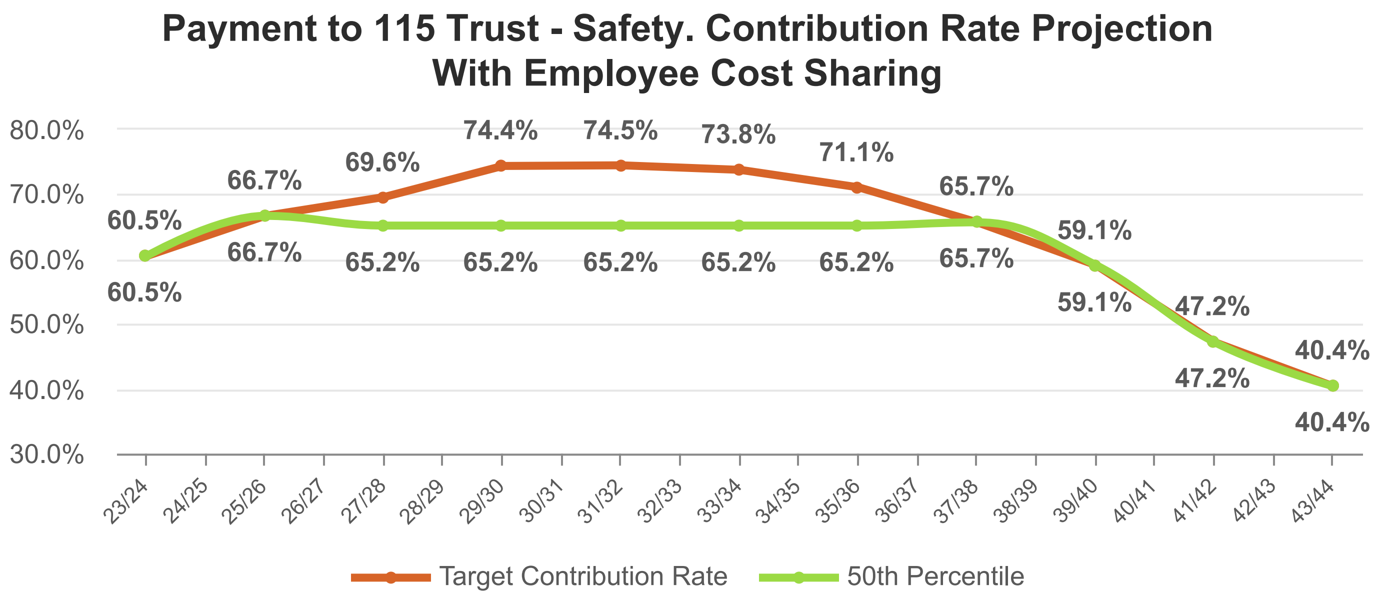


Chart 5: Payment to 115 Trust - Safety Contribution Rate Projection With EE Cost Sharing (Foster and Foster, January 2024)



Services and Supplies costs are anticipated to be $26.6 million in FY 2024-25, an increase of $1.4 million, or 5.6%, compared to FY 2023-24 adopted budget of $25.1 million. This increase is primarily in the areas of PLAN JPA premium, base increases due to high inflation and proposed enhanced services. An average annual increase of 3% is projected for the remainder of the Forecast but consumer price index (CPI) may increase given the current inflationary economic conditions. There are also fluctuations of cost increases every other year due to election costs that are incurred by the City. The City may experience more fluctuations due to labor shortage, supply chain challenges and inflation.

Debt Service The City issued Lease Revenue Bonds in the principal amount of $18.4 million authorized by Council on October 20, 2020 to fund the Fire Station #2 Construction Project and Energy Efficiency projects with ENGIE Services. This Forecast assumes annual General Fund debt service to be approximately $1.3 million annually starting in FY 2024-25, which is partially offset with assumed energy cost savings from the energy efficiency projects.

Capital Outlay consists of the purchase of equipment (primarily vehicle, large equipment and computers) with an estimated replacement value greater than $5,000. Annually, departmental budgets are funded and charged for ongoing equipment replacement charges. These charges are based on the anticipated replacement cost for existing equipment. However, annually the General Fund supplements these costs with an additional amount. For FY 2024-25, a total of six vehicles (3 Public Works vehicles, 3 Police vehicles) are budgeted and $0.3 million additional funds from the General Fund are used to augment the Equipment and Vehicle Replacement Fund. On average, for the remainder of Forecast period, $360,000 of supplemental funding is anticipated to be budgeted annually based on historical trends.

Operating Transfers Out consists of transfers to the Information Technology Equipment Fund ($300,000) per the current Fiscal Policies. This budget continues the annual transfer to the Storm Drain Fund for FY 2024-25 of $0.5 million. For FY2024-25, there is a one-time transfer of $2.5 million from General Fund Facility Reserves to fund CIP projects (City Hall Air Handlers Replacement).

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, regional, and national economic change.
3. To maintain and enhance long-term 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 and need of the services or programs provided.
7. Once the City Council has adopted the budget, the Administration will track revenues and expenditures closely and will bring forward budget adjustment recommendations at Mid-Year, as needed.
8. Annual operating budgets will include the cost of operations of capital projects.
9. 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.
10. 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

11. The City will try to maintain a diversified and stable revenue system to avoid over-reliance on any one revenue source.
12. Revenue estimates are to be accurate and realistic, sensitive to local, regional, and national economic conditions.
13. The City will estimate its annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis, as appropriate.
14. 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. To maintain cost recovery, annually, staff shall bring forward the Master Fee Schedule as part of the budget process with an escalation to reflect increases in staff cost.
15. 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.
16. One-time revenues will be used for one-time expenditures only including capital outlay and reserves.

Expenditures Policies

17. The City will maintain levels of service, as approved by the City Council, to provide for the public well-being and safety of the residents of the community.

18. Employee benefits and salaries will be maintained at competitive levels.
19. Fixed assets will be maintained and replaced as necessary, minimizing deferred maintenance.
20. 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

21. Water and sewer utility customer rates and fees will be reviewed annually as part of the budget process and adjusted as needed to ensure full cost recovery.
22. 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

23. The City will develop an annual Five-Year Capital Improvement Program (CIP) with the goal to develop and maintain infrastructure in support of existing residences and businesses and future anticipated development.
24. 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.
25. 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.
26. The City Council will provide funding for the first year of the Five-Year CIP as a component of the annual operating budget and appropriate funding at the project level. Funding for future projects identified in the Five-Year CIP may not have been secured and/or legally authorized and is therefore subject to change.
27. 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

28. The City will limit long-term debt to only those capital improvements or long-term liabilities that cannot be financed from current revenue sources.
29. 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.
30. The City will utilize conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.
31. The City may utilize inter-fund loans rather than outside debt to meet short-term cash flow needs.
32. The City will not issue long-term debt to finance operating expenses and routine maintenance expenses.

Investment Policies

33. The Finance Director/City Treasurer will annually render an investment policy for the City's cash pool for City Council's review no later than the beginning of the Fiscal Year and recommend modifications as appropriate. The review will take place at a public meeting and the policy shall be adopted by resolution of the City Council.
34. City funds and investment portfolio will be managed in a prudent and diligent manner with emphasis on safety, liquidity, and yield, in that order.

35. 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.

36. Generally Accepted Accounting Principles require 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.

37. The City has set up an Other Post Employment Benefits (OPEB) Trust Fund to prefund its retiree medical benefit to eligible former employees with the California Employers' Retiree Benefit Trust (CERBT). Bi-annually, the City shall engage an actuary to provide the City with an actuarial valuation. Working with the actuary, staff shall review the assumed interest earnings, investment strategy, and other factors to ensure the long-term health of the fund.

38. Per the pension valuation provided by the City's actuary, the City's pension costs will continue to rise during the next ten plus years. The City set aside and invested the CalPERS Rate Stabilization Reserve funds in the City of Milpitas Section 115 Pension Trust Fund in order to invest funds with moderate risk achieving a 3% to 6% investment earnings goal during the next 5 to 10 years to mitigate the rising pension costs. The City may use the trust funds to fund either the annual actuarially determined pension contribution amounts, pay down unfunded pension liabilities with CalPERS, or reduce the length of pension cost amortization schedules with CalPERS.

Reserve Policies

39. The City will fund the following reserves as follows with any General Fund audited year end operating surplus after the General Fund Contingency Reserve and General Fund Budget Stabilization Reserve requirements are met and pension budgetary surplus are allocated to the PERS Rate Stabilization Reserve.

- **Part I**
  - Contingency Reserve (Policy Statement #41)
  - General Fund Budget Stabilization Reserve (Policy Statement #42)
- **Part II (any remaining balance)**
  - Pension budgetary surplus allocated to the PERS Rate Stabilization Reserve (Policy Statement #43)
- **Part III (any remaining balance)**
  - Artificial Turf Replacement ($230,000) (Policy Statement #54)
- **Part IV (any remaining balance)**
  - 30% to the General Government Capital Improvement Fund (Policy Statement #56);
  - 20% to Storm Drain Fund;
  - 10% to the Affordable Housing Community Benefit Fund (Fund 216);
  - 10% to Transportation/Transit (Fund 310);
  - 15% to Technology Replacement Fund;
  - 10% to SPAR (Strategic Property Acquisition Revenue) Fund (Policy #57); and
  - 5% Unassigned

40. 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.

41. The City will maintain a Contingency Reserve of at least 16.67% or two months 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. Any use of the General Fund Contingency Reserve shall require a 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 are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserve.

42. The City will maintain a General Fund Budget Stabilization Reserve with a target of 16.67%, or two months, of annual operating expenditures. 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 rebalanced 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. This reserve will be funded only after General Fund Contingency Reserve requirements have been met. Any use of the General Fund Budget Stabilization Reserve shall require a 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 are known. The replenishment of this reserve may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserve.

43. The City will maintain in the General Fund and the Water and Sewer Utility Enterprise Funds or in a Section 115 Trust a Public Employees Retirement (PERS) Rate Stabilization Reserve. The City's actuary has determined that the General Fund portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 84.9% and for the Water and Sewer Utility Enterprise Funds portion of the Unfunded Actuarial Liability for the Miscellaneous Retirement Plan is 8.5% and 6.6%, respectively. The contributions to the PERS Rate Stabilization Reserve from the Utility Funds shall be consistent with the General Fund contributions. However, the General Fund portion of any pension savings shall only be allocated to the PERS Rate Stabilization Reserve after the General Fund Contingency Reserve and the General Fund Budget Stabilization Reserve requirements have been met. The Utility Funds' portion of any pension savings shall only be allocated to the PERS Rate Stabilization Reserve after the Capital Reserve and Rate Stabilization Reserve (RSR) requirements in the Water and Sewer utility funds have been met.

44. Annually, the City will endeavor to transfer $500,000 from the General Fund to the Storm Drain Fund to replace and repair storm drain infrastructure.

45. The City will maintain a retiree medical benefits account established by an irrevocable trust and fund the annual actuarially determined contribution. Any savings resulting from the budgeting methodologies shall be used to pay off the actuarial unfunded liability.

46. The City will maintain a General Liability and Workers' Compensation Claims Reserve of at least $2 million in the General Fund, which will be reviewed for adjustments annually. As part of closing out a fiscal year, any Workers' Compensation savings in the General Fund may be allocated to this General Fund reserve and any Workers' Compensation savings in the Utility Funds may be allocated to a Workers' Compensation Claims Reserve established for each utility fund.

47. The City will maintain a Rate Stabilization Reserve (RSR) in the Water and Sewer utility enterprise funds with a goal of at least 16.67% or two months of the respective annual operating expenditures after the Capital Reserve requirements have been met. The RSR shall be used to mitigate the effects of occasional shortfalls in revenue or unanticipated expenditures that cannot be rebalanced within existing budgeted resources in any given fiscal year. Revenue shortfalls may result from a number of events such as weather factors (wet weather or drought events and natural disasters), increased water conservation, and poor regional economic conditions. The Rate Stabilization Reserves should be used to assist in smoothing out revenue variability resulting from these factors and ensure that adequate resources are available during such times that might otherwise require large rate increases to utility customers. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known. The RSR funding will be phased within five years, or sooner, as part of the fiscal year-end closing process. Thereafter, the replenishment of these reserves may also be incorporated into the annual Adopted Operating Budget if resources are available to replenish the reserves.

48. The City will maintain capital reserves 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 capital reserve of approximately 30% of the annual operating and maintenance expenses for the Water utility fund and 25% of the annual operating and maintenance expenses for the Sewer utility fund. The City Council will set the reserve amounts annually after the results of the prior fiscal year's Comprehensive Annual Financial Report are known.

49. 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 after Capital Reserve, the Rate Stabilization Reserve, and CalPERS Rate Stabilization Reserve requirements have been met.

50. Reserve levels for Debt Service Funds will be established and maintained as prescribed by the bond covenants authorized at the time of debt issuance.

51. 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.

52. Annually, the City will endeavor to transfer $300,000 from the General Fund to the Technology Replacement Fund set aside in a reserve with a target of $5 million. 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.

53. 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 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.

54. 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 $230,000 until the target is reached. 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 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.

55. 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.

56. The City may direct 30% of any General Fund audited year end operating surplus to a General Government Capital Improvement Fund to address the funding needs of capital improvement projects after General Fund Contingency and General Fund Budget Stabilization reserve requirements have been met and pension budget surplus are allocated to the PERS Rate Stabilization Reserve (Policy Statement #43).

57. The City may direct 10% of any General Fund audited year end operating surplus to the SPAR Fund to support strategic property acquisition, development and long-term revenue opportunities after General Fund Contingency and General Fund Budget Stabilization reserve requirements have been met and pension budget surplus is allocated to the PERS Rate Stabilization Reserve (Policy Statement #43).

Accounting, Auditing, and Financial Reporting Policies

58. The City's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles (GAAP) as they apply to governmental accounting.

59. 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.

60. Quarterly financial reports and status reports will be submitted to the City Council within six weeks after 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 and Water and Sewer utility fund revenues and expenditures.

Budget Guidelines

Through the adoption of the annual operating budget, the City Council approves the funding of City services and estimates of resources available to fund the City's services. Through adoption of this budget, the City Council also approves these budget guidelines providing certain responsibilities and authority to the City Manager to adjust the budget given fluctuations in revenues. These budget guidelines provide sufficient flexibility to make budget adjustments during the year, provided these adjustments do not materially alter the general intent of the City Council approved budget, and establish adequate controls through budget monitoring and periodic reporting.

Annually, the City Council establishes Council Priority Areas regarding service levels to provide guidance to management in preparing the adopted budget. This budget reflects the City Council Priority Areas. 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 priorities is met.

The Finance Director is responsible for developing the operating budget on behalf of the City Manager, synchronizing the operating budget with the annual capital plan, developing a ten-year General Fund Financial 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 ensure 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

The Finance Director publishes a budget preparation calendar to the Department Heads and to the City Council at the beginning of the budget process each year. The calendar sets forth, at a minimum, dates for the following:

- Review of service level priorities by the City Council at an annual Planning Session.
- Review and update of the Master Fee Schedule.

- Community Engagement and Outreach.
- Engagement and Outreach for City employees.
- Capital Improvement Projects Budget.
- Presentation of the City Manager's Proposed Budget to the City Council, which shall be no later than the second week in May.

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

The Ten-Year General Fund Financial Forecast and the City Manager's Proposed Budget shall be presented in a form which facilitates the City Council to determine and review, as applicable:

- Alignment of the proposed service level changes to City Council priorities as established at the annual Planning Session.
- Projected revenues by major category; based on an updated Master Fee Schedule.
- Operating expenditures by major category.
- Historical and proposed authorized staffing levels.
- Department and Office Proposed budgets as follows:
  - Service level descriptions.
  - Summary of accomplishments and initiatives.
  - Performance and workload measures.
  - Expenditure comparison with the preceding year's budget and two years of actual results.
  - Authorized staffing comparison with the preceding three years.
  - Budget reconciliation from the prior fiscal year to the Proposed Budget.
  - Recommendations for service level changes with a detailed description, performance outcome, and impact statement if the recommendation is not funded.
- Capital improvement appropriations by project.
- A schedule showing General Fund Revenue and Expenditure projection for the next nine 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 funds that are presented in the operating budget document are subject to Council approval of appropriations.

5. Budget Authority of the City Manager

The City Manager shall have the authority to make revisions involving transfers from the appropriated Unanticipated Expenditure Reserve account less than or equal to the aggregate amount of amount adopted within the budget in any one fiscal year ($1,300,000 in FY 2024-25, or approximately 1% of total General Fund appropriations), 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 as part of the quarterly financial reports.

Additionally, 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 $100,000 or less;
- Amend the budget for grant interest earned to update the grant budget revenue(s) and associated grant appropriation(s).
- Accept grants or donations up to $100,000 or less (monetary and non-monetary based upon market value), increase department revenues and appropriations accordingly and execute related agreements as long as no

matching funds are required, and/or departments do not require additional funding for ongoing maintenance costs or future replacement costs.

- 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;
- Hire full-time employees in overstrength positions for no more than one year as long as appropriations are not exceeded to ensure adequate staffing levels for sworn positions, to facilitate training of new employees in critical positions by the outgoing incumbents, or to respond to urgent staffing needs; and
- Add/delete positions or to move positions between departments to respond to organizational needs, as long as the number of permanent funded positions and the approved personnel cost appropriations remain the same.

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 authorized position counts in the Adopted Budget.
- Cause the aggregate amount of contract change orders to exceed 15 percent of the contract amount and/or exceed prior approved appropriation levels for the subject contract.
- Cause transfers from unanticipated expenditure reserve to exceed the aggregate amount of $1,300,000 during the fiscal year.
- Result in changes not consistent with the purpose and intent of the Budget as adopted.
- Require an appropriation action from any unassigned fund balances or reserves.

6. Budget Amendments by the City Council

At City Council meetings, 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 or reserves.

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 Reappropriations

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 or donations from prior fiscal year will automatically be carried over to current year's budgets. Unspent City funded grant appropriations from prior fiscal year will automatically be carried over to the 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 2023-24 are subject to carry over into FY 2024-25.

9. Budget Monitoring and Reporting

Monthly Financial Reports - The Director of Finance will prepare and make available 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 Financial Status Reports - The Director of Finance will periodically prepare financial status reports for presentation to the City Council. At the minimum, the report shall include the status of the General Fund revenues and expenditures; Water and Sewer utility fund revenues and expenditures; and document any use of the appropriated Unanticipated Expenditure Reserve; and report the acceptance of any grants and donations as authorized in these budget guidelines.

Annually, as part of the 4th Quarter Financial Status Report, the Director of Finance shall report on all active grants and grants closed out during the fiscal year including the purpose of the grant, the granting agency, the grant amount awarded, remaining grant funds, and grant activities completed or underway.

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 FY 2024-2025 Budget Process

01 NOVEMBER 2023 – JANUARY 2024

Nov. – Jan. 2024	Ten-Year General Fund Forecast and FY 2024 Base Budget Development
Jan. 30, 2024	Preliminary Council Budget Study Session (Council Priorities, CSA Workplans, etc.)

02 JANUARY 2024 – MARCH 2024

January 2024	Proposed Budget Development
Jan. – Feb. 2024	Internal Staff Budget Review Meetings
February 22, 2024	CIP Budget Study Session
March 2024	Preparation of Master Fee Schedule

03 APRIL 2024 – MAY 2024

April 16, 2024	Adoption of Five-Year CIP
April 2024	Finalization of Proposed Budget and Preparation for Budget Hearings
May 8, 2024	Proposed Operating Budget Released

04 MAY 2024 – JULY 2024

May 7, 2024	Master Fee Schedule Public Hearing and Adoption
May 14, 2024	Council Study Session Operating Budget
June 4, 2024	Adoption of Operating Budget
July 2024	Publication of Adopted Operating and CIP Budget documents

Budget Development and Document

Annual Budget Development

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). Through the adoption of the annual budget, the City Council approves the funding of City services and estimates of resources available to fund the City's services. The budget is also developed based on the following:

- The City Council's Priority Area and other City Council directives.
- The City's ten-year General Fund Financial Forecast, which is updated annually and presented to the City Council prior to the release of the proposed budget.
- Input from the Community through surveys and community meetings.
- Service level prioritization as identified by the City Manager.
- Availability and sustainability of revenues.
- Legal mandates.
- Prioritization criteria outlined in the capital budget.

In the fall of each year, staff develops the base budget for the upcoming fiscal year and the ten-year General Fund Financial Forecast based on available information. The base budget reflects the Council approved service level with updated costs. As part of developing the base budget for the upcoming fiscal year, staff projects the revenues and expenditures for the next 10 fiscal years to develop the Forecast. The ten-year General Fund Financial Forecast projects whether the City will experience budget shortfalls or surpluses in the next fiscal year and thereafter.

The annual public budget development process begins in January with a review of City Council Priority Areas and the presentation of the ten-year General Fund Financial Forecast. Through surveys and community meetings, staff engages the community for input into budget priorities. In May, based on the input from City Council and the community, the City Manager publishes the proposed budget for the upcoming year. During May and June, the City Council holds study sessions and public hearings prior to adopting the annual budget. The City Council adopts the Proposed Budget as it may be amended based on discussion or direction during the budget hearings. In summer, the City publishes its Adopted Budget. For the Fiscal Year 2024-25 budget development process, please review the timeline and steps shown on the previous page.

Understanding the Budget Document

The operating budget document includes city-wide information as well as information specific to each fund and each department. The City receives revenue from numerous different sources, many of which have restrictions on how they can be used. Separate funds are established to account for the different types of revenues and allowable uses of those revenues. The annual budget information is available after the publication of the annual Adopted Budget, which occurs in July or August. At this time, staff also publishes a Budget-in-Brief document and the annual budget will also be available on Open Budget, which is described below. In the Appendix, the City lists all fund names by fund type.

General Fund: This is the primary fund used to account for all general revenues of the City (e.g. property, sales, transient occupancy and utility user taxes). In general, these funds are allocated at the discretion of the City Council. This revenue is used to support citywide services such as public safety, community services, planning and community environment, and administrative support services. 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.

Enterprise Funds: These funds are established to function as self-supporting operations wherein expenditures are entirely offset by fees or charges for services. 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.

Internal Service Fund: This type of fund is established to account for a variety of business services provided by one City department (or division) to other City departments. The City's main internal service fund, the Equipment Management Fund, provides vehicle and fleet maintenance services that are provided to all City departments through an internal service fund. Departments are charged for these services based on their respective utilization.

Capital Projects Funds: Revenues and expenses for capital projects are accounted for in separate funds. 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 Street Improvement Fund, the Park Fund, General Government Fund, and Storm Drain Fund Construction Fund.

Special Revenue Funds: These funds are used to account for the proceeds of revenues that are designated for specific or restricted uses. These funds include gas tax funds from the State, federal revenue for Justice Assistance Grants, and Lightning and Maintenance District funds.

Budgets and Budgetary Accounting

The City’s budget is 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.

The legal level of budgetary control or authorized appropriations is exercised at the departmental level for those funds which have annually adopted budgets such as the General Fund, Enterprise Funds, Special Revenue Funds and Capital Improvement Funds. Finance is responsible for ensuring that appropriations are not exceeded during the fiscal year.

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 consistent with the State Constitution, 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. As shown in the Financial Information section of the Adopted Budget document, the City has not exceeded its annual Appropriations Limit for the last ten years and in any single fiscal year since this requirement was approved by the voters in 1979.

Budget Amendments

The operating budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions consistent with the Council approved Budget Guidelines. Per the Guidelines, the City Manager is authorized to amend and/or transfer appropriations among departments and projects within any one fund, provided that the amount of the amended appropriation is $100,000 or less as well as other authorizations related to positions. Otherwise, any other budget amendment which changes the total appropriation for a department or fund requires Council approval.

Examples of these amendments include but are not limited to:

- The acceptance of additional grant money which might become available;
- The number of positions approved in the Budget;
- The appropriation of additional funding if expenditures are projected to exceed budgeted amounts; or
- The re-appropriation of monies from one fund to another.

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. Transient Occupancy Tax, 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 until it is due. Financial resources usually are appropriated in funds responsible for repaying debt 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.

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 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.

Department Information

The Budget Narrative and Summary section of the budget document summarizes the service delivery and budgetary information for each department as follows: Mission Statement, Description, and Services highlight the purpose and functions for each department.

Organizational Chart: this functional organizational chart depicts full-time equivalent (FTE) positions, which report to a department director and identifies any position changes such as additions, deletions, or reclassifications; position moves from one department to another; and temporary positions.

Accomplishments: identifies the department's noteworthy accomplishments over the past 12 to 18 months and their alignment to Council Priority Areas.

Initiatives: highlights the major work plan items for the department for the upcoming Fiscal Year and their alignment to Council Priority Areas.

Performance and Workload Measures: lists key department performance measures and identifies key quantifiable department outputs.

Budget Summary: summarizes key expenditure data for the department for several fiscal years by function, if applicable, and expenditure categories.

Staffing: lists all full-time equivalent (FTE) positions for the department for several fiscal years by function, if applicable, and by classifications. Positions were defunded as part of the FY 2020-21 Mid-Year and FY 2021-22 Proposed Budget process and they are noted in the staffing tables and footnotes.

Budget Reconciliation: outlines the major base budget and service level changes from the previously adopted budget to the newly presented proposed or adopted budget. Base budget reconciliation changes include deletion of one-time expenditures, updated salary and benefits cost in accordance with the salary and benefits structure approved the City Council, or addition of ongoing expenditures as approved by the City Council. The service level change table itemizes service level changes and related expenditures.

Service Level Changes: describes service level changes compared to the prior fiscal year in alignment with the dominant Council Priority Area identified with one of the icons below; the anticipated performance impact as it relates to Quality, Cost, Cycle Time, Customer Satisfaction, and Sustainability with the icons identified below; and the impact, if the service level change is not funded.

Council Priority Areas Icons:

Community Wellness and Open Space	Continue to provide parks and amenities for people of all ages and abilities to enjoy higher levels of physical and mental health.
Economic Development and Job Growth	Continue to strengthen our economic foundations that support community prosperity and opportunity while ensuring a sustainable and livable city.
Environment	Promote a sustainable community and protect the natural environment.
Governance and Administration	Continue to streamline processes for enhanced service and remain committed to long-term fiscal discipline and financial stewardship.
Neighborhoods and Housing	Continue to explore innovative approaches to incentivize affordable housing projects, collaborate with key stakeholders to care for our most vulnerable populations, and support and engage neighborhoods through dedicated programs and services.
Public Safety	Continue to invest in police and fire protection, in partnership with our community.
Transportation and Transit	Continue to seek and develop collaborative solutions to meet the transportation challenges facing our community and our region.

Performance Impact Icons:

- Cost
- Cycle Time
- Customer Satisfaction
- Quality
- Sustainability

Open Budget

In order to facilitate understanding and transparency of the budget document, the City presents budget information through OpenGov, an online tool that provides users with different views of the City's budget data by fund, department, revenues, and expenditures. The tool can be accessed by visiting www.milpitasca.opengov.com. The City invites you to use the online tool to:

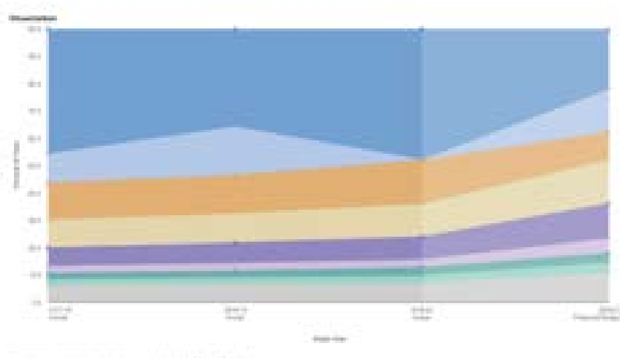
- Search the current year's budget and financial data.
- View trends in revenues and expenditures over time.
- Drill down into expenses by department or account type.
- Display the data as graphs or charts.
- Download into Excel.
- Share with friends using email or social media.
- Send comments directly to the City online.

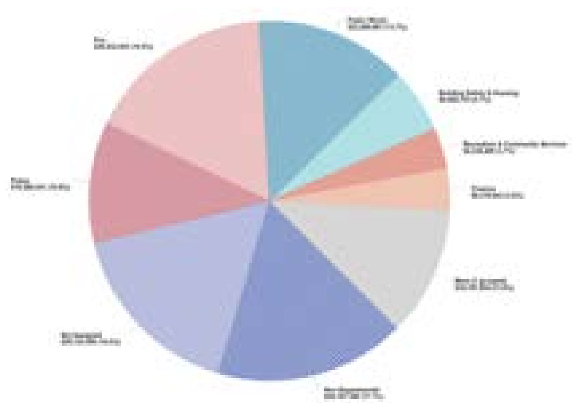
How Does it Work?

Governmental budgets are composed of funds, departments, and accounts. Using a pull-down filter, you can choose the combination you want to explore.

By clicking on one these icons, you can choose whether you want to display graphs showing changes over the years, a pie chart for a single year, or download portions into Excel.

You can also cut and paste any illustration into another document, send it to friends using email or X, or post it on Facebook!





Note: On the OpenGov portal, numbers may appear slightly different due to rounding.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

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July 01, 2023

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January 29, 2024

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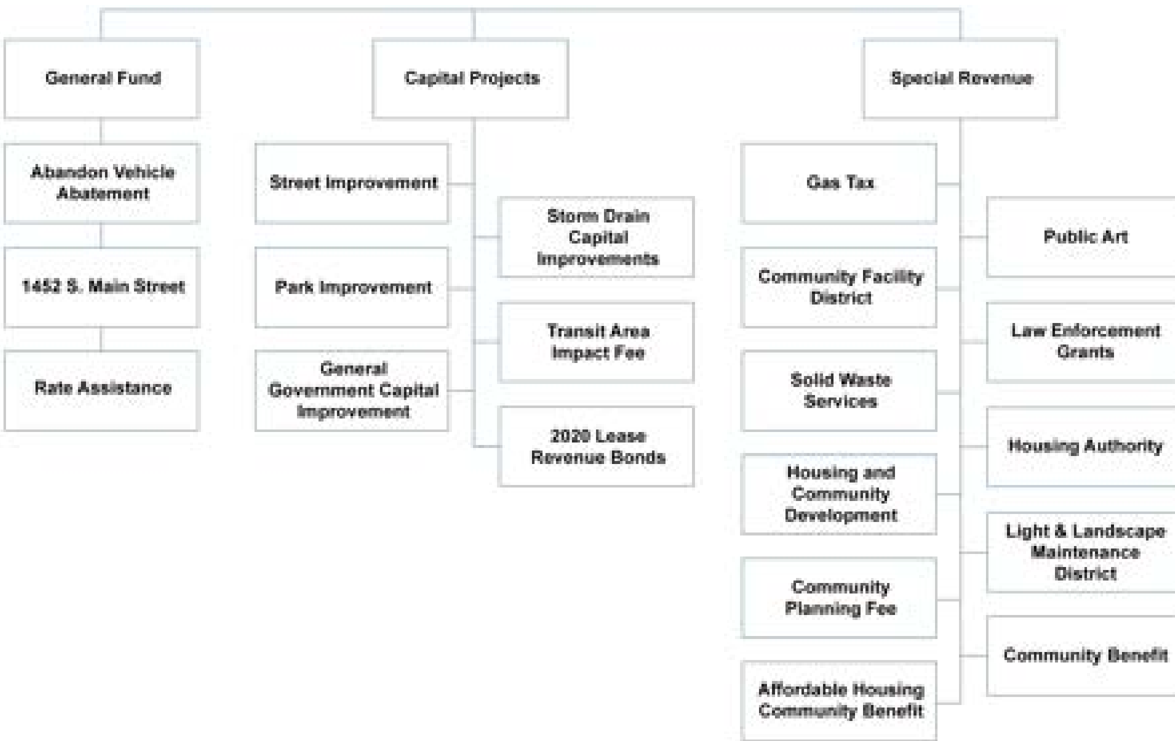
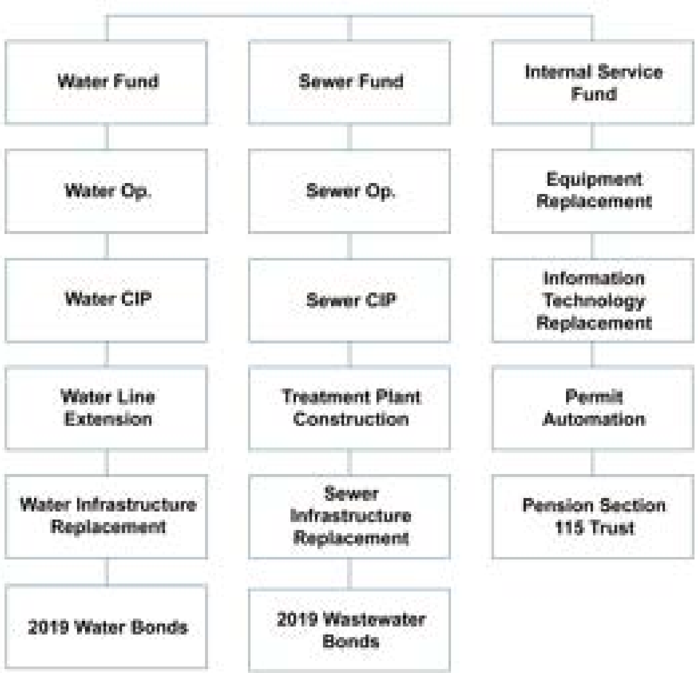
Fund Structure



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.

Budget Summary

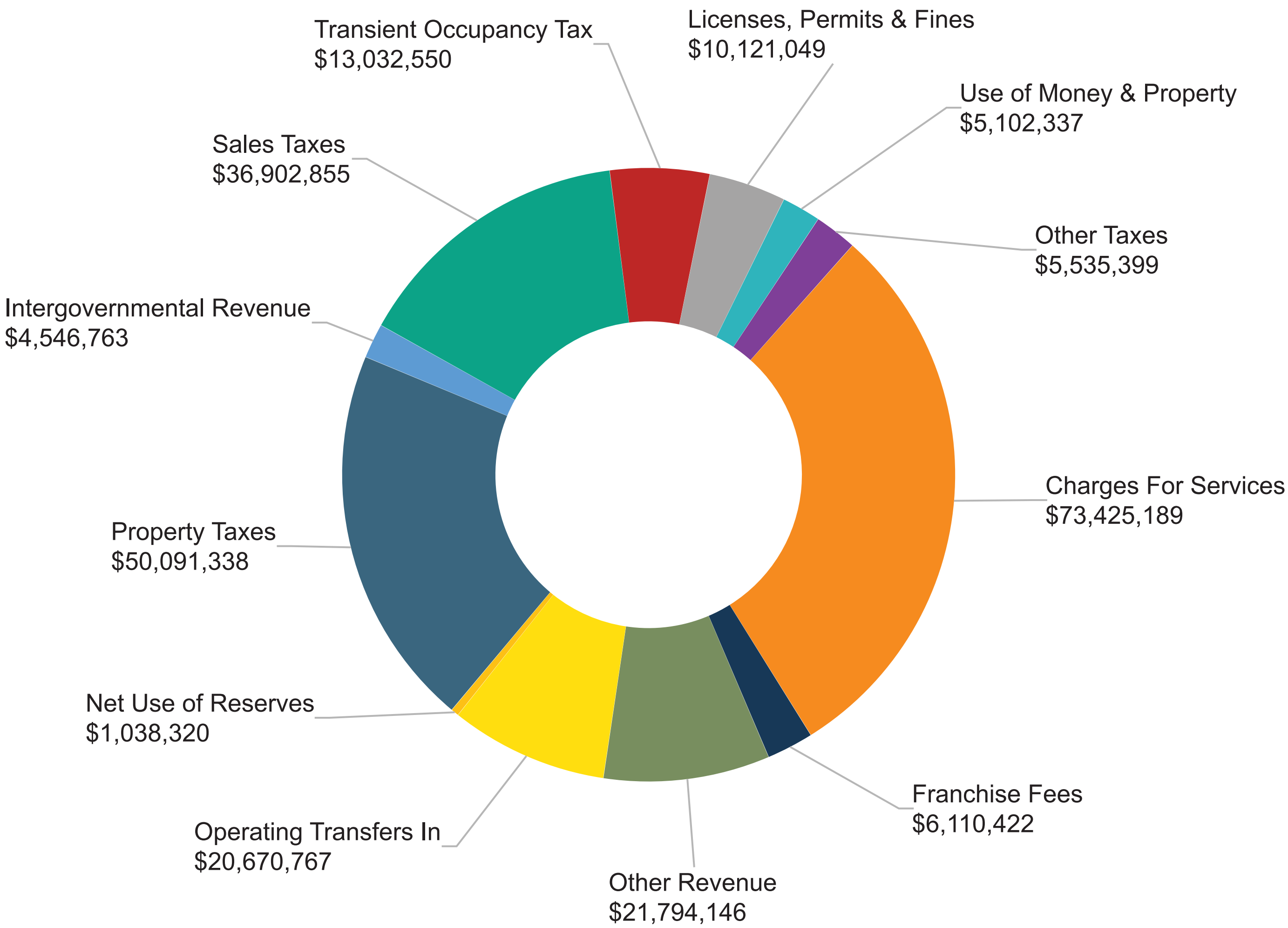
	Grand Total	General Fund[1]
Estimated Revenues		
Property Taxes	$50,091,338	$50,091,338
Sales Taxes	36,902,855	36,902,855
Transient Occupancy Tax	13,032,550	13,032,550
Licenses, Permits & Fines	10,121,049	9,231,118
Charges For Services	73,425,189	7,957,721
Franchise Fees	6,110,422	5,990,422
Use of Money & Property	5,102,337	1,179,201
Other Taxes	5,535,399	1,135,518
Intergovernmental Revenue	4,546,763	399,201
Other Revenue	21,794,146	288,309
Operating Transfers In	20,670,767	8,478,722
sub-total	**247,332,815**	**134,686,955**
Other Financing Sources		
(Increase) Decrease in Fund Balance	1,969,836	2,500,000
(Increase) Decrease in CIP Reserve	(931,516)	0
Other Financing Sources	0	0
sub-total	1,038,320	2,500,000
TOTAL	**$248,371,138**	**$137,186,955**
Budgeted Appropriations		
Personnel Services	$120,006,125	$105,755,307
Non-Personnel Expenditures	68,672,590	26,550,094
Capital Outlay	1,117,844	278,709
Operating Transfers Out	20,670,767	3,345,645
sub-total	**210,467,326**	**135,929,755**
Capital Improvements	33,172,962	0
Debt Service	4,730,850	1,257,200
sub-total	37,903,812	1,257,200
TOTAL	**$248,371,141**	**$137,186,955**
Fund Balance		
Fund Balance 7/01/2024	312,760,708	64,810,766
Net Changes in Fund Balance	(1,038,319)	(2,500,000)
TOTAL	**$311,722,389**	**$62,310,766**
Restricted	$33,389,810	$0
Restricted for CIP	110,842,644	0
Committed for CIP	74,150,280	0
Committed, Artificial Turf	1,900,000	1,900,000
Committed, Technology	4,500,000	4,500,000
Committed, Facilities	2,000,000	2,000,000
Committed for PERS	14,342,943	6,072,492
Unassigned, Unrestricted	4,286,178	1,631,720
Committed, Workers' Compensation	2,914,954	2,914,954
Future Deficit Reserve	1,452,576	1,452,576
ERAF Reserve	2,322,866	2,322,866
Capital Reserve, Unassigned	12,886,810	
Contingency Reserve, Unassigned	19,758,079	19,758,079
Budget (Rate) Stabilization, Unassigned	26,975,248	19,758,079
TOTAL	**$311,722,390**	**$62,310,766**

(1) General Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.
(2) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, and Solid Waste Services Fund. The decrease in Fund Balance is mostly attributed to changes in Solid Waste Services and Housing Authority Fund.

Housing Authority	Other Funds(2)	Capital Projects(3)	Water Fund(4)	Sewer Fund(5)
$0	$0	$0	$0	$0
0	0	0	0	0
0	0	0	0	0
0	889,931	0	0	0
80,000	3,849,999	0	36,716,936	24,820,533
0	120,000	0	0	0
37,241	529,259	1,636,847	871,521	848,268
0	4,399,881	0	0	0
0	670,000	3,477,562	0	0
0	6,250,717	14,704,412	249,418	301,290
0	345,645	11,846,400	0	0
117,241	**17,055,432**	**31,665,221**	**37,837,875**	**25,970,091**
207,546	3,405,668	0	3,409,240	(7,552,618)
0	(45,174)	(9,217,721)	2,390,195	5,941,184
0	0	0	0	0
207,546	3,360,494	(9,217,721)	5,799,435	(1,611,434)
$324,787	**$20,415,926**	**$22,447,500**	**$43,637,310**	**$24,358,657**
$0	$5,713,143	$257,938	$4,871,593	$3,408,144
324,787	3,398,110	20,600	28,558,943	9,820,056
0	619,210	0	174,816	45,109
0	10,685,466	644,000	3,725,508	2,270,148
324,787	**20,415,929**	**922,538**	**37,330,860**	**15,543,457**
0	0	21,524,962	5,260,000	6,388,000
0	0	0	1,046,450	2,427,200
0	0	21,524,962	6,306,450	8,815,200
$324,787	**$20,415,929**	**$22,447,500**	**$43,637,310**	**$24,358,657**
2,478,877	37,133,431	102,366,336	56,382,820	49,588,478
(207,546)	(3,360,494)	9,217,721	(5,799,435)	1,611,434
$2,271,331	**$33,772,937**	**$111,584,057**	**$50,583,385**	**$51,199,912**
$2,271,331	$31,118,479	$0	$0	$0
0	0	68,368,926	20,745,580	21,728,138
0	0	43,215,131	21,483,503	9,451,646
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	1,097,481	7,172,970
0	2,654,458	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
			4,922,712	7,964,098
0	0	0	0	0
0	0	0	2,334,109	4,883,060
$2,271,331	**$33,772,937**	**$111,584,057**	**$50,583,385**	**$51,199,912**

(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 Maintenance & Operations Fund, 2019 Water Bonds Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.
(5) Sewer Fund includes Sewer Maintenance & Operations Fund, 2019 Wastewater Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund and Sewer Infrastructure replacement Fund.

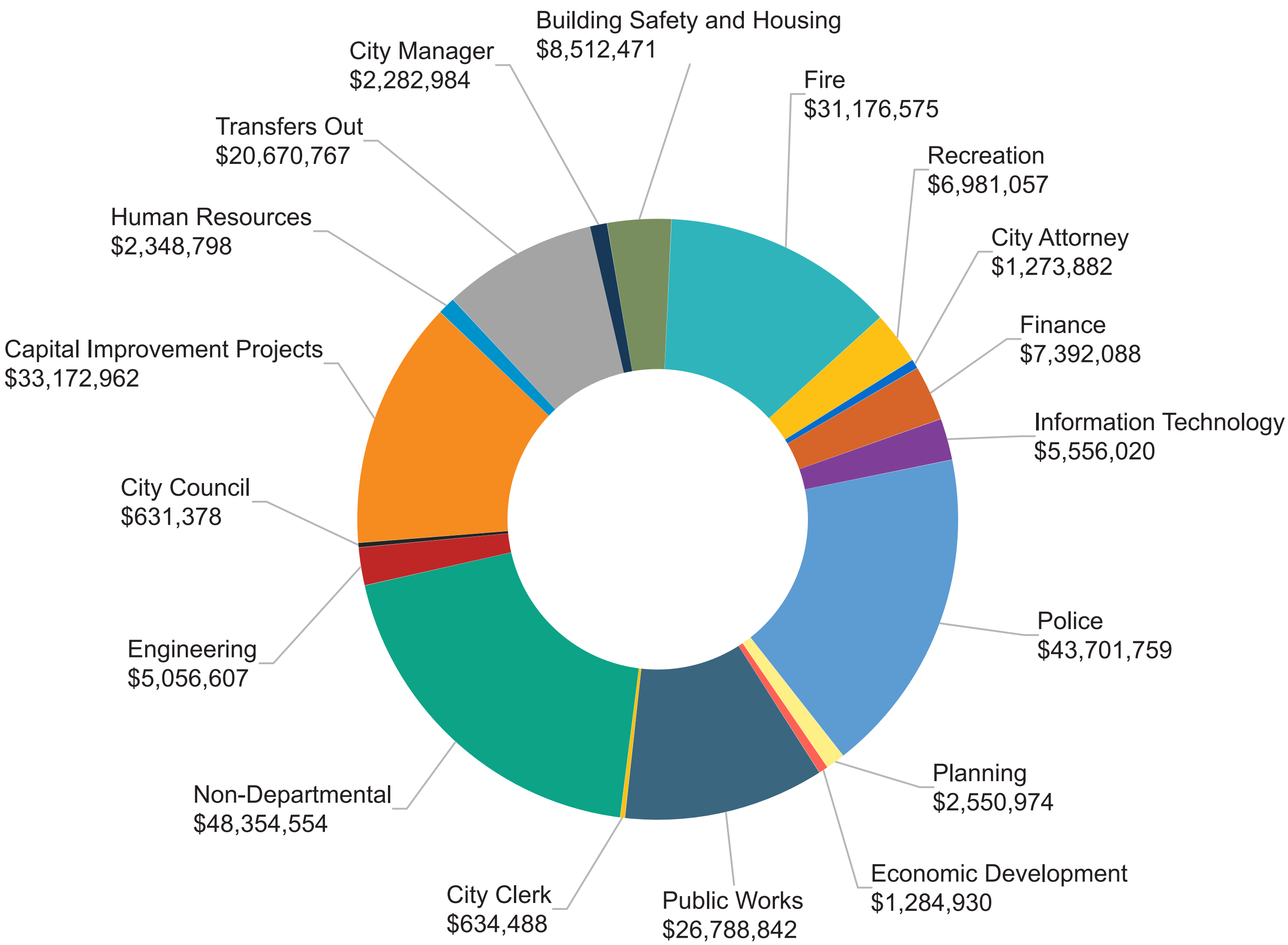
FY 2024-25 Revenues
(All Funds)
$248.4 Million



*$248.4 Million revenue excludes changes in fund balance and/or CIP reserve of $1.1 million and interfund transfers of $18.8 million.

FY 2024-25 Expenditures (All Funds)

$248.4 Million

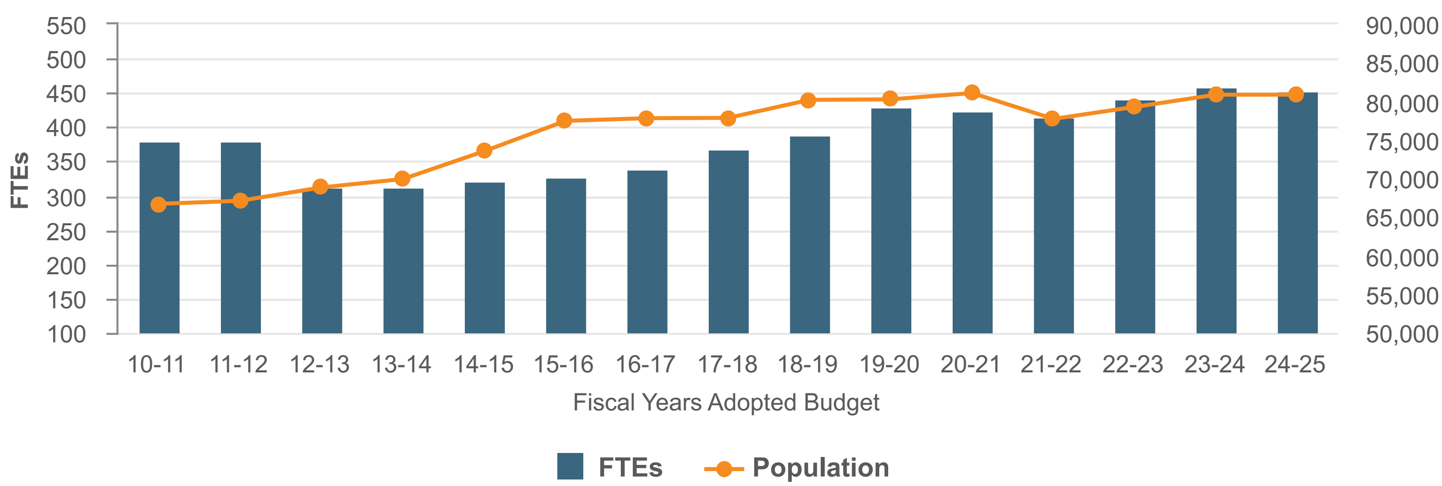


Funded Permanent Positions by Department

	Adopted Budget 21-22	Change from the prior FY	Adopted Budget 22-23	Change from the prior FY	Adopted Budget 23-24	Change from the prior FY	Proposed Budget 24-25	Change from the prior FY
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00
City Manager	5.50	(0.50)	5.50	0.00	6.00	0.50	5.00	(1.00)
City Clerk	2.50	(0.50)	2.50	0.00	3.00	0.50	3.00	0.00
Economic Development	3.00	0.00	3.00	0.00	4.00	1.00	4.00	0.00
City Attorney	0.00	(1.00)	3.00	3.00	3.00	0.00	3.00	0.00
Building Safety and Housing	31.00	(2.00)	31.00	0.00	30.00	(1.00)	28.00	(2.00)
Finance	28.50	(1.00)	29.50	1.00	29.00	(0.50)	30.00	1.00
Fire	77.00	(6.00)	82.00	5.00	82.00	0.00	82.00	0.00
Human Resources	6.00	(1.00)	7.00	1.00	7.00	0.00	8.00	1.00
Information Technology	12.00	(1.00)	13.00	1.00	14.00	1.00	14.00	0.00
Planning	9.00	(1.00)	9.00	0.00	9.00	0.00	9.00	0.00
Police	124.00	(2.00)	127.00	3.00	128.00	1.00	128.00	0.00
Public Works	97.00	(2.00)	106.00	9.00	114.00	8.00	118.00	4.00
Recreation and Community Services	15.00	(5.75)	17.00	2.00	18.00	1.00	18.00	0.00
TOTAL	**415.50**	**(23.75)**	**440.50**	**25.00**	**452.00**	**11.50**	**455.00**	**3.00**

Funded Permanent Positions

455 FTEs - All Funds



*Population is based upon US Census estimates except in FY2019-20 the Official US Census was published, in FY2021-22 US Census republished an estimate with a decline, and subsequently population is estimated based upon 10-year US Census growth factor.

**Great Recession occurred in FY 2009-10 and Redevelopment Agency Dissolution (RDA) occurred in FY 2012-13.

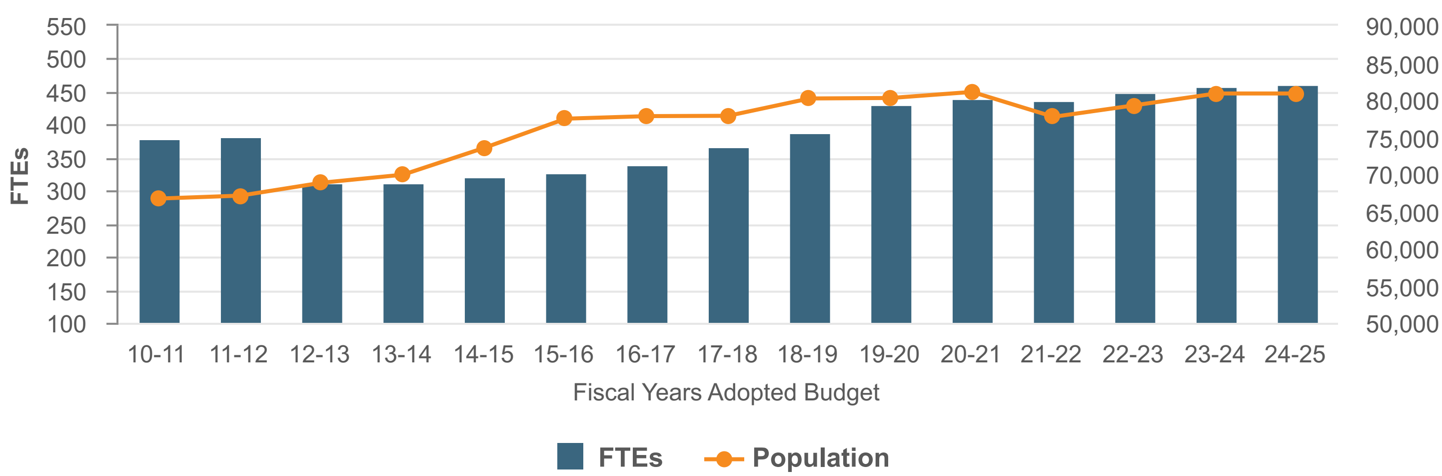
All Permanent Positions by Department*

	Adopted Budget 21-22	Change from the prior FY	Adopted Budget 22-23	Change from the prior FY	Adopted Budget 23-24	Change from the prior FY	Proposed Budget 24-25	Change from the prior FY
City Council	5.00	0.00	5.00	0.00	5.00	0.00	5.00	0.00
City Manager	6.00	0.00	6.00	0.00	6.00	0.00	6.00	0.00
City Clerk	3.00	0.00	3.00	0.00	3.00	0.00	3.00	0.00
Economic Development	3.00	0.00	3.00	0.00	4.00	1.00	4.00	0.00
City Attorney	0.00	(1.00)	3.00	3.00	3.00	0.00	3.00	0.00
Building Safety and Housing	33.00	0.00	33.00	0.00	32.00	(1.00)	30.00	(2.00)
Finance	29.50	0.00	29.50	0.00	29.00	(0.50)	30.00	1.00
Fire	82.00	(1.00)	83.00	1.00	83.00	0.00	83.00	0.00
Human Resources	7.00	0.00	7.00	0.00	7.00	0.00	8.00	1.00
Information Technology	13.00	0.00	13.00	0.00	14.00	1.00	14.00	0.00
Planning	9.00	(1.00)	9.00	0.00	9.00	0.00	9.00	0.00
Police	126.00	0.00	127.00	1.00	128.00	1.00	128.00	0.00
Public Works	100.00	1.00	108.00	8.00	115.00	7.00	119.00	4.00
Recreation and Community Services	20.75	0.00	20.75	0.00	20.75	0.00	20.75	0.00
TOTAL	**437.25**	**(2.00)**	**450.25**	**13.00**	**458.75**	**8.50**	**462.75**	**4.00**

*This table includes 7.75 positions that, while still authorized by the Mayor and City Council as part of the City's staffing portfolio, have been defunded in order to balance the City's budget. These positions will be considered for re-instatement on an annual basis based upon funding availability and staffing needs.

All Permanent Positions

462.75 FTEs - All Funds



**Population is based upon US Census estimates except in FY2019-20 the Official US Census was published, in FY2021-22 US Census republished an estimate with a decline, and subsequently population is estimated based upon 10-year US Census growth factor.
**Great Recession occurred in FY 2009-10 and Redevelopment Agency Dissolution (RDA) occurred in FY 2012-13.

