



**Council Meeting: June 2, 2009**

**SUBJECT: Annual Public Hearing on FY 2009/2010 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 2009/2010 Budget and Resource Allocation Plan. The purpose of this hearing is to take comments from the public on the FY 2009/2010 Budget and Resource Allocation Plan, as well as on the establishment of the City's appropriations limit. No action is required on the part of the City Council. Adoption of the Budget is scheduled for June 23, 2009.

**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. 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 appropriations limit resolution. The required material that provides detailed information on the City's appropriations limit has been available for public review since May 8, 2009 (Attachment A). The material is included in Volume I of the recommended FY 2009/2010 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 and appropriations limit 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 2009/2010 Budget and Twenty-Year Resource Allocation Plan is scheduled for adoption on June 23, 2009.

### **Appropriations Limit**

The appropriations limit, which is required by Article XIII B of the State Constitution and places a limit on the amount of revenue that can be spent by government entities, is set on an annual basis. It 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 2009/2010 is \$160,477,652. 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 \$56.9 million for FY 2009/2010.

### **FY 2009/2010 Recommended Budget**

On May 21, 2009, the City Council held a Budget Workshop to review in detail the City Manager's recommended FY 2009/2010 Budget and Resource Allocation Plan. The Plan includes total revenues of approximately \$254.2 million. The total recommended budget for all expenditures is approximately \$273.6 million. Of that total, \$228.1 million is for operating; \$40.3 million is for projects, including project administration; and \$9.4 million is primarily for debt service (\$8.6 million) and equipment (\$750,584). In addition, there are \$4.2 million in Cost Saving Actions programmed into the budget. Planned use of reserves total \$19.4 million City-wide. Details of the revenues and expenditures are contained in the recommended FY 2009/2010 Budget and Resource Allocation Plan.

### **FY 2009/2010 Budget Supplements**

For the recommended FY 2009/2010 Budget, eight budget supplements are presented for Council consideration. Due to the current fiscal crisis and the resulting lack of resources available to fund new initiatives, only four of these

budget supplements have been recommended by the City Manager for approval. Two are proposed to be funded in the General Fund, one from Community Development Block Grant funds, and one by the Water, Wastewater, and Solid Waste funds. A brief summary of all budget supplements presented for Council consideration, including the funding source, is below.

Budget Supplements Recommended for Funding:

- *Budget Supplement #1 – Accelerating Installation of Sidewalk Access Improvements/Accessible Pedestrian Curb Ramps:* This supplement would augment current funding for annual improvements to sidewalk access, allowing installation of more pedestrian curb ramps. This includes related work necessary to remove pedestrian barriers at intersections and improve accessibility to people of various abilities. The proposed \$805,519 in one-time funding by Community Development Block Grant (CDBG) funds for curb ramp installation in FY 2009/10 would provide for the installation of approximately 436 ADA-compliant curb ramps.
- *Budget Supplement #4 – Planning Commission Training Budget:* This supplement would provide additional annual funding to allow attendance by all seven planning commissioners at the Planners Institute conference offered each year by the California League of Cities. The cost of this supplement is \$6,955 annually, or approximately \$175,000 over the 20-year long-term plan. This supplement would be funded by the General Fund.
- *Budget Supplement #5 – Electronic Utility Bill Presentment and Payment:* This supplement would fund the design and implementation of a fully-featured web access that allows customers to view utility bills, access billing and payment history, and make electronic bill payment. The design and implementation of this project would incur one-time costs not to exceed \$80,000. Ongoing hardware and software maintenance costs in the amount of \$8,000 will be offset by savings in postage and other mailing costs. This supplement would be funded by the Water, Wastewater, and Solid Waste funds.
- *Budget Supplement #6 – Outside Group Funding Request from Silicon Valley Leadership for Leadership Sunnyvale Program:* This supplement would continue funding support for Leadership Sunnyvale in FY 2009/2010 in the amount of \$6,000 to provide public affairs training to Sunnyvale community members. This supplement would be funded by the General Fund.

