

# Understanding Sunnyvale's 2008/2009 Adopted Budget

## SUNNYVALE'S APPROACH TO BUDGETING

The City of Sunnyvale's unique way of budgeting is part of the City's internationally-recognized Planning and Management System. The Sunnyvale budget looks ahead for many years, anticipating income and expenses over a long-term perspective. The budget includes a 20-year Resource Allocation Plan that is balanced to the twentieth year with all reserve requirements met. The budget is performance-based, structured programmatically around services provided with measures to evaluate how well the City's operations performed against stated objectives.

The FY 2008/09 Adopted Budget represents the culmination of the efforts to maintain the City's long-term financial sustainability and provide resources for the service priorities that have been identified by Council. The prioritization of City services and projects was a focal point of this year's budget development process. A priority setting tool was designed and utilized to assist Council in determining relative funding priorities by balancing lower priority services and projects with new service demands on a Citywide basis, rather than within a specific department or program. This process provides the framework to evaluate current services and service levels in conjunction with the changing demands and needs of the community, while maintaining fiscal sustainability.

## REVENUES

### Funding Sources

The majority of the money that supports City services and projects comes from either fees paid by users of services or taxes. User fees are the single largest source of City revenue, constituting approximately 40 percent of total estimated revenues in FY 2008/09. User fees include payments for water, sewer, garbage, and recreation services. Utility services are supported entirely by user fees.

Taxes are the next largest source of City revenue, representing approximately 34 percent of the total. The majority of City tax revenue comes from sales and property taxes, with the City receiving 1 cent of the total 8.25 cent sales tax charged in Sunnyvale and approximately 16 cents of each dollar of property tax that is assessed against property within the City. These tax sources are affected by changes in the economy, the housing market, and legislative actions. Following the dot-com bust in 2002, many of these tax sources stabilized at lower base levels and then began to increase again as the economy rebounded. However, with the recent economic downturn, projected revenue growth has slowed to reflect current conditions.

Approximately 14 percent of the City's funds for FY 2008/09 will come from federal, state, and local agencies. 7 percent of the City's funding for FY 2008/09 will come from the reserves of various funds. It is important to note, however, that none of the City's contingency reserves, which are set by Fiscal Policy and are a percentage of the operating budget set aside each year to cover emergency or disaster, are impacted by these actions. The reserves that are being drawn upon do not operate like traditional reserves. Instead, these reserves serve to levelize economic cycles from year to year, and are expected

to have annual fluctuations. The City also receives funds from various other sources, including interest on its investments. These other sources account for 5 percent of total revenues.

## EXPENDITURES

### Operating Budget

Each year, the funds used to provide services for Sunnyvale are appropriated into a spending plan called the Operating Budget. This plan is revised every other year to take into account changes in inflation, changes in community conditions, and changes in the amount and types of services necessary to maintain the City's standard of excellence. In FY 2008/09, approximately 71 percent of the Adopted Budget is programmed in the Operating Budget. Of that total, 85 percent will go toward providing services that ensure Sunnyvale's citizens and businesses enjoy well-maintained streets, clean parks, first-rate library services, and a safe, secure community. In addition, 3 percent will be spent for community development, which includes land use planning, construction permitting and neighborhood preservation. Another 3 percent will be used for employment development. The City of Sunnyvale serves as the administrative entity for the North Valley Job Training Consortium (NOVA) which is fully funded by federal, state and other outside funding sources. The remainder of the Operating Budget will be spent to provide other City services and support for all City services.

### Projects Budget

In FY 2008/09, approximately 26 percent of the budget will be invested in projects. Just as businesses set aside money for improving facilities or replacing aging equipment, the City plans ahead for long-term maintenance, renovation and repair, improvements, and major additions. These efforts are funded through the City's Projects Budget. Through the Projects Budget, the City proactively addresses long-term needs by identifying project costs, future operating costs, and any outside funding sources. Thus the City already has determined how it will pay for many of its long-term renovation and replacement needs. Some of the major projects included in the FY 2008/09 Adopted Budget are the Mathilda Avenue Railroad Overpass Improvements, Plaza del Sol Phase II, Downtown Murphy Avenue Streetscape Revitalization and moving overhead utilities underground.

### Other Expenditures

The City's debt is approximately 3 percent. Just as individuals may borrow money for a house or car, the City occasionally borrows funds to finance major improvements. For instance, the City is currently paying debt service for funds borrowed to improve the City's wastewater services (sewer). The debt service payments are financed by fees paid by users of the particular service.

### For More Information

More information about Sunnyvale's FY 2008/09 Adopted Budget is available at [Budget.inSunnyvale.com](http://Budget.inSunnyvale.com).

CITY OF  
SUNNYVALE

FY 2008/2009

ADOPTED  
BUDGET  
SUMMARY



Questions/comments please contact:

City of Sunnyvale  
Department of Finance  
650 West Olive Ave.  
P.O. Box 3707  
Sunnyvale, CA 94088

or

call (408) 730-7380, TDD (408) 730-7501

The FY 2008/2009 Adopted Budget  
is available online at  
[Budget.inSunnyvale.com](http://Budget.inSunnyvale.com)