Revenues by Fund

Fund Number/Description		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
100	General Fund	$118,854,472	$128,469,687	$126,975,672	$134,506,955
103	1452-1474 S. Main	87,916	96,494	77,000	80,000
105	Abandon Veh Abatement	131,758	128,940	80,000	100,000
106	Short Term Disability	61,162	0	0	0
109	Utility Rate Assistance	93,447	468,428	0	0
150	Redevelopment Administration	15,973	0	0	0
211	Hetch Hetchy Ground Lease	10,049	20,909	41,727	23,668
213	Public Art Fund-Nonrestricted	183,212	95,645	31,027	17,599
214	Community Planning Fee Fund	268,874	544,413	337,700	207,204
215	Community Benefit Fund	3,228	64,385	10,608	6,019
216	Affordable Housing Fund	1,314,306	910,369	148,231	84,077
217	Affordable Housing Unrestricted	314,701	744,007	69,032	39,155
221	Gas Tax Fund	1,801,314	4,812,345	2,400,276	2,357,229
225	SB1 Road Maintenance & Rehab	1,607,552	1,862,882	2,027,406	2,120,238
235	95-1 Lighting/Lscape Dist	417,674	432,768	455,793	495,800
236	98-1 Lighting/Lscape Dist	69,029	77,766	91,977	89,413
237	05 Community Fclty Dist	1,410,555	1,595,078	1,342,549	1,724,134
238	08 Community Fclty Dist	2,736,063	3,087,674	3,174,117	3,749,732
250	HCD Fund	1,232,162	581,154	647,982	650,000
251	HCD Loan	261,109	0	0	0
261	Supplemental Law Enforcement	51,876	132,109	109,266	5,256
262	State Asset Seizure	186	156	310	176
263	Federal Asset Seizure	155	1,021	1,824	1,034
267	Federal Grants Police Department	145,721	45,763	0	0
268	State Grants Police Department	79,423	50,625	9,627	5,460
269	Grants Fire Department	16,569	38,887	0	0
280	Solid Waste Services	176,302	2,081,164	176,517	1,320,316
295	Housing Authority	942,506	689,874	165,658	117,241
310	Street Fund	338,921	771,428	0	75,657
311	Street CIP	9,038,948	4,153,967	5,810,000	6,317,562
312	Traffic Impact Fee	0	0	0	0
314	Vehicle Registration Fee	971,677	471,322	0	504,171
315	Calaveras Widening Impact Fee	80,877	4,521	0	1,245
316	Montague Widening Impact Fee	0	0	0	0

Fund Number/Description		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
317	Milpitas Business Park Impact Fee	0	0	0	0
320	Park Improvement Fund	1,562,596	73,953	0	83,287
321	Park Improvement CIP	1,016,795	438,647	755,000	130,000
322	Midtown Park Fund	8,365	672,982	0	21,909
330	General Government	1,105,726	4,903,141	0	373,690
331	General Government CIP	20,936,741	5,552,064	9,961,100	13,318,400
334	2020 Fire Station Bonds	6,665	21,666	0	0
340	Storm Drain Development	1,613,527	228,083	306,332	78,317
341	Storm Drain CIP	145,000	200,000	1,958,000	950,000
342	Storm Drain General Fund	4,403	1,433,883	500,000	513,718
350	Transit Area Impact Fee Fund	6,336,725	1,613,364	6,984,000	15,689,265
351	Transit Area Impact Fee CIP Fund	3,400,000	0	8,000	809,000
400	Water M & O Fund	31,029,403	31,290,575	34,177,434	33,556,620
401	Water CIP	11,263,154	0	3,571,000	5,260,000
402	Water Line Extension Fund	456,516	498,452	1,105,631	308,110
403	2019 Water Bonds	36,619	69,436	0	0
405	Water Infrastructure Replacement	7,026,041	3,714,727	4,325,064	3,973,145
450	Sewer M & O Fund	21,715,502	25,313,518	23,826,215	25,161,275
451	Sewer CIP	15,011,440	0	10,068,000	6,388,000
452	Treatment Plant Construction	662,710	592,146	1,557,988	381,181
453	2017 Sewer Refunding Bonds	0	0	0	0
454	2019 Sewer Bonds	17,423	9,844	0	0
455	Sewer Infrastructure Replacement	7,156,740	357,295	753,936	427,635
500	Equipment Replacement Fund	3,875,914	3,381,895	3,612,663	3,477,344
505	Information Technology Replacement	897,121	1,384,131	342,366	324,030
506	Permit Automation Fund	511,081	411,447	413,309	357,548
	TOTAL	**$ 278,513,924**	**$ 234,595,030**	**$ 248,410,337**	**$ 266,181,815**
	Less Interfund Operating Transfers*			(21,923,000)	(18,849,000)
	(Increase) Decrease of Reserves			5,381,996	1,038,319
	TOTAL BUDGET SUMMARY REVENUES			**$ 231,869,333**	**$ 248,371,138**

*Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
GENERAL FUND (100)					
PROPERTY TAXES					
3010	Secured & Unsecured	$22,036,593	$24,358,604	$24,290,084	$26,190,300
3013	Vehicle License Fee	8,841,568	9,545,088	9,926,800	10,497,900
3014	Educational Revenue Augmentation Fund	3,938,170	3,804,718	2,487,100	3,359,538
3051	Redevelopment Property Tax Trust Fund	7,942,534	9,502,011	9,319,870	10,043,600
	sub-total	**42,758,865**	**47,210,421**	**46,023,854**	**50,091,338**
SALES TAXES					
3110	Sales and Use Tax	26,608,048	30,128,378	27,740,006	28,402,000
3111	Public Safety Sales and Use Tax	1,154,762	1,131,424	1,137,554	1,160,305
3113	Measure F Sales Tax	6,601,464	7,215,906	6,991,000	7,340,550
	sub-total	**27,762,810**	**38,475,708**	**35,868,560**	**36,902,855**
OTHER TAXES					
3120	Real Estate Transfer Tax	957,985	626,302	715,484	735,518
3140	Business License Tax	320,623	333,988	312,676	320,000
3511	Motor Vehicle In-Lieu	87,410	84,066	60,426	80,000
	sub-total	**1,366,018**	**1,044,356**	**1,088,586**	**1,135,518**
FRANCHISE FEES					
3131	Electric Franchise	1,450,797	1,681,812	1,716,085	1,800,000
3132	Gas Franchise	321,066	393,044	420,343	427,809
3133	Garbage Franchise-Commercial	2,929,983	3,171,086	3,090,440	3,342,613
3138	CATV Franchise	485,940	443,780	585,000	420,000
	sub-total	**5,187,786**	**5,689,722**	**5,811,868**	**5,990,422**
TRANSIENT OCCUPANCY TAX					
3150	Transient Occupancy Tax	8,012,647	11,189,757	11,811,236	13,032,550
	sub-total	**8,012,647**	**11,189,757**	**11,811,236**	**13,032,550**
LICENSES, PERMITS, AND FINES					
3210	Building Permit & Inspection Fees	6,579,802	3,911,650	4,509,000	4,511,450
3217	Building Plan Review Fees	2,014,445	1,946,601	2,000,000	2,330,000
3220	Fire Permit & Inspection Fees	1,478,231	1,073,154	1,064,500	1,089,000
3240	Fire Annual Permit & Inspection Fees	826,845	870,174	789,013	917,868
3260	Other Licenses & Permits	48,427	48,575	47,500	47,000
3300	Fines & Forfeits	336,052	441,036	252,007	335,800
	sub-total	**11,283,802**	**8,291,190**	**8,662,020**	**9,231,118**
USE OF MONEY AND PROPERTY					
3430	Investment Interest	193,112	590,349	414,000	1,179,201
3770	Sale of Property, Plant, & Equipment	117,522	4,201	0	0
	sub-total	**310,634**	**594,550**	**414,000**	**1,179,201**

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
INTERGOVERNMENTAL					
3550	Federal Contributions	2,241,025	483,775	340,728	0
3560	State Contributions	413,257	1,077,102	150,000	0
3570	County Contributions	143,835	280,957	229,844	279,201
3580	Other Restricted Grants	38,767	43,794	20,000	20,000
	sub-total	**2,836,884**	**1,885,628**	**740,572**	**299,201**
CHARGES FOR CURRENT SERVICES					
3600	General Government Service Charges	564,104	676,047	455,290	732,985
3610	Engineering Service Charges	801,051	856,024	1,458,500	1,138,000
3630	Fire Service Charges	278,806	589,476	474,500	450,600
3640	Police Service Charges	1,098,482	1,131,754	1,053,471	1,137,020
3650	Recreation Service Charges	2,360,242	2,671,826	3,951,764	3,887,116
3660	Building Service Charges	2,428	9,363	23,500	6,000
3680	Planning Service Charges	502,489	503,903	617,000	526,000
	sub-total	**5,608,794**	**6,512,527**	**8,034,025**	**7,877,721**
OTHER REVENUE					
3710	Development	136,899	154,755	189,425	188,309
3740	Reimbursements	0	7,474	0	0
3750	Donations	46,700	0	100	0
3790	Miscellaneous Other Revenue	184,598	232,213	200,000	100,000
	sub-total	**368,197**	**394,442**	**389,525**	**288,309**
OPERATING TRANSFERS IN					
3806	Op Trfs in from Solid Waste Service	138,558	157,997	136,505	182,066
3809	Op Tfrs in Street Improv Fund	0	0	0	0
3812	Op Trfs in from Water Fund	2,571,407	2,687,393	2,869,298	3,038,508
3815	Op Trfs in from Sewer Fund	1,482,966	1,444,196	1,503,623	1,583,148
3819	Op Trfs in from Other	2,560,000	2,879,042	3,172,000	3,675,000
3822	Op Trfs in from General Gov't Fund	0	0	450,000	0
3826	Op Trfs in from Measure I TOT Fund	0	0	0	0
3852	Appn Tfr in from General Gov't Fund	0	0	0	0
	sub-total	**6,752,931**	**7,168,628**	**8,131,426**	**8,478,722**
	TOTAL (100)	**112,249,368**	**128,456,929**	**126,975,672**	**134,506,955**
1452-1474 S. MAIN (103)					
3430	Investment Interest	10,239	16,992	0	0
3600	General Government Service Charges	77,677	79,502	77,000	80,000
	TOTAL (103)	**87,916**	**96,494**	**77,000**	**80,000**

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
ABANDON VEH ABATEMENT (105)					
3570	County Contributions	130,099	128,940	80,000	100,000
3899	Op Trfs in from Subsidiary CIP Fund	1,659	0	0	0
	TOTAL (105)	**131,758**	**128,940**	**80,000**	**100,000**
SHORT TERM DISABILITY (106)					
3899	Op Trfs in from Subsidiary CIP Fund	61,162	0	0	0
	TOTAL (106)	**61,162**	**0**	**0**	**0**
UTILITY RATE ASSISTANCE (109)					
3430	Investment Interest	3,857	8,341	0	0
3790	Miscellaneous Other Revenue	89,590	460,087	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (109)	**93,447**	**468,428**	**0**	**0**
REDEVELOPMENT ADMINISTRATION (150)					
3899	Op Trfs in from Subsidiary CIP Fund	15,973	0	0	0
	TOTAL (150)	**15,973**	**0**	**0**	**0**
HETCH HETCHY GROUND LEASE (211)					
3430	Investment Interest	10,049	20,909	41,727	23,668
	TOTAL (211)	**10,049**	**20,909**	**41,727**	**23,668**
PUBLIC ART FUND-NONRESTRICTED (213)					
3430	Investment Interest	7,048	15,069	31,027	17,599
3710	Development	176,164	80,576	0	0
	TOTAL (213)	**183,212**	**95,645**	**31,027**	**17,599**
COMMUNITY PLANNING FEE FUND (214)					
3430	Investment Interest	3,683	6,217	12,700	7,204
3680	Planning Service Charges	265,191	302,712	325,000	200,000
	TOTAL (214)	**268,874**	**308,929**	**337,700**	**207,204**
COMMUNITY BENEFIT FUND (215)					
3430	Investment Interest	3,228	4,385	10,608	6,017
3710	Development	0	60,000	0	2
	TOTAL (215)	**3,228**	**64,385**	**10,608**	**6,019**
AFFORDABLE HOUSING FUND (216)					
3430	Investment Interest	44,833	72,183	148,231	84,077
3710	Development	1,083,650	786,631	0	0
3819	Op Trfs in from Other	0	0	0	0
3831	Appn Transfers in from General Fund	0	0	0	0
	TOTAL (216)	**1,128,483**	**858,814**	**148,231**	**84,077**

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
AFFORDABLE HOUSING FUND UNRESTR. (217)					
3434	Investment Interest	19,475	27,504	69,032	39,155
	TOTAL (217)	**19,475**	**27,504**	**69,032**	**39,155**
GAS TAX FUND (221)					
3430	Investment Interest	11,609	43,199	77,647	44,042
3540	Gas Tax	1,789,607	2,057,753	2,322,629	2,313,187
3802	Op Trfs in from Gas Tax Fund	0	0	0	0
3809	Op Tfrs in Street Improv Fund	98	848,458	0	0
	TOTAL (221)	**1,801,314**	**2,949,410**	**2,400,276**	**2,357,229**
SB1 ROAD MAINTENANCE & REHABILITATION (225)					
3434	Road Maintenance & Rehabilitation	47,186	24,966	0	33,544
3549	Road Maintenance & Rehabilitation	1,557,260	1,830,348	2,027,406	2,086,694
	TOTAL (225)	**1,604,446**	**1,855,314**	**2,027,406**	**2,120,238**
95-1 LIGHTING/LSCAPE DIST (235)					
3430	Investment Interest	698	1,716	2,507	1,422
3720	Special Assessments	396,992	409,692	430,902	471,051
3801	Op Trfs in from General Fund	19,984	21,360	22,384	23,327
	TOTAL (235)	**417,674**	**432,768**	**455,793**	**495,800**
98-1 LIGHTING/LSCAPE DIST (236)					
3430	Investment Interest	381	9,427	19,932	11,306
3720	Special Assessments	48,042	47,833	50,612	55,789
3801	Op Trfs in from General Fund	20,606	20,506	21,433	22,318
	TOTAL (236)	**69,029**	**77,766**	**91,977**	**89,413**
05 COMMUNITY FCLTY DIST (237)					
3430	Investment Interest	15,883	23,142	42,549	24,134
3720	Special Assessments	1,394,672	1,571,936	1,300,000	1,700,000
	TOTAL (237)	**1,410,555**	**1,595,078**	**1,342,549**	**1,724,134**
08 COMMUNITY FCLTY DIST (238)					
3430	Investment Interest	2,670	7,822	2,117	1,201
3720	Special Assessments	2,733,393	3,079,852	3,172,000	3,748,531
	TOTAL (238)	**2,736,063**	**3,087,674**	**3,174,117**	**3,749,732**
HCD FUND (250)					
3550	Federal Contributions	1,232,162	581,154	647,982	650,000
	TOTAL (250)	**1,232,162**	**581,154**	**647,982**	**650,000**

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
HCD LOAN (251)					
3430	Investment Interest	42	0	0	0
	TOTAL (251)	**42**	**0**	**0**	**0**
SUPPLEMENTAL LAW ENFORCEMENT (261)					
3430	Investment Interest	2,308	3,775	9,266	5,256
3560	State Contributions	49,568	128,334	100,000	0
	TOTAL (261)	**51,876**	**132,109**	**109,266**	**5,256**
STATE ASSET SEIZURE (262)					
3430	Investment Interest	186	156	310	176
3560	State Contributions	0	0	0	0
	TOTAL (262)	**186**	**156**	**310**	**176**
FEDERAL ASSET SEIZURE (263)					
3430	Investment Interest	155	1,021	1,824	1,034
	TOTAL (263)	**155**	**1,021**	**1,824**	**1,034**
FEDERAL GRANTS POLICE DEPARTMENT (267)					
3550	Federal Contributions	145,721	45,763	0	0
	TOTAL (267)	**145,721**	**45,763**	**0**	**0**
STATE GRANTS POLICE DEPARTMENT (268)					
3430	Investment Interest	4,214	3,968	9,627	5,460
3560	State Contributions	75,209	46,657	0	0
	TOTAL (268)	**79,423**	**50,625**	**9,627**	**5,460**
GRANTS FIRE DEPARTMENT (269)					
3550	Federal Contributions	16,569	0	0	0
3570	County Contributions	0	38,887	0	0
	TOTAL (269)	**16,569**	**38,887**	**0**	**0**
SOLID WASTE SERVICES (280)					
3139	County-wide AB 939 Fee	149,936	98,933	150,000	120,000
3219	Building Misc Fees & Permits	0	0	0	889,931
3430	Investment Interest	10,825	16,158	26,517	15,041
3560	State Contributions	8,195	95,209	0	20,000
3610	Engineering Service Charges	0	0	0	0
3670	Utility Charges	6,925	19,732	0	0
3740	Reimbursements	0	0	0	0
3790	Miscellaneous Other Revenue	0	0	0	275,344
3822	Op Trfs in from General Gov't Fund	0	0	0	0
	TOTAL (280)	**175,881**	**230,032**	**176,517**	**1,320,316**
HOUSING AUTHORITY (295)					
3430	Investment Interest	654,117	446,176	65,658	37,241
3600	General Government Service Charges	100,509	81,496	100,000	80,000
3770	Sale of Property, Plant, & Equipment	0	87,063	0	0
	TOTAL (295)	**754,626**	**614,735**	**165,658**	**117,241**

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
STREET FUND (310)					
3430	Investment Interest	43,667	61,180	0	75,657
3790	Miscellaneous Other Revenue	0	0	0	0
3831	Appn Transfers in from General Fund	295,254	710,248	0	0
	TOTAL (310)	**338,921**	**771,428**	**0**	**75,657**
STREET CIP (311)					
3560	State Contributions	155,316	1,660,442	2,700,000	2,177,562
3570	County Contributions	1,046,620	401,811	0	0
3710	Development	0	0	0	0
3802	Op Trfs in from Gas Tax Fund	1,585,568	378,026	900,000	620,000
3810	Op Trfs in from Park Improvement	0	0	0	0
3815	Op Trfs in from Sewer Fund	0	0	0	0
3819	Op Trfs in from Other	82,220	1,713,688	1,500,000	2,000,000
3822	Op Trfs in from General Gov't Fund	100,000	0	0	0
3824	Op Trfs in Transit Area Fund	0	0	0	0
3826	Op Trfs in from Measure I TOT Fund	0	0	0	0
3849	Other Appn Transfers In	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	1,652,736	0	710,000	1,520,000
	TOTAL (311)	**4,622,460**	**4,153,967**	**5,810,000**	**6,317,562**
TRAFFIC IMPACT FEE (312)					
3430	Investment Interest	0	0	0	0
3710	Development	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (312)	**0**	**0**	**0**	**0**
VEHICLE REGISTRATION FEE (314)					
3430	Investment Interest	8,918	5,172	0	4,171
3570	County Contributions	962,759	466,150	0	500,000
3809	Op Tfrs in Street Improv Fund	0	0	0	0
3822	Op Trfs in from General Gov't Fund	0	0	0	0
3829	Op Trfs in from Vehicle Registration Fee	0	0	0	0
	TOTAL (314)	**971,677**	**471,322**	**0**	**504,171**
CALAVERAS WIDENING IMPACT FEE (315)					
3430	Investment Interest	2,703	1,114	0	1,245
3710	Development	78,174	3,407	0	0
	TOTAL (315)	**80,877**	**4,521**	**0**	**1,245**
MONTAGUE WIDENING IMPACT FEE (316)					
3430	Investment Interest	0	0	0	0
	TOTAL (316)	**0**	**0**	**0**	**0**
MILPITAS BUSINESS PARK IMPACT FEE (317)					
3430	Investment Interest	0	0	0	0
	TOTAL (317)	**0**	**0**	**0**	**0**

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
PARK IMPROVEMENT FUND (320)					
3430	Investment Interest	57,162	73,953	0	83,287
3712	Park Development Fees	1,505,434	0	0	0
3822	Op Trfs in from General Gov't Fund	0	0	0	0
3824	Op Trfs in Transit Area Fund	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (320)	**1,562,596**	**73,953**	**0**	**83,287**
PARK IMPROVEMENT CIP (321)					
3815	Op Trfs in from Sewer Fund	0	0	0	0
3822	Op Trfs in from General Gov't Fund	0	0	0	0
3824	Op Trfs in Transit Area Fund	0	0	0	0
3831	Appn Transfers in from General Fund	0	0	0	0
3852	Appn Transfers in from General Gov't	75,000	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	135,000	0	755,000	130,000
	TOTAL (321)	**1,016,795**	**438,647**	**755,000**	**130,000**
MIDTOWN PARK FUND (322)					
3430	Investment Interest	8,365	16,989	0	21,909
3710	Development	0	655,993	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (320)	**8,365**	**672,982**	**0**	**21,909**
GENERAL GOVERNMENT (330)					
3430	Investment Interest	130,702	335,807	0	373,690
3801	Op Trfs in from General Fund	0	0	0	0
3809	Op Tfrs in Street Improv Fund	0	0	0	0
3810	Op Trfs in from Park Improvement	9,516	328,004	0	0
3822	Op Trfs in General Government	0	0	0	0
3823	Op Trfs in Storm Drain Fund	0	3,844	0	0
3831	Appn Transfers in from General Fund	590,508	3,830,745	0	0
3899	Op Trfs in from Subsidiary CIP Fund	375,000	0	0	0
3982	Capital Leases	0	0	0	0
	TOTAL (330)	**1,105,726**	**4,498,400**	**0**	**373,690**
GENERAL GOVERNMENT CIP (331)					
3560	State Contributions	315,000	342,972	250,000	600,000
3580	Other Restricted Grants	134,158	700,702	0	0
3710	Development	200,000	0	0	0
3801	Op Trfs in from General Fund	0	0	2,400,000	2,500,000
3802	Op Trfs in from Gas Tax Fund	608,947	595,000	1,715,000	2,110,000
3803	Op Trfs in from Gas Tax Fund	261,000	142,500	50,000	50,000
3809	Op Tfrs in Street Improv Fund	0	0	0	0
3810	Op Trfs in from Park Improvement	0	500,000	900,000	150,000
3815	Op Trfs in from Sewer Fund	0	0	0	325,000

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
3817	Op Trfs in from Equipment Replacement	161,131	0	0	0
3819	Op Trfs in from Other	1,362,485	924,000	404,000	2,674,000
3824	Op Trfs in Transit Area Fund	78,000	144,000	144,000	144,000
3827	Op Trfs in from LLMD Fund	4,000	11,000	89,100	98,400
3847	Appn Transfers in from Equipment	0	0	0	0
3849	Other Appn Transfers In	0	1,786	0	0
3899	Op Trfs in from Subsidiary CIP Fund	17,646,963	0	4,009,000	4,342,000
	TOTAL (331)	**20,771,684**	**3,361,960**	**9,961,100**	**13,318,400**
2020 FIRE STATION BONDS (334)					
3970	Bond Proceeds	0	0	0	0
	TOTAL (331)	**0**	**0**	**0**	**0**
STORM DRAIN DEVELOPMENT (340)					
3430	Investment Interest	32,674	63,824	0	78,317
3710	Development	550,092	164,259	306,332	0
3831	Appn Transfers in from General Fund	885,761	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	145,000	0	0	0
	TOTAL (340)	**1,613,527**	**228,083**	**306,332**	**78,317**
STORM DRAIN CIP (341)					
3815	Op Trfs in from Sewer Fund	0	0	0	0
3822	Op Trfs in from General Gov't Fund	0	200,000	0	350,000
3852	Appn Transfers in General Government	145,000	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	1,958,000	600,000
	TOTAL (341)	**145,000**	**200,000**	**1,958,000**	**950,000**
STORM DRAIN GENERAL FUND (342)					
3434	Op Trfs in from Sewer Fund	4,430	11,963	0	13,718
3801	Op Trfs in from General Fund	0	0	500,000	500,000
	TOTAL (342)	**4,430**	**11,963**	**500,000**	**513,718**
TRANSIT AREA IMPACT FEE FUND (350)					
3430	Investment Interest	422,635	868,430	0	984,853
3710	Development	5,914,090	728,766	6,984,000	14,704,412
3812	Op Trfs in from Water Fund	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (350)	**6,336,725**	**1,597,196**	**6,984,000**	**15,689,265**
TRANSIT AREA IMPACT FEE CIP FUND (351)					
3570	County Contributions	0	0	0	0
3710	Development	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	3,400,000	0	8,000	609,000
	TOTAL (351)	**3,400,000**	**0**	**8,000**	**809,000**
WATER M & O FUND (400)					
3430	Investment Interest	194,927	523,553	428,455	585,286
3550	Federal Contributions	148,601	0	0	0

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
3580	Other Restricted Grants	56,846	59,084	0	0
3620	Public Works Service Charges	0	0	0	0
3670	Utility Charges	30,241,457	30,647,787	33,748,979	32,971,334
3790	Miscellaneous Other Revenue	379,560	59,517	0	0
3981	Contributions-Proprietary Fund	0	0	0	0
3809	Op Trfs in from Street Fund	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (400)	**31,021,391**	**31,289,941**	**34,177,434**	**33,556,620**
WATER CIP (401)					
3810	Op Trfs in from Park Improvement	0	0	0	0
3824	Op Trfs in Transit Area Fund	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	11,263,154	0	3,571,000	5,260,000
	TOTAL (401)	**11,263,154**	**0**	**3,571,000**	**5,260,000**
WATER LINE EXTENSION FUND (402)					
3430	Investment Interest	28,551	50,884	103,476	58,692
3710	Development	418,344	437,947	1,002,155	249,418
3790	Miscellaneous Other Revenue	9,621	9,621	0	0
3812	Op Trfs in from Water Fund	0	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (402)	**456,516**	**498,452**	**1,105,631**	**308,110**
2019 WATER BONDS (403)					
3970	Bond Proceeds	0	0	0	0
	TOTAL (403)	**0**	**0**	**0**	**0**
WATER INFRASTRUCTURE REPLACEMENT (405)					
3430	Investment Interest	95,164	190,311	401,167	227,543
3670	Utility Charges	3,633,708	3,422,345	3,923,897	3,745,602
3899	Op Trfs in from Subsidiary CIP Fund	3,195,098	0	0	0
	TOTAL (405)	**6,923,970**	**3,612,656**	**4,325,064**	**3,973,145**
SEWER M & O FUND (450)					
3430	Investment Interest	22,025	321,169	286,967	340,742
3435	Gain/Loss on Investments	254,038	254,038	0	0
3670	Utility Charges	21,330,793	24,698,395	23,539,248	24,820,533
3550	Federal Contributions	100,623	0	0	0
3580	Other Restricted Grants	0	0	0	0
3790	Miscellaneous Other Revenue	0	0	0	0
3809	Op Trfs in from Street Fund	11	0	0	0
3899	Op Trfs in from Subsidiary CIP Fund	0	0	0	0
	TOTAL (450)	**21,707,490**	**25,273,602**	**23,826,215**	**25,161,275**
SEWER CIP (451)					
3899	Op Trfs in from Subsidiary CIP Fund	15,011,440	0	10,068,000	6,388,000
	TOTAL (451)	**15,011,440**	**0**	**10,068,000**	**6,388,000**

Revenues by Fund (Detail)

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
TREATMENT PLANT CONSTRUCTION (452)					
3430	Investment Interest	55,337	54,111	140,851	79,891
3710	Development	607,373	538,035	1,417,137	301,290
	TOTAL (452)	**662,710**	**592,146**	**1,557,988**	**381,181**
2017 SEWER REFUNDING BONDS (453)					
3430	Investment Interest	0	0	0	0
	TOTAL (453)	**0**	**0**	**0**	**0**
2019 SEWER BONDS (454)					
3970	Bond Proceeds	0	0	0	0
	TOTAL (454)	**0**	**0**	**0**	**0**
SEWER INFRASTRUCTURE REPLACEMENT (455)					
3430	Investment Interest	215,762	357,295	753,936	427,635
3899	Intrafund Trf In-Parent/Child	6,940,978	0	0	0
	TOTAL (455)	**7,156,740**	**357,295**	**753,936**	**427,635**
EQUIPMENT REPLACEMENT FUND (500)					
3430	Investment Interest	71,885	158,682	312,663	177,344
3610	Engineering Service Charges	600	0	0	0
3620	Public Works Service Charges	3,227,255	3,145,354	3,300,000	3,300,000
3670	Utility Charges	0	0	0	0
3770	Sale of Property, Plant and Equipment	80,616	12,326	0	0
3790	Miscellaneous Other Revenue	1,696	65,533	0	0
3981	Contributions-Proprietary Fund	0	0	0	0
3822	Op Trfs in from General Gov't Fund	0	0	0	0
	TOTAL (500)	**3,382,052**	**3,381,895**	**3,612,663**	**3,477,344**
INFORMATION TECHNOLOGY REPLACEMENT (505)					
3430	Investment Interest	6,613	18,758	42,366	24,030
3801	Op Trfs in from General Fund	300,000	300,000	300,000	300,000
	TOTAL (505)	**306,613**	**318,758**	**342,366**	**324,030**
PERMIT AUTOMATION FUND (506)					
3430	Investment Interest	4,492	4,710	13,309	7,549
3601	General Government Service Charges	506,589	406,737	400,000	350,000
	TOTAL (506)	**511,081**	**411,447**	**413,309**	**357,549**
	TOTAL REVENUES	**$ 265,045,540**	**$ 224,400,616**	**$ 247,910,337**	**$ 266,181,816**
	Less Interfund Operating Transfers*			(21,923,000)	(18,849,000)
	(Increase) Decrease of Reserves			5,381,996	1,038,319
	TOTAL BUDGET SUMMARY REVENUES			**$ 231,369,333**	**$ 248,371,138**

*Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

Expenditures by Fund

		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
100	General Fund	$112,275,224	$122,026,892	$129,199,524	$136,896,652
103	1452-1474 S. Main	28,578	34,010	54,000	12,900
105	Abandon Veh Abatement	129,884	150,467	10,000	10,000
109	Utility Rate Assistance	15,170	308,016	256,700	256,700
150	Redevelopment Administration	16,302	11,358	12,447	10,703
211	H-Hetch Ground Lease	37,014	35,789	39,000	43,100
213	Public Art Fund-Nonrestricted	326,000	143,957	50,000	50,000
214	Community Planning Fee Fund	839,370	529,185	265,175	383,456
215	Community Benefit Fund	8,890	6,110	0	0
216	Affordable Housing Fund	947,553	926,027	1,153,116	1,088,924
221	Gas Tax Fund	2,194,515	973,026	2,615,000	2,730,000
222	Measure B	0	0	0	0
225	SB1 Road Maintenance & Rehab	82,220	1,713,687	1,500,000	2,000,000
235	95-1 Lighting/Lscape Dist	266,593	321,160	446,457	495,800
236	98-1 Lighting/Lscape Dist	32,523	36,197	72,044	89,413
237	05 Community Fclty Dist	1,336,098	1,775,574	1,704,769	1,972,596
238	08 Community Fclty Dist	2,675,489	2,940,669	3,242,630	3,749,732
250	HCD Fund	1,232,162	581,154	647,982	650,000
251	HCD Loan	8,841	0	0	0
261	Supplemental Law Enforcement	51,416	132,649	0	0
262	State Asset Seizure	60,000	0	30,000	30,000
263	Federal Asset Seizure	0	0	30,000	30,000
267	Justice Assistance Grant	145,721	46,763	0	0
268	Justice Assistance Grant 2009	75,208	47,747	0	0
269	Grant Fund	16,569	38,887	0	0
280	Solid Waste Services	694,706	840,157	963,432	1,320,316
295	Housing Authority	7,074,576	549,928	431,639	324,787
310	Street Fund	109	848,458	210,000	1,020,000
311	Street CIP	8,962,287	8,007,294	5,810,000	6,317,562
314	Vehicle Registration Fee	219,745	0	500,000	500,000
317	Milpitas Business Pk Impact Fe	0	0	0	0
320	Park Improvement Fund	44,516	883,454	1,655,000	280,000
321	Park Improvement CIP	6,024,411	3,330,967	755,000	130,000
322	Midtown Park Fund	450,000	0	0	0
330	General Government	3,860,946	435,484	4,459,000	4,692,000

Expenditures by Fund

Fund	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed
331 General Government CIP	15,810,287	9,402,736	9,961,100	13,318,400
334 2020 Fire Station Bonds	14,106,017	0	0	0
340 Storm Drain Development	0	3,844	1,400,000	500,000
341 Storm Drain CIP	1,032,517	1,441,653	1,958,000	950,000
342 Storm Drain General Fund	0	0	558,000	100,000
350 Transit Area Impact Fee Fund	6,978,000	573,660	197,659	1,031,538
351 Transit Area Impact Fee CIP Fund	2,518,369	1,036,711	8,000	809,000
400 Water M & O Fund	29,896,673	28,103,451	33,817,170	36,965,860
401 Water CIP	9,084,311	5,210,314	3,571,000	5,260,000
402 Water Line Extension Fund	0	0	0	180,000
403 2019 Water Bonds	9,173,153	0	0	0
405 Water Infrastructure Replmnt	3,160,546	1,311,850	4,817,450	6,491,450
450 Sewer M & O Fund	20,051,556	17,354,230	17,049,605	17,608,657
451 Sewer CIP	13,576,431	6,432,907	10,068,000	6,388,000
452 Treatment Plant Construction	0	0	500,000	1,849,000
454 2019 Wastewater Bonds	6,394,195	0	0	0
455 Sewer Infrastrture Repmnt	8,833,730	262,000	9,770,000	4,901,000
500 Equipment Mgnt Fund	2,706,887	2,850,881	3,276,846	3,311,479
505 Information Tec Replmt	154,905	43,216	250,000	2,200,000
506 Permit Automation Fund	897,873	732,440	476,587	271,112
TOTAL	**$ 294,508,086**	**$ 222,434,959**	**$ 253,792,332**	**$ 267,220,137**
Less Interfund Operating Transfers*			(21,923,000)	(18,849,000)
TOTAL BUDGET SUMMARY EXPENDITURES			**$ 231,869,332**	**$ 248,371,141**

*Interfund Operating Transfers are transfers within the same fund group on the Budget Summary

Expenditures by Fund (Detail)

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
GENERAL FUND (100)							
City Council	$386,978	$244,400	$0	$0	$0	$0	$631,378
City Manager	1,686,273	509,800	0	0	0	0	2,196,073
City Clerk	594,488	40,000	0	0	0	0	634,488
Economic Development	1,051,827	179,664	0	0	0	0	1,231,491
City Attorney	831,242	382,900	0	0	0	0	1,214,142
Building Inspection	2,400,452	49,003	0	0	0	0	2,449,455
Building Safety Administration	368,915	7,000	0	0	0	0	375,915
Housing and Neighborhood Svcs	902,758	689,370	0	0	0	0	1,592,128
Permit Center	808,077	14,000	0	0	0	0	822,077
Plan Review	1,548,282	13,600	0	0	0	0	1,561,882
Design & Construction	1,754,505	53,105	0	0	0	0	1,807,610
Engineering Administration	309,277	24,110	0	0	0	0	333,387
Land Development	1,659,270	171,400	0	0	0	0	1,830,670
Traffic Engineering	627,176	122,635	0	0	0	0	749,811
Finance Administration	2,143,222	362,228	0	0	0	0	2,505,450
Finance Operations	2,112,723	63,701	0	0	0	0	2,176,424
Fiscal Services-Utilities	285,275	228,428	0	0	0	0	513,703
EMS Transport Services	0	67,000	0	0	0	0	67,000
Fire Administration	2,088,940	87,878	0	0	0	0	2,176,818
Fire Prevention	2,867,212	31,998	0	0	0	0	2,899,210
Fire Prevention Administration	1,110,476	60,391	0	0	0	0	1,170,867
Office of Emergency Management	257,744	39,500	0	0	0	0	297,244
Operations Division	21,572,323	2,952,705	0	0	0	0	24,525,028
Human Resources	1,686,856	661,942	0	0	0	0	2,348,798
Information Technology	3,261,738	1,873,667	0	0	0	0	5,135,405
Long Range Planning	41,361	0	0	0	0	0	41,361
Planning	1,951,995	78,150	0	0	0	0	2,030,145
Communications	4,320,336	332,469	0	0	0	0	4,652,805
Community Relations	1,095,936	35,400	0	0	0	0	1,131,336
Crossing Guards	0	830,147	0	0	0	0	830,147
Investigations	5,122,720	478,132	0	0	0	0	5,600,852
Patrol Services	23,791,676	1,150,936	0	0	0	0	24,942,612
Personnel & Training	837,041	268,300	0	0	0	0	1,105,341
Police Administration	2,139,163	16,371	0	0	0	0	2,155,534
Records	1,341,431	270,499	0	0	0	0	1,611,930
Traffic	1,500,459	100,743	0	0	0	0	1,601,202

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
Compliance	69,920	318,003	0	0	0	0	387,923
Facilities Maintenance	2,415,555	1,347,014	0	0	0	0	3,762,569
Park Maintenance	152,865	1,438,567	0	0	0	0	1,591,432
Public Works Administration	838,182	112,101	0	0	0	0	950,283
Solid Waste Services	8,000	0	0	0	0	0	8,000
Street Maintenance	1,341,323	600,399	0	0	0	0	1,941,722
Trees & Landscape Mnt	1,173,746	631,488	0	0	0	0	1,805,234
Utility Maintenance	968,716	193,560	0	0	0	0	1,162,276
Aquatics	428,492	16,940	0	0	0	0	445,432
General Classes	118,251	497,874	0	0	0	0	616,125
Marketing	227,566	122,567	0	0	0	0	350,133
Performing Arts	91,941	96,530	0	0	0	0	188,471
Recreation Administration	1,946,728	130,533	0	0	0	0	2,077,261
Senior Services	476,362	299,664	0	0	0	0	776,026
Social Services	138,762	30,500	0	0	0	0	169,262
Special Events	259,461	323,184	0	0	0	0	582,645
Sports & Fitness	636,928	52,378	0	0	0	0	689,306
Youth Programs	866,812	219,584	0	0	0	0	1,086,396
Equipment to be Depreciated	0	0	278,709	0	0	0	278,709
Non-Departmental	(882,153)	7,357,036	0	0	0	0	6,474,883
Transfers Out	0	0	0	0	0	3,345,645	3,345,645
sub-total (100)	**105,735,604**	**26,279,494**	**278,709**	**1,257,200**	**0**	**3,345,645**	**136,896,652**
1452-1474 S. MAIN (103)							
1452 S. Main Street Properties	0	12,900	0	0	0	0	12,900
sub-total (103)	**0**	**12,900**	**0**	**0**	**0**	**0**	**12,900**
ABANDON VEHICLE ABATEMENT (105)							
Traffic	10,000	0	0	0	0	0	10,000
sub-total (105)	**10,000**	**0**	**0**	**0**	**0**	**0**	**10,000**
UTILITY RATE ASSISTANCE (109)							
Non-Departmental	0	256,700	0	0	0	0	256,700
sub-total (109)	**0**	**256,700**	**0**	**0**	**0**	**0**	**256,700**
REDEVELOPMENT ADMINISTRATION (150)							
Finance Administration	908	0	0	0	0	0	908
Finance Operations	8,213	0	0	0	0	0	8,213
Non-Departmental	0	1,000	0	0	0	0	1,000
City Manager	171	0	0	0	0	0	171
Fiscal Services-Utilities	411	0	0	0	0	0	411
sub-total (150)	**9,703**	**1,000**	**0**	**0**	**0**	**0**	**10,703**

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
HETCH HETCHY GROUND LEASE (211)							
Non-Departmental	0	43,100	0	0	0	0	43,100
sub-total (211)	**0**	**43,100**	**0**	**0**	**0**	**0**	**43,100**
PUBLIC ART FUND-NONRESTRICTED (213)							
Recreation Administration	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	50,000	50,000
sub-total (213)	**0**	**0**	**0**	**0**	**0**	**50,000**	**50,000**
COMMUNITY PLANNING FEE FUND (214)							
Long Range Planning	234,370	0	0	0	0	0	234,370
Planning	149,086	0	0	0	0	0	149,086
Non-Departmental	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
sub-total (214)	**383,456**	**0**	**0**	**0**	**0**	**0**	**383,456**
AFFORDABLE HOUSING FUND (216)							
City Manager	31,740	27,500	0	0	0	0	59,240
Planning	96,012	0	0	0	0	0	96,012
Building Safety Administration	25,411	0	0	0	0	0	25,411
City Attorney	0	21,630	0	0	0	0	21,630
Economic Development	53,439	0	0	0	0	0	53,439
Finance Operations	108,185	0	0	0	0	0	108,185
sub-total (216)	**969,794**	**119,130**	**0**	**0**	**0**	**0**	**1,088,924**
GAS TAX FUND (221)							
Transfers Out	0	0	0	0	0	2,730,000	2,730,000
sub-total (221)	**0**	**0**	**0**	**0**	**0**	**2,730,000**	**2,730,000**
SB1 ROAD MAINT & REHAB (225)							
Transfers Out	0	0	0	0	0	2,000,000	2,000,000
sub-total (225)	**0**	**0**	**0**	**0**	**0**	**2,000,000**	**2,000,000**
95-1 LIGHTING/LSCAPE DIST (235)							
Land Development	400	96,379	0	0	0	0	96,779
Public Works Administration	6,961	0	0	0	0	0	6,961
Street Maintenance	39,851	0	0	0	0	0	39,851
Trees & Landscape Mnt	170,856	106,353	0	0	0	0	277,209
Transfers Out	0	0	0	0	0	75,000	75,000
sub-total (235)	**218,068**	**202,732**	**0**	**0**	**0**	**75,000**	**495,800**

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
98-1 LIGHTING/LSCAPE DIST (236)							
Land Development	400	5,500	0	0	0	0	5,900
Street Maintenance	474	0	0	0	0	0	474
Trees & Landscape Mnt	31,143	28,496	0	0	0	0	59,639
Transfers Out	0	0	0	0	0	23,400	23,400
sub-total (236)	**32,017**	**33,996**	**0**	**0**	**0**	**23,400**	**89,413**
05 COMMUNITY FCLTY DIST (237)							
Park Maintenance	333,791	100,121	0	0	0	0	433,912
Public Works Administration	165,869	0	0	0	0	0	165,869
Street Maintenance	285,421	0	0	0	0	0	285,421
Trees & Landscape Mnt	895,953	183,941	0	0	0	0	1,079,894
Non-Departmental	0	7,500	0	0	0	0	7,500
sub-total (237)	**1,681,034**	**291,562**	**0**	**0**	**0**	**0**	**1,972,596**
08 COMMUNITY FCLTY DIST (238)							
Park Maintenance	0	69,332	0	0	0	0	69,332
Non-Departmental	0	5,400	0	0	0	0	5,400
Transfers Out	0	0	0	0	0	3,675,000	3,675,000
sub-total (238)	**0**	**74,732**	**0**	**0**	**0**	**3,675,000**	**3,749,732**
HCD FUND (250)							
Housing and Neighborhood Svcs	0	643,000	0	0	0	0	643,000
Non-Departmental	0	7,000	0	0	0	0	7,000
sub-total (250)	**0**	**650,000**	**0**	**0**	**0**	**0**	**650,000**
STATE-ASSET SEIZURE (262)							
Investigations	0	0	30,000	0	0	0	30,000
sub-total (262)	**0**	**0**	**30,000**	**0**	**0**	**0**	**30,000**
FEDERAL ASSET SEIZURE (263)							
Investigations	0	0	30,000	0	0	0	30,000
sub-total (263)	**0**	**0**	**30,000**	**0**	**0**	**0**	**30,000**
SOLID WASTE SERVICES (280)							
Solid Waste	870,689	258,395	0	0	0	0	1,129,084
City Manager	0	9,166	0	0	0	0	9,166
Transfers Out	0	0	0	0	0	182,066	182,066
sub-total (280)	**870,689**	**267,561**	**0**	**0**	**0**	**182,066**	**1,320,316**

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvement s	Operating Transfers Out	Total
HOUSING AUTHORITY (295)							
Housing and Neighborhood Svcs	0	233,100	0	0	0	0	233,100
1432 S. Main Street Properties	0	34,300	0	0	0	0	34,300
City Attorney......................	0	8,240	0	0	0	0	8,240
Non-Departmental............	0	49,147	0	0	0	0	49,147
sub-total (295)	**0**	**324,787**	**0**	**0**	**0**	**0**	**324,787**
STREET IMPROVEMENT (310)							
Transfers Out....................	0	0	0	0	0	1,020,000	1,020,000
sub-total (310)	**0**	**0**	**0**	**0**	**0**	**1,020,000**	**1,020,000**
STREET CIP (311)							
Capital Improvement Projects..............................	0	0	0	0	6,317,562	0	6,317,562
Transfers Out....................	0	0	0	0	0	0	0
sub-total (311)	**0**	**0**	**0**	**0**	**6,317,562**	**0**	**6,317,562**
VEHICLE REGISTRATION FEE (314)							
Transfers Out....................	0	0	0	0	0	500,000	500,000
sub-total (314)	**0**	**0**	**0**	**0**	**0**	**500,000**	**500,000**
PARK IMPROVEMENT FUND (320)							
Transfers Out....................	0	0	0	0	0	280,000	280,000
sub-total (320)	**0**	**0**	**0**	**0**	**0**	**280,000**	**280,000**
PARK IMPROVEMENT CIP (321)							
Capital Improvement Projects..............................	0	0	0	0	130,000	0	130,000
Transfers Out....................	0	0	0	0	0	0	0
sub-total (321)	**0**	**0**	**0**	**0**	**130,000**	**0**	**130,000**
MIDTOWN PARK FUND (322)							
Transfers Out....................	0	0	0	0	0	0	0
sub-total (322)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GENERAL GOVERNMENT (330)							
Transfers Out....................	0	0	0	0	0	4,692,000	4,692,000
sub-total (330)	**0**	**0**	**0**	**0**	**0**	**4,692,000**	**4,692,000**

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
GENERAL GOVERNMENT CIP (331)							
Capital Improvement Projects	0	0	0	0	13,318,400	0	13,318,400
Transfers Out	0	0	0	0	0	0	0
sub-total (331)	**0**	**0**	**0**	**0**	**13,318,400**	**0**	**13,318,400**
2020 FIRE STATION BONDS (334)							
Transfers Out	0	0	0	0	0	0	0
sub-total (334)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
STORM DRAIN DEVELOPMENT (340)							
Transfers Out	0	0	0	0	0	500,000	500,000
sub-total (340)	**0**	**0**	**0**	**0**	**0**	**500,000**	**500,000**
STORM DRAIN CIP (341)							
Capital Improvement Projects	0	0	0	0	950,000	0	950,000
Transfers Out	0	0	0	0	0	0	0
sub-total (341)	**0**	**0**	**0**	**0**	**950,000**	**0**	**950,000**
STORM DRAIN GENERAL FUND (342)							
Transfers Out	0	0	0	0	0	100,000	100,000
sub-total (342)	**0**	**0**	**0**	**0**	**0**	**100,000**	**100,000**
TRANSIT AREA IMPACT FEE FUND (350)							
Debt Service	0	0	0	0	0	0	0
Engineering Administration	232,450	0	0	0	0	0	232,450
Finance Administration	25,488	0	0	0	0	0	25,488
City Attorney	0	20,600	0	0	0	0	20,600
City Manager	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	753,000	753,000
sub-total (350)	**257,938**	**20,600**	**0**	**0**	**0**	**753,000**	**1,031,538**
TRANSIT AREA IMPACT FEE CIP FUND (351)							
Capital Improvement Projects	0	0	0	0	809,000	0	809,000
sub-total (351)	**0**	**0**	**0**	**0**	**809,000**	**0**	**809,000**
WATER M & O FUND (400)							
Land Development	0	0	0	0	0	0	0
Finance Administration	0	0	0	0	0	0	0
Finance Operations	0	0	0	0	0	0	0
Fiscal Services-Utilities	870,656	380,518	0	0	0	0	1,251,174
Compliance	195,951	87,014	0	0	0	0	282,965

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
City Attorney	0	9,270	0	0	0	0	9,270
Public Works Administration	832,147	264,764	0	0	0	0	1,096,911
Street Maintenance	83,903	0	0	0	0	0	83,903
Utility Engineering	774,537	181,853	0	0	0	0	956,390
Utility Maintenance	2,039,183	799,665	41,000	0	0	0	2,879,848
Non-Departmental	75,216	26,823,692	0	0	0	0	26,898,908
Transfers Out	0	0	133,816	0	0	3,363,508	3,497,324
sub-total (400)	**4,871,593**	**28,555,943**	**174,816**	**0**	**0**	**3,363,508**	**36,965,860**
WATER CIP (401)							
Capital Improvement Projects	0	0	0	0	5,260,000	0	5,260,000
Transfers Out	0	0	0	0	0	0	0
sub-total (401)	**0**	**0**	**0**	**0**	**5,260,000**	**0**	**5,260,000**
WATER LINE EXTENSION FUND (402)							
Transfers Out	0	0	0	0	0	180,000	180,000
sub-total (402)	**0**	**0**	**0**	**0**	**0**	**180,000**	**180,000**
2019 WATER BONDS (403)							
Transfers Out	0	0	0	0	0	0	0
sub-total (403)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
WATER INFRASTRUCTURE REPLACEMENT (405)							
Debt Service	0	0	0	1,046,450	0	0	1,046,450
Non-Departmental	0	3,000	0	0	0	0	3,000
Transfers Out	0	0	0	0	0	5,442,000	5,442,000
sub-total (405)	**0**	**3,000**	**0**	**1,046,450**	**0**	**5,442,000**	**6,491,450**
SEWER M & O FUND (450)							
Fiscal Services-Utilities	481,347	320,785	0	0	0	0	802,132
Finance Administration	0	0	0	0	0	0	0
Compliance	126,034	35,393	0	0	0	0	161,427
Public Works Administration	726,473	61,619	0	0	0	0	788,092
Street Maintenance	71,918	0	0	0	0	0	71,918
Utility Engineering	578,045	108,458	0	0	0	0	686,503
Utility Maintenance	1,349,111	481,150	0	0	0	0	1,830,261
Debt Service	0	0	0	2,427,200	0	0	2,427,200
Non-Departmental	75,216	8,803,484	45,109	0	0	0	8,923,809
Transfers Out	0	0	0	0	0	1,908,148	1,908,148
sub-total (450)	**3,408,144**	**9,820,056**	**45,109**	**2,427,200**	**0**	**1,908,148**	**17,608,657**

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvements	Operating Transfers Out	Total
SEWER CIP (451)							
Capital Improvement Projects	0	0	0	0	6,388,000	0	6,388,000
Transfers Out	0	0	0	0	0	0	0
sub-total (451)	**0**	**0**	**0**	**0**	**6,388,000**	**0**	**6,388,000**
TREATMENT PLANT CONSTRUCTION (452)							
Transfers Out	0	0	0	0	0	1,849,000	1,849,000
sub-total (452)	**0**	**0**	**0**	**0**	**0**	**1,849,000**	**1,849,000**
2019 WASTEWATER BONDS (454)							
Transfers Out	0	0	0	0	0	0	0
sub-total (454)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
SEWER INFRASTRUCTURE REPLACEMENT (455)							
Transfers Out	0	0	0	0	0	4,901,000	4,901,000
sub-total (455)	**0**	**0**	**0**	**0**	**0**	**4,901,000**	**4,901,000**
EQUIPMENT MGNT FUND (500)							
Compliance	0	10,000	0	0	0	0	10,000
Finance Administration	0	0	0	0	0	0	0
Operations	0	0	24,408	0	0	0	24,408
Investigations	0	0	0	0	0	0	0
Patrol Services	0	0	0	0	0	0	0
Building Inspection	0	0	0	0	0	0	0
Trees & Landscape Maintenance	0	0	0	0	0	0	0
Design & Construction	0	0	0	0	0	0	0
Street Maintenance	0	0	0	0	0	0	0
Utility Maintenance	0	0	0	0	0	0	0
Fleet Maintenance	1,281,694	1,188,057	98,000	0	0	0	2,567,751
Public Works Administration	215,788	0	0	0	0	0	215,788
Equipment to be Depreciated	0	0	186,802	0	0	0	186,802
Non-Departmental	0	306,730	0	0	0	0	306,730
sub-total (500)	**1,497,482**	**1,504,787**	**309,210**	**0**	**0**	**0**	**3,311,479**
INFORMATION TECH REPLMT (505)							
Information Technology	0	0	250,000	0	0	0	250,000
sub-total (505)	**0**	**0**	**250,000**	**0**	**0**	**1,950,000**	**2,200,000**

FUND/FUNCTION	Personal Services	Supplies Contractual Services	Capital Outlay	Debt Service	Capital Improvement s	Operating Transfers Out	Total
PERMIT AUTOMATION FUND (506)							
Permit Center	0	42,000	0	0	0	0	42,000
Plan Review	42,496	0	0	0	0	0	42,496
Fire Prevention Administration	0	16,000	0	0	0	0	16,000
Information Technology	18,105	152,510	0	0	0	0	170,615
Transfers Out	0	0	0	0	0	0	0
sub-total (506)	**60,601**	**210,510**	**0**	**0**	**0**	**0**	**271,111**
TOTAL EXPENDITURES	**120,006,123**	**68,672,590**	**1,117,844**	**4,730,850**	**33,172,962**	**39,519,767**	**267,220,141**
Less Interfund Operating Transfers*	0	0	0	0	0	(18,849,000)	(18,849,000)
TOTAL BUDGET SUMMARY EXPENDITURES	**$120,006,123**	**$68,672,590**	**$ 1,117,844**	**$4,730,850**	**$33,172,962**	**$20,670,767**	**$248,371,141**

Expenditures by Function

Function	General Fund(1)	Housing Authority	Water Fund(2)	Sewer Fund(3)	Other Funds(4)	Total
City Council	$631,378	$0	$0	$0	$0	$631,378
City Manager	2,196,244	0	9,167	9,167	68,406	2,282,984
City Clerk	634,488	0	0	0	0	634,488
Economic Development	1,231,491	0	0	0	53,439	1,284,930
City Attorney	1,214,142	8,240	9,270	0	42,230	1,273,882
Building Inspection	2,449,455	0	0	0	0	2,449,455
Building Safety Administration	375,915	0	0	0	25,411	401,326
Housing and Neighborhood Svcs	1,592,128	233,100	0	0	1,368,007	3,193,235
Permit Center	822,077	0	0	0	42,000	864,077
Plan Review	1,561,882	0	0	0	42,496	1,604,378
Design & Construction	1,807,610	0	0	0	0	1,807,610
Engineering Administration	333,387	0	0	0	232,450	565,837
Land Development	1,830,670	0	0	0	102,679	1,933,349
Traffic Engineering	749,811	0	0	0	0	749,811
Finance Administration	2,506,358	0	0	0	25,488	2,531,846
Finance Operations	2,184,637	0	0	0	108,185	2,292,822
Fiscal Services-Utilities	514,114	0	1,251,174	802,132	0	2,567,420
EMS Transport Services	67,000	0	0	0	0	67,000
Fire Administration	2,176,818	0	0	0	0	2,176,818
Fire Prevention	2,899,210	0	0	0	0	2,899,210
Fire Prevention Administration	1,170,867	0	0	0	16,000	1,186,867
Office of Emergency Management	297,244	0	0	0	0	297,244
Operations Division	24,525,028	0	0	0	24,408	24,549,436
Human Resources	2,348,798	0	0	0	0	2,348,798
Information Technology	5,135,405	0	0	0	420,615	5,556,020
Long Range Planning	41,361	0	0	0	234,370	275,731
Planning	2,030,145	0	0	0	245,098	2,275,243
Communications	4,652,805	0	0	0	0	4,652,805
Community Relations	1,131,336	0	0	0	0	1,131,336
Crossing Guards	830,147	0	0	0	0	830,147
Investigations	5,600,852	0	0	0	60,000	5,660,852
Patrol Services	24,942,612	0	0	0	0	24,942,612
Personnel & Training	1,105,341	0	0	0	0	1,105,341
Police Administration	2,155,534	0	0	0	0	2,155,534
Records	1,611,930	0	0	0	0	1,611,930
Traffic	1,611,202	0	0	0	0	1,611,202
Compliance	387,923	0	282,965	161,427	10,000	842,317

Function	General Fund[1]	Housing Authority	Water Fund[2]	Sewer Fund[3]	Other Funds[4]	Total
Facilities Maintenance	3,762,569	0	0	0	0	3,762,569
Fleet Maintenance	0	0	0	0	2,567,751	2,567,751
Park Maintenance	1,591,432	0	0	0	503,244	2,094,676
Public Works Administration	950,283	0	1,096,911	788,092	388,618	3,223,904
Solid Waste Services	8,000	0	0	0	1,129,084	1,137,084
Street Maintenance	1,941,722	0	83,903	71,918	325,746	2,423,289
Trees & Landscape Mnt	1,805,234	0	0	0	1,416,742	3,221,976
Utility Engineering	0	0	956,390	686,503	0	1,642,893
Utility Maintenance	1,162,276	0	2,879,848	1,830,261	0	5,872,385
Aquatics	445,432	0	0	0	0	445,432
General Classes	616,125	0	0	0	0	616,125
Marketing	350,133	0	0	0	0	350,133
Performing Arts	188,471	0	0	0	0	188,471
Recreation Administration	2,077,261	0	0	0	0	2,077,261
Senior Services	776,026	0	0	0	0	776,026
Social Services	169,262	0	0	0	0	169,262
Special Events	582,645	0	0	0	0	582,645
Sports & Fitness	689,306	0	0	0	0	689,306
Youth Programs	1,086,396	0	0	0	0	1,086,396
1432 S. Main Street Properties	0	34,300	0	0	0	34,300
1452 S. Main Street Properties	12,900	0	0	0	0	12,900
Debt Service	1,257,200	0	1,046,450	2,427,200	0	4,730,850
Equipment to be Depreciated	278,709	0	133,816	45,109	186,802	644,436
Non-Departmental	6,732,583	49,147	26,901,908	8,878,700	369,730	42,932,068
Capital Improvement Projects	0	0	5,260,000	6,388,000	21,524,962	33,172,962
Transfers Out*	3,345,645	0	3,725,508	2,270,148	11,329,466	20,670,767
TOTAL	**$ 137,186,955**	**$ 324,787**	**$ 43,637,310**	**$ 24,358,657**	**$ 42,863,427**	**$ 248,371,141**

* Interfund Transfers Out are excluded from this schedule

(1) General Fund, Abandon Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

(2) Water Fund includes Water Maintenance & Operations Fund, 2019 Water Bonds Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.

