



RECOMMENDED BUDGET AND RESOURCE ALLOCATION PLAN

Fiscal Year 2009/2010
Twenty-Year Financial Plan

VOLUME I Summary

*City Manager's Letter of Transmittal, Budget Summary,
Spending Limit, Financial Plans, Revenues, User Fees,
Community Condition Indicators, and Budget Supplements*



**City Manager's
Letter of Transmittal**



**Recommended 2009/2010 Budget
and
Twenty-Year Resource Allocation Plan**

**City Manager's
Letter of Transmittal**

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Honorable Mayor and Members of the City Council:

CITY MANAGER'S MESSAGE

EXECUTIVE SUMMARY

I am pleased to present for your review and consideration the recommended FY 2009/2010 Budget and accompanying Twenty-Year Resource Allocation Plan (RAP). This Budget has been prepared during the deepest global recession since the Great Depression. Unlike other economic downturns, this current decline has negatively impacted virtually every sector of the business and government community, and most definitely the City of Sunnyvale. This fact is very clearly illustrated by declines in four of the City's major revenue sources – Sales Tax, Transient Occupancy Tax, Development-related revenues, and Interest earnings, which are now forecast at \$13 million lower than was anticipated last year at this time.

The FY 2008/2009 Adopted Budget forecast that a downturn in the economic cycle would occur near the end of calendar year 2008, and slow growth or some contraction was anticipated over the next several years. It has since become clear that the economic situation began declining earlier and is much worse than originally anticipated. The worldwide economy is worsening, with historically high unemployment, job losses across most major sectors, a crippled housing market, weakening taxable sales and a catastrophic credit market at the heart of the problem. At present, the depth and duration of this situation is uncertain. But it is clear that the City's revenue base has eroded and will have a lower base when it recovers fully. The impact on the City's 20- year financial plan will be significant and require a reset in the way the City plans and conducts its business.

Compounding our revenue shortfall, the national economy has also negatively impacted our projected personnel costs which account for 86% of the City's annual General Fund expenditures. Estimates are that the California Public Employees Retirement System (CalPERS) has lost over 25% of its asset value this current year, which will cause our employer contribution rates to increase significantly beginning in FY 2011/2012. This equates to an estimated \$8.5 million a year in additional cost for the entire City, with \$5.0 million of that attributed to the General Fund. It is imperative to develop and implement a strategy to contain these costs as soon as possible if we are to ensure the financial health of the City into the future.

With our well-established long-term financial planning process, the City has time to address the revenue declines and the personnel costs increases strategically and for the long term. Our long-term planning and judicious use of the Budget Stabilization Fund allows the City to withstand the inevitable cycles of the economy by setting money aside during good times to draw upon during bad times, giving us time to make sustainable course corrections. Thus, the current revenue shortfall can be absorbed while a plan of action is put in place. Of course, given the magnitude of the structural deficit, it is critical to begin addressing the issues sooner rather than later. Staff and I have been working since my arrival in December to identify a reasoned approach to

attacking this situation. We primarily focused on the General Fund, where the major revenues and largest portion of the City's personnel costs are located. The plan detailed below will allow the City to live within its means and balance the needs of all stakeholders in the City – citizens, businesses, and staff. It also begins a significant and continuing investment in the future of our community. This initiative designates funding to promote and sustain our community's quality of life for future generations. Only by making this conscious specific commitment can the future leaders of Sunnyvale have the resources available to craft a vision and translate that vision to reality.

Budget Balancing Plan

The recommended FY 2009/2010 Budget includes three strategies for bringing the General Fund Long-Term Financial Plan back into balance and sustaining long term financial stability. These strategies are: operational efficiencies, tempering escalating personnel costs, and utilizing the General Fund Budget Stabilization Fund.

As the magnitude of the current deficit became clearer, staff immediately mobilized to identify opportunities to increase operational efficiency. To that end, each department reviewed its operations comprehensively and put together a list of ways they could save expenditures without significantly impacting services. These efficiencies ranged from selectively holding vacancies open to reassigning staff to more critical tasks to finding ways to reduce expenditures on non-essential items, just to name a few. The end result was a list of efficiencies that, if implemented, would save the General Fund approximately \$4 million annually. These efficiencies are listed in the General Fund's 20-Year Long-Term Financial Plan in the *Cost Saving Actions* line item and are detailed in the last section of Volume I of the FY 2009/2010 Recommended Budget and Resource Allocation Plan. It is my intent through the use of operational efficiency reviews and intense scrutiny to continue to identify opportunities to produce a high level of service within acceptable cost parameters.

The second part of the plan addresses personnel costs, which include health, retirement, and leave benefits, among others, as well as salaries. Total staff compensation accounts for 86% of the General Fund operating budget and has risen significantly. For example, over the past six years the cost per average public safety officer has risen 44% and the cost per average full-time non-sworn worker has risen 33%. The City's ability to provide services at the level directed by City Council and expected by Sunnyvale's residents is clearly in jeopardy of declining with the costs of compensation where they are now. This will be made worse with the potential increase in our retirement contribution rates noted earlier.

Therefore, as we evaluated strategies for realigning personnel costs with our new lower revenue base, it became evident that a reset of the salary base is necessary to begin realignment with our resources. This requires that all employee groups have one year with no salary increase within the next few years; this strategy has been incorporated into the General Fund Long-Term Plan. The timing is dependent on current labor contracts and negotiations, but the sooner the "zero year" is implemented, the sooner the City can achieve realignment. After the reset, long-term realignment will come by ensuring the total cost of employees stays within our means. To that end, the assumption for future salary increases beyond current contractually-obligated

increases has been lowered to reflect what the City can accommodate based on the total costs for personnel including benefits, such as the dramatic increase in retirement costs. It needs to be emphasized that this situation is not purely about the “dollars and cents” as our ability to deliver services is tied directly to the quality of the City staff. Determining the right balance between ensuring fiscal sustainability, retaining high quality staff, and investing in the City’s quality of life needs to be addressed head on and openly if we want to continue to provide the level of service the Council and the community expects.

The final part of our budget balancing plan involves judiciously drawing down the Budget Stabilization Fund. It is expected that the balance of this fund will be \$36 million at the end of FY 2008/2009. Over the next six years, this plan requires the draw down of \$24 million of this fund as the City adjusts to its new fiscal reality. The fund bottoms out at \$7.6 million in FY 2014/2015; however, that is due to the RDA loan repayment schedule as opposed to an operational issue. Beginning in FY 2015/2016, the fund returns to a balance of nearly \$10 million and is maintained at a level of between \$9 million and \$13 million throughout the remainder of the Long-Term Financial Plan.

Stabilizing the City’s financial situation over the long-term will allow the City to begin to invest in the community toward the end of the first ten years of the planning period. As the economy recovers to our new base and our personnel costs are contained to a level that is within our means, additional funds will be available to the General Fund for investment in community. That investment might be the addition of new services, needed renovation and replacement of essential infrastructure, or the construction of new capital. To reflect this potential, a *Community Investment* line item has been added to the Long-Term Financial Plan to earmark funds for this future investment. A total of \$63 million is currently set aside for this purpose in the FY 2009/2010 Budget, starting in FY 2016/2017. As it will have no defined restriction for use, these funds can also be targeted for unfunded necessities as they are identified.

The City faces an enormous challenge to close its structural gap while minimizing the impact to its citizens, but we believe that the plan described above will go a long way towards achieving that goal. This plan guides the City to live within its means while considering the long-term needs of its main stakeholders, the citizens of Sunnyvale. Executing this plan will require a fundamental shift in the way the City considers its expenditures, particularly as they relate to personnel. However, if executed, this plan will return the City to fiscal stability and invest in our most important asset, the City itself.

Recent Developments

In the current economic environment, as governmental agencies at all levels grapple with structural deficits and prepare their upcoming budgets for next fiscal year, new proposals will arise, with some that could have an impact on Sunnyvale. Two proposals, one from the State Department of Finance and one from CalPERS, have just come up after we prepared this recommended FY 2009/2010 Budget. First, the Governor’s office is considering a State Department of Finance proposal to borrow local Property Tax revenue equal to 8% of each agency’s FY 2008/2009 total Property Tax revenues, including amounts allocated for the VLF Swap and Sales and Use Tax

Triple Flip. This proposal is believed to be under consideration if the May 19, 2009 Propositions 1A through 1E ballot measures, a critical piece of the State's budget, do not pass. Under the provisions of Proposition 1A (2004), the Legislature may borrow up to 8% of property tax revenues under specifically defined "severe fiscal hardship" rules but must fully repay the borrowed fund plus interest within three years. For Sunnyvale the estimated impact of this proposal is a "temporary" loss of \$3.8 million in FY 2009/2010. Assuming that these funds are repaid as required, the only impact to the Long-Term Financial Plan will be on cash flow.

The other, more significant recent development is a proposed change under consideration by the CalPERS Board to modify their smoothing methodology so that their current significant market losses are added to employer retirement contribution rates over three years (FY 2011/2012 through FY 2013/2014) rather than in one year (which is FY 2011/2012 for the City of Sunnyvale). In the short term, for FY 2011/2012 and FY 2012/2013, this will have a positive cash flow impact for the City. However, over the long term there will be a negative fiscal impact since delaying increases in contribution rates only means that more money will have to be collected in the future. Again, both these proposals are very recent developments and may not ultimately be implemented or may be substantially altered before implementation. Staff will keep a close eye on them as well any other proposals that arise and keep Council informed on a timely basis.

Additional Opportunities

With many uncertainties in our ever changing fiscal environment, it will be important to continually explore new ideas and opportunities so that we have the flexibility to adapt and adjust as we work toward fiscal stability. The following are several efforts we are currently undertaking or exploring in addition to implementing the strategies for the budget balancing plan.

Operational Efficiency Studies

With the intent of maximizing the use of all the resources available in the delivery of service to the community, a series of optimal staffing and efficiency studies was undertaken in 2004. To date, studies involving the Department of Public Safety and Department of Public Works were completed through the study and evaluation phases. The Finance Department and Facilities Division are in the final stages of the study and evaluation phases. Over the next 12 – 18 months, I intend to complete studies of the Community Development, Human Resources, Information Technology, Community Services, and Library Departments, and the Offices of the City Manager and City Attorney. As studies are completed, they will be evaluated and implemented as deemed appropriate. This initiative will undoubtedly result in a more efficient and effective use of all our financial, staffing, and support resources. I expect many of these opportunities to be incorporated with the development of the Recommended FY 2010/2011 Operating Budget.

Benchmarking and Managing for Competitiveness

Sunnyvale's performance based budget approach is intended to focus on the expenditure portion of our budget. This method of budgeting typically results in a clear picture of the cost of providing service. By having this information, we are able to

identify ways of enhancing their efficiency and effectiveness and the City Council has a decision-making tool to allocate funding. This approach also allows us a basis to benchmark our service delivery standard and explore alternative service delivery methods. Along with the current Council Policy (7.3.6), Managing for Competitiveness, we have the appropriate policies, guidelines, and tools to further explore this area. Given the current financial environment, it is particularly important that we verify our services are delivered in the most efficient, effective manner.

Revenue Opportunities

In recent years we have also identified a number of opportunities to improve our ongoing revenue base. These include the recent successful ballot measures to increase our Transient Occupancy Tax and Business License Tax rates to be more in line with surrounding areas and our ongoing work to ensure that all fees appropriately cover full cost of service, including revenue audits and efforts to protect our telecommunications UUT.

Several other revenue opportunities remain. Although these revenue increases have not been included in my action plan for balancing the budget, it is worth mentioning them here as possible opportunities for the future. These include adopting a separate Real Property Transfer Tax (also known as a documentary transfer tax) and an adjustment to our Utility Users Tax. These two general taxes currently have rates significantly lower than countywide or statewide averages.

The Real Property Transfer Tax is an excise tax imposed on the transfer of real estate. Counties are authorized to levy a tax at the rate of 55 cents per \$500 of the property value. Once a county has enacted the tax, which Santa Clara and all other counties have done, then a city may levy a tax and share in the county rate. Sunnyvale adopted its tax in 1967 and receives 27.5 cents per \$500 value, with Santa Clara County receiving a like amount.

State law further provides that a Charter City may also levy its own documentary transfer tax at a different rate; in these cases, the County keeps the entire 55 cents and the City receives the full proceeds of its own levy. In Santa Clara County, the cities of Palo Alto, Mountain View, and San Jose have all enacted documentary transfer taxes of \$3.30 per \$1,000 value. Of course enacting this tax would require a ballot measure and, as a general tax, would need approval by 50% plus one of the voters.

Sunnyvale's Utility Users Tax (UUT) is substantially lower than our surrounding cities and also applies to fewer utilities than most. We currently charge 2% on the usage of electricity, natural gas, and intrastate telephone. The average rate for Santa Clara County is 3.7%, and the average rates in other nearby counties are even higher. UUT rates in Alameda County, for example, average 6.9% and in San Mateo County the average is 5.8%. Sunnyvale could also apply the UUT to water, sewer, and cable television as well as expanding it to interstate telephone calls. Again, increasing the rate or expanding the base of the UUT would require a ballot measure and approval by 50% plus one of the voters.

Finally, it should be noted that in June 2004, the City Council approved in concept an Emergency 911 Access Fee to recover the substantial costs of operating the City's Emergency 911 dispatch center. The fee was not adopted, pending resolution of legal issues and challenges faced by a number of jurisdictions who established 911 fees. As time and the lawsuits have progressed, it has become clear that it would not be wise to adopt such a fee without voter approval.

Sunnyvale Works!

In March I announced a new and aggressive approach to investing in the community, taking advantage of the opportunities provided by the current economic climate. **Sunnyvale Works!** will enable the completion of over \$60 million in already funded capital improvement projects on a highly-accelerated schedule. By getting the projects started as quickly as possible, we will be able to take advantage of an extraordinarily favorable bidding climate, create as many as 600 or more jobs, and improve the City's assets.

The more than \$60 million that is expected to be spent will come from dedicated capital improvement project funds, which can only be used for capital purposes. Those monies will be augmented by grants and federal stimulus funding. The city will receive an additional benefit based on the price reductions currently seen in construction bids from companies eager to keep their own employees working. Sunnyvale expects that many of the projects will end up costing as little as 50 percent of the original construction estimates, leveraging the City's funds to be able to do even more projects.

Because of the way Sunnyvale prepares its budgets using a long-term perspective, the available funding puts us in a unique position to bolster our local economy. In addition to dramatically helping the job market, there will be a trickle-down effect that will benefit local merchants and the City as workers shop locally, buy gas and eat in Sunnyvale restaurants. The fact that federal stimulus dollars will be available to augment Sunnyvale's funds makes **Sunnyvale Works!** an ideal federal-local marriage designed to provide a quick, significant, positive impact to the local economy in a matter of just a few weeks. It is expected that a number of projects included in the current capital budget and the recommended FY 2009/2010 Budget will be underway shortly after the start of the new fiscal year.

To successfully attack a venture of this magnitude requires ingenuity, initiative, and flexibility. The process of designing, contracting, and constructing infrastructure can be complex and time consuming. The staff employing all the characteristics mentioned above have designed a simple, streamlined process that accommodates all legal requirements and policies, yet achieves a successful venture. **Sunnyvale Works!** is a concentrated effort of the departments responsible for the work. To achieve that concentrated effort, interdepartmental assignments from other departments throughout the City will occur. Elements of the project typically done sequentially will be done concurrently. Outreach through the business community and within the City will be substantial. With the commitment of the staff and support of the City Council, Sunnyvale will develop a template for future opportunities and enhance its reputation as a forward thinking, proactive community.

Conclusion

Business and life as usual in our Country and this community is certainly a mindset whose time has passed. The character of an economy which is 72% driven by consumer spending has been altered, and with that alteration so has our ability to sustain the City's Long-Term Financial Plan without a reset of Sunnyvale's business model. Without a major "reset", our exceptional quality of life may go the way of an endangered species. We are fortunate that our long range planning has bought us the time needed to enact the reset. Just as strong businesses emerge stronger from economic downturns, so too will we emerge as a community with a strong financial future, a service delivery plan we can afford, and the sharpness necessary to sustain a plan well into the future. This is a time that will be remembered for moments of crisis and opportunity. It will, of course, necessitate tough decisions, embracing change, and an agenda driven towards maximizing the return on the investment of the residents of Sunnyvale in their home town to capitalize on this opportunity.

Standard & Poor's just completed a review of the City's overall credit worthiness. This resulted in an upgrade in our "Issuer Credit Rating" to AAA. Sunnyvale now stands as one of only eleven cities in California to hold a AAA rating, the highest rating possible. This illustrates the strength of our commitment to long term financial planning, our past ability to weather difficult financial times, and our current approach to sustaining financial solidarity during the darkest of economic times. The fact that our rating increased from AA+ to AAA is a monumental achievement in light of the state of the world's economy. It was not only based on Sunnyvale's long term approach, but our adherence to it and our plan to address the current economic environment. As we move forward it must remain at the forefront of our thoughts that as difficult as it is to achieve this high rating, losing it is even easier without focused diligence.

In preparing the recommended FY 2009/2010 Budget and Twenty-Year Resource Allocation Plan, I am fortunate to have had the 24/7 support and assistance of exceptional staff. This team includes Mary Bradley, Grace Leung, Drew Corbett, Bret Uppendahl, Feliser Lee, Tim Kirby, and Kurtis Mock. In addition, the Department Directors and their staffs are to be commended for their commitment in this arduous process.

Finally, I would like to thank the City Council for your leadership and support during these difficult financial times. Your belief in the staff and your commitment to long-range financial planning sets the tone for the City organization and the citizens that we all serve.

Respectfully Submitted,

Gary Luebbers
City Manager

May 8, 2009

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FISCAL YEAR 2009/2010 BUDGET

OVERVIEW

I am pleased to present a balanced budget for this upcoming fiscal year and the Twenty-Year Resource Allocation Plan. The recommended FY 2009/2010 Budget totals \$273.6 million.

Table I, below, is a summary of the recommended expenditures for all City funds. This table provides a comparison of the recommended FY 2009/2010 Budget with the revised FY 2008/2009 Budget and the actual expenditures for FY 2007/2008.

Table I Recommended Expenditures – Citywide ⁽¹⁾				
Expenditure	2007/2008 Actual	2008/2009 Revised Budget	2009/2010 Recommended Budget	% Growth 2009/2010 over 2008/2009
Operating	177,393,485	188,676,176	192,973,398	2.28%
Budget Supplements			92,955	
Projects ⁽²⁾	33,184,106	108,939,989	38,439,245	-64.72%
Equipment	685,726	1,129,801	750,584	-33.56%
Lease Payments ⁽³⁾	1,860,098	1,873,961	1,896,545	1.21%
SMaRT Station Expenses ⁽⁴⁾	22,437,421	22,918,897	23,045,712	0.55%
Debt	7,094,912	7,468,067	8,637,049	15.65%
Payment to Town Center Developer ⁽⁵⁾	375,867	119,136		
Cost Saving Actions			(4,200,352)	
SUBTOTAL	243,031,615	331,126,027	261,635,136	-20.99%
Employment Development Grant Programs	7,605,554	9,131,110	11,968,167	31.07%
TOTAL	250,637,169	340,257,137	273,603,303	-19.59%

(1) This table excludes internal service funds, which are reflected as rental and additive rates in the Operating expenditures line.

(2) Projects excludes General Services projects but includes Project Administration costs.

(3) Lease Payments include the Parking Lease, SMaRT Station Long Term Lease and WPCP Rent.

(4) The SMaRT Station Expenses represent Mountain View and Palo Alto's shares of SMaRT Station expenses. Sunnyvale's share of expenses is represented in the Operating expenditure line.

(5) There is no net impact to the General Fund resulting from this payment. This is a payment from the RDA to the Town Center Developer per the ARDDOPA, that passes through the General Fund.

In spite of the economic challenges we are facing, core City services continue to be provided at a level and quality that meets Council priorities. In keeping with Council policy, each fund is balanced to the twentieth year and all reserve requirements have been met.

FY 2009/2010 is the second year of the two-year operating budget cycle and the first year of the projects budget cycle. Therefore, operating programs were not reviewed extensively this year so that staff could focus instead on detailed review of all capital and special projects. However, major revenue sources, personnel costs and enterprise activities were all reviewed thoroughly in order to ensure the accuracy of our long-term projections. The process utilized in preparing the recommended FY 2009/2010 Budget is discussed in more detail later in Appendix A of this Transmittal Letter.

The overall recommended FY 2009/2010 Budget is 19.6% below the revised FY 2008/2009 Budget. The recommended FY 2009/2010 Budget for operating-related expenditures is 2.28% higher than the revised FY 2008/2009 Budget. The individual components of the increases vary for each fund and will be discussed later in the *Detailed Fund Reviews* section.

For the recommended FY 2009/2010 Budget, eight budget supplements are presented for Council consideration. Because of the City's current economic restraints, staff is recommending that only \$12,955 be funded in the General Fund and \$80,000 from the three utility funds. Details of the budget supplements are found in the *Budget Supplements* section of *Volume I, Budget Summary* of the budget document.

The recommended FY 2009/2010 Budget for projects is approximately \$38.4 million, or 64.7% lower than the revised FY 2008/2009 Budget. This is because the FY 2008/2009 budget includes carryover funds for projects budgeted in earlier years but not yet completed.

Details of changes in projects are included in discussion of the individual funds and information on individual projects is included in *Volume IV Projects Budget* of the budget document.

Expenditures for equipment in the recommended FY 2009/2010 Budget total \$750,584, reflecting a 34% decrease over prior years. This change is due to the fluctuations in the equipment replacement schedule at the City's Water Pollution Control Plant. It should also be noted that the Public Safety equipment which was previously contained in the General Services Fund is now included in the equipment line item for the entire 20-year planning period.

The recommended FY 2009/2010 Budget contains a significant change in the level of grant funding for the Employment Development Department (NOVA). It is estimated that the funding will be increased by 31% next fiscal year as a result of significant monies coming from the American Recovery and Reinvestment Act ("federal stimulus").

After taking out the effects of the Employment Development Grant program, the Citywide budget is expected to decrease by 21% in FY 2009/2010. Elements of the changes in FY 2009/2010 will be discussed in more detail throughout this Transmittal Letter.

OVERVIEW OF GENERAL FUND AND GAS TAX FUND

Table II below outlines the recommended expenditures and transfers for the General Fund and Gas Tax Fund combined. Although these are separate funds, they are added together in Table II to better represent the proposed changes from one year to the next. It is in the interest of the City to expend Gas Tax Funds for eligible projects and operating activities before utilizing General Fund money. This results in increases and decreases from year-to-year regarding the amount of road maintenance operations that are funded by the Gas Tax Fund and General Fund respectively. By combining the two funds, a clearer picture results as to the year-to-year changes.

Table II Recommended Total Requirements – General Fund and Gas Tax Fund Combined				
Expenditure Character	2007/2008 Actual	2008/2009 Revised Budget	2009/2010 Recommended Budget	% Growth 2009/2010 over 2008/2009
Operating	115,263,871	120,514,606	124,370,489	3.20%
Budget Supplements			12,955	
Project Operating			72,960	
Projects	6,045,724	9,250,714	2,008,001	-78.29%
Transfers to Projects Funds ⁽¹⁾	739,249	12,683,155	1,657,069	-86.93%
Transfers to Other Funds	6,232,710	16,442,836	6,165,946	-62.50%
Debt	408,969	179,010	177,270	-0.97%
Lease Payments	1,213,805	1,208,280	1,210,893	0.22%
Payment to Town Center Developer	375,867	119,136		
Equipment	9,415	166,885	147,389	-11.68%
Cost Saving Actions			(4,000,000)	
TOTAL	130,289,610	160,564,622	131,822,972	-17.90%

(1) Includes transfers to the Capital Projects Fund and the Infrastructure Fund

As Table II indicates, the overall combined recommended expenditures and transfers of the General Fund and Gas Tax Fund for FY 2009/2010 are 18% below the revised FY 2008/2009 Budget.

Because certain aspects of the budget can change dramatically from year-to-year, notably capital, infrastructure and special projects, a more precise understanding of the comparative budget is in the operating area. The operating portion of the recommended FY 2009/2010 Budget is 3.2% above the revised FY 2008/2009 Budget.

The major components of changes in the General Fund and Gas Tax Fund operating budgets will be discussed in the *Detailed Fund Reviews* section of the Transmittal Letter.

OVERVIEW OF PROPOSED CAPITAL AND SPECIAL PROJECTS BUDGET

In keeping with the separation of the operating and project budget cycles, FY 2009/2010 is the first year of a two-year capital and special projects budget. All projects proposed for the Twenty-Year Resource Allocation Plan underwent a thorough review by the Assistant City manager and the Director of Finance prior to being recommended to the City Manager. As a result of the project budget process this year, the recommended FY 2009/2010 Budget contains \$36.9 million in capital and special projects in FY 2009/2010 and a total of \$719.6 in projects over the twenty-year planning period.

Table III below contains project appropriations by fund for FY 2009/2010 and the remainder of the long-term planning period.

Table III Project Expenditures by Fund				
Fund	2009/2010 Recommended Budget	2009/2010 to 2018/2019 Total	2019/2020 to 2028/2029 Total	20 Year Total
Asset Forfeiture	127,000	628,223	74,327	702,550
Capital Projects Fund	8,122,553	24,502,253	390,557	24,892,810
CDBG Fund	2,836,235	6,781,118	4,550,559	11,331,677
Gas Tax Fund	10,000	161,754	2,895,988	3,057,742
General Fund	1,600,554	29,862,314	42,690,545	72,552,859
HOME Fund	2,333,951	250,000	0	250,000
Housing Fund	928,847	3,080,800	2,487,531	5,568,331
Infrastructure Fund	4,745,082	32,362,140	41,405,392	73,767,532
Park Dedication	15,000	30,000	0	30,000
Parking District	2,000	444,739	27,669	472,408
RDA Fund	1,075,000	1,357,380	65,939	1,423,319
Water Fund	5,560,509	26,427,005	17,672,630	44,099,635
Wastewater Fund	7,506,138	293,900,886	137,380,157	431,281,043
Solid Waste/SMaRT Fund	1,830,082	7,834,676	41,285,467	49,120,143
General Services Fund	0	742,741	53,680	796,421
TDA Fund	207,000	207,000	0	207,000
TOTAL	36,899,951	428,573,029	290,980,441	719,553,470

ASSUMPTIONS USED IN PREPARING THE BUDGET

Sunnyvale's twenty year financial plan includes a number of assumptions regarding the future growth of costs and revenues.

Inflation of purchased goods and services for the recommended Twenty-Year Resource Allocation Plan is assumed to be 0% for FY 2009/2010, 0% for FY 2010/2011, 2% per year for the remainder of the first ten years, and 3% for the second ten years. Certain selected budget components, such as purchased water, gasoline, or electricity are increased (or decreased) according to their individual cost characteristics.

Included in the recommended Twenty-Year Resource Allocation Plan are salary increases based on current memoranda of understanding (MOUs) with employee associations. The Public Safety Officers Association (PSOA) and Communication Officers Association (COA) have contracts in place until June 2010 and December 2010 respectively. In general, their salary formulas follow the Bay Area labor market for similar positions. Because these increases are dependent on labor market conditions, they do not follow any predictable inflationary pattern but are estimated by Human Resources staff for budgetary purposes. Due to a historically tight labor market for Public Safety positions, these increases have generally been higher than the cost of living.

The MOUs for two of the City's labor associations, the Sunnyvale Employees Association (SEA) and the Service Employees International Union (SEIU) will expire at the end of FY 2011/2012. The percent salary increases called for in the MOUs have been incorporated in the recommended Plan.

In addition, the Sunnyvale Managers Association (SMA) was formed in January 2008 and is currently in negotiations with the City on an initial MOU.

Beyond the expiration of the current MOUs, the budget assumes modest increases in total compensation for personnel in the remaining years in keeping within our ability to pay. Losses recently experienced in the CalPERS investment portfolio are expected to result in a substantial increase in the City's employer contribution rates beginning in FY 2011/2012 and will likely put significant pressure on future base wages. Consequently, the Long-Term Financial Plan includes the assumption that each employee group will experience one year of zero salary or wage increases in order to assist in bringing the Budget into structural balance.

Projections for major revenues are based on detailed analyses of their unique characteristics and therefore they do not necessarily reflect a simple inflation pattern. The assumptions for each major revenue source will be detailed in the discussions of the respective fund.

As part of the budget process, staff makes adjustments to the City's Fee Schedule as necessary to ensure that all fees and charges are aligned with the cost of service, except for those fees that are legally limited, market based, or subsidized by Council policy. Some fees are adjusted by cost factors specific to the particular service. The remainder of the fees have been adjusted by the appropriate budgetary inflation factor to reflect the year-over-year increase in personnel and materials costs.

The budgetary inflation assumptions mentioned above are particularly significant since the City utilizes multi-year financial planning over a twenty-year period. Small changes can have a significant long-term effect. For example, a \$1 million loss in revenue or a \$1 million increase in operating expenses in an assumed 3% inflation environment amounts to a cumulative \$26.87 million change in position over the entire 20-year planning period.

It should also be noted that the budget assumptions are all based on the existing service levels approved by Council. This means that the Twenty-Year Resource Allocation Plan includes no resources to reflect business or population growth. To put it simply, increased demand for services due to a larger service population would have to be absorbed through increased operating efficiencies. Although to some extent economic growth will also increase revenues, in large part this growth has already been anticipated in our budgetary projections.

MAJOR PROJECT EFFORTS

Sunnyvale's projects budget is a complex document involving four separate and distinct categories of projects: capital, infrastructure, special, and outside group funding. The projects themselves are budgeted and accounted for in various funds, most notably the General and Gas Tax Funds, the Capital Projects and Infrastructure Funds, and the Utility Funds.

