

CITY OF MILPITAS CUST 43 POSITIONS



For those of you who are not intimately familiar with the topography of Silicone Valley probably do not know much about the town of Milpitas. For those of you who have never been to the city here is a look at how the city's administrators have chosen to describe the town, "Located at the southern tip of the San Francisco Bay, the City of Milpitas is a progressive community that is an integral part of the high tech Silicon Valley. With a very diversified resident population of 70,817, Milpitas features quality schools, conveniently located neighborhood parks and shopping centers. Milpitas is an affluent and well-educated community with an average household income of \$98,979. More than 65% of Milpitas households have an annual income that exceeds \$75,000. The homeownership rate is close to 70% with a median home value of \$745,000. Milpitas' housing market remains affordable relative to the majority of Santa Clara County." For a city with so much affluence they seem to be having some serious budget issues right now. The city has given 43 positions the axe in order to set to right its currently flagging budget. The city has to make up a sizable hole in its budget, about \$9.2 million, in order to get it to pass before the new fiscal year began on Sunday. On the bright side not all of the jobs cut were done through layoffs. The city took care to cut as many jobs as they reasonably could through a policy of attrition, where open positions, or those vacated by retiring employees, are simply left unfilled in order to reduce staffing costs. While a policy of attrition may not help to grow a local economy it at least does less harm than actually cutting workers who are currently in their jobs as the loss of income to the local areas is felt less by other local businesses. So of the 43 positions that are getting the axe only about 25 are currently occupied by workers drawing a salary. The public works department of the city will take the brunt of the losses, with about 14 people from there being laid off. After that the layoffs are low. The engineering department for the city will lose only five workers, recreation services for the city will lose three people and the following departments will lose only a single member of the staff: finance, planning and information service. The rest of the job losses were made when workers chose to retire this year, and in order to accommodate this plan other employees will have to be moved into jobs that put them in a lower pay grade or moved in new positions where they will be more useful to the city's new budget and plans. All in all these cuts only saved \$4 million of the needed funds, leaving a long way to go on the path to fiscal solvency. The city council did make a promise that there would be no more layoffs for the coming fiscal year.

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