(3) Sewer Fund includes Sewer Maintenance & Operations Fund, 2019 Wastewater Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund and Sewer Infrastructure replacement Fund.

(4) Other Funds include Community Benefit Fund, Community Facility District Funds, Community Planning Fee Fund, Gas Tax Fund, Equipment Replacement Fund, Housing and Community Development Fund, Information Technology Replacement Fund, Law Enforcement Grant Funds, Light & Landscape Maintenance District Funds, Measure B Fund, Permit Automation Fund, Public Art Fund, Solid Waste Services Fund, Street Improvement Fund, Park Improvement Funds, General Government Capital Improvement Fund, Storm Drain Capital Improvement Fund, and Transit Area Impact Fee Fund.

Operating Transfers Statement

Origin and Purpose of Transfer			Transfer Distribution
From the General Fund	To the Information Technology Replacement Fund for:		
	IT Equipment Replacement		300,000
		sub-total	**300,000**
From the General Fund	To the LLMD 95-1 Fund for:		
	General Benefit Contribution		23,327
		sub-total	**23,327**
From the General Fund	To the LLMD 98-1 Fund for:		
	General Benefit Contribution		22,318
		sub-total	**22,318**
From the General Fund	To the Storm General Fund for:		
	Contribution to Storm Drain		500,000
		sub-total	**500,000**
From the General Fund	To the General Government CIP for:		
	City Hall Air Handlers Replacement (3494)		2,500,000
		sub-total	**2,500,000**
From the Public Art Fund	To the General Government CIP for:		
	Public Art Project (3489)		50,000
		sub-total	**50,000**
From the Gas Tax Fund	To the General Government CIP for:		
	Annual Sidewalk, Curb & Gutter Repair (3426)		890,000
	Annual Street Light, Signal, and Signage (3440)		1,220,000
		sub-total	**2,110,000**
From the Gas Tax Fund	To the Street CIP for:		
	Street Pavement Restriping (4295)		300,000
	ADA Curb Ramp Transition Program (4283)		320,000
		sub-total	**620,000**

Origin and Purpose of Transfer

Origin	Purpose		Transfer Distribution
From the SB1 RMRA	To the Street CIP for:		
	Street Resurfacing Project 2024-25 (4300)		2,000,000
		sub-total	**2,000,000**
From the 95-1 Light & Landscape Maint D	To the General Government CIP for:		
	McCarthy Blvd. LLMD Improvement 95-1 (3402)		75,000
		sub-total	**75,000**
From the 98-1 Light & Landscape Maint D	To the General Government CIP for:		
	Sinclair LLMD Improvements 98-1 (3411)		23,400
		sub-total	**23,400**
From the 2008 Community Facility Dist	To the General Fund for:		
	Operating Cost Reimbursement		3,675,000
		sub-total	**3,675,000**
From the Solid Waste Services Fund	To the General Fund for:		
	Operating Cost Reimbursement		182,066
		sub-total	**182,066**
From Street Improvement Fund	To the Street CIP Fund for:		
	Traffic Signal Installation (4301)		100,000
	Traffic Studies & Minor Improvements (4288)		420,000
	Traffic Management Enhancements 2021 (4302)		500,000
		sub-total	**1,020,000**
From the Vehicle Registration Fee Fund*	To the Street CIP Fund for:		
	Street Resurfacing Project 2024-25 (4300)		500,000
		sub-total	**500,000**
From the Park Improvement Fund*	To the General Government CIP for:		
	Sinnott Park Renovation (3471)		100,000
	Citywide Park Rehabilitation (3424)		50,000
		sub-total	**150,000**
From the Park Improvement Fund*	To the Subsidiary CIP Fund for:		
	Minor Sports Courts Rehabilitation (5113)		130,000
		sub-total	**130,000**

Origin and Purpose of Transfer

Origin	Purpose		Transfer Distribution
From the Storm Drain Fund*	To the Storm Drain CIP		
	Main Street Flood Study (3724)		500,000
		sub-total	**500,000**
From the Storm Drain General Fund*	To the Storm Drain CIP		
	On-Call Storm Maintenance & Repair Services (3719)		100,000
		sub-total	**100,000**
From the General Government*	To the General Government CIP for:		
	Sports Center ADA & Drainage Improvements (3468)		300,000
	Financial System Enterprise Resource Planning (3466)		950,000
	Utility Undergrounding 2017 (3425)		100,000
	On-Call Facilities Maintenance & Repair Services (3462)		400,000
	Murphy Park Renovation (3470)		250,000
	City Building Improvements (3406)		1,140,000
	GIS Development and Data Collection (3496)		95,000
	HVAC Repairs and Upgrades (3499)		355,000
	Railroad Quiet Zone Feasibility Study (3485)		500,000
	Capital Improvement Program Administration (3490)		252,000
		sub-total	**4,342,000**
From the General Government	To the Storm Drain CIP		
	City Parking Lot Rehabilitation Program (3716)		350,000
		sub-total	**350,000**
From the Transit Area Impact Fee Fund*	To the Subsidiary CIP Fund for:		
	Land/Right-of-Way Value Determination (2010)		9,000
	Lower Penitencia Creek Pedestrian Bridge (2005)		600,000
		sub-total	**609,000**
From the Transit Area Impact Fee Fund	To the General Government CIP for:		
	Capital Improvement Program Administration (3490)		144,000
		sub-total	**144,000**
From the Water M&O Fund	To the General Fund for:		
	Operating Cost Reimbursement		3,038,508
		sub-total	**3,038,508**

Origin and Purpose of Transfer

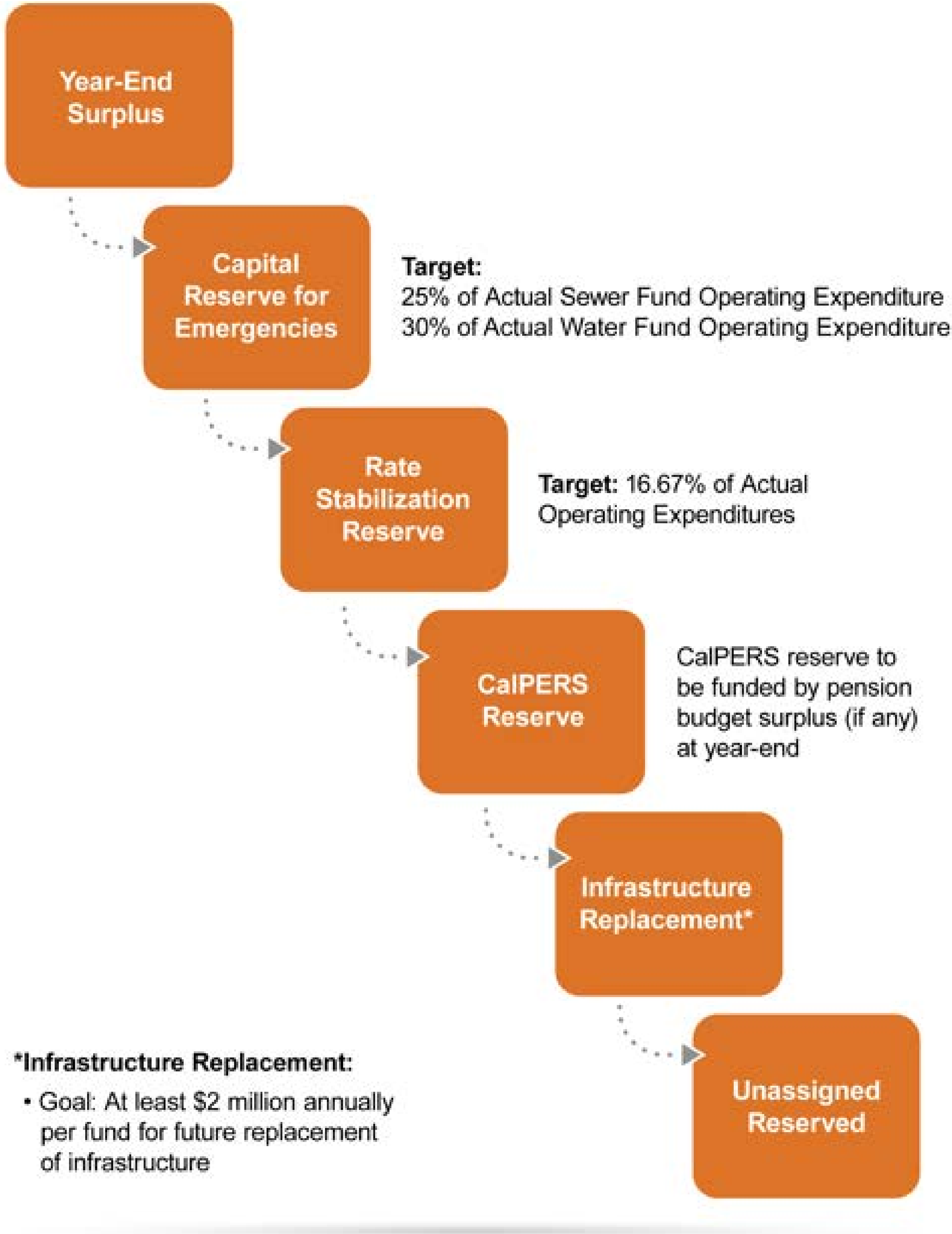
Origin	Purpose		Transfer Distribution
From the Water M&O Fund	To the General Government CIP for:		
	Human Resources Information System (3467)		75,000
	Financial System Enterprise Resource Planning (3466)		250,000
		sub-total	**325,000**
From the Water Line Extension Fund*	To the Subsidiary CIP Fund for:		
	Hydrant Replacement Program (7110)		180,000
		sub-total	**180,000**
From the Water Infrastructure Replacement	To the General Government CIP for:		
	Capital Improvement Program Administration (3490)		162,000
	GIS Development and Data Collection (3496)		200,000
		sub-total	**362,000**
From the Water Infrastructure Replacement*	To the Subsidiary CIP Fund for:		
	On-Call Water Maintenance & Repair Services (7137)		350,000
	Reservoir Cleaning (7112)		600,000
	Well Upgrade Project (7076)		1,500,000
	Asset Renewal and Replacement Program (7141)		500,000
	Pinewood Well Facility Rehabilitation Project (7147)		500,000
	Pressure Reducing Facilities Relocation Project (7148)		465,000
	Sunnyhills Turnout Rehabilitation Project (7149)		1,165,000
		sub-total	**5,080,000**
From the Sewer M & O Fund	To the General Fund for:		
	Operating Cost Reimbursement		1,583,148
		sub-total	**1,583,148**
From the Sewer M & O Fund	To the General Government CIP for:		
	Human Resources Information System (3467)		75,000
	Financial System Enterprise Resource Planning (3466)		250,000
		sub-total	**325,000**
From the Sewer Treatment Fund*	To the Subsidiary CIP Fund for:		
	SJ/SC Regional Waste Water Facility (6118)		1,849,000
		sub-total	**1,849,000**

Origin and Purpose of Transfer

Origin	Purpose		Transfer Distribution
From the Sewer Infrastructure Replacement	To the General Government CIP for:		
	GIS Development and Data Collection (3496)		200,000
	Capital Improvement Program Administration (3490)		162,000
		sub-total	**362,000**
From the Sewer Infrastructure Replacement*	To the Subsidiary CIP Fund for:		
	On-Call Sewer Maintenance & Repair Services (6134)		100,000
	Minor Sewer Projects (6126)		50,000
	Sewer Pump Station Rehab. Program (6124)		925,000
	SJ/SC Regional Waste Water Facility (6118)		2,091,000
	Sanitary Sewer CCTV Inspections & Improvements (6135)		433,000
	Force A Main Project (6137)		940,000
		sub-total	**4,539,000**
From Technology Replacement Fund	To the General Government CIP for:		
	Midtown Area Parks (3484)		150,000
	Human Resources Information System (3467)		200,000
	Technology Projects (3427)		100,000
	Land Management Software Replacement (3502)		1,500,000
		sub-total	**1,950,000**
		TOTAL TRANSFERS	**$39,519,767**

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

Utility Funds Reserve Allocation



General Fund Reserves Summary

Per Annual Comprehensive Financial Statement

Fiscal Year 2018-19 to 2022-23

($ in Million)	FY2019	FY2020	FY2021	FY2022	FY2023
Nonspendable:					
Loan receivable	$0.0	$0.0	$0.0	$0.0	$0.0
Prepaids, materials, supplies and deposits	$0.7	$0.6	$0.6	$0.7	$0.7
Property held for resale	$4.2	$4.2	$4.2	$4.2	$4.2
Advance to Other Funds	$5.3	$5.4	$0.0	$0.0	$0.0
Subtotal Nonspendable	**$10.2**	**$10.2**	**$4.8**	**$4.9**	**$4.9**
Committed to:					
PERS stabilization*	$33.9	$33.9	$2.8*	$5.1*	$6.1*
Artificial turf replacement	$1.0	$1.2	$1.4	$1.7	$1.9
Technology replacement	$2.0	$2.0	$2.0	$2.0	$2.0
Facilities replacement	$7.0	$7.0	$7.0	$7.0	$7.0
Subtotal Committed	**$43.9**	**$44.1**	**$13.2***	**$15.8***	**17.0***
Assigned to:					
Change in investment market values	$0.0	$1.1	$0.0	$0.0	$0.0
Uninsured claims payable	$2.8	$2.0	$2.3	$2.3	$2.8
Contracts	$3.1	$3.0	$2.4	$2.5	$3.6
Other assigned	$0.0	$0.0	$1.8	$1.2	$0.5
General government capital projects	$0.0	$0.0	$0.0	$0.0	$0.0
Subtotal Assigned	**$5.9**	**$6.1**	**$6.5**	**$6.1**	**$6.9**
Unassigned:					
General Fund Contingency Reserve	$0.0	$17.3	$18.3	$18.5	$19.8
Budget stabilization	$9.5	$17.1	$18.3	$18.5	$19.8
Future deficit	$0.0	$0.0	$1.5	$1.5	$1.5
ERAF Reserve	$0.0	$0.0	$0.0	$1.2	$2.3
‡SPAR (Strategic Property Acquisition Revenue)	$0.0	$0.0	$0.0	$0.0	$0.7
Unassigned	$31.2	$0.0	$0.2	$0.3	$0.7
Subtotal Unassigned	**$40.7**	**$34.4**	**$38.3**	**$40.0**	**$44.7**
Total fund balances	**$100.7**	**$94.8**	**$62.8**	**$66.8**	**$73.5**

*$33.9 million of PERS stabilization are put into a Section 115 Pension Trust on June 30, 2021 at Council's direction.
‡SPAR (Strategic Property Acquisition Revenue) was established in FY23-24 budget to support long-term revenue opportunities for strategic property acquisition and development. See Reserve Policies statement no. 57.

American Rescue Plan Act (ARPA) Funds

The American Rescue Plan Act (ARPA) of 2021 is a $1.9 trillion economic stimulus bill that provides $350 billion through the Coronavirus State and Local Fiscal Recovery Fund (SLFRF) program for states, municipalities, counties, tribes, and territories to support the response to and recovery from the Covid-19 public health emergency. Funds have successfully been deployed in Milpitas to support families and businesses struggling with its public health and economic impacts; maintain vital public services, even amid declines in revenue resulting from the pandemic; and build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity. The City's ARPA allocation was $16,736,815, and per U.S. Treasury rules, all funds must be appropriately encumbered by December 31, 2024, with all funds to be expended by December 31, 2026.

In June 2021, the City Council established an ARPA Investment Framework that includes both Fiscal Guidelines and Five Investment Areas. The Fiscal Guidelines include:

Council began ARPA discussions in March 2021 and adopted guidelines, investments plans and project appropriations by August 2021. Specifically, in June 2021, Council approved the ARPA Investment Framework including the Fiscal Guidelines and Five Investment Areas. Fiscal Guidelines include the following:

1. Identify and promote other ARPA or State funding sources to the extent possible before dedicating local ARPA funds.
2. Use one-time ARPA funds for one-time expenditures such as investment in infrastructure or technology with minimum ongoing operating costs.
3. Avoid ongoing General Fund commitments with additional programs and positions.
4. Avoid creating a structural budget deficit if restoring any reduced services.
5. Leverage regional agencies, non-profit partners, and existing programs to maximize efficiency in delivering programs and services.

In August 2021, the City Council approved (and later expanded) funding for 25 programs within the ARPA Investment Plan. In addition, the Council authorized the City Manager to proceed with appropriation actions and contract approvals, up to the approved amount for each program approved by Council, once staff confirmed compliance with all applicable ARPA procurement, contracting, and reporting requirements.

On April 16, 2024 the City Council approved the reallocation of funding within the ARPA Fund and the General Fund to ensure completion of the programs in the ARPA Investment Plan previously approved by Council. As part of this relocation, all remaining ARPA funding is planned to be allocated to staffing salaries and fully expended as of March 31, 2024. General Fund dollars have been reallocated to the investment areas described further below to ensure that funding remains available for the previously committed program areas.

The Five Investment areas, which will now be funded with General Fund dollars are: **Community Services, Economic Vitality, Infrastructure, Public Safety,** and **Technology,** and available funding is allocated as follows:

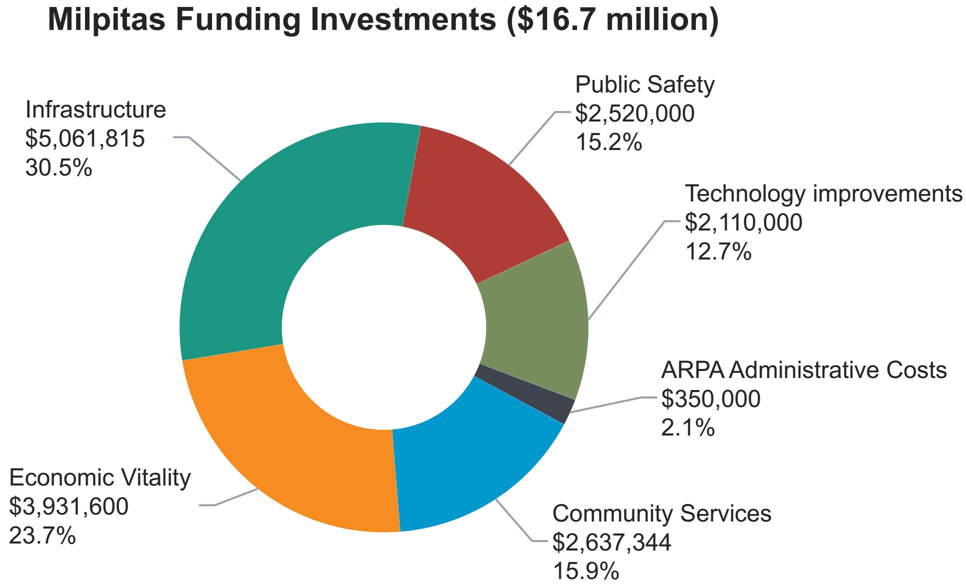


Table 1: Summary of Investment Plan – as of April 28, 2024

No.	Program/Activity	Approved Appropriation
	Community Services	
1	Rent and Mortgage Relief	$1,100,000
2	Social Services – mental health services, services for domestic violence and abuse victims and LGBTQ plus community	$500,000
3	Financial Assistance to low and moderate income residents for utility payments and childcare costs	$575,000
4a	Beautify Milpitas program	$100,000
4b	Weed Abatement	$90,000
5	Homeless Outreach and Assessment	$100,000
6	Public Works Maintenance Staffing	$172,344
	Subtotal	**$2,637,344**
	Economic Vitality	
7	Small Business Assistance Grant Program	$1,565,100
8	Hotel Assistance Grant Program	$130,000
9	Accessory Dwelling Unit program	$990,000
10	Storefront Improvement Grant Program	$365,000
11	Community Events	$125,000

No.	Program/Activity	Approved Appropriation
12	Workforce Development Program	$300,000
13	Limited term Economic Development Specialist Position	$330,000
14	Business Improvement District	$126,500
	Subtotal	**$3,931,600**

Infrastructure

15	Parks Rehabilitation	$4,386,815
16	Public Safety Facilities' Rehabilitation	$250,000
17	Mobile Emergency Operations Center (MEOC)	$425,000
	Subtotal	**$5,061,815**

Public Safety

18	Public Safety Staffing (Two Police Officers and Four Firefighter positions for one year)	$1,200,000
19	Fire Pumper Truck	$920,000
20	Emergency Management Program Assessment Study	$200,000
21	Catalytic Converter Public Safety Initiative	$200,000
	Subtotal	**$2,520,000**

Technology

22	Human Resources Information System	$1,100,000
23	Cybersecurity Programs and Training	$300,000
24	Technology Infrastructure	$710,000
	Subtotal	**$2,110,000**

Administration

25	Funds Administration	$350,000
	Subtotal	**$350,000**

Recommendation for Unassigned Allocation

26	Funds - Unallocated	$126,056
	Subtotal	**$126,056**
	Grand Total	**$16,736,815**

ARPA Programs

1. **Rent and Mortgage Relief**
   Eligible Milpitas households at or below 120% of the Area Median Income (AMI) may receive up to $5,000 in rent relief. Eligible Milpitas households at or below 150% of the AMI may receive up to $15,000 for mortgage relief. The $1,100,000 budget is divided into four categories: (1) $216,125 for mortgage relief, (2) $648,375 for rent relief, (3) $150,000 for a 3-year limited term staff analyst, and (4) $85,500 for a program administrator firm called FORWARD. . Due to the State's expansive mortgage relief program, the City's mortgage relief program remained open for one year but had no eligible applicants. As the rent relief program continued to be successful, and 90% of its funds were spent by April 2024, the mortgage relief funds were transferred over to the rent relief program per City Council direction.

2. **Social Services – Mental Health, Domestic Violence, LGBTQ+**
   This allocation has provided a variety of social services, such as mental health counseling and support services to the LGBTQ+ community and at-risk youth as well as victims of domestic violence and abuse.

3. **Low-income Assistance – Utility Bills, Childcare**
   This program provides financial assistance to low- to moderate-income households for childcare and water utility payments. All childcare subsidy monies should be expended by approximately November 2024. Water utility payment assistance enrollment is low, despite multiple campaigns to inform the residents.

4. **Beautify Milpitas and Weed Abatement**
   The City has provided staffing support and materials for one clean-up day each month and a National Clean-Up Day once a year. The Beautify Milpitas Program is jointly organized by the Public Works Department and Recreation and Community Services. While the Public Works Department purchases and assembles litter pick-up kits, Recreation coordinates monthly Beautification Litter Pick-Up park clean-ups. The litter kits are composed of a Beautify Milpitas tote bag that is filled with: garbage and recycling bags, Milpitas branded gloves, an instruction sheet, a waiver liability form, and a litter pick-up stick. In addition to the park clean-ups, litter kits are distributed at various events throughout the year, and upon request. Litter kits have been requested by school classes, environmental clubs, churches, and businesses hosting staff volunteer litter pick-ups. In the past 2 years, 1500 kits have been ordered, and approximately 1050 have been distributed. Besides the litter pick-up kits, Public Works also assembles graffiti removal kits, which can be borrowed from the Lend-A-Tool program. The graffiti removal kit comes with: Milpitas branded gloves, graffiti removal solvent, a sponge, rags, and safety glasses.

   Seasonal staff was hired to perform weed and brush abatement throughout the city. The Public Works Department manages the weed abatement program for all City owned properties, undeveloped parkland medians, and along roadways to reduce fire hazards. All funds in this program have been expended.

5. **Homeless Outreach and Assessment**
   The City partnered with the Santa Clara County Office of Supportive Housing (OSH) and the County's Homeless Engagement and Access Team (HEAT) to provide direct outreach, assessment, and case management services to the City's unhoused residents. From March 2021 through December 2023, the HEAT team made 428 outreach contacts, assessed 294

individuals, and enrolled 270 clients. The ARPA allocation also allowed the City to fund its 2023 homeless outreach and assessment program.

6. **Public Works - Maintenance Staffing**
   This allocation allowed the City to supplement Public Works service levels by adding additional positions in Fiscal Year 2023-24.

7. **Small Business Assistance Grant Program**
   Approximately $1,570,000 in ARPA grants were disbursed to provide financial assistance to 343 businesses impacted by the Covid-19 pandemic. Every business that was deemed eligible received grant funds. While all business sectors were eligible, the Council gave priority to fitness facilities, childcare centers, and home-based childcare. Restaurants/food and beverage, personal services, childcare centers, education services, fitness studios, and health care were the business sectors that were highly represented. The grant funds were used for mortgage, rent, utilities, operations, maintenance, recruitment, and safety equipment. An additional $70,000 from the Hotel Assistance Grant Program was redirected to this Small Business Assistance Grant Program.

8. **Hotel Assistance Grant Program**
   Milpitas is home to twenty hotels which serve the Silicon Valley region. The local lodging industry plays a significant multiplier role in the local economy. During the pandemic, hotels suffered tremendous loss in revenues and jobs. The Department of Treasury has determined that aid to impacted industries such as tourism, travel, and hospitality take place to restore these industries to pre-pandemic levels. The ARPA grant funds have been disbursed and the program is complete. Thirteen hotels in Milpitas applied for the ARPA funds, and each received $10,000 for a total of $130,000. The City Council allocated a total of $200,000 of ARPA funds for the Hotel Assistance Grant Program. Since 13 hotels received $10,000 grants, the remaining $70,000 was redirected to the ARPA funded Small Business Assistance Grant Program by City Council approval.

9. **Accessory Dwelling Unit (ADU) program**
   The ARPA allocation subsidizes permit fees to incentivize the building of new accessory dwelling units (ADUs) and encourage the legalization of unpermitted ADUs through the ADU Incentive Program and the Safe ADU Legalization Program. These ADU programs can provide housing options, foster economic growth through increased construction activity, and increase property values. Since the inception of these programs, the City has accepted permit submittals for 144 ADUs. Of that amount, 68 are in plan review, 10 have been approved for issuance, 41 permits have been issued, 4 have been issued but withdrawn (plan review fees paid by ARPA prior to withdrawal), and 21 final inspections have been completed. All the funds allocated for this program will be expended if the applicants currently in the plan check phase move into the building permit phase. At this time, staff has paused subsidizing new ADU permits since all ARPA funds will be expended with the applications submitted through January 2024.

10. **Storefront Improvement Grant Program**
    The Storefront Improvement Grant Program is intended to spur Main Street revitalization and economic vitality. Grant funds subsidize exterior building and site improvements including painting, landscaping, exterior lighting, permanent signage and more. Council allocated $365,000 in ARPA funds, $75,000 of which is for the City’s contracted design professional to provide design services to eligible projects. Approximately $185,000 is planned for approved projects while the reaming $105,000 will be allocated for future eligible projects.

11. **Community Events**
Funds were used to hire a program coordinator and to host events, including Earth Day, Family Campout, Lantern Festival, ArtWalk, Dia de Los Muertos, and Holi Festival in 2023 and 2024.

12. **Workforce Development Program**
Funds were dispersed to multiple organizations to address workforce development, including the following organizations for the first funding round: (1) Milpitas Youth Force to support low-income youth for two summer programs ($110,000), (2) First 5 Santa Clara County for a pilot early childhood education teacher apprenticeship program ($40,000), (3) Rising Sun Center for Opportunity Climate Careers to develop a program addressing climate change by employing local youth to provide energy efficiency services ($10,000), and (4) Build It Green for a Certified Green Building Professional (CGBP) training program that introduced green building and construction concepts to residents ($10,000). The remaining $18,000 from the previous Milpitas Youth Force programs will be utilized for the 2024 summer program as stated in the October 17, 2023 City Council agenda report.

    In the second round of funding, grants were disbursed to two organizations: (1) the Milpitas Unified School District's Adult Education Career Training Center to support workforce development programming and education services ($30,000) and (2) the SEMI Foundation to support hands-on learning using Science, Technology, Engineering, and Mathematics (STEM) Kits benefiting local youth in workforce development and education services ($44,750). The Adult Education Career Center program has started, and the STEM kits program will be launched soon.

13. **Limited-term Economic Development Specialist**
This position is currently occupied by a part-time Senior Special Projects Associate to assist with implementation of the ARPA Economic Vitality investment areas.

14. **Business Improvement District**
Staff is assessing the feasibility of establishing a business improvement district on Main Street by hosting stakeholder meetings to define needs, establish the study area boundaries, and prepare a Feasibility and Assessment Report with findings and recommendations. The formation of a Property-Business Improvement District (PBID) involves levying a special assessment or fee on properties located within the defined boundary area. These assessments are collected by the local government and pooled together to fund improvements and services beyond those already provided by the City that benefit the businesses or properties, and the overall community. The Phase 1 feasibility report for a PBID is under staff review and will be presented to the City Council in the near future. If a majority of property owners vote to establish a PBID, the Phase 2 Management Plan and Petition Process Implementation could proceed with the remaining $66,724 in the contract. If Phase 2 does not move forward, staff anticipates using the balance of funds for Main Street revitalization.

15. **Parks Rehabilitation – Engineering & Public Works**
This project provides for design and construction to address health and safety repairs and short-term improvements at 20 City-owned parks. The first phase included nine parks aimed at addressing failed pour-in-place play surfaces, replacing sand with engineered wood fiber, and replacing aging playground equipment components at Cerano, John McDermott, O'Toole Elm, Parc Metro Central, Parc Metro East, Pinewood, Selwyn, Sunnyhills Albert Augustine Jr. Memorial, and Tom Evatt parks. Phase 1 of the Parks Rehabilitation was essentially completed

by the end of 2023, with minor enhancements at Selwyn Park to be concluded at the end of April 2024.

For Phase 2, Council awarded a construction contract on April 2, 2024 for park improvements to Ben Rogers, Foothill, Hidden Lake, Murphy, Oliver Jones, Parc Metro West, Robert E. Browne, Sandalwood, Sinnott, Strickroth, Starlite, Sunnyhills Albert Augustine Jr. Memorial, and Tom Evatt. The Phase 2 focuses on ADA compliance if feasible, replacing aging site furnishings, improving and repairing picnic areas and pathways, enhancing fitness station and playground areas, and upgrading restroom fixtures to comply with current 2022 Building Codes.

16. **Rehabilitation of Public Safety Facilities**
This project supplements the replacement of the modular building at Fire Station No. 1 that has reached its useful service life. The modular building is being used as the City's Office of Emergency Services (OES) and for training. The modular building selection is expected to be completed by Summer 2024, with complete installation by late 2025.

17. **Mobile Emergency Operation Center (MEOC)**
This allocation provided partial funding for the purchase of a Mobile Emergency Operations Center (MEOC) to be used by the Police and Fire Department during extended incidents and field deployments. This vehicle will provide a safe operational environment for staff to plan and coordinate resources during a major incident. This vehicle provides a safe operational environment for staff to plan and coordinate resources during a major incident. The MEOC will also the City to provide continuous and uninterrupted 9-1-1 service to the community in the event the primary system fails. The vehicle was delivered the first week of February 2024.

18. **Public Safety Staffing (Police and Fire)**
This program funded two police officers to restore pre-pandemic staffing levels. Four firefighter-paramedic positions were also funded which enabled the Fire Department to deploy an ambulance in FY 2022-23.

19. **Fire Department Equipment**
The addition of the new fire pumper truck will substantially improve the reliability of the reserve fleet. The oldest fire pumper trunk will be removed from the reserve, thereby maintaining three reserve pumpers. By adding a new fire pumper truck to the fleet in front line status, the useful life of the two existing front-line apparatuses will be extended. This purchase is in progress with the projected build date of mid-2024, and deployment likely in 2025.

20. **Implementation of Emergency Management Program Plan (EMP)**
This funding will partially pay for the high priority Emergency Management Program (EMP) Assessment Study. The Milpitas Fire Department Office of Emergency Management (OEM) coordinates the City's preparedness efforts to mitigate against, plan for, respond to and recover from natural and technological disasters. Department directors and City Manager's Office final reviews are currently underway with an estimated final completion in the next few months. The next step is to begin the process of integrating the annexes into the current City Emergency Operations Plan.

21. **Catalytic Converter**
This limited term, completed program provided funding for various catalytic converter programs to provide economic support to local businesses and enhance public safety. Residents receive a $400 voucher to use at participating businesses to have protected plates or rebar installed on their vehicle to prevent theft of their catalytic converter. A total of 148 residents participated and seven businesses were supported.

22. **HR Information System**
This funding enables the City to implement a new HR Information System (HRIS). Currently, the City relies on an outdated 26-year-old financial management system with limited human resources functionality While the City implemented multiple upgrades throughout the years, the current system is obsolete, resulting in: (1) paper-intensive, manual procedures, (2) higher risks of error, (3) insufficient information for informed labor relations/management, and (4) insufficient reporting for fiscal management and transparency. This new system will address many of the current system deficiencies. On December 12, 2023, Council approved a five-year Software as a Service (SaaS) agreement with Tyler Technologies for the Human Resources Information System (HRIS). In January 2024, the project officially commenced. Staff established a project team and is in the beginning stages for engaging with Tyler Technologies. The target “go live” date is January 2026 for the human resources core functionalities.

23. **Cybersecurity and Training**
This funding will assist the City in addressing cyber threats. The City procured several cybersecurity protection systems and continued with the employee security training program. The hardware for the remaining project has been delivered and is expected to be implemented in March 2024. All funding has been encumbered.

24. **Technology Improvements**
This project supports general technology improvements, including but not limited to: (1) addressing outdated and vulnerable systems, (2) improving security, (3) implementing additional infrastructure necessary to better support the City’s remote workforce, and (4) supporting hybrid public meeting requirements. The City completed two rounds of end-user equipment replacements, increased data backup storage capacity, and completed network documentation and security assessment. The remaining funds will be used to make 9-1-1 dispatch system improvements and to replace the City’s aging Wi-Fi wireless infrastructure. All funding is expected to be encumbered by June 2024.

25. **Procurement, Monitoring and Compliance**
This allocation represents 2.1% of the total Milpitas ARPA allocation and will help ensure compliance with the complex procurement, monitoring and compliance requirements imposed by the U.S Treasury.

City Council

Mayor: Carmen Montano

Mission Statement

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 Milpitas community.

Description

The City has a Council/Manager form of government. The Council sets policy and approves the budget, contracts, and programs.

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 Five-Year Capital Improvement Program.
- Serves as City Representatives at public events and functions.

Council Priority Areas

Community Wellness and Open Space

Economic Development and Job Growth

Environment

Governance and Administration

Neighborhoods and Housing

Public Safety

Transportation and Transit

Accomplishments

		Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Successful Appointment of City Manager				✓			
2.	Approved priority setting policy for key new initiatives	✓	✓	✓	✓	✓	✓	✓
3.	Leveraged ARPA funding to Assist Milpitas Residents and Businesses	✓	✓		✓	✓	✓	
4.	FY2023-24 Budget Adoption	✓	✓	✓	✓	✓	✓	✓
5.	FY2023-28 CIP Budget Adoption	✓		✓	✓	✓	✓	✓

Initiatives

		Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Assist Small Business	✓	✓		✓			
2.	Continue to invest American Rescue Plan Act funds strategically	✓	✓	✓	✓	✓	✓	✓
3.	Advocate for Federal and State legislation and funding to benefit the residents of Milpitas	✓	✓	✓		✓	✓	✓
4.	Continue to support policies and programs that promote equity, inclusion and diversity	✓	✓	✓	✓	✓	✓	✓
5.	Spur economic development and job growth through City policies and programs	✓	✓	✓	✓	✓	✓	✓

Budget Summary

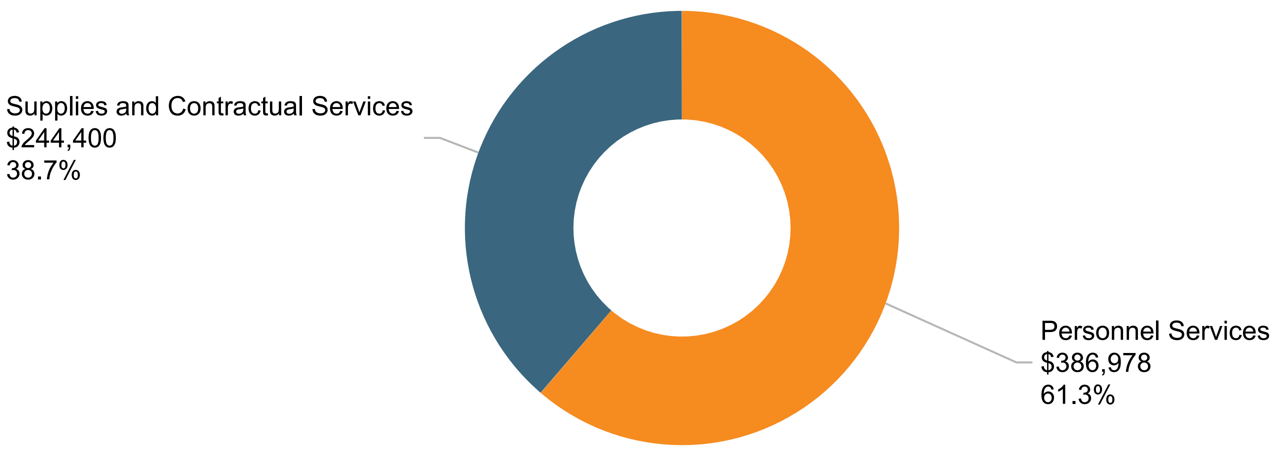
DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$57,387	$57,882	$58,688	$58,688	$0	0.0%
4112	Temporary Salaries	3,295	9,399	144,728	144,728	0	0.0%
4121	Allowances	37,560	37,602	38,700	37,560	(1,140)	(2.9)%
4131	PERS	16,500	14,991	15,133	15,656	523	3.5%
4132	Group Insurance	83,477	104,555	114,444	122,868	8,424	7.4%
4133	Medicare	1,422	1,535	3,511	3,495	(16)	(0.5)%
4135	Worker's Compensation	2,438	2,392	1,017	1,018	1	0.1%
4139	PARS	47	162	2,171	2,171	0	0.0%
4146	Short Term Disability	0	0	1,200	336	(864)	(72.0)%
4161	Retiree Medical Reserve	268	562	458	458	0	0.0%
	sub-total	**202,394**	**229,080**	**380,050**	**386,978**	**6,928**	**1.8%**
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	12,626	20,466	37,500	44,500	7,000	18.7%
4220	Supplies	1,003	2,483	11,000	11,000	0	0.0%
4230	Services	10,158	883	35,000	23,500	(11,500)	(32.9)%
4500	Training, Travel, & Memberships	81,655	89,603	148,900	153,400	4,500	3.0%
4520	Commissions & Boards	132	1,081	12,000	12,000	0	0.0%
	sub-total	**105,574**	**114,516**	**244,400**	**244,400**	**0**	**0.0%**
	TOTAL	**$307,968**	**$343,596**	**$624,450**	**$631,384**	**$6,928**	**1.1%**

Staffing*

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
City Council	4.00	4.00	4.00	4.00	0.00
Mayor	1.00	1.00	1.00	1.00	0.00
Total Positions	**5.00**	**5.00**	**5.00**	**5.00**	**0.00**

*Funding for 5 interns (2.5 Temporary FTEs) included in the City Council budget.

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**5.00**	**$624,450**	**$0**	**$624,450**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		6,928		6,928
Adjustments to Costs of Ongoing Activities	**0.00**	**6,928**	**0**	**6,928**
Total FY 2024-25 Budget	**5.00**	**$631,378**	**$0**	**$631,378**

City Manager

City Manager: Ned Thomas

Mission Statement

The City Manager's Office oversees day-to-day operations of the City, consistent with Council policy and direction, and provides executive leadership and professional management to the organization.

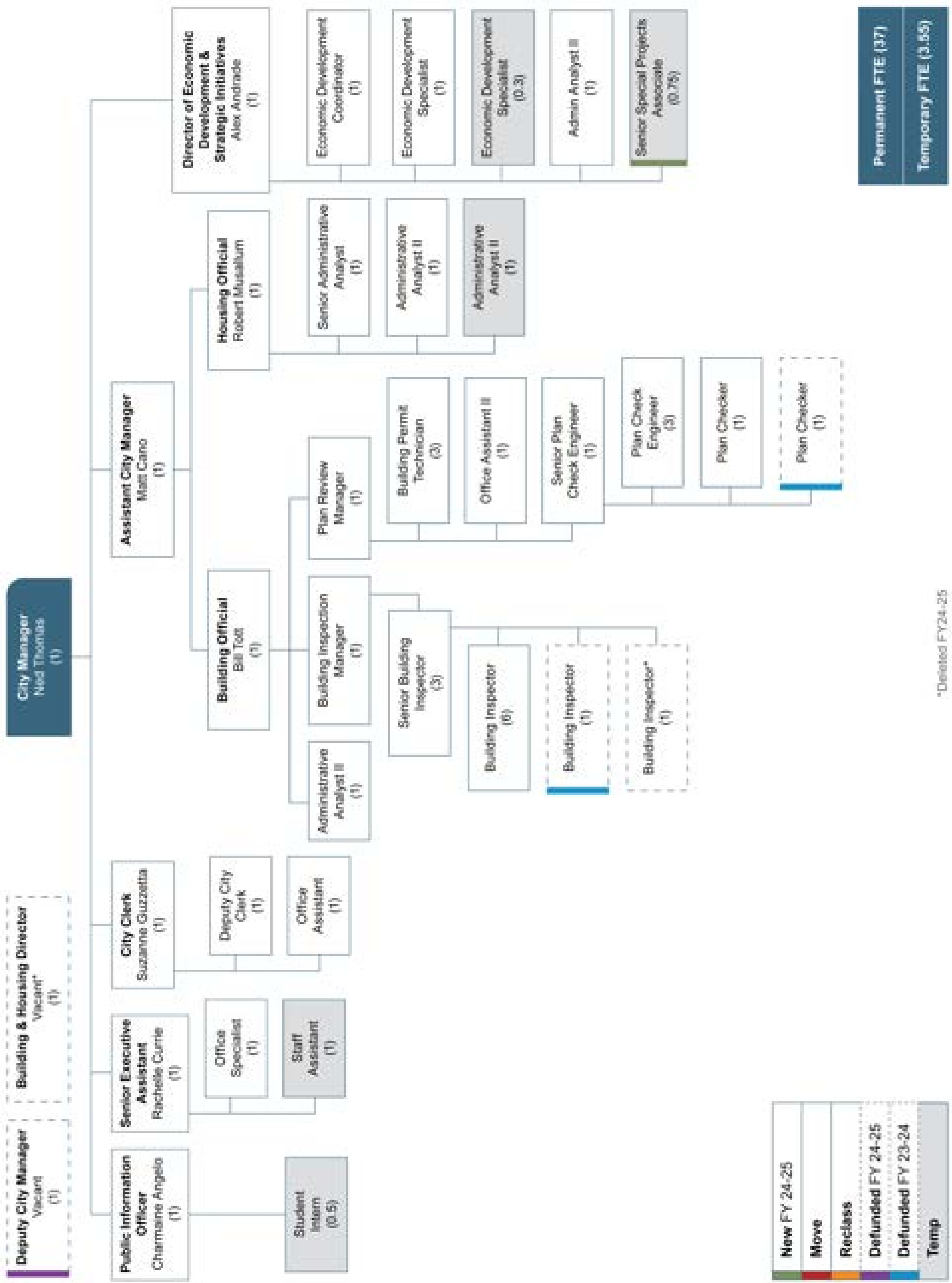
Description

This office establishes a high standard of ethics, open communication, transparency, and professionalism for the organization and seeks to ensure the highest level of efficient and effective administration in accordance with the general policy guidelines of the City Council. This office receives requests from residents, business owners, and Council members and recommends strategies and solutions for Council consideration.

Services

- Provides professional expertise and support to the City Council in formulation, interpretation and application of public policy to achieve community goals and objectives.
- Implements the City Council approved policies.
- Ensures the delivery of services to the Milpitas community in an effective and efficient manner.
- Administers the operations of City government.
- Advances organizational vision, determines organizational accountability, goals, and organizational capacity.
- Provides strong leadership and ensures timely dissemination of critical information to the community during times of emergency.
- Coordinates with all City departments to prepare and submit for adoption a balanced budget that identifies all the anticipated revenues and expenditures.
- Communicates with the City's diverse community about services, programs, and policies.
- Responds to inquiries from Milpitas residents and businesses, external agencies, customers, and other interested parties.
- Follows legislative activities of federal, state, regional and local political bodies and keeps Council apprised of the potential impact to the City.

City Manager



Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Proposed a Balanced FY 2024-2025 Budget	✓	✓	✓	✓	✓	✓	✓
2.	Reorganized the City Manager's Office for greater efficiency in responding to requests from the Council and the community				✓			
3.	Merged the Public Works Dept and Engineering Dept for greater efficiency in delivering essential services				✓			
4.	Completed Executive Appointments for a New Human Resources Director and Finance Director				✓			
5.	Established the 1000 Hillview Stakeholders' Group to address neighborhood concerns					✓	✓	
6.	Supported the Launch of a Microenterprise Assistance Program		✓		✓			
7.	Secured $2.1Million in Federal and State Earmark Funds for Milpitas SMART and Main Street Revitalization		✓		✓			✓
8.	Won Top Prize for Best Marketing Campaign of the Milpitas SMART Program		✓		✓			✓

Initiatives

#	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Realign Departments for Organizational Efficiency and Effectiveness		✓		✓	✓		
2.	Address Affordable Housing & Homelessness				✓	✓		
3.	Economic Development Strategy Implementation		✓					
4.	Communications Strategy Implementation				✓			
5.	Senior Discount Program Policy Review and Analysis		✓		✓			

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goal	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Residents that are satisfied or very satisfied with the quality of City services		79%	80%	80%	83%	83%
Residents contacting the City who say they are satisfied or very satisfied with the timeliness, courtesy and competency of City employees		77%	78%	83%	78%	80%
Employees who feel their work is valued by the City*		67%	58%	N/A	70%	75%
Employees who feel safe at work		85%	81%	N/A	90%	90%
Employees receiving timely annual performance appraisals		N/A	70%	85%	85%	90%

ACTIVITY AND WORKLOAD DATA	Strategic Goal	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
City Council agenda items		503	469	385	450	450
Information Memos published		64	30	23	35	30
City Manager Bi-Weekly Reports (Milpitas Matters)		15	19	15	19	15
Press Releases		22	20	18	15	20
Communications to all employees (emails, newsletters, town hall meetings)		74	103	80	95	90

*Employee survey is only conducted every two years

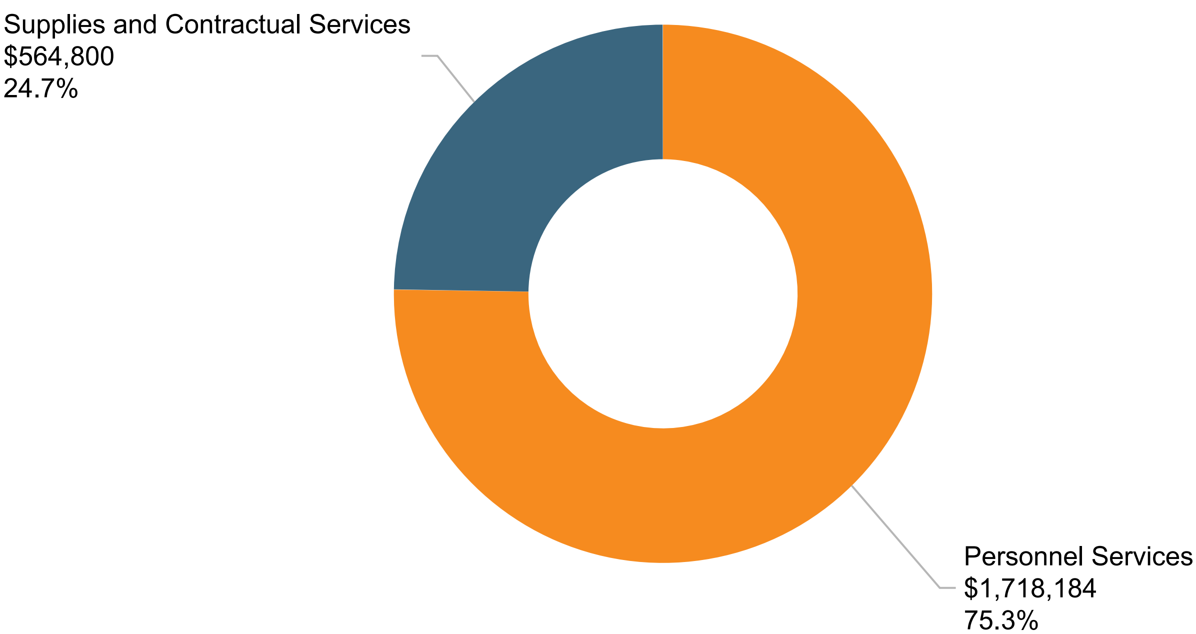
Budget Summary

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$1,211,055	$1,162,877	$1,314,527	$979,777	($334,750)	(25.5)%
4112	Temporary Salaries	22,609	33,244	39,956	154,356	114,400	286.3%
4113	Overtime	263	70	0	0	0	0.0%
4121	Allowances	22,592	23,538	26,400	13,201	(13,199)	(50.0)%
4124	Leave Cashout	149,672	201,287	0	0	0	0.0%
4131	PERS	396,751	367,041	416,163	379,392	(36,771)	(8.8)%
4132	Group Insurance	89,018	100,437	133,500	154,992	21,492	16.1%
4133	Medicare	20,659	20,771	20,292	16,894	(3,398)	(16.7)%
4135	Worker's Compensation	(907)	1,629	6,849	5,749	(1,100)	(16.1)%
4138	Deferred Comp-Employer	37,092	35,694	39,389	4,503	(34,886)	(88.6)%
4139	PARS	337	451	878	878	0	0.0%
4146	Short Term Disability	0	0	1,649	420	(1,229)	(74.5)%
4161	Retiree Medical Reserve	8,008	12,214	10,637	8,022	(2,615)	(24.6)%
	sub-total	**1,957,149**	**1,959,253**	**2,010,240**	**1,718,184**	**(292,056)**	**(14.5)%**
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	14,493	1,933	50,000	55,000	5,000	10.0%
4210	Department Allocations	0	0	0	0	0	0.0%
4220	Supplies	11,224	17,252	15,000	15,000	0	0.0%
4230	Services	146,251	245,719	360,000	447,500	87,500	24.3%
4500	Training, Travel, & Memberships	18,817	33,916	36,100	47,300	11,200	31.0%
	sub-total	**190,785**	**298,820**	**461,100**	**564,800**	**103,700**	**22.5%**
	TOTAL	**$2,147,934**	**$2,258,073**	**$2,471,340**	**$2,282,986**	**($188,356)**	**(7.6)%**

Staffing

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Adopted	FY 2025 Change
Assistant City Manager	1.00	1.00	1.00	1.00	0.00
City Manager	1.00	1.00	1.00	1.00	0.00
Deputy City Manager	1.00	1.00	1.00	0.00	(1.00)
Office Assistant II	0.50	0.50	0.00	0.00	0.00
Office Specialist	0.00	0.00	1.00	1.00	0.00
Public Information Officer	1.00	1.00	1.00	1.00	0.00
Senior Executive Assistant	1.00	1.00	1.00	1.00	0.00
Total Positions	**5.50**	**5.50**	**6.00**	**5.00**	**(1.00)**

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**6.00**	**$2,380,310**	**$91,033**	**$2,471,343**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		(73,658)	(4,293)	(77,951)
Non-Personnel Expenditure Alignment to Historical Trend		23,700		23,700
Adjustments to Costs of Ongoing Activities	**0.00**	**(49,958)**	**(4,293)**	**(54,251)**
Total FY 2024-25 Base Budget	**6.00**	**$2,330,352**	**$86,740**	**$2,417,092**
Service Level Changes				
City Manager's Office Realignment	(1.00)	(214,108)		(214,108)
Senior Discount Community Survey (One-Time)		30,000		30,000
Grant Consultant Annual Services		50,000		50,000
Total Service Level Changes	**(1.00)**	**(134,108)**	**0**	**(134,108)**
Total FY 2024-25 Budget	**5.00**	**$2,196,244**	**$86,740**	**$2,282,984**

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	**Grant Consultant Annual Services**		**$50,000**	**$0**	**$50,000**

This action will fund $50,000 ongoing for consultant support for the City in identifying and seeking grant opportunities that match with the highest priority needs of our community. The consultant will coordinate closely with City Departments, review master plans, budgets and community priority surveys and work with city staff to target key grant opportunities for capital and operational needs.