The recommended FY 2009/2010 Budget includes funding for a total of 208 projects in all categories over the Twenty-Year Plan. A total of 128 of these projects will receive complete or partial funding in FY 2009/2010. The discussion below focuses on the status of strategic planning efforts for major components of the City's physical assets. It also identifies special funding sources available to support the development and renovation of these assets. Finally, it provides information on the status of major project initiatives included in the recommended FY 2009/2010 Budget. Highlights of projects recommended in each fund are included in the *Detailed Fund Reviews* section of this Transmittal Letter.

Along with the new initiatives and funding opportunities, the City also has a number of challenges in the projects area.

STRATEGIC PLANNING FOR CAPITAL PROJECTS

Traffic and Transportation Strategic Planning

Sunnyvale has developed an excellent transportation infrastructure, but regional and local growth and the passage of time put continual strain on capacity and maintenance needs. Also, there must be support for all modes of transportation to enhance livable local communities, balance housing and jobs, and support economic development.

To Sunnyvale's credit, the City has proactively conducted long range planning for traffic and transportation needs for a number of years. In 2003 the City established a local revenue stream, the Traffic Impact Fee, specific to transportation and linked to the demand for new transportation facilities brought on by land development. The City also carefully scrutinizes and places conditions on individual development projects and updates the basis for its transportation facility forecasts on a regular basis to assure that transportation needs are met without causing an undue burden on general tax dollars. The City conducts comprehensive long range assessments of its transportation infrastructure replacement needs and coordinates this with long range budgeting. Finally, the City has comprehensively planned for alternative transportation facilities to position itself to compete strongly for outside specialized discretionary funding as it becomes available.

Traffic Capacity Planning

Over the last decade Sunnyvale has adopted a number of long-range land use plans covering the next 20-year timeframe. These plans include the Futures Study, the Lockheed Site Master Use Permit, the Downtown Specific Plan, the Fair Oaks area General Plan Amendment, and the Moffett Park Specific Plan. These plans examine traffic generation from planned development, and include mitigating transportation programs to assure that adequate roadway capacity will exist to accommodate planned traffic generation.

In 2003, the City adopted the Transportation Strategic Program (TSP). The TSP's primary intent is to establish a comprehensive program for funding roadway capacity projects necessary to support planned land use. The TSP identifies approximately \$172 million of roadway and expressway capacity needs. Important components of this program include comprehensive transportation modeling to affirm and refine the program of transportation improvements; and regular updating of the transportation model to provide a defensible basis for collection of transportation impact fees to support the program of transportation improvements. Staff updates the transportation model every five years. It was last updated in 2008.

Another means of identifying transportation improvement projects are development-specific traffic studies. These studies are more focused than the citywide modeling and planning efforts, and may identify site-specific access or alternative transportation facility needs. The City's transportation model analyzes only select major roadways and intersections, so project-specific studies may be necessary to assess conditions on minor roadways not included in the TSP analysis. Also, projects that propose to amend the General Plan are subject to project-specific traffic studies, in order to assess changes in land use from those contemplated in the City transportation model.

Sunnyvale has also commissioned long-range planning studies of bicycle and pedestrian facilities over the last decade. In 1993, Council approved the City of Sunnyvale Bicycle Plan, which has been most recently updated in 2006. In addition, in 2000 the City completed a Bicycle Capital Improvement Program, which is a comprehensive plan to guide the provision of bicycle lanes on all arterial and collector streets in the City. The Program contains projects totaling approximately \$2.5 million which will move into the capital budget as outside revenue sources are secured. The City completed a comprehensive analysis of pedestrian facility needs in 2007.

Streets and Roadway Infrastructure Planning

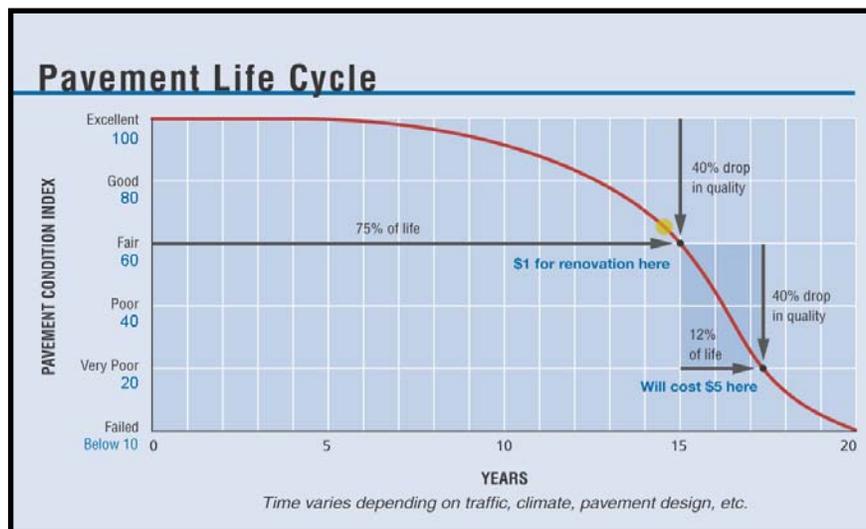
The City also proactively conducts infrastructure assessments and long range infrastructure replacement planning for streets and roads. Roadway pavements are assessed every two years utilizing a regionally-approved Pavement Management System to determine condition and anticipated life span of roadway pavements. Pavement rehabilitation treatments are then planned accordingly. Staff also has prepared a 40-year infrastructure replacement plan that includes replacement schedules for traffic signal components. This plan is based on assumed life cycles for major traffic signal components. As facilities come closer to the end of their anticipated life cycle (within 2-4 years), more detailed assessment of the condition of facilities is conducted as part of the capital budget process.

Finally, the State of California is charged with assessing the condition of local bridges. These surveys take place generally every two years, and results and recommendations for repairs or replacement are transmitted to the City for implementation.

The continued maintenance of our street surfaces has been affected by the economy as much as any program, and not just recently. Increasing oil prices required reductions in maintenance activities beginning in 2002, and the rate of reduction has continued or increased since that time. Even as oil prices retreated last year, the price of asphalt and sealing oil did not fall appreciably, limiting our ability to provide all the maintenance required.

Recognizing the impact of rising costs and the effect that decreased maintenance would have on service levels, Council approved the reduction in street quality two years ago. The target of our streets being maintained in a VERY GOOD condition with a pavement condition index (PCI) of 80 was reduced to a GOOD condition with a PCI of 70. The average PCI of Sunnyvale streets has subsequently fallen from the range of 84 to 80 and now the mid 70s. This level should be maintainable with adequate scheduling of overlays, chip seal and slurry seal, as appropriate. However, limited funding has resulted in an increasing rolling backlog of slurry and chip seal streets.

There is risk in targeting a PCI too low. The following figure shows a chart of pavement condition over time, without any maintenance. The expected life of a “new” street is 20 years. The chart shows the degradation curve. However, with treatments of slurry seal, chip seal, and crack sealing the life of a street can be extended indefinitely for a much lower cost than the cost of overlay or reconstruction.



The use of slurry seal when a pavement reaches a PCI between 90 and 70 can gain about 5 points on the PCI scale, and a chip seal for pavements in the 80 to 60 range can add another 8 points. Sunnyvale uses the survey PCI, as well as individual field evaluation to determine where to get the most benefit for the available sealing effort each year. The key to this chart is the change in slope as the PCI dips below 80, and even more so as it approaches 70. Analysis of the chart shows that missing the right

rating by one or two years can severely impact the street condition, and the cost of improving the pavement. The levels of 60 (\$1) and 20 (\$5) are marked on the chart, but what is also important is that a slurry seal application (\$0.25) at a PCI above 80 can provide a life extension of about 7 years, and when the PCI dips to 70 and requires a chip seal, this also extends the life of and benefit to the street surface. The chart shows a definite “pay now, or pay more later” impact that is considered by staff and acted upon when necessary. When a street drops below a PCI of 50 it is not worth maintaining, and is left alone until a reconstruction is affordable. Only a few streets in Sunnyvale fit that description.

Strategic Planning for Public Lands and Facilities

Sunnyvale has significant planned expenditures in the next twenty years and beyond in order to maintain its real property assets. These include the City Hall complex, Library, other administrative buildings such as the Corporation Yard, and all parks and recreation facilities. In order to ensure that funds are spent wisely, several strategic plans have been prepared to identify current condition and our future needs.

In FY 2007/2008 the Library of the Future project was completed to identify the size and features of a Library that would serve the City through the next several decades. Findings of the study indicated that the Library was already considerably short of space and would need to grow from its current 60,800 square feet to over 143,000 square feet to meet the needs of the community through the year 2030. The study also included information about a joint-use branch library at Columbia Middle School as a prototype to establish guidelines on size, location, staffing, a service model, etc., for the optimum and most beneficial branch to Sunnyvale. Council’s preference was to reexamine the idea of a branch library after a decision about the new main library had been made.

A ballot measure in the November 2007 local election, Measure B, was put before the voters for approval of a new main library. Although the measure achieved a solid majority, 59% approval, it did not pass since a two-thirds majority was required.

Through the study issue process, Council subsequently directed staff to reexamine the possibility of a branch library and consider a leased facility instead of a building that would be owned by the City. The study issue identified north Sunnyvale as the best location to place a branch library due to anticipated population growth and limited access to library services. Community input gathered during the branch library study issue process revealed a lack of widespread support for establishing a branch library, especially if it meant the issues of the main Library would not be addressed.

The branch library study also explored a number of less costly methods to extend library services beyond the physical walls of the library, including remote digital access, bookmobile services, transporting people to the library, mail delivery of library materials, kiosks/vending machines, satellite libraries and joint ventures. Council decided to not pursue a branch library; instead, Council directed staff to deliver library services through remote digital access and cooperative ventures, with no additional costs required outside the operating budget.

Although the bond measure for the new main library did not pass in 2007, it is clear that steps will need to be taken in the future to address the needs of this heavily-used City facility. In FY 2008/2009, the Library continues to be one of the busiest in the state with close to 2.5 million checkouts and approximately 2,400 visitors per day. In the near future consideration should be given to holding another general obligation bond election for expansion or replacement of the existing central library.

Following the Library of the Future study, a project known as the “Parks of the Future” study was established in FY 2007/2008. The purpose of this study was to identify strategies for meeting current and future community needs based on changing trends in recreation, new patterns for recreation participation, and new areas of growth and development in the City.

The project’s final report is expected to present a menu of actions for Council consideration to address Sunnyvale’s parks and open space needs for the next twenty years, and will include a discussion and analysis on the following topics:

- Park classification system and design guidelines;
- Need for additional parklands, with specific discussion of Morse Avenue Park;
- Access analysis and identification of areas underserved by parks and open space;
- Capital improvement plans;
- Potential policy statements to augment the Open Space and Recreation Sub-Element; and
- Various funding options including raising the Park Dedication Standard; expansion of Development Impact Fees; a variety of special taxes; and use of rental revenue and/or selling of properties to benefit parks.

This project is now nearly complete and the results of the study and related recommendations are planned to be presented to City Council early in the summer of 2009. In the meantime, potential capital projects resulting from the study are discussed in more detail in *Volume IV, Projects Budget*.

Finally, a similar strategic analysis of the City’s Civic Center complex and Corporation Yard is being conducted this current year. These facilities are requiring substantial investment in rehabilitation and reconstruction, and in some cases are becoming functionally obsolete. Additionally, services have been expanded over the years by adding work units where space is available, rather than where it makes sense from a delivery perspective. As a result, residents often find it difficult to locate the services they seek. Although a space needs study was completed in 2000, it did not include an overall review of the types of buildings that would be needed into the future nor a cost-benefit analysis of repair versus replacement of various facilities. Analysis of the final report is underway so that a direction forward can be developed for the repair or replacement of the various administrative facilities that will be needed by Sunnyvale into the future. Several options are being explored, including one that would minimize costs by maximizing the use of existing facilities.

CAPITAL PROJECT FUNDING

Over the past several years the City has enjoyed a number of grants and outside funding sources available for specific project categories, such as parks and streets and transportation. Revenues generated from City-imposed fees such as Traffic Mitigation and Traffic Impact Fees and Park Dedication and Housing Mitigation Fees also have added to the City's ability to address capital needs. For the future, these "self help" revenue sources will continue to play important roles in the City's ability to sustain and add to its physical assets. It also appears that an increased level of transportation funding, particularly from federal stimulus funds, will be available in the near term to assist with local needs.

AMERICAN RECOVERY AND REINVESTMENT ACT ("FEDERAL STIMULUS FUNDING")

The American Recovery and Reinvestment Act (ARRA), more commonly referred to as the "Federal Stimulus Funding Package," was signed into law by President Obama on February 17, 2009. The ARRA is intended to jumpstart our economy and create or save millions of jobs by providing federal money to states and municipalities.

California is expected to receive approximately \$85 billion over the next two years in stimulus funding. Although certain of the funds will come automatically as a "formula grant," Sunnyvale's share will ultimately vary depending on the number of grants we decide to pursue. This money can only be used for specific purposes, and there are numerous restrictions on these funds. In general, stimulus funding can not be used for day-to-day services that the City usually funds itself. Instead, the monies available are for targeted purposes such as transportation projects, housing, etc. In addition, there are specific project timelines and reporting requirements that must be met in order to qualify for stimulus funding. Many of the funds are not yet available because the funding agency is still developing program guidelines and/or application criteria.

The City can receive stimulus funding in three ways:

- Direct Formula: A small portion of funding for programs and/or projects will be automatically distributed directly to cities on a formula basis by population.
- Formula Through Another Agency: This is similar to direct formula, except that the federal government provides the funding directly to the State, who will then distribute automatically to cities based on a formula.
- Competitive Funding: The majority of funding available will be accessed through an application process in competition with other cities or regions.

The City is placing a high priority on maximizing the benefits available to Sunnyvale through the stimulus program, and a number of departments are involved in the process. To the extent possible staff has tried to incorporate these stimulus projects into the recommended FY 2009/2010 Budget. However, the status of the various elements of funding are virtually changing daily.

The following are funds which the City has applied for and/or received as of the end of April 2009:

Energy Efficiency and Conservation Block Grant	\$1.3 million
Transit Grant – Wolfe Road Rehabilitation	\$2.2 million
Surface Grants – Murphy Ave. Streetscape	\$1 million
Community Development Block Grants	\$332,405
Homeless Assistance Grants	\$508,191
Byrne Justice Assistance Grants	\$74,000
Workforce Investment Act, Adults	\$500,000
Workforce Investment Act, Youth	\$1 million
Workforce Investment Act, Dislocated Workers	<u>\$1.4 million</u>
	Total \$8.3 million

TRAFFIC AND TRANSPORTATION FUNDING

Historically, funds specifically earmarked for traffic and roadway improvements have been inadequate for a variety of reasons. The State Gasoline Tax, which was originally levied for the express purpose of supporting our highway and road systems, has been systematically eroding over the years due to the fact that it is a flat rate per gallon rather than a percentage of the price of gasoline. Citizens in California also pay federal gasoline taxes, but we are a “net donor state” in that we receive less in transportation funding than we pay in as gasoline taxes.

Nevertheless, the City continues to receive dedicated funds for traffic and transportation projects. The City has an annual allocation from State Proposition 42 of about \$1.3 million and the passage of Proposition 1B in November 2006 resulted in a one-time allocation of about \$4.2 million for Sunnyvale. The City also has a Traffic Impact Fee in place for major projects to support projected future land use. Additionally, the American Recovery and Reinvestment Act (the “Stimulus package”) contains various funds for transportation purposes. Finally, staff has been successful in applying for a number of competitive grants each year for transit and transportation projects. Each of these potential funding sources is discussed below.

Federal Transportation Funding

In October 2003, the Transportation Equity Act for the 21st Century (TEA-21) expired. This act provided federal transportation funding from 1998 through 2003 for highway and transit projects. In 2003 Congress extended TEA-21 for an additional two years and in 2005 enacted the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). The Act expires in 2009. The City has realized funding from the Act for several projects, including pavement rehabilitation, the Borregas Bicycle Bridges, Tasman/Fair Oaks area streetscape improvements, and Murphy Avenue streetscape.

Congress has initiated discussions on a new transportation funding act. Significant issues to be addressed include the pending bankruptcy of the Highway Trust Fund, the complexity of transportation act funding programs, and the level of overall funding and funding for “donor” states. Staff will monitor the development of the act over the

upcoming months and incorporate any new funding authorization into future capital plans.

State Proposition 42 (Traffic Congestion Relief Program)

In March 2002, a constitutional amendment that permanently shifted the State's portion of the Sales Tax on gasoline from the State General Fund to the Transportation Investment Fund was approved by the voters as Proposition 42. The effect of this action was to allocate these funds to cities, counties, and transit agencies for traffic and transportation purposes beginning in FY 2008/2009.

The City is expecting to receive approximately \$1.2 million in FY 2008/2009 and \$1.3 million in FY 2009/2010, increasing each year thereafter. These funds are being programmed for Street Reconstruction and Resurfacing activities within the Public Works Department.

In November 2006 the voters approved Proposition 1A, which was sponsored by the League of California Cities as a constitutional amendment to protect Proposition 42 revenues from being borrowed by the State. While the Proposition does not prevent the State from borrowing these funds entirely, it does put restrictions on when and how often the funds can be borrowed and requires that the funds must be paid back. In short, the funds can be borrowed no more than twice in ten years, must be repaid with interest within three years, and can not be borrowed in two consecutive years. These provisions give the City more security going forward in planning to utilize these funds for transportation and traffic purposes.

State Infrastructure Bonds (Prop 1B)

In November 2006, California voters approved \$42.7 billion in statewide general obligation bonds to fund infrastructure projects in transportation (\$19.9 billion), education (\$10.4 billion), housing (\$2.9 billion), flood control (\$4.1 billion) and security-related resources (\$5.4 billion). The bonds were part of the Governor's Strategic Growth Plan to address the State's aging infrastructure.

The City of Sunnyvale will directly benefit from the bonds, mainly in the area of transportation funding (Proposition 1B). The local streets and roads portion of the bond funding is \$2 billion statewide (\$1 billion for cities and \$1 billion for counties). Sunnyvale's total allocation is approximately \$4.2 million in Proposition 1B funding for local streets and roads. The first allocation of \$2.1 million has already been received and committed to the Wolfe Road Caltrain Overcrossing and the Homestead Road Pavement Overlay projects. It is currently anticipated that the second allocation will be received in FY 2010/2011. Although the funds are not yet identified to a specific project in the recommended FY 2009/2010 Budget, staff is recommending that they be allocated to address the City's large backlog of sidewalk repair and replacement. This will be particularly important as the City moves forward with the **Sunnyvale Works!** Program which increases the purchasing power of our capital funds.

Traffic Mitigation Funds and Traffic Impact Fees

As indicated, the City Council has adopted a Transportation Strategic Program (TSP) which establishes a comprehensive funding program of revenue sources for major transportation necessary to support the City's land use plans.

Prior to the adoption of the Transportation Strategic Program, an interim funding mechanism was implemented for transportation mitigation of major land development. Known as Cumulative Traffic Mitigation funds, this mechanism mitigated project-specific cumulative impacts of major approved land developments as they related to the Land Use and Transportation Element of the General Plan. Implementing this interim funding measure offset the potential revenue loss that would have resulted if the City waited until the Transportation Strategic Program was completed before implementing a fee or assessment. Cumulative Traffic Mitigation funds are applied to capital projects that improve traffic capacity or alternative transportation facilities. The recommended FY 2009/2010 Budget allocates these funds to certain future traffic signal projects and for use as matching for transportation grants.

The City Council adopted the Transportation Strategic Program in November 2003 and instituted a new Traffic Impact Fee to be applied to traffic-generating development citywide. This Traffic Impact Fee replaced the interim Cumulative Traffic Mitigation. The City began collecting Traffic Impact Fees on new developments in January 2004. Traffic Impact Fees are to be applied to a specific list of roadway capacity improvement projects that were identified using a citywide transportation model. The Transportation Strategic Program consists of 14 projects totaling \$172 million. These projects are move into the City's 20-Year Projects Budget as funds are received and improvements are needed. It is currently projected that approximately \$8.8 million in Traffic Impact Fees will be collected in the first ten years of the Long-Term Financial Plan and an additional \$12.6 million in the second ten years.

The Cumulative Traffic Mitigation funds and Traffic Impact Fees are accounted for in individual sub-funds of the Capital Projects Fund. More detail on the Traffic Mitigation and Traffic Impact Funds can be found in this Transmittal Letter in the *Detailed Fund Reviews* section.

SPECIAL PARKS FUNDING

Park Dedication Fees

When developers of multi-family housing do not dedicate land for use as parks, the City collects a fee in lieu of the land dedication. These Park Dedication Fees are then used to pay for the expansion and maintenance of park facilities.

The City is currently experiencing a marked increase in new housing developments that are subject to Park Dedication Fees. An additional \$5 million in fees are projected to be received over the next three years, and approximately \$1 million annually thereafter. The recommended FY 2009/2010 Budget reflects the use of a portion of these anticipated fees to fund park-related infrastructure projects in the 20-year planning period through a transfer to the Infrastructure Rehabilitation and

Replacement Fund. This strategy relieves the Community Recreation Fund and the General Fund of these essential expenses.

A total of \$30 million is projected to be transferred to the Infrastructure Rehabilitation and Replacement Fund over the Twenty-Year Financial Plan. Examples of infrastructure projects to be funded include replacement of the Community Center Building Roofs and HVAC systems, Washington Pool Renovation, Park Tennis and Basketball Court Reconstruction, Improvements to the Tennis Center, and Rehabilitation of Parks Buildings.

Additionally, a total of \$5 million in park capital projects is proposed to be funded with Park Dedication Funds during the planning period. These projects will either be funded directly in the Park Dedication Fund or through a transfer to the Capital Projects Fund. The largest of these projects, the development of the Morse Avenue Neighborhood Park, is scheduled to begin design in FY 2009/2010, with construction starting the following year and finishing in FY 2011/2012.

It should be noted that the recommended FY 2009/2010 Budget does not include funds for the Plaza del Sol Phase II project, which was funded in last year's budget. More discussion on the future of this project is included in the *Park Dedication Fund* section of the *Detailed Fund Reviews*.

HOUSING FUNDING SOURCES

Sunnyvale is fortunate to have a number of funding sources available to support and encourage the production of low and moderate income housing. Community Development Block Grant funds are traditionally used to address the City's affordable housing strategy. Activities include support of housing agencies; rehabilitation and retrofitting of the existing housing stock; and the acquisition, rehabilitation, and construction of affordable housing by non-profit developers.

The City's Housing Fund contains revenues from federal HOME grants, Housing Mitigation funds, and Below-Market-Rate ("BMR") revenues. In general, HOME grants can be used to fund the provision of affordable housing, with eligible activities such as acquisition, new construction, and rehabilitation of housing stock. Housing Mitigation fees are paid by high-intensity industrial developers to mitigate the effect of development on the jobs/housing balance. Over the past several years, this funding source has allowed the City to undertake a number of important housing-related activities, including contributions to the Housing Trust Fund of Santa Clara County, housing assistance for teachers and City employees, and support to a number of non-profit developers in the production of affordable housing.

The BMR Program is not designed to generate funding for housing, but rather to cause affordable housing to be constructed as part of residential development projects in the City. The Municipal Code requires that 12½ % of all new for-sale housing and 15 % of all new rental housing be set aside to be affordable to low and moderate income households. Sunnyvale currently has 295 units of BMR rental housing, and 250 units of BMR ownership housing, 42 of which were added over the past year. Staff is

projecting that over 250 new ownership units will be added to the BMR inventory over the next three years.

Of note is one revenue source that is not currently available for housing purposes but which may come into play within the first ten years of the Long-Term Financial Plan. The Redevelopment Agency is required by State law to dedicate 20% of its property tax increment revenue to provision of housing for households of low and moderate income. These payments are deferred, however, until the Agency has paid off all of its pre-1986 debt, which is currently estimated to occur in FY 2014/2015. At that time, an additional significant funding source will be available for development of affordable housing in the City.

MAJOR NEW PROJECTS IN RECOMMENDED FY 2009/2010 BUDGET

Morse Avenue Neighborhood Park Development

The Adopted FY 2002/2003 Budget contained a capital project funded by the General Fund for development of a Morse Avenue Neighborhood Park. This project provided for the closing of the Fair Oaks Industrial Park and the construction of a neighborhood park on the site. The Fair Oaks Industrial Park was purchased by the City in 1990 in anticipation of future park needs for the area between State Highway 237 and U.S. Route 101 and Tasman. Rental income to the General Fund from the Industrial Park has averaged about \$900,000 annually since its purchase, with expenditures to operate the facility equaling about \$275,000. In the Adopted FY 2002/2003 Budget the park project was scheduled to begin design in FY 2007/2008 and be completed in FY 2008/2009. Operating costs for the park were anticipated at that time to be about \$80,000 annually.

Subsequent to the Adopted FY 2002/2003 Budget, Council deferred construction of the park for two years so that the annual net income of \$625,000 could be used on behalf of the Plaza del Sol Phase I project.

The recommended FY 2003/2004 Budget proposed a series of expenditure reductions and revenue enhancements to cover an estimated \$15 million structural gap in the General Fund. Part of this reduction package was to delete the Morse Neighborhood Park project from the Twenty-Year Financial Plan and retain the Industrial Park as an income producing asset throughout the twenty years. This recommendation was made in order to save the initial capital costs of the park construction, to avoid new ongoing operating park maintenance costs, and to retain the substantial net rental income of the Industrial Park to the General Fund. This recommendation was accepted by the City Council as part of the FY 2003/2004 Budget adoption.

In the recommended FY 2009/2010 Budget, the Morse Avenue Neighborhood Park Development project is funded. Currently, about 60% of the possible residential units in the area have been built or approved for construction. In light of the greater than anticipated redevelopment of the Industrial-to-Residential (ITR) area into housing, staff is recommending that design begin in FY 2009/2010, with construction to be completed in FY 2011/2012. To date, approximately \$4 million has been received in

Park Dedication Fees from this ITR area, with more anticipated as additional housing units develop.

Operating costs for the Morse Neighborhood Park will be about \$110,000 annually beginning in FY 2012/2013. These costs are programmed in the recommended FY 2009/2010 as part of the General Fund Long-Term Financial Plan.

Calabazas Creek Bridge at Old Mt. View-Alviso Road

The Calabazas Creek Bridge, which is located on Old Mountain View Road near Highway 237, is shared by the cities of Sunnyvale and Santa Clara. The Bridge has been declared structurally deficient by CalTrans and the City has received Highway Bridge program funding in the amount of \$3 million for its replacement. The required match for the project is \$398,000 for both cities, with Sunnyvale's share of \$198,000 to be funded with Gas Tax revenues. Sunnyvale will act as lead agency for construction of the project. When completed in 2012, the useful life of the new bridge is estimated to be 40 years.

Homestead Road Pavement Overlay – Mary Avenue to Sunnyvale Avenue

The City of Cupertino, which is utilizing its share of American Recovery and Reinvestment Act ("Federal Stimulus") monies to repave and repair portions of Homestead Road between Mary and Sunnyvale Avenues, has asked Sunnyvale to participate in this project. Homestead Road is a major arterial street that spans both cities. Cooperation in the paving project will ensure that the street surface is consistent and contracting for the work in one project will result in more favorable pricing. Sunnyvale's share of the project is estimated to be approximately \$600,000 and it recommended to be funded by a portion of our State Proposition 1B Infrastructure Bond allocation.

Wolfe Road Caltrain Overcrossing

In April 2008 Caltrain notified the City that chunks of concrete from the Wolfe Road Overcrossing had fallen onto the railroad tracks below. A structural consultant hired to inspect the bridge recommended replacement of the failed elastomeric bearing pads and related work. The project design and all other documents needed for funding have been submitted to CalTrans. The project is planned to be bid in the June/July timeframe with completion of construction expected to be before the end of 2009.

A budget modification was approved in FY 2008/2009 to allocate State Proposition 1B Infrastructure Bond funds in the amount of \$2.1 million to the project. More recently, the recommended FY 2009/2010 reflects a total budget of \$3.7 million, with \$2.2 million available from allocation from the American Recovery and Reinvestment Act ("Federal stimulus") funds. The remaining \$1.5 million will be funded from State Proposition 1B funds, with the remainder used as needed for the Homestead Road Pavement Overlay project.

CDBG Sidewalk Replacement and ADA Curb Cuts

Changes in the Community Development Block Grant (CDBG) Action Plan and the availability of additional CDBG funds through the American Recovery and Reinvestment Act ("Federal Stimulus") funds have made it possible for the City to program almost \$4 million in sidewalk replacement and curb cut projects in the Twenty-Year Financial Plan. The recommended FY 2009/2010 Budget allocates \$872,000 for curb cuts and \$480,000 in sidewalk repairs in CDBG eligible locations. These improvements will be constructed as part of the **Sunnyvale Works!** Program discussed earlier in this Transmittal Letter.

ONGOING PROJECTS

The City's Capital Improvement Program has a number of significant projects currently underway that will continue into FY 2009/2010 and beyond. The status of each is discussed below to provide Council with an update on progress.

Downtown Sunnyvale Enhancement Projects

In addition to the private development taking place downtown, the City is constructing or participating in seven important capital projects which will significantly enhance the downtown environment. These projects were funded in the FY 2008/2009 Budget and will be completed in the next two years or in coordination with the Town Center development.

Murphy Avenue Streetscape Revitalization

This project, which is budgeted at \$4.7 million, accomplishes much of the Murphy Avenue Streetscape Master Plan approved by the City Council in November 2005. The City has received a \$1.3 million grant from the Metropolitan Transportation Authority and a \$396,612 grant from the VTA. Murphy/Evelyn Sewer Improvements and other related utilities work are also being done concurrent with this project to limit the amount of disruption to the area. This project is expected to start in the current fiscal year and be completed in FY 2009/2010.