# Fiscal Year 2008/2009 Adopted Budget Summary

## TOTAL ESTIMATED REVENUES

<b>USER FEES (40%)</b> .....	<b>\$123,095,435</b>
Garbage Fees.....	31,515,886
Water Fees.....	27,083,746
Sewer Fees.....	24,136,353
Recreation Service Fees.....	7,371,734
Permits and Licenses.....	7,032,776
Franchise Fees.....	6,086,169
Other Fees and Services.....	5,732,526
Rents and Concessions.....	4,593,949
Park Dedication Fees.....	4,285,190
Traffic Impact Fees.....	2,753,130
Housing Mitigation Fees.....	1,308,000
Fines and Forfeitures.....	1,195,976
<b>TAXES (34%)</b> .....	<b>\$101,988,085</b>
Property Tax.....	46,417,933
Sales Tax.....	32,930,690
Transient Occupancy Tax.....	7,466,938
Utility Users Tax.....	7,097,321
Other Taxes.....	4,338,966
Gas Tax.....	2,429,707
State Traffic Congestion Relief (Prop 42).....	1,306,530
<b>INTERGOVERNMENTAL (14%)</b> .....	<b>\$42,556,384</b>
Federal Grants.....	20,478,044
SMaRT Station Operations/Reimbursement.....	12,342,802
Workforce Investment Act Grant.....	6,215,000
Community Development Block Grant.....	1,223,626
Other Agencies Contributions.....	1,210,698
HOME Grant.....	679,168
State Grants.....	407,046
<b>OTHER (5%)</b> .....	<b>\$14,552,446</b>
Interest Income.....	6,828,034
Other Revenues.....	5,206,752
SMaRT Station Revenues.....	1,934,714
RDA Loan Repayment.....	582,946
<b>USE OF RESERVES (7%)</b> .....	<b>\$22,036,942</b>
<b>TOTAL ESTIMATED REVENUES</b> .....	<b>\$304,229,292</b>

(Excludes Internal Service Fund revenues)

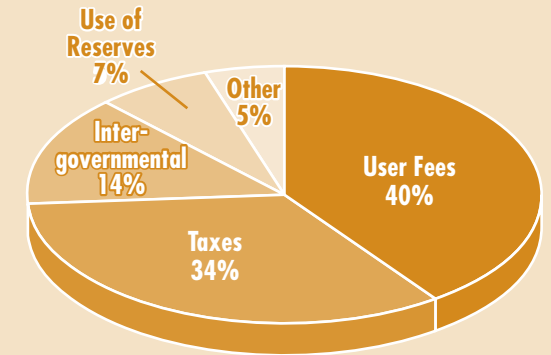
## TOTAL APPROPRIATIONS

<b>OPERATING BUDGET (71%):</b>	
<b>City Manager's Office</b> .....	<b>\$4,067,266</b>
<b>City Attorney's Office</b> .....	<b>\$1,789,036</b>
<b>City Council</b> .....	<b>\$606,625</b>
<b>Community Development Department</b> .....	<b>\$7,505,210</b>
Construction Permitting.....	2,431,520
Land Use Planning.....	2,123,376
Housing and Human Services.....	1,050,491
Neighborhood Preservation.....	842,919
Economic Development.....	741,840
Community Development Department Management and Support Services.....	315,064
<b>Employment Development Department</b> .....	<b>\$6,374,376</b>
<b>Finance Department</b> .....	<b>\$7,671,384</b>
<b>Human Resources Department</b> .....	<b>\$4,184,257</b>
<b>Library Department</b> .....	<b>\$7,031,388</b>
<b>Parks and Recreation Department</b> .....	<b>\$18,861,672</b>
Arts and Recreation Programs and Operation of Recreation Facilities.....	8,198,339
Neighborhood Parks and Open Space Management.....	6,628,462
Golf Course Maintenance Operations and Golf Shop Services.....	3,294,908
Parks and Recreation Department Management and Support Services.....	739,963
<b>Public Safety Department</b> .....	<b>\$69,833,270</b>
Police Services.....	23,156,204
Fire Services.....	22,869,363
Investigation Services.....	6,339,630
Public Safety Department Management and Support.....	5,112,593
Community Safety Services.....	4,399,463
Communication Services.....	3,455,812
Personnel and Training Services.....	2,426,381
Records Management and Property Services.....	2,073,824

<b>Public Works Department</b> .....	<b>\$88,525,527</b>
Solid Waste Management.....	28,620,697
Water Supply and Distribution.....	19,070,103
Materials Recovery and Refuse Transfer (SMaRT).....	13,359,093
Wastewater Treatment.....	11,588,382
Pavement Operations.....	4,838,937
Transportation and Traffic Services.....	2,125,491
Sanitary Sewer Collection System.....	1,570,990
Street Tree Services.....	1,450,036
Roadside and Median Right-of-Way Services.....	1,347,519
Concrete Maintenance.....	1,110,397
City Streetlight System.....	1,063,103
Engineering Services.....	977,178
Public Works Department Management and Support Services.....	672,855
Storm Water Collection System.....	307,609
City Property Management Services.....	294,139
Parking District Landscaping Management.....	74,891
Downtown Parking District Parking Lots.....	54,107
<b>Project Operating Budget</b> .....	<b>\$41,787</b>
<b>TOTAL OPERATING BUDGET</b> .....	<b>\$216,491,798</b>
<b>PROJECTS BUDGET (26%):</b> .....	<b>\$78,587,158</b>
Infrastructure Projects.....	39,957,887
Capital Projects.....	20,187,987
Special Projects.....	14,634,888
Lease Payments.....	1,873,961
Project Administration.....	1,643,350
Outside Group Funding.....	289,085
<b>OTHER EXPENDITURES (3%):</b> .....	<b>\$9,150,336</b>
Debt.....	7,465,253
General Equipment.....	1,102,137
Payment to Town Center Developer.....	582,946
<b>TOTAL ADOPTED</b>	
<b>FY 2008/2009 BUDGET</b> .....	<b>\$304,229,292</b>

## SUNNYVALE REVENUE SOURCES

**FY 2008/2009 BUDGET**  
**\$304,229,292**



## SUNNYVALE EXPENDITURES

**FY 2008/2009 BUDGET**  
**\$304,229,292**

