

**Council Meeting: June 3, 2008****SUBJECT: Annual Public Hearing on FY 2008/2009 Budget and Resource Allocation Plan and Establishment of Appropriations Limit****REPORT IN BRIEF**

The City Charter requires a Public Hearing be held prior to the adoption of the FY 2008/2009 Budget and Resource Allocation Plan. As part of this hearing, staff included the annual establishment of the City's appropriations limit. The purpose of this hearing is to take comments from the public; no action is required on the part of the City Council. Adoption of the Budget is scheduled for June 10, 2008. Because public comment will be formally taken tonight, the Public Hearing is considered closed for the June 10, 2008 meeting.

BACKGROUND

Section 1303 of the City Charter states:

"At the time so advertised, or at any time to which Public Hearing shall from time to time be adjourned, the City Council shall hold a Public Hearing on the proposed budget, at which interested persons desiring to be heard shall be given such opportunity."

Article XIII B of the *California Constitution* established appropriations limits on government agencies within California. Section 7910 of the Government Code requires that the City annually adopt an appropriations limit for the coming year. Any challenges to the declared limit must be brought within 45 days of its adoption. The supporting documentation for the establishment of the limit must be available for public review at least 15 days prior to the adoption of the appropriation limit resolution. The required material that provides detailed information on the City's appropriations limit has been available for public review since May 12, 2008 (Attachment A). The material is included in Volume I of the recommended FY 2008/2009 Budget and Resource Allocation Plan.

EXISTING POLICY

In accordance with the City Charter, the *California Constitution*, and the California Government Code, a public hearing has been held annually for public comment on the budget and resource allocation plan, appropriations limit, and proposed increase in fees or service charges for the upcoming fiscal year. In addition, the Fiscal Sub-element provides:

7.1A.1.7: At least one public hearing shall be held after the City Manager's recommended budget is presented to the Council in order to solicit public input before adoption.

7.1A.1.8: Boards and Commissions should review the annual budget as appropriate to their area of interest and make recommendations to the City Council.

DISCUSSION

The purpose of the public hearing is to furnish an opportunity for citizens to voice their opinions on the City's budget and the appropriations limit. Legal notices of the hearing were published in the *Sunnyvale Sun* (Attachment B). No action is required on the part of the City Council at the hearing. The FY 2008/2009 Budget and Twenty-Year Resource Allocation Plan is scheduled for adoption on June 10, 2008. Because public comment will be formally taken tonight, the Public Hearing is considered closed for the June 10, 2008 meeting.

Appropriations Limit

Article XIII B of the *California Constitution* established appropriations limits on government agencies within California. Section 7910 of the Government Code requires the City annually adopt an appropriations limit for the coming year. The appropriations limit is set on an annual basis and is dependent upon the change in population within the jurisdiction and the change in the cost of living as determined by the State.

As shown in Attachment A, the appropriations limit for FY 2008/2009 is \$157,039,013. Expenditures subject to the appropriations limit exclude Redevelopment Agency activity, enterprise and internal service activity, debt service payments, and capital outlay projects that have a useful life of ten years or more and a value that exceeds \$100,000. Non-tax revenues, such as federal and state grants, fees for service, or revenues restricted for particular purposes also are excluded from the calculation. As a result of the calculations, the City will be under the allowable appropriations limit by approximately \$41.8 million for FY 2008/2009.

FY 2008/2009 Recommended Budget

On May 23, 2008, the City Council held a Budget Workshop to review in detail the City Manager's recommended FY 2008/2009 Budget and Resource Allocation Plan. The Plan includes total revenues of approximately \$282.2 million. The total recommended budget for all expenditures is approximately \$304.9 million. Of that total, \$218.6 million is for operating; \$77.1 million is for projects, including project administration; and \$9.2 million is primarily for debt service (\$7.5 million) and equipment (\$1.1 million). Planned use of reserves total \$22.7 million. Details of the revenues and expenditures are

contained in the recommended FY 2008/2009 Budget and Resource Allocation Plan.

FY 2008/2009 Budget Supplements

For the recommended FY 2008/2009 Budget, 19 budget supplements are presented for Council consideration. Funding sources include the General Fund, Gas Tax Fund, and the Wastewater Fund. The City Manager is recommending 12 for funding. Each budget supplement is briefly summarized below:

Budget Supplements: General Fund

Nine budget supplements totaling \$1.87 million are recommended for financing by the General Fund only in FY 2008/2009:

- *Budget Supplement #1 - Environmental Sustainability:* This supplement would fund a part-time Environmental Coordinator position to build and implement a formal structure for coordinating sustainability efforts citywide. The initial start-up costs are \$74,933 in FY 2008/2009 and \$68,933 in FY 2009/2010. On-going costs for the position would be \$67,556 in FY 2010/2011, with a 20-year operating budget impact of approximately \$1.5 million.
- *Budget Supplement #2 - Online Posting of FPPC Forms:* This supplement would permit the City to prepare, file and track Fair Political Practices Commission disclosure forms in electronic format and would enable public searching/viewing online. Operating costs of \$18,500 would be required annually, for a 20-year cost of \$439,000.
- *Budget Supplement #3 - Community Event Funding Support:* This supplement would provide one-time FY 2008/2009 funding in the amount of \$30,000 to support citywide community-initiated special events such as parades, fairs, block parties and public dances through one-time grants. For Council's reference, the process for considering outside requests for special event funding, approved by Council in 2001, is included as Attachment C.
- *Budget Supplement #5 - Automated Materials Handling System for Returned Library Materials:* This supplement would implement an automated materials handling system for returned library materials, which would result in substantial savings to the City over time. Project costs are estimated to be \$928,723, but the City is expected to save approximately \$3.4 million in operating expenses for staffing and related costs over the long term financial plan for a total net savings of \$2.5 million. Following the Budget Workshop, staff has updated the project costs to include the system replacement costs. The revised

savings over 20 years is estimated to be approximately \$635,000 to \$1,445,000 depending on the useful life.

- *Budget Supplement #6 - Elimination of the Library's Reserve Fee:* This supplement proposes elimination of the Library's reserve fee (a \$0.50 fee charged to patrons to place an item on reserve) to be consistent with all other public libraries in Silicon Valley. The annual estimated revenue loss would be approximately \$12,000.
- *Budget Supplement #7 - Care Management Program at the Sunnyvale Senior Center:* This supplement would establish a part-time case management program for Sunnyvale seniors to assist with social, health, legal and mental services, and to help maintain independence. The annual cost to the General Fund would be approximately \$63,753, which would be augmented by an annual \$10,000 grant from the non-profit Council on Aging Silicon Valley. The total operating impact over 20 years would be \$1.8 million.
- *Budget Supplement #15 - Outside Group Funding Request from Silicon Valley Leadership for Leadership Sunnyvale Program:* This supplement would provide one-time funding in FY 2008/2009 of \$8,000 to Silicon Valley Leadership (SVL), an independent non-profit community organization that provides leadership and public affairs training to Sunnyvale community members. SVL has received supplemental funding from the City through the Outside Group Funding Program since FY 2003/2004.
- *Budget Supplement #16 - Council Meeting Minutes:* This supplement would fund 300 additional clerical staff hours in the Office of the City Clerk to provide summary Council meeting minutes in a timely manner. Annual costs are estimated to be \$7,368, with an operating impact over 20 years of \$204,000.
- *Budget Supplement #17 - Purchase, Implementation and Maintenance of Electronic Records Management System:* This supplement would fund the purchase, implementation and ongoing maintenance of a citywide Electronic Records Management System to archive and retrieve current and future records. One-time project cost is approximately \$730,000 and the 20-year operating cost is estimated to be \$1.6 million.