Performance Results:

This contract will allow City staff to focus on grant opportunities that align most closely with the City's priorities and resources.

Impact if funding is not approved

If this funding is not approved, staff will continue to seek grant opportunities on an individual and sporadic basis as time allows. However, staff will not have the capacity to strategically review all potential grant opportunities and leverage those that are most impactful to the Milpitas community.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
2.	**Senior Discount Community Survey**		**$30,000**	**$0**	**$30,000**

This action will fund $30,000 one-time for a survey of local businesses to help determine options and alternatives for a potential citywide senior discount. In June 2023 the Mayor and City Council prioritized the review of a potential citywide senior discount for Milpitas residents. If a program is ultimately approved by the City Council additional funds will be required for program implementation.

Performance Results:

The survey is expected to be completed in the first quarter of Fiscal Year 2024-2025 and staff will bring the results of this survey to the Mayor and City Council in Fall 2024 for discussion and consideration of next steps.

Impact if funding is not approved

If this is not funded, staff will not have the capacity to receive feedback from the business community on a potential citywide senior discount program.

3.	City Manager's Office Realignment	(1.00)	$(181,550)	$0	$(181,550)

This action realigns positions within the City Manager's Office executive leadership to realize cost savings to support the City's general fund forecast challenges on an ongoing basis. This realignment would result in defunding the Deputy City Manager position (-$370,025), reclassifying the Economic Development Director position to Director of Economic Development & Strategic Initiatives ($32,558), and creating a new temporary benefited Senior Special Projects Associate position ($155,917). Given economic realities, defunding the Deputy City Manager position will allow the City to re-evaluate the long-term need for this position in light of other city priorities. The significant level of work associated with the Deputy City Manager position will be distributed amongst the City Manager's Office and executive leadership team staff. In particular, the Director of Economic Development & Strategic Initiatives will take over legislative activities and certain strategic policy work that is closely aligned with business attraction, revenue generation, and the City's fiscal sustainability. In addition, the current, part-time Senior Special Projects Associate position would continue in an unbenefited role to assist with policy analysis of key City Council strategic initiatives such as, but not limited to, the Senior Discount program, American Rescue Plan Act funding, Charter City analysis, grant program and other priority initiatives.

Performance Results:

This proposal will result in cost savings to the General Fund while allowing certain limited policy analysis to continue. This proposal allows the City Manager's Office to monitor legislative affairs and focus on strategic initiatives to enhance revenues and quality of life through economic and community development.

Impact if funding is not approved

If this proposal is not funded, the City would not realize the savings or service enhancements associated with this proposal.

4.	Development Services Realignment		$(323,326)	$(109,897)	$(433,223)

This proposal action realigns the Building Safety, Code Enforcement and Housing functions into more appropriate work areas within the City as opposed to being combined into one department to provide for more efficient and effective service delivery to our customers on an ongoing basis. This action would result in the deletion of the Building Safety & Housing Department. With the exception of the Building Safety & Housing Director, all staff and budget from this department will be shifted as follows: (1) Building Safety staff and budget will be shifted to the City Manager's Office in a new "Office of Building Safety;" (2) Housing staff and budget will be shifted to the City Manager's Office in a new "Office of Housing;"; (3) Code Enforcement staff and budget will be shifted to the Planning Department.

Additionally, the following position changes will be made: (1) The vacant Building Safety & Housing (BSH) Director position will be deleted (-$288,940); (2) The Housing Authority Administrator position will be reclassified to Housing Official in recognition of the higher-level responsibility this position will have with the deletion of the BSH Director position ($38,414), and; (3) a vacant Building Inspector position (1.0 FTE) will be deleted due to decreased building inspection volume (-$182,697).

Performance Results:
This proposal will result in cost savings to the General Fund and place staff in area of the organization more aligned with the services they provide to the public. This proposal will also provide an opportunity for the City Manager's office to review and assess the services and needs of the Building Safety and Housing functions and provide support.
Impact if funding is not approved
If this proposal is not funded, the General Fund will not realize the significant savings, and staff will need to pursue recruitment for a new Building Safety & Housing Director to provide executive-level leadership over this critical function. Given the disparity between the functions in the department it would be challenging to identify the ideal candidate to refill this current position.

Total Service Level Changes	**(1.00)**	**($424,876)**	**($109,897)**	**($534,773)**

*Above proposals may have fiscal impacts in other functions as well.

City Clerk

City Clerk: Suzanne Guzzetta

Mission Statement

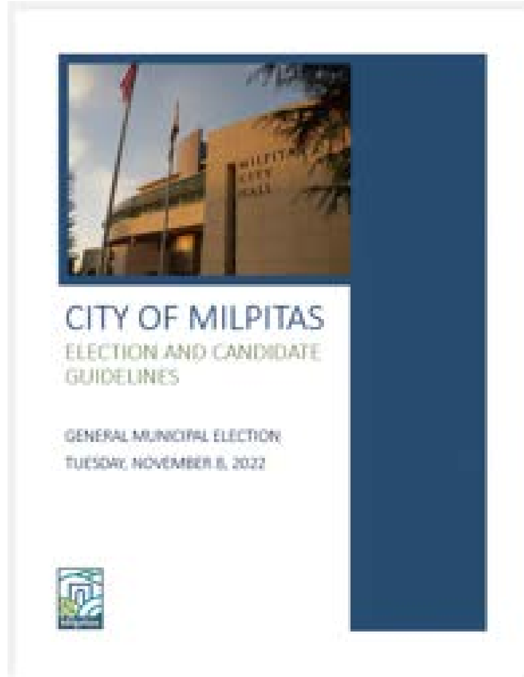
The City Clerk works to ensure public trust in government by maximizing public access to government through administering democratic processes, facilitating legislative processes, and overseeing compliance activities in accordance with legal requirements.

Description

The City Clerk serves as the legislative administrator, elections official, and records manager for the City, while also serving as the Clerk of the City Council and Secretary to the Milpitas Public Financing Authority, Municipal Financing Authority and Housing Authority. As the Office of Record, the City Clerk is responsible for maintaining the official record of council actions and execution of all minutes, ordinances, and resolutions. The City Clerk also ensures compliance with relevant laws aimed at safeguarding democracy and public transparency including the Ralph M. Brown Act, California Elections Code, the Political Reform Act and Public Records Act.

Services

- Prepares, edits, and publishes City Council agenda and meeting minutes for all regular and special City Council meetings.
- Ensures municipal records are readily available and accessible to all and serve as main point of contact 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 production and retention of all meeting agendas and minutes of all City Council (and related entity) meetings.
- Coordinates outreach and tracking of terms of service and Mayor's appointments to 12 City Commissions and one Oversight Committee.
- Maintains codification of ordinances, i.e., ensuring publication of Milpitas Municipal Code by vendor Municipal Code Corporation.
- 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 Fair Political Practices Commission Forms 700 / Statements of Economic Interest for all designated employees, Commissioners, and elected officials.
- Responsible for requests for rental of City Hall facilities.
- Conducts Administrative Hearings, upon request, for Parking Citations and other municipal code violations.



Accomplishments

		Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Prepared all City Council, Housing Authority, and Public Financing Authority regular & special meeting including Study Session agendas, via use of MuniCode Meetings software, and wrote all meeting minutes	✓	✓	✓	✓	✓	✓	✓
2.	Tracked Council agenda items on: Tentative Agenda Items, Major Discussion Items, Preliminary and Final City Council Agenda and List of Requested Agenda Items				✓			
3.	Responded to Calif. Public Records Act and Milpitas Open Government Ordinance requests for records	✓	✓	✓	✓	✓	✓	✓
4.	Collected mandated Fair Political Practices Commission documents from filers, including all Statement of Economic Interests (From 700) and campaign committee reports				✓			
5.	Managed the Commission recruitment and appointment process for twelve Commissions, two Task Forces, and one Oversight Committee				✓			
6.	Tracked all Commissioner terms, maintained directory, provided Commissioner Handbook and training to City of Milpitas appointed Commissioners				✓			
7.	Provided Notary Public service for City staff, as needed				✓			
8.	Conducted City Commission Liaison Training				✓			
9.	Implemented new Electronic Agenda Management System				✓			

	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Prepare all City Council, Housing Authority, and Public Financing Authority regular and special meeting agendas and minutes	✓	✓	✓	✓	✓	✓	✓
2.	Track Council agenda items on: Tentative Agenda Item Lists, Major Discussion Items, Preview List, Council referral items, Preliminary and Final City Council Agenda and List of Requested Agenda items				✓			
3.	Respond to Public Records Act and Open Govt. Ord. requests for public records.				✓			
4.	Collect mandated Fair Political Practices Commission documents from filers, including all annual Statements of Economic Interests (700) and campaign committee reports				✓			
5.	Track all Commissioner terms, maintain directory, provide Commissioner Handbook and training to City of Milpitas appointed Commissioners				✓			
6.	Continue to Provide Notary Public service for City staff, as needed				✓			
7.	Review and revise the City's Records Retention Schedule				✓			
8.	Conduct City Commission Liaison/ Chair and Vice Chair Training				✓			
9.	Roll out Electronic Agenda Management System to all commissions				✓			

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
City Council preliminary agenda posted on time, in accordance with Open Government Ordinance, 6 days prior to meeting		100%	100%	100%	100%	100%
City Council Agendas packets prepared, posted and delivered 4 days prior to meeting		100%	100%	100%	100%	100%
Compliance with timely filings of Fair Political Practices Commission Form 700 Statements of Economic Interest		85%	92%	99%	96%	100%
Comply with timely filings of fair Political Practices Commission Forms 460/Campaign Committee reports		94%	98%	91%	97%	100%

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
City Council Agenda Reports (Regular and Special)		465	356	289	243	250
City Council Meeting Minutes prepared (# pages)		43 (205)	37 (228)	32 (170)	32 (147)	32 (150)
US passport applications accepted		529	N/A	N/A	N/A	N/A
Candidates Assisted in Municipal Election		11	0	15	0	16
Tort Claims received by City Clerk		34	49	49	50	50
Fair Political Practices Commission Forms 700 (SEI) Received		152	180	241	188	185
Fair Political Practices Commission Campaign Committee Reports filed		37	34	58	45	50
Notary Public acknowledgments (or jurats)		22	99	79	25	50

*Passport Services discontinued in FY 21-22

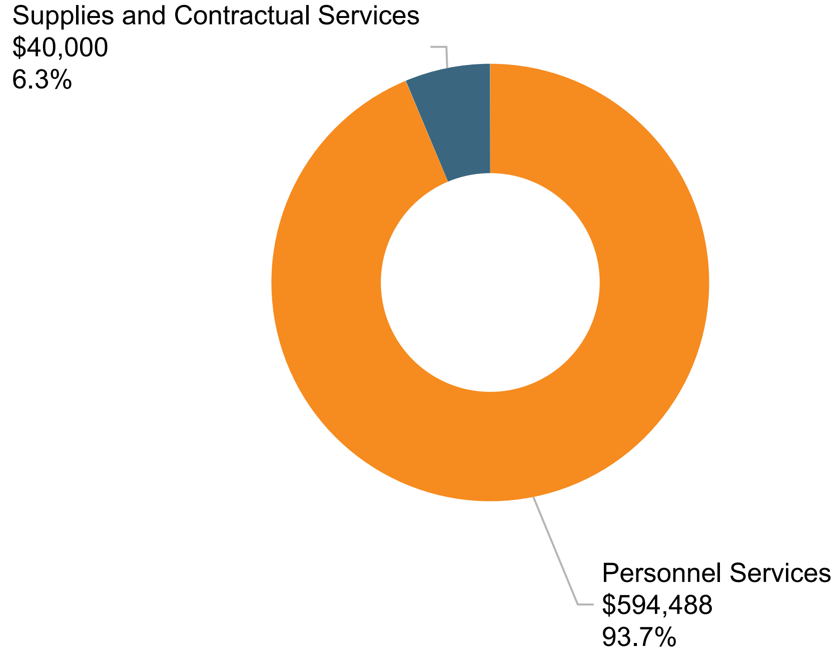
Budget Summary

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$287,740	$186,872	$363,808	$354,642	($9,166)	(2.5)%
4112	Temporary Salaries	138	0	0	0	0	0.0%
4113	Overtime	(18)	(145)	0	0	0	0.0%
4121	Allowances	6,346	5,534	13,200	6,600	(6,600)	(50.0)%
4124	Leave Cashout	12,551	24,930	0	0	0	0.0%
4131	PERS	101,797	62,440	115,225	123,488	8,263	7.2%
4132	Group Insurance	55,643	44,401	103,215	96,648	(6,567)	(6.4)%
4133	Medicare	4,337	3,179	5,480	5,238	(242)	(4.4)%
4135	Worker's Compensation	1,658	1,701	1,819	1,774	(45)	(2.5)%
4138	Deferred Comp-Employer	1,500	3,083	3,150	2,700	(450)	(14.3)%
4139	PARS	2	0	0	0	0	0.0%
4146	Short Term Disability	0	0	834	252	(582)	(69.8)%
4161	Retiree Medical Reserve	2,360	3,511	3,108	3,146	38	1.2%
	sub-total	**474,054**	**335,506**	**609,839**	**594,488**	**(15,351)**	**(2.5)%**
SUPPLIES AND CONTRACTUAL SERVICES							
4220	Supplies	337	2,153	3,000	3,000	0	0.0%
4230	Services	30,832	74,305	30,000	30,000	0	0.0%
4280	Elections	0	0	0	0	0	0.0%
4500	Training, Travel, & Memberships	1,060	4,623	7,000	7,000	0	0.0%
	sub-total	**32,229**	**81,081**	**40,000**	**40,000**	**0**	**0.0%**
	TOTAL	**$506,283**	**$416,587**	**$649,839**	**$634,488**	**($15,351)**	**(2.4)%**

Staffing

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
City Clerk	1.00	1.00	1.00	1.00	0.00
Deputy City Clerk	1.00	1.00	1.00	1.00	0.00
Office Assistant II	0.50	0.50	1.00	1.00	0.00
Total Positions	**2.50**	**2.50**	**3.00**	**3.00**	**0.00**

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**3.00**	**$649,839**	**$0**	**$649,839**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		(15,351)		(15,351)
Adjustments to Costs of Ongoing Activities		**(15,351)**		**(15,351)**
Total FY 2024-25 Budget	**3.00**	**$634,488**	**$0**	**$634,488**

Economic Development

Economic Development & Strategic Initiatives Director: Alex Andrade

Mission Statement

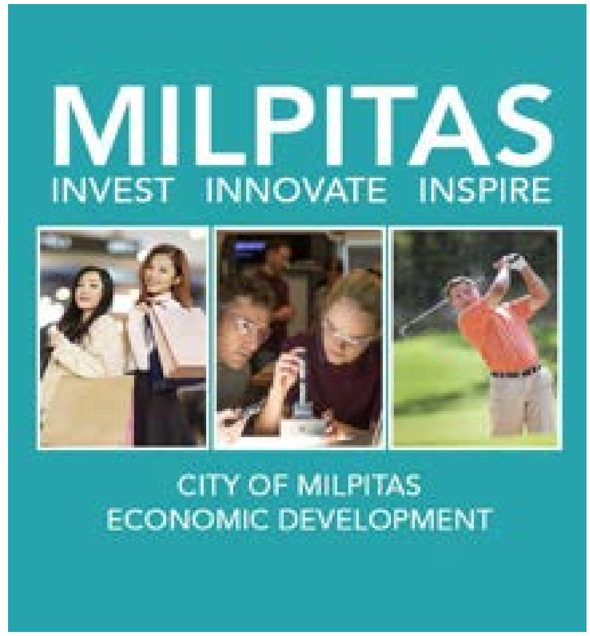
To provide services and resources to the business and development communities with the purpose of attracting, retaining and expanding business and employment opportunities for area residents, stimulating the local economy and expanding local retail sales, transient occupancy and commercial property tax bases while maintaining a positive balance between growth, social equity and the economic vitality of Milpitas.

Description

The Office of Economic Development & Strategic Initiatives strategizes, manages and directs programs and activities such as business retention, expansion, and attraction, workforce development, marketing and branding, and real estate transactions/asset management and development.

Services

- Diversify the local economy by engaging with existing and prospective companies to retain and attract businesses that increase tax revenues and generate quality job opportunities.
- Develop educational, business assistance programs, and messaging to assist businesses with business management, permits, marketing, and access to capital.
- Facilitate development projects for permitting guidance from project inception to completion. Projects include commercial, hotels, mixed-use developments, industrial, restaurants, and retail.
- Recruit key businesses that fill retail gaps and provide sales tax revenues and needed services to the community. Oversee the City's real estate transactions and asset management.
- Develop and implement branding and marketing strategies to promote business attraction and development opportunities.
- Lead workforce development programs for skills development and job placement.



Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	ARPA-funded workforce development efforts including Milpitas Youth Force, MUSD Adult Education Career Training Center, STEM Kits sponsored by SEMI Foundation		✓		✓			
2.	Issued $2,000 grants to 25 microenterprises totaling $50,000 from CDBG-funded Microenterprise Assistance Program		✓		✓			
3.	Main Street revitalization efforts include completing Property-based Business Improvement District (PBID) Feasibility Study and approving four storefront improvement grant applications		✓					
4.	Provided permitting assistance to 50 businesses including Amazon, Apple, BD Biosciences, Trace3 and the Great Mall, etc.		✓		✓			
5.	Engaged 150 businesses regarding attraction, expansion and retention TDK, Tarana Wireless, Asteel Flash, etc.		✓		✓			
6.	Executed contract with local business to create Innovation District Branding Initiative (project in progress)		✓					
7.	Lead and developed webinar series in partnership with the American Planning Association & International Council of Shopping Centers regarding retail commercial land uses for planners, economic developers and commercial real estate brokers		✓					
8.	Hosted Seventh Annual Manufacturing Day and first in-person event since 2019 attended by more than 100 students, local leaders and community members		✓		✓			
9.	Executed lease agreement for City-owned property at 1700 Sango Court for revenue generation		✓		✓			
10.	Branding efforts included sponsoring community events such as 70th Anniversary celebration, State of the Valley Conference and Silicon Valley Chamber of Commerce Mayors' Breakfast		✓					

#	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Complete remaining Economic Development Strategy action items		✓		✓			
2.	Continue Main Street revitalization efforts		✓		✓			
3.	Hire a Permit Navigator and Economic Development Specialist		✓		✓			
4.	Execute Storefront Improvement Grant agreements with recipients for remaining ARPA funds		✓					
5.	Complete Innovation Branding Initiative project		✓					
6.	Execute contract for property management services at Parcels 1, 2, & 3		✓					
7.	Continue attracting new business investment and business retention and expansion		✓		✓			
8.	Host eighth annual Manufacturing Day event in October		✓		✓			

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Corporate Visitation Program		0%	60%	0%	100%	100%
Business Engagement		473%	1,200%	1,074%	428%	100%
Customer Service		80%	64%	70%	75%	70%
Permit Assistance		0%	1,600%	280%	250%	100%
Branding		0%	1,220%	428%	160%	100%

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Corporate Visitation Program - Number of corporate visits		0	3	0	5	5
Business Engagement - Number of meetings with the corporate, brokerage and development communities		260	420	376	150	35
Permit Assistance - Number of firms who received permit and other assistance from Economic Development staff		36	32	56	50	20
Branding - Number of promotions and marketing of the local business community through social media and other digital media platforms		117	305	107	40	25

*Staff consistently worked extended hours during the COVID pandemic resulting in high data points due to ease and frequency of virtual outreach and engagement with businesses, but FY 23-24 estimate is reflecting towards pre-pandemic totals.

Budget Summary

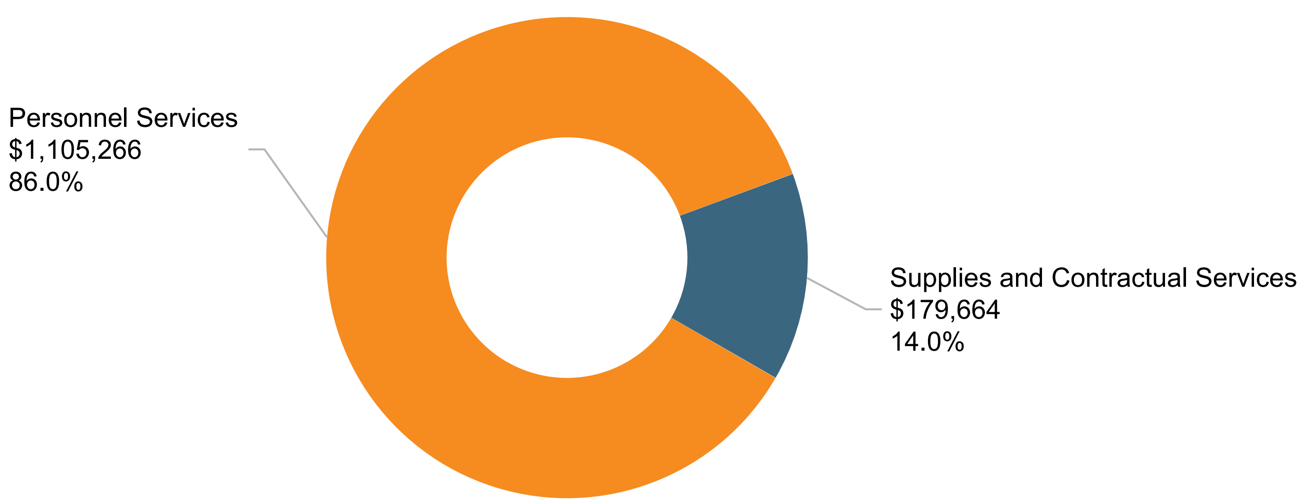
DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$502,294	$527,535	$635,856	$701,234	$65,378	10.3%
4112	Temporary Salaries	0	32,954	14,636	14,636	0	0.0%
4113	Overtime	0	70	0	0	0	0.0%
4121	Allowances	6,346	6,600	6,600	6,600	0	0.0%
4122	Standby Pay MEA	0	0	0	0	0	0.0%
4124	Leave Cashout	24,654	1,456	0	0	0	0.0%
4125	Accrued Leave	0	0	0	0	0	0.0%
4126	Stipend MEA	0	0	0	0	0	0.0%
4131	PERS	177,689	171,324	201,475	240,313	38,838	19.3%
4132	Group Insurance	77,250	80,449	100,423	117,709	17,286	17.2%
4133	Medicare	7,583	8,017	9,941	10,843	902	9.1%
4135	Worker's Compensation	2,464	2,670	3,382	3,674	292	8.6%
4136	Unemployment	0	0	0	0	0	0.0%
4137	MOU Contractual Agreements	0	0	0	0	0	0.0%
4138	Deferred Comp-Employer	2,475	2,869	3,600	3,600	0	0.0%
4139	PARS	0	406	599	599	0	0.0%
4146	Short Term Disability	0	0	984	336	(648)	(65.9)%
4161	Retiree Medical Reserve	3,040	4,759	5,232	5,722	490	9.4%
	sub-total	**803,795**	**839,109**	**950,228**	**1,105,266**	**155,038**	**16.3%**
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	188,890	6,110	6,240	6,240	0	0.0%
4220	Supplies	257	2,093	1,650	1,650	0	0.0%
4230	Services	1,492,327	256,084	130,147	130,147	0	0.0%
4500	Training, Travel, & Memberships	29,401	37,214	41,627	41,627	0	0.0%
	sub-total	**1,710,875**	**301,501**	**179,664**	**179,664**	**0**	**0.0%**
	TOTAL	**$2,514,670**	**$1,140,610**	**$1,129,892**	**$1,284,930**	**$155,038**	**13.7%**

Staffing

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Administrative Analyst I/II	0.00	0.00	1.00	1.00	0.00
Economic Development Specialist	1.00	1.00	1.00	1.00	0.00
Economic Development Coordinator	1.00	1.00	1.00	1.00	0.00
Economic Development Director	1.00	1.00	1.00	0.00	(1.00)
Economic Development & Strategic Initiatives Director	0.00	0.00	0.00	1.00	1.00
Total Positions	**3.00**	**3.00**	**4.00**	**4.00**	**0.00**

*Reclass Economic Development Director to Director of Economic Development & Strategic Initiatives

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**4.00**	**$1,049,225**	**$80,667**	**$1,129,892**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		143,773	(80,667)	63,106
Adjustments to Costs of Ongoing Activities	**0.00**	**143,773**	**(80,667)**	**63,106**
Total FY 2024-25 Base Budget	**4.00**	**$1,192,998**	**$0**	**$1,192,998**
Service Level Changes				
Economic Development & Strategic Initiatives Director Salary Adjustment		32,558		32,558
Development Services Realignment		5,935	53,439	59,374
Total Service Level Changes	**0.00**	**38,493**	**53,439**	**91,932**
Total FY 2024-25 Budget	**4.00**	**$1,231,491**	**$53,439**	**$1,284,930**

City Attorney

City Attorney: **Michael Mutalipassi**

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.

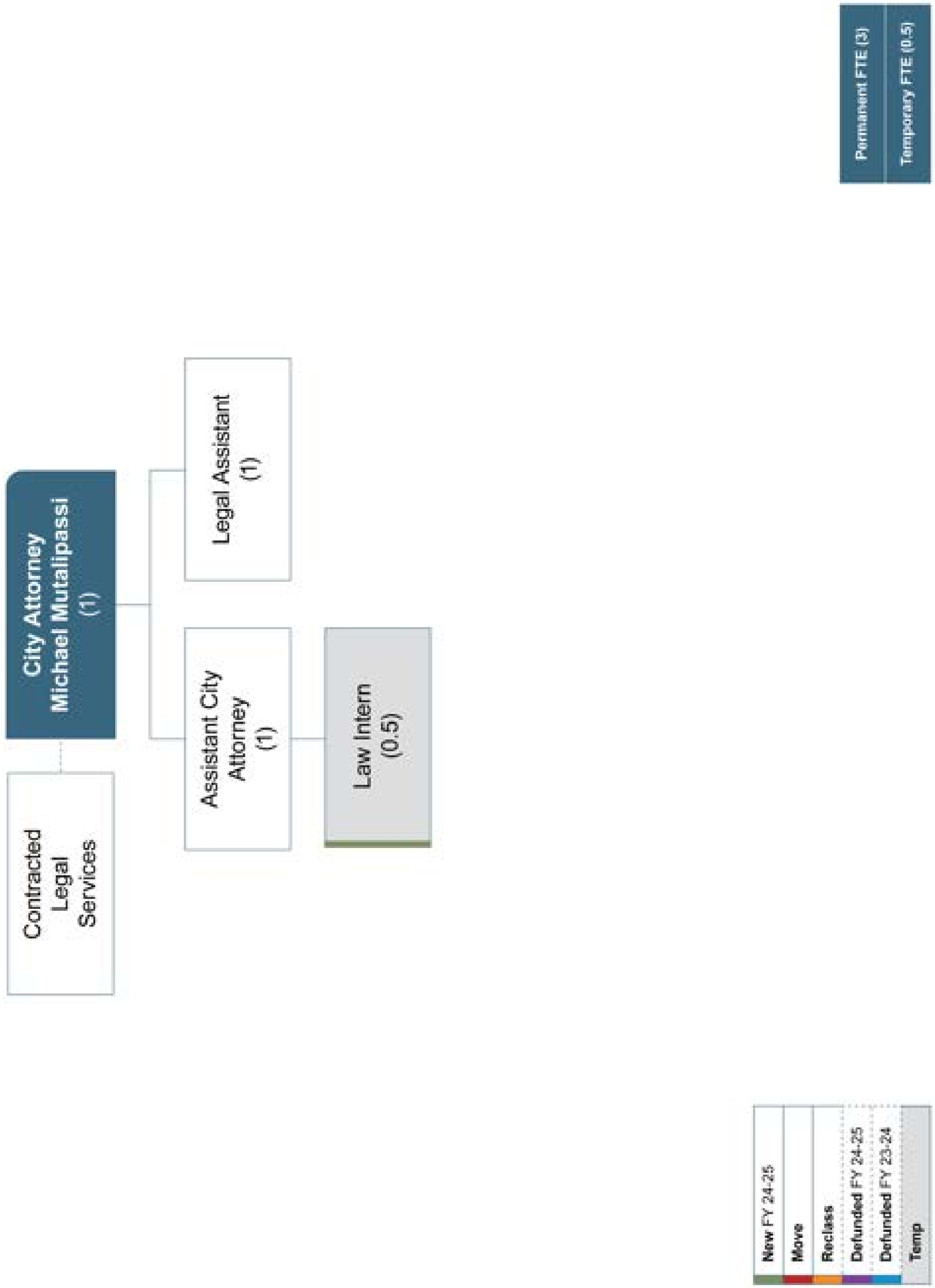
Description

This department provides general legal advice and services to the City Council, RDA Successor Agency, Housing Authority, Finance Authority, City Commissions, City Manager, City departments and other entities as approved by City Council. The City Attorney's Office 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 PLAN JPA 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

City Attorney



Accomplishments

#	Accomplishments	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Provided superior, affordable, timely legal advice and service	✓	✓	✓	✓	✓	✓	✓
2.	Continued to serve the Police Department on gun confiscation petitions and other related matters	✓					✓	
3.	Provided ongoing legal training to staff, commissions, etc., including training on resolutions, ordinances and public hearings	✓	✓	✓	✓	✓	✓	✓
4.	Provided ongoing advice re: Metro Plan (Formerly TASP) and development in the Metro Plan, including BART project		✓	✓	✓		✓	✓
5.	Updated various Municipal Code sections, as authorized	✓	✓	✓	✓	✓	✓	✓
6.	Assisted staff with various issues regarding affordable housing				✓	✓		
7.	Developed a comprehensive regulatory and enforcement scheme for the delivery of medicinal cannabis in accordance with state law.				✓		✓	
8.	Assisted with complex litigation matters	✓		✓	✓		✓	✓
9.	Aided the City Council in various conflict, gift, and ethics questions				✓			
10.	Continued to advise on Public Records Act requests and provided training for City staff on the Public Records Act		✓		✓		✓	

Initiatives

#	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Continue to provide superior, affordable, timely legal advice and service	✓	✓	✓	✓	✓	✓	✓
2.	Continue to advise the Council on various legal issues including conflicts of interest, gift rules, and ethics compliance				✓			
3.	Continue to offer various legal trainings to staff and coordinate on ethics training, sexual harassment avoidance training, and other timely topics	✓	✓	✓	✓	✓	✓	✓
4.	Continue to update the Municipal Code based on changes in the law	✓	✓	✓	✓	✓	✓	✓
5.	Work in tandem with City staff to ensure legal compliance	✓	✓	✓	✓	✓	✓	✓
6.	Continue to monitor all pending litigation and provide timely updates to the Council	✓		✓	✓		✓	✓

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Contract complaints / Council agenda contracts		0 / 92	0 / 92	0 / 100	0 / 100	0 / 100
Documents timely produced for Council and Planning Commission Agendas		100%	100%	100%	100%	100%

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Ordinances		15	64	28	12	20
Resolutions		115	102	90	80	100
Court/Administrative cases handled and/or supervised		40	25	14	20	20
Contracts reviewed and approved		485	367	701	610	600

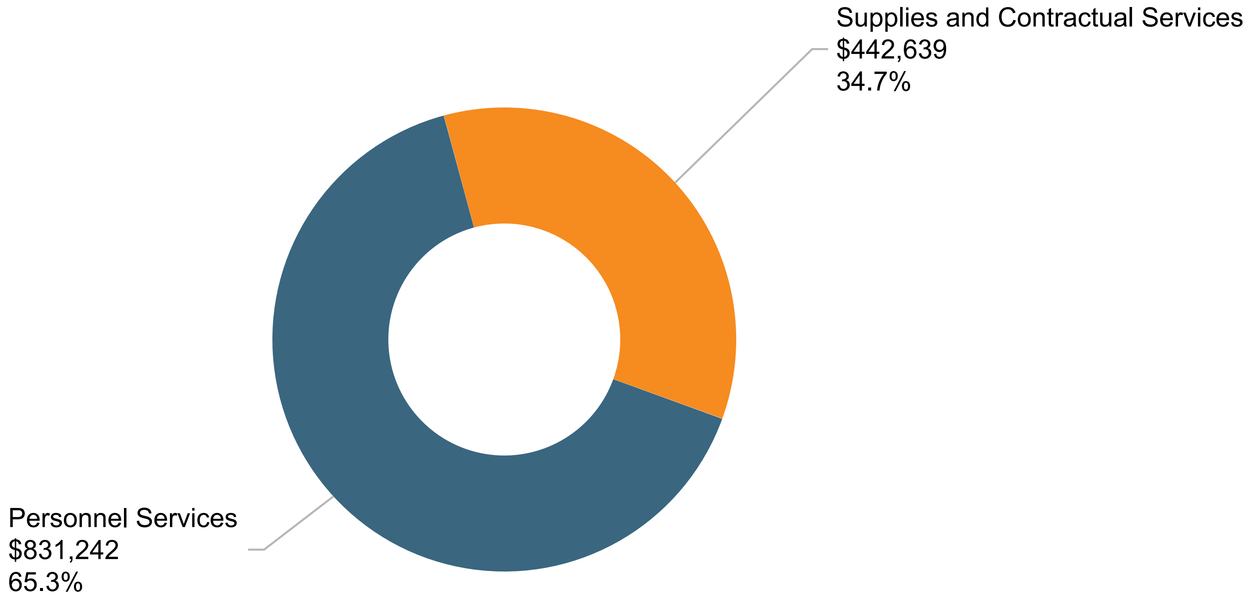
Budget Summary

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$39,692	$308,058	$516,714	$555,465	$38,751	7.5%
4124	Leave Cashout	0	0	0	0	0	0.0%
4131	PERS	14,140	95,960	163,612	193,374	29,762	18.2%
4132	Group Insurance	3,359	36,004	93,960	49,476	(44,484)	(47.3)%
4133	Medicare	605	4,538	7,739	8,302	563	7.3%
4135	Worker's Compensation	0	0	85	85	0	0.0%
4138	Deferred Comp-Employer	112	1,608	2,700	2,700	0	0.0%
4141	Adjustments-Payroll	0	0	0	0	0	0.0%
4146	Short Term Disability	0	0	900	252	(648)	(72.0)%
4161	Retiree Medical Reserve	0	0	4,030	4,333	303	7.5%
	sub-total	**58,965**	**453,231**	**806,995**	**831,242**	**24,247**	**3.0%**
SUPPLIES AND CONTRACTUAL SERVICES							
4220	Supplies	0	965	4,000	4,000	0	0.0%
4230	Services	973,821	254,576	429,099	424,888	(4,211)	(1.0)%
	sub-total	**973,821**	**260,308**	**440,899**	**442,639**	**1,740**	**0.4%**
	TOTAL	**$1,032,786**	**$713,539**	**$1,247,894**	**$1,273,881**	**$25,987**	**2.1%**

Staffing

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Assistant City Attorney	0.00	0.00	1.00	1.00	0.00
City Attorney	0.00	0.00	1.00	1.00	0.00
Executive Assistant	1.00	0.00	0.00	0.00	0.00
Legal Assistant	0.00	0.00	1.00	1.00	0.00
Total Positions	**1.00**	**0.00**	**3.00**	**3.00**	**0.00**

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**3.00**	**$1,189,896**	**$58,000**	**$1,247,896**
One-Time Prior Year Budget Adjustments				
City Attorney Internship Program	0.00	(17,587)		(17,587)
One-Time Prior Year Budget Adjustments	**0.00**	**(17,587)**	**0**	**(17,587)**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits	0.00	24,246		24,246
Contractual Service Increase	0.00		1,740	1,740
Adjustments to Costs of Ongoing Activities	**0.00**	**24,246**	**1,740**	**25,986**
Total FY 2024-25 Base Budget	**3.00**	**$1,196,555**	**$59,740**	**$1,256,295**
Service Level Changes				
City Attorney Internship Program (One-time)		17,587		17,587
Total Service Level Changes	**0.00**	**17,587**	**0**	**17,587**
Total FY 2024-25 Budget	**3.00**	**$1,214,142**	**$59,740**	**$1,273,882**

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	**City Attorney Internship Program**	**0.00**	**$17,587**	**$0**	**$17,587**

This action would fund a summer Law Clerk position on a one-time basis. The Law Clerk would conduct research and make recommendations on document templates and municipal code updates. This will allow timely completion of discrete long-term projects and help build the Milpitas brand within the municipal law bar.

Performance Results

Funding this service addition will allow timely completion of discrete long-term projects such as creating document templates and developing process to update the Municipal Code.

Impact if funding is not approved

Failure to fund the position would result in delays to long-term projects as well as missing an opportunity to build the Milpitas brand within the municipal law bar.

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
Total Service Level Changes	**0.00**	**$17,587**	**$0**	**$17,587**

Building Safety and Housing

Mission Statement

The Building Safety Department is dedicated to enhancing the community's safety, welfare, economic vitality, and quality of life by ensuring that buildings are reviewed, permitted, and inspected to be safe, sustainable, and resilient. Preserving the quality and beauty of neighborhoods through enforcement of City regulations and creating, increasing, and preserving affordable housing and supportive programs for the community are also at the forefront of efforts by the Department to promote the health and welfare of this vibrant and diverse City.

Description

The Building Safety Department provides plan review, permitting, and inspection services to implement building safety codes and standards to safeguard public health and safety for the built environment. The Department provides code enforcement services to enhance neighborhood quality and general welfare.

*If the Development Services Realignment proposal in the City Manager's Office is approved by the City Council, the Department of Building Safety and Housing will be removed in the published adopted budget and the duties shifted to other departments as described in the proposal.

Services

- Perform review of construction plans and documents, and conduct inspections, including occupancy inspections, to ensure safety through compliance with technical codes, State and local regulations, and acceptable engineering practices.
- Assist customers in obtaining building permits and monitoring plan submittal process from initial submittal to permit issuance using 'One Point of Contact' approach.
- Process permit applications, collect permit fees, perform records research, and maintain building plans and records.
- Implement technology systems and improvements to enhance service delivery to the community.
- Develop and update an easy-to-follow website allowing customers to receive up-to-date information on housing resources, housing policies, programs, and code requirements; submit permit applications; obtain submittal requirements; and ask questions regarding other Building Safety and Housing information.
- Meet with developers, design professionals, homeowners, and contractors to assist them in the timely issuance of permits and completion projects including after business hours services as requested.
- Provide assistance to the Fire Department in fire investigations and building owners for other emergencies.
- Provide assistance and inspections to mobile home parks.
- Provide assistance and inspections to mobile home parks.
- Provide code enforcement services to correct Health and Safety Code and Municipal Code violations to enhance neighborhood quality and general welfare.
- Administer programs for abandoned vehicles, shopping carts, animal control, and neighborhood beautification.

Accomplishments

	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Provided oversight and management of the Accessory Dwelling Unit (ADU) Incentive Program and Safe ADU Legalization Program using ARPA funds to encourage ADU production and create more housing. The programs proved to be very successful, using the entire allocation of $900,000 ARPA funds to offset permit fees.	✓	✓		✓	✓		
2.	Applied for and received $60,000 grant from CalAPP to offset costs associated with the development and implementation of the SolarAPP+ online plan review / permitting platform for residential solar PV.		✓	✓	✓			
3.	Implemented the SolarAPP+ online plan review / permitting platform which provide a streamlined means for plan review and inspections of residential solar PV installations.		✓	✓	✓			
4.	Revamped and reintroduced the Abandoned Shopping Cart Retrieval Program including the development of flow charts, fillable forms, updated Agreement for participation in the City cart retrieval program, outreach to current participating and nonparticipating stores to present and explain the options under the municipal ordinance for compliance, and development of a web page for the retrieval program.		✓	✓	✓	✓		
5.	Collaborated with IT in securing a consultant to assist in development of a scope of services and an RFP for vendors to submit for a Land Management System permitting platform.		✓		✓			
6.	In collaboration with other development services departments, updated and published the Permit and Development Fee Summary, a comprehensive one-stop reference for developers, builders, and others to view Fee Items, Description, Applicable Projects, Fee Calculation, Payable Timeline, and References for Building Safety, Planning, Engineering, Fire and Housing.		✓		✓	✓		
7.	On the Building Safety Department website, implemented the provisions within AB2234 that required publishing of required permits and items needed for submittal for 5 types of residential developments, including sample applications and permits for each type of development, Also required was publishing of plan review timelines and when an agency determines an application is complete.		✓	✓	✓			
8.	Continued to review and fine tune building permit inspection list to further streamline inspection process and code enforcement notification letters to increase compliance.	✓	✓		✓	✓		

Initiatives

#	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Continue to develop and enhance reach codes to reduce greenhouse gas emissions; conduct community outreach to implement and promote green development.	✓	✓	✓	✓	✓		
2.	Develop and implement the requirements under AB1332 for the inclusion of pre-approved plans for ADUs on Building Safety web page.	✓	✓		✓	✓		
3.	Enhance communication and coordination with development services departments to raise the efficiency and timing of service delivery to the community.	✓	✓		✓			
4.	Continue to conduct recruitment for vacant positions to enhance service delivery. Provide resources, training, and professional development opportunities for team members.		✓		✓			
5.	Continue to implement technology improvements, website updates, along with improvement of permit system and electronic plan review and integration with other systems, to increase efficiency and enhance service delivery to the community.	✓	✓		✓			

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Percent of customers rating service at Permit Center "Very Good" or "Excellent"		76%	85%	97%	95%	85%
Percent of Over-the-Counter Building Permit Plan Reviews (including express tenant improvements)		41%	40%	31%	40%	40%
Building permits for new development projects:						
1) New development first submittal average plan review turnaround time (business days)		N/A	39	35	32	30
2) New development subsequent submittal average plan review turnaround time (business days)		N/A	25	29	27	25
Building permits for tenant improvements:						
1) Tenant Improvement first submittal average plan review turnaround time (business days)		N/A	29	27	25	25
2) Tenant Improvement subsequent submittal average plan review turnaround time (business days)		N/A	22	19	20	20
Building permits for residential remodel/addition:						
1) Residential remodel/addition first submittal average plan review turnaround time (business days)		N/A	29	24	22	20
2) Residential remodel/addition subsequent submittal average plan review turnaround time (business days)		N/A	21	20	16	15
Percent of building inspections completed within one day		95%	99%	99%	99%	95%
Percent of customers rating inspection services "Very Good" or "Excellent"		85%	98%	95%	98%	85%
Percent of code enforcement cases in compliance within 30 days		75%	59%	51%	53%	75%

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Total customers served by Permit Center		8,069	15,599	15,206	16,000	13,000
Total Over-the-Counter Permit Reviews		2,326	2,249	1,767	2,100	2,300
Total issued building permit construction valuation		$187,485,526	$219,939,083	$255,538,381	$270,000,000	$250,000,000
Total building permits issued		3,560	4,376	4,272	4,300	3,800
Total plan reviews completed		5,677	5,732	5,696	5,700	5,200
Total building inspections completed		16,935	16,695	16,443	19,000	17,000
Total code enforcement customer service requests		569	761	1,169	1,200	600

Budget Summary

DOLLARS BY FUNCTION	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
Building Inspection	$1,769,140	$2,148,135	$2,278,277	$2,449,455	$171,178	7.5%
Building Safety and Housing Administration	844,567	555,429	479,314	401,326	(77,988)	(16.3)%
Housing and Neighborhood Svcs	3,446,587	4,134,045	3,417,019	3,193,235	(223,784)	(6.5)%
Permit Center	756,632	651,020	663,647	864,077	200,430	30.2%
Plan Review	1,174,158	1,502,886	1,475,059	1,604,378	129,319	8.8%
TOTAL	**$7,991,084**	**$8,991,515**	**$8,313,316**	**$8,512,467**	**$199,151**	**2.4%**

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$3,144,714	$3,438,898	$4,018,466	$4,246,070	$227,604	5.7%
4112	Temporary Salaries	95,086	190,632	17,850	17,850	0	0.0%
4113	Overtime	127,337	92,410	70,000	60,000	(10,000)	(14.3)%
4121	Allowances	6,346	3,519	13,200	6,600	(6,600)	(50.0)%
4124	Leave Cashout	103,733	132,486	0	0	0	0.0%
4131	PERS	1,119,279	1,187,941	1,245,390	1,443,955	198,565	15.9%
4132	Group Insurance	471,727	550,101	669,856	710,309	40,453	6.0%
4133	Medicare	50,479	55,989	58,712	61,916	3,204	5.5%
4135	Worker's Compensation	27,715	25,893	165,309	131,122	(34,187)	(20.7)%
4138	Deferred Comp-Employer	18,602	21,334	22,050	26,100	4,050	18.4%
4139	PARS	0	9	268	268	0	0.0%
4146	Short Term Disability	0	0	8,956	2,436	(6,520)	(72.8)%
4161	Retiree Medical Reserve	33,891	54,523	42,378	44,773	2,395	5.7%
	sub-total	**5,198,909**	**5,753,735**	**6,332,435**	**6,751,399**	**418,964**	**6.6%**

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	1,109,426	839,808	790,982	793,000	2,018	0.3%
4210	Department Allocations	26,907	22,704	29,499	32,957	3,458	11.7%
4220	Supplies	31,945	28,170	31,000	30,000	(1,000)	(3.2)%
4230	Services	1,594,631	2,324,036	1,011,500	854,716	(156,784)	(15.5)%
4500	Training, Travel, & Memberships	22,305	21,127	47,900	50,400	2,500	5.2%
	sub-total	**2,785,214**	**3,235,845**	**1,910,881**	**1,761,073**	**(149,808)**	**(7.8)%**
	TOTAL	**$7,991,084**	**$8,991,515**	**$8,313,316**	**$8,512,467**	**$199,156**	**2.4%**

Staffing

POSITIONS BY FUNCTION	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Building Safety and Housing Administration	3.00	3.00	3.00	2.00	(1.00)
Building Inspection*	12.00	11.00	11.00	10.00	(1.00)
Housing and Neighborhood Svcs	6.00	6.00	6.00	6.00	0.00
Permit Center	5.00	5.00	4.00	4.00	0.00
Plan Review*	7.00	6.00	6.00	6.00	0.00
TOTAL	**33.00**	**31.00**	**30.00**	**28.00**	**(2.00)**

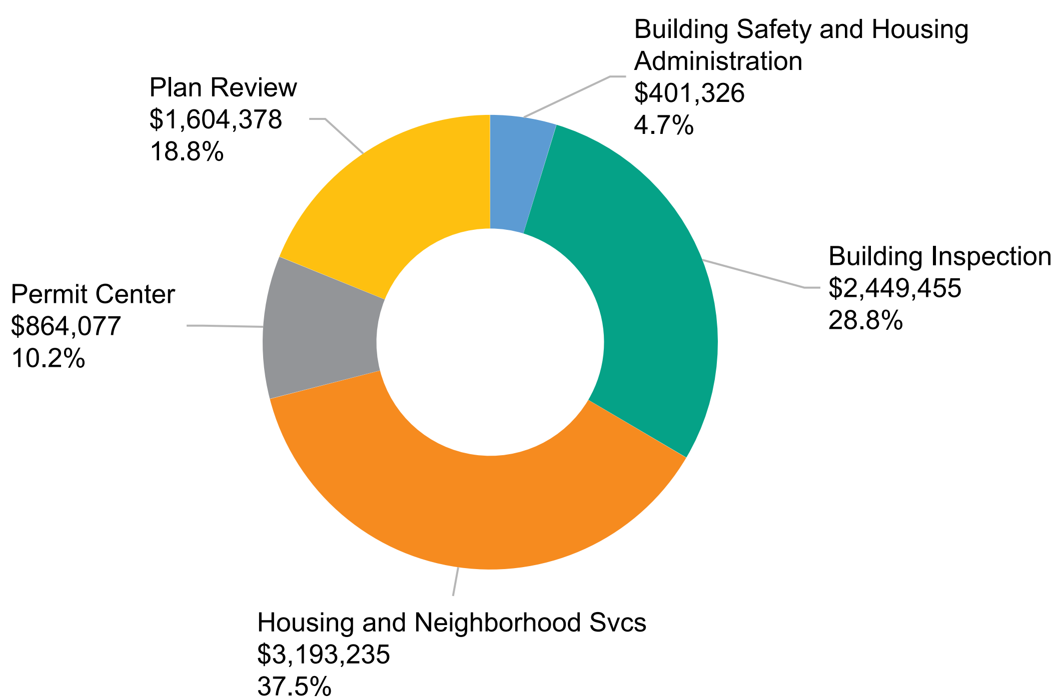
*1.0 Building Safety and Housing Director and 1.0 Building Inspector and deleted.

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Administrative Analyst II	1.00	2.00	2.00	2.00	0.00
Assistant Planner	1.00	0.00	0.00	0.00	0.00
Building Safety and Housing Director	1.00	1.00	1.00	0.00	(1.00)
Building Inspection Manager	1.00	1.00	1.00	1.00	0.00
Building Official	1.00	1.00	1.00	1.00	0.00
Building Permit Technician	3.00	3.00	3.00	3.00	0.00
Building/NP Inspector*	8.00	7.00	7.00	6.00	(1.00)
Code Enforcement Officer	1.00	1.00	1.00	1.00	0.00
Housing and Neighborhood Services Manager	1.00	0.00	0.00	0.00	0.00
Housing Authority Administrator	1.00	0.00	0.00	0.00	0.00

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Housing and Neighborh'd Services Administrator	0.00	1.00	1.00	0.00	(1.00)
Housing Official	0.00	0.00	0.00	1.00	1.00
Office Assistant II	1.00	1.00	1.00	1.00	0.00
Plan Check Engineer	3.00	3.00	3.00	3.00	0.00
Plan Checker*	2.00	1.00	1.00	1.00	0.00
Plan Review Manager	1.00	1.00	1.00	1.00	0.00
Senior Administrative Analyst	1.00	2.00	1.00	1.00	0.00
Senior Building Inspector	3.00	3.00	3.00	3.00	0.00
Senior Plan Check Engineer	1.00	1.00	1.00	1.00	0.00
Sr. Code Enforcement Officer	2.00	2.00	2.00	2.00	0.00
Total Positions	**33.00**	**31.00**	**30.00**	**28.00**	(2.00)

*1.0 Building Safety and Housing Director and 1.0 Building Inspector are deleted.

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**30.00**	**$6,385,624**	**$1,927,690**	**$8,313,314**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		863,414	(112,812)	750,602
Contractual Service Increase (Shopping cart services and San Jose Animal Services)		21,216		21,216
Vehicle Adjustment From Prior Year		(36,588)	(33,412)	(70,000)
Mobile Shower for Unhoused		(100,000)		(100,000)
Non-Personnel Expenditure Alignment to Historical Trend		(12,500)	2,000	(10,500)
Equipment Replacement Amortization		3,458		3,458
Adjustments to Costs of Ongoing Activities	**0.00**	**739,000**	**(144,224)**	**594,776**
Total FY 2024-25 Base Budget	**30.00**	**7,124,624**	**1,783,466**	**8,908,090**
Service Level Changes*				
Development Services Reorganization**	(2.00)	(321,232)	(91,031)	(412,263)
Housing Supplies and Materials Budget Enhancement		1,000		1,000
Housing Training Budget Enhancement		3,000		3,000
Affordable Housing Ordinance (One-time)		70,000		70,000
Total Service Level Changes	**(2.00)**	**(247,232)**	**(91,031)**	**(338,263)**
Total FY 2024-25 Budget	**28.00**	**$6,877,392**	**$1,692,435**	**$8,569,827**

*As part of a proposal in the City Manager's Office, the Building Safety and Housing Department will be eliminated and the functions of the department will be shifted to the City Manager's Office (Building and Housing) and the Planning Department (Code Enforcement). If this proposal is approved by the Mayor and City Council, the Adopted FY 2024-2025 Budget will reflect these changes.

**Fiscal impact includes 2.0 FTE deletion and 1.0 Reclass.

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1	**Affordable Housing Ordinance**		**$0**	**$70,000**	**$70,000**

This action provides $70,000 on a time basis for consultant support for revisions to the Affordable Housing Ordinance. At the February 20, 2024 City Council meeting, the City Council directed staff to explore the possibility of amending the Affordable Housing Ordinance to increase inclusionary requirement for affordable housing from 15% to 20% and/or changes that could entice additional low income housing development.

To amend the ordinance's affordability requirement staff would need to hire a consultant. The consultant would conduct community roundtables, stakeholder interviews, and/or other outreach events to gauge feedback on various alternatives. Additionally, the consultant would create a financial feasibility document to present to the City Council as part of the final policy analysis.

Performance Results

Allocate existing funding from the Affordable Housing Community Benefit fund to hire a consultant for $70,000 to complete an Affordable Housing Ordinance Amendment.

Impact if funding is not approved

If this funding were not approved, staff would not have the capacity to proceed with this city council priority.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
2	**Housing Supplies and Materials Budget Enhancement**		**$1,000**	**$0**	**$1,000**

This action funds $1,000 Supplies and Materials budget on an ongoing basis to the Housing division budget as part of the elimination of the Building Safety and Housing department to ensure that the Housing team can continue to procure appropriate supplies and materials.

Performance Results:

Ensures sufficient funding for the Housing team to purchase appropriate supplies and materials for their daily work tasks.

Impact if funding is not approved

At present, the Housing Division does not have a Supplies and Materials budget. To successfully function and provide necessary tools to staff, a supplies and materials budget is required.

3	**Housing Training Budget Enhancement**	**0.00**	**$3,000**	**$0**	**$3,000**

This action provides $3,000 on an ongoing basis for training. The current training budget for the housing team only covers 3.0 FTE and does not cover the additional funding needed for the additional administrative analyst that was funded for the Rent and Mortgage Relief Program oversight in Fiscal Year 2022-2003. With the increased costs of training and travel and a new hire, an increase to this budget line is required.

Performance Results:

The Housing Division attends a few conferences annually. Those are the Housing California Conference and the US Housing Conference and Expo. Approximately $10,000 is required for both trainings The current training budget is $7,000. An increase of $3,000 is requested to cover additional costs.

Impact if funding is not approved

Increase the Housing Division budget by $3,000 to account for the new hire and price increases of travel.

Total Service Level Changes		**$4,000**	**$70,000**	**$74,000**

Finance

Finance Director: Luz Cofresí-Howe

Mission Statement

The Milpitas Finance Department is committed to the City's fiscal sustainability and stewardship by working with the City Council, staff, and our community and providing excellent customer services.