Murphy/Evelyn Sewer Improvements

This project contains \$1.2 million to improve the sanitary sewer main, replace sanitary service connections, and improve storm drainage serving the 100 Block of S. Murphy Avenue. The sanitary sewer and storm drainage work will be funded by Wastewater Utility Funds and will also include water service improvements to be supplemented by the Water Utility Fund. Construction will begin in FY 2008/2009 and be completed concurrently with the Streetscape Revitalization project in FY 2009/2010.

Sunnyvale Avenue Median

The developer of the Town Center Project will construct a new landscaped median on Sunnyvale Avenue between Iowa Avenue and Washington Avenue adjacent to the project site. In approving the Special Development Permit for this project, Council

agreed to reimburse the developer for the City's share of this public improvement, up to a maximum of \$750,000. The timing of this project is subject to the development agreement (ARDDOPA) and any relevant revisions.

Traffic Signal Modification

This project provides an appropriation up to \$745,000 as the City's share of \$1.6 million of traffic signal improvements in the Downtown area to improve the operation and aesthetics of the entire system. The improvements will be constructed by the Town Center developer, who will pay the remaining cost of the project. The timing of this project is subject to the development agreement (ARDDOPA) and any relevant revisions.

Washington/Mathilda Intersection Improvements

\$336,826 has been budgeted as the City's share of a \$998,000 project to add a westbound left turn lane to this critical intersection. The Town Center developer will build the improvement and fund the remaining cost. The City share is drawn from a previous contribution by the developer of the office project at Washington and Mathilda toward the improvement of the intersection. The timing of this project is subject to the development agreement (ARDDOPA) and any relevant revisions.

Downtown Wayfinding and Gateways

This project combines three former projects into a single project in the amount of \$850,000 for signage and gateway features to assist the public in navigating to and within the Downtown. This project is being coordinated with the Town Center developer who is responsible for a similar system within the redeveloped Town Center area. The timing of this project is subject to the development agreement (ARDDOPA) and any relevant revisions.

Hazardous Materials Remediation in Town Center

This project represents the Redevelopment Agency's estimated share of investigation and environmental remediation of dry cleaning fluid (PCE) found in groundwater and soil vapor within and flowing from the Town Center area, in accordance with the development agreement (ARDDOPA). The PCE is believed to come from former dry cleaning businesses that existed prior to the former Town Center Mall. The Agency and the developer share costs for this remediation, with the City's share currently estimated to be \$9 million. Although a great deal of work has already been accomplished to characterize the extent of the PCE, the work is subject to the approval of a Remedial Action Plan by the Regional Water Quality Control Board, and subsequent proof of effective remediation. Funding will be from Redevelopment Agency Tax Increment.

Undergrounding of Overhead Utilities

Sunnyvale has been moving in the direction of undergrounding overhead utilities since May 1967 when new residential subdivisions were required to place all utilities underground. In January 1970 the requirement to install all new utilities

underground was extended to all new developments including commercial and industrial as well as residential.

While many enjoy the aesthetics of having utilities underground, there are other benefits. Undergrounded utilities can be more reliable and safer during or after high winds, stormy weather, or earthquakes. Overhead utilities can affect trees and can obstruct sidewalks. The major portion (55%) of the City has underground utilities. Approximately 15% of the City has utilities located overhead along the front of properties, and the remaining 30% of the City has utilities located overhead along the rear property lines.

Pacific Gas & Electric (PG&E) includes an electric tariff filed with the California Public Utilities Commission (Rule 20A), to fund undergrounding within the entire PG&E service area. Projects performed under Rule 20A are nominated by a city, county or municipal agency for ranking by PG&E and the other utilities. Most residential neighborhoods do not qualify for Rule 20A funds (unless they are located on a major arterial, or are in a redevelopment or historic area, etc). With a few exceptions, Rule 20A funds only apply to major arterial roads. An arterial is defined by State law as a major street carrying the traffic of local and collector streets to and from freeways and other major streets, with controlled intersections and generally providing direct access to properties. A Collector street is defined as a street for traffic moving between arterial and local streets, generally providing direct access to properties.

Rule 20A projects are typically in areas of a community that are used most by the general public. To qualify, the governing body of a city or county must, among other things, determine that undergrounding is in the general public interest for one or more of the following reasons:

- Undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities.
- The street, road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicle traffic.
- The street, road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.

The Rule 20A guidelines have recently been expanded to be much more favorable financially to the City. Funds can now be used for undergrounding of utilities along the right-of-way, up to 100 feet of services to customers, and for conversion of meters to accept the underground feed up to \$1500 per meter. The City must pay the costs for adjusting power sources for traffic signals and street lights, and to replace street lamps on joint power poles that will be removed along with the overhead lines. Other overhead utilities that use the same poles (such as tele-communications and cable TV lines) are also put underground at the same time, usually with PG&E acting as the “trenching agent” to coordinate the work of the other utilities along with the PG&E power lines. In the past, the City had to bear a larger portion of the cost of the services and the conversion of the meter boxes. To reflect the new guidelines, the recommended FY 2009/2010 Budget significantly reduces the amount of General Fund monies that must be allocated for the City’s share of the undergrounding projects.

In addition to the undergrounding that occurs with new developments, undergrounding in the following areas has previously been accomplished:

- Along El Camino Real, the full length of the City
- Along Mathilda from El Camino Real to Highway 101
- Along Sunnyvale-Saratoga Road from Homestead to Sunnyvale Avenue
- Along Mary Avenue from Bidwell to the railroad tracks
- Along Fair Oaks Avenue from Maude to Birch, and
- Along Hollenbeck Avenue near Conway road.

Several remaining top priority projects that are included in the 20-Year Financial Plan are:

- Fair Oaks Avenue from El Camino Real to Evelyn
- Wolfe Road from Homestead to El Camino Real, and from El Camino Real to Old San Francisco Road
- Pastoria from El Camino Real to Evelyn, and
- Maude Avenue from Fair Oaks to Mathilda.

The first project, Fair Oaks Avenue from El Camino Real to Evelyn was started in FY 2008/2009 and is expected to be completed in FY 2009/2010. After the City has created an underground utility district (UUD), by publishing a Notice of Intent, setting the date for a public hearing, and conducted the public hearing to approve a resolution creating the UUD, PG&E will schedule the design work, and manage the construction as well. This process is dependent upon PG&E's schedules. PG&E estimates that each UUD may take as long as two years to complete. Therefore, it will be important for the City to begin creation of each district enough in advance of the actual project budget so that the work is not delayed.

Replacement of Water Pollution Control Plant

Both the recent Optimal Staffing Study for Public Works and the Asset Condition Assessment of the Water Pollution Control Plant (WPCP) completed in August 2006 identified the aging and deteriorating condition of the plant and recommended that a master plan for the long-term needs of the plant be completed. In response to those recommendations, a project for a comprehensive Strategic Infrastructure Plan (SIP) study was funded in the FY 2007/2008 Project Budget. The purpose of this study, which is underway, is to determine the most cost-effective alternative, including rebuild or mix of rehabilitation and replacement, in order to maintain current service levels and meet future needs at the plant.

To provide funding for the types of recommendations anticipated from the SIP, a project is being submitted as a "placeholder" to provide up to full replacement of the plant. More details on specific plant areas for rehabilitation and/or replacement, and a more detailed planning level estimate will be provided by the SIP, which will be completed at the end of calendar year 2009.

Ongoing Water Pollution Control Plant Infrastructure

The recommended FY 2009/2010 Budget includes other infrastructure projects which have been previously identified as being required in the short-term to address the most advanced areas of deterioration of the plant that are in increasing danger of failure. They are also the areas in which technology has not changed significantly since they were originally built and would be unlikely to be replaced with alternative technology in the construction of a new plant. These areas of infrastructure include Rehabilitation of Digesters and Replacement of Digester Lids, renovation of the Primary Sedimentation Basins, and Air Floatation Tank Rehabilitation.

Water Utility Infrastructure

The City of Sunnyvale owns, operates, and maintains a water supply and distribution system with three pressure zones, nine wells, and over 280 miles in pipe with diameters ranging from 4 inches to 30 inches. Additionally, there are ten potable water storage reservoirs at five different locations throughout the City with a total storage capacity of 27.5 million gallons. There is also one recycled water reservoir with a storage capacity of two million gallons.

Over the past few years, Sunnyvale staff has been working to identify and scope projects to improve the City's water supply and distribution system. \$26.5 million in capital, special and infrastructure projects are included in the first ten years of the FY 2009/2010 Long-Term Financial Plan, and an additional \$17.7 million in fully-identified water infrastructure and capital projects are included in the second ten years of the plan.

These projects address the three primary areas of the City's distribution system: storage, pipes, and wells. Due to the age of the system, the projects are front loaded in the Long-Term Financial Plan. The largest are \$3.7 million for improvements to the Wright Ave Water Tanks, \$3.8 million for water line replacements, \$3.4 million for interior coating of water tanks, \$2.5 million for exterior painting of water tanks, \$1.8 million for rehabilitation of the Central Water Plant Building and \$1.3 million to connect the city's two largest wells directly to a nearby transmission main. In order to supplement funding for these projects and spread their costs over their useful life for rate-setting purposes, staff is recommending that Water Revenue Bonds be issued in mid FY 2009/2010.

Mathilda Avenue Railroad Overpass Replacement and Reconfiguration

The State of California Department of Transportation (CalTrans) inspects bridges throughout the state every other year for structural adequacy and functional operation. The CalTrans inspection found that the Mathilda Avenue Railroad Overpass Bridge is "functionally obsolete", not meeting several standards for: bridge pier clearance, deceleration lane, shoulder width, and bridge railing, and pedestrian access.

City staff has successfully secured federal funds with an 11.47% local match for the design portion of removing the deficiencies and improving traffic circulation on the bridge. The proposed bridge improvements include reconfiguring the off ramp to

Evelyn Avenue to allow full access to Evelyn from southbound Mathilda Avenue. As an added benefit, this improvement can service the anticipated increase in traffic from southbound Mathilda Avenue to downtown Sunnyvale.

This project was previously budgeted at \$17.5 million with a \$10 million funding limit from federal funds and a significant anticipated shortfall. In the FY 2007/2008 State Budget, CalTrans had budgeted \$ 32.9 million for funding purposes. The requirement of 11.47% local match translates to a maximum federal share of \$29.13 million with the City's share of \$3.77 million. This reflects a substantial improvement in funding for this project from prior years. It will be important, however, to monitor appropriations in the State Budget to verify the amount actually available for this project.

The project design and all other documents needed for funding have been completed for submittal to CalTrans. Subject to CalTrans issuing an approval of their portion of the grant funding, the entire project is anticipated to be bid in 2009 and completed by summer 2011.

Recruitment and Training for Sworn Officers

Beginning in FY 2006/2007, the Public Safety Department began budgeting for the recruitment, selection, and training of new public safety officers in a series of recurring special projects rather than in the operating budget. This methodology allows expenditures to fluctuate each year based on the number of recruitments and allow for better monitoring and tracking of expenditures. In the recommended FY 2009/2010 Budget approximately \$1.1 million is appropriated in the next fiscal year in two recruitment and training projects for thirteen recruits.

A total of \$64 million for recruitment and training of public safety officers is included in the proposed budget over the twenty year planning period. This funding provides for 204 recruits, yielding 169 successful hires, over the twenty years. This represents a reduction of \$20 million from estimates contained in last year's budget, primarily due to enhancements in the recruitment and training methodologies being used, better estimates as to retirements and vacancies, and a higher retention success rate. Staff is anticipating that continued enhancements to the selection and recruitment process will very probably yield additional savings as we go forward.

It should be noted that the fixed costs associated with this activity, which include management oversight and recruitment, continue to be part of the Public Safety Department operating budget.

UNFUNDED PROJECTS

Over the last several years staff has made a concerted effort to identify all of the unfunded capital projects that pose a significant liability in the long term. This year, the recommended FY 2009/2010 Budget includes 43 unfunded projects totaling about \$337 million over the next twenty years. Information on each of these projects is contained in the various sections of *Volume IV, Projects Budget*.

Unfunded projects fall into several categories. First, many projects are on the unfunded list until a funding source is identified. Several of these projects are strong candidates for outside grants; this is particularly applicable for many of the traffic and transportation projects, such as the Sunnyvale East Channel Trail and In-Pavement Crosswalk Warning Lights. A new unfunded project has been added to address the backlog of sidewalks that need to be repaired and/or replaced. Staff is aggressively pursuing funding for projects in this category, particularly for federal stimulus funds. When a funding source is secured, these projects will move forward.

Projects have also been placed on the unfunded list if the timing of the project is dependent on actions from another agency. The Bernardo Avenue Caltrain Undercrossing must be coordinated with the State's high speed rail project and the Stevens Creek Trail Connector must follow the City of Mountain View's trail construction. In this category there are also five projects related to the downtown area. These projects will be reevaluated upon completion of the Town Center redevelopment and other improvements in the area. One of these projects, Plaza del Sol Phase II, was moved to the unfunded category for the recommended FY 2009/2010 Budget. This project must be coordinated with the redevelopment of Town and Country and will continue as an unfunded project until this redevelopment is underway.

By far the largest of the unfunded projects are those that involve our aging City buildings. Redevelopment of our library facility and our general administrative buildings, including the City Hall complex, the Corporation Yard, and the Public Safety Headquarters are reflected here for a total preliminary cost of \$259 million. In addition, there are 13 unfunded projects related to the rehabilitation of the existing City facilities. Review of facility needs and management is currently being undertaken, and it is anticipated that the result of this review will address the needs and potential funding sources. A strategic decision as to whether ongoing major maintenance and repair is continued or replacement and remodeling of facilities is funded is imperative for the sake of cost efficiency.

In addition to the projects identified as unfunded in the projects budget, there are many projects identified in the long range plans that guide the development of the capital projects budget for traffic and transportation and parks and recreation projects. There are seven long range plans that impact traffic and transportation projects: VTP 2035, Transportation Strategic Program, Downtown Specific Plan (2003), Bicycle Capital Improvement Program, 2007 Pedestrian Safety and Opportunities Study, Tasman/Fair Oaks Bicycle and Pedestrian Circulation Plan, and Moffett Park Specific Plan. Each of these plans identifies traffic and transportation projects that are important for a particular area, the City, and/or the region. These plans allow the City to undertake a coordinated traffic and transportation capital projects program and to position itself to compete strongly for outside specialized discretionary funding as it becomes available. The plans and a listing of their Sunnyvale transportation projects are detailed in the Traffic and Transportation section of *Volume IV, Projects Budget*. If a project has secured funding and is budgeted or completed, it is noted on the projects list. For the remaining projects, they will move into the City's projects budget when funding sources are secured. These project lists will be updated annually to track the progress the City is making toward the long-range goals outlined in these plans. Some projects, particularly many of those in the VTP 2035, are not the

responsibility of the City and therefore will not move into the City's projects budget. However, staff will continue to monitor and update the project list as these projects are in Sunnyvale and will impact the City's transportation infrastructure.

The draft Parks of the Future study includes a 20-year capital improvement plan with estimated project and ongoing operating costs. This capital improvement plan incorporated the City's current inventory of funded and unfunded parks and recreation capital projects and created a more comprehensive plan based on the goals of the study. A list of all the projects in this plan is included in the Parks and Recreation section of *Volume IV, Projects Budget*. Those projects that have been funded are noted on the list. The Parks of the Future study will be presented to Council early in FY 2009/2010 and as appropriate other projects will be moved into the City's projects budget when funding sources are secured.

BUDGETARY CHANGES

PROGRAM CHANGES

Several noteworthy changes were made this fiscal year to the City's organizational structure. First, the City changed the name of its Department of Parks and Recreation to the Department of Community Services. The name change reflects the evolving role of traditional parks and recreation departments into broader community service organizations.

The historic role of parks and recreation was exactly as the name implies: maintenance of municipal parks and recreation activities in the parks. But in Sunnyvale the role has expanded greatly. In addition to operating traditional parks and golf courses, the department is also responsible for the operations related to maintenance of all City facilities, after-school diversion programs for at-risk youth, and health screening services for seniors. It is because of this wide range of community support activities and services that the department has now become the Department of Community Services.

In a second, related change, the City has moved the administration of the Columbia Neighborhood Center (CNC) from the Office of the City Manager to the Department of Community Services. CNC is a collaborative effort between the City and the Sunnyvale School District to support and empower youth and families so the children of the community will develop the life skills necessary to be successful in school and beyond. In addition to its youth and family services, CNC also provides a variety of medical services through partnerships with MayView Community Health Center, El Camino Hospital and others. All together, nearly three dozen organizations assist CNC in providing community services. The move does not affect staffing or services, but is strictly a change in the City's reporting structure. There are anticipated benefits, however, to the change. Because of the similarity in many of the services offered at CNC with other services at the Senior Center and Community Center, the City expects more synergy between these programs as they are now all housed within the Department of Community Services.

Additionally, the City has repositioned its Economic Development program from the Department of Community Development to the Office of the City Manager, with staff reporting directly to the City Manager. Strong economic development programs are the lifeblood of a city. Without a healthy business climate in a city, jobs fade, sales taxes and developer fees drop, and the city withers. Money generated by Sunnyvale businesses – from Sales Tax, businesses licenses, Transient Occupancy Tax, developer fees, etc. - has historically contributed a high percentage of the City's General Fund, which pays for basic City operations and services. Sunnyvale's Economic Development Division focuses on two aspects of business: attracting new businesses and retaining those already here. And as successful as Sunnyvale's Economic Development Division has been, the City is repositioning the division, increasing its visibility and effectiveness in the face of the poor economy and the City's declining tax revenues.

Finally, the City's FY 2008/2009 Adopted Budget included funding for an Environmental Sustainability Coordinator in the Office of the City Manager. The Sustainability Coordinator takes the lead on the City's environmental work and addresses issues like climate change, water conservation, resource conservation, environmental planning, green policy development and more. The FY 2008/2009 Budget funded this position through a combination of grants and operating funds from the City's Water and Wastewater Utility Enterprise Funds. The recommended FY 2009/2010 Budget fully funds this position through the City's Utility Enterprise Funds, with each of the three funds contributing one third of the program's expense. To the extent practicable, the Sustainability Coordinator will work to obtain grants to offset the impact on the City's utilities.

OUTSIDE GROUP FUNDING

For decades Sunnyvale has provided supplemental support to its needy residents through funding of local human services agencies. The principal source of funding is the Community Development Block Grant (CDBG). Over the years, the City has supplemented federal funding with General Fund support at varying levels.

In years past, General Fund monies were allocated based on a set dollar amount through an outside group funding process. There were two types of groups that competed for the funds through this process: human services agencies, that were also eligible for CDBG funding, and outside groups that provided community enrichment services such as promotion of community engagement and job training. Starting in FY 2008/2009, the process was separated for these two group types.

For outside groups not eligible for CDBG funds, groups must make funding requests directly to the City department in which their services would reside. Staff considers these requests in the context of their operating budgets and currently funded service levels. Staff then makes one of three recommendations: 1) fund the request within the existing budget by reducing or eliminating another service; 2) fund the request using General Fund monies; or 3) do not fund the request. For items 2) and 3), the requests are presented to Council as a budget supplement in the City Manager's recommended budget.

For human services agencies, their requests are processed together with their requests for CDBG funds. In December 2008, Council approved a maximum General Fund support level of \$100,000 annually. A combined maximum of \$350,000 in CDBG and General Funds was set for CDBG-eligible human services agencies. Therefore, General Fund support could go up and down annually depending on the CDBG allocation, but will be no more \$100,000.

FY 2009/2010 is the first year of a two-year funding cycle for human services agencies receiving CDBG and General Fund support. Council will determine the allocation of funds to each agency in May 2009. Based on the anticipated FY 2009/2010 CDBG allocation and projected program income, staff estimates \$206,044 will be available in CDBG funds for human services agencies. In addition \$100,000 in General Fund will also be available. Until specific allocations are made, these funds are budgeted in

placeholder projects. For the adopted budget, these placeholder projects will be zeroed out and projects will be created for each allocation.

DETAILED FUND REVIEWS

While it is useful to understand the City's overall budget, it is important to emphasize that the City's budget is comprised of multiple funds, with the real short-term and long-term position of the City contained in the respective position of each of these funds. This Transmittal Letter will discuss each fund in detail, but places emphasis on the General Fund.

The following review will provide strategic long-term, as well as important short-term, financial highlights for each individual fund.

GENERAL FUND

The General Fund is used by the City to account for all financial resources except those required by law or practice to be accounted for in another fund. It supports many of the most visible and essential City services, such as police, fire, road maintenance, libraries, and parks and open space maintenance. General government support functions are also included in this fund, and their costs are apportioned through the use of in lieu fees to other City funds. Because the General Fund receives the preponderance of its revenue from taxes, it has been the most affected by voter-approved initiatives and State legislative actions. As a result of such action over the past decade, revenues to the General Fund are significantly less than they would have otherwise been. Additionally, the state of the regional economy has a direct effect on the General Fund.

The General Fund has a very close relationship with several other funds. Those funds are the Community Recreation Fund, the Youth and Neighborhood Services Fund, the Gas Tax Fund, the Internal Service Funds, the Capital Projects Fund, the Infrastructure Renovation and Replacement Fund, and the Redevelopment Agency Fund. In each case, the condition of these funds has a direct bearing on the General Fund due either to contractual relationships or because the General Fund is a primary or significant source of financial support. The relationship between these various funds, where appropriate, will be discussed as a part of the General Fund, as well as in the review of each of these individual funds.

General Fund Revenues

Revenue Estimation Methodology

All revenue assumptions and projections are reviewed and revised each fiscal year. Further, considerable analysis is undertaken to identify the key elements that impact our major revenue sources so that the projection methodology is reliable over the long-term. Historical data underscores the fact that a significant swing in revenues can occur due to economic cycles. From a low in 1990 to the high in 2000, the economy has produced very different revenue yields to the City in a number of major categories. Projecting revenues based on the high point of the economic cycle could overstate the

City's financial position significantly for future years and could result in spending patterns that cannot be sustained. Conversely, projecting revenues from the lowest point of the economic cycle could understate the long-term financial position of the City and cause unnecessary service reductions.

Each revenue source has its unique characteristics that have been used to make projections. In general, estimates of actual revenue and trend data for each major source are used to calculate projections for the next two years. For the balance of the financial plan, however, projections are based on the history of each revenue modified for present circumstances. Following the adoption of each Long-Term Financial Plan, the major revenue sources are monitored throughout the budget year to detect any change in patterns or circumstances.

General Fund Major Revenue Sources

Five key sources generate about 80% of the City's General Fund revenues. They are: Property Tax, Sales Tax, Transient Occupancy Tax, Utility Users Tax/Franchise Fees, and Construction-related taxes and fees. The FY 2008/2009 Adopted Budget projected that revenues from these sources would be impacted from what was considered at the time to be a slowdown in the economy. Since the beginning of the fiscal year, however, the global economy has deteriorated significantly, severely impacting these major revenue sources. Sales Tax, Transient Occupancy Tax, and Construction-related taxes and fees have all dropped significantly over the course of the fiscal year, and updated FY 2008/2009 projections have been reduced considerably in comparison to the original projections.

Our current projections for FY 2009/2010 and beyond reflect what is expected to be a deep and protracted economic slowdown. Major revenue sources such as Sales Tax, Transient Occupancy Tax, and Construction-related taxes and fees are expected to remain relatively flat or even continue to decline in the case of Construction-related revenues over the next several years before rebounding beginning in FY 2011/2012. Property Tax, Utility Users Tax, and Franchise Fees are expected to continue to see growth; however, this growth is expected to be very modest until the economy begins to recover.

Table IV, below, reflects projected sources of General Fund revenues for FY 2009/2010 and compares those sources with the FY 2008/2009 revised projections. Actual revenues for FY 2007/2008 are also included. Overall, our FY 2009/2010 revenues are forecast to be less than 1% higher than estimated FY 2008/2009 revenues and 20% lower than what was projected for FY 2009/2010 in last year's financial plan.

Table IV Recommended Revenues - General Fund

Revenue Character	2007/2008 Actual	2008/2009 Revised Projection	% Growth 2008/2009 over 2007/2008	2009/2010 Proposed Projection	% Growth 2009/2010 over 2008/2009
Property Tax	29,324,999	30,899,387	5.37%	31,267,483	1.19%
Property Tax in Lieu of VLF	9,623,750	10,360,053	7.65%	10,567,254	2.00%
Sales Tax	29,705,343	26,000,000	-12.47%	26,000,000	0.00%
Utility Users Tax	6,840,342	7,038,494	2.90%	7,175,823	1.95%
Franchises	5,855,124	6,177,593	5.51%	6,227,378	0.81%
Transient Occupancy Tax	7,350,255	5,637,015	-23.31%	5,796,280	2.83%
Permits and Licenses	9,265,468	5,263,566	-43.19%	4,355,724	-17.25%
Inter-Fund Revenues	9,143,276	5,041,606	-44.86%	7,082,396	40.48%
Repayment from Town Center Developer	375,867	119,136	-68.30%	0	-100.00%
State Shared	1,225,805	809,917	-33.93%	754,333	-6.86%
Service Fees	7,039,219	3,676,607	-47.77%	3,287,591	-10.58%
Interest	3,824,016	2,066,000	-45.97%	1,946,606	-5.78%
Other Taxes	4,167,264	1,885,287	-54.76%	1,563,965	-17.04%
Business License Tax	1,075,004	1,133,000	5.39%	1,166,990	3.00%
Miscellaneous	945,349	407,631		231,304	
Rents and Concessions	2,194,159	2,381,925	8.56%	2,480,758	4.15%
Prop. 172 Sales Tax	1,209,287	1,100,000	-9.04%	1,100,000	0.00%
Fines and Forfeitures	1,219,050	1,150,636	-5.61%	1,139,833	-0.94%
Federal and Intergovernmental	844,844	401,090	-52.52%	153,472	-61.74%
Real Property Sale	4,708,333	0	-100.00%	0	0.00%
TOTAL	135,936,754	111,548,943	-17.94%	112,297,190	0.67%

Property Tax and Sales Tax values do not include the impact of the Triple Flip

In the following section are detailed discussions of the City's five major revenue sources, including explanations of the revenue forecasts for FY 2009/2010 and beyond. Following that section will be discussions of several other revenue sources of particular note.

Property Tax

Property Tax represents the largest source of General Fund revenue, estimated to be about 37% of all General Fund revenues in FY 2009/2010. For each dollar of Property Tax paid by property owners outside of the Redevelopment Agency (RDA) project area,

approximately \$0.16 is now allocated to the City of Sunnyvale. This percent is up from the previous \$0.13 which the City received prior to the implementation of the VLF Swap discussed below. The allocation of RDA Property Tax is different and is discussed in more detail in the review of the Redevelopment Agency Fund.

The City's Property Tax revenue consists of several categories. Secured Tax, which represents the vast majority of the overall Property Tax, is the tax on real property and the structures on that real property. Unsecured Tax represents the tax on appurtenances such as furniture, machinery, and equipment. Supplemental Tax is the result of reassessing the value of real property when there is a change of ownership or new construction is completed after the official lien date. Other sources of Property Tax revenue come from Unitary Tax, which is assessed by the State Board of Equalization on property such as utilities or railroad lines, and Tax Delinquencies.

Property Tax has also been the revenue most affected by voter initiatives and legislative actions. With approval of Proposition 13 in 1978, Property Tax revenues were reduced by two-thirds and thereafter limited to 2% annual increases or the Consumer Price Index (CPI), whichever is less. In the early 1990s, the State legislature shifted a larger portion of the Property Tax to schools. This shift was made to the State's Educational Revenue Augmentation Fund (ERAF) to backfill a portion of the State's obligation for school funding. This original "ERAF shift" results in an annual loss to the City of Sunnyvale of approximately \$7 million.

In FY 2004/2005 and FY 2005/2006 the State shifted an additional \$4.1 million over those two years from Sunnyvale Property Tax to the ERAF as part of a solution to its ongoing budget crisis (ERAF III). Also included in the State Budget deal with local governments in FY 2004/2005 was a permanent redistribution of two of the City's revenue sources. Under this agreement, the Vehicle License Fee (VLF) rate for cities was permanently reduced from 2% to .65%. For FY 2004/2005, the VLF that the City would have gotten at the 2% rate was calculated and this amount was added to our Property Tax base through transfers from the ERAF. In FY 2005/2006, the City began to receive our portion of VLF revenues at the now-permanent low rate. Meanwhile, our Property Tax base reflects the new, permanent base. This Property Tax base grows in the future according to current economic conditions.

It should be noted that the VLF/Property Tax shift results in a cash flow and earnings loss to the City because Property Tax is paid twice a year while VLF is paid monthly. However, it should also be noted that the Property Tax has been growing at a faster pace than that experienced by the VLF. With the swap now in place, Property Tax is the City's largest General Fund revenue source.

Overall FY 2009/2010 Property Tax revenues are expected to be up approximately 1.4% when compared to FY 2008/2009, including an estimated 2% Secured Property Tax growth. The Secured Property Tax projection for FY 2009/2010 relies heavily on recent information provided by the County of Santa Clara Assessor's Office. As has been widely reported, in April of 2009 the County Assessor reassessed all residential properties in Santa Clara County that changed ownership in the last eight years. The result of this was a county-wide reduction in assessed value of approximately 2%. Most of this reduction was concentrated in the southern and eastern parts of the county. The results for Sunnyvale were encouraging given the overall state of the

market, as it was estimated that Sunnyvale's assessed valuation would increase by approximately 2% in FY 2009/2010. Given the continued uncertainty in the housing market, as well as the deteriorating commercial market, which lags the residential market in getting on the Property Tax roll, only 1% growth has been projected for FY 2010/2011. Beyond that, future projections are based on historical increases and trends in both the residential and commercial markets and fluctuate between increases of 3% and 4.5% throughout the remaining 18 years of the Long-Term Financial Plan.