Six budget supplements are not recommended for funding. They are:

- *Budget Supplement #4 - Building and Planning Fee Incentives for Solar Panels and Green Buildings.* On December 11, 2007, Council adopted reduced fees for planning and building permits for solar panel installations on single family homes. This supplement would provide \$30,000 to fund this reduced fee and other green building incentives.

Staff recommends against this supplement because Council's previous action to reduce fees has been implemented and was approved without a budget supplement. In addition, staff will be presenting a study to the Council in the near future to explore expanding incentives and other possible measures to promote sustainable construction and green building practices. It may be desirable to defer offering additional incentives until this study issue is reviewed by the Council.

- *Budget Supplement #8 - Funding for Additional Law Enforcement Efforts.* This supplement would allocate \$50,000 one-time to specifically address the traffic concerns of the citizens of Sunnyvale. It was suggested that these additional funds be directed to the Traffic Safety and Enforcement Unit for increased efforts in traffic education and enforcement. Given current traffic enforcement efforts with existing staffing levels, staff recommends not funding this special project.
- *Budget Supplement #9 - Marketing Campaign to Encourage Bicycling.* This supplement would provide \$85,000 for a comprehensive marketing campaign to encourage citizens to bicycle. A marketing campaign would involve marketing material preparation and distribution, special events, and outreach. While this project would be eligible for traffic mitigation funds, these funds have been committed to other infrastructure projects. Therefore, General Fund monies would be required to support this project. Staff recommends that the project not be considered for inclusion in the FY 2008/2009 recommended budget. Staff is uncertain that this investment would provide a measurable return.
- *Budget Supplement #14 - Complete Sidewalk Repairs and Install Curb Ramps.* This budget supplement would provide funding to address the backlog in sidewalk repairs and concrete replacements. Staff recommends 1) maintaining the existing budget and service level while exploring alternative funding sources, 2) evaluating and prioritizing the replacement work list over the next year, and 3) commit the City's second half of the State Proposition 1B Infrastructure Bond Funds allocation, estimated at \$2.1 million, to reduce the backlog. These alternatives will also allow time to monitor the bidding climate for concrete construction. In a positive bidding climate, it is possible that more sites can be repaired than is currently estimated. The \$2.1 million in Proposition 1B Infrastructure Bond Funds will be applied to the backlog after the work list has been evaluated and prioritized.

- *Budget Supplement #18 - Junior Achievement of Silicon Valley for K-12 Work Readiness and Economics Education.* Junior Achievement of Silicon Valley and Monterey Bay (JA), a nonprofit community based organization, is seeking \$10,740 in funding to support programs that link education and the world of work through a sequential K-12 curriculum. Staff recommends not funding this budget supplement request. While JA provides a positive service to community youth, staff does not recommend a reduction in existing City services to fund JA's services, and were staff provided \$10,000 with which to increase its services to youth and families, it would recommend placing those resources elsewhere (counseling services or activities for at-risk youth).
- *Budget Supplement #19 - Santa Clara Valley Blind Center Funding Request.* At the April 1, 2008 Council Meeting, representatives from the Santa Clara Valley Blind Center (SCVBC) requested Council consider a \$45,000 funding request to provide social services to residents of Sunnyvale. Staff recommends not funding this budget supplement request. Council Policy - 5.1.3 Human Services Policy identifies the process through which outside groups can be funded; the methodology by which programs/services can be assessed; and an evaluation system that assures equity in the process of funding considerations by Council. Bypassing this process would set a precedent for agencies to request additional funds without following current Council Policy.

Budget Supplements: Gas Tax Fund

One budget supplement totaling \$50,000 is recommended for financing from the Gas Tax Fund only in FY 2008/2009:

- *Budget Supplement #11 - Mathilda/Caltrain Bridge Parking Lot Access Project.* This project would construct a driveway from Angel Avenue to a City-owned parking lot underneath the north side of the Mathilda Avenue/Caltrain overhead bridge. The estimated cost of the project is \$50,000.

One budget supplement is not recommended for funding:

- *Budget Supplement #12 - Landscape/Sidewalk Improvements South Side of Hendy Avenue.* This budget supplement would construct landscaping and/or a sidewalk on the south side of Hendy Avenue from Taaffe Street to Sunnyvale Avenue, where currently none exists. The estimated capital cost is \$150,000. Operating costs of \$3,162 would be incurred annually following construction. Staff does not believe this area features conditions that warrant a higher priority for

sidewalk construction than the many other areas of the City that currently do not have sidewalks. Access to and from the neighborhood to the Caltrain Station and Downtown is provided by sidewalks on the north side of Hendy Avenue; an additional sidewalk is not necessary.

Budget Supplements: Multiple Funds

Two budget supplements for a total of \$235,188 are recommended for financing from multiple funds in FY 2008/2009. They are:

- *Budget Supplement #10 - Greenhouse Gas Emissions Reduction Projects:* This supplement proposes various improvements to City facilities to reduce greenhouse gas emissions. The General Fund would incur project costs over the long term financial plan estimated to be \$100,534. However, the project would produce approximately \$319,649 in operating budget savings over 20 years which would be reflected in facilities rental rates budgeted in the General Services Fund/Facilities Services Sub-fund.

The Wastewater Fund would incur project costs of \$24,680 in FY 2008/2009 to replace lighting fixtures with energy efficient alternatives, which should produce estimated savings of \$285,459 over the long term financial plan and expected revenue (rebate) of approximately \$10,652.

- *Budget Supplement #13 - Comprehensive Bridge and Levee Report:* This supplement would include inspection, evaluation and reporting on approximately 100 bridges, several miles of levees, and appurtenant works in the City. The purpose is to identify any key risks and needed repairs to stop deterioration and avoid hazardous conditions. Total project cost is estimated to be \$200,000, with \$50,000 coming from the Wastewater Fund and the remaining \$150,000 funded by the Gas Tax Fund.

Budget Workshop Follow-up

At the Budget Workshop on May 23, 2008, Council asked for information or clarification on the following items:

- Update of total cost for Budget Supplement #5 – Automated Materials Handling System for Returned Library Material

Council member Whittum requested additional information about the longevity of a Radio Frequency Identification (RFID) and barcode technology based automated materials handling systems for the Library and whether replacement costs are likely to occur within the timeframe of the 20-year

financial plan, and if included, would the project still reflect actual cost savings.