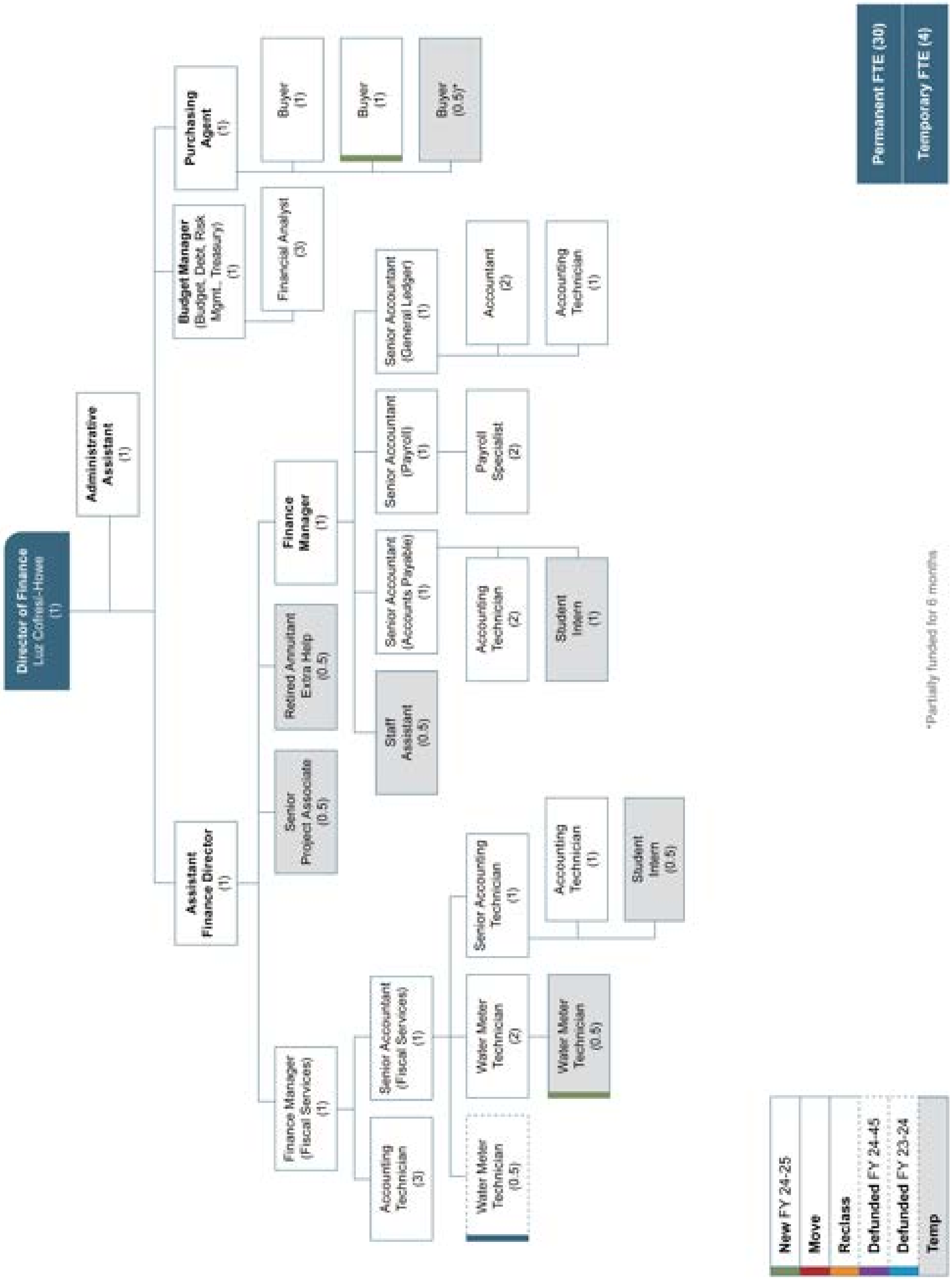
Description

The Finance Department provides fiscal strategy and support in accordance with policies and regulations. The department plans, manages, and directs programs and services including policies, budgets, audits, grants, transparency reporting, asset and debt management, procurement, risk management, utility fiscal services and taxation. The Department supports the City Council, Measure F Oversight Committee and Finance Sub-Committee by promoting transparency, internal controls and fiscally sustainability.

Services

- Advises 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.
- Develops the Ten-Year General Fund Financial Forecast.
- Develops the annual Operating Budget on behalf of the City Manager including projection of revenues and expenditures; coordinates the preparation and publication of the Operating Budget document; and makes the annual budget available through its transparency tool.
- 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 and files required grant reports with local, state, and federal agencies.
- Provides Citywide departments with timely and clear financial performance reports to support their operations and services.
- Monitors all the capital projects that have external funding sources to ensure collection of funds.
- Collects and records all City revenues including property tax, sales tax, various service fees, utility payments, business licenses, franchise fees, transient occupancy taxes, levies and other revenues.
- Provides customer service to the City's utility customers, including billing, new account setups, inquiries and meter readings.
- Procures goods and services at competitive prices and in compliance with Federal and State laws and City ordinances on behalf of citywide departments.
- Invests the City's idle cash in accordance with the Council approved Investment Policy to ensure that there is sufficient cash available 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) Board.
- Processes all the payments for goods and services timely and accurately.
- Issues payroll checks and benefits payments bi-weekly and files all the required Federal and State payroll tax withholding reports.
- Processes outgoing mail and distributes incoming mail citywide.

Finance Department



Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Rebalanced the budget due to COVID-19 economic impacts				✓			
2.	Received GFOA and CSMFO award for Adopted Budget and GFOA award for Annual Comprehensive Financial Report.				✓			
3.	Continued implementation of Federal ARPA programs	✓	✓	✓	✓	✓	✓	✓
4.	Continued updates of finance standard operating procedures				✓			
5.	Continued Section 115 Pension Trust oversight and reporting				✓			
6.	Continued ETL (extract, load and transform) workflows to allow for enhanced reporting				✓			
7.	Continued partnering with Public Works to implement the Automated Meter Infrastructure Project			✓	✓	✓		
8.	Supported Measure F Oversight Committee		✓		✓			
9.	Completed Assessment of Key Financial Processes				✓			
10.	Partnered with Fire Department to implement paramedic medical reimbursement billing program				✓			

	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Continue to Review and maximize FEMA reimbursements for COVID-19 Expenditures				✓			
2.	Continue to update Finance standard operating protocol (SOP) for succession planning				✓			
3.	Continue partnering with Public Works to complete Automated Meter Infrastructure Project			✓	✓	✓		
4.	Partner with Human Resources on upcoming labor contract negotiations				✓			
5.	Partner with Planning Department to enhance permit payment process				✓	✓		
6.	Partner with City Manager's Office on TASP Impact Fee Update		✓		✓	✓		
7.	Implement proposed City department consolidations as approved in FY24-25 Budget				✓			
8.	Partner with Human Resources and Information Technology Departments to launch Financial System ERP – Phase 1				✓			

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Consecutive years receiving award for Distinguished Budget Presentation		20	21	21	22	23
Consecutive years receiving award for Excellence in Financial Reporting		27	28	28	29	30
Tort Claims Resolved within 180 Days		75%	88%	88%	80%	80%
Average number of days from approved invoice received to check issuance		4	4	4	4	4

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Number of Contracts Processed		236	277	277	270	270
Number of Vendor Invoices Paid		17,820	17,401	17,401	19,500	19,500
Number of Utility Bills Issued		87,221	92,223	92,223	93,450	93,450
Number of Regulatory Reports Submitted to Appropriate Agencies		104	118	118	100	100
Number of Financial Informational Reports Submitted to City Council		New Measure	122	122	100	100
Number of Payroll Checks Paid		12,476	13,606	13,606	13,600	13,600

Budget Summary

DOLLARS BY FUNCTION	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
Finance Administration	$2,431,208	$2,138,632	$2,521,005	$2,531,846	$10,841	0.4%
Finance Operations	1,658,647	1,933,076	2,145,940	2,292,822	146,882	6.8%
Fiscal Services-Utilities	1,634,301	1,759,369	2,153,333	2,567,420	414,087	19.2%
TOTAL	**$5,724,156**	**$5,831,077**	**$6,820,278**	**$7,392,090**	**$571,812**	**8.4%**

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$2,640,766	$2,650,854	$3,495,973	$3,682,732	$186,759	5.3%
4112	Temporary Salaries	370,951	489,106	310,625	317,611	6,986	2.2%
4113	Overtime	13,484	31,968	15,000	19,000	4,000	26.7%
4121	Allowances	15,517	8,084	14,412	7,814	(6,598)	(45.8)%
4124	Leave Cashout	203,920	128,980	0	0	0	0.0%
4125	Accrued Leave	0	0	0	0	0	0.0%
4131	PERS	1,033,018	969,505	1,160,455	1,345,319	184,864	15.9%
4132	Group Insurance	406,784	457,879	708,015	682,807	(25,208)	(3.6)%
4133	Medicare	47,301	47,857	57,221	59,062	1,841	3.2%
4135	Worker's Compensation	6,801	15,839	19,788	20,186	398	2.0%
4138	Deferred Comp-Employer	20,870	19,893	25,223	25,202	(21)	(0.1)%
4139	PARS	1,485	1,589	2,133	3,436	1,303	61.1%
4141	Adjustments-Payroll	0	0	(24,562)	(19,906)	4,656	0
4143	Charged to CIPs	0	0	(100,000)	(145,000)	(45,000)	45.0%
4146	Short Term Disability	0	0	8,850	2,524	(6,326)	(71.5)%
4161	Retiree Medical Reserve	24,789	40,677	35,542	35,641	99	0.3%
	sub-total	**4,785,686**	**4,862,231**	**5,728,675**	**6,036,428**	**307,753**	**5.4%**
SUPPLIES AND CONTRACTUAL SERVICES							
4210	Department Allocations	18,075	10,599	6,024	4,773	(1,251)	(20.8)%
4220	Supplies	64,692	111,296	141,400	141,905	505	0.4%
4230	Services	844,768	833,441	866,594	1,122,426	255,832	29.5%
4240	Repair & Maintenance	2,449	2,580	37,750	37,750	0	0.0%

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
4500	Training, Travel, & Memberships	7,507	10,930	39,835	48,806	8,971	22.5%
	sub-total	**937,491**	**968,846**	**1,091,603**	**1,355,660**	**264,057**	**24.2%**
CAPITAL OUTLAY							
4870	Machinery and Equipment	0	0	0	0	0	0.0%
	sub-total	**979**	**0**	**0**	**0**	**0**	**0.0%**
	TOTAL	**$5,724,156**	**$5,831,077**	**$6,820,278**	**$7,392,090**	**$571,808**	**8.4%**

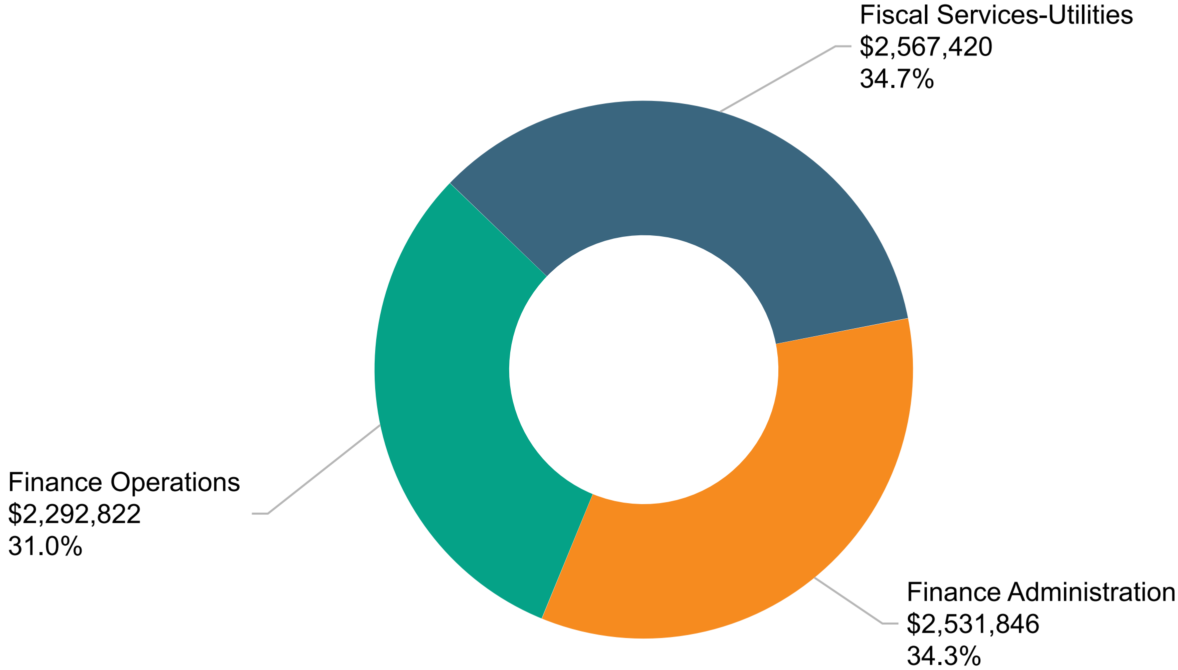
Staffing

POSITIONS BY FUNCTION	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Finance Administration	8.00	9.00	9.00	10.00	1.00
Finance Operations	12.00	12.00	12.00	12.00	0.00
Fiscal Services-Utilities	8.50	8.50	8.00	8.00	0.00
TOTAL	**28.50**	**29.50**	**29.00**	**30.00**	**1.00**

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Accountant	2.00	2.00	2.00	2.00	0.00
Accounting Technician I/II	6.00	7.00	7.00	7.00	0.00
Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Assistant Finance Director	1.00	1.00	1.00	1.00	0.00
Budget Manager	1.00	1.00	1.00	1.00	0.00
Buyer	1.00	1.00	1.00	2.00	1.00
Customer Services Supervisor	1.00	1.00	0.00	0.00	0.00
Director of Finance	1.00	1.00	1.00	1.00	0.00
Finance Manager	1.00	1.00	2.00	2.00	0.00
Financial Analyst	2.00	3.00	3.00	3.00	0.00
Junior Accountant	1.00	0.00	0.00	0.00	0.00
Payroll Specialist	2.00	2.00	2.00	2.00	0.00
Purchasing Agent	1.00	1.00	1.00	1.00	0.00
Senior Accountant	4.00	4.00	4.00	4.00	0.00

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Senior Accounting Technician	1.00	1.00	1.00	1.00	0.00
Water Meter Technician I/II	2.50	2.50	2.00	2.00	0.00
Total Positions	**28.50**	**29.50**	**29.00**	**30.00**	**1.00**

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**29.00**	**$4,926,443**	**$1,893,835**	**$6,820,278**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		129,091	41,989	171,080
Non-Personnel Expenditure Alignment to Historical Trend		(17,823)	34,071	16,248
Credit Card Processing Fees			152,000	152,000
Equipment Replacement Amortization			(1,251)	(1,251)
Temporary Staff Cost		(45,000)	25,488	(19,512)
Adjustments to Costs of Ongoing Activities	**0.00**	**66,268**	**252,297**	**318,565**
Total FY2024-25 Base Budget	**29.00**	**4,992,711**	**2,146,132**	**7,138,843**
Service Level Changes				
Finance Purchasing Staffing Enhancement	1.00	100,870		100,870
HdL Full Service Business License*		111,528		111,528
Restore Part-Time Temporary Water Meter Technician	1.00		40,847	40,847
Total Service Level Changes	**2.00**	**212,398**	**40,847**	**253,245**
Total FY 2024-25 Budget	**31.00**	**$5,205,109**	**$2,186,979**	**$7,392,088**

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	**Finance Fiscal Services Enhancement**		**$0**	**$40,847**	**$40,847**

This action restores 0.5 FTE Water Meter Technician (Temporary) - 20 hours per week in the Fiscal Services section of Finance Department on an ongoing basis. In FY24 Adopted Budget, City defunded 0.5 part-time FTE Water Meter Technician (Temporary) for Fiscal Services Reorganization. Upon further evaluation, Water Meter Technician position was highly skilled with specific water meter knowledge and it is difficult to train office staff to complete that level of work.

Performance Results

There will be sufficient staffing and knowledge if the 0.5 Water Meter Technician position is restored. This will allow the City to provide accurate and timely meter reading and billing to the City of Milpitas' customers.

Impact if funding is not approved

If the position is not restored, it will be difficult to hire and retain an individual with the knowledge and skills to back-up any work performed by the two current water meter technicians.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
2	**Finance Purchasing Staffing Enhancement**		**$100,870**	**$0**	**$100,870**

This proposal would convert an existing 0.5 Temporary Buyer to 1.0 FTE Buyer on an ongoing basis. The current temporary buyer in FY23-24 budget includes 49 hours per week already. This proposal includes benefit costs only.

Performance Results:

This position conversion from temporary to full-time will allow the City to maintain and continue current service level offered by the Purchasing division.

Impact if funding is not approved

Due to the increasing workload in the Purchasing division over the years, not funding this proposal will negatively impact completion of intakes and contracts/agreements in a timely manner.

3.	**Business License Contractual Services**		**$111,528**	**$0**	**$111,528**

This action will fund HdL business license service and transition to include HdL as a full service administrator on an ongoing basis. The City's Fiscal Services staff within the Finance Department currently utilizes the HdL software for business license processing.

Performance Results:

If this proposal is approved and funded, this will allow HdL to administer full business license services to the City's businesses and will allow Fiscal Services staff to focus on priority work assignments and tasks.

Impact if funding is not approved

If not funded, Fiscal Services staff within Finance Department will continue to administer the program.

Total Service Level Changes		**$212,398**	**$40,847**	**$253,245**

Fire

Fire Chief: Jason Schoonover

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 the Fire Department's budget 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.

Description

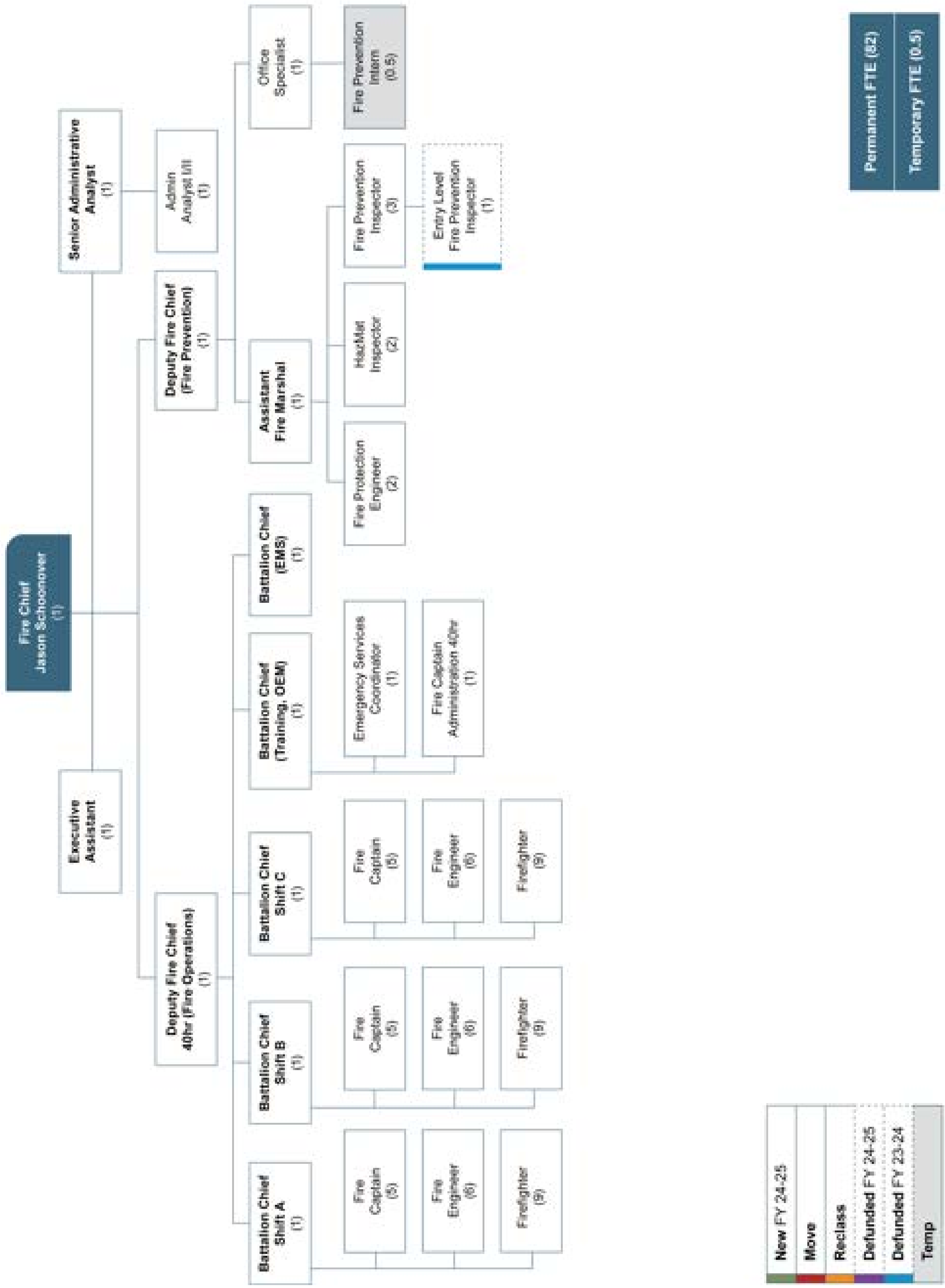
The Milpitas Fire Department is committed to providing comprehensive emergency response, fire protection, emergency medical services, disaster preparedness, community education, risk reduction, and other related services in an efficient, effective, and caring manner to the Milpitas community. The Fire Department is organized into six functions as follows: Fire Administration; Operations Division, EMS and Training, Office of Emergency Management, Fire Prevention, and Fire Prevention Administration.

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 Operations 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 urban search and rescue, hazardous materials response, high density housing response, and specialized response to the transit area. The Operations Division is focused on emergency response.

- 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 ambulance. Provides safety programs to reduce the firefighter injury rate and risks.
- The Office of Emergency Management (OEM) 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.
- The Fire Prevention Division plans, organizes and manages all Fire Department prevention and inspection programs. In collaboration with other city departments and partner agencies, the Fire Prevention Division conducts fire and arson investigations, vegetation management, hazard abatement, code enforcement, public fire safety education, plan review, and evaluation and development of codes and ordinances The Fire Prevention Division provides comprehensive fire/life safety guidance and plan review for land development, new building construction, remodel projects, fire suppression systems, and fire alerting systems. Inspections are performed to ensure completed construction projects conform to state and local fire safety regulations.

Fire Department



Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Enhanced mental and physical health/ wellness programs	✓	✓				✓	
2.	Completed post ambulance deployment to enhance operational program	✓	✓			✓	✓	✓
3.	Initiated training / succession plan for each employee		✓		✓		✓	
4.	Improvements to Fire Department Training facilities and Tower in process			✓			✓	
5.	Increased social media awareness and public education events			✓				✓
6.	Finalized remaining Lexipol policies		✓		✓	✓	✓	✓
7.	Supported the County-wide Zonehaven evacuation plan and notifications system	✓	✓	✓		✓	✓	✓
8.	OEM development and implementation of evacuation plan for city facilities	✓	✓			✓	✓	✓
9.	Supported the build of two new wildland apparatus and the build of one new Type 1 apparatus			✓			✓	
10.	Supported Emergency Management Initiatives including MYTEP and remaining EOP Annexes	✓	✓			✓	✓	✓

Initiatives

	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Boost mental and physical health/wellness programs	✓	✓				✓	
2.	Continue ambulance deployment to enhance operational program	✓	✓			✓	✓	✓
3.	Ongoing professional development and succession plan		✓		✓		✓	
4.	Ongoing professional development and succession plan			✓			✓	
5.	Foster Community engagement policies through increased social media awareness and public education events			✓				✓
6.	Enhance fire records management		✓		✓	✓	✓	✓
7.	Support the adoption of the County-wide Zonehaven evacuation plan and notifications system	✓	✓	✓		✓	✓	✓
8.	Support the adoption of the County-wide Zonehaven evacuation plan and notifications system	✓	✓			✓	✓	✓
9.	Support the deployment of two wildland apparatus			✓			✓	
10.	Ensure Fire Prevention meets community needs	✓	✓			✓	✓	✓

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Total response time (call to arrival) to emergency calls (minutes)*		8:20	8:29	8:24	8:25	7:30
State mandated fire occupancy inspections completed annually		1,228	1,515	1,500	1,100	1,500
Effective Response Force (First Alarm) for assembling a complete response on all structure fires (minutes)		11:16	11:20	11:20	11:30	11:30

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Fire service calls		5,390	6,170	6,782	6,800	7,000
Training Hours / Certifications to serve in higher rank		8,755 / 20*	9,644 / 24	12,871 / 15***	10,000 / 15	15,000 / 18
Total Engine Company Inspections		0**	2,082	1,858	2,000	2,500
Total Plan Review / Inspections		1,124 / 1,708	1,401 / 1652	1,435 / 1,266	1,240 / 1,040	1,265 / 1,200
Public Education Events (attendees)		0*	2,082	5,079	7,000	8,000
Apparatus Response Summary (incidents)		7,736	8,805	11,083	11,300	12,000
Ambulance Transports		0	0	98	85	100

*Number due to COVID-19 conditions/school closures
**Due to COVID-19 Engine Company Inspections not conducted
***Due to time in grade needed

Budget Summary

DOLLARS BY FUNCTION	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
EMS Transport Services	$44,336	$104,229	$89,627	$67,000	($22,627)	(25.2)%
Fire Administration	2,484,547	3,026,666	2,412,261	2,176,818	(235,443)	(9.8)%
Fire Prevention	2,476,271	2,028,903	2,741,533	2,899,210	157,677	5.8%
Fire Prevention Administration	1,298,297	1,299,483	1,134,900	1,186,867	51,967	4.6%
Office of Emergency Management	256,963	415,545	283,597	297,243	13,646	4.8%
Operations Division	22,949,562	22,354,801	22,672,052	24,549,436	1,877,384	8.3%
TOTAL	**$29,509,976**	**$29,229,627**	**$29,333,970**	**$31,176,574**	**$1,842,604**	**6.3%**

	DOLLARS BY CATEGORY	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$12,323,851	$12,739,190	$13,675,722	$14,212,372	$536,650	3.9%
4112	Temporary Salaries	326,266	12,669	40,082	36,978	(3,104)	(7.7)%
4113	Overtime	2,902,271	2,414,467	1,615,257	1,615,257	0	0.0%
4114	Reimbursable Overtime	837,277	58,438	0	0	0	0.0%
4121	Allowances	70,303	78,043	78,312	78,312	0	0.0%
4124	Leave Cashout	1,052,215	1,011,438	0	0	0	0.0%
4131	PERS	6,681,951	6,987,410	7,588,793	8,377,027	788,234	10.4%
4132	Group Insurance	1,867,691	2,029,155	2,243,892	2,462,352	218,460	9.7%
4133	Medicare	241,774	231,635	200,115	208,054	7,939	4.0%
4135	Worker's Compensation	478,065	623,166	637,275	663,681	26,406	4.1%
4138	Deferred Comp-Employer	46,296	48,561	51,300	51,900	600	1.2%
4139	PARS	0	0	705	705	0	0.0%
4146	Short Term Disability	0	0	2,700	756	(1,944)	(72.0)%
4161	Retiree Medical Reserve	133,386	209,285	182,291	189,301	7,010	3.8%
	sub-total	**26,961,346**	**26,443,457**	**26,316,444**	**27,896,695**	**1,580,251**	**6.0%**

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4210	Department Allocations	1,524,064	1,485,915	1,608,529	1,897,630	289,101	18.0%
4220	Supplies	461,107	543,272	633,560	636,560	3,000	0.5%
4230	Services	330,195	413,667	510,866	486,707	(24,159)	(4.7)%
4240	Repair & Maintenance	4,630	2,524	0	0	0	0.0%
4500	Training, Travel, & Memberships	164,853	135,309	234,575	234,575	0	0.0%
	sub-total	**2,487,122**	**2,580,687**	**2,987,530**	**3,255,472**	**267,942**	**9.0%**
CAPITAL OUTLAY							
4850	Vehicles	38,281	166,770	0	0	0	0.0%
4870	Machinery and Equipment	0	38,713	29,996	24,407	(5,589)	(18.6)%
4920	Machinery, Tools & Equipment	23,227	0	0	0	0	0.0%
	sub-total	61,508	205,483	29,996	24,407	(5,589)	(18.6)%
	TOTAL	**$29,509,976**	**$29,229,627**	**$29,333,970**	**$31,176,574**	**$1,842,604**	**6.3%**

Staffing

POSITIONS BY FUNCTION	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Fire Administration	6.00	7.00	8.00	8.00	0.00
Fire Prevention*	7.00	7.00	6.00	6.00	0.00
Fire Prevention Administration	4.00	4.00	4.00	4.00	0.00
Office of Emergency Management	1.00	1.00	1.00	1.00	0.00
Operations Division	59.00	63.00	63.00	63.00	0.00
TOTAL	**77.00**	**82.00**	**82.00**	**82.00**	**0.00**

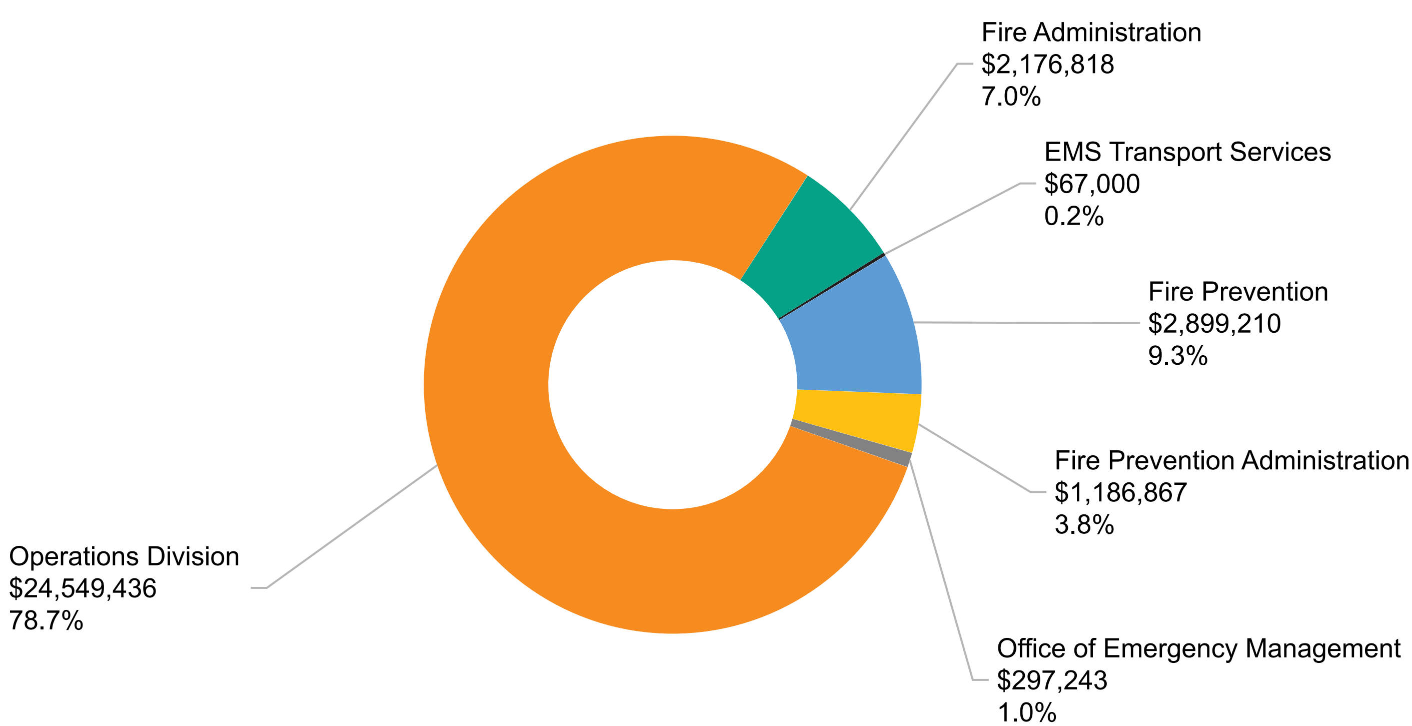
*1.0 Fire Prevention Inspector reclassification to 40-hour Fire Battalion Chief in FY24

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Administrative Analyst II	1.00	1.00	1.00	1.00	0.00
Assistant Fire Marshal	1.00	1.00	1.00	1.00	0.00
Chief Fire Enforcement Offcr	0.00	0.00	0.00	0.00	0.00
Deputy Fire Chief	2.00	2.00	2.00	2.00	0.00
Emergency Svcs Coordinator	1.00	1.00	1.00	1.00	0.00
Entry Level Fire Inspector	0.00	0.00	0.00	0.00	0.00
Executive Assistant	1.00	1.00	1.00	1.00	0.00

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Fire Battalion Chief	3.00	3.00	3.00	3.00	0.00
Fire Battalion Chief-40 hr	1.00	1.00	2.00	2.00	0.00
Fire Captain	15.00	15.00	15.00	15.00	0.00
Fire Captain - 40	1.00	1.00	1.00	1.00	0.00
Fire Chief	1.00	1.00	1.00	1.00	0.00
Fire Engineer	6.00	8.00	8.00	8.00	0.00
Fire Engineer-Paramedic	12.00	10.00	10.00	10.00	0.00
Fire Prevention Inspector	4.00	4.00	3.00	3.00	0.00
Fire Protection Engineer	2.00	2.00	2.00	2.00	0.00
Firefighter	15.00	16.00	16.00	16.00	0.00
Firefighter/Paramedic	8.00	11.00	11.00	11.00	0.00
Hazardous Materials Inspector	2.00	2.00	2.00	2.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Senior Administrative Analyst	0.00	1.00	1.00	1.00	0.00
Total Positions	**77.00**	**82.00**	**82.00**	**82.00**	**0.00**

*1.0 Entry Level Fire Prevention Inspector defunded.

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**82.00**	**$29,293,561**	**$40,408**	**$29,333,969**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		1,580,201		1,580,201
Equipment Replacement Amortization		289,101		289,101
Non-Personnel Expenditure Alignment to Historical Trend		(26,696)		(26,696)
Adjustments to Costs of Ongoing Activities	**0.00**	**1,842,606**	**0**	**1,842,606**
Total FY 2024-25 Budget	**82.00**	**$31,136,167**	**$40,408**	**$31,176,575**

Human Resources

HR Director: **Kelli Parmley**

Mission Statement

The HR Department supports the achievement of the City's goals by: 1) recruiting and retaining highly qualified individuals and ensuring they have the resources to operate effectively, 2) providing an environment that is diverse, safe, and conscious of community goals, and 3) establishing policies/practices that treat employees with respect, while maintaining compliance with labor laws and labor agreements.

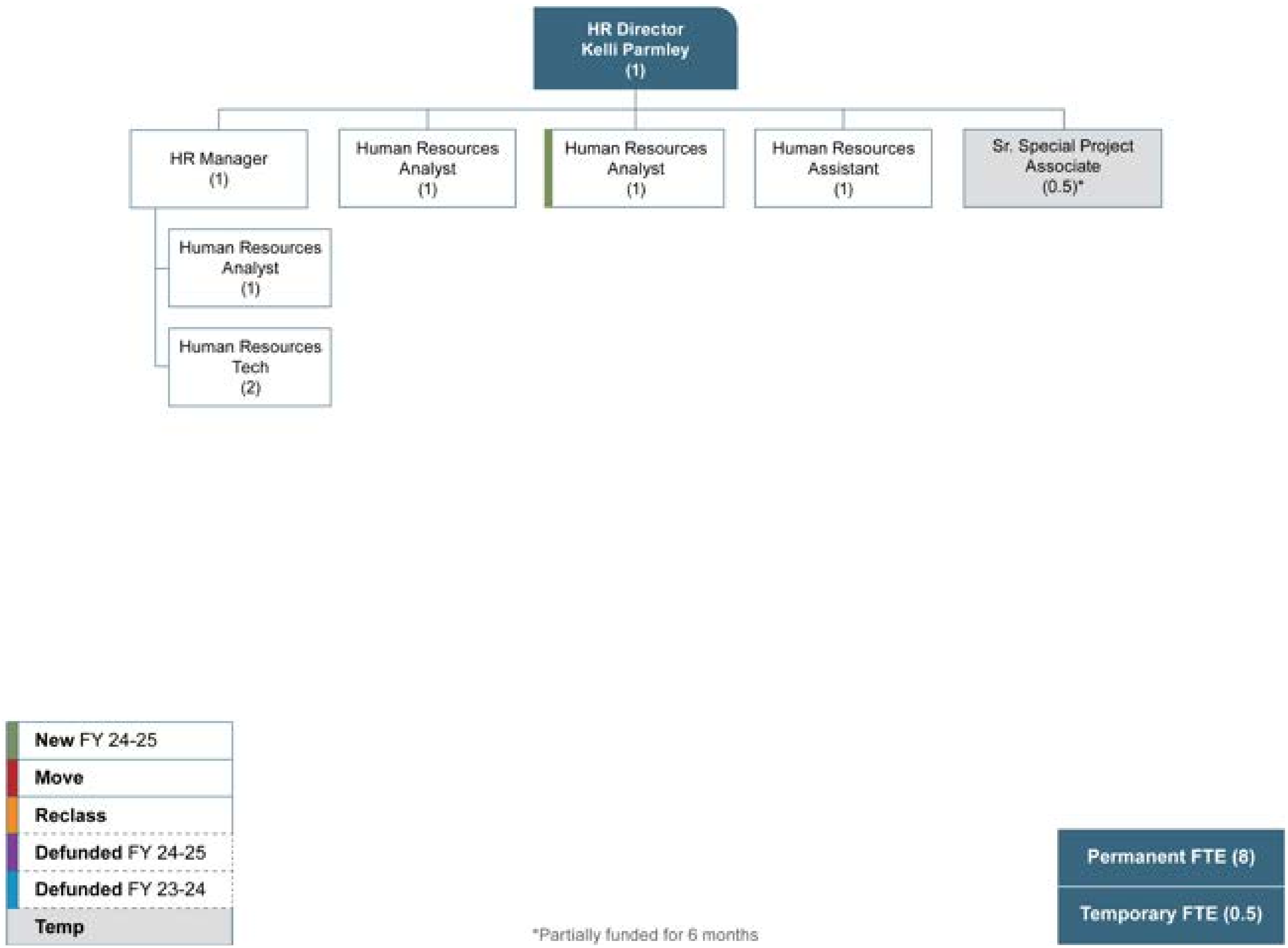
Description

The HR Department provides citywide services related to recruitment, benefits administration, safety (including a self-funded workers' compensation program and DOT Drug and Alcohol Testing), employee relations including compliance with State and Federal employment laws, performance management, training, and labor relations, including negotiations and administration of labor agreements.

Services

- Recruitment - The HR Department partners with all areas of City service to find energetic, engaged, and highly capable public employees. This is done through the use of cloud-based applicant tracking and management systems, target advertising, and executive recruiting firms as needed to compete for and secure the very best talent.
- Health and Wellness - The HR Department oversees comprehensive benefits packages for approximately 452 (FTE) positions, focusing on overall health and wellness for employees and their families. We do this by taking a holistic approach on quality of life and providing excellent benefits including medical coverage through CalPERS Health, Dental, Vision, Life Insurance, Long Term Disability, Short Term Disability, Employee Assistance Program (EAP), Deferred Compensation (457 or 401A plan depending on bargaining unit), and other financial wellness resources.
- Workers' Compensation - The City is self-insured for workers' compensation contracted through a Third Party Administrator (TPA). Staff work closely with our TPA to ensure that all injured employees receive proper care for their work-related injuries and/or illnesses.
- Labor Relations - The HR Department builds productive and collaborative relationships with our five separate bargaining units to achieve the City's goals and provide exemplary service to our community. Human Resources team members are critical components of administering, implementing, and interpreting labor contracts and assisting in the resolution of potential issues.
- 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 assist managers and supervisors with performance management matters. We encourage positive employer-employee relations and maintain a high level of service to those we serve.
- Training - The HR Department manages and maintains training and professional growth opportunities to promote employees' learning and development in alignment with the organization's needs and goals.

Human Resources Department



*Partially funded for 6 months

Accomplishments

	Accomplishments	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Successfully recruited, onboarded, and orientated two HR staff members (HR Assistant and the HR Director)				✓			
2.	Concluded negotiations with MEA and ProTech and implemented successor contracts through June 2025				✓			
3.	Modernized the Hiring Process by piloting digital hiring packets and implementing electronic offer letters.				✓			
4.	Planned and executed first-time roadshows related to Open Enrollment and overall employee wellness.				✓			
5.	Successfully completed the RFP process for a new HRIS/ERP system and received Council approval for award and implementation.				✓			
6.	Processed approximately 2,500 applications.				✓			
7.	Maintained over 85% compliance with mandated harassment prevention training program				✓			
8.	Conducted new hire orientations for over 150 employees and processed over 800 personnel transactions.				✓			
9.	Processed over 2,500 applications.				✓			

	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Review and Revise Personnel Rules and City Policies				✓			
2.	Assess the feasibility of moving to a paperless personnel file system and scope out implementation				✓			
3.	Continue partnering with departments and consultants on the HRIS/ERP implementation				✓			
4.	Refine and expand the Employee Mentorship Program along with other training and development initiatives				✓			

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Average time to fill a vacancy (in days)		95	98.53	109.06	63.16	80
Percentage of recruitments completed within established timelines		70%	67%	66%	62%	70%
Percentage of employees attended Harassment Prevention Training		90%	77%	86%	77%	85%

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Number of full-time positions filled		67	98	53	37	45
Number of workers compensation claims processed		58	105	92	33	50
Number of transactions processed		3,000	986	1,131	656	984
Number of new hires onboarded (includes temporary staff)		100	163	214	72	150

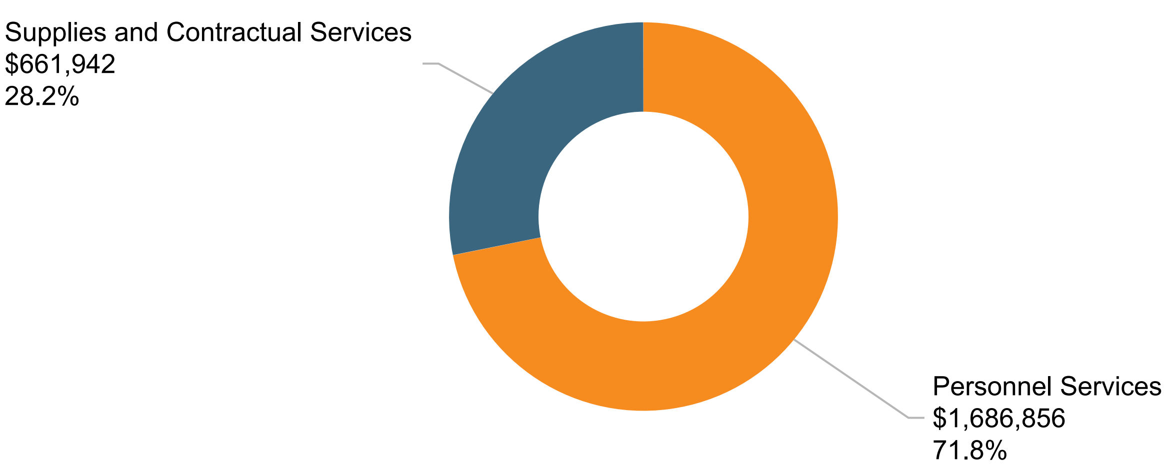
Budget Summary

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$698,807	$839,680	$894,320	$1,044,289	$149,969	16.8%
4112	Temporary Salaries	81,398	72,713	59,055	29,527	(29,528)	(50.0)%
4113	Overtime	1,427	598	1,500	1,500	0	0.0%
4121	Allowances	6,346	5,458	13,200	6,600	(6,600)	(50.0)%
4124	Leave Cashout	21,035	92,951	0	0	0	0.0%
4131	PERS	275,478	268,342	300,276	378,070	77,794	25.9%
4132	Group Insurance	93,819	126,106	166,248	197,079	30,831	18.5%
4133	Medicare	11,808	14,706	14,015	16,309	2,294	16.4%
4135	Worker's Compensation	1,224	1,408	4,767	5,586	819	17.2%
4138	Deferred Comp-Employer	4,666	5,616	6,300	7,200	900	14.3%
4139	PARS	0	4	886	886	0	0.0%
4146	Short Term Disability	0	0	2,100	672	(1,428)	(68.0)%
4161	Retiree Medical Reserve	5,439	8,705	7,298	8,685	1,387	19.0%
	sub-total	**1,201,447**	**1,436,287**	**1,469,965**	**1,686,856**	**216,891**	**14.8%**
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	0	8,748	8,755	8,755	0	0.0%
4220	Supplies	7,593	9,058	7,210	7,210	0	0.0%
4230	Services	329,890	290,862	426,038	515,738	89,700	21.1%
4500	Training, Travel, & Memberships	28,197	69,363	105,239	130,239	25,000	23.8%
	sub-total	**365,680**	**378,031**	**547,242**	**661,942**	**114,700**	**21.0%**
	TOTAL	**$1,567,127**	**$1,814,318**	**$2,017,207**	**$2,348,798**	**$331,591**	**16.4%**

Staffing

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Employee Relations Officer	1.00	1.00	0.00	0.00	0.00
Human Resource Analyst II	1.00	1.00	1.00	2.00	1.00
Human Resources Analyst I	1.00	1.00	1.00	1.00	0.00
Human Resources Assistant	1.00	1.00	1.00	1.00	0.00
Human Resources Director	1.00	1.00	1.00	1.00	0.00
Human Resources Manager	0.00	0.00	1.00	1.00	0.00
Human Resources Technician	1.00	2.00	2.00	2.00	0.00
Total Positions	**6.00**	**7.00**	**7.00**	**8.00**	**1.00**

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**7.00**	**$2,017,208**	**$0**	**$2,017,208**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		62,741		62,741
Chaplin & Hill Investigative Services		89,700		89,700
Adjustments to Costs of Ongoing Activities	**0.00**	**152,441**	**0**	**152,441**
Total FY2024-25 Base Budget	**7.00**	**$2,169,649**	**0**	**$2,169,649**
Service Level Changes				
Human Resources Department Staffing	1.00	154,149		154,149
Citywide Training Enhancement		25,000		25,000
Total Service Level Changes	**1.00**	**179,149**	**0**	**179,149**
Total FY 2024-25 Budget	**8.00**	**$2,348,798**	**$0**	**$2,348,798**

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1	**Citywide Training Enhancement**		**$25,000**	**$0**	**$25,000**

This action will fund $25,000 ongoing dedicated to training and professional development of City staff. The government sector continues to experience challenges in attracting and retaining the next generation. While retirements continue (leaving knowledge and experience gaps), there are now more than five generations in our work place and many in mid-level supervisory and leadership positions who are critical to organizational success and in retaining our employees (Gallup) and yet may not have the skills to support their success. In general, government has lagged behind the private sector in investment in employees and yet the next generation is looking for many things from employers, one of which is growth opportunities (training and professional development).

Performance Results

Through pre-assessment activities (interviews, focus groups, and surveys) understand priority needs for growth and development and following the learning opportunity (pre-post survey) assess the impact of the training on their growth, well being, and intent to stay with the City of Milpitas. Did the training make a difference in their skill development (self reported by them) and are they applying what they've learned (self reported) in the workplace in a way that is making a positive difference?

Impact if funding is not approved

Currently, the City does not have a sufficient Citywide allocation to invest in employee growth and development. The small human resources team is not positioned to deliver training directly so this "vendor delivered" strategy to focus in one area of Citywide training will maximize impact. Focusing on mid-level managers and the development and delivery of a mid-level manager "academy" or forum is that opportunity.

2	**Human Resources Department Staffing**	**0.00**	**$154,149**	**$0**	**$154,149**

This action will fund 1.0 FTE ongoing of a new Human Resources Analyst I/II. The Human Resources Department provides recruitment support for all City Departments. Currently, the City has 38 vacancies that translates to 8.4% vacancy rate and a one full-time analyst dedicated to recruitment. On average one analyst can manage 7-8 recruitments, which is not sufficient to be strategic, effective, and efficient with recruitment in a labor market for local government will be facing a challenging labor market for the foreseeable future. Additionally, the Department does not have dedicated support in two areas critical to the long term success in attracting and retaining our employees: support for essential activities in labor and employee relations as well as strategic activities related to classification and compensation.

Performance Results:

Funding a new Human Resources Analyst I/II will boost the City's recruitment and workforce management capabilities. With 38 vacancies and only one full-time analyst handling recruitment, the City faces staffing challenges. Adding a new analyst will improve recruitment efficiency, while dedicated support for labor relations and compensation activities will enhance talent attraction and retention. By addressing critical workforce needs, this proposal aims to strengthen organizational effectiveness and adaptability, ensuring the City can meet community demands.

Impact if funding is not approved

Not adding this new position will impact the ability for the Human Resources Department to provide additional support for recruitment Citywide and provide additional support for labor and employee relations and essential strategic activities related to classification and compensation. This will have a major impact on the ability to provide City services.

Total Service Level Changes		**$179,149**	**$0**	**$179,149**

Information Technology

IT Director: **Daniel Nam**

Mission Statement

The Information Technology Department supports the mission of the City by providing innovative, reliable, secure, and cost-effective technology services in the areas of telecommunications, data processing, desktop support, Geographic Information System (GIS) and technology systems management.

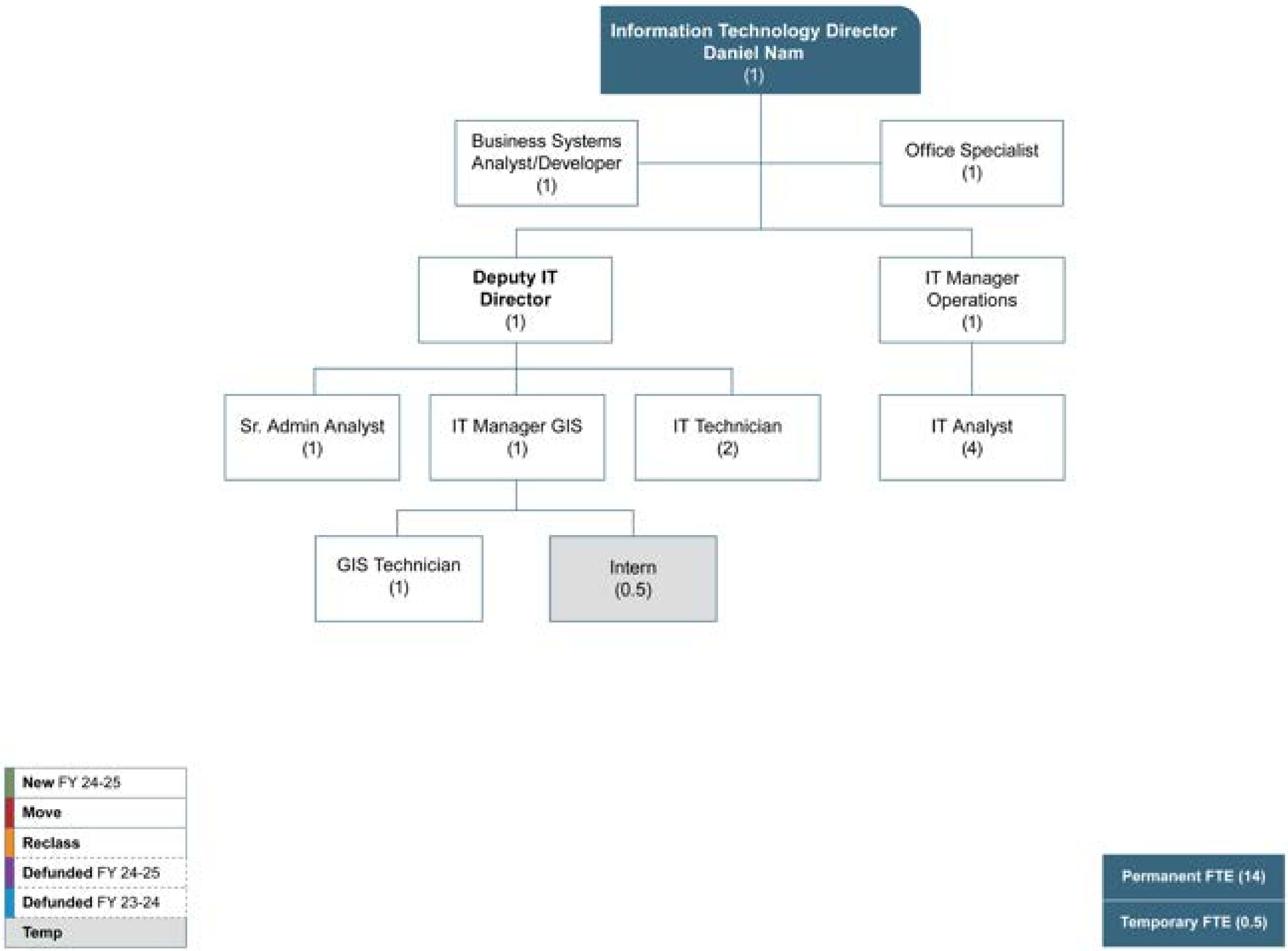
Description

This department provides automation planning, coordination of system procurement and implementation, administration of the City's cyber security program, 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, implementation and support of security access systems and all automated data systems.

Services

- IT Strategic Planning – Administer and continuously monitor multi-year technology initiatives to ensure the smart and effective use of technology across the City's departments and aligned with the City's overall mission.
- IT Project Management – Provide effective project management services for technology projects of varying scope from short-term department projects to multi-year implementations that bring new solutions to users across the organization.
- Technology Contract Management – Provide management and coordination of technology system contracts.
- Development Services – Support the development of highly effective, secure, and reliable customized software and automation solutions to enhance service delivery and efficiency.
- Servers and Application Support – Provide management and support of the City's data center. This includes managing the City's computer and storage resources, public safety systems, network directory services, e-mail, teleconference, system automation, administration of cloud technologies, system implementation and integrations, security, and disaster recovery.
- Infrastructure Support – Develop and support the technology systems architecture and infrastructure, including implementing and supporting the City's Internet connectivity, IP telephony systems, mobile phones and data services, metro-area fiber optic network, and wireless enterprise network.
- Public Information – Develop and support the City's website and provide support for virtual and hybrid public meetings.
- Security Access and Control – Enhance safety and protect the City's assets by supporting the city facility security access and control system.
- GIS – Provide various GIS services and enable coordination between various departments across the organization. This service includes software development, data acquisition, aerial imagery, and mapping services. The data collected serves various enterprise systems, including the Computer Aided Dispatch System, Computerized Maintenance Management System, Land Records & Permitting Application, and Community Development Services systems.
- Helpdesk – Provide a centralized support channel for City staff. Helpdesk service provides technical resources, including software and hardware troubleshooting assistance, as well as managing the City's technology assets. IT department procures, implements, and maintains all technology resources used for the City's operation, including server resources, AV systems, 700 computers, 400 mobile devices and 100 printers.