Two other important elements of Property Tax revenue are the Unsecured Property Tax and Supplemental Property Tax rolls. Unsecured Property Tax grew significantly during the height of the economic boom and has slowly reduced to an average of approximately \$2.1 million annually. Staff expects Unsecured Tax to be slightly above this amount in FY 2008/2009 but then to contract to approximately \$2 million over the next several years due to current economic conditions. Staff projects Unsecured Tax will return to its inflation-adjusted base in FY 2011/2012 and then increase modestly during the remainder of the 20-year planning period. As commercial properties are increasingly used for office space as opposed to manufacturing space, staff does not expect Unsecured Property Tax revenues to return to the levels seen during the economic boom.

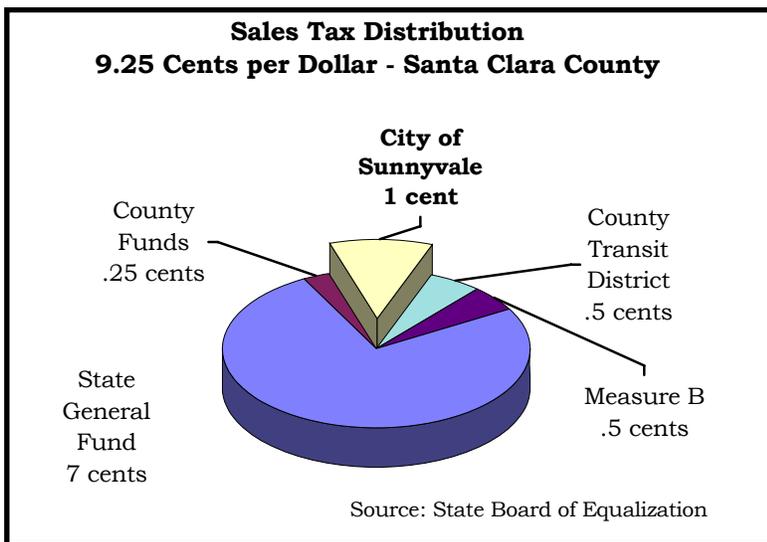
The Supplemental Property Tax roll reflects properties that are sold or transferred after the official lien date. Supplemental assessments pick up the higher value on the property immediately by using a floating lien date, and the added assessed value is placed on a separate Property Tax bill. Revenue from the supplemental roll is dependent strictly upon timing of sales and thus is difficult to forecast. The City experienced a sharp rise in Supplemental Property Tax revenue over the past several years, and is now seeing a corresponding drop due to lower sales volumes and homes reselling for less than their original purchase price in some cases. Supplemental Property Tax is expected to be \$1 million in FY 2008/2009, a drop of over 20% from FY 2007/2008. FY 2009/2010 and FY 2010/2011 are also expected to be slow years, with revenues remaining at FY 2008/2009 levels. Staff expects revenues will return to more historical levels beginning in FY 2011/2012, with modest growth going forward through the remainder of the long-term plan.

Sales and Use Tax

Sales and Use Tax represents the second largest source of revenue to the General Fund. Sales Tax is expected to make up 23% of budgeted revenues in FY 2009/2010. Sales and Use Tax also represents one of the General Fund's most volatile revenue sources, with drastic swings over the past ten years. In FY 2000/2001, Sales Tax represented the largest revenue source and constituted 32% of total revenue at \$36.3 million. In the following two years, Sales Tax revenue fell at a dramatic rate of 41%, or over \$13.5 million less in revenue. However, in FY 2003/2004 Sales Tax revenues increased slightly from the prior year, marking the first time the City had seen a year-to-year increase since the peak of the technology boom in FY 2000/2001. This trend of recovery continued through FY 2006/2007, with revenues reaching nearly \$31 million. The first three fiscal quarters of FY 2007/2008 also indicated continued growth in this area; however, the bottom fell out during the final quarter of FY 2007/2008, as revenues dropped 14% from the same quarter in the previous fiscal year. Final Sales

and Use Tax revenues in FY 2007/2008 totaled \$29.7 million, and revenues have continued to decline significantly in FY 2008/2009. Estimated Sales Tax revenues for the current fiscal year are \$26 million.

The graph below shows how Sales Tax dollars are distributed within Santa Clara County. The State receives the largest share of the nine and one quarter cents per dollar of sales, while cities receive only one cent of the rate. The nine and one quarter cents per dollar rate represents a one cent increase in the total rate, which became effective on April 1, 2009. It is important to note that while the rate has increased by one cent, the State of California receives that entire amount. The City of Sunnyvale continues to receive its standard one cent per dollar share of the Sales Tax distribution.



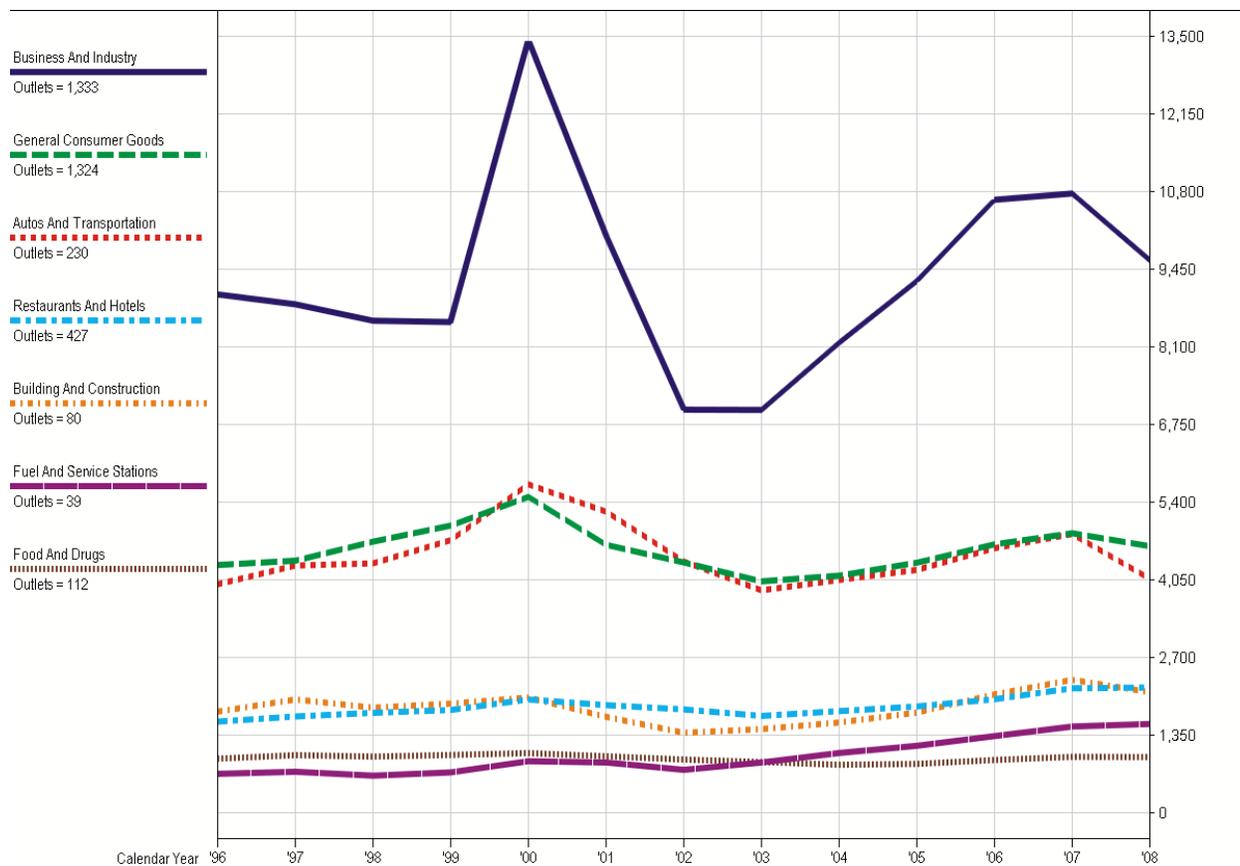
Sales and Use Tax is composed of two different types - general retail sales and business-to-business sales. In Sunnyvale, as well as some other Silicon Valley cities, an unusually high proportion of overall Sales Tax has traditionally been business-to-business in nature; this sector currently constitutes about 39% of our aggregate as opposed to the statewide average of approximately 18%. This makes our Sales Tax much more complicated and difficult

to predict because it is often one-time in nature.

As previously noted, our revised Sales Tax estimate for FY 2008/2009 is \$26 million. This is down approximately 12.5%, or \$3.7 million, compared to our actual receipts for FY 2007/2008. The current global economic crisis has had a significant impact on our taxable sales, especially in our auto sales and business-to-business categories, which constitute approximately 55% of our total Sales Tax revenue.

Specific year-over-year growth projections are developed by dividing Sales Tax receipts into four major categories that have similar economic characteristics: Business and Industry, General Consumer Goods, Autos and Transportation, and Other. The Other category includes Restaurants and Hotels, Building and Construction, Fuel and Service Stations, and Food and Drugs. As can be seen from the following graph listing Sunnyvale's Sales Tax receipts by sector between 1995 and 2007, each category has a unique pattern:

**City of Sunnyvale
Sales Tax Receipts by Major Sector
(Calendar Year 1996 – 2008)**



While the majority of the sectors are relatively stable and experience swings within a narrow band, the business and industry sector, by its very nature, is highly volatile as can be seen above. This makes revenues in this area very unpredictable and forecasting future revenues very challenging.

Given the current economic crisis, staff has spent significant time analyzing historical Sales Tax revenues, as well as the assumptions utilized in projecting future revenues, to determine whether the current situation is an aberration or a resetting of our baseline. Based on this analysis and the understanding of the drivers of the current economic situation, staff believes that the City's Sales Tax baseline requires a resetting to a lower annual revenue amount. There are two main reasons as to why this is the case. First, a review of historical Sales Tax data over the past twenty years revealed there has been very little inflation-adjusted growth in taxable sales for the City. Previous forecasts projected growth that in some cases did exceed simple inflationary growth. Those forecasts have been reset to consider predominantly inflationary growth over the long-term plan. Secondly, staff believes the baseline revenue amount that had been previously set is not the correct sustainable base. The reason for this is

that much of the spending that fueled the rebound after the dot-com bust was not based on income, but instead it was based on credit and home equity. With the substantial decline of the housing market and the chaos in the credit markets, the days of this type of speculative spending are over. As such, the baseline Sales Tax revenue projections have been brought down to a lower level. Specifically, staff expects FY 2009/2010 and FY 2010/2011 to remain flat at \$26 million. Recovery is expected to begin in FY 2011/2012, with the City returning to its reset baseline of approximately \$29 million annually, not including new Sales Tax revenues related to the downtown redevelopment, in FY 2013/2014. Inflationary growth is projected past FY 2013/2014.

Following completion of the Town Center project, it is anticipated that additional Sales Tax revenue of approximately \$1.5 million per year, net of any additional operating costs, will be generated. We have included these funds beginning halfway through FY 2011/2012.

The Triple Flip

In FY 2004/2005 the State issued "Economic Recovery Bonds" as part of the solution to its record budget deficit. These bonds are secured by a mechanism called the "Triple Flip" which swaps local Sales Tax for Property Tax while the bonds are outstanding. In short, the State moves money from cities and counties to the State by raising the State Sales Tax rate by ¼ cent and reducing the local Sales Tax rate by an equal amount. So that cities and counties aren't hurt, an equal amount of Property Tax is taken from the schools (the Educational Revenue Augmentation Fund or ERAF) and given to the cities and counties. The State then makes up this loss by giving the schools an equal amount of money from the State's general fund.

When all of the flips are completed, everyone has the same amount of money as before, but a substantial amount of the State's money is now in a special fund to pay debt service on the bonds instead of in the State's general fund.

The actual Triple Flip began in July 2004. The exchange mechanism will be in place as long as the Bonds are outstanding, and it unwinds automatically when the Bonds are paid off. Although the final maturity of the Bonds is 2023, the State Legislative Analyst Office (LAO) projects that they will actually be fully repaid earlier because of certain provisions in the bond covenants and in the Proposition that authorized them.

The recommended FY 2009/2010 Budget for the General Fund assumes that the Triple Flip mechanism will be in place through FY 2018/2019. Staff has reduced our Sales Tax projections each year by one-fourth and reflected it as a separate line on the General Fund Long Term Financial Plan called "*Triple Flip - Sales Tax Reduction.*" This same amount is then added to the Property Tax projections in a separate line entitled "*Triple Flip - Property Tax Increase.*" In the Triple Flip, the Sales Tax/Property Tax swap is dollar for dollar based on the actual Sales Tax revenue collected and it does not actually increase the City's Property Tax base. The Triple Flip has no net fiscal impact to the City. The major effect of this mechanism on the City lies in the fact that Property Tax is essentially remitted to us twice a year while Sales Tax is remitted monthly; this causes a reduction in our interest earnings and a potential cash flow

problem. We have taken this effect into consideration in our interest earnings projections for the General Fund.

Utility Users Tax and Franchise Fees

Utility Users Tax (UUT) and Franchise Fees combined represent the third largest source of General Fund revenue, generating about 12% of the total for FY 2009/2010. Historically, these two revenue categories have been combined because one of the primary sources of revenue for both is sale of electricity and gas. The City's UUT rate is 2% on electricity, gas, and intrastate telephone providers. As noted earlier in the City Manager's Budget Message, our rate is lower than the countywide average of 3.7% and significantly lower than the statewide average of 6%.

Approximately 58% of UUT revenue is derived from the sale of electricity, 29% is related to intrastate telephone usage, and 13% is derived from the sale of gas.

The single largest component of UUT revenues is the electric rates charged by Pacific Gas & Electric (PG&E.) Staff is projecting approximately 2% growth in FY 2009/2010 for UUT revenues related to sale of electricity by PG&E. This growth estimate considers the impact of expected rate changes for PG&E, as well as the current economic conditions, which are expected to drive usage down slightly. Growth in UUT revenues for PG&E electric is expected to be 2% annually for the remainder of the first ten years of the plan and 3% annually for the final ten years of the plan.

The City also receives approximately \$2 million annually from UUT on intrastate telephone usage. Although the various providers have changed year over year, overall receipts have been fairly stable. While staff expects continued growth in the telecommunications industry, projections have been tempered somewhat as concerns linger about potential legislation impacting the City's ability to collect UUT revenues from telecommunications providers. The telephone UUT is expected to grow by 2% annually in the first ten years of the plan and 2% annually in the second ten years of the plan.

The City receives a one-time franchise payment from PG&E each year which represents approximately 42% of all Franchise Fee revenue. The PG&E franchise rate is 1% of gross receipts; statewide, franchise rates range from .5% to 2%. The City's other main franchise agreements are with our cable television providers and Specialty Garbage. For FY 2009/2010 Franchise Fees are projected to increase by approximately 1% over the current FY 2008/2009 projection. This represents a slight increase in revenues from PG&E and the cable providers and a slight decrease in revenues related to the franchise for the City's solid waste contractor. Projections for future years include moderate year-over-year increases for this aggregate revenue source.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) represents the fourth largest revenue source of the General Fund, constituting about 5% of the total for FY 2009/2010.

TOT revenue is expected to be approximately \$5.6 million in FY 2008/2009. This is a reduction of 23% from FY 2007/2008 and mirrors the significant decline that is also

occurring in Sales Tax revenues. This large drop in TOT revenue is primarily the result of the slowdown in business-related travel, which is the core business of Sunnyvale's hotels. As the economic crisis has deepened, business-related travel has slowed, impacting occupancy and room rates at the City's hotels. Even with the increase in the TOT rate from 9.0% to 9.5% on January 1, 2009 monthly remittances have declined to levels last seen in FY 2003/2004 in the aftermath of the dot-com bust. Revenues are expected to remain relatively flat over the next several years before rebounding in FY 2011/2012. Part of this rebound is related to the expected recovery of the economy, while the other is the projection that a new downtown hotel will be open for business mid-way through FY 2011/2012.

Projections for future years call for increases based on modestly escalating room rates and stable occupancy. These projections for the long-term are significantly lower than the long-term projections presented in the FY 2008/2009 Adopted Budget. While this is partially attributable to the reduced projections for revenues over the next several years, the primary reason is that we have removed one new hotel from the projection for the recommended FY 2009/2010 Budget. Previous projections considered two new hotels coming on-line in FY 2011/2012, one in the downtown area and one at the site that formerly housed the Four Points Sheraton. Given the status of the project at the Four Points Sheraton site, staff believes that the projections for that hotel should be removed from the estimate.

While overall projections for TOT revenue have been reduced over previous long-term projections, there are still areas of vulnerability with respect to this revenue source. One such threat to this revenue source, outside of the uncertainty regarding general economic conditions, is the age of the Sunnyvale hotel stock. Many of Sunnyvale's hotels and motels are older and in need of renovation to maintain competitiveness. Without such renovation, it is expected that the occupancy and room rates of these hotels and motels will decline over the years. Additionally, as noted, the new downtown hotel planned for construction at Town Center has been incorporated into the projection as of FY 2011/2012. If the schedule for this hotel slips because of the current economic situation, the projections for future years will need to be adjusted accordingly.

Construction-Related Revenue

Construction-related revenues are the fifth largest source of General Fund revenues. Included in this category are Construction Tax, Building Permits, and development-related fees and charges. For FY 2009/2010 construction-related revenues are expected to be approximately \$4.5 million. This is a 25% reduction from the expected \$6 million in revenues in FY 2008/2009 and a 68% decrease from the historical peak of \$14 million in FY 2007/2008. These revenue sources have been impacted by the same issues that have affected Sales Tax and Transient Occupancy Tax, and the global economic crisis has caused development-related activity to grind to a halt. With little-to-no access to credit and a very uncertain environment, projects that were in the pipeline or even in process have been put on hold, with the significant slowdown starting towards the end of 2008. This comes on the heels of five consecutive years of growth in development-related revenues, including the unprecedented \$14 million collected in FY 2007/2008 which was driven by several large-scale projects.

The next two years are expected to be difficult for development-related activity in Sunnyvale, with projections for development-related revenues being \$4.5 million for FY 2009/2010 and \$5 million in FY 2010/2011. Activity is expected to pick-up again in FY 2011/2012 and return to a sustainable level. Unlike Sales Tax and Transient Occupancy Tax, the long-term projection for development-related revenues in the FY 2008/2009 Adopted Budget projected a reduction in this revenue source beginning in FY 2008/2009. While the slowdown has been more significant than expected, the long-term projections estimate no overall decline in revenues over the 20-year planning period.

Other Revenue Highlights

The recommended FY 2009/2010 Budget includes certain other revenue sources which warrant some discussion.

Interfund Revenues

Interfund Revenues include repayment to the General Fund of various loans made to other funds. Also included here is the repayment by the Redevelopment Agency of the General Fund advance. Revenues for FY 2009/2010 are projected to be up by 44% over FY 2008/2009. This increase is primarily attributable to a significant decrease in the loan repayment from the Redevelopment Agency during FY 2008/2009. Revised revenues for FY 2008/2009 are down considerably from the \$7.3 million that was originally projected, as the RDA has a large capital project for soil remediation at the Town Center site which will reduce the cash available in FY 2008/2009 for repayment of the General Fund loan.

Currently, the RDA receives 100% of the Property Tax revenues in the project area, minus the “frozen base” established at the time the project was created. This is referred to as “Tax Increment.” As noted later in the *Redevelopment Agency Fund* section of this Transmittal Letter, Tax Increment ceases to flow to the RDA following final repayment of the RDA loan to the General Fund. At that point, the City begins to receive the underlying Property Tax rate of about \$0.16, or about \$2.8 million annually. Unfortunately, this is substantially less than the \$13 million received annually from the RDA loan repayment at that time. This sharp drop in revenue begins in year 20 of the current long-term financial plan, and the implications of this drop have been considered in our overall revenue estimates.

Interest Income

This revenue source is calculated based upon assumptions of interest rates on allowable investments and on the projected cash balances for the fund. In recent years interest income has been down significantly. There are two major reasons for the reduction in interest income. First, interest rates have continued to decline over this period. The City’s is currently earning about 2.3% on our investment portfolio because of the low yield on U.S. Treasury and other highly safe similar instruments.

Second is the effect of the Triple Flip and Motor Vehicle Fee/Property Tax Swap. Whereas Sales Tax and Motor Vehicle License Fee revenues were remitted to us on a monthly basis, Property Tax is paid only twice a year. The first installment of Property Tax is sent by the County toward the end of December and the second installment is

sent toward the end of April. This schedule results in our major revenue source not earning interest for the bulk of the fiscal year.

Interest rates on investments are assumed to be 3% for FY 2009/2010, 4% for the next nine years, and 5% in the last ten years of the Twenty Year Financial Plan. This is a decrease from the estimated interest rates on investments from the FY 2008/2009 Adopted Budget. Those rates were one percentage point higher throughout the plan. The reduced rates for the recommended FY 2009/2010 Budget reflect the current rate environment and the expected continuation of lower rates for the foreseeable future.

General Fund Expenditures

Table V below outlines the recommended expenditures and current requirements for the General Fund for FY 2009/2010 and compares them to the FY 2008/2009 Revised Budget.

Table V Recommended Total Requirements – General Fund				
Expenditure Character	2007/2008 Actual	2008/2009 Revised Budget	2009/2010 Recommended. Budget	% Growth 2009/2010 over 2008/2009
Operating	113,931,809	119,514,606	123,620,489	3.44%
Budget Supplements			12,955	
Project Operating			72,960	
Projects	5,911,450	8,843,707	1,962,044	-77.81%
Transfers to Projects Funds ⁽¹⁾	75,932	6,981,403	475,000	-93.20%
Transfers to Other Funds	6,227,892	16,442,836	6,165,946	-62.50%
Debt	408,969	179,010	177,270	-0.97%
Lease Payments	1,213,805	1,208,280	1,210,893	0.22%
Payment to Town Center Developer	375,867	119,136		
Equipment	9,415	166,885	147,389	-11.68%
Cost Saving Actions			(4,000,000)	
TOTAL	128,155,139	153,455,863	129,844,946	-15.39%

(1) Includes transfers to the Capital Projects Fund and the Infrastructure Fund

General Fund recommended expenditures and other requirements for FY 2008/2009, including budget supplements, projects, debt service, equipment, and transfers total \$129.8 million. This is 15% below the revised FY 2008/2009 Budget.

General Fund operating expenditures for FY 2009/2010 are forecast to be \$123.6 million, an increase of 3.44% above the revised FY 2008/2009 Budget. The change is primarily due to escalating personnel costs, especially expected salary increases due to existing Memoranda of Understanding. Costs for medical insurance and retirement contributions are also increasing. Personnel costs represent approximately 86% of the total General Fund operating expenditures.

It is important to note that each year a portion of the Public Works Pavement Operations program, which is accounted for in the General Fund, is supported by the Gas Tax Fund and the Transportation Congestion Relief Program Fund. The amount that is used for this purpose varies depending upon funds available and project requirements. In FY 2008/2009 the support amounted to \$2.2 million. For FY 2009/2010 the level of support has dropped to \$2.1 million because of reduced Gas Tax revenues.

The recommended FY 2009/2010 Budget includes funding for two small budget supplements in the General Fund. The first is an ongoing supplement to the Planning Commission training budget in the amount of \$6,955. The second is a \$6,000 contribution to Silicon Valley Leadership for the Leadership Sunnyvale program.

Project Operating, Projects, and Transfers to Projects Funds all reflect General Fund expenditures related to capital and special projects. The content of these expenditures and the change in the budget from last fiscal year are discussed below in the *General Fund Projects* section.

Transfers to Other Funds reflects transfers from the General Fund to other funds for operating purposes. These include transfers to the Youth and Neighborhood Services Fund for support of Columbia Neighborhood Center and to the Community Recreation Fund for support of various recreational programs. Also included is a transfer to the Liability and Property Insurance Fund for the General Fund's share of claims and insurance. Overall, *Transfers to Other Funds* reflects a decrease of 62.5%. The principal reason for this decrease is that FY 2008/2009 included a one-time \$10 million transfer to the Employee Benefits and Insurance Fund to deal with the City's unfunded liability for retiree medical costs.

Debt in the General Fund provides for payment of a small bond issue which funded certain child care facilities at the Sunnyvale School District; the debt service is totally recovered from rental payments for the same facilities. *Lease Payments* provides the annual rent payment to the Redevelopment Agency Fund associated with the Parking Facility bonds. *Payment to Town Center Developer* is a payment from the Redevelopment Agency to the Town Center Developer for the Amended and Restated Development Disposition and Owner Participation Agreement (ARDDOPA). This amount varies from year-to-year and because it is a pass through has no net impact to the General Fund.

The *Equipment* line item contains the appropriations for Public Safety equipment which previously was budgeted in a General Service Sub-fund. For FY 2009/2010 the Public Safety expenditures have been moved into the General Fund in order to simplify accounting and reduce the need for a separate reserve.

The final expenditure item in the General Fund, *Cost Saving Actions*, reflects efficiencies identified by each department that would save expenditures with minimum impact on services. These savings essentially reduce operating expenses on an ongoing basis. A full discussion of this approach is contained in the City Manager's Budget Message at the beginning of this Transmittal Letter.

General Fund Projects

This is the first year of the two-year budgeting cycle for projects. Therefore, staff efforts were directed toward an extensive review of both currently existing projects and newly proposed projects. Descriptions and detailed financial information on all projects can be found in the budget document, *Volume IV, Projects Budget*.

The recommended FY 2009/2010 Budget for the General Fund includes \$1,962,044 for capital and special projects, outside group funding, and project administration. Capital projects in the amount of \$55,272 are proposed for FY 2009/2010. Included in this amount is \$35,000 in FY 2009/2010 to continue the enhanced Downtown Area Maintenance project while construction activities in the area are taking place. \$55,000 has also been included in FY 2010/2011 for this purpose and to provide for transition services needed as the downtown construction is completed.

Special Projects in the amount of \$1.4 million have been proposed for FY 2009/2010. \$1.1 million of this amount consists of two continuing projects for recruitment and training for sworn public safety officers. Details of these recruitment projects are contained in the *Major Project Efforts* section of this Transmittal Letter.

The General Fund recommended FY 2009/2010 Budget also contains an ongoing \$100,000 for Outside Group Funding as per Council policy. A full discussion of the Outside Group Funding policy is contained earlier in the *Budgetary Changes* section of the Transmittal Letter.

Project Administration costs in the amount of \$361,000 are included in the General Fund appropriations for FY 2009/2010. This reflects costs of Public Works staff for design and inspection of General Fund capital projects included here and the Capital Projects Fund. Project Operating costs reflect the ongoing operating costs of proposed capital or special projects. The proposed appropriation of \$72,960 for FY 2009/2010 includes \$67,200 for the Electronic Records Management project and \$5,760 for the Library Automated Materials Handling System project. It should be noted that beginning in FY 2010/2011 the Library project reflects a cost savings going forward.

Additionally, General Fund-related projects are found in several other places in the budget: the Gas Tax Fund, the Capital Project Fund, and the Infrastructure Renovation and Replacement Fund. These latter categories are considered to be related to the General Fund because it is the ultimate source of financial support through contributions or transfers. The recommended FY 2009/2010 Budget includes \$475,000 in transfers from the General Fund to the Capital Projects Fund.

General Fund Reserves and Set-Asides

One of the most powerful aspects of multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider the necessary steps to alter the long-term forecasted position of a particular fund should that appear necessary. The reserves and set-asides contained in the General Fund's Long-Term Financial Plan play a pivotal role in the City's multi-year planning strategy.

The City has established reserves in the General Fund that are restricted by prior policy or legal requirements to specific uses. Most of the City's reserves are established in accordance with policies adopted in the Fiscal Sub-element of the General Plan.

The General Fund currently has three reserves that are contained in the General Fund's Long-Term Financial Plan under the sub-heading, *Reserves*.

The first is the *Contingencies Reserve*. By Fiscal Policy, this reserve shall be equal to 20% of the operating budget each year to cover emergency or disaster. It is not intended for normal unanticipated expenditures. This reserve changes each year as operations of the General Fund either increase or decrease.

A second reserve in the General Fund mandated by Fiscal Policy is entitled the *Budget Stabilization Fund*. In prior years, it was called the *20-Year Resource Allocation Plan (RAP) Reserve*. However, because calling it a reserve often led to confusion as to its use, it has been renamed to more accurately reflect its intended purpose. The Budget Stabilization Fund functions to levelize economic cycles from year to year. In essence, this fund increases during periods of economic growth and is drawn down during the low points of economic cycles to maintain stable service levels. Strict policy adherence to the premise of the Budget Stabilization Fund prevents us from adding services at the top of the economic cycle that cannot be sustained while allowing us to maintain Council-approved services levels during economic downturns.

The function of the *Budget Stabilization Fund* and its strength was particularly apparent when the City struggled with the rapid economic downturn resulting from the technology bust. In prior years when the City was experiencing the height of the economic cycle, the City was prudently adding to the reserve, which built up over time to the \$61 million level reached in FY 2002/2003. Then, as the effects of the economic downturn began to be fully felt, the reserve was available to provide a "cushion" to maintain City services while dealing in a systematic way with the City's new fiscal reality. In the recommended FY 2003/2004 Budget, a structural imbalance between revenues and expenditures of \$15 million was identified, and a plan consisting of a combination of service level/expenditure reductions and fee increases was implemented to bring the General Fund into balance over the twenty-year planning period.