Budget Supplements **Not** Recommended for Funding:

- *Budget Supplement #2 – Connecting the John W. Christian Trail to Lakewood and Fairwood Elementary Schools as Destinations and Locations of Bicycle Parking (General Fund).* This supplement requests one-time funding in the amount of \$100,000 for construction of pathways between the John W. Christian Trail and Lakewood and Fairwood Elementary Schools, plus \$1,000 in annual operating costs for maintenance of these pathways. This budget supplement is not recommended because these pathways would not eliminate any barrier to access the schools, as the trail is currently accessible via existing roadways and sidewalks.
- *Budget Supplement #3 – Development of a Multi-Media Educational Program on Traffic Safety (General Fund).* This supplement requests one-time funding in the amount of \$100,000 for a multi media educational program on traffic safety, as requested by the Bicycle and Pedestrian Advisory Commission (BPAC). While traffic safety is a core issue for the Departments of Public Works and Public Safety, staff believes a media campaign is unnecessary at the current time. Traffic safety is addressed through various operational programs, and collision rates in the City are not unusually high.
- *Budget Supplement #7 – Junior Achievement K-12 Education Program (General Fund).* This supplement requests one-time funds in the amount of \$10,740 for Junior Achievement of Silicon Valley and Monterey Bay (JA), a nonprofit community based organization, to support programs that link education and the world of work through a sequential K-12 curriculum. Staff believes if additional resources were provided to the Youth and Neighborhood Services Program by Council, they would be better utilized on counseling services or activities for at-risk youth.
- *Budget Supplement #8 – Community Event Funding Support (General Fund).* This budget supplement requests \$30,000 in one-time funding to provide support to City-wide community-initiated special events, such as parades, fairs, and carnivals, which provide opportunities to celebrate the City's diversity, heritage and uniqueness. Due to the City's current financial condition and structural deficit, staff recommends not approving this budget supplement request.

**Budget Workshop Follow-up**

At the Budget Workshop on May 21, 2009, Council asked for information or clarification on a number of issues. These issues have been addressed by staff and are included as Attachment C to this report.

**Boards and Commissions Budget Review**

All of the City's boards and commissions have had the opportunity to review the recommended FY 2009/2010 Budget, which was made available beginning May 8, 2009. Boards and commissions wishing to make comments, suggestions, or recommendations may testify at the June 2, 2009 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 23, 2009.

**FISCAL IMPACT**

There is no fiscal impact to this public hearing. Budget adoption is scheduled for June 23, 2009.

**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 13, 2009, and May 20, 2009 (Attachment B). Finally, the City's website has included the entire recommended FY 2009/2010 Budget and Resource Allocation Plan since May 8, 2009.

**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 23, 2009.

Reviewed by:

Mary J. Bradley, Director, Department of Finance  
Prepared by: Drew Corbett, Budget Division

Approved by:

Gary Luebbers, City Manager

**Attachments**

- A. Appropriations Limit
- B. Legal Notice of Public Hearing
- C. Follow-up to Council Questions and Comments from the Budget Workshop on May 21, 2009