While a specific system has not been selected, staff was able to contact vendors who supplied preliminary estimates for some of the leading systems to ask about their longevity.

For libraries, the automated materials handling systems may be considered “high tech”; however, the vendors explained that such systems have been in operation for decades in the industrial/manufacturing environment. There are systems that have been in place over 20 years in the U.S. and over 30 years in Europe. However, for the City’s purposes it was suggested to use a *minimum* of 10 years longevity with an expectation that the system could last 20 years or more with proper maintenance. The systems primarily are composed of conveyors, computers and scanners. Libraries, too, have used barcode scanners for the last two decades. The RFID tags and sensors are the newer technology to libraries.

Budget Supplement #5 includes some one-time costs that would not be needed again if the equipment were replaced. The equipment replacement cost to be factored in for an RFID automated materials handling system is \$661,117 in today’s dollars. Using the City’s materials inflation factor assumptions to determine an estimated future replacement cost and applying the standard equipment replacement policy of collecting annually to fund future replacements, the cost savings estimates in the original version of Budget Supplement #5 have been revised. The original savings was estimated to be \$2.5 million over 20 years. Depending on when during the 20-Year Plan the equipment needed to be replaced, the revised total savings from this project range from approximately \$635,000 to \$1,445,000. The \$635,000 savings factors in costs for equipment with a 10-year useful life, which is the minimum useful life estimated for this type of equipment. The \$1,445,000 savings factors in costs for equipment replacement with a 20-year useful life, which is estimated to be on the higher end of the possible useful life for this equipment.

- *Additional information for Budget Supplement #2 – Online Posting of FPPC Forms*

Council members Whittum and Moylan requested additional information on the legal requirements for redacting Fair Political Practice Commission (FPPC) disclosure statement forms, the costs to scan in hard copies, and the legality of requiring electronic submittal or having filers redact their own copy.

In 2007, 410 FPPC forms were submitted to the City Clerk's office. These documents were stamped, copied, and placed in the public binders in the City Clerk's office. Scanning hard copies of the FPPC filings would require an additional process that includes making an additional copy to redact addresses, phone numbers and bank account numbers, then scanning and posting the copy to the Netfile site. Staff estimates the additional time for this process would average 15-30 minutes per document, depending on the document length. If all 410 filings that were submitted in 2007 were to be scanned, an additional 137 hours would be required at an approximate cost of \$8,700. This number would be reduced significantly if electronic filing is available and required.

With regard to the legal requirement for redacting, Gov. Code §6254.21 (enacted in 2005) provides that "No state or local agency shall post the home address or telephone number of any elected or appointed official on the Internet without first obtaining the written permission of that individual." In addition, under Gov. Code §84602, information that is electronically posted on the state's website must not contain the person's "street name or building number".

According to an FPPC advice letter dated June 9, 2004, to the City of Buenaventura, §84602 only governs the State of California and not local public entities. In others words, §84602 does not require cities to redact addresses from campaign disclosures that the city voluntarily posts on its website. The FPPC declined to advise the City of Buenaventura regarding what other laws might require redaction of this information. Nonetheless, cities electing to post Form 460's on a Website have followed the State procedures and redact addresses for the form filers and contributors, and staff's advice would be that the City of Sunnyvale should follow this same practice. It should also be noted that to comply with FPPC rules, an unredacted copy needs to be available at the City Clerk's office.

The City can require City employee filers to submit electronically, but they still need to file a signed original with the City Clerk to comply with FPPC requirements. Gov. Code §87500 states that heads of local government agencies, members of local government boards or commissions, and other designated officials must file an "original" statement of economic interests with their agency's filing officer. According to FPPC instructions, filers must submit an original signed statement. There is no provision in the Government Code or FPPC regulations for electronic filing of Form 700's.

With regard to whether or not candidates can be required to submit their Form 460 electronically (either redacted or unredacted), it would require an ordinance because the City cannot enforce an internal administrative policy or Council policy against a candidate who is not already on the Council.

Also, candidates would still have to file an original, signed copy with the City Clerk whether they file electronically or not.

Finally, the City can ask filers to provide a redacted copy, but the City would still have an independent duty under Gov. Code §6254.21 not to post unredacted copies on the internet so would be required to review the redacted copies.

- Estimated cost to hold a St. Patrick's Day parade down Murphy Avenue

Council member Moylan requested the estimated cost to hold an annual St. Patrick's Day parade down Murphy Avenue following completion of the downtown redevelopment project and the extension of Murphy Avenue.

While it is difficult to calculate the cost without further parameters and specifics, staff estimates a minimum of \$15,000-\$17,000 for a basic community parade, which includes approximately 200 hours of staff time and direct expenditures for advertising, set-up and tear-down, clean up and refuse service. This cost estimate assumes the parade would route on the current Murphy Avenue extending into the yet-to-be-completed Murphy Avenue in the downtown redevelopment area. Total distance is approximately 4 blocks with street closures at Evelyn Avenue, Washington Avenue, McKinley Avenue and Iowa Avenue and new streets that are developed in the downtown area. Total event time is approximately 2 hours. Parade time would likely be 1 hour with set-up and tear-down time. Traffic and crowd control prior to, during and after the event are all factors.

These estimates were collected with the assumption that the event would be conducted late morning/mid-day on a weekend. Day of the week and time of day are primary factors in cost. If the event is in the evening of a weekday as opposed to daytime weekend or evening weekend, it can alter costs significantly. Cost estimates are kept to a minimum but would be adjusted based on number of street closures, length and configuration of parade route, actual amount of time required for specific tasks, estimated size of crowd and estimated type of crowd.

Parade participants/entertainment is assumed to be donated from the community with the exception of staff time for representation of City departments in the parade. It is also anticipated the parade would be free and open to the public. It would be publicized using The Quarterly Report, KSUN, banners, news media, and posters.

The 20-year impact would be \$403,000 - \$452,000.

- Additional information for Budget Supplement #14 – Complete Sidewalk Repairs and Install Curb Ramps

Vice-Mayor Hamilton requested information on what impact the \$2.1 million in State Proposition 1B Infrastructure Bond funds would have on the current backlog and how the remaining backlog would be dealt with.

The current backlog, to July 2007, is estimated at 1,200 sites valued at approximately \$3.4 million. If the entire \$2.1 million is committed to concrete repairs staff could make about 740 repairs at today's prices, accounting for about 30 months of backlog and gaining back about two and a half years before we reached the limits of our ability to make repairs within the 5 year performance measure. However, without a regular, annual increase in funding, we will continue to add to the backlog at the rate of about 225 sites per year (assumes 175 sites repaired with available funding, and finding 400 new ones). This would result in the need to address the backlog or fail to meet the performance measure by approximately FY 2011/2012, depending upon the rate of increase of the costs of repairs.