Information Technology Department



Accomplishments

		Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Police Mobile Computer Replacement						✓	
2.	Internet Connectivity Enhancement	✓	✓	✓	✓	✓	✓	✓
3.	New City Website Implementation	✓	✓	✓	✓	✓	✓	✓
4.	Cybersecurity Systems and Program Implementation	✓	✓	✓	✓	✓	✓	✓
5.	Agenda Management System Implementation				✓			
6.	Citywide Network Assessment				✓		✓	
7.	Permitting System Assessment	✓	✓	✓	✓	✓	✓	✓
8.	Utility Mapping Coordination				✓	✓	✓	
9.	Support ERP/HRIS Research and Selection				✓			
10.	Centralized Device Management Implementation	✓	✓	✓	✓	✓	✓	✓

Initiatives

	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Complete Council Chamber AV Replacement				✓			
2.	911 CAD System Upgrade						✓	
3.	Complete Fire Mobile Computer Replacement						✓	
4.	Continue Cybersecurity Program Enhancement	✓	✓	✓	✓	✓	✓	✓
5.	Continue Supporting ERP/HRIS Implementation				✓			
6.	McCandless Well Technology Implementation				✓			
7.	Recreations Facilities Access Control System Implementation	✓			✓			
8.	Continue supporting Neogov Improvements				✓			
9.	Permitting System Procurement	✓	✓	✓	✓	✓	✓	✓
10.	Utility Location Modernization			✓	✓		✓	

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
City Council meetings supported		100%	100%	100%	100%	100%
Network Availability*		99.93%	99.95%	99.9%	99.98%	99.99%
Critical Server Availability*		99.99%	99.98%	99.98%	99.96%	99.99%
Website Availability*		99.99%	99.55%	99.66%	99.65%	99.99%
Customer surveys received with a score of 4 or better (out of 5)		96%	100%	100%	100%	100%

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Help Desk tickets closed		4,153	5,760	5,895	5,712	6,000
Website visitors		216,000**	450,000	346,000	258,000	300,000
GIS Asset updates		48,401	49,167	61,232	50,000	45,000
Number of City Council and Planning Committee meetings supported		N/A	50	62	56	52
Physical servers converted to virtual servers		90%	97%	98%	98%	99%
Managed-devices - iOS		N/A	N/A	172	255	300
Managed-devices - Windows		N/A	N/A	—	758	800

*Scheduled down time for maintenance is excluded
**Previously included bots and other countries. FY21 and forward counts actual visitors.

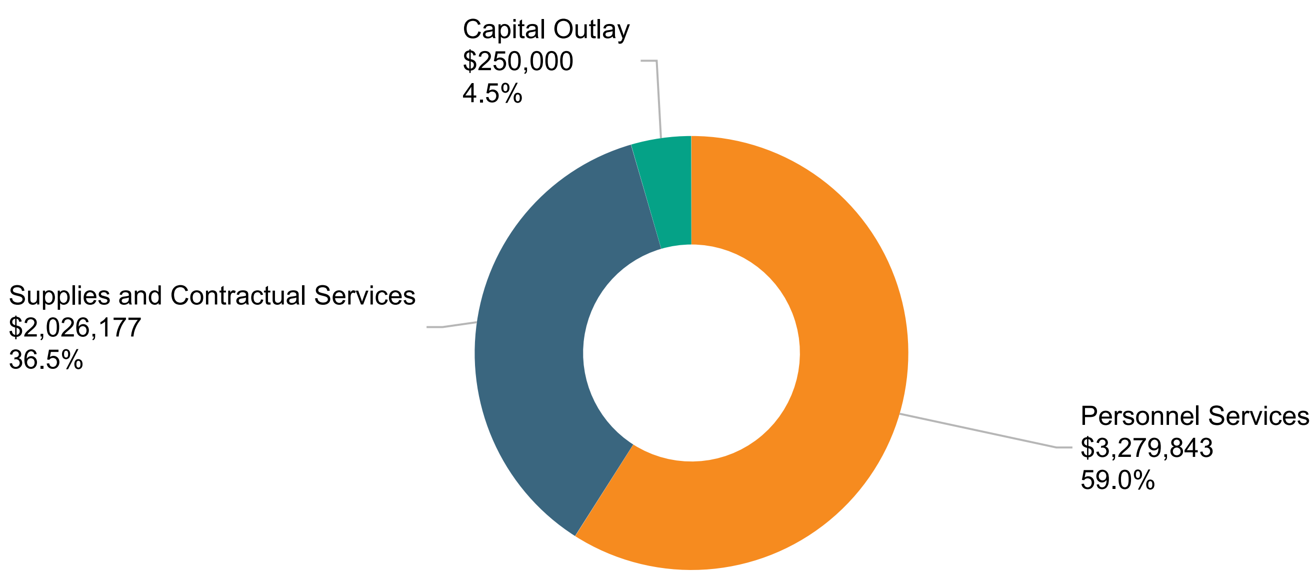
Budget Summary

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$1,206,667	$1,116,095	$2,172,395	$2,089,992	($82,403)	(3.8)%
4112	Temporary Salaries	41,727	3,515	35,000	35,000	0	0.0%
4113	Overtime	2,030	1,977	0	0	0	0.0%
4121	Allowances	4,696	3,948	6,600	6,600	0	0.0%
4124	Leave Cashout	155,413	73,858	0	0	0	0.0%
4125	Accrued Leave	0	0	0	0	0	0.0%
4131	PERS	420,293	368,046	683,268	724,805	41,537	6.1%
4132	Group Insurance	166,197	131,681	357,544	347,328	(10,216)	(2.9)%
4133	Medicare	20,545	17,564	32,116	30,909	(1,207)	(3.8)%
4135	Worker's Compensation	2,227	(32,389)	10,949	12,055	1,106	10.1%
4138	Deferred Comp-Employer	8,016	6,271	13,500	12,600	(900)	(6.7)%
4139	PARS	640	53	526	526	0	0.0%
4146	Short Term Disability	0	0	4,284	1,176	(3,108)	(72.5)%
4161	Retiree Medical Reserve	11,491	19,760	19,329	18,852	(477)	(2.5)%
	sub-total	**2,039,942**	**1,710,379**	**3,335,511**	**3,279,843**	**(55,668)**	**(1.7)%**
SUPPLIES AND CONTRACTUAL SERVICES							
4210	Department Allocations	1,782	1,704	1,984	2,212	228	11.5%
4220	Supplies	8,455	15,808	11,000	11,000	0	0.0%
4230	Services	49,805	320,003	15,000	15,000	0	0.0%
4240	Repair & Maintenance	1,275,449	1,236,967	1,554,119	1,622,465	68,346	4.4%
4410	Communications	275,053	349,872	302,000	302,000	0	0.0%
4500	Training, Travel, & Memberships	9,454	15,267	73,500	73,500	0	0.0%
	sub-total	**1,619,998**	**1,939,621**	**1,957,603**	**2,026,177**	**68,574**	**3.5%**
CAPITAL OUTLAY							
4860	Capitalized Leases	0	0	0	0	0	0
4870	Machinery and Equipment	9,986	0	0	0	0	0.0%
4920	Machinery, Tools & Equipment	296,081	19,866	250,000	250,000	0	0.0%
	sub-total	306,067	19,866	250,000	250,000	0	0.0%
	TOTAL	**$3,966,007**	**$3,669,866**	**$5,543,114**	**$5,556,021**	**$12,907**	**0.2%**

Staffing

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Business Systems Analyst/ Developer	0.00	1.00	1.00	1.00	0.00
Deputy IT Director	0.00	1.00	1.00	1.00	0.00
GIS Technician	1.00	1.00	1.00	1.00	0.00
Information System Analyst	2.00	3.00	4.00	4.00	0.00
Information Technology Director	1.00	1.00	1.00	1.00	0.00
Information Technology Manager	3.00	2.00	2.00	2.00	0.00
Information Technology Technician	2.00	2.00	2.00	2.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Senior Administrative Analyst	0.00	0.00	1.00	1.00	0.00
Sr. Information Analyst/Dev	1.00	0.00	0.00	0.00	0.00
Video Media Specialist	1.00	1.00	0.00	0.00	0.00
Total Positions	**12.00**	**13.00**	**14.00**	**14.00**	**0.00**

Expenditures by Category



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**14.00**	**$4,911,129**	**$631,986**	**$5,543,115**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		155,702	(211,371)	(55,669)
Various Software Maintenance		16,550		16,550
Equipment Amortization		228		228
Non-Personnel Expenditure Alignment to Historical Trend		51,796		51,796
Adjustments to Costs of Ongoing Activities	**0.00**	**224,276**	**(211,371)**	**12,905**
Total FY 2024-25 Budget	**14.00**	**$5,135,405**	**$420,615**	**$5,556,020**

Planning

Planning Director: **Jay Lee**

Mission Statement

The Planning Department develops and implements policies to guide the physical and economic development of the City. We seek to create and maintain a high quality of life for Milpitas residents through enforcement of land use, architectural design, and environmental regulations. We also strive to provide excellent customer service in support of an efficient development review process and fair and inclusive community engagement activities.

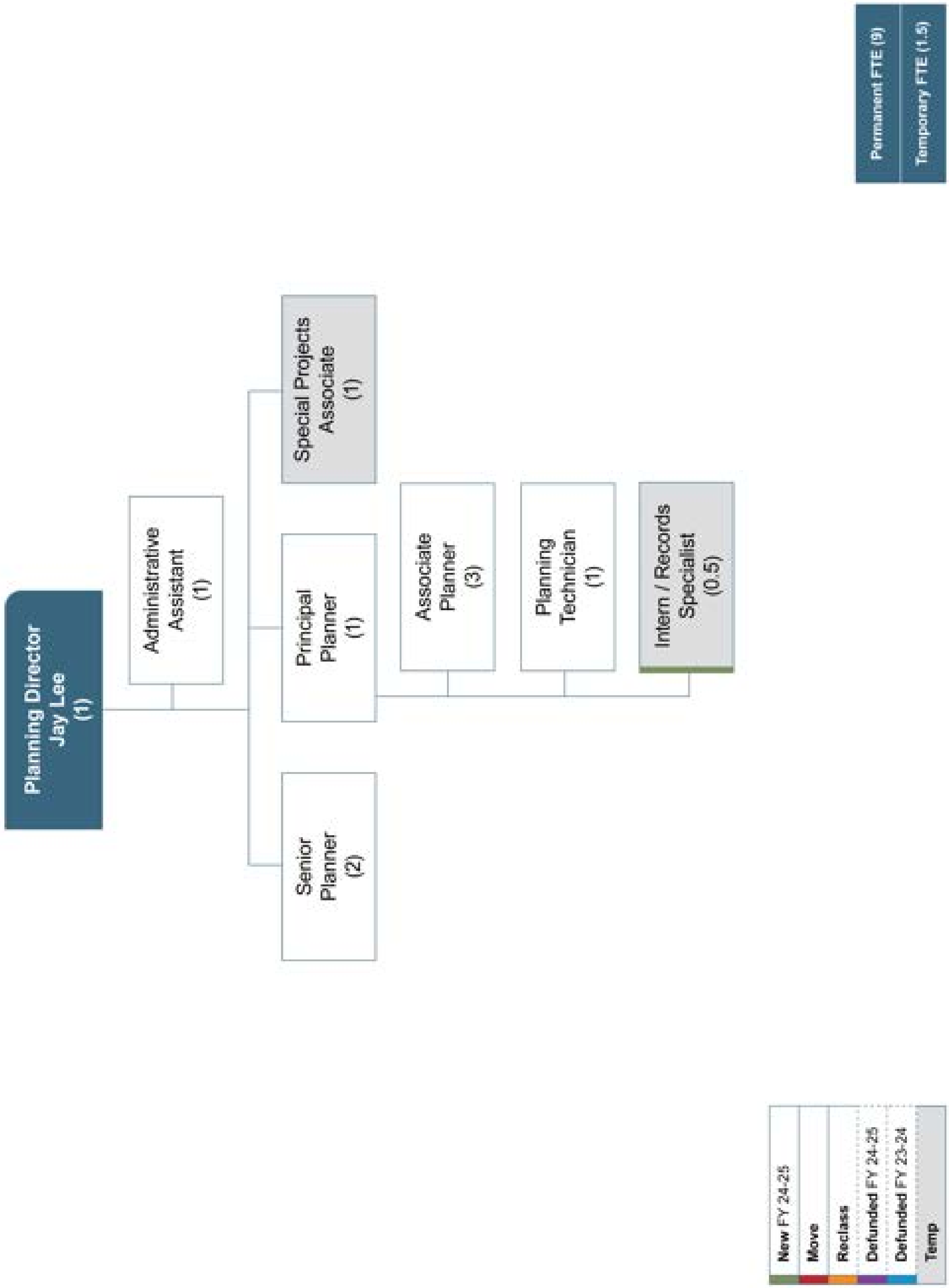
Description

The Planning Department prepares, maintains, and implements the City's General Plan, associated Specific Plans, and other planning and policy documents to positively influence the physical development of the community. Department staff assist residents, businesses, designers, developers, and architects to understand and follow the City's policies and regulations for development, including the General Plan, two Specific Plans, and the Zoning Ordinance. The Department collaborates with other City departments to administer various policies and regulations related to the physical development of the City, including the California Environmental Quality Act (CEQA). The Department provides professional and administrative support to the Planning Commission and promotes informed decision-making by conducting analysis, making findings and recommendations, and facilitating community and neighborhood meetings.

Services

- Prepares, maintains, and implements the City's General Plan and associated Specific Plans.
- Conducts research, prepares long-range planning documents, and assists other departments in preparing special-purpose long-range plans.
- Administers the City's Zoning Ordinance and collaborates with other departments to administer other development policies and regulations, including the California Environmental Quality Act (CEQA).
- Reviews the City’s CEQA documents for capital projects.
- Performs and coordinates review of land development applications and provides information to the public regarding land development regulations and processes.
- Assists developers in obtaining planning entitlements and coordinates the development review process from conceptual design and preapplication consultation to application submittal and formal review.
- Implements the Milpitas Metro Specific Plan and Gateway-Main St. Specific Plan and coordinates with other departments to ensure timely review of development proposals.
- Supports the Building Safety and Housing Department in updating the Housing Element and implementing the City’s housing policies.
- Provides and updates planning permit fees, submittal requirements, checklists, design guidelines, and publications to support a streamlined permit application and development review process.
- Reviews building plans for conformance with zoning regulations and conditions of approval.
- Administers the City’s short-term rental program.
- Reviews various City license and permit applications for zoning conformance.
- Provides staff support to the Planning Commission and other planning-related advisory groups.
- Secures regional, state, and federal grant funding to initiate planning, transportation, and parks projects.
- Coordinates with the City Manager's office in working with outside agencies, regional organizations, and local businesses.
- Coordinates with outside agencies on regional planning, transportation, and environmental issues.
- Maintains City demographics and geographic based information.
- Promotes the City of Milpitas as a vibrant community to live, work, shop, learn, and play.

Planning


Planning Director
Jay Lee
(1)
Administrative Assistant
(1)
Senior Planner
(2)
Principal Planner
(1)
Special Projects Associate
(1)
Associate Planner
(3)
Planning Technician
(1)
Intern / Records Specialist
(0.5)
Permanent FTE (9)
Temporary FTE (1.5)
New FY 24-25
Move
Reclass
Defunded FY 24-25
Defunded FY 23-24
Temp

Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Completed an initial draft of the Gateway-Main St. Specific Plan	✓	✓	✓	✓	✓		✓
2.	Continued to support and evaluate Milpitas SMART as a local transit program		✓	✓	✓			✓
3.	Continued work on a comprehensive update of the City's Zoning Ordinance	✓	✓	✓	✓	✓	✓	✓
4.	Supported Housing Element implementation and continued work on Housing Opportunity Districts (HODs)		✓		✓	✓		
5.	Secured $600k in grant funding for the Main St. Sense of Place Plan and Impact Fee Study	✓	✓		✓	✓	✓	✓
6.	Secured $200k in grant funding for the Innovation District Parks and Trails Master Plan	✓			✓	✓		
7.	Continued work on the Metro Area Development Impact Fee	✓	✓		✓	✓		✓
8.	Supported the Planning Commission for 16 meetings and conducted 8 Zoning Administrator hearings				✓	✓		
9.	Continued collaboration with other departments to implement upgrades to the City's online permit tracking system and other tools to increase efficiency and enhance service delivery to the community.				✓	✓		
10.	Completed recruitments for three vacant positions		✓		✓			

Initiatives

	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Complete the Gateway-Main St. Specific Plan and EIR	✓	✓	✓	✓	✓		✓
2.	Secure external funding sources to continue Milpitas SMART		✓	✓	✓			✓
3.	Complete CZO Update Phase 1 and initiate Phase 2	✓	✓	✓	✓	✓	✓	✓
4.	Continue implementing of the Housing Element and complete the HODs		✓		✓	✓		
5.	Start work on the Main St. Sense of Place Plan and Impact Fee Study	✓	✓		✓	✓	✓	✓
6.	Start work on the Innovation District Parks and Trails Master Plan	✓			✓	✓		
7.	Complete the Metro Area Development Impact Fee	✓	✓		✓	✓		✓
8.	Continue collaboration with other departments to implement upgrades to the City's online permit tracking system				✓	✓		
9.	Continue to work with Santa Clara County to implement a local Tobacco Retail Program	✓			✓			
10.	Secure pre-development funds and technical assistance from MTC for redevelopment of Priority Housing Sites		✓		✓	✓		

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Total Projects Received		N/A	N/A	N/A	542	550
Total Projects Reviewed		N/A	N/A	N/A	380	400
Average Number of Days for 1st Review of Projects		N/A	N/A	N/A	9	10
Total Projects Approved		N/A	N/A	N/A	390	400
Total items presented to Zoning Administrator, Planning Commission, and City Council		N/A	N/A	N/A	50	50
Total Community meetings held/public outreach (development projects and long-range/policy planning)		N/A	N/A	N/A	38	40
Average number of projects (Municipal Code amendments, Area Plans, annual reports,Policy Updates etc.) underway in the Department at any one time. (Long Range/Policy Planning)		N/A	N/A	N/A	7	10
Total Public Counter Visits		N/A	N/A	N/A	1,902	2,000
Total Department Call Count		N/A	N/A	N/A	6,242	6,250
ADU Monday Appointments		N/A	N/A	N/A	72	75

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Total planning permits/zoning approvals issued		N/A	332	340	402	420
Total planning applications with public hearing		N/A	52	22	21	25
Total long-range planning projects (policy and zoning updates) in progress or completed		N/A	9	9	9	12

Budget Summary

DOLLARS BY FUNCTION	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
Long Range Planning	$251,346	$272,481	$273,011	$275,731	$2,720	1.0%
Planning	2,021,060	2,211,984	2,112,325	2,275,243	162,918	7.7%
TOTAL	**$2,272,406**	**$2,484,465**	**$2,385,336**	**$2,550,974**	**$165,638**	**6.9%**

	DOLLARS BY CATEGORY	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$1,176,698	$1,296,274	$1,380,360	$1,418,457	$38,097	2.8%
4112	Temporary Salaries	42,400	73,310	218,065	270,065	52,000	23.8%
4113	Overtime	2,667	13,876	10,000	12,000	2,000	20.0%
4119	Adjustments-Payroll	0	0	0	0	0	0.0%
4121	Allowances	6,346	7,120	6,600	6,600	0	0.0%
4122	Standby Pay MEA	0	0	0	0	0	0.0%
4124	Leave Cashout	62,789	26,837	0	0	0	0.0%
4125	Accrued Leave	0	0	0	0	0	0.0%
4131	PERS	402,675	428,505	445,420	497,462	52,042	11.7%
4132	Group Insurance	191,065	212,306	237,756	270,217	32,461	13.7%
4133	Medicare	18,473	20,540	23,231	24,540	1,309	5.6%
4135	Worker's Compensation	6,350	68,466	69,971	57,505	(12,466)	(17.8)%
4138	Deferred Comp-Employer	8,276	7,716	8,100	8,100	0	0.0%
4139	PARS	0	0	1,980	2,761	781	39.4%
4141	Adjustments-Payroll	0	0	0	0	0	0.0%
4143	Charged to CIPs	0	0	(109,243)	(109,243)	0	0.0%
4146	Short Term Disability	0	0	2,700	757	(1,943)	(72.0)%
4161	Retiree Medical Reserve	9,625	16,106	13,246	13,603	357	2.7%
	sub-total	**1,927,364**	**2,171,056**	**2,308,186**	**2,472,824**	**164,638**	**7.1%**

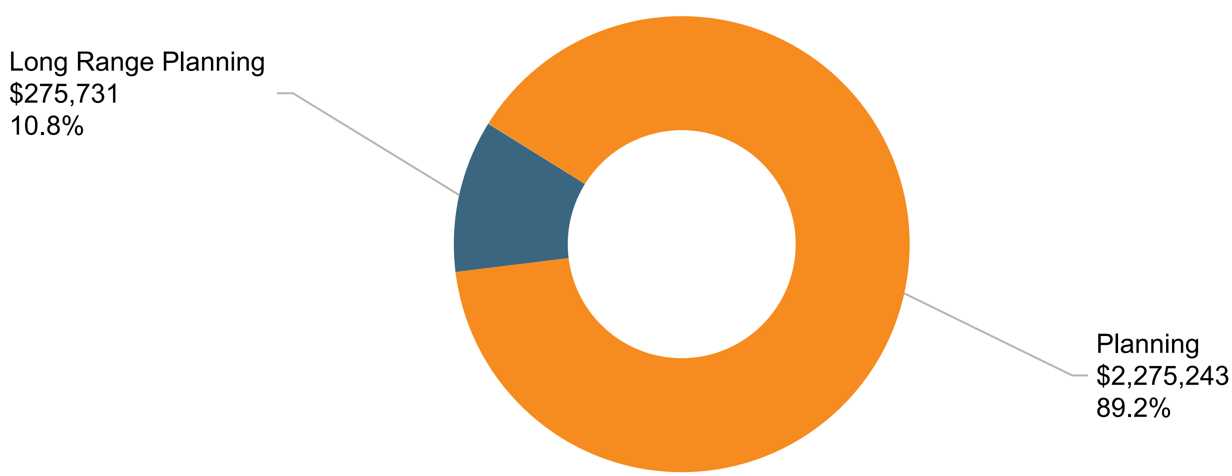
DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	0	0	0	0	0	0.0%
4210	Department Allocations	0	0	0	0	0	0.0%
4220	Supplies	6,160	10,056	12,000	12,000	0	0.0%
4230	Services	194,367	284,700	42,000	43,000	1,000	2.4%
4500	Training, Travel, & Memberships	14,515	18,653	23,150	23,150	0	0.0%
	sub-total	**215,042**	**313,409**	**77,150**	**78,150**	**1,000**	**1.3%**
CAPITAL OUTLAY							
4850	Vehicles	0	0	0	0	0	0.0%
4870	Machinery and Equipment	130,000	0	0	0	0	0.0%
4910	Office Furniture & Fixtures	0	0	0	0	0	0.0%
	sub-total	130,000	0	0	0	0	0.0%
	TOTAL	**$2,272,406**	**$2,484,465**	**$2,385,336**	**$2,550,974**	**$165,638**	**6.9%**

Staffing

POSITIONS BY FUNCTION	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Planning	8.00	8.00	8.00	8.00	0.00
Long Range Planning	1.00	1.00	1.00	1.00	0.00
TOTAL	**9.00**	**9.00**	**9.00**	**9.00**	**0.00**

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Administrative Assistant	1.00	1.00	1.00	1.00	0.00
Assistant Planner	0.00	0.00	0.00	0.00	0.00
Associate Planner	3.00	3.00	3.00	3.00	0.00
Junior Planner	1.00	0.00	0.00	0.00	0.00
Planning Director	1.00	1.00	1.00	1.00	0.00
Planning Manager	0.00	0.00	0.00	0.00	0.00
Planning Technician	0.00	1.00	1.00	1.00	0.00
Principal Planner	1.00	1.00	1.00	1.00	0.00
Senior Planner	2.00	2.00	2.00	2.00	0.00
Total Positions	**9.00**	**9.00**	**9.00**	**9.00**	0.00

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**9.00**	**$2,024,148**	**$361,188**	**$2,385,336**
One-Time Prior Year Budget Adjustments				
Records Specialist Intern		(27,306)		(27,306)
One-Time Prior Year Budget Adjustments	**0.00**	**(27,306)**	**0**	**(27,306)**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		(9,437)	118,280	108,843
Non-Personnel Expenditure Alignment to Historical Trend		3,000		3,000
Adjustments to Costs of Ongoing Activities	**0.00**	**(6,437)**	**118,280**	**111,843**
Total FY2024-25 Base Budget	**9.00**	**1,990,405**	**479,468**	**2,469,873**
Service Level Changes				
Part-time Staff Assistant (One-Time)		53,794		53,794
Records Specialist Intern		27,307		27,307
Total Service Level Changes	**0.00**	**81,101**	**0**	**81,101**
Total FY 2024-25 Budget	**9.00**	**$2,071,506**	**$479,468**	**$2,550,974**

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	**Part-time Staff Assistant**	**0.00**	**$53,794**	**$0**	**$53,794**

This action provides funding for a part-time staff assistant (one-time). The Staff Assistant will support the training and onboarding of new staff and ensure adequate coverage and service levels during periods of transition and unexpected vacancies within the department. Many customers find it more convenient and are now accustomed to conducting business remotely rather than coming to City Hall. This has resulted in significant added workload and increased response times because of the need to juggle increased phone calls and email messages with other work such as meetings, staff report preparation, and project coordination.

Performance Impact

The position will support the entire department by alleviating administrative burdens and increasing capacity in other function areas. Consequently, operations will continue to be efficient and effective. Other staff can focus more time on development review projects and staff reports, conduct research on more complex issues, and administer various special projects as outlined above. New staff will receive adequate training and oversight, and the Department will avoid declining response times and overall service levels.

Impact if not funded

This action would fund a part-time Staff Assistant for one additional fiscal year to support the administrative workload. The department continues to experience a significant increase in incoming phone calls and email inquiries from residents, developers, and business owners.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
2.	Records Specialist Intern	(1.00)	$27,307	$0	$27,307

This action changes the previously funded one time funded Records Specialists Intern into an ongoing funded position. The Planning Department maintains current and historic records related to land development, census and demographics, zoning determinations, long-range planning, etc. Many of these records are legal documents related to Planning entitlements and must be accessible to the public. The records for larger, complex projects are often voluminous and may include paper files, digital files, and exhibits. The department also maintains a library of reference materials related to planning, zoning, and land development. With frequent staff turnover going back a decade or more, the Department files have not been well maintained, and the volume of disorganized files increases significantly each year. Future staff and members of the public will find it increasingly difficult to research files and quickly access critical information due to poor housekeeping and records management. As a best practice, current and historic records should be available online for greater transparency and accessibility. There is an immediate and acute need in the Planning Department for a Records Specialist dedicated specifically to purging, organizing, and establishing protocols for a shared system for records management, retention, and access. Regular staff does not have adequate time to develop this type of system on a department-wide basis - a person with specialized skills in records management is needed to drive the process.

Performance Impact

The proposed position will allow the Planning Department to establish consistent and up-to-date records management protocols and a system for hard-copy and digital files as required by law, which will improve response time to records requests and streamline zoning research, thereby improving customer service. This position will support three primary tasks: 1) organize paper files and establish protocols for managing paper records; 2) organize digital files and establish protocols for managing digital records; and 3) coordinate the digitization of archive files, including microfiche records, by an outside vendor and set up a system for public online access.

Impact if not funded

If this position is not funded, this work would be spread amongst other staff in the Planning Department, resulting in a decline in overall timelines of projects due to the increased workload.

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
Total Service Level Changes	0.00	$81,101	$0	$81,101

Police

Police Chief: **Jared Hernandez**

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.

Description

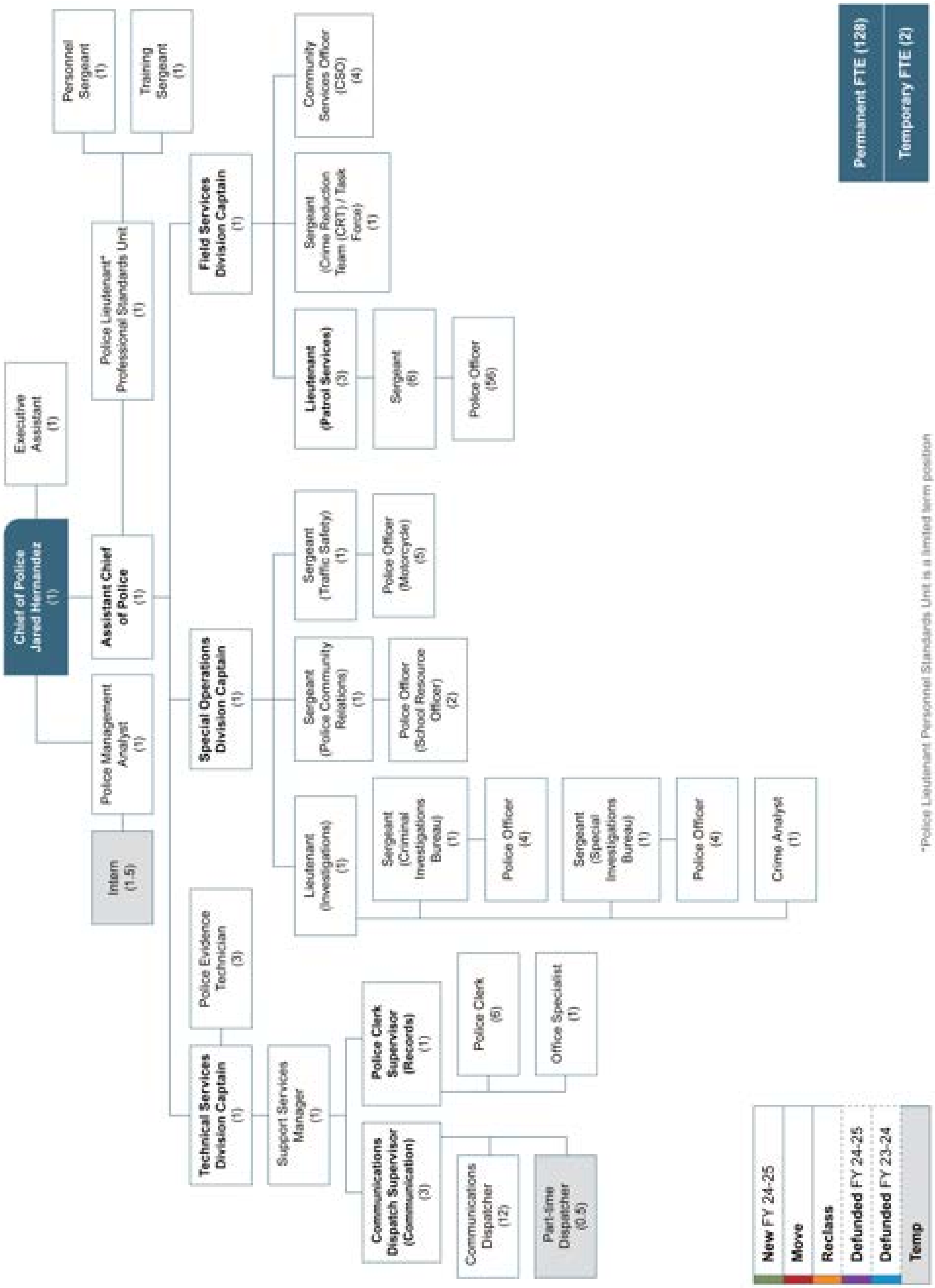
This department provides 24 hours-a-day, 365 days-a-year policing services to the City, keeps the peace, and prevents & controls crime. The Department's functions include: Administration, Patrol Services, Traffic Safety Unit, Police Community Relations Unit, Investigations Unit, Communications Unit, Records Unit, and Professional Standards Unit.

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.
- 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 Officers in the Police Community Relations Unit serve the City's secondary schools.
- 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.
- Maintains a Community Service Officer (CSO) Program to expand services. The CSOs have absorbed many non-hazardous tasks previously assigned to police officers and police officers will remain dedicated to higher priority items. The CSOs provide the community with responsive services at a cost far less than that of a police officer.

Police Department



*Police Lieutenant Personnel Standards Unit is a limited term position

Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Maintained an average response time to emergency calls of 2:55 (fiscal year 2022-23).	✓	✓			✓	✓	
2.	Answered 97% of 911 calls within ten (10) seconds (fiscal year 2022-23).		✓				✓	
3.	Participated in 60 community outreach events (fiscal year 2022-23).	✓				✓	✓	
4.	Received and deployed new Mobile Emergency Operations Center vehicle.				✓		✓	
5.	Published an interactive, online Transparency Portal.						✓	
6.	Increased Women Police Officer hiring (19% female) to exceed the State average of 13%.						✓	
7.	Expanded employee wellness services.						✓	

Initiatives

#	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Ensure average response times to emergency calls remains under three (3) minutes.	✓	✓			✓	✓	
2.	Reduce crime through prevention, deterrence, and enforcement efforts.		✓				✓	
3.	Ensure 95% of 911 calls are answered by a dispatcher within ten (10) seconds/ The state standard is 90% within fifteen (15) seconds.		✓				✓	
4.	Host Community Engagement events (in-person, virtual) such as coffee with a cop, HOA community presentations, citizen academies, virtual book readings, and faith-based community meetings.	✓				✓	✓	
5.	Ensure 100% registration verification of known sex offenders.					✓	✓	
6.	Conduct 15 directed enforcement events to improve traffic safety.	✓				✓	✓	✓
7.	Identify and implement a strategy to promote diversity in professional development and career advancement of staff.	✓			✓		✓	

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Average response time to emergency calls (minutes)		2:43	2:49	2:55	2:49	3:00
Part 1 Uniform Crime Reporting Index crimes (2% annual reduction target)		2,146	2,915	2,796	2,619*	2,944
Department Hosted Community Events		11	7	5	11	8
9-1-1 calls answered by a dispatcher within ten (10) seconds**		96%	95%	97%	96%	97%
Verification of known sex offenders		100%	100%	100%	100%	100%

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Computer Aided Dispatch (CAD) system generated events		73,813	82,753	76,427	77,664	78,971
Arrests reported to FBI (all crimes)		1,893	2,028	2,073	1,998	2,088
Citations issued		3,370	4,095	4,048	3,838	4,177
Community presentations		81	61	60	67	57
Number of unhoused/homeless persons contacted		1,676	2,708	2,436	2,273	2,653
Total hours spent on calls related to unhoused/homeless persons		1,255	2,131	1,588	1,658	1,825

*Crime reporting for FY23-24 will be under the National Incident Based Reporting System (NIBRS).
**State standard is 90% within 15 seconds.

Budget Summary

DOLLARS BY FUNCTION	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
Communications	$3,647,150	$3,947,271	$4,446,212	$4,652,805	$206,593	4.6%
Community Relations	1,023,072	1,149,237	1,114,664	1,131,336	16,672	1.5%
Crossing Guards	361,539	333,343	786,631	830,147	43,516	5.5%
Investigations	4,466,694	4,357,370	5,475,722	5,660,852	185,130	3.4%
Patrol Services	20,704,675	22,537,873	23,002,827	24,942,612	1,939,785	8.4%
Personnel & Training	951,890	1,021,414	659,098	1,105,341	446,243	67.7%
Police Administration	748,134	1,320,869	2,385,308	2,155,534	(229,774)	(9.6)%
Records	1,212,214	1,356,793	1,515,855	1,611,930	96,075	6.3%
Traffic	1,891,173	1,666,169	2,130,043	1,611,202	(518,841)	(24.4)%
TOTAL	**$35,006,541**	**$37,690,339**	**$41,516,360**	**$43,701,758**	**$2,185,398**	**5.3%**

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$17,586,173	$18,682,067	$20,931,601	$21,565,675	$634,074	3.0%
4112	Temporary Salaries	478,324	402,076	100,190	100,190	0	0.0%
4113	Overtime	686,232	723,728	778,732	778,732	0	0.0%
4121	Allowances	139,880	142,185	145,806	150,864	5,058	3.5%
4124	Leave Cashout	561,181	755,702	0	0	0	0.0%
4131	PERS	9,493,745	10,119,736	11,043,675	12,374,667	1,330,992	12.1%
4132	Group Insurance	2,492,032	2,649,900	3,044,267	3,318,312	274,045	9.0%
4133	Medicare	275,259	286,081	307,071	316,340	9,269	3.0%
4135	Worker's Compensation	684,254	1,010,639	1,054,613	1,124,284	69,671	6.6%
4138	Deferred Comp-Employer	11,542	12,100	12,600	8,100	(4,500)	(35.7)%
4139	PARS	5,076	4,586	804	1,849	1,045	130.0%
4141	Adjustments-Payroll	0	0	0	0	0	0.0%
4146	Short Term Disability	0	0	4,284	756	(3,528)	(82.4)%
4161	Retiree Medical Reserve	314,523	461,087	398,708	418,993	20,285	5.1%
	sub-total	**32,728,221**	**35,249,887**	**37,822,351**	**40,158,762**	**2,336,411**	**6.2%**
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	0	59,162	500	500	0	0.0%
4210	Department Allocations	614,780	681,999	809,089	1,009,023	199,934	24.7%
4220	Supplies	347,881	455,429	198,579	192,779	(5,800)	(2.9)%

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
4230	Services	833,164	1,046,611	1,939,524	2,059,754	120,230	6.2%
4240	Repair & Maintenance	13,489	9,110	38,850	38,850	0	0.0%
4410	Communications	16,936	13,823	18,000	18,000	0	0.0%
4500	Training, Travel, & Memberships	143,455	110,857	164,091	164,091	0	0.0%
	sub-total	**1,969,705**	**2,376,991**	**3,168,633**	**3,482,997**	**314,364**	**9.9%**
CAPITAL OUTLAY							
4850	Vehicles	254,707	33,483	465,376	0	(465,376)	(100.0)%
4870	Machinery and Equipment	53,908	0	0	0	0	0.0%
4910	Office Furniture & Fixtures	0	29,978	0	0	0	0.0%
4920	Machinery, Tools & Equipment	0	0	60,000	60,000	0	0.0%
	sub-total	308,615	63,461	525,376	60,000	(465,376)	(88.6)%
	TOTAL	**$35,006,541**	**$37,690,339**	**$41,516,360**	**$43,701,759**	**$2,185,399**	**5.3%**

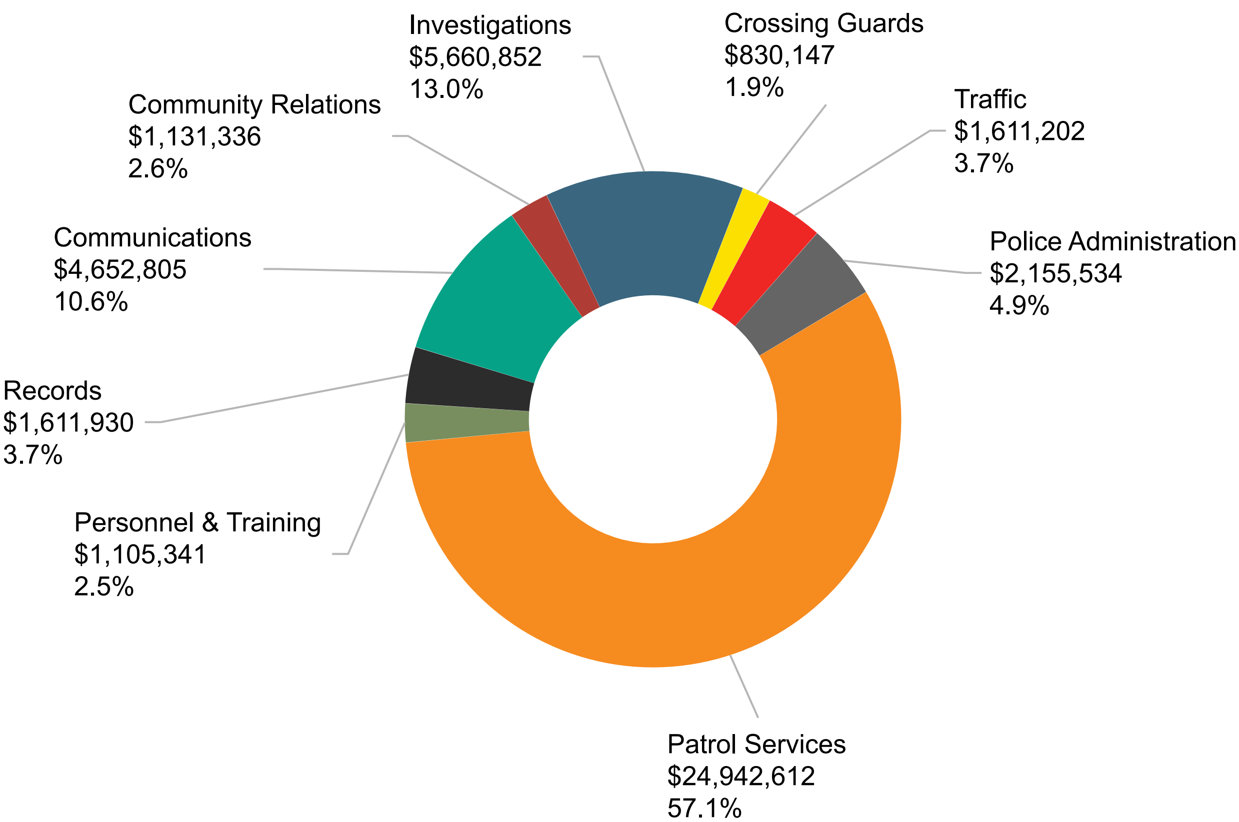
Staffing

POSITIONS BY FUNCTION	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Communications	17.00	17.00	17.00	17.00	0.00
Community Relations	3.00	3.00	3.00	3.00	0.00
Crossing Guards	0.00	0.00	0.00	0.00	0.00
Investigations	15.00	16.00	16.00	16.00	0.00
Patrol Services	69.00	71.00	71.00	71.00	0.00
Personnel & Training	1.00	1.00	2.00	2.00	0.00
Police Administration	5.00	5.00	5.00	5.00	0.00
Records	8.00	8.00	8.00	8.00	0.00
Traffic	6.00	6.00	6.00	6.00	0.00
TOTAL	**124.00**	**127.00**	**128.00**	**128.00**	**0.00**

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Assistant Chief of Police	1.00	1.00	1.00	1.00	0.00
Chief of Police	1.00	1.00	1.00	1.00	0.00
Communications Dispatch Supervisor	3.00	3.00	3.00	3.00	0.00
Communications Dispatcher	12.00	12.00	12.00	12.00	0.00
Community Service Officer	4.00	4.00	4.00	4.00	0.00

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Crime Analyst	1.00	1.00	1.00	1.00	0.00
Executive Assistant	1.00	1.00	1.00	1.00	0.00
Executive Secretary	0.00	0.00	0.00	0.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Police Captain	3.00	3.00	3.00	3.00	0.00
Police Clerk II	6.00	6.00	6.00	6.00	0.00
Police Clerk Supervisor	1.00	1.00	1.00	1.00	0.00
Police Evidence Technician	2.00	3.00	3.00	3.00	0.00
Police Lieutenant	4.00	4.00	5.00	5.00	0.00
Police Management Analyst	1.00	1.00	1.00	1.00	0.00
Police Officer	69.00	71.00	71.00	71.00	0.00
Police Sergeant	13.00	13.00	13.00	13.00	0.00
Police Support Services Mgr	1.00	1.00	1.00	1.00	0.00
Total Positions	**124.00**	**127.00**	**128.00**	**128.00**	**0.00**

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**128.00**	**$41,213,195**	**$303,162**	**$41,516,357**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		2,063,064		2,063,064
Equipment Replacement Amortization*		202,226	(243,162)	(40,936)
Non-Personnel Expenditure Alignment to Historical Trend		150,074		150,074
Adjustments to Costs of Ongoing Activities	**0.00**	**2,415,364**	**(243,162)**	**2,172,202**
Total FY 2024-25 Base Budget	**128.00**	**43,628,559**	**60,000**	**43,688,559**
Service Level Changes				
FirstTwo Software		7,200		7,200
LeadsOnline CellHawk Software		6,000		6,000
Total Service Level Changes	**0.00**	**13,200**	**0**	**13,200**
Total FY 2024-25 Budget	**128.00**	**$43,641,759**	**$60,000**	**$43,701,759**

* Capital outlay requests were submitted as proposals for FY25

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	**FirstTwo Software**		**$7,200**	**$0**	**$7,200**

This action will fund the ongoing purchase of FirstTwo which is a public safety software that Police Department patrol, investigations, and dispatch staff utilize to get in touch with people through publicly available contact and identity information. The software streamlines the process by which department staff accesses contact information associated with physical locations. Staff can do this by inputting an address or clicking on a digital map. Having this information readily available helps dispatchers and officers make important notifications during emergencies (such as a fire or other critical incident); helps reunite lost individuals with their family members; and assists officers and detectives locate and contact potential witnesses and victims during calls for service and criminal investigations.

Performance Impact

The use of this software will allow for efficient contact information retrieval for Police Department staff, thus enhanced public safety.

Impact if not funded

If this proposal is not funded, the Police Department will not have access to this necessary service. Without this service police staff will be restricted to contact information in police databases, which could significantly reduce the chances of locating personal contact information.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
2.	LeadsOnline CellHawk Software		$6,000	$0	$6,000

This action will fund the ongoing purchase of a modern web-based software system called CellHawk to assist with gathering evidence and investigating crimes. The Criminal Investigations Bureau of the Police Department uses different methods to gather evidence and investigate crimes. With the advancement of technology, many of these investigations involve analyzing complex mobile device records that are acquired after a search warrant is issued. Formerly, the department's Crime Analyst and detectives sifted through this data manually, which took up a significant amount of staff time. However, with the purchase of a modern web-based software system called CellHawk, they can quickly and easily map, connect, and analyze digital location evidence. In addition, this software produces a clear visual representation of evidence that is easy to understand in court. After implementing, testing, and evaluating the software, detectives and the Crime Analyst have been able to significantly reduce the time spent on analyzing mobile device data from days and weeks to just minutes and hours. This has allowed them to successfully evaluate digital evidence while also being able to focus their efforts on additional important investigations.

Performance Impact

The deployment of this modern investigative software will allow detectives to efficiently conduct criminal investigations and support successful prosecution, thus enhancing public safety.

Impact if not funded

If this proposal is not funded, the Police Department will not be able to continue utilizing the needed service. This would impact the work of detectives and the Crime Analyst reducing their investigative capabilities.

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
Total Service Level Changes		$13,200	$0	$13,200

Public Works

Public Works Director: **Christian Di Renzo**

Mission Statement

The Public Works Department is committed to enhancing the quality of life and ensuring public health and safety in the community by striving to enhance, improve, develop, and maintain public infrastructure, through the design, construction, and maintenance of various public works programs.

Description

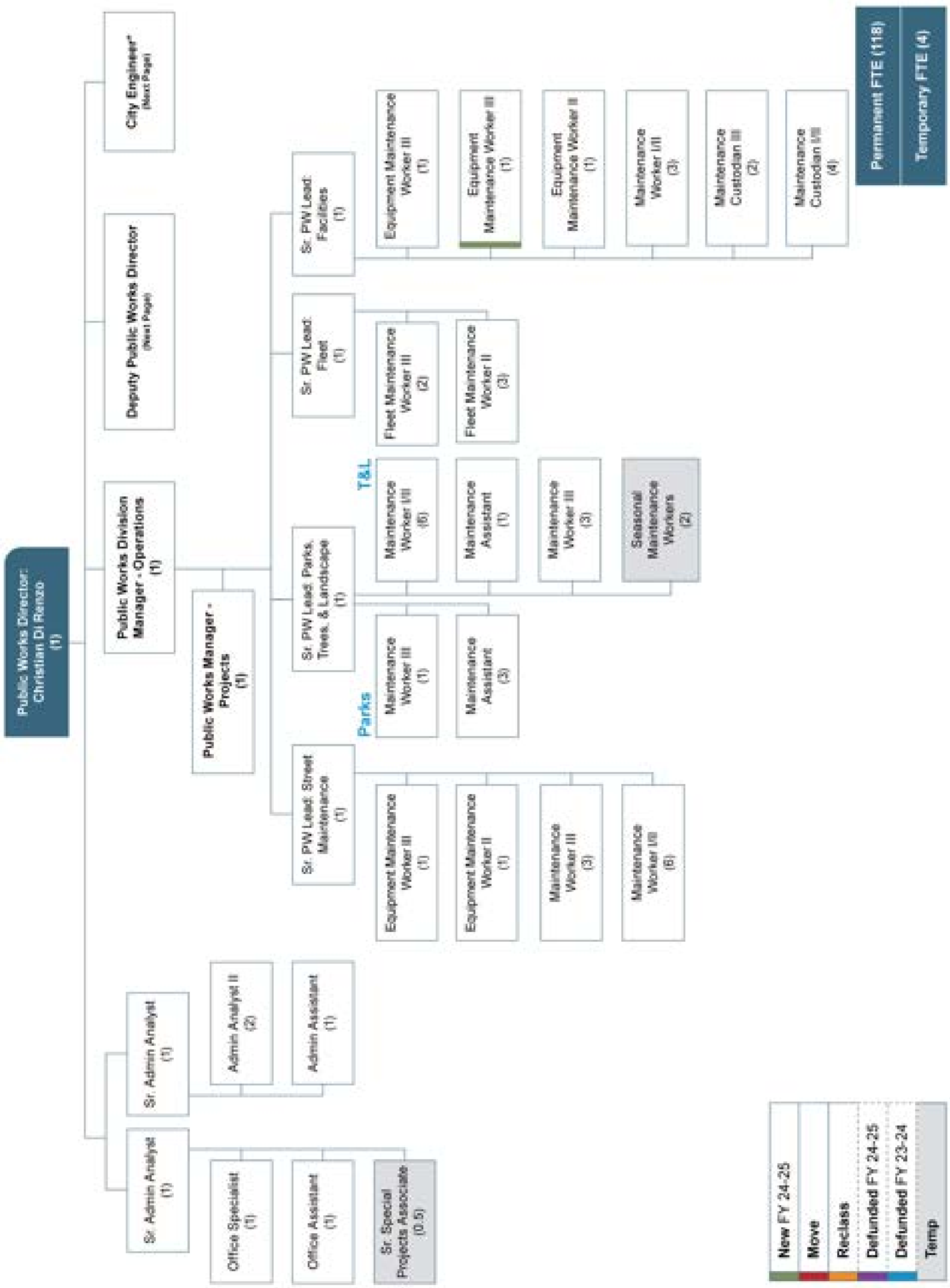
The Public Works Department's key responsibilities are the design, construction, and maintenance of the City's infrastructure and facilities, including public streets, utilities, parks, street landscaping, City vehicles, and City buildings. Additionally, the Department provides professional engineering services for the completion of the City's annual Capital Improvement Program (CIP), performs construction inspection services, provides review and plan check services for private development projects to ensure compliance with adopted City standards, and administers encroachment permits for construction work within the public right-of-way. The Department also oversees and implements key environmental services and sustainability programs, including the Climate Action Plan, solid waste program, and regulatory compliance. The 13 functional areas of the Department are Administration, CIP Design & Construction, Transportation & Traffic, Land Development, Streets Maintenance, Utility Engineering, Utility Operations & Maintenance, Park Maintenance, Trees & Landscape Maintenance, Fleet Maintenance, Facilities Maintenance, Environmental Compliance & Sustainability, and Solid Waste.

Services

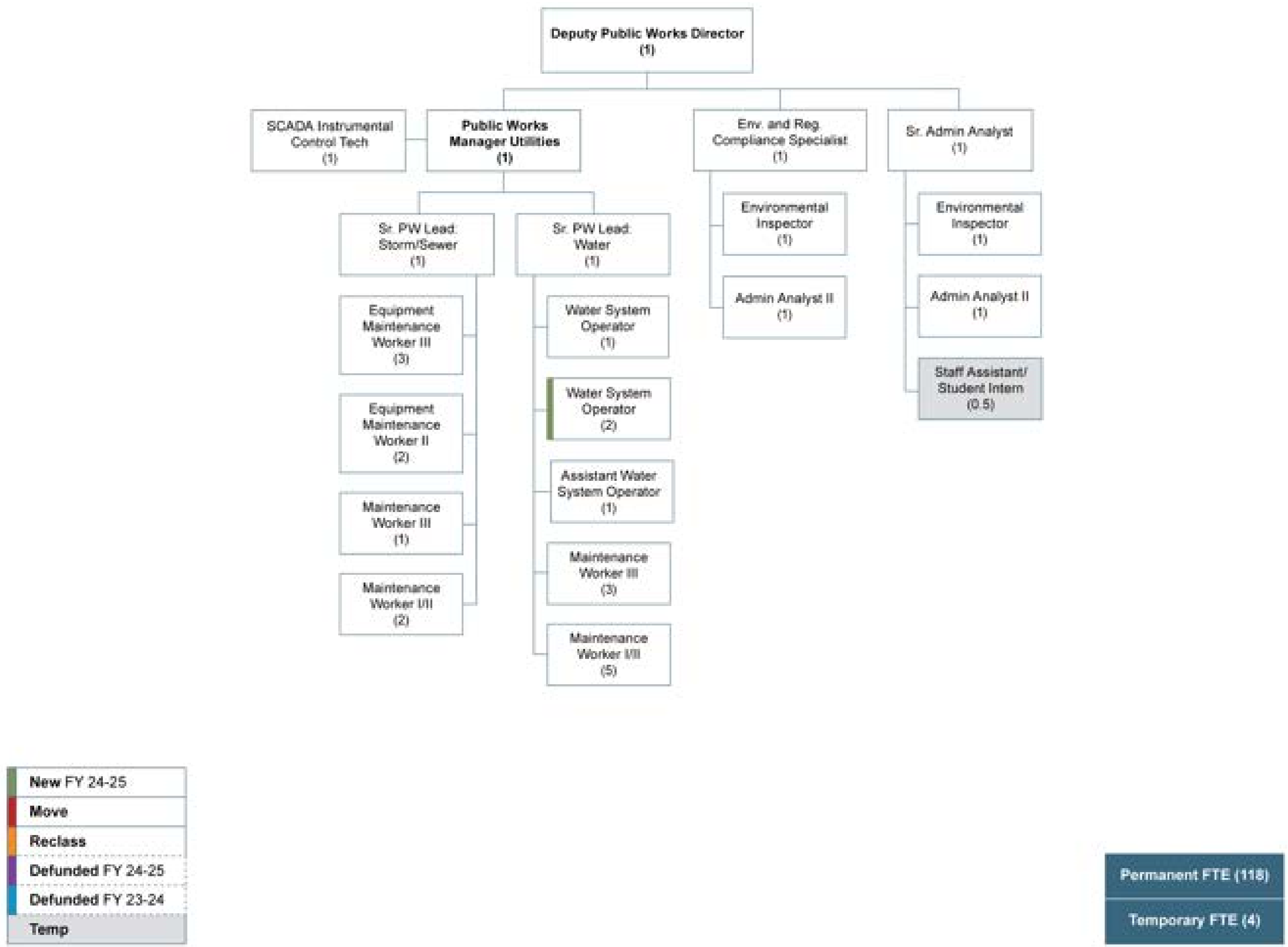
- Provides management, direction and coordination for the operation, maintenance, and repair of City infrastructure and equipment assets.
- Controls and manages department budgets, including large/complex projects and contracts; implements improvements to operations of department functions and formulates policies and procedures; and administers department training and safety programs.
- Maintains the City's traffic signal system, street 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 debris 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 approximately 15,884 service connections.
- Provides asset management and engineering support to ensure compliance with regulatory permits for the City's water, sewer, and stormwater systems and administers the backflow and cross connection control program.
- Operates and maintains the sewer collection system, including 175 miles of sewer lines and 2 pumping stations with the ability to discharge up to 14.25 million gallons per day to the San Jose/Santa Clara Regional Wastewater Facility.
- Operates and maintains the stormwater collection system, including 105 miles of storm pipe and 13 pump stations to convey storm water to local creeks.
- Manages the City's sustainability and environmental programs including climate action, solid waste, stormwater management, and compliance with state, federal and local environmental regulations.
- Provides park maintenance for more than 190 acres of parkland, including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Maintains more than 17,500 trees and 130 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 368,150 square feet of City buildings and grounds, including building systems (plumbing, electrical, heating, air conditioning, ventilation, and backup power); sets up rooms for rental groups and meetings; and provides custodial services.
- Oversees the project management of various major capital projects; works with the Finance Department, to administer the annual capital budget of the 5-year Capital Improvement Program (CIP) which funds and prioritizes the completion of capital projects for community, parks, streets and utilities infrastructure; and inspects city capital and private development construction projects for compliance with the City standards and construction documents.