**CITY OF SUNNYVALE  
CALCULATION OF APPROPRIATIONS LIMIT  
FY 2009/2010 Recommended Budget**

<b>Appropriations:</b>	<u>FY 2008/2009</u>	<u>FY 2009/2010</u>
035. General Fund	\$ 127,264,524	\$ 120,342,379
070. Housing Fund	6,805,256	1,473,140
071. Home Fund	1,222,546	2,201,083
110. Community Development Block Grant Fund	2,065,718	3,264,445
141. Park Dedication Fund	4,241,654	139,393
175. Public Safety Forfeiture Fund	50,000	129,030
190. Police Services Augmentation Fund	290,268	232,503
210. Employment Development Fund	6,746,092	11,968,167
245. Parking District Fund	156,557	144,990
280. Gas Tax Fund	2,750,641	2,096,903
285. Transportation Development Act Fund	6,213	207,000
295. Youth and Neighborhood Services Fund	717,395	745,807
385. Capital Projects Fund	39,540,929	8,141,790
610. Infrastructure Renovation and Replacement Fund	1,994,429	5,056,118
<b>Total Appropriations</b>	<u>193,852,222</u>	<u>156,142,748</u>
<b>Appropriation Adjustments:</b>		
Non-Tax Revenues	(75,490,481)	(51,883,573)
Debt Service Appropriation	(179,010)	(177,270)
Capital Outlay	(2,936,366)	(475,000)
<b>Total Appropriation Adjustments</b>	<u>(78,605,857)</u>	<u>(52,535,843)</u>
<b>Adjusted Appropriations Subject to Limit</b>	115,246,365	103,606,905
Growth Rate Factor	1.0608	1.0219
<b>Total Allowable Appropriations Limit</b> <i>(Prior Year Appropriations Limit x Growth Rate Factor)</i>	<u>157,039,013</u>	<u>160,477,652</u>
<b>Amount Under (Over) Allowable Appropriations Limit</b>	<u>\$ 41,792,648</u>	<u>\$ 56,870,747</u>

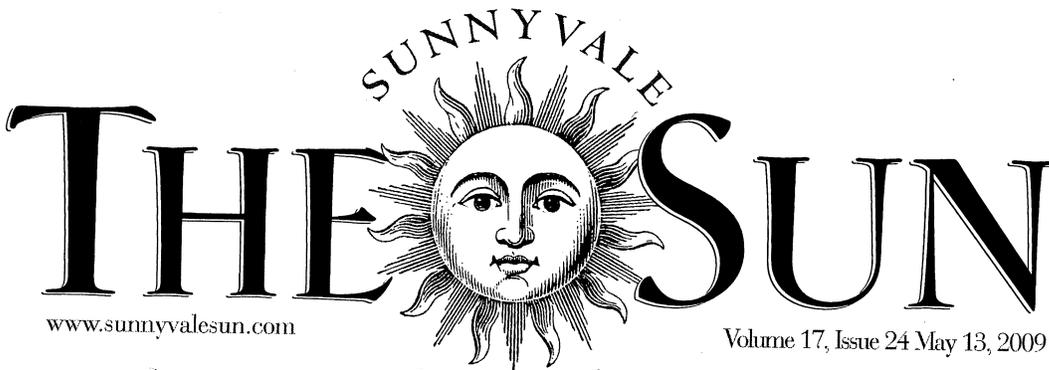
**CITY OF SUNNYVALE  
CALCULATION OF APPROPRIATIONS LIMIT  
FY 2009/2010 Recommended Budget**

<b>Revenues:</b>	<u>FY 2008/2009</u>	<u>FY 2009/2010</u>
<b>Tax Revenues:</b>		
Property Tax	40,022,455	41,834,737
Sales Tax	32,930,690	27,100,000
Other Taxes	18,903,225	15,703,058
Non-Restricted State Shared Revenues	910,000	563,500
Interest Income	3,040,639	2,067,069
<b>Total Tax Revenues</b>	<u>95,807,010</u>	<u>87,268,364</u>
<b>Non-Tax Revenues:</b>		
Federal Grants	25,098,650	18,036,950
Franchise Fees	6,086,169	6,227,378
Permits and Licenses	7,032,776	4,355,724
Miscellaneous	5,693,786	1,104,235
Inter-Fund Revenues	7,907,348	7,082,396
Restricted State Shared Revenues	4,161,951	3,701,346
Rents and Concessions	2,588,643	2,623,656
Service Fees	9,144,491	5,498,650
Other Government Contributions/Revenues	4,219,687	153,472
Fines and Forfeitures	1,154,916	1,139,833
State Grants/Reimbursements	6,213	731,000
Interest Income	2,395,851	1,228,933
<b>Total Non-Tax Revenues</b>	<u>75,490,481</u>	<u>51,883,573</u>
<b>Total Revenues</b>	<u>\$ 171,297,491</u>	<u>\$ 139,151,937</u>