The recommended FY 2009/2010 Long-Term Financial Plan projects that the Budget Stabilization Fund will gradually decrease over a seven year period to partially address the structural imbalance between revenues and expenditures which has been identified in the General Fund. It is estimated that the Budget Stabilization Fund will end FY 2008/2009 with a balance of about \$36 million. For FY 2009/2010 through

FY 2011/2012 the Budget Stabilization Fund will be drawn down a total of \$24 million. The rate of draw down will then slow significantly in FY 2012/2013 and grow slightly in FY 2013/2014 as the economy recovers. The Budget Stabilization Fund will drop again to \$7.6 million in FY 2014/2015 because of a one-time reduction in Inter-fund Revenues due to the need for the RDA to pay off its debt on the Downtown Parking Structure Certificates of Participation. During that same year, staff is recommending that funds in the amount of \$1.2 million be released from the Employee Benefits Fund PERS Rate Uncertainty Reserve and transferred to the General Fund Budget Stabilization Reserve. The PERS Reserve was created to provide a modest hedge against volatility in the City's retirement contribution rates. Since large projected PERS increases are already included in the Long-Term Financial Plan for FY 2011/2012, it is appropriate to return these monies to the General Fund. Following FY 2014/2015, the Budget Stabilization Fund grows and varies from \$9 to \$13 million over the remainder of the planning period.

The third reserve in the General Fund is the *Reserve for Capital Improvement Projects*. Originally entitled the *Land Acquisition Reserve*, it was established in FY 1994/1995 for the purpose of purchasing land or property in the downtown area with an emphasis on future income generation through economic development. In the past, it was used to purchase key parcels in the downtown area. In FY 2006/2007 the reserve name was changed to *Reserve for Capital Improvement Projects* to reflect its expanded purpose. At the end of FY 2009/2010, it is projected that the balance in this reserve will be \$4.9 million. This reflects a drawdown in the amount of \$375,000 to fund the Downtown Wayfinding and Gateways project scheduled for FY 2009/2010. The balance of this reserve reached \$8.8 million in FY 2007/2008, largely due to addition of proceeds from the sale of land to the Town and Country developer totaling \$8.5 million. Prior budgets included appropriations from this reserve to fund certain downtown capital improvement projects. The reserve stays at \$4.9 million for several years and increases throughout the Long-Term Financial Plan as several of the City's land assets are sold.

Last year's budget also contained a reserve entitled *Set Aside for the Historical Museum* in the amount of \$20,000. When Council approved an appropriation for construction of the Sunnyvale Historical Museum, an allocation of \$20,000 was also approved to help defray operating expenses in the first five years. Since construction of the Museum is complete and it is open for operation, these funds have been moved into a special project to pay utility costs through FY 2012/2013.

Total Reserves in the General Fund increase or decrease depending upon the relationship between *Total Current Resources* and *Total Current Requirements* in the Long-Term Financial Plan. Put simply, when revenues and resources are greater than expenditures and transfers, money is put into the reserves, and when expenses are higher money is taken out. The relationship between these can be seen at the bottom of the Plan in the rows marked *Total Current Resources*, *Total Current Requirements*, and *Difference*. It should be noted that Sunnyvale's Reserves are actual funds rather than estimated surpluses as is the case in the State Budget and some other local jurisdictions. The advantage of funded reserves includes the substantial interest earnings that are generated and added to annual revenues.

In addition to the reserves mentioned above, the General Fund also previously had an

on-going *Service Level Set-Aside* included in the *Current Requirements* section of the Long-Term Financial Plan. This set-aside represented funds that were available to increase service levels or add new services. Actions taken during last year's budget adoption reduced the set-aside to zero to fund a series of budget supplements. Because of the existing structural imbalance in the General Fund and the need to make substantial budget reductions, no *Service Level Set-Aside* funds have been programmed over the 20-year planning period.

General Fund Financial Position

As noted earlier in this Transmittal Letter, the General Fund has developed a significant annual structural deficit that must be addressed in order to balance the 20-Year Long-Term Financial Plan. This deficit is the result of declining revenues and increasing operating expenditures, particularly those related to personnel. The recommended FY 2009/2010 Budget includes three strategies for bringing the General Fund Long-Term Financial Plan back into balance. These strategies are: operational efficiencies, tempering personnel cost increases, and utilizing the Budget Stabilization Fund. If implemented according to the budget balancing plan outlined in this recommended budget, the General Fund would return to stability by FY 2014/2015.

Stabilizing the City's financial situation over the long-term will allow the City to begin to invest in the community toward the end of the first ten years of the planning period. This plan forces the City to live within its means while considering the long-term needs of its main stakeholders, the citizens of Sunnyvale. Executing this plan will require a fundamental shift in the way the City considers its expenditures, particularly as they relate to personnel. However, if executed, this plan will return the City to fiscal stability and allow us to invest in our most important asset, the City itself.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or earmarked for particular functions or activities of government. In many cases, a Special Revenue Fund has been set up in response to legal requirements established by a granting agency or another level of government.

Housing Fund

The Housing Fund is comprised primarily of revenues from housing mitigation funds and Below-Market-Rate ("BMR") fees and fines. Expenditures are for operating activities related to developing affordable housing and managing the City's below-market-rate housing program and for capital and special projects targeted to achieve the goals of the City's Housing and Community Revitalization Sub-Element of the General Plan and the 2005-2010 Consolidated Plan. The Consolidated Plan is a five-year comprehensive planning document submitted to the federal government. It identifies a jurisdiction's overall needs for affordable housing and non-housing community development. The federal government requires the City to submit annual updates during the intervening years of the Consolidated Plan, and this is generally done in May of each year. The Housing Fund contains two sub-funds.

Housing Mitigation Sub-Fund

Housing Mitigation fees are paid by high-intensity industrial developers to mitigate development impacts on the City's jobs/housing balance. These funds are used to support the provision of affordable housing within the City. Housing mitigation funds, including accrued interest, are maintained in a separate sub-fund of the Housing Fund.

During the first ten years of the Long Term Financial Plan, Housing Mitigation fees in the amount of \$8.6 million are projected to be received from high-intensity developments. During the second ten years, an additional \$13.6 is projected.

Housing loan repayment revenues in the Housing Fund/Housing Mitigation Sub-Fund reflect payment with interest for two types of loans — those to non-profit organizations to develop affordable housing and those made under *Project 823560 – Housing for City/Public School/Child Care Employees*. Loans made to non-profit organizations are generally deferred, with simple interest computed annually and one lump-sum payment made at maturity of the loan. Loans made to individuals are deferred for five years, and then amortized over a fixed period, generally 25 years.

During the first ten years of the planning period, total loan payments of \$4.3 million are expected in the Housing Fund/Housing Mitigation Sub-Fund. Of that total, \$2.5 million will be from Mid Peninsula Housing Coalition for the property at 662 Garland Avenue and \$0.5 million is for the Fair Oaks Senior Housing project. The remaining amount includes an installment payment from EHC Lifebuilders for the property at 183 Acalanes Lane and installment loans from individuals.

Real property sales of \$650,000 are programmed in FY 2012/2013 to reflect the sale of the property located at 388 Charles Street in downtown Sunnyvale. In keeping with Council policy, this property and the others owned by the General Fund in downtown will be sold following development of the Sunnyvale Town Center. Rental income from the property until the sale is reflected on the Long-Term Financial Plan through FY 2011/2012.

Interest income on the reserve balances in this sub-fund continues to accrue and is available for programming of future housing projects.

Project expenditures totaling \$874,725 for FY 2009/2010 are for five special projects: maintenance of the City owned affordable housing unit at 388 Charles St. (\$4,725); First-time homebuyers assistance (\$150,000); Pre-development costs on affordable housing sites (\$20,000); development of affordable senior housing at the Fair Oaks/Garland site (\$500,000); and contribution to the Housing Trust Fund of Santa Clara County (\$200,000).

Beginning in FY 2009/2010, \$8.2 million has been set aside in a reserve for homeless assistance as part of the Onizuka Base Relocation and Closure process. These funds are programmed for expenditure in FY 2011/2012.

By the end of FY 2011/2012 the Housing Mitigation Sub-Fund is projected to have a Housing Mitigation Reserve balance of approximately \$4.8 million. These funds are

available to be loaned to non-profit agencies for affordable housing projects in the City as they are identified. A placeholder entitled *Future Housing Projects* is included in the Long Term Financial Plan for projects that are not as yet developed.

Below Market Rate (BMR) Housing Sub-Fund

The Housing Fund has a second sub-fund that contains Below-Market-Rate housing activities.

The City's BMR Program requires developers to reserve a portion of their new housing developments for sale or rental to very low, low and moderate income households, at affordable prices or rents established by the BMR program. Both the ownership and rental programs have specific eligibility requirements for participation.

The BMR homes for sale are available for purchase by households between 70% and 120% of area median income. City staff manages the BMR homebuyer waiting list, verifies eligibility of prospective buyers, and facilitates the purchase transaction for each buyer. There are 161 households currently on the BMR waiting list. An audit of each BMR homeowner is conducted each year to ensure their compliance with the Deed Restrictions.

The BMR rental units are available to households at seventy percent or less of area median income. The management of the wait list and verification of eligibility is the responsibility of the property manager or owner of each rental property. To rent a BMR unit, households must either live or work in Sunnyvale (an exception can be made to this rule if there is no current wait list), be within the BMR income and asset limits, and must certify their eligibility to participate in the program each year. To ensure program compliance, staff annually audits the tenant files at each complex.

Revenues in the BMR Sub-Fund include BMR processing fees, revenues from BMR code violations, payments on loans originating from the Sub-Fund, and interest earnings. Expenditures are operating costs associated with maintenance and monitoring of the BMR program. This activity includes annual audits of the BMR participants to ensure compliance with program regulations.

The BMR Housing Sub-Fund maintains two reserves. The first is the BMR In-Lieu Reserve which is to be used for BMR related activities. The second is the 20-year Resource Allocation Plan Reserve which is used here as in other funds to levelize spending or provide funds for capital expenditures.

In future years of the planning period, BMR revenues are no longer sufficient to support activities necessary to develop and maintain BMR units, and the 20-Year Resource Allocation Plan (RAP) Reserve goes negative. If no further action is taken, the Housing Mitigation Sub-Fund will be required to subsidize BMR activities beginning in FY 2019/2020.

HOME Grant Fund

HOME grants from the federal government may be used to fund the provision of affordable housing units. Eligible activities for HOME grant funds include: acquisition, new construction, rehabilitation and down payment assistance. The

activities must benefit low and moderate income households, at or below 80% of area median income.

The recommended Long-Term Financial Plan for the HOME Grant Fund includes an estimate that the FY 2009/2010 grant for HOME monies will total \$679,202; the City has just been notified that its official allocation is slightly higher at \$761,643. Along with the unspent funds from previous grants, funds are being recommended for Operations (\$67,132), and one special project. The project provides a total of \$250,000 in HOME funds for first-time homebuyer loans, which provide down payment assistance at a low interest rate. The balance of unspent HOME funds is being reflected as spent in FY 2009/2010 for future HOME projects. As specific projects are identified, they will be brought to Council for approval.

The HOME Fund also includes revenues from housing loan repayments, which reflect payment, with interest, for loans made to non-profit organizations to develop affordable housing for seniors and individuals with low and very low incomes. In general, loans in this fund are deferred. The portfolio includes several loans with deferral for 20 years followed by a lump sum payment due at the end of the term, while the majority are deferred for ten years followed by 20 years of amortized annual payments.

In FY 2009/2010 one lump sum payment is expected of \$26,573 for a pre-development loan made to Catholic Charities Housing. In the second ten years of the plan, approximately \$2.5 million in loan payments are expected. Expenditures of these repayments will be for future HOME projects, to be identified and approved by Council.

Community Development Block Grant (CDBG) Fund

The Community Development Block Grant (CDBG) program is a federal program which allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and needed public services, principally for low and moderate income persons. The City receives an annual appropriation from the U.S. Department of Housing and Urban Development (HUD) based on a formula derived by community need.

The Community Development Block Grant Fund consists of two sub-funds which account for revenues from Community Development Block Grants and the repayment of commercial and residential loans. Primary expenditures are for operations, housing opportunities, capital projects, and most of the City's outside group funding efforts.

Community Development Block Grant (CDBG) Sub-Fund

This sub-fund accounts for Community Development Block Grants from the federal government. As of the preparation of the Long-Term Financial Plan for CDBG, the federal government had not yet notified the City of the amount of its FY 2009/2010 entitlement, so we estimated that we would receive, \$1,223,626, which is the same as last year. The City has just received the final allocation of \$1,237,184. In previous long-term financial plans, future grant receipts were not shown beyond the fiscal year in which the entitlement amount was known as a matter of policy. However, because

the City has received CDBG funds annually over a number of years, we are now showing the entitlement throughout the 20-year financial plan.

Traditionally, CDBG funds are used primarily to address the City's affordable housing strategy. This includes support of housing agencies; rehabilitation and retrofitting of the existing housing stock and the acquisition, rehabilitation, and construction of affordable housing by non-profit developers. As in the Housing Fund, capital and special projects are targeted to achieve the goals of the City's Housing and Community Revitalization Sub-Element of the General Plan and the 2005-2010 Consolidated Plan.

Additionally, by regulation, up to 15% of the annual CDBG allocation plus prior year program income may be used for human services and public services programs. Unfortunately, program income varies widely from year-to-year because it is dependent upon loan repayment, and this creates uncertainty for those agencies which apply for funding. In fact, based on the CDBG entitlement amount, the swing in the 15% funds available for human services from the high to the low has been about \$48,000.

The recommended FY 2009/2010 Budget includes \$206,044 for Outside Group Funding. A detailed discussion of the process for allocating these funds is included in the *Outside Group Funding* section of this Transmittal Letter.

CDBG funds may also be used for projects that benefit groups with special needs such as senior and handicapped citizens or for targeted geographical areas that meet certain income requirements. Two capital projects totaling \$1.4 million are proposed for FY 2009/2010 utilizing CDBG funds. The first project substantially expands the City's ADA Curb Retrofit project (\$872,000) and the second project provides for sidewalk repair in impacted block areas (\$480,000.) Federal stimulus funds in the amount of \$332,000 will be used for a portion of these two projects.

The recommended FY 2009/2010 Budget for the CDBG Fund includes \$578,191 for three special projects. They are Homelessness Prevention (\$508,191), Fair Housing Services (\$20,000) and Home Access Paint and Emergency Repair (\$50,000). It should be noted that the Homelessness project is funded from federal stimulus funds which will be passed through to a non-profit service provider for service delivery.

Details of the Special and Capital projects are included in *Volume IV, Projects Budget*.

CDBG Revolving Loan Sub-Fund

The Revolving Loan Sub-Fund was established by Council action in 2001 and separated for accounting purposes in FY 2003/2004. This revolving fund was created to provide a practical budgetary management tool to deal with program income from housing loans made with CDBG funds and to provide greater flexibility in the management of the City's housing assistance programs.

The Revolving Loan Sub-Fund has one source of revenue, housing loan repayments. These reflect payment with interest for loans made to non-profit organizations to develop affordable housing and loans made to individuals for housing repairs. The

total outstanding portfolio includes 179 loans totaling \$11,567,491. A total of \$150,000 in revenue from loan repayments is projected for FY 2009/2010.

The recommended FY 2008/2009 Budget contains one special project for the Revolving Loan Sub-Fund in the amount of \$700,000 for housing rehabilitation loans.

Park Dedication Fund

The Park Dedication Fund was established to meet statutory requirements regarding the accounting for park dedication monies. In general, the City collects park in lieu fees for multi-family residential projects that do not dedicate land for use as parks or open space. This fee is now calculated on an average fair market value per square foot as determined by the Community Development Department annually. These revenues are recognized in the Park Dedication Fund, and then available resources are appropriated here or transferred to the Capital Projects Fund or the Infrastructure Fund for designated and approved park-related projects.

Authorizing language in the State Quimby Act indicates that fees may be used to pay for “developing new or rehabilitating existing neighborhood or community park or recreational facilities.” Certain legal cases have clarified that park in lieu fees may be used for parks or recreational facilities that are adjacent to the subdivision or multi-family development from which they are collected but may also be used for larger community parks and regional facilities that are reasonably available for use by the residents of the subdivision or development. Park Dedication Fees may not be used for operating or routine maintenance.

Park in lieu fees must be committed or spent within a five year period, and certain of these fees are subject to the Fee Mitigation Act, which requires specific review and findings every five years. The City conforms with both of these requirements.

It is estimated that approximately \$561,000 in Park Dedication Fees will have been received during FY 2007/2008. Staff from the Community Development Department project that residential development subject to the Park Dedication Fee will be high again for FY 2009/2010 and FY 2010/2011, with Park Dedication Fees estimated to be \$2 million in each year. Beginning in FY 2011/2012, it is projected that development will moderate significantly and estimates are based on historical receipts.

We are forecasting that the City will receive \$12.8 million during the first ten years of the planning period, and \$13.8 million in the second ten years. It should be noted that staff will be bringing an increase in the acreage required per dwelling unit to Council for consideration in the near future. This increase has not been factored into the projections included in the recommended FY 2009/2010 Budget.

The Park Dedication Fund also receives rental income from six houses that the City purchased in anticipation of expanding Murphy Park and Orchard Gardens Park. The Parks of the Future study has recommended that these houses would be demolished and the parks expanded. However, staff is recommending that the two parks be kept in their current configurations and the houses sold with the proceeds available for other needed park facilities. The Long-Term Financial Plan projects that the houses would be sold for an estimated \$2.9 million in FY 2011/2012.

The Park Dedication Fund is responsible for all Parks-related capital and infrastructure projects. A total of \$30 million in transfers to the Infrastructure Rehabilitation and Replacement Fund is programmed throughout the Long-Term Financial Plan to ensure that our park facilities are in good working condition to meet increased public use. Transfers to the Infrastructure Fund in FY 2009/2010 total \$2.1 million for parks-related rehabilitation projects.

The recommended FY 2009/2010 Projects Budget also reflects a transfer of \$5 million to the Capital Projects Fund over the planning period for new parks-related facilities. The major portion of these funds is programmed for design and construction of the Morse Avenue Neighborhood Park, which is discussed in detail in the *Major Project Efforts* section of the Transmittal Letter.

To date, the largest single appropriation of Park Dedication Funds has been for the design and construction of the Plaza del Sol, Phase I. Although the FY 2008/2009 Budget included an additional \$6 million for the development of Plaza del Sol, Phase II, the recommended FY 2009/2010 includes this project as unfunded. When private development of the adjacent Town and Country property goes forward, it is anticipated that the Park Dedication Fees generated will be sufficient to fund additional improvements to the Plaza. Those projected fees have not yet been incorporated into the Long-Term Financial Plan for this fund. When development goes forward at the Town and country site, the plaza improvements will be coordinated with the private development to enhance both the Plaza and the surrounding private uses.

Details of the special and capital projects to be funded by the Park Dedication Fund are included in *Volume IV, Projects Budget*.

Asset Forfeiture Fund

The Asset Forfeiture Fund was established to account for monies received through drug and other law enforcement activities as allowed under Federal and State asset forfeiture guidelines. The purposes for which asset forfeiture can be used are limited, and funds are drawn down for new one-time expenses targeted for law enforcement services. As this is done, caution should be used to assure that these expenses are ones that fit into the City's priorities and that don't lead to unnecessary future liabilities.

It is expected that the Asset Forfeiture Fund will end FY 2008/2009 with about \$1.4 million in reserves. Future funds cannot be anticipated and are not programmed for the remaining years of the Long-Term Financial Plan. The Fund does earn interest revenue on its unexpended balance. For FY 2009/2010 this is projected to be about \$47,000.

The recommended FY 2009/2010 Budget includes a continuing transfer to the General Fund to support juvenile diversion activities within Police Services. The City currently has an agreement with the County of Santa Clara to pay for the direct salary, not including benefits, of one Deputy Probation Officer. For FY 2009/2010 this amount is \$93,565. This transfer is reflected through FY 2016/2017 when the available funds are depleted. At that time, the Public Safety Department will need to

evaluate the juvenile diversion activities in relationship to other departmental priorities to determine whether to continue funding the program within the City's General Fund.

The recommended FY 2009/2010 Budget includes \$127,000 for two capital projects to be funded from the Asset Forfeiture Fund. The first project, Police Services Equipment - Cell Phones supports the cost of specialized cellular phones used for public safety services. When Asset Forfeiture Funds are projected to run out in FY 2020/2021, the department will need to evaluate the use of these phones; if additional asset forfeiture funds are received in the future, they will be applied toward their cost. The second capital project is for Police Services Equipment Acquisition. For FY 2009/2010 these funds are being proposed for an ammunition storage locker and patrol vehicle license plate readers.

Police Services Augmentation Fund

The Police Services Augmentation Fund accounts for two grant programs that provide monies for law enforcement purposes. The first is the Supplemental Law Enforcement Services (SLES) program established by the State, and the second is a smaller federal Edward Byrne Memorial Justice Assistance Grant from the Bureau of Justice Administration (BJA).

The State SLES monies constitute the major portion of this Fund. The City first received the SLES grant in FY 1996/1997. Over the years, the amounts of both grants have decreased or varied significantly. BJA decreased from a high of \$70,158 to the current \$10,807. Under the American Recovery and Reinvestment Act ("federal stimulus") we are expecting to receive \$74,979 in FY 2009/2010.

SLES was reduced over 35% from a high of \$297,886 to \$192,027 in FY 2005/2006, but funding has been increasing slightly since that time. Based on the Governor's State Budget proposal, staff is projecting that SLES funding will be \$220,000 for FY 2009/2010.

Initially the Police Services Augmentation Fund monies were used to fund a full-time Domestic Violence Investigator, a Patrol Watch Commander, and participation in the State Bureau of Narcotic Enforcement's Bay Area Regional Narcotics Task Force. Beginning in FY 1999/2000 Council approved use of the SLES and BJA revenue to fund the Patrol Watch Commander and two Internal Affairs Investigators. Due to the continual decline of funding and increased personnel costs, by FY 2003/2004 the grants were no longer able to support the three positions and funds were allocated to support a Patrol Watch Commander position and a portion of an Internal Affairs Investigator. Beginning with the adopted FY 2004/2005 Budget only a Patrol Watch Commander position has been supported with SLES/BJA funds. The Internal Affairs Investigator hours were moved to the General Fund operations of the Department of Public Safety.

The recommended FY 2009/2010 Budget identifies the grant funds for a Public Safety Officer position in Traffic Enforcement and returns the Patrol Watch Commander position to the General Fund.

The Long-Term Financial Plan for the Police Services Augmentation Fund reflects revenue only for FY 2009/2010 because the grants are speculative in nature. If the grant funds are eliminated or reduced significantly, it is important to note that this Public Safety Officer position would be vulnerable to reduction. At that time, staff would review priorities within the department to ensure that all critical functions are funded with ongoing resources.

Employment Development Fund

The City of Sunnyvale, as administrative entity for the North Valley (NOVA) Job Training Consortium, is required by legislation and regulations to account for the use of various federal and state funds and program revenues for the workforce development activities that are conducted for the consortium. The City has established the Employment Development Fund to fulfill this obligation.

NOVA, formed in 1983, serves the cities of Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, Santa Clara and Sunnyvale. The City of Sunnyvale, through its Department of Employment Development, administers NOVA's programs on behalf of the consortium cities. NOVA has a wide variety of programs funded through various sources, with baseline funding originating from the federal government and passing through the state of California. A significant amount of additional grant money is received through competitive grants from federal and state sources. Since July 1, 2000, the primary funding source for the Department of Employment Development/NOVA has been federal Workforce Investment Act (WIA) appropriations and competitive grants.

The WIA dictates funding formulas whereby the allocation of funds provided by Congress to support the Act are distributed to the states. A primary factor of these formulas is the unemployment rate. Sadly, the unemployment rate for the State of California has increased at a greater rate than many other states. This indicates that California will receive an increased share of the available funds for FY 2009/2010.

The American Reinvestment and Recovery Act of 2009 ("federal stimulus") has infused the Department of Labor with the equivalent of an annual allocation of funds intended for use throughout the WIA system. The State has distributed to NOVA the amount of \$2.9 million for its share of the allocated funding available. NOVA has also received a further federal stimulus distribution of \$1.8 million to provide resources to respond to local layoff activities. This stimulus funding is a one time increment and is intended to supplement other available funding sources specifically to serve people affected by the current national economic downturn. The federal stimulus funds were made available on April 18, 2009, and can be used to cover eligible expenditures incurred retroactively to the Act's effective date of February 17, 2009.

The WIA allocated funds projected for NOVA for FY 2009/2010 show an 18% increase over FY 2008/2009; this follows an increase of 5% from the prior year. This estimate was calculated by using the federal stimulus allocations to define the shares of the various funding streams that we anticipate. We then increased the funds available to the State by a conservative 5%. With these two data points defined, the allocations were calculated for NOVA. NOVA's competitive grant funding for dislocated workers, which makes up the largest portion of its budget, is projected to be flat year over year.

The recommended FY 2009/2010 Budget is based on an estimate of grant resources for the year. In addition, NOVA's staffing level is based on an approach that budgets staffing only for its most stable funding resources, which are NOVA's allocated funding and its longest-funded competitive WIA grant, titled Skills, Testing, Assessment, and Re-employment (STAR). NOVA has a long history of being very competitive for additional federal and state resources and intends to submit several grant applications during the year. Any additional revenues and expenditures as a result of new grants obtained, including the need to budget casual staff for those short-term projects, will be reflected in a budget modification during the fiscal year. For the purposes of the City's recommended FY 2009/2010 Budget, we have taken the total funding estimates as described and used these as the basis for NOVA's FY 2009/2010 programs and service levels.

It is important to note that, as different grants come and go, various programs and activities operated by NOVA often have a short lifespan relative to programs operated by other City departments. Therefore, the current listings of programs that have been operated by NOVA during the last several years are not included in this recommended Budget. Rather, a base funding level will be carried into the new fiscal year and the City Budget will be modified for planned activities, outcomes and expenditures during the course of the year as new funding is secured and new contract goals and obligations are agreed upon.

Based on an approved indirect cost plan, NOVA programs have been charged an indirect cost rate of 4.38%.

In the past, the Employment Development Long-Term Financial Plan reflected grant revenues only for the immediate planning period. To recognize NOVA's long tenure in the City, an average grant of \$8 million per year has been projected throughout the twenty-year planning period.

Parking District Fund

The Parking District Fund is a small fund that provides for the ongoing landscape and maintenance of downtown parking lots. The Downtown Parking District includes all public parking in the downtown area with the exception of the parking provided by the Sunnyvale Town Center.

The approval of Proposition 218 had a significant effect on the methodologies utilized to raise assessments to fund maintenance and operations within the Parking District. Proposition 218 not only deals with the approach and methodologies to be used for benefit assessments, but also the approval process. Essentially, after a method has been selected, a vote occurs by those who would be assessed, with votes weighted according to the amount of assessment. If this weighted majority does not approve the assessment, then it does not go forward.

This Long-Term Financial Plan assumes that the District will approve an assessment for FY 2009/2010 at the same level as last year's rate, increasing in the future by the change in the Consumer Price Index. The Plan also includes a small continuing special project to pay for costs of calculating and implementing the assessments.

In the near future, the various new developments now occurring or planned in the downtown area, particularly the rebuilding of the Town Center and the Town and Country Shopping Center, will change the character of the parking assessment district. Once these two major efforts are completed, staff will undertake a review of parking in the downtown area, including overall need, location, and how maintenance and operation should be funded. Based on this review, the Parking District may be reconfigured considerably.

It should be noted that the lot located on the corner of Charles Street and Evelyn Avenue is not included in the maintenance assessment and is not maintained with Parking District Funds. Costs of maintaining this lot are currently reflected in the Public Parking Lot Maintenance operating program.

Two issues regarding the Parking District Fund must be stressed. First, the level of service in this area is set by the property owners, not by the City. Depending upon their desire for various services and their willingness to pay, the Parking District members can have more or less services included in their assessment. The second important issue concerning the Downtown Parking District is the continuing threat that the voters will not approve the assessments at some point in time. If the assessment is not approved any time in the future, funds will not be available for continued operation of the District and it would be necessary for staff to explore other potential revenue raising possibilities.

Gas Tax Fund

The Gas Tax Fund is required by State law to account for Gas Taxes collected and allocated by the State. The State Gasoline Tax is a flat rate of eighteen cents per gallon levied on gasoline and other motor fuels. Gas Tax is distributed to the State, cities and counties on a formula primarily based on population.

The share of Gas Taxes that Sunnyvale is allocated has declined slightly as population growth in other areas of the state outpace our growth rate. Citizens in California also pay federal gasoline taxes, but we are a “net donor state” in that we receive less in transportation funding than we pay in as gasoline taxes.

To reflect the eroding effects of inflation, Gas Tax revenues have been projected at approximately \$2.2 million each year throughout the Twenty-Year Plan.

In accordance with state law, the Gas Tax Fund receives interest earnings on any unspent cash balances. Gas Tax funds are spent on maintenance and capital related to public streets and highways. As noted in the previous discussion of the General Fund, the Gas Tax Fund works in tandem with the General Fund, with a set amount of funding for operations and remaining funds used to cover Gas Tax-eligible capital projects.

Operating expenses programmed for street maintenance in this fund are \$750,000 for FY 2009/2010 and the remainder of the first ten years. Operating expenses covered by the Gas Tax Fund are \$375,000 in the second ten years. This is lower than what was included in last year’s Long-Term Financial Plan. However, transfers to the Capital

Projects Fund and Infrastructure Fund for Gas Tax-related assets have increased during the twenty-year planning period.