The backlog will continue to be addressed, within limits, through the operating program. The concern is that staff continues to lose ground every year given the current prices for concrete repair. However, the current bidding climate is such that the costs for concrete are not increasing at the same rate as they were just a few years ago. From 2005 to 2007 the City experienced average annual increases of 15 to 20%. However, in the most recent bid, costs actually decreased by an average of 10%. The primary reason is that the major cut back in private construction has created a much more competitive bidding climate for public projects. As long as private construction remains low, and there are many contractors competing for public work, it is anticipated cost increases will be minimized. There is no guarantee, but it would appear this condition may continue for at least another year. This will have a positive impact on addressing the backlog.

- Estimated cost savings from elimination of all ornamental water features

Council member Swegles requested the estimated cost savings if all of the ornamental water features were eliminated.

Based on the current service level, the estimated cost savings for FY 2008/2009 for eliminating the ornamental water features would be approximately \$102,000. Over the 20-Year Plan, this would save a total of approximately \$2.76 million. Ornamental water features are currently in operation at the Community Center (year round) and at Braly, Las Palmas,

and Serra Parks (July through September). Prior to FY 2003/2004, the water features at Braly, Las Palmas, and Serra Parks were operational year round. The estimated FY 2008/2009 cost for operating the ornamental water features at the Community Center is \$77,406, which includes the cost of water, electricity, materials, and staff time. The total estimated cost for operating the ornamental water features at the three parks from July through September is \$24,355 and considers the same cost components as the Community Center.

- Response to citizen suggestions for Golf Operations

Council member Swegles provided a citizen's suggestions for the City's Golf Operations for staff review and response. The suggestions, verbatim, are as follows:

1. Work on yardage markers on the course
2. Work on keeping the sand traps dry
3. Keep restrooms clean
4. Work with Restaurant in regards to upkeep
5. Keep checking on driving range net for Sunnyvale
6. Continue to raise non-resident fees till we reach a \$5.00 difference (minimum)
7. Offer specials
8. Golf cart paths

Attachment D details staff's responses to each of these suggestions.

- Estimated cost savings from elimination of paper agenda packets for Council

Council member Swegles requested an estimate of the cost savings that would be generated from the elimination of paper agenda packets for Council and delivering the packets through CD or the web.

If Council were to access the agenda and agenda materials via the web or on CD, cost savings on materials related to printing Council packets would be realized. Currently, 19 packets are produced for each Council meeting at an estimated materials cost of \$21,000. Producing only 12 packets would reduce the estimated materials cost to \$13,225, resulting in a savings of approximately \$7,775. The materials cost to produce seven CDs to replace seven Council packets would be approximately \$100, which results in a net savings of approximately \$7,675 on materials.

There is no anticipated personnel cost savings from producing 12 Council packets and seven CDs as opposed to producing 19 Council packets. The

time saved on producing fewer hard-copy Council packets will be dedicated to producing the seven CDs.

- Estimated cost to extend Plaza del Sol fee moratorium for non-profit groups

Council member Swegles requested the estimated cost to extend the Plaza del Sol fee moratorium for non-profit groups.

On June 27, 2006 (RTC 06-220), Council authorized waiving of use fees for Plaza del Sol for community groups having broad community support. The amount of total fees that were authorized to be waived was \$32,000, which is the potential amount of revenue the City was willing to forego to provide use of Plaza del Sol free of charge to certain community groups. On May 22, 2007 (RTC 07-171), this moratorium on fees for community groups with broad community support was extended through May 30, 2009. To date, there have been no qualifying community groups that have requested use of Plaza del Sol free of charge. Based on this, it is not expected that continuing to provide this fee waiver will result in a significant revenue impact to the City. Attachment E shows the current FY 2007/2008 Fee Schedule for Plaza del Sol. Each full-day rental of Plaza del Sol by a qualifying community group would result in a revenue loss of up to \$1,200 to the City. While the attached fee schedule can provide a gauge for the impact of waiving fees for certain groups, it is not possible to calculate the exact impact of extending the moratorium, as that will be determined by usage by qualifying groups. As noted previously, however, based on the current situation, this moratorium is expected to have a minimal impact on revenues.

- Update on grant funding for Lawrence Station Transit Village

Council members Moylan and Whittum requested an update on the potential for grant funding for the Lawrence Station Transit Village Study Issue and future development.

In February 2008, staff researched the possibility of applying for a grant from the Metropolitan Transit Commission (MTC) through their Transportation for Livable Communities (TLC) planning grant program for the Lawrence Station Transit Village Study Issue. Staff did not apply for the TLC planning grant after further discussion with the MTC staff. It would be premature at this time because MTC expects the City to commit to a fairly comprehensive specific plan with General Plan and zoning changes that support high density development. The City is not at this point and would ideally wish to make it a joint effort with the City of Santa Clara. The City would be in a stronger position to apply for the grant next year after the study issue is completed, which will be an assessment of possible

development opportunities and provide initial policy direction. This assessment would serve as the basis for the grant application and a specific plan, if the Council directs.

In April 2008, staff researched potential legislation, authored by State Senator Fiona Ma, that would provide incentives for transit-oriented developments. Staff found that the bill is essentially a financing proposal for public infrastructure within and serving “transit villages” (high density near transit stations) based on the redevelopment financing model. Agencies can establish transit improvement districts, issue bonds, and use the tax increment from the transit development to pay off the bonds. The bill is targeted at allowing transit agencies as well as cities to set up these districts and would allow transit agencies to take other local agencies’ tax increment. Staff does not believe this is applicable to the Lawrence Station area because the redevelopment area would not be large enough to require significant new public infrastructure.

Boards and Commissions Budget Review

All of the City’s boards and commissions have had the opportunity to review the recommended FY 2008/2009 Budget, which was made available to them on May 12, 2008. Boards and commissions wishing to make comments, suggestions, or recommendations may testify at the June 3, 2008 public hearing. Testimony from the hearing, as well as draft board and commission meeting minutes discussing the Budget will be included in the Budget Adoption Report to Council scheduled for June 10, 2008.

FISCAL IMPACT

There is no fiscal impact to this public hearing. Budget adoption is scheduled for June 10, 2008.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center, and Department of Public Safety; posting the agenda and report on the City’s Web site; and making the report available at the Library and the Office of the City Clerk. Legal ads were published in *The Sunnyvale Sun* on May 7, 2008, and May 21, 2008 (Attachment B). All potential recipients of the City’s outside group funding were notified as part of the City’s outside group funding procedures. Finally, the City’s website has included the entire recommended FY 2008/2009 Budget and Resource Allocation Plan since May 12, 2008.

RECOMMENDATION

It is recommended that the Public Hearing be held to meet the legal requirements of the City Charter, the *California Constitution*, and the California

Government Code. Council should provide direction to staff on any issue requiring further review prior to the budget adoption on June 10, 2008.