**CITY OF SUNNYVALE  
APPROPRIATIONS LIMIT  
FY 2009/2010 Recommended Budget**

	<u>AMOUNT</u>	<u>SOURCE</u>
A. LAST YEAR'S LIMIT	\$ 157,039,013	Prior Year
B. ADJUSTMENT FACTORS		
1. Population (1.56%)	1.0156	State Department of Finance
2. Inflation (0.62%)	1.0062	State Department of Finance
	1.0219	(B1*B2)
<b>Total Adjustment %</b>	0.0219	(B1*B2-1)
C. ANNUAL ADJUSTMENT	\$ 3,438,639	(B*A)
D. OTHER ADJUSTMENTS:		
Lost Responsibility (-)	0	
Transfer to private (-)	0	
Transfer to fees (-)	0	
Assumed Responsibility (+)	0	
Sub-total	<u>0</u>	
E. TOTAL ADJUSTMENTS	\$ 3,438,639	(C+D)
F. THIS YEAR'S LIMIT	<u>\$ 160,477,652</u>	(A+E)

Legal Notice of *Public Hearing — FY 2009/2010 Budget and Resource Allocation Plan, Establishment of Appropriations Limit, and Proposed Fee Increases* as it appeared in **The Sunnyvale Sun, Vol. 17, Issue 24**, May 13, 2009, page 37. The notice also appeared on May 20, 2009.



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 5/13 and 5/20)

**City Legals**

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**NOTICE OF SUNNYVALE  
NOTICE OF PUBLIC HEARING  
JUNE 2, 2009  
BUDGET AND ANNUAL  
FEE REVIEW  
AND ESTABLISHMENT  
OF APPROPRIATIONS LIMIT**

A Public Hearing on the City of Sunnyvale's recommended budget for Fiscal Year 2009/2010 will be held on Tuesday, June 2, 2009 at 7:00 p.m. in the Sunnyvale Council Chambers, 456 West

## Follow-Up to Council Questions and Comments from Budget Workshop on May 21, 2009

**Councilmember Chu requested a 20-year history of the Budget Stabilization Fund as a percentage of General Fund operating expenditures.**

Staff response: Below is a table that shows a 10-year history of the Budget Stabilization Fund as a percentage of General Fund operating expenditures, as well as the projected ratio for FY 2008/2009 and FY 2009/2010.

### Budget Stabilization Reserve as a % of General Fund Operating Expenditures

Fiscal Year	%
1998/1999	46%
1999/2000	57%
2000/2001	86%
2001/2002	79%
2002/2003	62%
2003/2004	59%
2004/2005	56%
2005/2006	53%
2006/2007	52%
2007/2008	51%
2008/2009	30%
2009/2010	23%

Prior to FY 1998/1999, the Budget Stabilization Fund, or Resource Allocation Plan (RAP) Reserve, did not exist in the same form as it does for the current budget for a variety of reasons. Throughout the 10 years prior to FY 1998/1999, the various reserves of the General Fund went through a number of iterations and changes. For example, prior to FY 1992/1993, the reserve that is now the 20% Contingency Reserve was the 10% Contingency Reserve, meaning that at that time, only 10% of operations expenditures were set-aside as a reserve. Additionally, prior to FY 1993/1994, funds were set-aside as an expenditure line item to provide for increased costs or services. This amount, which was 1% of operations, was replaced in FY 1993/1994 by a reserve line item titled, *Service Level Contingency*. This reserve was 5% of operations and served as an addition to the reserve and was also utilized to provide for increased costs or services.

Another issue with the comparison has to do with the Resource Allocation Plan (RAP) reserve, which is now known as the Budget

Stabilization Fund. The issue with this reserve, which was resolved in the late 1990s, was that it served also as a reserve for capital projects. As a result, until capital projects were removed from the General Fund, the RAP reserve as a percentage of operations expenditures is not comparable to that ratio today because that reserve had significant funds tied to capital expenditures included in it. As a result of these things, making an accurate comparison of the reserves prior to ten years ago to the Budget Stabilization Fund of today is difficult and does not provide much useful information.