The recommended FY 2009/2010 Budget for the Gas Tax Fund has a transfer to the Capital Projects Fund of \$198,000 and a transfer to the Infrastructure Fund of \$984,069. Projects to be funded by these transfers are discussed in the *Capital Projects Fund* and *Infrastructure Rehabilitation and Renovation Fund* sections of the *Detailed Fund Reviews*.

The project administration expenditure in the Gas Tax Fund represents the in lieu charge for Engineering Services that are expected to be utilized in supporting capital projects that are funded from the Gas Tax Fund.

Traffic Congestion Relief Program Fund

The State Traffic Congestion Relief Program (TCRP), which provides funding for streets and road systems, is held and accounted for in a separate fund as required by State law. A full discussion of this revenue source is contained in the *Traffic and Transportation Funding Sources* section of this Transmittal Letter.

Funds in the amount of \$1.3 million for local streets and roads are projected for FY 2009/2010. Allocations are made by population, based on estimated collection of Sales Tax on gasoline by the State. Projections for future years reflect the assumptions that staff has used in forecasting general Sales Tax.

All funds projected to be received from this source have been programmed to support Street reconstruction and resurfacing activities included in the General Fund Pavement Operations program over the twenty-year planning period.

Transportation Development Act (TDA) Fund

In FY 2003/2004 a new, small special revenue fund was established to account for activities related to Transportation Development Act (TDA) funds. These funds were created by State legislation which annually returns to each region in the State $\frac{1}{4}$ of 1% of State Sales Tax revenues to be used for transportation projects. These funds are restricted for pedestrian and bicycle facilities and bicycle safety education programs and must be segregated for those purposes. The TDA, in accordance with Public Utilities Code Section 99245, must submit a report of a fiscal and compliance audit made by an independent auditor at the end of each fiscal year.

The recommended FY 2009/2010 Budget includes revenues of \$207,000 from TDA funds. These monies represent the expected annual allocation of about \$80,000 plus additional discretionary funds that may be available. The Long-Term Financial Plan shows the funds being appropriated to *Future TDA Projects*. On May 5, 2009 Council approved application for a TDA grant for a Residential and School Area Sidewalk project and a Mary Avenue Bicycle Lanes (Street Space Allocation) Design Study.

Youth and Neighborhood Services Fund

The Youth and Neighborhood Services Fund accounts for the revenues and ongoing operating program expenditures associated with the management and maintenance of the Columbia Neighborhood Center (CNC). On May 10, 1994 Council approved development of a neighborhood service center at Columbia Middle School to meet the health, social, recreational, and educational needs of North Sunnyvale residents (with an emphasis on serving disadvantaged youth) through a coordinated network of services. Advanced Micro Devices contributed \$1 million to the Columbia Neighborhood Center project, one-half of which Council used to establish the Youth Opportunity Fund (now renamed the Youth and Neighborhood Services Fund) to generate interest to help offset ongoing operating program expenditures. Subsequently included in the ongoing fund balance were contributions made to the City in the amount of \$6,658 on behalf of former employees that bring the current endowment total to \$506,658.

The operating program expenditures for Columbia Neighborhood Center and related projects are accounted for in this fund along with the associated program revenues. As outlined in the partnership agreement, the City is reimbursed by the Sunnyvale School District for a portion of the cost of services provided at the Columbia Neighborhood Center. For FY 2009/2010 this reimbursement is projected at \$130,786. Other revenues to the Fund are Recreation Fees, Rental fees for the facilities, interest earnings on the endowment, and an annual subsidy from the General Fund.

Expenses included in this fund are for the direct services provided at the CNC, including CNC operations, which are now overseen by the Community Services Department. Also in the program are recreation programs and neighborhood safety services provided by Public Safety staff. All services are directed and managed by the CNC site manager.

For FY 2008/2009, the General Fund subsidy was forecast to be \$401,000, with the remainder of the operating costs provided by utilizing existing fund balance of \$40,000. For FY 2009/2010, the subsidy is set at \$550,497.

Of note although not included in the Youth and Neighborhood Services Fund is a capital project to expand the Columbia Neighborhood Center in partnership with the Sunnyvale School District. The purpose of this project, which began in FY 2006/2007, is to expand the amount of space available at CNC for local agencies. The additional space will increase the number of hours of in-kind education, recreation, social, and health services provided at CNC. The project anticipates contributing about \$1.5 million in Community Development Block Grant revenues to the construction, which will be managed by the District. Following completion of the project in FY 2010/2011, additional operating costs of \$30,000 will be incurred, of which half will be reimbursed by the District.

Redevelopment Agency Fund

The Redevelopment Agency (RDA) is a separate governmental and legal entity from the City. However, the Agency is a component unit of the City for which the City is

financially responsible. Further, due to certain agreements between the Redevelopment Agency and the City, the General Fund of the City is inextricably tied to the financial condition of the Redevelopment Agency.

At the close of FY 2007/2008 the Redevelopment Agency had two outstanding loans due to the City General Fund totaling approximately \$58.6 million. This is largely the result of the Redevelopment Agency's inability to raise sufficient tax increment revenue to repay the City for annual lease payments made by the City for the downtown parking structure during the years following the passage of Proposition 13.

The Agency entered into a First Amended Repayment Contract with the General Fund in 1977 to repay the debt associated with initial improvements to the Project Area and its inability to make payments on the parking structure. This Contract constitutes the "1977 loan". In 1986 certain State legislation imposed more stringent requirements on funds advanced by the General Fund to the Redevelopment Agency and a separate loan was created to account for costs subject to these restrictions. This loan is referred to as the "1986 loan."

Since our RDA was formed, the State has enacted several laws that placed revenue restrictions on redevelopment agencies. These include capping the time period for collection of tax increment for each redevelopment project area. The original termination date was November 2025. In FY 2004/2005, the plan was extended by one year per SB1044 in compensation for the RDA's payment to the Educational Revenue Augmentation Fund (ERAF) in FY 2003/2004. The plan was extended for another two years in FY 2005/2006 per SB1096 for compensation of the RDA's ERAF payments made in FY 2004/2005 and FY 2005/2006. For Sunnyvale's project area, the termination date is now November 2028.

More important was the establishment of revenue limits for redevelopment agencies, referred to as Property Tax increment caps. The revenue limit/increment cap for the Sunnyvale Redevelopment Agency as originally established was \$118 million. In FY 2005/2006 the Agency amended its Redevelopment Plan to increase the tax increment cap to \$600 million. Increasing the cap will allow the Agency to receive an estimated \$360 million by the end of the Financial Plan.

It should be noted that when Property Tax increment received by the Agency reaches the original \$118 million cap, certain pass through payments to other taxing entities will be required. These pass throughs, which are taken directly from the tax increment before we receive it, will begin in FY 2014/2015 and are shown in the Long-Term Financial Plan as *Pass Through to Taxing Agencies*.

An actual deposit to the RDA Low and Moderate Income Housing Fund will also be required when the 1977 General Fund loan is paid off as estimated in FY 2014/2015. Starting in FY 2014/2015, the Long-Term Financial Plan reflects the 20% Low and Moderate Income Housing set-aside as a separate revenue line, with a corresponding expenditure for housing projects.

When tax increment revenues from the downtown area as it originally existed were projected, the Agency reached its \$118 million increment limit just before the time limit was reached in 2025. However, major developments in the downtown area will

cause the original tax increment limit to be reached earlier. The first of these developments was the 460,000 square foot Mathilda Place office project at Mathilda and Washington, built in 2000. The buildings were sold in 2007 by the original developer, Mozart Development, to J.P. Morgan.

The recommended FY 2009/2010 Budget for the Redevelopment Agency also includes the redevelopment of the Sunnyvale Town Center by RREEF/Sand Hill Properties. As part of the Amended and Restated Disposition, Development, and Owner Participation Agreement (ARDDOPA) signed with the Town Center developer in February 2007, the Agency has agreed to give the developer up to \$4.5 million per year of Tax Increment generated by the project plus 50% of any receipts above this amount, in return for construction by the developer of public streets and underground parking. This agreement reflects on the RDA Long Term Financial Plan as *Repayment to City – Town Center Developer*, since the mechanism for making the payments will be repayment of the General Fund loan. On the General Fund Long-Term Financial Plan, a corresponding revenue is shown and an expense item that shows *Payment to Town Center Developer*. The tax increment agreement ends in FY 2025/2026.

The primary source of revenues to the Redevelopment Agency is Property Tax Increment, which is expected to total about \$6 million in FY 2009/2010. When the project is completed, Property Tax increment for the redeveloped Town Center will add about \$4.3 million to this source of revenue beginning in FY 2012/2013. To facilitate an understanding of the development deal with RREEF/Sand Hill Properties, the Property Tax increment projected to be generated by the Town Center has been identified separately from the base Property Tax increment on the Long Term Financial Plan.

The other major revenue source for this fund is a lease payment from the General Fund for the Mathilda Avenue Parking Structure in the amount of \$1.2 million annually.

Administration of the Redevelopment Agency, which is managed by the Community Development Department, is reflected in the RDA Fund in the amount of \$368,000 for FY 2009/2010.

Included in current requirements are debt service payments totaling \$1.8 million for the Central Core Redevelopment Project Tax Allocation Bonds (TABs) and the Parking Facility Certificates of Participation. It is now projected that the Parking Facility COPs will be repaid by FY 2014/2015 and the Central Core TABs will be repaid in FY 2022/2023.

The Long-Term Financial Plan also includes a repayment to the City for its outstanding loans (as discussed above) in the amount of \$5.4 million in FY 2009/2010. The Plan includes a total of \$93.6 million in repayment to the General Fund, not including the repayment related to the Town Center developer, over the first ten years and \$108 million in the second ten years. The RDA Long Term Financial Plan assumes that funds available after paying debt service, projects and operating costs are used to pay the existing loan advanced by the City General Fund.

Even with all available funds, it is anticipated the RDA will not be able to fully repay

the General Fund its principal and interest by 2028 when the tax increment revenues end. This is the case because all new expenditures by the General Fund on behalf of the RDA, including payments to the Town Center developer, are added to the 1986 loan balance in order to ensure that Tax Increment continues to flow to the City. The new loan amounts from the General Fund are shown in the *Current Resources* section of the Long Term Financial Plan as *General Fund Loan – Addition to 1986 Loan*. These loans provide about \$61 million over the twenty year period. At the end of the redevelopment project life, it is estimated that the 1977 Loan will be paid off and the balance on the 1986 loan will be approximately \$17 million.

The RDA has one continuing capital project that started in FY 2007/2008. This project, titled *Town Center Site Investigation/Remediation of Hazmat*, now provides a total of \$9 million for the City's share of the investigation of the soil conditions at the Town Center projects and remediation as necessary. The Town Center ARDDOPA requires a tiered cost sharing arrangement with the developer, which is reflected in this amount. These increased costs require a substantial loan from the General Fund to provide the required initial funds for the project.

One final ongoing expenditure is programmed in the Redevelopment Agency Fund to pay the General Fund for the services of the Agency's Treasurer and related support costs. These services are not charged directly to the RDA Fund, but rather are included in the General Fund and are shown as General Fund In-Lieu payments.

The Redevelopment Agency Fund maintains one reserve that reflects Debt Service Reserve Funds held by the trustees for the two outstanding bond issues mentioned above.

Finally, it should be noted that the Redevelopment Agency is currently unable to make payments of 20% of its tax increment revenues to the Low and Moderate Income Housing Fund because of preexisting debt obligations. Each year, the Agency calculates the contribution that should have been made and books it as a liability in its financial statements. It is currently estimated that when the tax increment cap is reached, the liability will total approximately \$22.7 million. State law allows the Agency to continue collecting tax increment after the Project expires and increment limits are reached to fund its housing liability. Repayments of the Housing liability are anticipated to begin in FY 2028/2029 and be completed in FY 2029/2030.

When the redevelopment project ceases in FY 2027/2028, the Tax Increment formerly collected by the RDA will go entirely to the Housing liability repayment for two years. In FY 2029/2030, all Property Tax revenues associated with the RDA will be returned to the various taxing entities in Santa Clara County that normally receive a share of Property Tax. These entities include the school districts, the County, and of course the City. Assuming that Sunnyvale's share of the non-RDA Property Tax dollar is about 16%, the General Fund would begin to receive about \$2.8 million in additional Property Tax revenue each year. Unfortunately, this is about \$10 million less than what had been received annually from the loan repayment. This revenue gap in the General Fund will have to be addressed as it comes closer in our planning period.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used for major capital acquisition, construction activities, and renovation or replacement of General City fixed assets. The City currently operates two of these funds: the Capital Projects Fund and the Infrastructure Renovation and Replacement Fund.

Capital and Infrastructure projects related to the Utility Enterprise Funds are budgeted and accounted for within each individual utility fund. Projects which are funded by more than one utility fund or in combination with another non-utility fund are included in the Capital Projects Fund or Infrastructure Renovation and Replacement Fund.

Capital Projects Fund

The Capital Projects Fund was established in FY 1997/1998 to account for financial resources to be used for the acquisition or construction of major capital facilities that are funded by the General Fund and other governmental funds or that are funded by multiple sources. In general the Capital Projects Fund deals with new or substantially enhanced assets or major rehabilitation that is financed by outside sources. Revenues into the Capital Projects Fund include federal and state grants, developer contributions, mitigation fees, and transfers from various City governmental funds.

In many cases, grant funds are available for capital projects. For those projects that are potentially eligible for grant funding, it is in the City's best interest strategically to not show existing funding support, as that may impact the City's ability to receive grant funding.

The Capital Projects Fund is divided into distinct sub-funds that receive direct transfers from the funds that are responsible for the particular projects. Each sub-fund records revenues, interest earnings, transfers and expenses separately. The recommended FY 2009/2010 Budget includes six sub-funds of the Capital Projects Fund: the General Sub-Fund, the Gas Tax Sub-Fund, the Traffic Mitigation Sub-Fund, the Traffic Impact Sub-Fund, the Sense of Place Sub-Fund, and the State Infrastructure Bond Sub-Fund.

Major project efforts included in the Capital Projects Fund are discussed throughout this Transmittal Letter under their applicable funding source.

The table below is an overview of capital and special project appropriations by sub-fund for FY 2009/2010.

Capital Projects Fund - Project Expenditures by Sub-Fund	
Sub-Fund	2009/2010 Recommended Budget
General Fund Assets	\$1,742,875
Gas Tax	3,836,001
Traffic Mitigation	200,000
Traffic Impact	0
Sense of Place	0
State Infrastructure Bonds	2,343,677
TOTAL	\$8,122,553

General Sub-Fund

The FY 2009/2010 appropriations for the General Fund Sub-Fund are for five capital projects totaling \$1.7 million. The first provides funds for playground construction at Murphy Park (\$100,000). The Downtown Wayfinding and Gateways project includes \$375,000 for the final year of a three-year project to complete signage and markers in the downtown area. \$825,000 is included for the Sunnyvale Golf Course Continuous Cart Paths project. Funds in the amount of \$342,875 are proposed to begin the design of the Morse Avenue Neighborhood Park. Finally, \$100,000 is included as the City's share of costs for undergrounding overhead utilities on arterial streets.

Gas Tax Sub-Fund

The appropriations for the Gas Tax Sub-fund consist of two projects. The first is \$3.4 million for the Mathilda Avenue Railroad Overpass Improvements project. \$29.3 million has been appropriated for this project in prior years, largely supported by a federal grant. The second project is replacement of the Calabazas Creek Bridge at Old Mountain View-Alviso Road. \$396,000 has been proposed for design in FY 2009/2010, with funds for construction budgeted in FY 2011/2012 in the amount of \$3.1 million.

Traffic Mitigation and Traffic Impact Fees Sub-Funds

The Cumulative Traffic Mitigation funds and Traffic Impact Fees are accounted for in individual sub-funds of the Capital Projects Fund.

The City Council adopted a Transportation Strategic Program (TSP) in November 2003 which established a comprehensive funding program of revenue sources for major transportation necessary to support the City's land use plans. Prior to the adoption of the Transportation Strategic Program, an interim funding mechanism was implemented for transportation mitigation of major land development. This mechanism is known as Cumulative Traffic Mitigation funds, which are applied to capital projects that improve traffic capacity or alternative transportation facilities. Funds are allocated to projects of local or regional significance, depending upon the nature of traffic impacts identified in association with the land development. It is

estimated that the Traffic Mitigation Fund will have a balance of approximately \$2.5 million at the end of FY 2008/2009.

When the City Council adopted the Transportation Strategic Program, a new Traffic Impact Fee was instituted to be applied to traffic-generating development citywide. This Traffic Impact Fee replaced the interim Cumulative Traffic Mitigation. The City began collecting Traffic Impact Fees on new developments in January 2004. Traffic Impact Fees are to be applied to a specific list of roadway capacity improvement projects that were identified using a citywide transportation model. The Transportation Strategic Program consists of 14 projects totaling \$172 million. These projects are largely unfunded and will move into the City's 20-Year Projects Budget as funds are received and improvements are needed.

Although \$5.8 million in Traffic Impact Fees were collected in FY 2007/2008, the economic slowdown caused construction to drop significantly in FY 2008/2009 and only about \$600,000 will be collected this fiscal year. It is currently estimated that approximately \$457,000 in Traffic Impact Fees will be collected in FY 2009/2010. An additional \$8.4 million in Traffic Impact Fees is projected to be collected between FY 2010/2011 and FY 2018/2019. We are estimating that an additional \$12.6 million will be collected in the second ten years.

The Traffic Mitigation Sub-Fund contains no new projects budgeted in FY 2009/2010. \$200,000 has been appropriated in a line item for Future Grant Matching Funds to be used as a match for appropriate traffic or transportation grants that staff may become available during the fiscal year. Additionally, a capital project for future traffic signal construction has been programmed every three years to recognize additional signals that may become warranted.

There are no new projects in the Traffic Impact Sub-Fund in FY 2009/2010. However, beginning in FY 2011/2012 funds have been set aside in a *Future Transportation Strategic Plan Projects* expenditure line item to reflect the fact that the purpose of these funds is to accumulate and be used for major roadway projects as identified in the Transportation Strategic Program.

Sense of Place Sub-Fund

A new sub-fund was established in the Capital Projects Fund in FY 2008/2009 to formally account for projects funded by Sense of Place fees. Sense of Place fees have been collected in the City for several years as conditions of approval in certain Industrial-To-Residential areas. So far, the City has two land use areas subject to Sense of Place Fees. These are the *Tasman/Fair Oaks Area* and the *East Sunnyvale Industrial-To-Residential* area. Dwelling units constructed in these areas are each subject to a \$1,000 Sense of Place fee as a condition of approval.

Because of the current slowdown in residential construction, no Sense of Place fees have been collected for several years and none are projected through FY 2010/2011.

Staff believes that Sense of Place fees will become more widespread in coming years. The fees would be required in areas where desired public improvements exceed the requirements of other areas of the city. Developers are normally responsible for

frontage improvements; sense of place fees would help pay for other amenities that are not project specific and benefit the entire area (e.g. special signage, area entry treatments, aesthetic enhancements, etc.). Sense of Place fees could also be required in areas with special land use or public improvement plans (Specific Plans, Precise Plans, Pedestrian and Bicycle area plans, etc.).

The Long-Term Financial Plan for the Sense of Place Sub-Fund reflects projected Sense of Place fees in the amount of \$50,000 annually beginning in FY 2011/2012. Since specific projects for these monies have not yet been identified, future expenditures are shown as *Future Sense of Place Projects* in the Financial Plan.

State Infrastructure Bond Sub-Fund

One new revenue source reflected in a sub-fund of the Capital Project Fund beginning in FY 2008/2009 is the State Infrastructure Bond (Proposition 1B) passed by the voters in November 2006.

It is projected that Sunnyvale will receive a total of approximately \$4.2 million from this Bond. One half of these funds, in the amount of \$2.1 million, was received in FY 2007/2008 and appropriated to the Wolfe Road Caltrain Overcrossing capital project through a budget modification. Funds from the American Recovery and Reinvestment Act (“federal stimulus”) have now been appropriated to the Wolfe Road project, releasing \$600,000 in Infrastructure Bond funds for a new project for the repaving of Homestead Road. The additional amount remaining, plus interest earnings on the funds, will be available for appropriation to a future capital project.

The schedule for release of the remainder of these funds has not yet been determined by the State, and staff has been told that the timing will be dependent upon how well cities are able to spend the first allocation. The additional funds of \$2.1 million have been shown as being available in one lump sum in FY 2010/2011. Staff has not yet identified a capital project for these funds, and the Long-Term Financial Plan reflects a “Future Capital Project” for the same amount. Staff is recommending that the second installment of Infrastructure Bonds be allocated to assist in catching up with our deferred sidewalk repairs.

Infrastructure Renovation and Replacement Fund

The Infrastructure Renovation and Replacement Fund was introduced with the FY 1996/1997 Budget and Resource Allocation Plan. Its purpose was to account for revenues and expenditures associated with the Long Range Infrastructure Plan which has been established to fully fund the rehabilitation of the City’s extensive physical infrastructure. All infrastructure projects are accounted for in this fund except for utility assets and those that are funded principally from outside grant sources.

Similar to the Capital Projects Fund, this fund is divided into distinct sub-funds that receive direct transfers from the funds that are responsible for the particular infrastructure projects. Each sub-fund records revenues, interest earnings, transfers and expenses separately. Currently the sub-funds are General, Community Recreation, and Multi-funded Assets. As mentioned, infrastructure projects for the

City's three utilities are budgeted and accounted for in each utility fund in accordance with governmental accounting principles.

The following table contains project expenditures by sub-fund for FY 2009/2010.

Infrastructure Fund – Project Expenditures by Sub-Fund	
Sub-Fund	FY 2009/2010 Recommended Budget
General Fund Assets	\$4,307,729
Community Recreation	\$437,353
Multi-Funded Assets	\$0
TOTAL	\$4,745,082

There are 30 projects in the sub-funds recommended for funding in FY 2009/2010 in the amount of \$4.7 million. Approximately \$2.1 million represents projects funded by a transfer from the Park Dedication Fund. An additional \$984,069 is proposed for funding from the Gas Tax Fund for various street and roadway rehabilitation projects. Finally, \$658,033 will be appropriated for street reconstruction and resurfacing activities within the Public Works operating budget.

Some of the larger projects proposed for funding in FY 2009/2010 include: Public Safety Buildings HVAC (\$463,750), Computer/Radio Controller Landscape Irrigation Systems (\$640,000), Park Buildings Roof Repair and Replacement (\$254,486), Traffic Signal Hardware and Wiring (\$350,000), Tennis Center Roof, HVAC, Locker Rooms, and Painting (\$367,353), and Playground Equipment Replacement (\$221,285).

The Public Works operating budget previously included activities for Pavement Reconstruction and Slurry Sealing of streets. Because they are capital in nature and vary in amount each year, they have been moved into projects in the Infrastructure Fund beginning in FY 2009/2010.

The Long-Term Financial Plan for the Infrastructure Fund includes a transfer to the General Fund of \$670,173 in FY 2009/2010. Prior to adoption of the Council policy to fund rehabilitation and renovation of parks assets with Park Dedication Fund monies, the General Fund had made various contributions to the Infrastructure Fund on behalf on park projects. Because all of the parks projects are now programmed to use Park Dedication Funds, it is now possible to return the \$670,173 to the General Fund for use in balancing the recommended FY 2009/2010 twenty-year plan.

Information on each of the infrastructure projects is available in the *Volume IV, Projects Budget*.

ENTERPRISE FUNDS

The Enterprise Funds of the City incorporate programs and activities that are either fully self-supporting by way of user charges and fees or partially self-supporting.

Those that are partially self-supporting require some level of transfer from the City's General Fund.

The City has three utilities that are fully self-supporting: the Water Supply and Distribution Fund, the Solid Waste Management Fund, and the Wastewater Management Fund. Additionally, the SMaRT Station® Fund has been established to account for operations at the Sunnyvale Materials Recovery and Transfer Station, which is a partnership among the three cities of Sunnyvale, Mountain View and Palo Alto. This fund consists of two sub-funds, one used to account for SMaRT Station operations and the other used to account for equipment replacement needs.

There is one enterprise fund that requires an annual transfer from the General Fund for operations because it is not fully self-supporting. The Community Recreation Fund incorporates Leisure Services activities including golf, tennis, and recreation programs.

Utility Enterprise Funds Rate Process

The following across-the-board changes to current rates for the Wastewater, Water, and Solid Waste Utility enterprises are being recommended for Council approval for FY 2009/2010:

Utility	Rate Change
Wastewater	7.5%
Water	8.0%
Solid Waste	5.5%

Each increase and the factors contributing to the need for such increases are discussed in detail below. The major reasons for the required increases in rates are sharply rising costs of purchased water, major wastewater infrastructure needs, particularly at the City's Water Pollution Control Plant, and planned increases in contract and operating costs for solid waste management and disposal.

As a result of these increases, monthly costs associated with water and wastewater services for an average residential customer will increase by \$6.13 per month. It is important to note that even with these rate changes, Sunnyvale residents enjoy utility rates that are below the average of surrounding communities.

Sunnyvale continues to comply with the noticing provision for utility rates as required by Proposition 218. The notice for utility rates which are being proposed for FY 2009/2010 went out in April 2009, with the public hearing on the rates set for June 2, 2009.

Water Supply and Distribution Fund

The Water Supply and Distribution Fund (Water Fund) accounts for all revenues and expenses related to the City-operated water utility. Expenses include costs for wholesale water, capital and infrastructure project-related costs, debt service, and other operating costs. Revenues consist of service fees for water and recycled water, water-related public works and construction fees, and interest income. Once

expenditure levels are developed, then water rates must be set to collect enough revenue to maintain the fund in a sustainable financial position. The fact that Sunnyvale utilizes long-range financial planning and sets and projects twenty years of utility rates every year helps minimize wild rate swings.

Multiple consecutive dry years have lowered the city's overall average water use. Water demand has been further impacted by a request in FY 2006/2007 by the City's wholesalers first for a voluntary 10% reduction in water use and most recently a call for a 15% mandatory reduction for the Santa Clara Valley Water District (SCVWD) due to the dry weather. The total water use trend city-wide over the last five years has been downward and that has been reflected in a new base for the 20- year forecast. In fact, the SCVWD reports that, adjusted for population, Sunnyvale's use is down over 6% from calendar year 2005. The most recent hydrological condition reports indicate that the region continues to experience overall dry conditions and the wholesalers continue to encourage voluntary or require mandatory conservation.

Purchased Water Sources

Sunnyvale currently receives water from four different sources. For FY 2009/2010, approximately 41% is projected to come from the Hetch-Hetchy system operated by the San Francisco Public Utilities Commission (SFPUC), 45% from the Santa Clara Valley Water District (SCVWD), 6% from well water, and the remaining 8% from recycled water.

A significant portion of the Water Fund's direct expenditure budget is the cost of purchased water (currently 75% and projected to peak at 83% within ten years). Currently for FY 2008/2009 the City is paying the SFPUC \$623 per acre foot plus meter charges of \$267,336. Current charges for SCVWD purchased water are \$520 per acre foot plus a \$100 per acre foot groundwater charge, for a total of \$620 per acre foot. The forecast anticipates costs for FY 2009/2010 of \$719 per acre foot plus meter charges for SFPUC water. This represents a 15.8% increase over last year's cost. The forecast for SCVWD is \$545 per acre foot plus an increased \$115 treated water surcharge, for a total of \$660 per acre foot. This represents an increase of 6.5%.

The City also receives charges from the SCVWD for pumping ground water from City wells. The unit cost for well water is also influenced by the power costs associated with running the pumps. The projected well water total unit cost (tax plus power) for FY 2009/2010 is \$625 per acre foot, an increase of 4.5% over last year's unit cost of \$598.

Considering all sources of potable water, and the projected reduction in total sales, the City's total purchased water costs for FY 2009/2010 are projected to be 4.4% higher than FY 2008/2009. The blended increase in purchased water rate is 7.3%.

Finally, the City's Water Pollution Control Plant provides recycled water, which is wastewater that has been treated to very high standards. Recycled water is currently sold at 90% of water rates to encourage its use. The City also currently receives a \$115 per acre foot rebate from the SCVWD to encourage use of recycled water. The SCVWD has indicated to Sunnyvale that this rebate will end as of this current fiscal year. This is a loss of approximately \$4.6 million over the 20 year plan. Staff is

working with the SCVWD to attempt to obtain some other form of recycled water incentive throughout the full twenty years; however no conclusion has been reached on this issue as yet.

Forecasting Water Purchase Expenses

The first step in setting rates for the Water Fund is completion of a Twenty-Year Water Production Forecast. This analysis looks at the total amount of water that will be needed for the next twenty years, taking into account demand trends, water conservation, growth and projections of population. Staff then obtains projections from each of the City’s water wholesalers for next year and future rates. Available future rates generally range from zero to nine additional years, depending upon the wholesaler.

For purposes of the FY 2009/2010 proposed water rates, staff has assumed an increase of 15.8% to the overall per acre foot rate for water purchased from the SFPUC when factored with the projected purchase quantity and the fixed meter charges. A major factor in the rates charged by the SFPUC is the massive \$4 billion infrastructure renovation project needed on their regional water system. The SFPUC must issue debt to fund a project of this size, and therefore must maintain a revenue base sufficient to cover their considerable debt service. Although the SFPUC has not provided concrete multiyear projections in past years, this year, SFPUC staff actually provided ten years of rate projections to the Bay Area Water Supply and Conservation Agency (BAWSCA). Those projections are as follows:

Projected Rate Increases	
Fiscal Year	Projected SFPUC Increase in Revenue Requirement (Rate Increase)
2009/2010	15.4%
2010/2011	17.6%
2011/2012	17.2%
2012/2013	21.1%
2013/2014	13.6%
2014/2015	8.8%
2015/2016	4.7%
2016/2017	-0.6%
2017/2018	0.6%
2018/2019	0.6%

Staff’s recommended rate increases for the next ten years use these projected changes in SFPUC revenue rates, applied to the new FY 2009/2010 base rates. Staff also has adjusted the annual meter charges upwards by 20% every five years to reflect the SFPUC’s historical practices.