- Manage right-of-way encroachments and review private development plans and maps for conformance with City Standards and local, state and federal requirements and ensure private development projects provide required public infrastructure in accordance with development Conditions of Approval; regulate development with the designated floodplain and maintain the City's Community Rating System (CRS) flood insurance rating; and manage the Engineering record drawing library of city infrastructure.
- Provides park maintenance for more than 190 acres of parkland, including playgrounds, picnic areas, athletic fields, pathways, landscaping, park restrooms, park trees, lagoons, and parking lots.
- Provides technical review and evaluation of traffic and transportation studies related to development within the City; oversees the operation and timing of traffic signals to ensure safe and efficient operation, reviews construction documents for streets and transportation projects, manages the City's pavement condition index, and completion of annual pavement resurfacing projects; and implements transportation projects in the city and coordinates the development of regionally significant transportation infrastructure with partnering agencies.

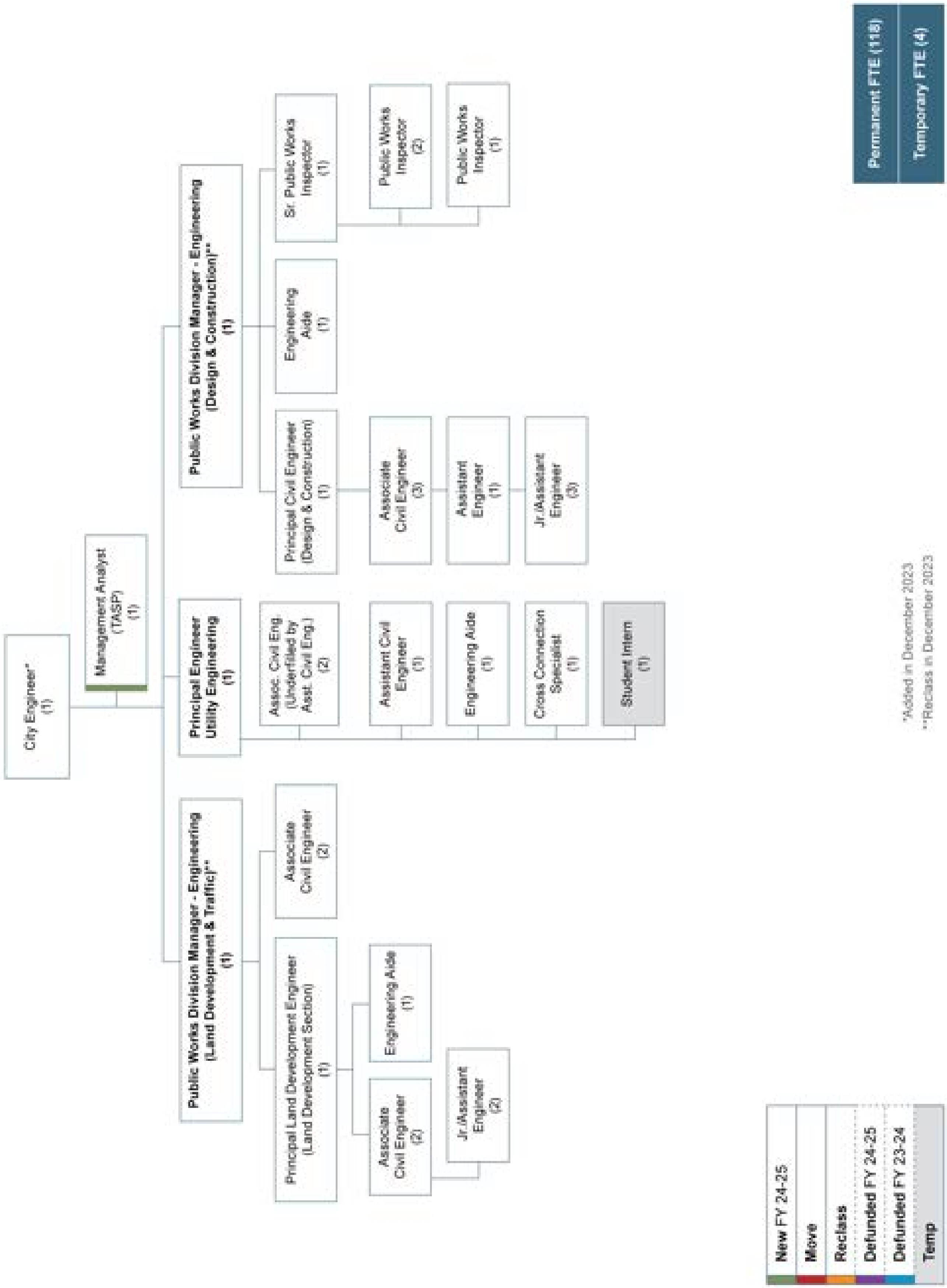
Public Works Department



Public Works Department



Public Works Department



Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Implemented Council approved Energy and Water Savings program measures for water meter, water fixtures, lighting, and solar resiliency at Senior Center and Community Center.	✓		✓	✓		✓	
2.	Completed construction of Main Lift Odor Emissions Control Project at the Main Lift Pump Station.	✓		✓	✓			
3.	Completed leak detection of 25 miles of underground waterlines in the City and performed non-destructive condition assessment of 2 miles of high-risk water pipelines.	✓		✓	✓			
4.	Completed construction for Delano Manongs Park and ARPA Parks Rehabilitation – Phase I and awarded construction contract for Phase II.	✓			✓		✓	
5.	Implemented various facilities improvement projects, including concrete repair of Fire Station No. 1 Training Tower, installation of security measures at Fire Stations and Recreation buildings and storefront doors retrofit to automatic sliders at the Community Center, City Hall desktop replacements, various office reconfigurations, repaired and replaced failed door operators at PD and Fire Stations and various HVAC repairs at City facilities. Installed heat pump water at multiple city facilities to align with the Climate Action Plan.				✓		✓	
6.	Completed design of Dempsey Water line.			✓	✓			
7.	Awarded annual sidewalk and curb and gutter repair contract and completed repair on Sylvia Court.				✓		✓	
8.	Purchase, outfitted, and deployed 12 patrol units and surplused 31 vehicles.				✓			

Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
9.	Completed construction of Piedmont Creek Weir and Evans Road storm drain repair projects and awarded construction of Fire Station 1 PRV and Dixon Landing Concrete Ditch Lining projects.			✓	✓		✓	
10.	Purchased and installed traffic detection controllers, cabinets, and battery backup systems to support multi-modal operations on Tasman Drive corridor through grant funding received from VTA.				✓		✓	✓
11.	Bid and awarded new Janitorial Services multi-year agreement which added day porter service.				✓			
12.	Completed Citywide Traffic Safety Assessment & Modeling and Annual Street Resurfacing Project & ADA Curb Ramp Program FY 23-24.						✓	✓
13.	Completed construction of Metro Penitenica Creek Linear Park & Trail.	✓						
14.	Completed Santa Clara Valley Water District Creek Improvements.	✓		✓	✓			
15.	Completed design of Alviso Adobe House HVAC System.	✓					✓	
16.	Completed solicitation of Request for Proposals for the Cardoza Park Softball Field Improvements project	✓					✓	
17.	Completed design and construction of Gateway Signage at Acro & Rotten Robbie Gas Stations and Waterstone HOA.				✓			
18.	Completed Metro Area Police Substation Feasibility Study.				✓		✓	

Initiatives

#	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Provide cost effective maintenance and repair services that meet or exceed industry standards or best practices.	✓		✓	✓	✓	✓	✓
2.	Refine asset management programs to ensure the City's assets and infrastructure are updated and well maintained.	✓	✓	✓	✓	✓	✓	✓
3.	Develop, support, and retain an exceptionally qualified, well-trained, and diverse workforce.	✓		✓	✓		✓	
4.	Sequence and schedule maintenance activities to achieve 70% completion rate of preventive maintenance versus reactive maintenance.				✓		✓	
5.	Conduct route inspection and outreach to businesses and multi-family properties to add organics collection services in compliance with SB 1383 with enforcement beginning in 2024.	✓		✓	✓			
6.	Implement conversion of city medians to low water and low maintenance landscapes.	✓		✓	✓			
7.	Implement capital projects based on Utility Master Plans.	✓		✓	✓		✓	
8.	Right sizing of City fleet to ensure efficient use and implementation of green fleet in support of the climate action plan.			✓	✓			
9.	Begin Civic Center water feature and landscape improvement project.	✓		✓	✓			
10.	Launch cross connection program.			✓	✓		✓	
11.	Secure federal funding for and launch the Milpitas Carbon Neutral Homes Incentive Program.			✓	✓			
12.	Bid and award new tree maintenance services contract.	✓		✓	✓			

	Initiatives	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
13.	Complete Annual Street Resurfacing Project & ADA Curb Ramp Program FY 24-25.						✓	✓
14.	Complete design phase for Bicycle Lane Improvement project and Montague Pedestrian Overcrossing at Penitencia Creek, design and permitting for McCandless Pedestrian Bridge project, and construction for South Milpitas Blvd. Vehicle Bridge project.	✓					✓	✓
15.	Bid and award Dempsey Road waterline project and design of Force Main A.			✓	✓		✓	
16.	Complete design and construction for McCandless Well projects and Fire Station No. 1 Modular Building replacement project.			✓	✓	✓	✓	
17.	Complete construction of ARPA Park Improvements – Phase II project, complete conceptual design and CEQA for Cardoza Park Softball Fields and Metro Tango Subdistrict Park projects, complete design for the Sports Center Football Bleacher Replacement project.	✓			✓		✓	
18.	Complete construction of Alviso Adobe Building HVAC project.				✓		✓	
19.	Complete Watershed Analysis.			✓	✓			

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Total Facility Maintenance service requests closed in the Fiscal Year*		N/A	N/A	N/A	90%	80%
Up-time for city vehicles and equipment		N/A	98%	97%	97%	95%
Graffiti incidents removed in 10 days		52%	77%	95%	90%	90%
Water samples meeting or surpassing State and Federal water quality standards		100%	100%	100%	100%	100%
Utility capital projects completed on schedule and within budget		N/A	N/A	N/A	25%	80%
Reduction in community-wide greenhouse gas (GHG) emissions below baseline		15%	19%**	19%**	22%	22%
Users rating parks in good or better condition		N/A	80%	80%	80%	80%
Regulatory compliance items completed on time		N/A	98%	98%	99%	100%
Total work requests closed within the service level agreement in MyMilpitas.		N/A	53%	71%	80%	80%
Mandated FEMA/CRS goals achieved.		100%	100%	100%	100%	100%
State mandated storm water permit goals achieved.		100%	100%	100%	100%	100%
CIP projects completed on Schedule/Budget (No additional time/budget requested)		100%	100%	100%	100%	100%
Number of encroachment permits for subdivisions and major projects/% first review completed within 45 calendar days		0/100%	8/100%	4/100%	6/100%	7/100%
Number of minor encroachment permits/% first review completed within 30 calendar days		142/100%	400/100%	427/100%	450/100%	475/100%

*New performance measures added for FY23-24
**Next scheduled GHG inventory to be completed for CY 2023 since CAP Update approved Aug 2022.

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Traffic Signs repaired		812	878	961	1,100	800
Sidewalk improvements (linear feet)**		N/A	N/A	N/A	2,100	3,000
Illegal Dumping/Debris pickup (per instance)***		N/A	N/A	N/A	N/A	1,200
Pot hole repair***		N/A	N/A	N/A	N/A	1,000
Acreage of Weed Abatement*		N/A	N/A	83	70	70
Number of fleet work orders received for service		N/A	1,792	2,493	2,300	2,000
Total spent on Facilities Maintenance CIP**		N/A	N/A	N/A	4,162,000	1,193,000
Number of Facility Maintenance projects completed**		N/A	N/A	N/A	26	14
Water distribution cleaned (linear feet)*		172,364	172,364	137,285	115,000	165,000
Sanitary sewer pipelines cleaned (linear feet)		549,693	263,656	242,877	260,000	260,000
Number of Sanitary Sewer Overflows (SSOs) reported.**		N/A	N/A	N/A	1	0
Number of work requests received for service		N/A	4,652	5,716	6,000	6,000
Number of large item pick-ups completed		N/A	2,236	2,046	2,162	2,227
Number of solid waste customer service calls		N/A	13,127	8,341	13,878	13,600
Number of participants who submitted rebates and attended water conservation workshops		N/A	170	225	300	300
Value of CIP construction contracts awarded		$20.3M	$5.35M	$2.89M	$7.26M	$22.8M
Construction contracts awarded		12	2	3	5	8
CIP & Private development projects completed		18	6	14	10	7
Professional services contracts awarded		36	22	20	18	11
Encroachment permits reviewed and approved		207	237	297	300	325
Number of encroachment permit inspections completed		2,261	2,210	1,465	1,500	2,500

*New performance measures added for FY22-23.
**New performance measures added for FY23-24.
***New performance measures added for FY24-25.

Budget Summary

DOLLARS BY FUNCTION	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
Compliance	$725,465	$769,330	$961,882	$842,315	($119,567)	(12.4)%
Design & Construction	829,969	906,118	1,505,365	1,807,610	302,245	20.1%
Engineering Administration	521,542	344,250	190,386	565,837	375,451	197.2%
Facilities Maintenance	2,498,896	2,879,580	3,174,678	3,762,569	587,891	18.5%
Fleet Maintenance	1,987,571	2,355,992	2,424,438	2,567,751	143,313	5.9%
Land Development	1,507,604	1,688,005	1,810,765	1,933,349	122,584	6.8%
Park Maintenance	1,536,892	1,781,055	1,908,814	2,094,676	185,862	9.7%
Public Works Administration	3,122,957	6,479,095	2,825,699	3,223,904	398,205	14.1%
Solid Waste	570,389	690,171	825,761	1,137,084	311,323	37.7%
Street Maintenance	2,095,951	2,274,102	2,615,576	2,423,289	(192,287)	(7.4)%
Traffic Engineering	659,154	600,812	663,610	749,811	86,201	13.0%
Trees & Landscape Maintenance	2,074,569	2,445,706	2,955,365	3,221,976	266,611	9.0%
Utility Engineering	968,326	1,154,750	1,543,935	1,642,893	98,958	6.4%
Utility Maintenance	4,467,341	4,477,379	5,954,847	5,872,385	(82,462)	(1.4)%
TOTAL	**$23,566,626**	**$28,846,345**	**$29,361,121**	**$31,845,444**	**$2,484,323**	**8.5%**

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$9,040,320	$9,909,494	$13,486,341	$14,730,482	$1,244,141	9.2%
4112	Temporary Salaries	228,011	344,623	382,724	360,724	(22,000)	(5.7)%
4113	Overtime	414,811	620,530	315,800	349,300	33,500	10.6%
4119	Adjustments-Payroll	0	0	(154,153)	0	154,153	(100.0)%
4121	Allowances	136,358	128,875	52,523	47,142	(5,381)	(10.2)%
4122	Standby Pay MEA	0	0	123,682	123,682	0	0.0%
4124	Leave Cashout	474,661	308,744	0	0	0	0.0%
4125	Accrued Leave	0	0	0	0	0	0.0%
4126	Stipend MEA	0	130	0	0	0	0.0%
4131	PERS	3,199,833	3,294,931	4,305,129	5,115,216	810,087	18.8%
4132	Group Insurance	1,653,239	1,898,499	2,647,038	3,181,169	534,131	20.2%
4133	Medicare	149,140	169,184	197,706	220,081	22,375	11.3%
4135	Worker's Compensation	68,797	178,692	116,125	177,327	61,202	52.7%
4138	Deferred Comp-Employer	32,049	34,382	42,751	43,201	450	1.1%

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
4139	PARS	2,660	3,051	4,674	4,674	0	0.0%
4141	Adjustments-Payroll	0	0	(65,954)	0	65,954	(100.0)%
4143	Charged to CIPs	0	0	(1,944,191)	(1,919,975)	24,216	(1.2)%
4146	Short Term Disability	0	0	32,264	9,921	(22,343)	(69.3)%
4161	Retiree Medical Reserve	123,754	180,962	163,378	184,633	21,255	13.0%
	sub-total	**15,523,633**	**17,072,097**	**19,705,837**	**22,627,577**	**2,921,740**	**14.8%**
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	68,773	75,941	131,840	131,840	0	0.0%
4210	Department Allocations	974,266	886,304	1,173,350	1,378,004	204,654	17.4%
4220	Supplies	1,300,903	1,969,630	1,565,431	1,163,523	(401,908)	(25.7)%
4230	Services	7,923,051	11,559,999	4,798,131	5,538,944	740,813	15.4%
4240	Repair & Maintenance	110,754	489,270	284,676	286,085	1,409	0.5%
4410	Communications	3,875	1,147	21,120	21,120	0	0.0%
4420	Utilities	225,057	192,640	273,487	266,941	(6,546)	(2.4)%
4500	Training, Travel, & Memberships	93,698	140,161	276,715	292,415	15,700	5.7%
	sub-total	**10,700,377**	**15,315,092**	**8,524,750**	**9,078,872**	**554,122**	**6.5%**
CAPITAL OUTLAY							
4800	Capital Improvements	-2,918,769	-3,644,742	0	0	0	0.0%
4850	Vehicles	11,568	0	901,365	98,000	(803,365)	(89.1)%
4870	Machinery and Equipment	192,878	94,556	189,169	0	(189,169)	(100.0)%
4910	Office Furniture & Fixtures	1,834	0	0	0	0	0.0%
4920	Machinery, Tools & Equipment	4,716	1,205	0	0	0	0.0%
4930	Hydrants and Meters	50,389	8,137	40,000	41,000	1,000	2.5%
	sub-total	**(2,657,384)**	**(3,540,844)**	**1,130,534**	**139,000**	**(991,534)**	**(87.7)%**
	TOTAL	**$23,566,626**	**$28,846,345**	**$29,361,121**	**$31,845,444**	**$2,484,329**	**8.5%**

Staffing

POSITIONS BY FUNCTION	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Design & Construction	11.00	13.00	14.00	14.00	0.00
Engineering Administration	2.00	2.00	2.00	3.00	1.00
Land Development*	8.00	7.00	7.00	7.00	0.00
Traffic Engineering	3.00	3.00	3.00	3.00	0.00
Compliance	2.00	2.00	3.00	3.00	0.00
Facilities Maintenance	11.00	11.00	12.00	13.00	1.00
Fleet Maintenance	5.00	5.00	6.00	6.00	0.00
Park Maintenance**	0.00	0.00	4.00	4.00	0.00
Public Works Administration	10.00	10.00	10.00	10.00	0.00
Solid Waste	3.00	3.00	3.00	3.00	0.00
Street Maintenance**	11.00	14.00	12.00	12.00	0.00
Trees & Landscape Maintenance**	8.00	11.00	11.00	11.00	0.00
Utility Engineering	5.00	5.00	6.00	6.00	0.00
Utility Maintenance	19.00	20.00	21.00	23.00	2.00
TOTAL	**98.00**	**106.00**	**114.00**	**118.00**	**4.00**

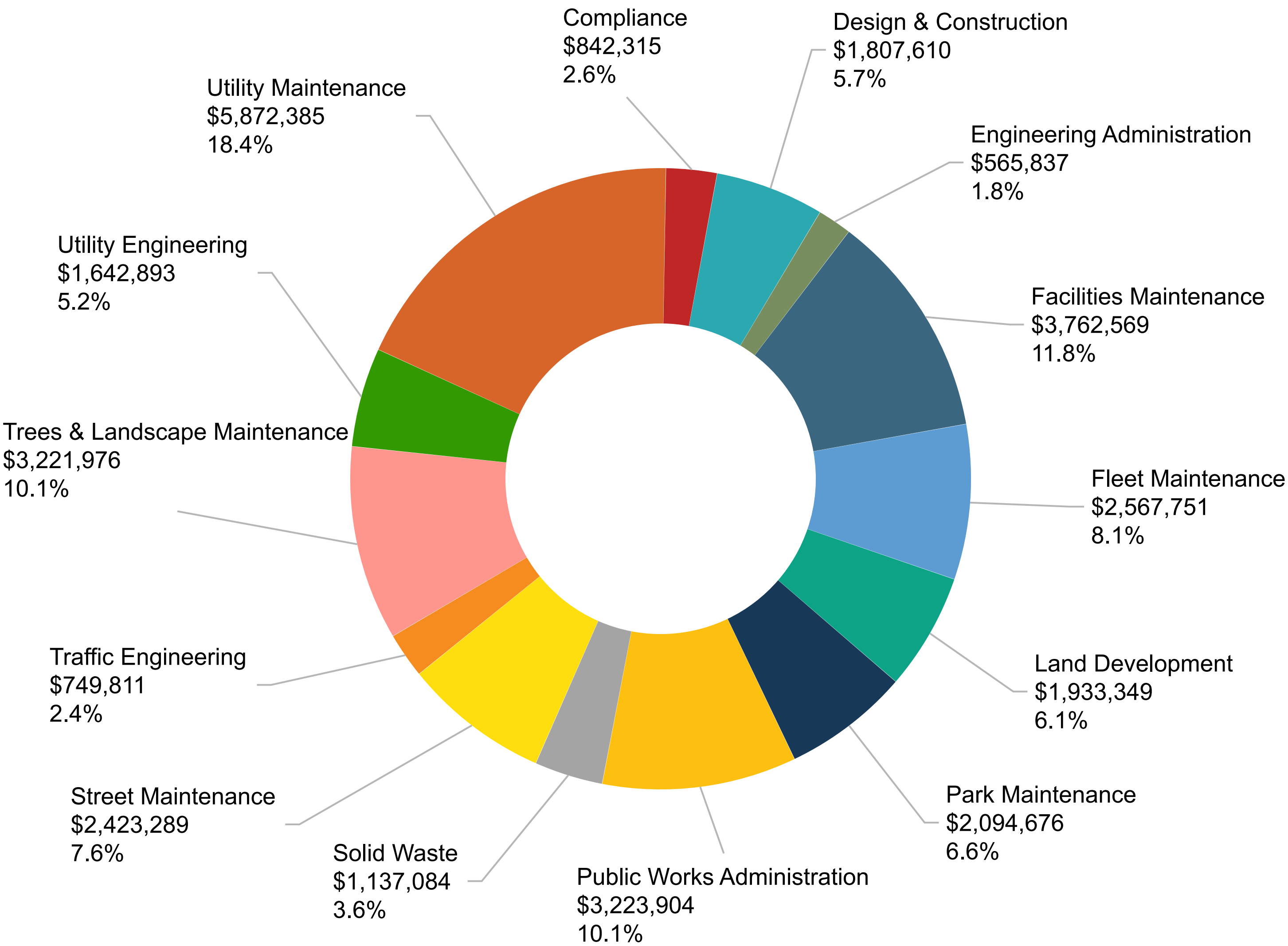
*1.0 Associate Civil Engineering in Land Development is defunded in FY23.
**4.0 FTE from Street Maintenance and Trees & Landscape Maintenance are presented in Parks Maintenance for FY2023-24.

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Administrative Analyst I	1.00	1.00	1.00	1.00	0.00
Administrative Analyst II	3.00	3.00	3.00	3.00	0.00
Administrative Assistant	0.00	1.00	1.00	1.00	0.00
Assistant City Engineer	0.00	0.00	0.00	0.00	0.00
Assistant Civil Engineer	5.00	5.00	5.00	5.00	0.00
Assistant Water Operator	1.00	1.00	1.00	1.00	0.00
Associate Civil Engineer*	10.00	9.00	9.00	9.00	0.00
CIP Manager	1.00	1.00	1.00	1.00	0.00
City Engineer**	0.00	0.00	1.00	1.00	0.00
Cross Connection Specialist	0.00	0.00	1.00	1.00	0.00
Deputy Public Works Director	1.00	1.00	1.00	1.00	0.00
Engineering Aide	3.00	3.00	3.00	3.00	0.00
Engineering Director/City Eng	1.00	1.00	0.00	0.00	0.00
Envir & Regulatory Compliance Spec	1.00	1.00	1.00	1.00	0.00

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Environmental Inspector	1.00	1.00	2.00	2.00	0.00
Equipment Maint Worker II***	3.00	3.00	4.00	4.00	0.00
Equipment Maint Worker III	4.00	5.00	5.00	6.00	1.00
Fleet Maintenance Worker II	3.00	3.00	3.00	3.00	0.00
Fleet Maintenance Worker III	1.00	1.00	2.00	2.00	0.00
GIS Technician	0.00	0.00	0.00	0.00	0.00
Instrument Control Technician	0.00	0.00	1.00	1.00	0.00
Junior Civil Engineer	1.00	2.00	2.00	2.00	0.00
Maintenance Assistant	0.00	4.00	4.00	4.00	0.00
Maintenance Custodian II	4.00	4.00	4.00	4.00	0.00
Maintenance Custodian III	2.00	2.00	2.00	2.00	0.00
Maintenance Worker I	3.00	5.00	7.00	7.00	0.00
Maintenance Worker II	16.00	16.00	15.00	15.00	0.00
Maintenance Worker III	10.00	10.00	11.00	11.00	0.00
Office Assistant II	1.00	1.00	1.00	1.00	0.00
Office Specialist	1.00	1.00	1.00	1.00	0.00
Principal Civil Engineer	2.00	3.00	3.00	3.00	0.00
Public Information Specialist	0.00	0.00	0.00	0.00	0.00
Public Works Director	1.00	1.00	1.00	1.00	0.00
Public Works Inspector	2.00	2.00	3.00	3.00	0.00
Public Works Manager	3.00	3.00	3.00	3.00	0.00
Secretary	0.00	0.00	0.00	0.00	0.00
Senior Administrative Analyst	3.00	3.00	3.00	3.00	0.00
Senior Public Works Inspector	1.00	1.00	1.00	1.00	0.00
Senior Public Works Lead	6.00	6.00	6.00	6.00	0.00
TASP Management Analyst	0.00	0.00	0.00	1.00	1.00
Traffic Engineer	0.00	0.00	0.00	0.00	0.00
Transportation and Traffic Mgr	1.00	1.00	1.00	1.00	0.00
Water System Operator	1.00	1.00	1.00	3.00	2.00
Total Positions	**98.00**	**106.00**	**114.00**	**118.00**	**4.00**

*1.0 Associate Civil Engineering in Land Development is defunded from FY21-22.
**1.0 City Engineer was added in FY23-24.
***1.0 Equipment Maintenance Worker II is restored in FY23-24.

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**114.00**	**$15,076,150**	**$14,284,973**	**$29,361,123**
One-Time Prior Year Budget Adjustments				
Public Works Inspector		(34,091)		(34,091)
Defund Engineering Director for 6 Months		184,388		184,388
Public Works Vactor Fleet Enhancement			(300,000)	(300,000)
Replacement of Aging Public Works Fleet			(108,970)	(108,970)
Public Works Concrete Trailer Fleet		(13,823)	(27,646)	(41,469)
Public Works Trees and Landscape Fleet		(75,361)		(75,361)
Valve Exercising Program			(17,700)	(17,700)
One-Time Prior Year Budget Adjustments	**0.00**	**61,113**	**(454,316)**	**(393,203)**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		825,257	1,153,701	1,978,958
Non-Personnel Expenditure Alignment to Historical Trend		(59,868)		(59,868)
Contractual Service Increase (Lucity, Brightview, Janitorial Services, SB1383 Compliance Services, etc.)		84,989	18,981	103,970
Vehicle Adjustment From Prior Year			(201,748)	(201,748)
Equipment Amortization		58,086	129,743	187,829
LLMD Contractual Adjustments			3,878	3,878
Adjustments to Costs of Ongoing Activities	**0.00**	**808,464**	**970,739**	**1,779,203**
Total FY 2024-25 Base Budget	**114.00**	**15,945,727**	**14,801,396**	**30,747,123**
Service Level Changes				
Public Works Utility Maintenance Staffing Enhancement	2.00		346,870	346,870
Public Works Facility Maintenance Staffing Enhancement	1.00	205,190		205,190
Transit Area Specific Plan Administrative Support	1.00		232,450	232,450
Facilities Division Maintenance Supplies Enhancement		50,000		50,000
Parks Division Maintenance Supplies Enhancement		30,000		30,000
Public Works Vehicle Enhancement			133,816	133,816
Public Works Facilities Maintenance Equipment Enhancement		100,000		100,000
Total Service Level Changes	**4.00**	**385,190**	**713,136**	**1,098,326**
Total FY 2024-25 Budget	**118.00**	**$16,330,917**	**$15,514,532**	**$31,845,449**

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	**Facilities Division Maintenance Supplies Enhancement**		**$50,000**	**$0**	**$50,000**

The increase to the Facilities maintenance supplies budget will provide more accurate funding for the on-going maintenance needs for City facilities. In FY 2022/23, a total of $194,030 was expended from the Facilities maintenance supply budget (FY 2022/23 Approved Budget $159,300).

Performance Results:

Approval of the additional funds will enable the division to have needed funding for operational needs.

Impact if funding is not approved

If not funded, the Division will not have enough funding to purchase day-to-day supplies to maintain City facilities.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
2.	**Parks Division Maintenance Supplies Enhancement**		**$30,000**	**$0**	**$30,000**

The increase to the Parks maintenance supplies budget will provide the ongoing required funding for necessary maintenance needs for 36 City parks. In FY 2022/23, a total of $72,151 was expended from the Parks maintenance supply budget (FY 2022/23 Approved Budget $36,720).

Performance Results:

Approval of the additional funds will enable the division to have needed funding for operational needs.

Impact if funding is not approved

If not funded, the Division will not have enough funding to purchase day-to-day supplies to maintain City parks.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
3.	**Public Works Facilities Maintenance Staffing Enhancement**	1.00	$205,190	$0	$205,190

This action will add 1.0 FTE Equipment Maintenance Worker III position ongoing to the Facility Maintenance section. The Facility Maintenance section maintains 23 buildings totaling 454,655 square feet. Current industry standards for staffing for facility maintenance is 1 technician for every 50,000 square feet. The maintenance section is currently staffed with 5.0 FTE's (one Equipment Maintenance Worker III, one Equipment Maintenance Worker II, and three Maintenance Worker II).

Performance Impact

The additional Equipment Maintenance Worker III will create operational efficiencies such as response time for repairs, establish internal expertise, and reduce the City's reliance on contractors to maintain City buildings and mechanical systems.

Impact if funding is not approved

Based on industry standards for staffing, the Facility Maintenance section is understaffed to maintain service levels. Given the current condition of the buildings and mechanical systems, this position is required to provide the necessary resources for a proactive preventative maintenance program that will reduce downtime of mechanical systems, lengthen the lifespan of our assets, minimize disruption to building operations that impact staff and the public, and reduce expensive reactive maintenance costs. In addition, the Equipment Maintenance Worker II is a specialized classification for the maintenance of electrical and mechanical systems that can support all Public Works divisions to reduce the cost of on-call electrical repairs and services. Over the last three fiscal years, the City incurred over $333,000 in expenses for on-call electrical services as billed by Jemby and Elcor. To date, the City has incurred over $13,000 in expenses for electrical services with over $104,000 encumbered for work to be completed this fiscal year.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
4.	**Public Works Utility Maintenance Staffing Enhancement**	2.00	$0	$346,870	$346,870

This action will add an additional 2.0 FTE Water System Operators ongoing, one of which will specifically be tasked with the operation of the City's water main flushing program while the other will eventually maintain water productions wells once they come online. This request is also being made in anticipation of critical retirements and, therefore, as a succession planning strategy. The City's Drinking Water System is regulated by the State's Division of Drinking Water and is required to have operations staff with a Distribution System Level 5 certification. Currently, the Utility Maintenance division has 3 operators with D5 certification. Two of these three operators will be eligible to retire in 2024. These staff have been with the City for more than 28 years each. Succession planning will be essential to ensure that the more than 50 years of institutional knowledge of the City's drinking water system can be transferred to new/existing staff to ensure that the City can continue to operate the System in a way that protects public health and is in compliance with State and Federal requirements. These additional positions will also greatly facilitate capacity within the section to allow for job shadowing, system documentation, and operational manual updates.

Performance Results:

This position will create capacity for knowledge transfer and system training while maintaining service requests and repair response times.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures

Impact if funding is not approved

Failure to fund this position could result in loss of critical system knowledge and lack of training and knowledge transfer upon the retirement of the two D5 certified staff. This could result in Water System failures, potential public health/water contamination incidents, and other costly system repairs. Potential drinking water contamination could also result in sizable fines and penalties.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
5.	**Transit Area Specific Plan Administrative Support**	1.00	$0	$232,450	$232,450

This action will add 1 FTE Management Analyst ongoing to support the projects funded by the Transit Area Specific Plan (TASP) developer impact fees and assist in updates to the infrastructure plan and impact fees in the expanded TASP, now called the Milpitas Metro Plan. This position will track all revenues and expenditures associated with developer impact fees in both the old TASP area and the new Milpitas Metro area to ensure timely and effective use of the funds as well as compliance with current legislation related to impact fees.

Performance Impact

This position will allow cross-departmental coordination to ensure that the developer impact fees in the TASP/Milpitas Metro plan area are being tracked and used in a timely and effective manner, in compliance with current legislation governing the use of these fees.

Impact if funding not approved

If not funded, it would negatively impact the timeliness, coordination and overall outcome of this critical program. Not having a single lead on a program of substantial financial significance that involves multiple departments could result in several negative consequences including financial and legal risks associated with the use of these fees.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
6.	**Public Works Vehicle Enhancement**		$0	$133,816	$133,816

Staff are proposing to purchase two Ford F-250 vehicles to align with staffing needs for the approved and budgeted Cross Connection Specialist and proposed FY24-25 Water System Operator. On June 6, 2023, Council approved funding to add 1.0 FTE Cross Connection Specialist position in the Utility Engineering Division without additional funding for an additional vehicle. Currently, there are insufficient amounts of vehicles for staff and motor pool vehicles are too small and make it difficult for staff to carry their tools.

Performance Results:

Approval of the two Ford F-250 vehicles will enable the division to maximize operational efficiency and ensure that staff are equipped with safe vehicles to use in the field.

Impact if funding is not approved

If the two new trucks are not funded, staff will have to resort to driving the aging motor pool vehicles and will not have the appropriate vehicles needed for their daily work. Staff will continue to have difficulty fitting the tools and equipment needed to respond to service requests and work orders.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
7.	**Public Works Facilities Maintenance Equipment Enhancement**		**$100,000**	**$0**	**$100,000**

This action funds one chipper for use by the Trees & Landscape Division, specifically for the tree crew. This division currently operates one chipper (purchased in 2020) for daily operation and also maintains one backup chipper (purchased in 2020). When the chipper was purchased in 2020, the backup was retained. Due to necessity, the City has retained and continued to operate the backup chipper that no longer has replacement funds and has exhausted its useful life. Approval of a new chipper is now critically needed to sustain operations for the division. The new chipper would be used for daily operation and the current chipper will be kept as backup and may be deployed for standby calls. In the event of a major storm, multiple chippers may need to be deployed when multiple trees and branches are down.

Performance Results:

Approval of the chipper would ensure that staff are equipped with safe equipment to use in the field and reduce ongoing repair costs due to age of equipment.

Impact if funding is not approved

If the chipper is not funded, staff will continue to rely on the existing backup chipper or will need to rent a chipper to maintain operations. The backup chipper has been operating for 24 years and has reached its useful life. Failure to fund a new chipper will result in additional workload for Fleet Maintenance, increase response time for staff responding to tree service requests, and impact employee safety. Additionally, renting a chipper each time it is needed in the field is not a good use of staff time and takes staff away from being able to respond to service requests.

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
Total Service Level Changes	**4.00**	**$285,190**	**$579,320**	**$864,510**

Recreation and Community Services

Recreation and Community Services Director: **Renee Lorentzen**

Mission Statement

The City of Milpitas Recreation and Community Services Department's mission is to enrich our community through exceptional programs and services. Our vision is a Milpitas where all residents have access to excellent, affordable, innovative and well-run recreation activities, programs, facilities and community services. Our work encourages cultural unity and hometown pride, creates a sense of place, supports economic development, promotes health and wellness, fosters human development, addresses important social service needs and adds fun to the lives of those who live and work in Milpitas.

Description

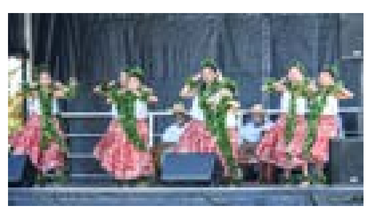
The department provides recreational opportunities and experiences, community and social services, and park and facility rentals for all residents and visitors of Milpitas. The department is committed to providing the highest standard of excellence in public service through our programs, events, and interactions with the community. The department strives to create a sense of community, support economic development, promote health and wellness, increase cultural awareness and facilitate solutions to community needs. The department monitors daily operation at three full-service Recreation Centers and three satellite centers. It also oversees and offers financial assistance program providing discounts on fee-based City Services for low income residents.

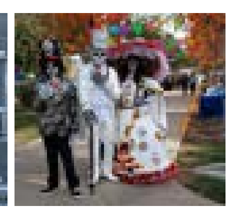
Services

- Oversees Community Center daily operations and provides recreation programming, including indoor/outdoor recreation facility rentals, in-person and virtual contract classes, registration services, sponsorship and donor relationships, marketing/promotions, publishes three (3) Recreation Activity Guides, and staffs six City Commissions, two City Council subcommittees and one City Task Force. Provides a volunteer program for individuals to help serve their community, runs the City's Beautify Milpitas Program and a City Adopt a Spot Program.
- Oversees Senior Center operations and provides senior programs, including a daily congregate lunch program in partnership with Santa Clara County, drop-in programs, recreation classes, community resource and services presentations including tax preparation, senior digital literacy and laptop loaner program, onsite well-being services such as HICAP and legal services assistance, and special events.
- Oversees Sports Center operations and wellness programs, including Fitness Center and outdoor Pools, fitness and yoga classes, drop-in gym for basketball, volleyball, and pickleball, lap swimming and water aerobics, adult and youth sports programs, swim lessons, indoor and outdoor sports facility and field usage and coordination with local sports organizations.

- Oversees Community Services operations, including social service needs assessments and referrals for seniors, low-income, disabled, mentally ill and other residents in need of any supportive services. Administers the Milpitas Assistance Program (MAP), which provides fee discounts for recreation programs, utility services and certain
- Provides youth programs and care, including daily after school programming at six elementary schools and both Milpitas middle schools; a Teen Center with in-person and virtual programs, services, activities and trips; a daily pre-K enrichment program; summer and school break camps; and a summer teen youth workforce program. Manages partnerships with Milpitas Unified School District.
- Offers Special Events, including Fourth of July fireworks, cultural events, seasonal family events, patriotic events, summer concerts, outdoor movies, flag raising ceremonies, ground breakings, park openings and revitalization events.

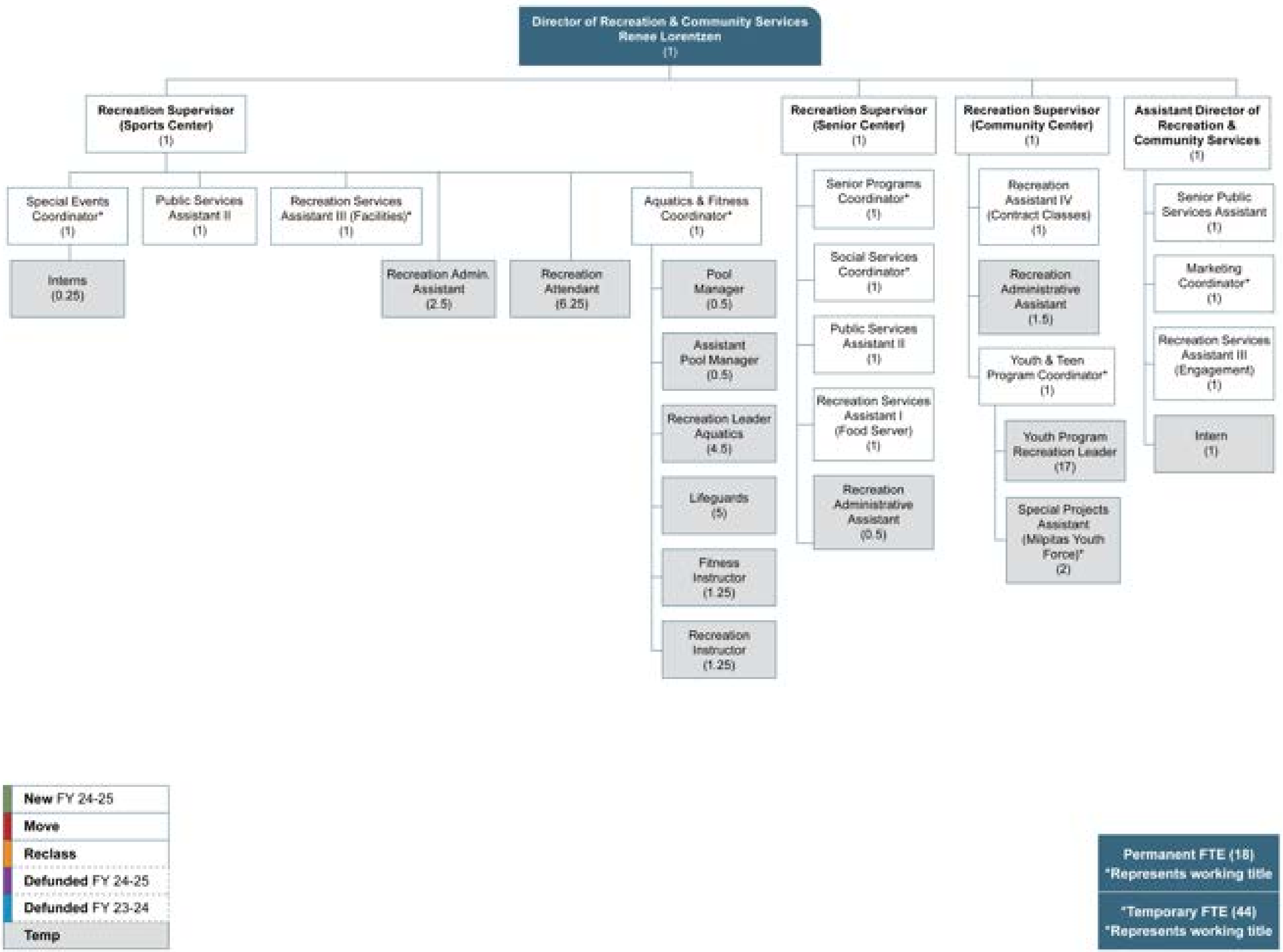
- Offers Cultural Arts programs, including Milpitas Community Theatre, Milpitas Community Concert Band, Phantom Art Gallery, Milpitas Art and Cultural Grant Program and Alviso Adobe historic exhibit.





- Manages the City's Public Art Program, including collection maintenance and developer compliance with the Public Art ordinance.

Recreation and Community Services Department



Accomplishments

#	Accomplishment	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Launched Retro Milpitas roller rink skate weekend event	✓						
2.	Opened Delano Manongs Park and community gardens.	✓						
3	Installed new public art sculpture at Higuera Park	✓			✓			
4.	Completed ARPA-funded special events series	✓		✓				
5.	Managed ARPA-funded nonprofit mental health projects	✓						
6.	Managed ARPA funded childcare subsidy program	✓						
7.	Revamped Milpitas Arts and Culture Grant Program	✓			✓			

Initiatives

#	Initiative	Community Wellness and Open Space	Economic Development and Job Growth	Environment	Governance & Administration	Neighborhoods and Housing	Public Safety	Transportation and Transit
1.	Evaluate options for potential enhancements to Teen Center programming and teen services.	✓						
2.	Complete update to the City's Historic and Cultural Resources Plan and develop new marker program.	✓	✓		✓			
3.	Complete Public Art Master Plan, and collection maintenance plan	✓			✓			
4.	Rebrand Senior Center services and events marketing	✓						
5.	Update Facility Use Manual and associated Municipal Code	✓		✓	✓	✓		
6.	Complete VTA Murals pillar project and three utility box murals	✓				✓		

Performance and Workload Measures

PERFORMANCE MEASURES	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Customer Service satisfaction surveys rating Good or Excellent		98%	95%	90%	93%	95%
Resident Transactions		4,898	4,384	8,891	8,700	8,900

ACTIVITY AND WORKLOAD DATA	Strategic Goals	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Actual	FY 23-24 Estimate	FY 24-25 Target
Recreation Program and Class Fees Revenue		$735,397	$2,347,573	$3,455,949	$3,087,835	$3,132,302
Number of Social Media Engagements		33,790	39,876	36,301	30,000	30,000
Facility and Park Rental Revenue		$18,560	$132,163	$228,853	$283,917	$289,595
Number of Community Events Offered		10	9	34	36*	30**
Number of Social Services Calls		767	1,591	1,836	1,836	1,850

*Includes ARPA-funded events, Delano Manongs Park Openings, Black April

**Removes Big Bunny, Family Game Night, 2 movie nights, 2 concerts

Budget Summary

DOLLARS BY FUNCTION	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
Aquatics	$246,476	$313,479	$453,781	$445,432	($8,349)	(1.8)%
General Classes	406,928	631,310	549,342	616,125	66,783	12.2%
Marketing	209,829	256,925	279,449	350,133	70,684	25.3%
Performing Arts	52,495	131,019	208,301	188,471	(19,830)	(9.5)%
Recreation Administration	1,576,555	1,712,465	2,102,809	2,077,261	(25,548)	(1.2)%
Senior Services	717,966	703,578	738,739	776,026	37,287	5.0%
Social Services	145,868	512,739	190,472	169,262	(21,210)	(11.1)%
Special Events	439,366	512,662	480,175	582,645	102,470	21.3%
Sports & Fitness	511,749	595,849	515,656	689,306	173,650	33.7%
Youth Program	733,759	1,269,843	1,324,542	1,086,396	(238,146)	(18.0)%
TOTAL	**$5,040,991**	**$6,639,869**	**$6,843,266**	**$6,981,056**	**$137,790**	**2.0%**

	DOLLARS BY CATEGORY	2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
PERSONNEL SERVICES							
4111	Permanent Salaries	$1,554,025	$1,615,154	$1,952,700	$2,037,455	$84,755	4.3%
4112	Temporary Salaries	1,014,117	1,709,642	1,981,109	1,811,733	(169,376)	(8.5)%
4113	Overtime	55,778	100,355	36,152	56,152	20,000	55.3%
4121	Allowances	6,346	6,600	13,200	6,600	(6,600)	(50.0)%
4124	Leave Cashout	103,286	50,646	0	0	0	0.0%
4131	PERS	564,300	580,300	618,427	717,455	99,028	16.0%
4132	Group Insurance	309,182	314,958	407,943	399,171	(8,772)	(2.2)%
4133	Medicare	39,226	50,192	54,162	55,291	1,129	2.1%
4135	Worker's Compensation	10,912	1,439	26,651	27,096	445	1.7%
4138	Deferred Comp-Employer	11,223	12,364	15,150	16,020	870	5.7%
4139	PARS	14,609	24,241	25,677	45,210	19,533	76.1%
4141	Adjustments-Payroll	0	0	0	0	0	0.0%
4143	Charged to CIPs	0	0	(3,000)	(3,000)	0	0.0%
4146	Short Term Disability	0	0	32,223	1,496	(30,727)	(95.4)%
4161	Retiree Medical Reserve	12,293	22,327	19,749	20,624	875	4.4%
	sub-total	**3,695,297**	**4,488,218**	**5,180,143**	**5,191,303**	**11,160**	**0.2%**

DOLLARS BY CATEGORY		2021-22 Actual	2022-23 Actual	2023-24 Adopted	2024-25 Proposed	FY 2025 Change $	FY 2025 Change %
SUPPLIES AND CONTRACTUAL SERVICES							
4200	Community Promotion,Grant/ Loan	59,189	298,008	51,592	57,515	5,923	11.5%
4210	Department Allocations	67,381	56,129	78,546	89,371	10,825	13.8%
4220	Supplies	533,791	685,811	559,283	591,630	32,347	5.8%
4230	Services	667,222	1,091,948	871,997	1,020,314	148,317	17.0%
4240	Repair & Maintenance	62	0	6,600	9,000	2,400	36.4%
4500	Training, Travel, & Memberships	17,449	19,755	20,105	21,924	1,819	9.0%
4600	Insurance,Settlemts& Contingcy	600	0	0	0	0	0.0%
	sub-total	**1,345,694**	**2,151,651**	**1,588,123**	**1,789,754**	**201,631**	**12.7%**
	TOTAL	**$5,040,991**	**$6,639,869**	**$6,843,266**	**$6,981,056**	**$137,791**	**2.0%**

Staffing

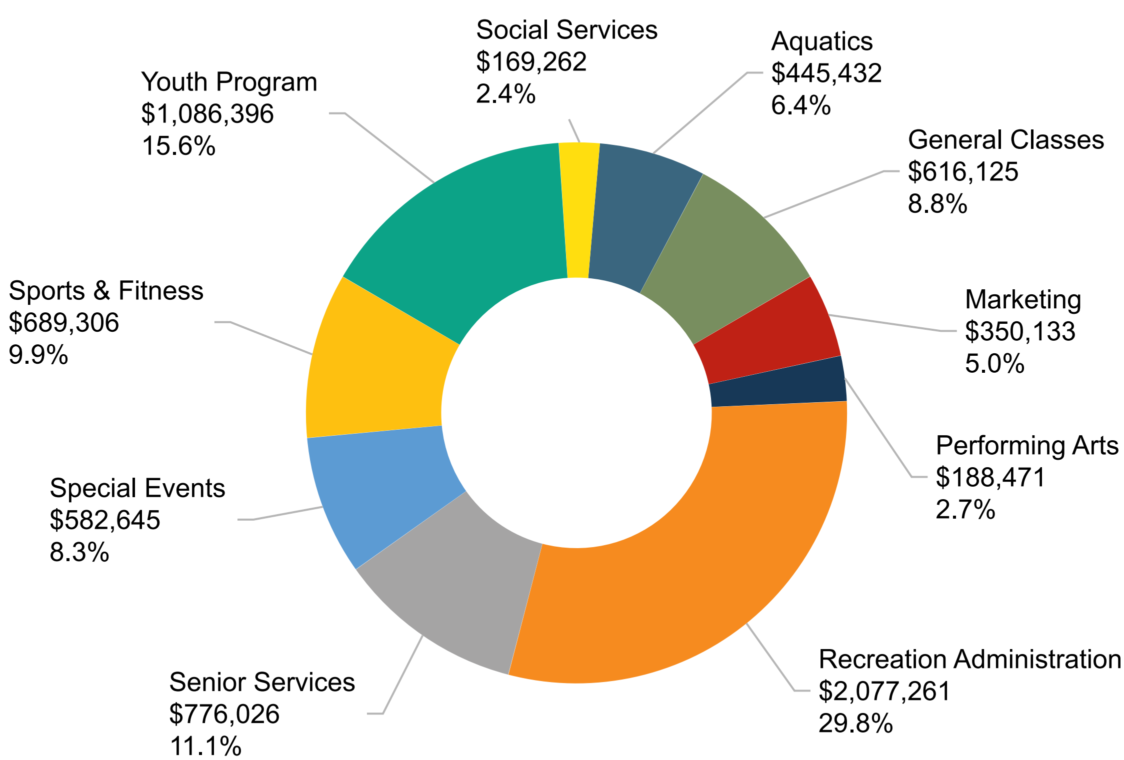
POSITIONS BY FUNCTION	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Adult Sports	0.00	0.00	0.00	0.00	0.00
Aquatics	0.00	0.00	0.00	0.00	0.00
General Classes	1.00	1.00	1.00	1.00	0.00
Marketing	1.00	1.00	1.00	1.00	0.00
Performing Arts	0.00	0.00	0.00	0.00	0.00
Pre-K Enrichment	0.00	0.00	0.00	0.00	0.00
Recreation Administration	7.00	7.00	8.00	8.00	0.00
Senior Services	3.00	3.00	3.00	3.00	0.00
Social Services	1.00	1.00	1.00	1.00	0.00
Special Events	0.00	2.00	2.00	2.00	0.00
Sports & Fitness	1.00	1.00	1.00	1.00	0.00
Volunteer Services	0.00	0.00	0.00	0.00	0.00
Youth Program	1.00	1.00	1.00	1.00	0.00
TOTAL	**15.00**	**17.00**	**18.00**	**18.00**	**0.00**

*2.75 FTEs defunded from FY21-22 (Public Service Assistant I/II, Recreation Services Asst IV, Office Assistant II)

POSITIONS	2021-22 Adopted	2022-23 Adopted	2023-24 Adopted	2024-25 Proposed	FY 2025 Change
Assistant Director of Recreation & Community Services	0.00	0.00	1.00	1.00	0.00
Community Svc. Eng & Inc Admin	1.00	1.00	0.00	0.00	0.00
Director of Rec & Comm Svcs	1.00	1.00	1.00	1.00	0.00
Marketing Coordinator	1.00	1.00	1.00	1.00	0.00
Office Assistant II*	0.00	0.00	0.00	0.00	0.00
Program Coordinator	4.00	5.00	5.00	5.00	0.00
Public Services Assistant I/II*	2.00	2.00	2.00	2.00	0.00
Recreation Services Asst I/II	1.00	1.00	1.00	1.00	0.00
Recreation Services Asst III	1.00	2.00	2.00	2.00	0.00
Recreation Services Asst IV*	1.00	1.00	1.00	1.00	0.00
Recreation Services Supervisor*	2.00	2.00	3.00	3.00	0.00
Sr Public Services Assistant	1.00	1.00	1.00	1.00	0.00
Total Positions	**15.00**	**17.00**	**18.00**	**18.00**	**0.00**

*2.75 FTEs defunded from FY21-22 (Public Service Assistant I/II, Recreation Services Asst IV, Office Assistant II)

Expenditures by Function



Budget Reconciliation

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
PRIOR YEAR BUDGET	**18.00**	**$6,775,932**	**$67,336**	**$6,843,268**
One-Time Prior Year Budget Adjustments				
Fund Black April Event		(5,000)		(5,000)
One-Time Prior Year Budget Adjustments	**0.00**	**(5,000)**	**0**	**(5,000)**
Adjustments to Costs of Ongoing Activities				
Salary and Benefits		137,826		137,826
Non-Personnel Expenditure Alignment to Historical Trend		23,084		23,084
Senior Nutrition Meals		24,105		24,105
Supplies and Contractual Services Decrease*		(77,991)		(77,991)
Temp Staffing Decrease*		(232,435)		(232,435)
Vehicle Replacement			(67,336)	(67,336)
Fleet/Equipment Replacement Amortization		10,825		10,825
Adjustments to Costs of Ongoing Activities	**0.00**	**(114,586)**	**(67,336)**	**(181,922)**
Total FY 2024-25 Base Budget	**18.00**	**$6,656,346**	**$0**	**$6,656,346**
Service Level Changes				
Senior Nutrition Meals Enhancement		6,444		6,444
Contract Classes Enhancement		190,000		190,000
Curtner After the Bell After School Program Enhancement		128,267		128,267
Total Service Level Changes	**0.00**	**324,711**	**0**	**324,711**
Total FY 2024-25 Budget	**18.00**	**$6,981,057**	**$0**	**$6,981,057**

*Supplies and temp staff decrease is mainly due to ATB program reduction due to MUSD requirement to host ELOP programming

Service Level Changes

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
1.	**Contract Classes Enhancement**		**$190,000**	**$0**	**$190,000**

This action will fund ongoing Contract Classes that have experienced sustained and substantial growth in the past fiscal year with a projected expansion of approximately 40-45% for FY23 -24 (from the previous FY). A mid-year budget adjustment of $190,000 for FY23/24 was requested in this area to meet the current FY contract class demand. In FY 24-25, approximately 40 classes are projected to be added to meet the demand from the Milpitas community including youth, teen, and adult class offerings in the new year.