**Councilmember Hamilton requested statistics on how the mixed paper recycling program is going.**

Staff response: As part of the Choice Collect program changes implemented in the Fall of 2008, the City added mixed paper to its list of recyclables collected at curbside. As a result, the city has seen a 12% increase (275 tons) in paper recycling tonnage over the same period last year. Mixing other types of paper with newspaper degrades the market value of the paper recyclable stream, so overall, revenues from the curbside paper recycling program will remain flat, even though there is an increase in tonnage. However, this increase, while a small percentage of the total solid waste disposed city wide, still improves the City's diversion rate and is a positive addition to the City's excellent recycling program.

**Councilmember Chu asked for information about the impact of the new Bay Area Air Quality Management District particulate matter regulations.**

Staff response: In response to Councilman Chu's inquiry regarding Raisch's status with respect to compliance with recent regulations regarding particulates, staff contacted Rick Navarro, Manager of Engineering and Environmental Affairs for Raisch Products. Rick was told of Councilman Chu's non-specific inquiry regarding particulates, and asked if the new regulations being referred to were likely those regulating "in-use offroad diesel vehicles", effective 4/1/09. Rick could not say which specific regulations Councilmember Chu referred to, but stated that Raisch is in compliance with all applicable BAAQMD particulate regulations, whether relating to dust or diesel-fueled equipment. Rick also assured staff that their air permit(s) are current, and that they are in full compliance with them. Rick stated that they have a schedule for equipment replacement, and that starting in 2013 there will be some diesel-powered equipment replaced to stay in compliance with stricter standards that go into effect at that time. Their on-site generator is also in full compliance with their permit and all applicable regulations. With respect to dust control, their standard

operating practices, coupled with spray bars on their rock crushing equipment, keep them in compliance with all applicable regulations.

**Councilmembers Whittum and Hamilton requested information about the process for increasing Park Dedication Fees from the current 1.25 acres per 1,000 residents to 3 acres per 1,000 residents and then to 5 acres per 1,000 residents.**

Staff response:

#### Sunnyvale's Park Dedication Standard

The City of Sunnyvale has two municipal code ordinances that address Parks and Open Space Dedication. In 1981, City Council passed an ordinance establishing Municipal Code 18.10., approving the dedication of land or a park in-lieu fee based on provisions provided by the Quimby Act. The Quimby Act established in 1975 (California Government Code §66477) allows the dedication of land or a park in-lieu fee for park for recreational purposes as a condition of approval for a subdivision or parcel map.

In addition to the Quimby Act allowing the parks in-lieu fee as a subdivision condition, the Mitigation Fee Act (Govt. Code §§66000 *et seq.*), authorizes similar park land dedication or a fee in-lieu for a multi-family residential project, but it is a development fee, not a subdivision condition. Accordingly, the City enacted Sunnyvale Municipal Code Chapter 19.74 which imposes park land dedication or fee in-lieu requirements for multi-family rental housing projects.

Both of these ordinances use the City's standard established in 1981, of 1.25 acres of parkland per 1,000 population.

#### What is required to change the City's Park Dedication Standard?

The Quimby Act provides local jurisdictions the authority to establish its Park Dedication standard and suggests a standard not to exceed 3 acres of parkland per 1,000 population unless the amount of existing neighborhood park and community park area exceeds that limit, in which case the Council may adopt a higher standard not to exceed 5 acres per 1,000.

Sunnyvale's standard of 1.25 acres per 1,000 residents is significantly below both the base standard of 3 acres per 1,000 residents suggested in the Quimby Act and the City's existing park and open space acreage to population ratios which is 5.23 acres of parks and open space per 1,000 residents if school acreage is included, or 4.35 acres of parks and open

space per 1,000 if school acreage is not included. (These figures are based on the 2006 Open Space and Recreation Sub-Elements and 2000 US Census population and may need to be updated.)