Beginning in FY 2019/2020, staff is recommending a very modest growth in SFPUC’s base costs of about .8% per year. This slowing of the rates is based on the assumption that at that point all revenue bonds for repair of the system infrastructure will have been issued and SFPUC’s expenses will then include the total debt service on these bonds. Therefore, the .8% represents the amount that their actual fixed operating costs are expected to rise over the long term.

The cost of wholesale water purchased from SCVWD is projected to rise 6.5% for FY 2009/2010. This amounts to a total acre foot cost of \$660 for FY 2009/2010, slightly lower than the increase projected last year.

Due to the economic climate, the SCVWD has been under significant pressure from its retail customers to hold rates as low as possible. Last year, the SCVWD gave City staff three separate scenarios for rates that run through FY 2015/2016. The higher end of the range represents a substantial increase in rates in order to fully fund what district staff believe are needed operations and capital costs. This year, SCVWD staff only provided one projection, indicating that going forward, there would continue to be risks associated with leaving these needed costs unfunded. For purposes of setting the FY 2009/2010 water rates, staff has used the increase in SCVWD wholesale water recommended by District staff for the current year and used their most recent projection going forward.

Water Rate Pricing Review

Since the early 1980s, the City's water rates have been designed to send pricing signals to customers to encourage prudent use of this very valuable resource. This is done through a rate structure called an inclining block tier structure. Under this structure, the more water a customer uses, the more they pay per unit of usage. The cost of service for this type of structure is based on the fact that larger water users require the utility to install larger systems, acquire more supply, and use more energy. Therefore, those costs are loaded onto those users through higher per unit costs at higher usage rates.

The issue with this structure is that if it is successful, and remains unchanged, the City's water revenue declines in two ways. First, the City simply sells less water as the pricing structure drives customers to conserve. Secondly, water is sold primarily at the lower tiers which in some cases do not cover the full cost of service.

This issue has begun to have a significant impact on the water utility's financial health. As a result, staff is recommending a two pronged approach. First, the FY 2009/2010 rates recommend significant changes to the Service Fees charged each customer. The Service Fee is a flat monthly charge based on the size of the customer's meter. This fixed charge represents a portion of the customer's fixed cost of the system, and provides a steady stream of revenue to cover those fixed costs regardless of actual water usage. Charges will increase with meter size because the size of the meter determines how much water each customer is likely to draw from the system, and therefore what it costs the system to stand ready to provide that capacity.

The second phase of staff's work will come in FY 2009/2010 and involve work on the water rate pricing structure. Staff has requested a \$10,000 appropriation to provide assistance with refreshing the data for a cost of service study that was completed on the water system in 2005. Changes to pricing will come as a result and be recommended for the FY 2010/2011 rates that will be considered by Council.

Operations and Capital Expenses

The remaining 25% of direct operating costs of the Water Fund are related to City activities involved in operating and maintaining a water supply and distribution

system. The recommended FY 2009/2010 Budget includes a 5.2% increase from FY 2008/2009 budgeted expenditures for operations, largely reflecting increased personnel costs.

The Water Fund contains annual debt service of approximately \$1.2 million through FY 2019/2020 for the Water Fund portion of the City's Water and Wastewater Revenue Bonds. Debt service also includes the Water Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Government Center property. This latter debt service, in the amount of about \$86,000, continues through the Twenty-Year Financial Plan.

Over the past few years, Sunnyvale staff has been working to identify and scope projects to improve the City's water supply and distribution system. \$26.5 million in capital, special and infrastructure projects are included in the first ten years of the FY 2009/2010 Long-Term Financial Plan, and an additional \$17.7 million in fully-identified water infrastructure, special and capital projects are included in the second ten years of the plan.

The capital and infrastructure projects recommended for funding in FY 2009/2010 are included in *Volume IV, Projects Budget*.

In order to supplement the funding of these projects, staff is recommending the issuance of \$15 million in Water Revenue Bonds. Due to the age of the system, and the corresponding need for maintenance and replacement, the funding needs are front loaded in the Long-Term Financial Plan. The Revenue Bonds will be needed to levelize the impact of these projects, and spread their costs over the useful life of the infrastructure. Staff plans to wait until mid fiscal year and evaluate market conditions, but is confident that with Sunnyvale's excellent credit rating, we can achieve reasonable borrowing costs, fund projects, and help keep rate increases measured and level.

The Water Fund carries a loan that was advanced from the General Fund in FY 2002/2003 in the amount of \$1.6 million to purchase property located at 239 Commercial Street to provide additional space for the Public Works Corporation Yard. The recommended FY 2009/2010 Budget reflects repayment of the interfund loan through FY 2014/2015.

The Fiscal Sub-Element of the City's General Plan calls for the Water Fund to maintain a Contingency Reserve of 25% of operations. This Contingency Reserve is to be used only in the event of disasters or other emergencies. The Water Fund also maintains a Rate Stabilization Reserve to smooth utility rates from year to year, normalize economic cycles and plan for project-related expenditures.

The rate increase proposed for water utility services for FY 2009/2010 is 8%, one percent lower than anticipated last year. The projected rate increases anticipated over the remainder of the 20 years are shown at the bottom of the Water Supply and Distribution Fund Long Term Financial Plan.

Wastewater Management Fund

The Wastewater Management Fund accounts for the revenues and expenses related to the City-operated wastewater collection and Water Pollution Control Plant services.

The City owns and operates an extensive system for management of wastewater within City limits and in a small area in northern Cupertino. The system includes approximately 327 miles of sewer pipes, a storm drainage system, and a 29.5 million gallon per day (MGD) Grade V Water Pollution Control Plant (WPCP). Operations include the transport of sewage to the treatment plant, wastewater treatment, recycled water production, industrial discharge inspection and enforcement, and many other services related to wastewater.

Operations and Capital Expenses

The proposed FY 2009/2010 operations expense in the Wastewater Management Fund increased by approximately 4%. This is reflective of increases related to personnel costs, the inclusion of a portion of funding for the City's Environmental Sustainability Coordinator, and the addition of 50% of the cost for street sweeping city-wide.

As part of the City's careful review of how its various activities are funded, staff evaluated the purpose and outcomes of providing street sweeping citywide. The primary function of street sweeping is two fold: to clear litter and debris off the streets, and to prevent that debris from entering the storm drainage system. As a result, it was determined that this program, which was previously funded by the General Fund, was more appropriately placed in the Solid Waste and Wastewater Funds. Half of the program is funded by each of the two enterprises, correctly reflecting the benefits that street sweeping provides the City.

Infrastructure maintenance and replacement has been and remains the largest issue for the Wastewater Management Fund. In the FY 2007/2008 Long Term Financial Plan, the need for a new Water Pollution Control Plant was identified. A complete discussion of the planning for the new WPCP that is being done through the Strategic Infrastructure Plan (SIP) is included in the *Major Project Efforts* section of this Transmittal Letter.

Pending the results of the SIP, staff has included estimated costs for a new WPCP. The estimated project budget has been moved by one year to FY 2011/2012 as the preliminary work done to date indicates that the design would be unlikely to start in FY 2010/2011 as originally planned. While approximate, the estimated costs of the WPCP are large enough that funding through revenue bonds will be necessary in order to spread the financial impact of the new plant on the rates over the life of the asset. The recommended FY 2009/2010 Long-Term Financial Plan for the Wastewater Management Fund therefore reflects debt service beginning in FY 2011/2012 and gradually increasing as the plant is built until it reaches its full level in FY 2024/2025. In the meantime, staff has included certain critical projects that are necessary for "managing the gap" between the old plant and a new or renovated plant.

The Wastewater Management Fund has two interfund loans that were advanced from the General Fund. The first loan was to finance the remodel of the primary facilities of the wastewater treatment plant, expanding the capacity from 22.5 million gallons per

day to 29.5 million gallons per day. The loan was made by the General Fund in FY 1980/1981 for a total of \$10.7 million at 7% interest. The original term was for 20 years. Payment of the loan began in FY 2004/2005.

The second loan from the General Fund was made to assist the Wastewater Management Fund with cash flow issues by providing needed cash to stabilize rates. The loan was advanced in FY 1995/1996 for a total of \$2.4 million at 7% interest. The term was for 20 years with ongoing payments on the loan deferred until FY 2004/2005.

The recommended FY 2009/2010 Wastewater Management Fund Long-Term Financial Plan restructures the loan payoff schedule. Under the revised schedule, loan repayment on the first of the two loans has been extended to 25 years, with repayment occurring by FY 2033/2034. No change has been made to the second loan, which is scheduled for repayment by FY 2012/2013. These changes help to levelize the impact of these loan repayments on rates, and make for more measured rate increases to fund the anticipated large infrastructure needs associated with construction of a new Water Pollution Control Plant.

The Wastewater Management Fund pays debt service in the amount of \$1.5 million annually for its share of the Water and Wastewater Revenue Bonds issued in 1992. These Bonds were refunded in 2001 to reduce debt service costs; at that time, additional funds of \$12.5 million were borrowed to pay for needed capital and infrastructure projects. The original portion of the Bonds is repaid in FY 2018/2019 and only the new money portion continues throughout the 20-year plan with the final payment on the debt coming in FY 2027/2028.

In 1997 the City completed construction of the WPCP Power Generation Facility (PGF). The PGF was built to take advantage of existing waste gases from the decomposition of garbage and digestion of sewage. The PGF burns naturally occurring methane from these processes to produce energy to operate the WPCP. The PGF allows the WPCP to operate almost exclusively without having to purchase electricity from PG&E.

In order to build the facility, the General Fund loaned the Wastewater Management Fund the necessary capital. In return, the Wastewater Management Fund makes a transfer to the General Fund each year as payment for a portion of the savings from the project. The amount for FY 2009/2010 is \$798,521.

The Wastewater Management Fund also pays rent to the General Fund for use of the land that the Water Pollution Control Plant occupies. The payment for FY 2009/2010 is \$321,116.

The Wastewater Management Fund by policy maintains a Contingency Reserve of 25% of operations and a Rate Stabilization Reserve to normalize rates and provide for the effect of economic cycles.

The rate increase proposed for Wastewater services for FY 2009/2010 is 7.5%, which is half a percentage point less than last year's projection. Annual rate increases for the remainder of the planning period are shown at the bottom of the Long-Term Financial Plan.

Solid Waste Management Fund

The Solid Waste Management Fund accounts for the revenues and expenses related to collection, recycling, and disposal of solid waste generated within the City of Sunnyvale. A private company, Bay Counties Waste Services, doing business in Sunnyvale as Specialty Solid Waste & Recycling (Specialty), has been issued an exclusive franchise for collection of solid waste and recyclable materials through 2018, and these contract costs are reflected here. Operations of the Sunnyvale Materials Recovery and Transfer (SMaRT) Station and disposal of refuse at the Kirby Canyon Landfill are included in a separate fund, but the City's share of these activities is reflected in the Solid Waste Management Fund.

In 1992 the City of Sunnyvale entered into a Memorandum of Understanding (MOU) with the cities of Palo Alto and Mountain View for the operation of the SMaRT Station. Sunnyvale and Mountain View are required to deliver all of their garbage and residential recyclables, including yard trimmings, to SMaRT. Palo Alto continues to operate its own landfill, and facilities for yard trimmings and compost and recycling, and therefore is required to deliver only specific amounts of garbage that vary from year to year.

The three cities that participate in the SMaRT Station have individual agreements with Kirby Canyon for landfill services that require the payment for disposal of a minimum quantity of solid waste each year. This provision is commonly referred to as a "put or pay" requirement. In October 2011, the cities will be able to modify the level of put or pay required, and it is Sunnyvale's intention to lower its solid waste allocation quantity by the maximum allowable 10%. This modification is reflected in the tonnage projections beginning in FY 2012/2013.

As mentioned earlier, the City contracts with Specialty for the collection of solid waste and recyclables throughout the City. Specialty is paid on a monthly basis, but their payment is determined for a year based largely on formulas that take necessary and actual expenses in the last completed fiscal year and adjust them for inflation. Therefore, the contractor payment for the following fiscal year is driven primarily by actual expenditures from the last full fiscal year, adjusted by various indexes as identified in the contract.

The projected FY 2009/2010 contractor payment is \$15.8 million, a decrease of about \$1 million from the current FY 2008/2009 contractor payment. The reduction is due to decreases in fuel cost, and overall expenses as the indexes used to calculate the costs have flattened or even decreased.

Additionally, \$269,000 in savings resulting from the "ChoiceCollect" changes that were implemented in Spring of 2009 are reflected in the planned contractor payment for FY 2010/2011 (the first time they will manifest through the payment process). These changes, directed by Council in December 2006 for 2008 implementation, include providing carts to residents currently using 32-gallon cans and switching to an on-call system for bulky/extra goods collection. The \$269,000 represents an annual savings, so it is used to reduce the contractor payment through the end of the 20-year

planning period. This, combined with a resetting of the base payment in FY 2009/2010 as discussed, results in a \$27 million dollar savings over 20 years.

An additional cost reflected in the Solid Waste Fund Long-Term Financial Plan is a charge for rent for use of the City land that the SMaRT Station occupies. This payment is reflected for the full term of the plan, adjusted for inflation. The FY 2009/2010 rent payment is \$364,536.

The current Long-Term Financial Plan for the Solid Waste Management Fund includes the City's share of ongoing debt service for bonds issued to construct the SMaRT Station. These bonds will be paid off in 2018. The Plan also includes the City's share of the debt service for the new Materials Recovery Facility equipment project at the SMaRT Station.

The Solid Waste Management Fund Long-Term Financial Plan reflects two interfund loans that were advanced from the General Fund. The first loan provided \$3.68 million during 1985, 1988, and 1989 to construct a system to convert methane gas to a marketable form of energy. An additional \$10.5 million was advanced to stabilize solid waste rates between FY 1994/1995 and FY 1998/1999. Both loans bear interest of 7%. The loans have since been combined. The original terms were to have them both paid off over 29 years. The recommended FY 2009/2010 Budget reflects only minor changes to the combined loan with payoff scheduled to occur one year later than planned last year in FY 2020/2021.

By fiscal policy, the Solid Waste Fund maintains a Contingency Reserve of 10% of operations. This is less than the 25% required for the other two utility enterprises to reflect that fact that this operation has less risk for damage or disaster. The Fund also maintains a Rate Stabilization Reserve similar to the other utilities.

Due to the economic downturn and the corresponding slowdown of business activity, revenues have flattened and are projected to end the year approximately \$800,000 less than projected. This loss is offset by the savings in the contractor payment beginning next fiscal year. The combination of these factors results in a 5.5% increase in the total revenue required to operate the Solid Waste Management Fund for FY 2009/2010. This is the same increase that was planned last year. The projected increases in revenue requirement for the remainder of the planning period are reflected at the bottom of the Solid Waste Management Fund Long-Term Financial Plan.

Sunnyvale Materials Recovery and Transfer (SMaRT) Station

The Sunnyvale Materials Recovery and Transfer (SMaRT) Station began operations in October 1993. The costs of building and operating the SMaRT Station are shared by the cities of Sunnyvale, Mountain View and Palo Alto as specified by a Memorandum of Understanding (MOU) among the cities. At current garbage delivery rates, Sunnyvale is responsible for about half of the SMaRT Station operating expenditures and receives about half of the revenues earned by the cities from recyclables removed from the garbage. The capital cost of the SMaRT Station was financed by the sale of revenue bonds by Sunnyvale. The debt service on the bonds is shared among the three cities as specified in the MOU.

The SMaRT Fund was established to account for operations at the facility. It receives its revenue from charges to the cities of Sunnyvale (Solid Waste Management Fund), Mountain View, and Palo Alto and from the sale of recyclables. Major operating cost components include the contract with the SMaRT Station operator and disposal fees and taxes collected by the Kirby Canyon Landfill. The fund is designed so that annual revenues and expenditures are in balance and that no fund balance is carried forward to the next year. Operating costs and revenues from the sale of recyclables are charged to or distributed to the cities based on the numbers of tons of solid waste each community brings to the SMaRT Station for materials recovery, transfer, and disposal.

The SMaRT Station Fund consists of two sub-funds, which account for operations and equipment replacement, respectively.

The SMaRT Station is operated by a private company under contract with the City. To date, the City has issued seven-year agreements. On February 13, 2007, the City Council awarded a seven-year contract for operation of the SMaRT Station to Bay Counties Waste Services, who began operations on January 1, 2008 making the first full year of operations under the new contract FY 2008/2009.

The substantial net financial impact of the new contract was incorporated into the FY 2007/2008 financial plan. Overall, the contract increased the net annual operating costs of the SMaRT Station materials recovery, transfer, and disposal system, after accounting for increased revenues from increased diversion of recyclables. Increases in costs over the current operating costs reflect the City's new requirements for the wages to be paid to contractor personnel working at the SMaRT Station and the updated market pricing that resulted from the competitive procurement process used to select the new contractor.

The SMaRT Station Replacement Sub-Fund provides for the replacement of City-owned SMaRT Station equipment. The three participating cities contribute to these replacement efforts and to payment of debt service based on fixed percentages established by the SMaRT Station MOU among the cities.

The FY 2007/2008 Budget included the funding for a major capital project, anticipated to be completed by mid-2009, to replace the SMaRT Station Materials Recovery Facility (MRF) equipment. After years of heavy usage, key components of the MRF equipment were showing excessive wear and were in need of replacement. The new equipment will provide increased mechanized separation, thereby reducing the number of personnel required to sort materials manually. These savings are reflected in the agreement with the new SMaRT operator, Bay Counties Waste Services.

It is projected that the new equipment will facilitate increased recovery of materials from the waste stream; this will decrease solid waste delivered to the landfill and increase revenues from sale of recycled materials. In order to provide funding for the MRF project, Solid Waste Revenue Bonds were issued for the Sunnyvale and Palo Alto portions of the project. The estimated debt service payments are included in the Long-Term Financial Plan.

The recommended FY 2009/2010 SMaRT Station Long-Term Financial Plan reflects debt service for the original cost of the facility through FY 2017/2018.

Debt service for the debt-funded portion of the MRF equipment currently being installed is shown through FY 2021/2022. Staff projects that while most of this new MRF equipment and the overall SMaRT Station can be maintained in good working order through the term of the MOU, there will come a point when the facility and equipment will need replacement or rehabilitation. In order to allow for the cost impact of this eventuality, staff has projected funding for a new materials recovery system and any other improvements needed to the SMaRT Station Facility in FY 2023/2024, with annual debt service of \$1.9 million beginning that year. The size and goals of this project and, thus, its technical nature, will be determined by inter-jurisdictional discussions to take place prior to the expiration of the MOU in FY 2020/2021. At the present time, it is assumed that the new SMaRT facility will be similar to the current equipment.

Community Recreation Fund

The Community Recreation Fund, which was created in FY 1991/1992, provides for the recreation activities of the City, including the two City-operated golf courses, the tennis center, and recreation programs and services. Prior to the initiation of the Fund, recreation services were part of the General Fund. The creation of the Community Recreation Fund included the merger of the City's golf and Tennis Center operations with the remainder of all other recreation service activities, as well as the adoption of new, entrepreneurial approaches to service delivery. This approach resulted in a significant reduction in General Fund monies that might have been directed to support recreation services in future years. It also provided and continues to provide the autonomy and flexibility for staff to do market-based programming.

Concentrating solely on this philosophy, however, challenges the Recreation Division's capacity to provide many free, low-cost or subsidized customary recreation programs and services, such as spring egg hunts, Halloween events, community bike rides, community concerts, etc., due to the demand to be solely "bottom-line" oriented.

The recommended FY 2009/2010 Budget provides approximately \$ 12 million worth of diverse recreation programs and services to the community with a contribution from the General Fund of \$4.6 million. Approximately \$1.1 million of this is returned to the General Fund to cover administrative in lieu costs. The remaining cost of recreation programming will be paid primarily by the direct beneficiaries of the programs in the form of user fees, as well as revenues from the City's golf operations which are in excess of the expenses needed to provide for the golf services. While this funding source has declined in recent years, it is believed that it is now stabilizing and should allow accurate budgetary planning going forward.

The Fiscal Sub-element of the General Plan includes a number of policies related to the Community Recreation Fund. First, the amount contributed for recreation services from the General Fund is fixed at the FY 2006/2007 level, growing by inflation over the Twenty-Year Long-Term Financial Plan. While this creates stable General Fund planning, in reality due to costs rising at a higher rate than inflation, the long-term overall fund stability and service level is unsustainable. Therefore, in preparation for

the next two-year operating budget cycle, during FY 2009/2010 staff will be developing a strategy to recommend to Council that will provide for a long-term solution for recreation services' financing.

An additional policy indicates that any increase in service levels approved by Council, including those provided to other organizations, that is not covered by revenues requires approval of additional support from the General Fund. Further, any action by Council to decrease revenues not covered by a decrease in operating costs results in a corresponding increase in monies from the General Fund. Finally, the Community Recreation Fund is allowed to retain any fund balance generated from cost savings, revenue initiatives, etc., to assist in keeping service levels stable during slower economic periods.

The City's fiscal policies also provide that the infrastructure rehabilitation and replacement of all facilities on park land, including the golf courses and tennis center, will be funded first through the Park Dedication Fund if funds are available. Currently all such costs are funded fully by Park Dedication Fees. If not, the cost would need to be borne by the General Fund, as the Community Recreation Fund is operational in nature and not intended to fund capital items. In keeping with this policy, all new capital projects related to Community Recreation assets are also supported by Park Dedication fees.

As in prior years, the recommended FY 2009/2010 budget transfers the interest earned on the Swirsky Youth Opportunity Fund endowment in the amount of \$16,557 to the Community Recreation Fund to supplement the Mobile Recreation Program. This use of these funds was approved by the Council in FY 2006/2007 and has been reflected throughout the 20-year planning period.

The Community Recreation Fund contains two reserves. The first, *Co-op Sports Reserve*, reflects requirements of a contract that the City has with the Sunnyvale School District to administer the after school intramural sport league programs at Sunnyvale Middle School and Columbia Middle School. This small reserve carries over funds for the Sunnyvale Middle School program, which generally brings in more revenue from participant fees than is needed to cover direct program costs. The reserve funds are used to purchase equipment and uniforms as needed by the school.

The second reserve is the *20-Year Resource Allocation Plan (RAP) Reserve*, which functions here as in other funds, to levelize expenses and revenues over the planning period. We expect the 20-Year RAP Reserve to end FY 2008/2009 with \$998,000. As noted earlier, the Fund will be allowed to keep any revenues above projections and savings from service level efficiencies in a given year to help stabilize economic cycles and maintain service levels.

INTERNAL SERVICE FUNDS

The City utilizes internal service funds to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. There are two such funds that operate on a cost reimbursement basis: the General Services Fund and the Employee Benefits and Insurance Fund. Both of these

funds play an important role in the overall ability of the City to conduct business. Sunnyvale's full cost accounting methodology results in all of the costs of these funds being charged back to user activities on a rental rate or additive rate basis. Therefore, the total expenditures of these two funds are not added to the overall budget.

The City also has two additional internal service funds. One of the funds accounts for activities associated with the Sunnyvale Office Center and the other fund was created to separate property and liability insurance costs from the Employee Benefits and Insurance Fund.

General Services Fund

Fleet, Facilities, and Technology Services

The General Services Fund has three sub-funds that provide a wide range of important support services to programs within the City. These are: Fleet, Facilities, and Technology Services. Funding for these services is recovered through rental rates charged to benefiting program operating budgets. The rental rates include not only the cost of operations, but also the cost of replacement for depreciable equipment. This assures the availability of funds to replace equipment at the most cost-effective time.

Aggregate rental rate increases for these combined General Services Fund activities are projected at 3.3% for FY 2009/2010. This is a slight decrease from the 3.4% for FY 2009/2010 that was projected last year. Rental rate increases are projected to average 3.2% over the remaining first ten years of the General Services Long-Term Financial Plan. This is a slight decrease from the average 3.4% projected last year.

Rental rate increases are projected to be 2.1% in the second ten years of the plan. In order to stabilize rental rates and avoid large year-over-year increases, the combined General Services Fund is projected to experience a negative reserve balance in its 20-Year RAP Reserve during most of the first ten years of the General Services Long-Term Financial Plan. This negative balance is attributable to the Facilities Management Sub-fund, as discussed below, and the overall fund reserve, which is primarily made up of equipment replacement reserves, remains healthy.

Below is a discussion of each of the three sub-funds that make up the combined General Services Fund. Included in each section is a brief description of major items that affect the current resources, current requirements, or reserves of each plan.

Fleet Services Sub-Fund

The Fleet Services program reflects the cost of ownership of City vehicles and equipment. A primary objective of Fleet Services is to provide rental rates that are competitive with those offered in the private sector.

The main source of funding within this sub-fund is derived from Fleet Services rentals to other programs. Fleet Services rental rates are scheduled to increase by 3.0% for FY 2009/2010 and then drop to 2.7% for the remainder of the first ten years of the Long-Term Financial Plan. This is a reduction from last year's long-term plan, where rental rates increased 3% annually throughout the first 10 years. Rate increases will

be slightly higher in the second ten years, amounting to 2.9% annually. These increases are lower than the 3.6% that was projected last year.

The Sale of Property line item of the Financial Plan represents the sale of surplus or replaced vehicles or pieces of equipment. The projection is based on historical averages for the surplusing of vehicles and equipment.

The Intrafund Loan Repayment represents scheduled payments from the Facilities Services Sub-fund. This loan was initially made in FY 1999/2000 to alleviate cash flow issues experienced by the Building Services Sub-fund. The initial terms of the loan were for a principal amount of \$1.6 million to be repaid over 10 years with final payment scheduled for FY 2015/2016. In FY 2005/2006 a large payment was made against the principal, and the Financial Plan calls for repayments beginning in FY 2012/2013 through FY 2017/2018. There has been no change to this repayment schedule.

The multiple transfer line items found within the *Current Resources* section of the financial plan in FY 2008/2009 through FY 2016/2017 represent the funding mechanisms for the Upgrading the City's Fuel Stations capital project, as well as the implementation of a new fuel management system.

The two major current requirements deal with equipment replacement and operation of the Fleet Services program. The equipment replacement costs are different each year as various items of equipment reach the end of their useful life and must be replaced. It should be noted that an estimated ongoing equipment replacement savings has been programmed to account for savings that occur through lengthening of useful life of vehicles and equipment beyond what has been programmed.

The operations line in FY 2009/2010 is roughly the same as the operations expense for FY 2008/2009. While personnel costs have increased, Fleet Services is expected to see reduced expenditures for fuel due to lower fuel prices, active management of usage by departments, and the new fuel management system. These savings measures are expected to offset the increased personnel costs in the Fleet Services program.

The *Equipment Replacement Reserve* represents the accumulation of annual rental rates received from City programs, net of replacements purchased during the current fiscal year, for future replacement of vehicles and equipment. This reserve works in tandem with the *Equipment Replacement* line item under the *Current Requirements* section of the Sub-fund. For example, when a large value item is scheduled to be replaced such as a street sweeper or a fire apparatus, the equipment replacement reserve will be drawn down as the accumulated annual replacements fund within the reserve will be used to purchase the vehicle or apparatus.

The *20-Year RAP Reserve* functions in this fund, as in other funds, to levelize rates and plan for capital projects.

Facilities Services Sub-Fund

The Facilities Services Program reflects the cost of maintaining City facilities, including costs for electricity and water, free standing furniture, modular furniture, and building equipment.

The Facilities Services Sub-fund has two rental rate revenue items, one relating to space rental and the other relating to equipment. The space for Facilities rental is based upon the total square footage of building space throughout the City. This square footage is then divided amongst the various City programs. The equipment rental accounts for replacement costs associated with modular and freestanding furniture, carpet and blinds, and building maintenance equipment.

The aggregate rental rate for Facilities Services is scheduled to increase by approximately 3.5% for FY 2009/2010 and the remaining first ten years of the financial plan. This is slightly less than the 3.6% increase projected last year. Increases will be 2.8% annually in the second ten years of the plan, down from the 3% anticipated last year. It should be noted, however, that in year 11 of the plan, facility rental rates are expected to be reduced by nearly 7%. The reason for this is that Facilities Services will have paid off its loan to Fleet Services by this time, meaning funds will no longer need to be collected to cover that liability. This will result in a reduction in rental rates that will lower the base rental rate charged for the remainder of the second ten years.

The major current requirements deal with equipment replacement and operation of the Facilities Services Program. Equipment replacement costs have been established based on the asset depreciation schedules.

The Transfer to Sunnyvale Office Center line item in the Financial Plan represents a transfer of rental rate revenues received from City programs currently housed at the 505 W. Olive Sunnyvale Office Center. These funds are collected in this sub-fund and then transferred to the Sunnyvale Office Center Sub-fund to partially fund the facility management costs associated with that facility. Transfers to the Infrastructure Fund are also programmed for the Facilities Services contribution to various improvements at the Corporation Yard.

The Interfund Loan Repayment line item in the financial plan represents loan payments to the Fleet Services Sub-Fund. As was mentioned in the *Fleet Services* section, this loan was made to alleviate cash flow constraints of the Facilities Services Sub-fund in FY 1999/2000.