The proposed service level increase request of $190,000 will allow staff to meet contract class enrollment increase trends as well as accommodate increased class fees and associated contract instructor payments in FY24-25.

Performance Results

The enhancement request for an additional $190,000 will allow up to 40 additional/new individual classes to meet the forecasted contract class demand and will generate approximately $292,000 in participant fee revenue to the Recreation and Community Services Department. Approving this request supports the Department Cost Recovery Policy while meeting the expanding needs and interests of the Milpitas community.

Impact if funding is not approved

Not approving this enhancement would result in a contract class program that is not meeting the needs and interests of the growing Milpitas community. Milpitas residents would not be able to gain access to education and enrichment opportunities programmed in their own city and will look elsewhere, potentially outside of Milpitas, for the types of classes and services offered through the Contract Class program, adversely affecting the City’s revenue stream. The classes that would not be offered or curtailed would affect youth, teen, and adult populations collectively.

This program generally contracts instructors with a class enrollment fee revenue split of 65/35% between the contractor and the City. By not adding $190,000 to the budget, the forecasted revenue of $292,000 from participant fees would be lost.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
2.	**Curtner After the Bell After School Program Enhancement**	**0.00**	**$128,267**	**$0**	**$128,267**

This action will fund the Recreation and Community Services Department request for additional monies to expand the After the Bell (ATB) after-school program for the 2024-2025 school year by re-instating programs at Curtner Elementary School to provide ongoing, needed childcare services to 90 students from kindergarten to sixth grade.

Performance Results

If the Curtner ATB proposal is funded, the City will be able to serve 90 Curtner Elementary School students, providing enriching, safe, affordable, daily afterschool care onsite from bell dismissal to 6 p.m., every day that school is in session. Prior to the 2022-2023 school year, ATB was offered at Curtner Elementary School, servicing an average of 80 students. Staff received a request from the Curtner Principal to have the program return to his school for the 2023-24 school year with program space for up to 90 students. The estimated additional program revenue would be approximately $226,800 (90 students x $2520 per student).

The reinstatement of ATB at Curtner School will bring back a needed, affordable afterschool care option for Milpitas families, including teachers' children, greatly benefitting and supporting working Milpitas parents. Students enrolled in the program will also benefit from the ATB program, which promotes a focus on continuous recreation-based learning, exploration, safe socialization and interactions, and homework support with school assignments. Having access to afterschool programming like ATB prevents students from being unsupervised and home alone and provides a structured environment with adult supervision during a critical time of their development. With the right program implementation, students are able to thrive in a safe and nurturing environment.

Impact if funding is not approved

If this proposal is not funded and ATB programs are not re-instated at Curtner Elementary School, Milpitas residents, particularly working families, including teachers from Curtner Elementary School, will not have access to affordable, quality afterschool care for their children. A majority of Curtner school families, although in low- to moderate-income households, do not qualify for or receive little discount for the alternative afterschool program currently offered at the site. The alternative after-school program at Curtner costs families almost double the annual registration fee of ATB. If families are unable to afford afterschool care, children run the risk of being at home alone and unsupervised, until parents come home from work.

Additionally, if the proposal is not approved, the City will not receive the additional program revenue of up to $226,800, which supports the Recreation and Community Services Cost Recovery effort.

		Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
3.	**Senior Nutrition Meals Enhancement**		**$6,444**	**$0**	**$6,444**

This action will fund the ongoing Senior Nutrition Program at the Barbara Lee Senior Center, which provides a valuable service to the older adult community in Milpitas. The Senior Nutrition Program is a joint partnership with the County of Santa Clara and is contracted in FY23/24 to offer 88 meals per day for 241 service days to ensure food security to our senior adults.

The Senior Nutrition Program additionally meets the wellness and health benefits of positive socialization and connection to fellow seniors. This environment encourages and supports those important health benefits to seniors.

Since July 1, 2023, the Senior Nutrition Program has sustained a waitlist on average of 4-5 participants per day above the contracted amount of 88 participants per day. The proposal to add $6,443.50 to this service level would accommodate an additional 4 meals per day for the 241 service days in FY24/25.

Performance Results

The additional $6,443.50 requested would successfully fund 4 additional participants per day (or 92 per day, in total) and start to meet the projected demand based on current waitlist data. Currently, seniors make voluntary contributions on average of $0.98 per participant/per day. Adding four participants per day is expected to bring in revenue of approximately $950/year, which is split 50/50 with the County, thus providing a net revenue of approximately $425/year to the City.

Impact if funding is not approved

By not approving this request, the Senior Nutrition Program is expected to continue to have a waitlist, with demand for an additional 1,200 hot meals per year. Seniors would continue to be turned away, and Milpitas would remain unable to meet the nutritional demand of our older community.

	Positions	General Fund Expenditures	Other Fund Expenditures	All Fund Expenditures
Total Service Level Changes		**$324,711**	**$0**	**$324,711**

Non-Departmental

Description

This category 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, 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 category, as are all water purchases for the water fund. This category also funds debt service as well as equipment and vehicle expenditures.

Expenditure Analysis

Personnel Services

$0.7 million will fund vacation and leave cashouts, MOU contractual obligations, retiree medical benefits and unemployment benefits, and also incorporate an estimated 4% vacancy factor in the General Fund. $1.3 million unanticipated expenditure reserve is included.

Services and Supplies

$7,568,416 is for Treatment Plant fees;
$4,213,790 is for gas, electric, and water utilities; $22,977,357 is for water purchases; $2,627,196 is for recycled water purchase. A total of $30,000 is reflected in this function for citywide tuition reimbursement. $3,688,303 is budget based on preliminary estimate of the City's insurance premium with PLAN JPA for the 2024-25. $220,000 is also included for costs related to a green vehicle lease program for 43 vehicles in FY 2024-25 that do not currently have replacement funding. All of these vehicles are 10 years and older and are proposed to be replaced with hybrid and electric vehicles. $446,700 is also included for the Citywide Rate Assistance Program for Building and Planning fees and Water and Sewer Utility bills.

Debt Service

$1,257,200 scheduled to pay the Lease Revenue Bond $636,625 scheduled to pay the principal and interest due on the 2017 Wastewater Revenue Refunding Bond for the sewer system and interfund loan. $1,046,450 is the payment for the principal and interest due on the 2019 Water Bond, and $2,427,200 is for the 2019 Wastewater Bond.

		Grand Total	General Fund[1]
Personnel Services			
4119	Adjustments-Payroll	$0	$0
4124	Leave Cashout	700,000	650,000
4131	PERS	30,000	30,000
4132	Group Insurance	30,900	27,810
4136	Unemployment	90,000	87,000
4137	MOU Contractual Agreements	1,298,225	1,203,883
4141	Adjustments-Payroll	(2,880,846)	(2,880,846)
4161	Retiree Medical Reserve	—	—
	sub-total	**(731,721)**	**(882,153)**
Supplies & Contractual Services			
4209	Rate Assistance Program	446,700	446,700
4212	Vehicle Lease Charges	220,000	220,000
4237	Contractual Services	150,100	40,000
4239	Audit Fees	98,000	66,000
4241	Repair & Maintenance	8,000	—
4242	Rents & Leases	43,100	—
4253	Plan JPA Attorney's Fees	220,000	80,000
4254	Plan JPA Settlements	171,500	76,500
4280	Elections	200,000	120,000
4421	Utilities-Gas	226,300	206,000
4422	Utilities-Electric	2,000,000	992,000
4423	Utilities-Water	1,557,517	1,384,000
4424	SFWD, Wholesale Water Purchase	15,871,456	—
4425	SCVWD, Wholesale Water Purchase	7,105,901	—
4426	Utilities - Solid Waste	6,500	—
4427	Recycled Water Purchase	2,627,196	—
4429	Treatment Plant, M&O	7,568,416	—
4509	Tuition Reimbursement	30,000	24,000
4602	Cybersecurity, Liability, Property Insurance	3,688,303	2,534,936
4610	Uncollectible Accounts	150,000	50,000
4611	Collection Fees	22,000	7,500
4640	Unanticipated Expenditures Reserve	1,300,000	1,300,000
	sub-total	**43,710,989**	**7,627,636**
Debt Service			
4701	Retirement of Principal	2,030,000	570,000
4711	Interest Expense	2,700,850	687,200
	sub-total	**4,730,850**	**1,257,200**
Capital Outlay			
4851	Vehicles	252,369	124,265
4873	Machinery & Equipment	213,142	154,444
	sub-total	**465,511**	**278,709**
	TOTAL	**$48,175,629**	**$8,281,392**

(1) General Fund, Abandoned Vehicle Abatement Fund, 1452 S. Main St Fund and administration funds of the former Redevelopment Agency.

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

Housing Authority	Other Funds[2]	Capital Projects[3]	Water Fund[4]	Sewer Fund[5]
$0	$0	$0	$0	$0
—	—	—	25,000	25,000
—	—	—	—	—
—	—	—	1,545	1,545
—	—	—	1,500	1,500
—	—	—	47,171	47,171
—	—	—	—	—
—	—	—	—	—
—	**—**	**—**	**75,216**	**75,216**
—	—	—	—	—
—	—	—	—	—
60,200	12,900	—	10,350	26,650
—	7,000	—	12,500	12,500
8,000	—	—	—	—
—	43,100	—	—	—
—	—	—	40,000	100,000
—	—	—	25,000	70,000
—	—	—	—	—
—	—	—	10,300	10,000
—	—	—	714,000	294,000
6,000	—	—	136,517	31,000
—	—	—	15,871,456	—
—	—	—	7,105,901	—
6,500	—	—	—	—
—	—	—	2,627,196	—
—	—	—	—	7,568,416
—	—	—	3,000	3,000
2,747	306,730	—	211,972	631,918
—	—	—	50,000	50,000
—	—	—	8,500	6,000
—	—	—	—	—
83,447	**369,730**	**—**	**26,826,692**	**8,803,484**
—	—	—	340,000	1,120,000
—	—	—	706,450	1,307,200
—	**—**	**—**	**1,046,450**	**2,427,200**
—	128,104	—	133,816	45,109
—	58,698	—	—	—
—	**186,802**	**—**	**133,816**	**45,109**
$83,447	**$556,532**	**$0**	**$28,082,174**	**$11,351,009**

(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 Maintenance & Operations Fund, 2019 Water Bond Fund, Water CIP Fund, Water Line Extension Fund, and Water Infrastructure Replacement Fund.

(5) Sewer Fund includes Sewer Operations Fund, 2019 Sewer Bonds Fund, Sewer Fund CIP, Treatment Plant Construction Fund, 2017 Sewer Refunding Bonds, and Sewer Infrastructure Replacement Fund.

Capital Improvement Program Overview

On February 22, 2024, the proposed 2025-2029 Capital Improvement Program (CIP) went before Council during the study session.

The FY 2024-25 adopted Capital Improvement Program funding in the amount of $33.2 million is $1.1 million more than the FY 2023-24 Adopted CIP of $32.1 million. Due to limited General Government funding, staff evaluated projects that had General Government funding and strategically funded projects in the current plan. These funds will continue to be analyzed each year to maximize the public benefit for use of these funds.

The Capital Improvement Budget funding for FY 2024-25 by Project Category is as follows:

Project Category	FY 2024-25 Budget	Percentage of Total
Community Improvement	$10,919,000	32.9%
Park Improvement	$1,080,000	3.3%
Street Improvement	$8,925,962	26.9%
Water Improvement	$5,260,000	15.9%
Sewer Improvement	$6,388,000	19.3%
Storm Drain Improvement	$600,000	1.8%
TOTAL	**$33,172,962**	**100%**

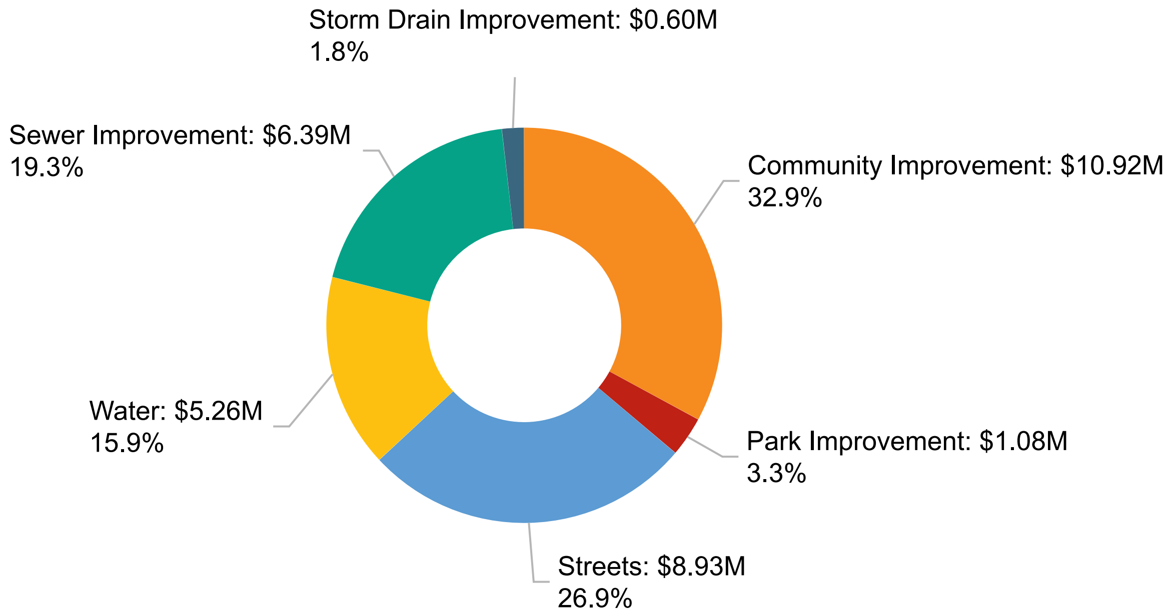
Major projects recommended to be funded for FY 2024-25 include the Annual Street Resurfacing Project; the City's capital contribution to the San Jose-Santa Clara Regional Wastewater Facility; the design and replacement of the air handlers at City Hall; the design and replacement of the land management/permit system software; the design and replacement of the financial management system; the planning of the basic infrastructure plan and developer impact study for the Milpitas Gateway-Main St. Specific Plan; the assessment of the flooring occurrence on Main Street, Railroad Avenue, and Winsor Street.

On March 11, 2024, staff presented the Park Improvement section of the proposed 2025-29 Capital Improvement Program to the Parks Recreation and Cultural Resources Commission (PRCRC) and they recommended approval to the City Council. On March 27, 2024 the proposed CIP document was presented to the Planning Commission who found the document to be in conformance with the City's General Plan in accordance with the California Government Code Section 65401.

The City is pleased to report the significant progress and completion of some major improvements this past year, including ARPA Park Rehabilitation Phase 1 project, Citywide Travel Safety Report, Circle of Time sculpture at Jose Higuera Park, Main Lift Station Odor Emission Controls, Mobile Emergency Operation Center vehicle, Penitencia Creek Linear Park & Trail, Santa Clara Valley Water District Creek improvements, and also keeping pace with the Annual Street Resurfacing and Minor Park and Utility improvement projects.

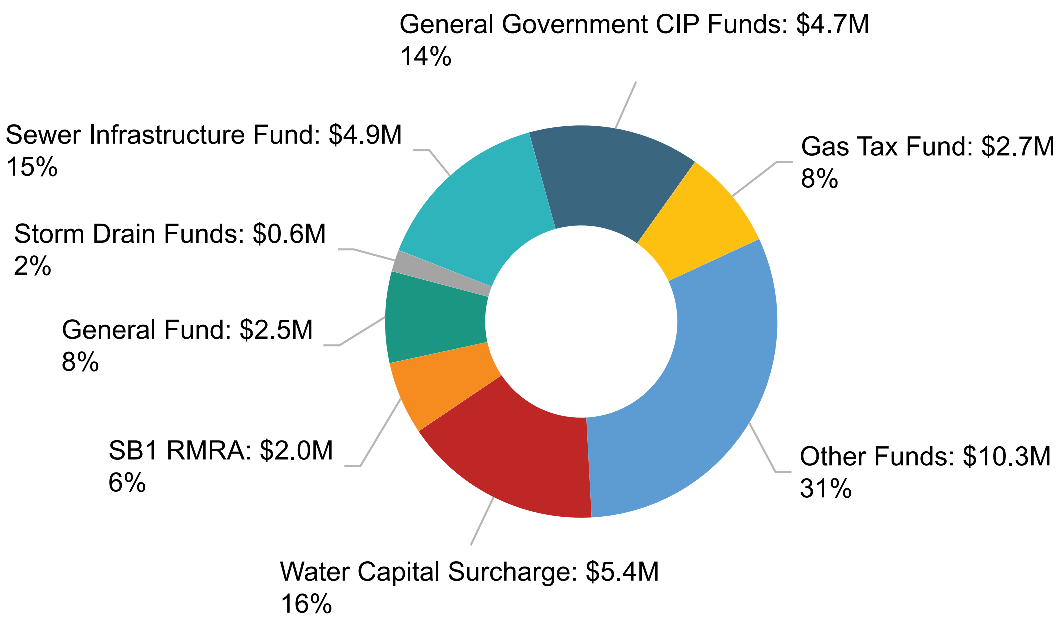
The chart below provides an overview of the City's anticipated capital improvement projects by category in FY 2024-25:

CIP Expenditures by Category (In Millions, $33.2M)



The funding for FY 2024-25 capital improvement projects, as shown by the chart below, is primarily from Sewer Infrastructure Fund, General Fund, General Government CIP, Gas Tax Fund, SB1 RMRA, Storm Drain Funds, and Water Capital Surcharge Fund:a

Funding Sources for 2024-25 CIP Projects (In Millions, $33.2M)



Since the City's budget is an annual budget, the Budget only incorporates funding for FY 2024-25 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 2025 through 2029 are shown only for planning purposes and are not funded at this time.

The Capital Budget section of this document provides a summary of each project grouped by the category and a Grand Summary of the 2025-2029 CIP project expenses and funding sources. For further details on the capital improvement projects, 2025-2029 Capital Improvement Program document prepared by the Engineering Department may be obtained at the Milpitas City Hall or the City's website.

CIP Budget Adoption

Staff returned to City Council on April 16, 2024 and they conducted a public hearing, and adopted Resolution No. 9318 approving the 2025-2029 Capital Improvement Program.

The FY 2024-25 Adopted CIP funding in the amount of $33.2 million is $1.1 million more than the FY 2023-24 Adopted CIP of $32.1 million, which includes projects across six areas: community improvements, parks, streets, water, sewer and storm.

Capital Improvement Program Grand Summary

Project Expenses	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Community Improvement	10,919,000	5,379,000	3,969,000	2,429,000	2,354,000	25,050,000
Park Improvement	1,080,000	2,455,000	13,605,000	855,000	855,000	18,850,000
Street Improvement	8,925,962	15,803,400	12,098,400	29,578,400	9,618,400	76,024,562
Water Improvement	5,260,000	11,225,000	6,917,000	9,875,000	15,292,000	48,569,000
Sewer Improvement	6,388,000	32,619,000	5,550,000	18,070,000	11,114,000	73,741,000
Storm Drain Improvement	600,000	0	400,000	0	0	1,000,000
Total	**$33,172,962**	**$67,481,400**	**$42,539,400**	**$60,807,400**	**$39,233,400**	**$243,234,562**

Funding Sources	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Gas Tax Fund	2,730,000	3,095,000	2,690,000	2,220,000	2,060,000	12,795,000
General Fund	2,500,000	0	0	0	0	2,500,000
General Government CIP Fund	4,692,000	0	0	0	0	4,692,000
Information Technology Replacement	0	300,000	0	0	0	300,000
LLMD	98,400	98,400	98,400	98,400	98,400	492,000
Measure B	2,097,562	1,900,000	1,900,000	1,900,000	1,900,000	9,697,562
Park Fund	280,000	0	0	0	0	280,000
Public Art Fund	50,000	50,000	50,000	50,000	50,000	250,000
SB1 RMRA	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Sewer Fund	325,000	0	0	0	0	325,000
Sewer Infrastructure Fund	4,901,000	12,781,000	5,712,000	18,232,000	11,276,000	52,902,000
Sewer Treatment Fund	$1,849,000	$0	$0	$0	$0	$1,849,000
Storm Drain General Fund	$100,000	$0	$400,000	$0	$0	$500,000
Storm Drain Fund	$500,000	$0	$0	$0	$0	$500,000
Street Improvement Fund	1,020,000	0	0	0	0	1,020,000
TASP Impact Fees	753,000	6,453,000	4,393,000	3,953,000	11,715,000	27,267,000
Vehicle Registration Fee	500,000	500,000	500,000	500,000	500,000	2,500,000
Water Capital Surcharge	5,442,000	11,207,000	6,899,000	6,057,000	3,712,000	33,317,000
Water Fund	325,000	0	0	0	0	325,000
Water Line Extension Fund	180,000	180,000	180,000	180,000	180,000	900,000
Sub Total	**$32,372,962**	**$38,344,400**	**$24,902,400**	**$35,270,400**	**$33,571,400**	**$164,461,562**

External Financing	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Grants/Reimb./Developer Fees	800,000	0	0	0	0	800,000
Wastewater Revenue Bonds	0	20,000,000	0	0	0	20,000,000
Water Bonds	0	0	0	0	0	0
Revenue Bond	0	0	0	0	0	0
Sub Total	**$800,000**	**$20,000,000**	**$0**	**$0**	**$0**	**$20,800,000**

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
No Funding Source	0	9,137,000	17,637,000	25,537,000	5,662,000	57,973,000
Total	**$33,172,962**	**$67,481,400**	**$42,539,400**	**$60,807,400**	**$39,233,400**	**$243,234,562**

Fund Descriptions

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

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

Governmental Funds

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

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

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

- **Public Art Fund –** was established to account for construction or acquisition of public art to expand opportunities for the City of Milpitas' citizens to experience public art and enhance the quality of life in the community. The city dedicates 1.5% of eligible projects within the annual Capital Improvement Project expenditures to the acquisition and installation of public art. The expenditures will include, but not limited to, the cost of public art, its installation, maintenance and repair of artwork funded by this fund.
- **Gas Tax Fund –** was established to account for the construction and maintenance of the street system in Milpitas. Financing is provided by the City's share of state gasoline taxes.
- **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.
- **Section 115 Pension Trust Fund –** was established to use the trust funds to fund either the annual actuarially determined pension contribution amounts, pay down unfunded pension liabilities with CalPERS, and/or reduce the length of pension cost amortization schedules with CalPERS.

Fiduciary Funds

Successor Agency to the Milpitas Redevelopment Agency Private-Purpose Trust Fund – was established to account for the accumulation of resources to be used to make payments that are on the Recognized Obligation Payment Schedule and to dispose of assets and property of the former Redevelopment Agency for the benefit of the taxing agencies.

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. Included in Property tax revenue is Excess Educational Revenue Augmentation Fund (ERAF), which is the mechanism that moves state funds through the County system. The California Legislature created ERAF in 1991 to reduce state general fund spending on schools, in which a portion of property tax revenue goes to ERAF to support local school districts. When the amount contributed to ERAF is more than the minimum cost of funding local schools, excess funds are returned to the County, Cities, and Special Districts. Redevelopment Property Tax Trust Fund (RPTTF) is property tax revenue which had previously been paid to each Redevelopment Agencies (RDA), but is now required to be transferred to a new trust fund, RPTTF, as all RDAs were dissolved.

Sales 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. Operative April 2021, Measure F, a Transaction and Use tax, will enact a ¼ cent local sales tax for eight years, with locally-controlled funding that cannot be taken by the state.

Transient Occupancy Tax

Transient Occupancy Tax – The Transient Occupancy Tax in Milpitas is a fourteen percent (14%) 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.

Franchise Fees

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.

Other Taxes

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.

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.

Licenses, Permits & Fines

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.

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

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 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.

Utility Charges – Utility service charges for water and sewer, based on volume and flat meter charges.

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.
- Transit Area Specific Plan (TASP) Impact Fees - TASP impact fee is an exaction from a developer to mitigate impacts associated with the development of the TASP area. There are four different rate structures based on the development type: residential, office, hotel and retail. The fee is calculated using a blended rate, which on average consists of 16% street improvement, 12% sewer, 13% water, 40% community and park improvement, 12% traffic mitigation and 7% for other miscellaneous categories.

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.

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

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).

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.

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.

Vacancy Factor – Budget amount to account for vacant positions.

Overhead – Private Jobs (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.

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.

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.

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

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

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

Legal Services

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

Pooled Liability Assurance Network Joint Powers Authority (Plan JPA) Attorney's Fees – Fees paid to Plan JPA attorney.

Pooled Liability Assurance Network Joint Powers Authority (Plan JPA) Settlements – Costs paid to Plan JPA 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.

Utilities - Water Purchase

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

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

Training, Travel & Memberships

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 & 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, Settlements & Miscellaneous

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

Uncollectible Accounts – Portion of a receivable not expected to be collected.

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.

Unanticipated Expenditures 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.

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

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.

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 Improvements

Capital Improvements

Capital Improvements – 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.

Capital Outlay > $5,000

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.

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 - Capital Improvement Program (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

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

100 General Fund
103 1452 S. Main
104 Cable Rebate
105 Abandon Vehicle Abatement
106 Short Term Disability
107 Workers Compensation Fund
109 Utility Rate Assistance
130 Private Jobs Developer Deposit
150 Redevelopment Administration
180 American Rescue Plan Act
199 Allocation Fund

200 Special Revenue Funds

211 Hetch Hetchy Ground Lease
213 Public Art Fund-Nonrestricted
214 Community Planning Fund
215 Community Benefit Fund
216 Affordable Hsng Community Benefit
217 Affordable Hsng Unrestricted Fund
221 Gas Tax Fund
222 Measure B
225 SB1 Road Maintenance & Rehabilitation
235 95-1 Light & Landscape Maint Dist.
236 98-1 Light & Landscape Maint Dist.
237 2005 Community Facility Dist
238 2008 Community Facility Dist
250 HCD Fund
251 HCD Loan
252 HCD PLHA
261 Supplemental Law Enforcement S
262 State Asset Seizure
263 Federal Asset Seizure
267 Federal Grant Police
268 State Grant Police
269 Fire Grant
280 Solid Waste Services
295 Housing Authority Fund

300 Capital Projects Funds

310 Street Improvement Fund
311 Street CIP
312 Traffic Impact Fees

300 Capital Projects Funds (cont)

313 Traffic Congestion Relief
314 Vehicle Registration Fee
315 Calaveras Widening Impact Fee
316 Montague Widening Impact Fee
317 Milpitas Business Pk Impact Fe
320 Park Improvement Fund
321 Park Improvement CIP
322 Midtown Park Fund
330 General Government
331 General Government CIP
334 2020 Fire Station Bonds
340 Storm Drain Development CIP
341 Storm Drain Project Fund
342 Storm Drain General Fund
350 Transit Area Impact Fee Fund
351 Transit Area CIP
352 Piper Montague Infrastructure

400 Enterprise Funds

400 Water M & O Fund
401 Water CIP
402 Water Line Extension Fund
403 2019 Water Bonds
405 Water Infrastructure Replacement
406 Recycled Water Fund
450 Sewer M & O Fund
451 Sewer CIP
452 Treatment Plant Construction Fund
453 2017 Sewer Refunding Bonds
454 2019 Sewer Bonds
455 Sewer Infrastructure Replacement

500 Internal Service Funds

500 Equipment Replacement Fund
505 Information Technology Replacement
506 Permit Automation Fund
590 Pension Section 115 Trust

930 Successor Agency

930 Successor Agency

List of Departments / Divisions / Functions

1 City Manager
- 10 City Council
  - 100 City Council
- 11 City Manager
  - 111 City Manager
  - 114 City Clerk
  - 116 Economic Development

2 City Attorney
- 12 City Attorney
  - 120 City Attorney

3 Finance
- 30 Finance Administration
  - 300 Finance Administration
- 31 Finance Operations
  - 310 Finance Operations
  - 323 Fiscal Services

4 Public Works
- 41 Engineering
  - 411 Engineering Administration
  - 412 Design & Construction
  - 413 Land Development
  - 415 Traffic Engineering
- 42 Public Works
  - 400 Public Works Administration
  - 421 Street Maintenance
  - 422 Utility Engineering
  - 423 Utility Maintenance
  - 424 Park Maintenance
  - 425 Trees & Landscape Maintenance
  - 426 Fleet Maintenance
  - 427 Facilities Maintenance
  - 428 Compliance
  - 430 Solid Waste

5 Planning
- 51 Planning
  - 512 Planning
  - 513 Long Range Planning

6 Recreation and Community Services
- 45 Recreation and Community Services
  - 161 Recreation Administration
  - 162 Senior Services
  - 164 Youth Program
  - 167 Special Events
  - 168 Marketing
  - 169 Performing Arts
  - 170 General Classes
  - 171 Aquatics
  - 172 Sports & Fitness
  - 175 Social Services

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

8 Fire
- 80 Fire Administration
  - 801 Fire Administration
- 81 Operations Division
  - 812 Operations
- 82 Prevention Division
  - 821 Fire Prevention Administration
  - 822 Fire Prevention
- 83 Training, Emergency Medical Services, & Safety
  - 801 Fire Administration
  - 814 EMS Transport Services
- 84 Office of Emergency Services
  - 840 Office of Emergency Management

List of Departments / Divisions / Functions

11 Information Technology

- 14 Information Technology
  - 112 Information Technology

12 Human Resources

- 15 Human Resources
  - 115 Human Resources

13 Building Safety and Housing

- 53 Building Safety and Housing
  - 531 Building Inspection
  - 532 Plan Review
  - 533 Building Safety and Housing Administration
  - 534 Permit Center
  - 536 Housing and Neighborhood Svcs
  - 551 Housing

9 Non-Departmental

- 91 Non-Departmental
  - 910 Non-Departmental
- 92 Debt Service
  - 920 Debt Service
- 93 Equipment to be Depreciated
  - 930 Equipment to be Depreciated
- 94 Properties Management
  - 941 1432 S. Main
  - 942 1452 S. Main
- 95 Other Functions
  - 951 Capital Improvement Projects

- 99 Transfers
  - 991 Transfers
  - 992 Transfers (Intrafund)

List of Revenues

300 Property Taxes

- 3010 Secured & Unsecured
  - 3011 Current- Secured Property Taxes
  - 3012 Current-Unsecured Property Tax
  - 3020 Property Taxes-Prior
  - 3021 Prior-Secured Property Taxes
  - 3022 Prior-Unsecured Property Taxes
  - 3521 Homeowners Property Tax Relief
  - 3531 Property Tax, Supplemental
- 3013 Property Tax-VLF
  - 3013 Property Tax-VLF
- 3014 Property Tax-ERAF
  - 3014 Property Tax-ERAF
- 3051 RPTTF Distribution
  - 3051 RPTTF Distribution

305 Sales Taxes

- 3110 Sales and Use Tax
  - 3110 Sales and Use Tax
  - 3111 Public Safety Sales and Use Tax
  - 3113 Sales Tax - Measure F

310 Transient Occupancy Tax

- 3150 Transient Occupancy Tax
  - 3151 Holiday Inn & Suite
  - 3152 Embassy Suites
  - 3153 Crowne Plaza
  - 3154 Sheraton
  - 3155 Best Western Brookside
  - 3156 Larkspur Landing
  - 3157 Park Inn
  - 3158 Audited T O T
  - 3160 Executive Inn
  - 3161 Days Inn
  - 3162 Extended Stay of America
  - 3163 Hampton Inn - Milpitas
  - 3164 Hilton Garden Inn
  - 3165 Homestead Village
  - 3166 Marriott Courtyard
  - 3167 Milpitas Travelodge
- 3150 Transient Occupancy Tax (cont)
  - 3168 Sonesta Silicon Valley
  - 3169 Residence Inn by Marriott
  - 3170 Best Value Inn
  - 3171 Towneplace
  - 3172 Stay Bridge Suites
  - 3173 Synergy Corporate Housing
  - 3174 Holiday Inn
  - 3175 Short Term Rentals (STRs)
  - 3176 Spring Hill Milpitas
  - 3177 Element Milpitas

313 Franchise Fees

- 3131 Electric Franchise
  - 3131 Electric
- 3132 Gas Franchise
  - 3132 Gas
  - 3137 Nitrogen Gas
- 3133 Garbage Franchise
  - 3133 Garbage - Commercial
  - 3134 Garbage - NonComm - Resi
  - 3135 Garbage - Multi Family
  - 3136 Garbage - Debris Box
  - 3139 County-wide AB 939 Fee
- 3138 Cable TV Franchise
  - 3138 Cable TV

315 Other Taxes

- 3120 Other Taxes
  - 3120 Real Estate Transfer Tax
  - 3140 Business License Tax
  - 3511 Motor Vehicle in-Lieu
  - 3549 Sec 2032 - RM&R
- 3540 Gas Tax
  - 3543 Sec 2103-Gas Tax
  - 3545 Sec 2105-Gas Tax
  - 3547 Sec 2107-Gas Tax
  - 3548 Sec 2107.5-Gas Tax

List of Revenues

320 Licenses, Permits & Fines

- 3210 Building Permit & Inspection Fees
  - 3210 Building Permits
  - 3213 After Hours Inspection
  - 3214 Re-Inspection
  - 3215 Dedicated Building Services
  - 3216 Mobile Home Inspections
  - 3218 Building Investigation
  - 3219 Building Misc Fees & Permits
- 3217 Building Plan Review Fees
  - 3211 Plan Review Revisions
  - 3212 After Hours Plan Review
  - 3217 Plan Review
- 3220 Fire Permit & Inspection Fees
  - 3220 Haz. Materials Const Permit/In
  - 3221 Life Safety Const. Permit/Insp
  - 3250 Fire Inspections
  - 3251 Building Standards/Life Safety
  - 3252 Fire Expedited PC/Inspections
- 3240 Fire Annual Permit & Inspection Fees
  - 3222 Haz. Materials Annual Permit/I
  - 3223 Fire Penalties
  - 3240 Life Safety Annual Permits/Ins
- 3260 Other Licenses & Permits
  - 3261 Animal Licenses
- 3300 Fines & Forfeits
  - 3301 Vehicle Code Fines
  - 3302 Other Court Fines
  - 3304 Hazardous Materials Fines
  - 3305 Booking Fees
  - 3306 NBO Violation Fees
  - 3307 Impound Fees
  - 3308 Animal Violations
  - 3309 False Alarm Fee
  - 3310 Fire Administrative Citation
  - 3311 Building Admin Citation
  - 3312 Planning Admin Citation
  - 3313 PW Municipal Code Fines
  - 3321 Urban Runoff Fines

340 Use of Money & Property

- 3430 Investment Interest
  - 3431 Pooled Interest (nonallocation)
  - 3432 Cash with Fiscal Agents
  - 3433 Other Interest Income
  - 3434 Pooled Interest (allocation)
- 3435 Gain/Loss on Investments
  - 3435 Gain/Loss on Sale of Investments
  - 3437 Gain on Bond Refunding
- 3436 Year End Market Value Adj
  - 3436 Market Value Gain/Loss on Inv
- 3770 Sale of Property, Plant and Equipment
  - 3770 Sale of Property, Plant and Equip.
  - 3771 Fire Safe Program
  - 3772 Police Abandon Properties

350 Intergovernmental Revenue

- 3550 Federal Contributions
  - 3551 Federal Contri-General Gov
  - 3553 Federal Contri-Building
  - 3554 Federal Contri-Public Works
  - 3555 Federal Contri-Engineering
  - 3556 Federal Contri-Recreation
  - 3557 Federal Contributions-Police
  - 3558 Federal Contributions-Fire
  - 3559 Federal Contri - Planning
- 3560 State Contributions
  - 3561 State Contr-General Government
  - 3562 POST Grant
  - 3563 State Contributions-Building
  - 3564 State Contri-Public Works
  - 3565 State Contri-Engineering
  - 3566 State Contribution-Recreation
  - 3567 State Contribution-Police
  - 3568 State Contribution-Fire
  - 3569 State Contributions - Planning
- 3570 County Contributions
  - 3571 County Con-General Government
  - 3572 South Bay Water Recycling Prog

List of Revenues

3570 County Contributions (cont)
- 3573 County Contribution-Building
- 3574 County Contribution-PW
- 3575 County Cont-Engineering
- 3576 County Contribution-Recreation
- 3577 County Contribution-Police
- 3578 County Contribution-Fire
- 3579 County Contributions-Planning

3580 Other Restricted Grants
- 3581 Other Res Grants-General Govt.
- 3582 SB90 Grant
- 3583 Other Res Grants-Building
- 3584 Other Res Grant -PW
- 3585 Other Res Grant-Engineering
- 3586 Other Restri Grants-Recreation
- 3587 Other Restri Grants-Police
- 3588 Other Restri Grants-Fire
- 3589 Other Restri Grants-Planning

3590 Misc. Unrestricted Intergovernmental
- 3591 Mis Unrestricted Intergovernmental

360 Charges For Services

3600 General Government
- 3601 General Govern Service Charges
- 3602 Sale of Maps and Documents-GG
- 3603 Rent, Lease & Concession-GG
- 3604 Business License Procng Fee
- 3608 PJ Legal Overhead Charges
- 3609 PJ Legal Reimbursement

3610 Engineering Services
- 3611 PJ Overhead Charges-Eng
- 3612 PJ Labor Reimbursement-Eng
- 3613 PJ Vendor Reimbursement-Eng
- 3615 Engineering Fees
- 3616 Engr Plan Check Fees
- 3618 Sales of Maps and Doc-Engr
- 3619 Rent,Lease & Concession-Engr

3620 Public Works Services
- 3621 Public Works Service Charges
- 3622 Public Works Cost Recovery

3630 Fire Services
- 3631 PJ Overhead Charges - Fire
- 3632 PJ Labor Reimb - Fire
- 3633 Fire Cost Recovery
- 3634 Fire Unwanted Alarms
- 3635 Fire Enforcement Penalties
- 3636 Fire Enforcement-Training
- 3637 Fire Service Charges
- 3638 Fire Sales of Maps & Document
- 3639 Fire Electronic Archive Chg
- 3691 Fire GIS Mapping
- 3692 Fire Automation Fee
- 3693 Fire-Rent, Lease & Concess
- 3694 Ambulance Services

3640 Police Services
- 3641 Police Service Charges
- 3643 Fingerprints
- 3644 Sales of Maps and Document-Pol
- 3645 Police Cost Recovery
- 3646 Rent, Lease and Concession-Pol
- 3647 DUI-Police Cost Recovery
- 3648 PJ Overhead Charges - Police
- 3649 PJ Labor Reimb - Police

3650 Recreation Services
- 3651 Rent,Lease and Concession-Recr
- 3652 Recreation Fees
- 3653 Senior Nutrition Fees
- 3654 Contract Classes
- 3655 Sales of Merchandise Rec
- 3656 Recreation Transaction Fee
- 3657 Special Event Fees
- 3658 Sale of Food

3660 Building Services
- 3661 Sales of Documents-Building
- 3662 Records Retention Fee-Building
- 3663 Building Service Charges
- 3664 Overhead Charges Reimbursement
- 3665 PJ Overhead Charges - Building
- 3666 PJ Labor Reimb - Building
- 3667 Building State Mndatd Stds Fee

List of Revenues

3670 Utility Charges
- 3671 Water Meter Charge
- 3672 Water Consumption
- 3673 Irrigation Meter Charge
- 3674 Irrigation Consumption
- 3675 Fire Line Meter Charge
- 3676 Fire Line Consumption
- 3677 Recycle Meter Charge
- 3678 Recycle Consumption

3680 Planning Services
- 3617 Planning Fees
- 3681 PJ Overhead Charges - Planning
- 3682 PJ Labor Reimb - Planning
- 3683 PJ Vendor Reimb - Planning
- 3684 Sales of Maps and Doc-Planning
- 3685 Housing & Neighborhood Svcs
- 3686 Planning Plan Check Fee
- 3687 Animal Control Services Fee

370 Miscellaneous Revenue

3710 Development
- 3710 Development
- 3711 Storm Drain Connection Fees
- 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
- 3760 Developer Contribution
- 3761 Contribution-Equipment

3720 Special Assessments
- 3720 Special Assessments
- 3721 Special Assessments Pre-Pmt

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

3790 Miscellaneous Other Revenue
- 3791 Cash Over/(Short)
- 3792 Clearing, Various
- 3799 Miscellaneous Other Revenue

390 Other Financing Sources

3970 Bond Proceeds
- 3970 Bond Proceeds

3980 Other Financing Sources
- 3980 Other Financing Sources
- 3981 Contributions-Proprietary Fund
- 3982 Capital Leases
- 3983 Pmnt to Refunded Bond Escrow A
- 3985 Extraordinary Item
- 3982 Capital Leases
- 3983 Pmnt to Refunded Bond Escrow A
- 3985 Extraordinary Item

List of Expenditures

410 Personnel Services

- 4110 Wages
  - 4111 Permanent
  - 4112 Temporary
  - 4113 Overtime
  - 4114 Reimbursable Overtime
  - 4119 Adjustments-Payroll
  - 4143 Charged to CIPs
- 4120 Allowances/Leaves
  - 4121 Allowances
  - 4122 Standby Pay MEA
  - 4124 Leave Cashout
  - 4125 Accrued Leave
  - 4126 Meal Stipend MEA
- 4130 Benefits
  - 4131 PERS
  - 4132 Group Insurance
  - 4133 Medicare-Employer's Contributi
  - 4135 Worker's Compensation
  - 4136 Unemployment
  - 4137 MOU Contractual Agreements
  - 4138 Deferred Comp-Employer Contrib
  - 4139 PARS
- 4140 Adjustments - Payroll
  - 4141 Adjustments-Payroll
  - 4142 Vacancy Factor
  - 4143 Charged to CIPs
  - 4146 Short Term Disability
  - 4151 Compensation Reduction
  - 4152 Employee Pay PERS Contribution
  - 4198 Overhead-PJ's Contractual Labo
  - 4199 Overhead-Payroll
- 4160 Retiree Benefits
  - 4161 Retiree Medical Reserve
  - 4162 Retiree Medical Payment
  - 4163 Retiree Medical Reimbursement
- 4170 Pension Expense
  - 4171 Pension/OPEB Expense
  - 4172 OPEB Expense

420 Services and Supplies

- 4200 Community Promotion, Grant/Loan
  - 4201 Community Promotions
  - 4202 Com Promotions-CC Allocated
  - 4203 Com Prom-CC Unallocated
  - 4204 Cultural Arts Grants
  - 4205 Miscellaneous Grants
  - 4206 Sports Grants
  - 4207 Housing Loans
  - 4208 CDBG Grants
  - 4209 Miscellaneous Loans
- 4210 Department Allocations
  - 4211 Equipment Replacement Amortization
  - 4212 Vehicle Lease Charges
- 4220 Supplies
  - 4221 Office Supplies
  - 4223 Departmental Supplies
  - 4224 Maintenance Supplies
  - 4225 Health & Safety Supplies
  - 4226 Senior Nutrition Food Supplies
- 4230 Services
  - 4231 Advertising
  - 4232 Blueprinting
  - 4237 Contractual Services
  - 4238 Contractual Servs-PJ's Labor
  - 4239 Audit Fees
  - 4242 Rents & Leases
  - 4244 Senior Nutrition Non-Food
- 4240 Repair & Maintenance
  - 4241 Repair & Maintenance
  - 4242 Rents & Leases
- 4250 Legal Services
  - 4252 Retainers & Fees
  - 4253 Plan JPA Attorney's Fees
  - 4254 Plan JPA Settlements
  - 4255 Litigation
  - 4256 Liability IBNR Adjustment
- 4280 Elections
  - 4280 Elections

List of Expenditures

4410 Communications
- 4411 Phone-Local
- 4412 Computer Data Lines
- 4415 Pagers
- 4416 Cellular Phones
- 4417 Fire Alarms
- 4418 Police Alarms

4420 Utilities
- 4421 Utilities-Gas
- 4422 Utilities-Electric
- 4423 Utilities - Water
- 4426 Utilities - Solid Waste

4430 Utilities - Water Purchase
- 4424 SFWD, Wholesale Water Purch.
- 4425 SCVWD, Wholesale Water Purch.
- 4427 Recycled Water Purchase

4440 Treatment Plant
- 4428 Treatment Plant, Capital
- 4429 Treatment Plant, M & O

4500 Training, Travel, & Memberships
- 4501 Memberships & Dues
- 4502 Professional Licensing
- 4503 Training and Registration
- 4505 Lodging/Travel
- 4506 Meals for Meetings
- 4507 Per Diem
- 4508 Mileage Reimbursement/Parking
- 4509 Tuition Reimbursement

4520 Commissions & Boards
- 4521 Conference Expenses
- 4522 Non-Conference Expenses

4600 Insurance, Settlements & Miscellaneous
- 4602 Liability Insurance
- 4603 Settlements
- 4610 Uncollectible Accounts
- 4611 Collection Fees
- 4640 Unanticipated Expenditure Reserve

4600 Insurance, Settlements & Miscellaneous (cont)
- 4650 Loss on Sale
- 4660 Other Miscellaneous and Correc

4630 Depreciation & Amortization
- 4630 Depreciation & Amortization

470 Debt Service

4700 Principal
- 4701 Retirement of Principal
- 4702 Principal - COP
- 4703 Principal - Advance

4710 Interest
- 4711 Interest Expense
- 4712 Interest - COP
- 4713 Interest - Advance

4720 Contractual Obligation
- 4720 Contractual Obligation
- 4721 Cost of Issuance

4730 Premium-Bond Prepayment
- 4730 Premium-Bond Prepayment

480 Capital Improvements

4800 Capital Improvements
- 4800 Capital Improvements

485 Capital Outlay > $5,000

4810 Land
- 4811 Land

4820 Land Improvements
- 4821 Land Improvements

4830 Buildings and Improvements
- 4831 Buildings and Improvements

4840 Infrastructure
- 4841 Infrastructure

4850 Vehicles
- 4851 Vehicles

List of Expenditures

4860 Capitalized Leases
- 4864 Capitalized Leases
- 4865 Capital Lease Interest

4870 Machinery & Equipment
- 4873 Machinery & Equipment
- 4874 Computer Hardware
- 4875 Computer Software

4880 Furniture and Fixtures
- 4881 Furniture and Fixtures

4890 Adjustments CIP
- 4891 Adjustments-CIP-Addition
- 4892 Adjustments-CIP-Deletion
- 4893 Adjustments-CIP-Transfer
- 4894 Adjustments-CIP-LTD

490 Capital Outlay < $5,000

4910 Office Furniture & Fixtures
- 4911 Office Furniture & Fixtures

4920 Machinery, Tools & Equipment
- 4921 Machinery, Tools & Equipment
- 4922 Computer Hardware
- 4923 Computer Software
- 4924 Electronic Equipment

4930 Hydrants & Meters
- 4931 Hydrants
- 4932 Meters

4980 Adjustments-Capital Outlay
- 4981 95% Funding-Capital Outlay

Abbreviations and Acronyms

AB	Assembly Bill
ABAG	Association of Bay Area Governments
ADA	Americans with Disabilities Act
ALS	Advanced Life Support
AMR	American Medical Response
AP	Accounts Payable
AR	Accounts Receivable
ARPA	American Rescue Plan Act
AuthFTE	Authorized Full-Time Equivalent positions
AVASA	Abandoned Vehicle Abatement Service Authority
A / V	Audio/Visual Equipment
BAAQMD	Bay Area Air Quality Management District
BART	Bay Area Rapid Transit
CAD	Computer Aided Dispatch
CSA	City Service Area
Caltrans	California Department of Transportation
CAPER	Consolidated Annual Plan & Performance Eval Rpt
CATV	Cable Television
CCPI	California Consumer Price Index
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CERBT	California Employers' Retiree Benefit Trust
CIP	Capital Improvement Program
CIT	Counselor in Training Program
CMAS	California Multiple Awards Schedule
CMO	City Manager's Office
CO	Certificate of Occupancy
COBRA	Consolidated Omnibus Budget Reconciliation Act
COMPST	Computerized Statistics
COPs	Certificates of Participation
COPS	Community Oriented Policing Services
CPI	Consumer Price Index
CPR	Cardio-Pulmonary Resuscitation
CRS	Community Rating System
CSA	City Service Area
EMD	Emergency Medical Dispatch
EMS	Emergency Medical Service
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
EPA	Environmental Protection Agency
EPC	Emergency Preparedness Commission
ERAF	Educational Revenue Augmentation Fund
FBI	Federal Bureau of Investigation
FEHA	Fair Employment and Housing Act
FEMA	Federal Emergency Management Admin
FICA	Federal Insurance Contributions Act
FMLA	Family Medical Leave Act
FPPC	Fair Political Practices Commission
FTA	Federal Transit Authority
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIS	Geographic Information System
GPS	Global Positioning System
Haz Mat	Hazardous Materials
HCD	Housing and Community Development
HMO	Health Maintenance Organization
HR	Human Resources
HUD	U.S. Housing and Urban Development
HVAC	Heating8 Ventilating and Air Conditioning
I	Interstate
ICMA	Intern'l City/County Mgmt Association
IT	Information Technology
IVR	Integrated Voice Recognition
JPA	Joint Power Authority

LAFCO	Local Agency Formation Commission
LED	Light-Emitting Diode
LIUNA	Laborers' International Union of N. America
LID	Local Improvement District
LLEBG	Local Law Enforcement Block Grant
LLMD	Light & Landscape Maintenance District
M & O	Maintenance and Operation
MEA	Milpitas Employees Association
MLS	Major League Soccer
MOU	Memorandum of Understanding
MUSD	Milpitas Unified School District
MVP	Milpitas Volunteer Program
NAIOP	Nat Assoc of Industrial & Office Properties
MLS	Major League Soccer
MOU	Memorandum of Understanding
MUSD	Milpitas Unified School District
MVP	Milpitas Volunteer Program
NAIOP	Nat Assoc of Industrial & Office Properties
NBO	Neighborhood Beautification Ordinance
NOVA	North Valley Private Industry Council
O&M	Operating and Maintenance
OES	Office of Environmental Services
OPA	Owner Participation Agreement
OPEB	Other Post-Employment Benefits
OSHA	Occupational Safety and Health Admin
PAL	Police Athletic League
PAR	Performance Appraisal Report
PC	Planning Commission
PCR	Police Community Relations
PERS	Public Employees Retirement System
PLAN	Pooled Liability Assurance Network
POST	Peace Officers Standards and Training
PPO	Preferred Provider Organization
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
SERAF	Supplmntl Educ. Rev. Augmentation Fund
SFPUC	San Francisco Public Utilities Commission
SLETS	Sheriff's Law Enforcement Telecom System
SOP	Standard Operating Procedure
SV-ITS	Silicon Valley Intelligent Transportation
SVU	Silicon Valley Unwired
SWAT	Special Weapons and Tactics
TABs	Tax Allocation Bonds
TAG	Technology Application Group
TIA	Traffic Impact Analysis
TDM	Transportation Demand Management
TOT	Transient Occupancy Tax
UBC	Uniform Building Code
UCR	Uniform Crime Reports
UFC	Uniform Fire Code
VLF	Vehicle License Fee
VTA	Santa Clara Valley Transportation Authority
WMD	Weapons of Mass Destruction
WPCP	Water Pollution Control Plant
YBA	Youth Basketball Association
YSB	Youth Services Bureau
YTD	Year to Date

Glossary of Terms

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

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.

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.

Audit – A comprehensive examination of the City's accounts by an independent auditing firm to determine whether the City's financial statements are fairly presented.

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.

California Employers' Retiree Benefit Trust (CERBT) – A Section 115 trust fund dedicated to prefunding Other Post-Employment Benefits (OPEB) for all eligible California public agencies.

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 – The official annual financial report for the City. A Comprehensive Annual Financial Report 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.

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.

Credit/Bond Ratings by S&P – City AAA; Water Utility AA+; Wastewater Utility AA+

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.

Deficit – An excess of expenditures over revenues (resources).

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.

Full-Time Equivalent (FTE) – Staffing levels are measured in FTE to give a consistent comparison from year to year and refers to the equivalent of one person working full-time for one year or may consist of several part-time positions.

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

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

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

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

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

General Fund – The main operating fund of the City.

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

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

Hotel/Motel Tax – A transient occupancy (less than 30 days at a hotel or motel) tax imposed for general purposes. The tax is currently 14% 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.

Permanent Employee – A continuing position to be filled 12 months a year with a normal work schedule.

Permanent Fund – Permanent funds are required to be used to report resources that are legally restricted to the extent that only earnings (and not principal, thus making the fund a nonexpendable trust) may be used for purposes that support the reporting government's programs.

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 – The City receives one percent of the County's nine percent sales tax, and a ¼ cent Transaction & Use Tax (Measure F). Sales tax is one of the City's major general fund revenue sources.

Section 115 Trust – A grantor trust established by a governmental unit to set aside funds for paying future employee benefits such as pensions and Other Post-Employment Benefits (OPEB).

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.

Unanticipated Expenditures 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.

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

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