Under the Quimby Act, the City Council can choose to revise Title 18 of the City's Municipal Code to change the Park Dedication standard from 1.25 acres to 3.0 acres without a detailed study; or it can choose to revise the Municipal Code to change the standard to a higher amount of parkland per population with a more detailed study to demonstrate that existing neighborhood and community park area currently exceed the limit of 3.0 acres and a higher standard would be required to maintain the current ratio of park acres per resident. In no case may this exceed 5 acres/ 1,000 population. Another option is to increase the standard to 3.0 acres while the more detailed study is underway.

The provisions under the Mitigation Fee Act are not the same as those provided in the Quimby Act. Under the Mitigation Fee Act, when the City imposes a fee for a public improvement or facility as a condition of approval of a development project, it must identify the purpose of the fee, the use to which the fee is to be put, and determine how there is a reasonable relationship between need for and use of the fee, and the type of development project on which it is imposed. The language of SMC Chapter 19.74, including the provision for use of the fees, mirrors the language of SMC Chapter 18.10., but it is not a legal requirement to so. There is flexibility to have different requirements for various aspects of development projects under the Mitigation Fee Act. (Those projects without a sub-division or parcel map.) Therefore, changes to requirements under Chapter 19.74 may call for establishing a reasonable relationship between the need for an increased fee, and the type of development project on which it is imposed. In other words, a nexus study may be required to demonstrate the impacts which need to be mitigated.

Before the City Council takes any action to increase the Park Dedication Standard, several topics should be addressed for the Council to make an informed decision. Issues related to the assumptions upon which the fees are currently based, strategies in use by other local jurisdictions to mitigate the impact of new development, consideration of the goals identified in the Community Development Element of the City's General Plan are only a few of the areas that should be evaluated or explored.

Since setting and changing the parkland dedication standard is up to the local jurisdiction, the City's Report to Council process will provide the means to assure appropriate levels research by staff, including appropriate review during public hearings by the Parks and Recreation

and the Planning Commissions prior to the final report going to Council for approval of a new Park Dedication standard.

**Councilmember Chu requested that the VTP 2035 write-up in the budget document (*Volume IV, Projects Budget*) define “constrained vs. unconstrained.”**

Staff response: Under guidelines established by the Federal government, long range transportation plans must be financially constrained. The financially constrained portion of the Valley Transportation Plan 2030 (VTP 2030) includes projects funded with projected revenues from sources that exist today - such as approved sales tax measures, Federal flexible formula funds, or gas tax subventions. The unconstrained portion of the VTP 2030 regional plan includes projects that would be funded from sources that do not exist today, but could reasonably be assumed to happen or pursued within the time frame of the plan.

**Councilmember Whittum requested information on the impact of increasing street sweeping services. Specifically, he would like to know how much it would cost and what impact it would have to rates.**

Staff response: In order to restore street sweeping to the service level provided prior to the cost saving reductions implemented in FY 2003/2004, one sweeper and one equipment operator, with their corresponding ongoing employee and equipment costs would need to be added to the Pavement Operations Program. Additionally, a one time cost would be incurred to purchase the sweeper.

The summary of one-time and ongoing costs is as follows:

**Year One Costs**

	Wastewater Enterprise Share (50%)	Solid Waste Enterprise Share (50%)	Total
Purchase of Sweeper (1x only)	\$80,000	\$80,000	\$160,000
Equipment Operator	\$53,500	\$53,500	\$107,000
Total	\$133,500	\$133,500	\$267,000

**Ongoing Costs**

Ongoing maintenance and repair	\$25,000	\$25,000	\$50,000
Equipment Operator	\$53,500	\$53,500	\$107,000
Total	\$78,500	\$78,500	\$157,000

The impact on Wastewater and Solid Waste Utilities would be allocated on the same basis as other street sweeping costs (50-50). The impact on rates would be approximately \$0.09 per month for the average residential Solid Waste customer and \$0.11 per month for the average residential sewer customer.

**Councilmember Hamilton asked if it were possible to integrate the City's various customer-facing web-based systems into one centralized location.**

Staff response: Currently on our City Main Index web page, the "e-Service" quick link button displays the four online services available for our Sunnyvale residents: One-stop Permitting, Golf Reservations, Library Services and Online Class Registration. For only one of these online services, Class Registration, a user identification (account name) and a password are required for authentication of the person who needs to log onto that service.