Reviewed by:

Mary J. Bradley, Director, Department of Finance
Prepared by: Ann Durkes, Budget Analyst

Approved by:

Amy Chan
City Manager

Attachments

- A. Appropriations Limit
- B. Legal Notice of Public Hearing
- C. Process for Considering Outside Requests for Special Event Funding
- D. Response to Golf Course Suggestions Provided During Budget Workshop on May 23, 2008
- E. FY 2007/2008 Fee Schedule for Plaza del Sol

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2008/2009 Recommended Budget**

	<u>FY 2007/2008</u>	<u>FY 2008/2009</u>
Appropriations:		
035. General Fund	\$ 120,880,495	\$ 127,264,524
070. Housing Fund	1,438,318	6,805,256
071. Home Fund	3,217,017	1,222,546
110. Community Development Block Grant Fund	2,489,796	2,065,718
141. Park Dedication Fund	2,015,000	4,241,654
175. Public Safety Forfeiture Fund	103,045	50,000
190. Police Services Augmentation Fund	266,447	290,268
210. Employment Development Fund	8,448,344	6,746,092
245. Parking District Fund	175,013	156,557
280. Gas Tax Fund	1,857,678	2,750,641
285. Transportation Development Act Fund	81,600	6,213
295. Youth and Neighborhood Services Fund	702,301	717,395
385. Capital Projects Fund	4,162,368	39,540,929
610. Infrastructure Renovation and Replacement Fund	6,658,719	1,994,429
	<u>152,496,141</u>	<u>193,852,222</u>
Total Appropriations		
	152,496,141	193,852,222
Appropriation Adjustments:		
Non-Tax Revenues	(65,675,732)	(75,490,481)
Debt Service Appropriation	(408,969)	(179,010)
Capital Outlay	(2,177,292)	(2,936,366)
	<u>(68,261,993)</u>	<u>(78,605,857)</u>
Total Appropriation Adjustments		
	(68,261,993)	(78,605,857)
Adjusted Appropriations Subject to Limit	84,234,148	115,246,365
Growth Rate Factor	1.0601	1.0608
	<u>148,032,999</u>	<u>157,039,013</u>
Total Allowable Appropriations Limit <i>(Prior Year Appropriations Limit x Growth Rate Factor)</i>		
	<u>148,032,999</u>	<u>157,039,013</u>
Amount Under (Over) Allowable Appropriations Limit	\$ 63,798,851	\$ 41,792,648

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2008/2009 Recommended Budget**

Revenues:	FY 2007/2008	FY 2008/2009
Tax Revenues:		
Property Tax	37,164,308	40,022,455
Sales Tax	32,584,622	32,930,690
Other Taxes	16,973,741	18,903,225
Non-Restricted State Shared Revenues	1,134,813	910,000
Interest Income	2,987,774	3,040,639
Total Tax Revenues	90,845,258	95,807,010
Non-Tax Revenues:		
Federal Grants	13,450,722	25,098,650
Franchise Fees	6,037,676	6,086,169
Permits and Licenses	6,722,084	7,032,776
Miscellaneous	13,123,836	5,693,786
Inter-Fund Revenues	7,791,859	7,907,348
Restricted State Shared Revenues	3,558,204	4,161,951
Rents and Concessions	2,425,024	2,588,643
Service Fees	8,899,439	9,144,491
Other Government Contributions/Revenues	396,826	4,219,687
Fines and Forfeitures	896,479	1,154,916
State Grants/Reimbursements	213,600	6,213
Interest Income	2,159,983	2,395,851
Total Non-Tax Revenues	65,675,732	75,490,481
Total Revenues	\$ 156,520,990	\$ 171,297,491

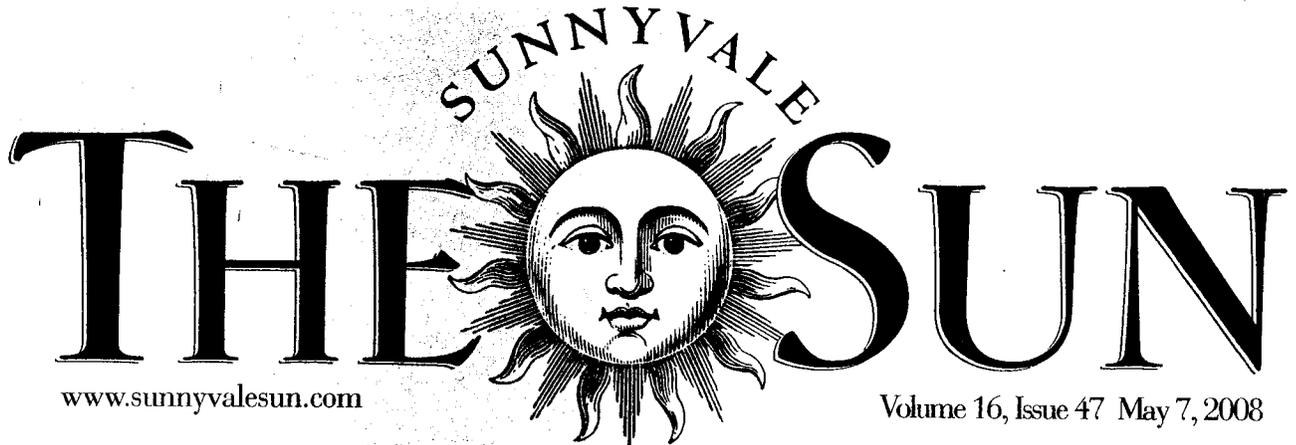
**CITY OF SUNNYVALE
 APPROPRIATIONS LIMIT
 FY 2008/2009 Recommended Budget**

Attachment A

	AMOUNT	SOURCE
A. LAST YEAR'S LIMIT	\$ 148,032,999	Prior Year
B. ADJUSTMENT FACTORS		
1. Population (1.72%)	1.0172	State Department of Finance
2. Inflation (4.29%)	1.0429	State Department of Finance
	1.0608	(B1*B2)
Total Adjustment %	0.0608	(B1*B2-1)
C. ANNUAL ADJUSTMENT	\$ 9,006,014	(B*A)
D. OTHER ADJUSTMENTS:		
Lost Responsibility (-)	0	
Transfer to private (-)	0	
Transfer to fees (-)	0	
Assumed Responsibility (+)	0	
Sub-total	0	
E. TOTAL ADJUSTMENTS	\$ 9,006,014	(C+D)
F. THIS YEAR'S LIMIT	\$ 157,039,013	(A+E)

Attachment B

Legal Notice of *Public Hearing — FY 2008/2009 Budget and Resource Allocation Plan, Establishment of Appropriations Limit, and Proposed Fee Increases* as it appeared in ***The Sunnyvale Sun, Vol. 16, Issue 47***, May 7, 2008, page 53. The notice also appeared on May 21, 2008.