However, as our City makes more online services available in the future, such as utility payments, that also require similar methods of authentication, different account names and passwords may be required. In such a situation, having to remember multiple account names and passwords would be inconvenient and may discourage our citizens from taking advantage of the online services.

To provide the capability for our residents to have only a single account name and password, we will need to deploy a secured identity and access management technology that is better known as "single sign-on". This single sign-on allows the user to sign in once to establish their credentials and begin making a transaction with any desired service thereon.

While such technology is available, it is costly and will require thorough planning and design. For example, it should be able to easily integrate with related IT solutions such as existing identity management solutions, security event management solutions and application management solutions. Moreover, this technology should be carefully selected so that

it can integrate with a federated identity management solution that will eventually be implemented by the financial institutions.

**Councilmember Howe requested information on the impact to Tiers 2-4 of the water pricing structure if Tier 1 ceiling were set at the current average usage minus 15%.**

Staff response: The City's current water pricing practice is to provide "lifeline" service at tier one. The purpose of this tier is to provide an affordable tier for basic, necessary levels of water consumption and it is set from 0 - 6 ccf. The second and third tiers, which are generally set on seasonal averages, should be set at points that provide pricing signals to encourage prudent water use, while still recovering the revenue needed to operate the utility.

The current tiers for all classes are in need of adjustment. For example, staff suspects that due to the changes in plumbing code and demand patterns, the lifeline tier will be smaller than 0 - 6 ccf. Staff plans to perform a detailed review early in the fiscal year and come back to Council with the results before the end of the calendar year. This analysis will take into consideration the current water supply conditions, including the call by the SCVWD for 15% reductions in water use, and reflect those in the proposed pricing changes to be presented to Council.

**Councilmember Whittum requested the cost savings that would be generated if we no longer conducted the resident satisfaction survey.**

Staff response: The City Manager's Recommended Budget suggests eliminating this survey every other year, thereby resulting in a \$20,000 reduction in expenditures every other year (the survey would not be conducted in FY 09/10). If Council acted to eliminate the survey altogether, an additional \$20,000 in hard costs *every other year* would be saved. An additional \$8,600 in staff costs (125 hours) could be cut or (or more practically) redeployed.

**Councilmember Whittum requested the cost savings that would be generated if we discontinued mailing the quarterly report.**

Staff response: The City Manager's recommended budget reduces expenses associated with the Quarterly Report by \$14,400. This reflects a move to reduce the number of pages from 16 to 12. The complete elimination of the Quarterly Report would save an additional \$90,000 annually, with an additional \$30,000 to \$40,000 saved if staff hours were not redeployed to another activity (it's not easy to simply eliminate a percentage of hours from a full-time employee).

**Councilmember Whittum asked if there were an additional \$50,000 available from the General Fund given Council's recent action to allocate part of CDBG's stimulus funding to outside groups.**

Staff response: The Recommended Budget contains a \$100,000 expenditure line item for General Fund support of outside groups to supplement the funds CDBG provides to these groups. On May 5, Council took action to utilize part of the CDBG stimulus funding in lieu of General Fund support in the amount of \$49,861. As a result, \$49,861 could be appropriated elsewhere without negatively impacting the fund balance of the General Fund.

**Councilmember Whittum requested information on what Public, Education, and Government (PEG) funds, which are remitted by the City's cable television providers, could be used for.**

Staff response: Following the Budget Workshop, City Attorney David Kahn sent an email to the Mayor and City Council regarding the use of PEG funds. In that email, the City Attorney confirmed that the legally permitted use of PEG funds is for capital equipment and facilities.

**Councilmember Whittum asked about the revenue loss if we waived the vehicle entry fee to Baylands Park.**

Staff response: The estimated impact of waiving the vehicle entry fee to Baylands Park is approximately \$68,000. However, there is a contractual requirement that all county parks charge the same fees. Therefore, staff does not believe it is an option to waive the vehicle entry fee at Baylands Park.