**NOTICE OF SUNNYVALE
NOTICE OF PUBLIC HEARING
JUNE 3, 2008
BUDGET AND ANNUAL FEE
REVIEW
AND ESTABLISHMENT OF
APPROPRIATIONS LIMIT**

A Public Hearing on the City of Sunnyvale's recommended budget for Fiscal Year 2008/2009 will be held on Tuesday, June 3, 2007 at 7:00 p.m. in the Sunnyvale Council Chambers, 456 West Olive Avenue, Sunnyvale, CA. At the hearing, citizens are invited to provide comments, suggestions, or questions regarding the City's recommended budget. Copies of the budget are available for public review at the Sunnyvale Library, City Clerk's Office, and Finance Department during regular

business hours. The recommended budget is also available on the City's website. Included in the recommended budget are proposed fees and charges for City services, establishment of the Expenditure Appropriations Limit, and projected revenues and expenditures for the next 20 years.

Please publish:
(Pub SUN 5/7 and 5/21)

Process for Considering Outside Requests for Special Event Funding

(Approved by Council September 25, 2001--RTC 01-329)

Community event funding requests will be considered on an annual basis via a competitive application process. Upon Council approval, staff will prepare an application form and promotional materials, and will begin to market the program via the Quarterly Report, mailings to groups that have held events in the past, and other means.

All groups desiring grant funding for their community event must submit a complete grant funding application by specific due dates. Public notice of the availability of requests and the specified dates will be provided in ample time for applications to be prepared.

All applicants desiring a grant from the City for a community event will be required to comply with the application procedure and time schedule. All applications must meet the following eligibility criteria:

Eligibility Criteria

1. The group has completed the application process, and the application has been determined to be accurate and complete.
2. Admission to the event is free and open to the public. (For clarification, if the event is targeted to a particular neighborhood, but it is open to anyone, this is considered open to the public.)
3. The event must be held within City limits.
4. The grant recipient will attempt to expend all grant funding within City limits.
5. Grants will not be given to individuals.
6. Applicants must be able to submit a budget proposal, including an estimate of City services required.
7. Applicants must identify whether or not the event is a fundraiser. The application review team will decide on a case-by-case basis whether or not to allow funds to be granted to events that are fundraisers. Fundraisers can be popular events that help provide vitality and identity to the community. However, the City may or may not wish to subsidize events that leverage City in-kind support to raise funds for a particular organization, mission, or objective that may not be consistent with the City's policy positions.
8. Organizations must be non-profit or not-for-profit.
9. The applicant must agree to use the funds for the event only.
10. The applicant must agree to submit an evaluation form after the event. The evaluation form is a quality-control mechanism to determine whether goals were met, such as attendance, and the actual amount of funding spent.

11. The applicant must obtain required permits, clearances, insurance, and event authorization in a timely manner.
12. Organizations must acknowledge the support of the City of Sunnyvale where appropriate.
13. The applicant must identify other co-sponsors of the event. All co-sponsors must be approved by the City. This criterion enables the City to consider the extent to which the organizations or their missions are consistent with the City's policy positions.
14. Funds will not be granted for a religious purpose, including for the promotion of any sect, church, creed, or sectarian organization, nor to conduct any religious service or ceremony. Funds can be granted to religious organizations as long as the funds are not used for a religious purpose. This eligibility criterion, which is consistent with criteria utilized by the cities of San Jose and Milpitas, is an attempt to preserve separation of church and state while still allowing religious organizations to be eligible for grant funds.
15. Community events that are a collaborative effort between the City and outside groups are eligible to apply for grant funding. However, grant funds can only be used to defray expenses incurred by the outside group(s) rather than the City. This criterion would avoid penalizing groups for partnering with the City by enabling them to apply for grant funding only for their portion of budgeted expenses.

Evaluation Process

To assure that all applications for City funding receive due consideration and to ensure Council is provided with the information it needs to make its funding decisions, staff recommends that the following evaluation process should be applied to requests received:

- I. Applications not received by the due date will be rejected. Applicants submitting applications that are materially incomplete will have five (5) working days from notification by staff to correct any deficiencies or their applications will not receive further evaluation.
- II. An interdepartmental team of City staff, designated as the "Community Events Grant Review Committee", will review and evaluate grant proposals.
- III. Staff will determine proposal eligibility based on guidelines provided in the adopted policy statement. Proposals not qualifying will not be recommended for funding and will not receive further evaluation.
- IV. Grant amounts will be determined on an individual basis. The review team will recommend a grant amount, which may be more or less than the amount requested.
- V. The recommendations of the review team will be forwarded to the City Manager. The City Manager will review the recommendations of the

review team and recommend to Council which events should be funded and at what level.

Evaluation Criteria

Staff recommends that grant applications should be subject to the following evaluation criteria. Staff will apply these criteria uniformly to all applications reviewed.

- a. The event enhances the ability of the City to achieve its policy goals of "encouraging celebrations of community and [events] which focus on the character, diversity and quality of Sunnyvale" and "special events which provide vitality and identity to the community."
- b. The City will give preference to events of a citywide nature expected, or demonstrating an ability, to draw a crowd of at least 500.
- c. The sponsoring organization(s) must meet the eligibility standards to receive funding.
- d. The sponsoring organization(s) must demonstrate the ability to produce a well-planned, safe event.
- e. The sponsoring organization(s) must demonstrate strong financial management and effective management controls, including cost-effectiveness.
- f. The review team will consider the financial and budgetary capabilities of the sponsoring organization(s), the extent to which City funds will be leveraged with other funding sources, and the need for City funding.

Other Requirements

Grant funds must be expended within 90 days after the event is held or within two years of the date funds are granted (i.e., the date that grant award letters are sent to organizations), whichever comes first.

Administering Funds

Grant funds will be administered in the following fashion. The organization sponsoring the community event will bill the City on an ongoing basis for reimbursement of expenses incurred, up to the grant amount.

**Response to Golf Course Suggestions Provided During
Budget Workshop on May 23, 2008**

Item 1 - *Work on yardage markers on golf course* –

This suggestion is general and doesn't note whether enhanced maintenance of the current markers, missing tee markers, additional course markers or course yardage books that note yardage marks is the suggested focus. The following information is provided as an overview of the yardage markers in use. Over the years there have been many changes to the yardage markers at our courses. We currently have the following yardage systems in place at City courses:

- On each tee there is a Granite sign that shows the layout of the hole and lists the various starting yardages. (Many of these signs will need to be replaced at Sunnyvale GC when the tee renovation project is completed).
- Northern California Golf Association (NCGA) markers buried on each tee are set at the designated yardage per tee. (Because of the current tee reconstruction project at Sunnyvale GC these markers are not in place but will be re-installed as the new tees are completed. Sunnyvale GC will be re-rated by the NCGA in September after this work is complete and new yardages are established as needed).
- At Sunnyvale GC on all the par 4's and 5's we have poles in the middle of the fairway at 150 yards to the center of the green that are visible from greater distances away to help the players determine how they want to play their tee shots.
- In the fairways we have Kirby Markers (in-ground, round, domed plastic markers) at 50, 100, 150 and 200 yards out from the center of the green. In some cases these markers are only on one side of the fairway. Number of markers could be increased at a cost of approximately \$100 each, though staff has not received a request for additional Kirby Markers.
- Golf Flag colors also designate distance and are used as markers. At Sunnyvale GC red (front), white (middle) or blue (back) flags are placed on the greens to designate which portion of the green the flag is located in on any particular day. This helps the player judge actual distance on any given day.
- On most par four and par five holes there are purple-leaf plum trees that were planted at the 150 yard mark many years ago. These trees are not as accurate as the Kirby Markers noted above, but they are useful in judging general distance to the green.
- Other systems that are available, but are not in use currently include:
 - GPS systems on the golf cars;

- yardage markers on designated sprinkler heads;
- Golf Course yardage books; and,
- Standing poles at the 50 yards intervals similar to our Kirby Marker system.

At Sunken Gardens GC we have only two par four holes with Kirby Markers installed on these holes. We also have NCGA markers and tee signs on each hole similar to those at Sunnyvale GC. We do not use the red-white-blue flag system at Sunken Gardens GC because the holes are short and the greens are very small so there is little variation in yardages.

Regarding the maintenance of the above noted markers, staff regularly trims around all the various markers to keep them as visible as possible for players. Because it is all hand labor, this requires several hours of labor each time they go through all the markers on any one hole.

Item 2 - *Work on keeping sand traps dry -*

- The sand traps (bunkers) do not have drainage systems and they receive irrigation water from the surrounding sprinklers because the system is designed to water the entire area, not just the turf area. The irrigation systems at both golf courses are state of the art for golf courses in our market range (level II) and also for most courses above our market range. Many sand bunkers are ready for play but some water may be found bunkers where the irrigation cycle occurs just before dawn. This water generally affects the first several foursomes that play on the day following an irrigation cycle.

Staff is aware of a few golf courses in the bay area where more sophisticated systems have been installed that help to exclude water from sand bunkers. While these private country clubs have had irrigation systems designed so they do not water their bunkers it has come at significant expense. In order to not water the bunkers they have installed smaller irrigation heads around the bunkers so larger turf irrigation heads do not hit the sand. This requires more irrigation heads and more stations as well as more complex irrigation controllers and programs. These courses also require more hand labor to repair the smaller heads and spot water the banks around sand bunkers during hot weather.

Depending on the existing design of the system at any given course the cost to retrofit to this type of system can be quite expensive. Based upon a similar inquiry in 2004, staff received an estimate for this type of work at \$2,500/bunker. At Sunnyvale GC that would put the estimated cost of this retrofit at about \$155,000. Water use in these areas is less than 3% of our total irrigated area so a retrofit would not provide a significant savings in water use or costs. However, future planned work to rebuild the bunkers will also help the drainage in many of the bunkers and thus mean the sand should dry out sooner after an irrigation cycle.

- The above described conditions are the same at Sunken Gardens GC except that there are only 8 sand bunkers at Sunken Gardens GC. These bunkers were rebuilt in the last few years and tend to dry out more quickly the bunkers at Sunnyvale GC.

Item 3 - *Keep restrooms clean* -

- All of the restrooms at each golf course are currently cleaned thoroughly each morning by operations staff at each of the golf courses. On days when we have special events or tournaments restrooms are cleaned again later in the day. Operations staff typically does a quick check of each of the restrooms later in the day cleaning them as-needed and staff from the golf shops check them in the afternoon after operations staff are gone for the day. Increased cleaning could be provided with increased staffing of approximately one-half hour per cleaning. It would be possible to add additional cleanings during the day by adding additional staff and resources to accomplish this task as Council prefers.
- It should also be noted that the clubhouse restrooms at both courses are old. While fixtures have been updated as resources allowed, the allocation of additional resources in the form of a capital project might allow for remodel or renovation that could improve the overall appearance of the restrooms.

Item 4 – *Work with Restaurant in regards to upkeep* -

- The majority of the restaurant upkeep is the responsibility of the restaurant Licensee. While the city has responsibility for the building structure, building repairs, rough plumbing and such. Items such as tables, chairs, carpeting and janitorial efforts come under the responsibility of the restaurant licensee.

Staffs work with the operator in efforts to ensure the restaurants are kept presentable. By agreement, the Licensee must keep these sites in condition similar in quality to establishments at similar facilities. It is in the Licensee and the City's best interests to continue to focus efforts at improving the quality of the restaurants and enhance customers' experiences. However, as the golf rounds and revenues have declined in recent years, so have the sales and profits of food/beverage operations. Therefore, the Licensee has not been in a position to greatly improve the furnishings and fixtures or increase labor costs. The Licensee remains committed to meeting all elements of our agreement and continuing to provide nominal improvements to the facilities. Recent improvements were noted at the Sunnyvale GC snack shack and restaurant patio/deck. Improvements have also been noted at Sunken Gardens GC patio.

In an effort to track the restaurant conditions and assist in measured improvement of same, staff has created a new Performance Measure (effective FY 2008/09) related to the restaurant upkeep that will give regular opportunities to note concerns through scheduled inspections. Significant, immediate improvement could be achieved through an additional capital investment on the part of the City

and/or the Licensee. However, return on that investment would not likely be found in the near future. That is, due to the locations of the restaurants and the central focus of serving our golf customers, a large capital investment though appreciated by customers would not likely provide a positive financial return for the investor(s).

Item 5 – *Keep checking on driving range net for Sunnyvale -*

- During the Golf Vision public input process and in past years, golfers have mentioned the desire for an area to hit practice balls at Sunnyvale GC (since there is no driving range). Staff would also like to have an area that could be used for demonstration and sales of golf clubs. This concept has held a position on the departmental strategic planning list for several years and staff anticipates creating project papers for City Council consideration during the capital project portion of the City two-year budget process (FY 2008/09). Several options for a warm up or practice area at Sunnyvale GC have been discussed. The most economical option would be to install protective netting in the rear parking area. This area would be small allowing two to three golfers to take advantage of the practice/warm ups at any one time. Limitations include access/egress and the limited numbers of customers served, as well as loss of parking spaces. A more complete option would require grading to create a base that would automatically return balls from the netting area to the teeing area. A level teeing area with 3 or 4 matted teeing areas in front of the netted area. Costs would likely run in the neighborhood of \$20,000 or more.

Another long-range option that could be considered at a much more significant cost would be to create a larger practice area in an area of the course that is currently out of play. If funding were made available to design, construct and maintain an area it would be possible to perhaps create one or two practice greens that could possibly be used for putting and chipping lessons or open to the public for similar practice. Again, such a practice area would come at a significantly higher cost to build and maintain and would not allow players to hit any golf shots much longer than possible 30 yards or so. Typically this type of practice area may be offered to golfers at no fee or used by instructors with students for paid lessons. In either case, golfers would appreciate the amenity but staff would not anticipate this type of practice area to be a positive cash flow endeavor.

Item 6 – *Continue to raise non-resident fees till we reach a \$5.00 difference (minimum) –*

- In May 2007, Council directed staff to create a \$2.00 fee differential between resident and non-residents for weekend and weekend twilight golf play at both Sunnyvale golf courses (RTC 07-173, Study the Benefits and Impacts of Increasing Weekend Golf Fees \$2.00 for Non-Resident Golfers). These new fees were implemented on April 1, 2008, per standard practice, to coincide with the beginning of the prime golf season. Staff's experience with these new fees is

limited, as only 8 weekends have transpired since the fee differential was put into use. The limited data collected since April 1st indicates that approximately 25% of weekend golfers at Sunnyvale GC are residents of Sunnyvale (consistent with statistics provided in RTC 07-173). This data, however, is insufficient for staff to make a determination as to what impact this \$2.00 fee differential has on golf play and associated revenue.

A larger fee differential (\$5.00) could be implemented by lowering the current resident fee, raising the current non-resident fee, or by a combination of the two. This change could be completed in one step, or factored in over several years. Our most recent golf fee survey for Sunnyvale GC (April 2008 – Market Range II, see attached Exhibit A), indicates that our non-resident fee is currently 1.2% below the market average and our resident fee is 34.3% above the market average, while our non-resident twilight fee is 4.4% above average and our resident twilight fee is 18.8% above average.

Historically, golf play has been maximized with standardized fees (no preference) approximately 5% below the market average. The fee survey does not, however, indicate the relative financial success of each facility as compared with Sunnyvale GC. Staff research recently presented in the “Golf Vision” RTC, indicated, in fact, that Sunnyvale operates one of the most financially successful public courses in our market. The market survey also does not consider other factors such as course layout, difficulty, condition, and location, or additional amenities such as driving ranges, practice areas, and food/beverage concessions. These topics are addressed by the levels of markets surveyed (that is, level I, II and III).

Staff does have prior experience with fee differentials in excess of \$2.00. Prior to 1996, each category of golf play had a standard non-resident fee and a discounted resident fee, and on weekdays a highly discounted senior resident fee. Residents of Sunnyvale received discounts from \$2.00 to \$8.00 below standard rates based on course selection, day of week, and time of day. All fees were daily fee only and allowed the customer to play one round of golf at their chosen course. No monthly-play or multi-play discounts were available. These large differentials created some angst among golf players, especially those golf groups containing a mix of residents and non-residents. Additionally, staff was constantly confronted by difficult non-resident customers, attempting to coerce their way into a discount “resident” rate.

In April of 1996, changes were made to both the reservation policy and fee structure as a result of RTC 96-079, Recommended Changes to Golf Services Fee/Reservation Structure. These changes (Monthly Play Passes GDC and SAC, Ten-Play Cards, etc.) were instituted so as to more closely align golf operations with the goals and actions of the (then) recently adopted Recreation Sub-Element. It was noted that each golf course in the industry positions itself through packaging various fees in ways to provide their optimum return per location, customer group, etc. Staff found that resident-based fees were not provided in the

majority of courses within our market and that remains true to date. Also, in that time frame, Council instituted a budgetary objective of establishing self-sufficiency for leisure services (Community Recreation Fund) within the Ten-Year Resource Allocation Plan. By operating the golf courses in a business-like, market based manner by eliminating discounts for prime periods of golf play, Friday through Sunday, and holidays, it was hoped to further these objectives. Through implementation of the 1996 fee package, and based upon current comparisons with our market group, Sunnyvale Golf Services remain at the top of our market both by financial return and in number of rounds played.

Item 7 – Offer Specials -

- Currently staff has the authority to set special prices for golf merchandise and can offer all customers a sales price for golf items on specific days. Staff also sets the prices for golf instruction and creates golf camps for youth with prices that relate to the market for youth activities and an eye toward the golf market. Staff has also discussed with our food/beverage Licensee the possibilities of offering special combinations of golf and lunch or breakfast. Although to date, no such combination special has been agreed upon.

However, special pricing of green fees is not currently within the authority level of staffs. City Council sets the green fee rates and the customer groups (Seniors, Juniors, Disabled and Residents) and times (Weekdays and Twilight) that will receive discounts. With attention to factors such as revenue per round played, total revenue and total rounds; as well as, public perception of fairness in distribution of special green fee rates, staff could provide special green fee discounts – only with additional City Council direction.

Item 8- Golf Cart Paths –

Because golf cart use at Sunken Gardens GC is limited to one cart available for disabled golfers and there are limited paved paths at this nine-hole course, most of the following discussion centers on the cart paths at Sunnyvale GC. Sunnyvale GC currently has sections of cart paths adjacent to each tee and along some border areas where maintenance vehicles frequently travel (holes 1 and 2).

- There is a recurring project in the long-term infrastructure budget (#819580) that sets aside funds for the upkeep of the existing pathways. This money is budgeted every ten years and is intended to be used to make repairs on the existing paths. These repairs may be necessary as a result of wear and tear, tree root damage, cracking or other similar issues. The money has also been used to seal sections of pathways in the past.
- There also is a capital project currently scheduled for FY 09-10 (#827170) to design and construct a continuous cart path at Sunnyvale GC. Players at Sunnyvale GC have requested the continuous paths for many years as part of the improvements they would like to see at the course. This was also noted during

public input periods of the recently completed Golf Vision project. The continuous pathway project would meet the needs of our customers by allowing golfers to have carts on paths during wet weather periods each winter and spring. Currently we must close down cart rentals during wet periods because we do not have good access throughout the course and cart use in wet weather causes extensive damage to the turf. Currently we lose cart revenue during these periods; we also quite often lose revenue from the players who are unable to walk the course to play in wet conditions.

FY 07/08 Rental Fee Schedule for Plaza del Sol				
Group Type	Hourly Rental Rate	Maximum Daily Charge	Deposit Fee	Other Fees Charged by City
City or City-Sponsored Events	\$0	\$0	N/A	N/A
Sunnyvale Schools and Sunnyvale Non-Profit Agency Non-Fundraising Events	\$20	\$160	\$500	Fees based on costs for special services or requirements of group.
Sunnyvale Schools and Sunnyvale Non-Profit Agency Fundraising Events	\$100	\$800	\$500	Fees based on costs for special services or requirements of group.
All Other Non-Profit Agency (501C) Non-Fundraising Events	\$100	\$800	\$1,000	Fees based on costs for special services or requirements of group.
All Other Non-Profit Agency (501C) Fundraising Events	\$150	\$1,200	\$1,000	Fees based on costs for special services or requirements of group.
All Other Groups and Events	\$200	\$1,600	\$1,000	Fees based on costs for special services or requirements of group.

- Because of the nature of this facility, a permit for exclusive use would be for the entire plaza and would not be limited to specific elements.
- These are the minimum deposits/fees which would be assessed. Amounts could be increased depending on the nature of the event and anticipated attendance.
- An exclusive use permit will only be issued in conjunction with an approved Community Event application.
- Prior to May 2009, some events held at Plaza del Sol may be eligible to have the fees waived.