The *Equipment Reserve* represents the accumulation of annual equipment rental rates received from City programs, net of replacements purchased during the current fiscal year, for future replacement of office furniture, carpets and blinds, and building maintenance equipment. The *Operations/Other Reserve* functions in this fund to identify resources available to levelize operations over the long term. It should be noted that the combined reserves are negative six of the first ten years of the long-term plan. This was determined to be the most palatable alternative to getting this sub-fund into better financial position, as opposed to other alternatives such as drastically raising rental rates or taking out additional loans from the other sub-funds. Allowing

the fund reserve to run negative during the first ten years will allow Facilities Services to continue its current service level, replace essential equipment, and get its loan paid off without furthering its current debt and without jeopardizing the health of the combined General Services Fund.

Technology and Communications Services Sub-Fund

The Technology and Communications Services Sub-fund reflects the cost to operate and maintain the City's technology and communications program and infrastructure. This includes technology (hardware and software), communications, and office equipment.

The aggregate rental rate for Technology and Communications Services is scheduled to increase by approximately 3.3% for FY 2009/2010 and for the remainder of the first ten years of the long-term plan. This is slightly lower than the 3.5% projected last year. Proposed increases are 1.4% annually in the second ten years of the plan, which is lower than the 2% increases projected in last year's long-term plan.

The Miscellaneous Revenue line item in the financial plan accounts for royalty revenue received from the City's SUNGIS software application, as well as revenues received for a cost sharing agreement with Comcast for cable television franchise reviews that occur every five years.

The Cable PEG Channel Grant line item reflects funds that are available for use for public or educational cable services. These funds are used to purchase equipment for the City's public access channel, KSUN. Funds that have not been programmed for use in purchasing equipment for KSUN are collected in a restricted reserve titled *Restricted KSUN Equipment Reserve*.

The major current requirements of the Technology and Communications Services Sub-fund deal with equipment replacement and operation of the Technology and Communication Services Programs. Equipment replacement for technology and communications and office assets reflect the depreciation schedules for each. Additionally, it should be noted that an estimated ongoing equipment replacement savings of \$100,000 is programmed to account for anticipated cost savings resulting from extending useful lives and reduced unit costs for equipment.

Transfers to the Infrastructure Fund are also programmed for the Technology and Communications Services contribution to various improvements at the City Hall Annex.

The *General Fund Loan Repayment* line item of the Financial Plan represents the repayment schedule of a \$2 million loan made to the former Technology Services Sub-Fund in FY 1999/2000. This loan was made to fund a number of information technology initiatives including the City's geographical information system (GIS). Loan repayments continue through FY 2012/2013.

The *Equipment Replacement Reserve* represents the accumulation of annual rental rates received from City programs, net of replacements purchased during the current fiscal year, for future replacement and maintenance of network infrastructure, central

computer maintenance, desktop maintenance, training, development of equipment specifications and/or applications, administrative and support services, technology equipment replacement costs, communication equipment, office equipment, mail services, and print shop services.

The *20-Year RAP Reserve* functions in this fund, as in other funds, to levelize rates and provide for planned capital improvements.

Equipment Replacement Funds

In addition to the combined General Services Sub-funds, in prior years the General Services Fund contained three other sub-funds that served to collect funds from specific departments for equipment replacement. The three departments that had equipment replacement sub-funds in the General Services Fund were the Department of Public Safety, the Department of Public Works (Wastewater), and the Department of Community Services. These sub-funds were not included in the combined sub-fund with Fleet, Facilities, and Technology because their scope was not City-wide.

For the FY 2008/2009 Adopted Budget, the equipment replacement sub-funds for wastewater and recreation were eliminated and the respective equipment expenditures were incorporated into the enterprise funds. For the recommended FY 2009/2010 Budget, the Public Safety sub-fund has been eliminated and the planned equipment expenditures have been moved into the General Fund. Staff analysis determined that money could be saved by not collecting money from Public Safety operations and sending it over to an equipment sub-fund, as this sub-fund accumulated a reserve that was not necessary. This change will be transparent to the Public Safety operations and will not decrease the City's ability to monitor and manage these expenses.

Project Management Sub-Fund

The Project Management Sub-fund represents project management services provided by staff within the Department of Public Works Engineering Services Program. These services are associated with the various capital and infrastructure projects currently incorporated within the City's Projects budget. The transfers into this fund represent the proportionate share of the current schedule of projects budgeted for a given year.

The Project Administration Program is responsible for administrative oversight efforts on all City projects that require project management and design expertise. Budgeting for project management administration is based upon recent and historical experience of administering capital projects. This is generally accepted in the industry to be about 20% of the total project cost. The staffing study for Public Works indicated the combined cost for design and construction should vary between 13.7% and 27.4%, depending on the size and type of project. Simpler projects are easier to oversee, while more difficult, or unique projects may take more effort in design, construction administration or both. Also, the size of the project can make a big difference in the percent of the project involved. Bigger projects will require more effort, but as a percentage of the total costs, administration will tend to be smaller.

It is important to note that the Project Administration costs discussed above are different from the normal "contingency" allowance often recommended in awards of

construction bids. Construction of projects can vary in complexity, with a corresponding level of uncertainty in costs. Consequently, the City uses a construction contingency of 15% for most projects, though that can be more or less depending upon the project. Council approves the contingency allowance at the time of bid award. This contingency allows staff to respond quickly to issues that arise during construction, with the assurance to Council that cost controls are in place for the completion of the project within expectations. Again, more complex or unique projects may dictate a greater construction contingency whereas a simpler, straightforward project will require less.

Employee Benefits and Insurance Fund

The Employee Benefits and Insurance Fund provides a mechanism to cover expenditures related to pension costs, employee insurance plans, workers' compensation costs and leave time while applying the principles of full cost accounting. This is accomplished by charging an additive rate to staff salaries wherever personnel hours are budgeted and expended. To better track and analyze expenditures, the Fund is separated into four Sub-funds: Leaves Benefit, Retirement Benefits, Workers' Compensation, and Insurance and Other Benefits. Liability and Property Insurance, previously a part of the Employee Benefits and Insurance Fund, was broken out into its own fund because these costs are not related to salary expenditures, but instead are recovered on claims experience and building space and fleet usage.

Employee benefits costs continue to be a fiscal challenge for the City, particularly in rising costs for retirement and medical premiums. For FY 2009/2010, the expenditures for medical costs for active and retired employees are up 9.2% over FY 2008/2009, primarily due to projected premium increases and growth in the number of retirees. Retirement costs are anticipated to increase substantially for FY 2011/2012, when the impact of CalPERS' current negative investment returns will begin to be realized.

Details of the changes in each of the Benefits Sub-funds are discussed in the sections below.

Leaves Benefit Sub-Fund

The Leaves Benefit program accounts for all City employees' leave time, including accrual of leave benefits earned but not taken. The additive rate is calculated by determining the amount of leave benefits to be accrued and adjusting for estimated salary increases. The budget anticipates a 0.23% increase in leave benefits for FY 2009/2010. The budget is largely flat because two leave benefit categories have been removed from this Sub-fund: Floating Holiday and Personal Business Leave. Beginning FY 2009/2010, these leave categories will be accounted for directly in the operating programs since they function differently than the other accrued leaves; the leave balances do not carry over year-to-year. Because the accrual and expense occurs in the same year, it is more appropriate to directly expense these leaves in the operating program. The leave benefits budget is also flat because the budget anticipates the current vacancy levels will be maintained through FY 2009/2010. The interest income in this Sub-fund is generated from the leave earned, which is

expensed at the time it is earned and held as a liability in our General Ledger until it is taken.

Retirement Benefits Sub-Fund

The Retirement Benefits Sub-fund contains the costs for the City’s retirement plans. Sunnyvale contributes to two California Public Employees Retirement System (CalPERS) plans for and on behalf of its employees: Safety (3% @ 50 Plan) and Miscellaneous (2.7% @ 55 Plan). The Miscellaneous Plan was enhanced effective July 1, 2007. Prior to this the Miscellaneous Plan formula was 2.0% @ 55. For the Safety Plan, the City pays the employee contribution of 11.25% as well as the employer contribution. For the Miscellaneous Plan, the City pays the employer contribution and 7% of the 8% employee contribution, with the employee paying the other 1%.

While the employee contribution rate is set by law, the employer contribution rate is adjusted annually by CalPERS through an actuarial analysis and is impacted by its investment portfolio. This is a critical point because with the global recession and staggering market losses, the CalPERS investment portfolio has been severely impacted. Although CalPERS employs a 15-year smoothing technique to minimize the impact of gains or losses, the current losses are so large that a significant portion of the loss must be recognized into the employer contribution rates at one time. For cities, this will occur with the FY 2011/2012 rates. Although the FY 2011/2012 rates will not be set until October 2010, the City’s consulting actuary has projected the City’s rates based on CalPERS’ investment losses through March and projecting CalPERS’ actuarial assumptions for market returns thereafter. The projected contribution rates are shown in the following table. The contribution rates are applied against employee salaries (PERSable earnings) in order to calculate the dollar amounts the City must contribute.

CalPERS Plan Employer Rate	2008/2009 (actual)	2009/2010 (actual)	2010/2011 (budgeted)	2011/2012 (budgeted)
Safety (3% @ 50)	30.0%	29.8%	29.3%	39.2%
Miscellaneous (2.7% @ 55)	16.1%	15.3%	15.8%	22.0%

As the table shows, the projected rate increases for FY 2011/2012 are substantial. On a percentage basis, they represent a 31% increase for Safety and 37% increase for miscellaneous over the FY 2008/2009 rates. On a dollar basis, this increase requires an additional \$8.3 million City-wide. In addition, because the unfunded liability is amortized over 30 years, these rates will continue for the foreseeable future.

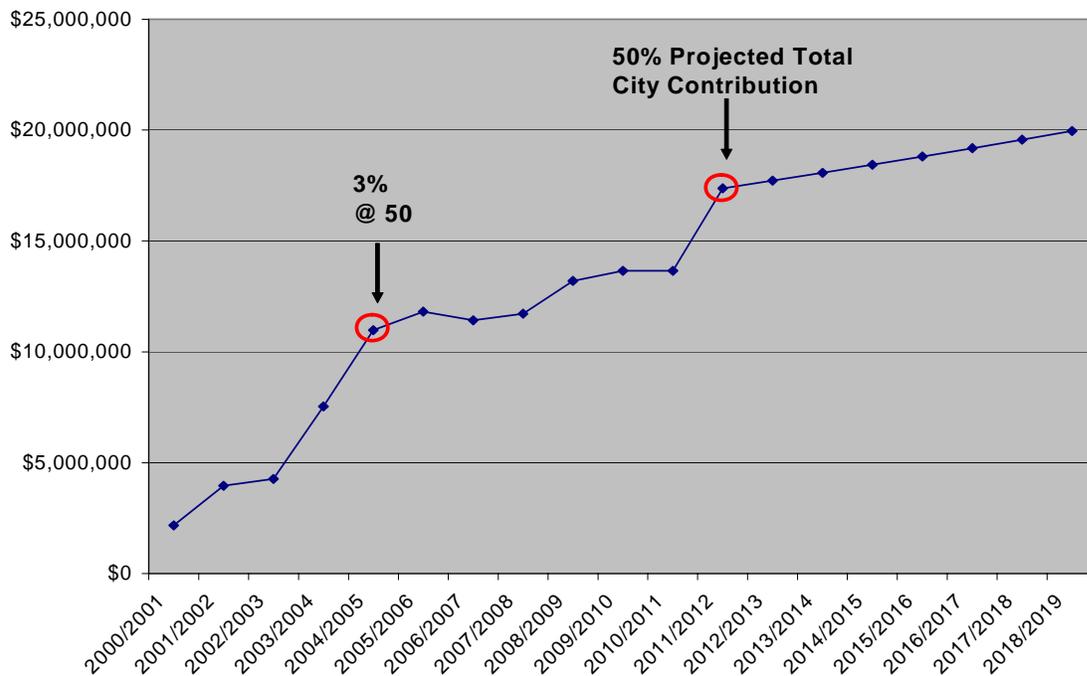
It should be noted that the current CalPERS amortization method is a 30-year rolling amortization that creates a negative amortization of the unfunded actuarial liability so that the unfunded actuarial liability is never paid off, but actually grows over time. In effect, as large as the increase in rates for FY 2011/2012 is, the rates are not high enough. In order to avoid negative amortization of the unfunded actuarial liability, beginning in FY 2007/2008 the City obtained from CalPERS the contribution rates necessary so that the City’s unfunded actuarial liability would not increase. Those rates, which are higher than those provided in the CalPERS actuarial valuations, are reflected above in the actual rates for FY 2008/2009 and FY 2009/2010. We have also reflected this methodology in the budgeted rates for FY 2010/2011.

In addition, a *PERS Rate Uncertainty Reserve* was created in this sub-fund beginning in FY 2007/2008 to provide a modest amount to deal with some of the volatility in PERS rates. Because the projected FY 2011/2012 rates increases have been budgeted into this sub-fund, \$1.2 million has been transferred back to the General Fund in FY 2013/2014 to maintain an appropriate level in this reserve.

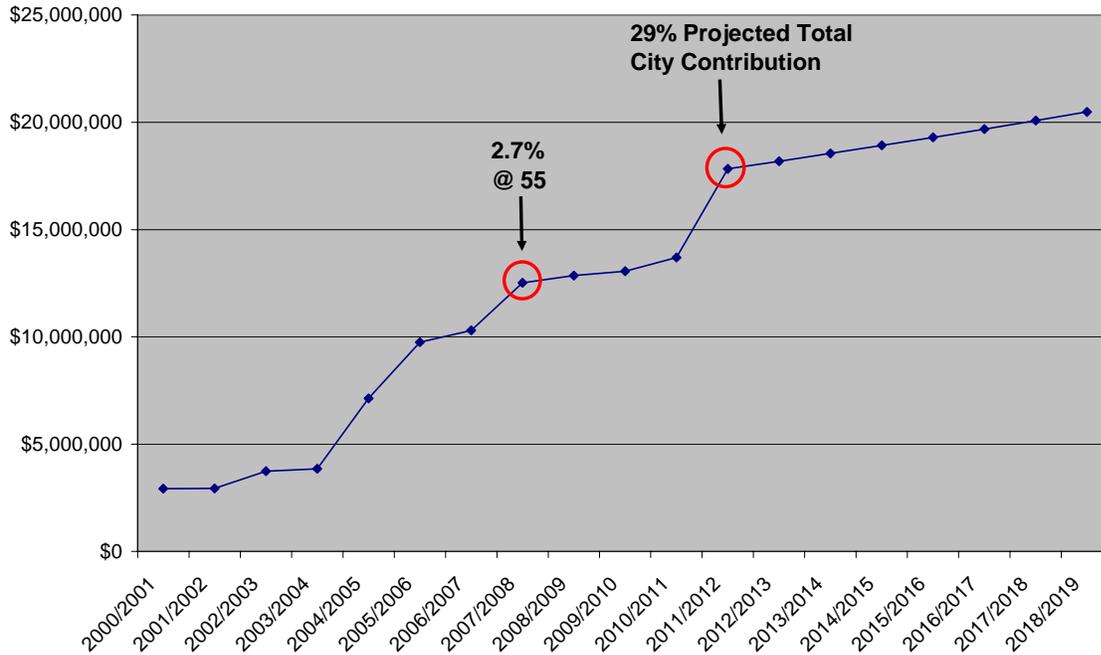
To prepare for the enhanced retirement plan, non-Safety employees received no or reduced salary increases starting in FY 2004/2005. These salary savings were placed into an *Enhanced Retirement Reserve* in the Retirement Benefits Sub-Fund and are being drawn down through FY 2010/2011 to levelize the impact of the increased contribution requirement.

Together with the City-paid employee contribution rates, the total City paid CalPERS rate is projected to be 50.5% for Safety and 29% for Miscellaneous employees. The graphs below show the historical and projected City-paid CalPERS costs for Safety and Miscellaneous employees.

Historical and Projected PERS Costs - Safety



Historical and Projected PERS Costs - Miscellaneous



As the graphs indicate, the City’s costs saw sharp increases with the enhancement of the retirement plans and are projected to jump sharply again in FY 2011/2012. The continual rise in the cost of these retirement plans is a significant financial challenge for the City over the long term. Staff has begun to explore and evaluate options for addressing these costs over the short and long term.

Workers’ Compensation Sub-Fund

The Workers’ Compensation Sub-fund is funded through the use of an additive rate that is applied to all staff salaries. This additive rate is based upon actual usage of the City’s Workers’ Compensation program. For this reason, the City charges a variable additive rate depending upon the classification of the employee. In other words, more high risk positions, such as a Public Safety Officer, are charged a higher rate than administrative employees.

Significant reductions have occurred in workers’ compensation claims since FY 2002/2003. This reduction reflects staff efforts to reduce the controllable factors related to workers’ compensation costs. Staff has focused on injury prevention training, increased utilization of the light duty program and better management of and follow-up with employees out on workers’ compensation. Claims in FY 2002/2003 totaled 204, while claims in FY 2008/2009 are estimated to be 110. This reflects a 46% decrease over that time period.

The recommended FY 2009/2010 Budget projects that the total volume of annual claims has reached its sustainable base of 109. This is the total number of claims

projected annually throughout the Long-Term Financial Plan. However, based on experience and the actuarial valuation of the Workers' Compensation program completed in February 2009, the budget also assumes that the severity (or cost) of the claims will continue to rise. The actuarial valuation projects a 3% increase in the cost of each claim into the future, and we have incorporated this assumption throughout the Long-Term Financial Plan. This results in an ongoing increase to the cost of workers' compensation claims.

Workers' compensation leave costs are projected throughout the Long-Term Financial Plan based on historical actual usage. Since FY 2006/2007, there has been a sharp reduction, approximately 30%, in the number of leave hours taken as a result of workers' compensation. This is the result of the initiatives discussed above, such as the focus on prevention and the use of the light duty program. For FY 2009/2010 and throughout the remainder of the Long-Term Plan, there are a total of 10,800 hours budgeted annually for workers' compensation leaves. These hours are spread amongst the different employee groups based on historical usage trends. The expense related to these leave hours increases with projected salary increases throughout the Twenty-Year Plan.

Because Workers' Compensation Insurance is based on total salary, the costs for this expense over the long term are increased in accordance with the assumed increase in salaries throughout the planning period. The cost of claims administration, which is performed by a Third Party Administrator, is assumed to go up at the same rate as purchased goods and services.

The Worker's Compensation Sub-fund reserve requirement is based on the most recent actuarial analysis, completed in February 2009, and has been set at \$11.5 million for FY 2009/2010. Actuarial valuations of the Workers' Compensation Program are conducted each year in order to satisfy the City's financial reporting requirements, and future reserve amounts will be adjusted as identified.

Insurance and Other Benefits Sub-Fund

The Insurance and Other Benefits Program includes costs for all the employee insurance plans including medical, dental, vision and life insurance. As with the other sub-funds, any costs for administering these programs are contained in a Human Resources program in the General Fund and supported by in lieu charges to the various funds.

The largest cost in this Program is medical insurance for our employees, provided by CalPERS. Although the overall increase for the 2009 CalPERS medical premiums is 4.3%, staff does not believe this trend will continue because one-time savings were factored into this increase. Therefore, the assumptions contained in the current budget have been continued for the FY 2009/2010 recommended budget: 8% for calendar years 2010 through 2012 moderating to 5% thereafter. While these increases are higher than inflation, it is an improvement over the double-digit rise in medical insurance experienced in previous years prior to 2009.

In addition to the increase in healthcare premiums discussed above, the growing number of retirees is, and will continue, to impact the City's long term medical costs.

The number of retirees is estimated to grow by 25 new retirees each year in the Twenty-Year Plan. Staff has taken steps to contain medical costs in recent years for both active and retired employees. Caps on City contributions have been placed on both active and retired management employees beginning FY 2007/2008. The medical premium increase has been capped for SEA retirees in the current Memorandum of Understanding.

Managing the cost of retiree medical costs is particularly important with Governmental Accounting Standards Board (GASB) Statement No. 45, which requires the City to disclose our liability for other post-employment benefits (OPEB) such as retiree medical costs beginning with the year ended June 30, 2008. In preparation for this reporting requirement, an actuarial valuation of our retiree medical liability was completed in 2003 and updated in 2006. The 2006 valuation showed Sunnyvale's total liability for retiree medical to be \$80 million. Following the latest valuation, staff completed an in-depth analysis with the assistance of our actuary to determine how to portray our liability and what would be necessary to fully fund our liability in light of our long-term budgeting methodology. Currently, the City uses a pay-as-you-go method for funding retiree medical costs. As a result of the analysis, staff recommended and Council approved the City's participation in the CalPERS OPEB Trust to pre-fund our retiree medical liability. Council also authorized staff to enter into the trust at the appropriate time given CalPERS recent investment losses. At this point, the trust funds are retained in and earning interest in the City's own investment portfolio.

The City has made a large one-time contribution to the trust and then will make the annual required contribution (ARC) until the OPEB liability for retiree medical is fully satisfied. At that point, the City's expected cost for retiree medical is anticipated to slow to a rate that is less than the City's current pay-as-you-go obligation. This is the result of the interest earnings from the initial contribution offsetting the total cost of retiree medical benefits, reducing the annual amount the City needs to contribute.

There is currently \$28.9 million set aside to be transferred from our portfolio to the Trust, with the specific timing of the transfer dependent on the current market environment. The Long-Term Financial Plan projects that we will need to make the ARC for retiree medical costs until FY 2026/2027. Although this updated schedule for fully funding our liability is extended compared to the current year financial plan, it does not have a negative fiscal impact. This is because the extension is due to the total estimated cost for retiree medical being reduced, as a result of the recently implemented premium increase caps, and the reduced rate of payroll growth, since the ARC is calculated as a percentage of payroll.

This Sub-fund has an additional reserve, *Insurance Rate Uncertainty*, which provides funds for several uncertainties including unanticipated changes in premium costs, and adjustments in the City's contribution costs and assists in levelizing additive rates over the long term.

Reserve Levels in Employee Benefits and Insurance Fund

Reserves in the Employee Benefits and Insurance Fund have been set at amounts recently established by actuarial studies or staff analysis, as discussed above. The reserve levels as of June 30, 2009 are expected to be as follows:

Reserve Item	2008/2009 Year-End Amount
Workers' Compensation	\$12,062,267
Enhanced Retirement	\$1,925,359
PERS Rate Uncertainty	\$3,873,111
Insurance Rate Uncertainty	\$2,033,686
Total Employee Benefits Fund Reserves	\$19,894,423

Liability and Property Insurance Fund

This fund was established to separate out liability and property insurance costs from the Employee Benefits and Insurance Fund. Managing these costs in a separate fund provides better accountability of expenditures and allows the City to recover costs based on usage rather than on salary expenditures. Management of the Insurance Program was transitioned by the Office of the City Attorney to the Human Resources Department effective July 1, 2008.

The Liability and Property Insurance Fund is funded through transfers from its dependent funds rather than on an additive rate basis. The transfers are based on liability claims experience in recent years for liability costs and city asset and facilities, applying square footage and facilities and fleet rental rate allocations for property insurance related costs. Insurance coverage is applied to the maintenance of the City's infrastructure and covers the City against claims such as Trip and Fall, Vehicle Damage, and damage caused by City trees. Currently, the City participates in a risk pool administered by the California Joint Powers Risk Management Authority (CJPRMA) which provides insurance over the City's Self Insured Retention (SIR) level of \$500,000 per claim. The total amount paid for liability claims under \$500,000 can vary significantly from year to year due to the small number of claims. Therefore, the ten year average of total liability claims paid has been budgeted for long-term financial planning purposes. The reserve in this fund meets the recommended actuarially acceptable funding level as provided in an actuarial review of the program completed in January 2009.

Sunnyvale Office Center Fund

This fund accounts for the activities of the Sunnyvale Office Center located at 505 W. Olive Avenue, across from the main City Hall. The Sunnyvale Office Center was purchased in April 2001 by the issuance of variable rate Certificates of Participation (COPs) to provide expansion opportunities for the Civic Center Complex. Activities included in this fund are maintenance and operations of the office facility, capital projects, and debt service. Revenues to this fund consist of rental from outside tenants and City operations, and interest on reserves.

When the fund was established, it was projected that the existing office buildings would be operated and leased through FY 2005/2006, when a long-term solution to the City's office space problem could be in place. Subsequently, plans for a new civic center complex were put on hold because of the City's financial situation. A study on the City's facilities is currently underway; however, there is no identified funding source for developing and implementing a long-term solution to the City's office space issues. As such, the FY 2008/2009 Long-Term Financial Plan continues to reflect the complex being operated for the entire 20-year planning period. Increasing the length of operation causes the office complex to generate more net income than originally anticipated; this allows the Sunnyvale Office Center Fund to give a rebate to the General Fund of about \$238,000, increasing with inflation, annually over the entire planning period.

Because of the age and general condition of the office buildings, some capital improvements are programmed over the 20-year planning period. These projects are necessary in order to keep the facility in working order.

During the FY 2007/2008 budget cycle, interest rate assumptions on the COPs were adjusted to account for increased interest rates. Based on information from our current refunding of the COPs, the interest rate assumption has been changed to 3% for the current Twenty-Year Plan. The interest paid on our COPs since their issuance has averaged 2.82%.

FIDUCIARY FUNDS

Dorolou P. Swirsky Youth Opportunity Fund

In August 1993, City Council accepted Dorolou Swirsky's intent to donate her house upon her death to provide an endowment to specifically address sports, recreational, social, cultural, and educational activities for disadvantaged youth living in Sunnyvale.

The Dorolou Swirsky Trust Estate was donated to the City upon her death in March 2000. The estate consisted of a single family home located at 1133 Hollenbeck Road. Following the donation, the City established the Swirsky Youth Opportunity Fund to account for the proceeds. Ms. Swirsky had taken a reverse mortgage on the property which the City paid upon her death using General Fund monies. The property was rented out until August 2003 with net proceeds used to help pay back the General Fund for the reverse mortgage.

In November 2003 Council approved a resolution authorizing the sale of 1133 Hollenbeck Road. The house was subsequently sold, the remainder of the General Fund advance was paid, and an endowment of \$526,595 was established.

For FY 2008/2009, it is recommended that the full amount of interest earned on the Swirsky Trust again be used to supplement the Mobile Recreation "Fun on the Run" Program operated by the Department of Community Services.

Fremont Pool Endowment (Trust) Fund

The Fremont Pool Trust Fund was established by the City in FY 2002/2003 to account for the receipt of monies raised by The Friends of Fremont Pool, a group of residents who lobbied City Council regarding the need for a new pool in Sunnyvale. The Fund currently has an Endowment Reserve balance of \$907,249. The basic premise of this fund is that the corpus, or principal, is never expended, but invested with the interest generated each year transferred to the Community Recreation Fund to help offset the City's cost of operating the 50-meter pool constructed in partnership with the Fremont Union High School District at Fremont High School. The City has a contract with California Sports Center to program and operate the Fremont Pool on our behalf.

The City's cost is determined by adding 50% of the cost of maintaining the pool itself (performed by the School District, which subsequently bills the City), 100% of the City's cost of maintaining the public shower/locker facility, and staff costs related to oversight of the contract. The City's projected cost for Fremont Pool maintenance for FY 2009/2010, which is programmed in the Community Recreation Fund, is \$177,811. Interest earnings on the Fremont Pool Trust Fund are projected to be \$27,217 and reflect the lower interest environment that we are currently experiencing. The Trust earnings pay approximately 15% of the City's annual costs. Revenues from operation of the Fremont Pool are projected to be \$43,000 for FY 2009/2010, or 24% of total cost. The subsidy from the General Fund to the Community Recreation Fund makes up the difference.

It should also be noted that while the corpus of this fund may grow a bit in future years (assuming continued contributions), it is not expected to increase markedly over time. As a result, it is not expected to keep up with inflation and the purchasing power of the interest it generates will likely erode over time. In this context, and the City's current budget crisis, it is critical to note the importance of allowing the California Sports Center (CSC) to charge market rates for use of the pool. It is also important to allow the operator to determine effective, revenue producing programming as well. The net revenue received by the City from CSC, and the interest generated by the Fremont Pool Trust Fund, are critical factors in allowing the pool to partially support itself financially.

APPENDIX A

THE SUNNYVALE APPROACH TO BUDGETING

In reviewing the recommended FY 2009/2010 Budget and Twenty-Year Resource Allocation Plan, it is important to understand the key systems Sunnyvale uses to chart its future both in the good times and the bad times. Sunnyvale's approach to budget preparation is a central part of the City's Planning and Management System (PAMS). Key elements of the PAMS budget framework include:

- Long-term financial planning (includes projections over a 20-year time frame for revenues, operations, projects, debt and reserves),
- Short-term allocation of resources (the two-year action budget), and
- Performance measurement of service delivery.

The integrated framework of PAMS has enabled the City, over time, to accomplish the long-range strategic goals established by the Council in the General Plan Elements and Sub-Elements. PAMS has assisted the City in maintaining, and even expanding, services during times of numerous Federal/State mandates and revenue restrictions or reductions because the focus is on long-term fiscal management. PAMS has also served as a valuable tool in producing and capturing remarkable gains in efficiency and productivity. It supports Sunnyvale's mission of providing the highest possible quality services with the lowest possible cost to its community.

Sunnyvale uses long-term financial planning to ensure stability through ups and downs in economic cycles. A recent amendment to the City Charter requires that the City Manager annually submit a budget which is balanced for ten years, and City fiscal policy requires that the budget be balanced for the entire Twenty-Year Resource Allocation Plan. The long-term nature of the City's financial planning system allows decision-makers to better understand the true effect of policy decisions and effectively requires that decisions made today guarantee that the resources will be available to provide quality services in the future. This long-term planning horizon prevents wild swings in service levels during the upturns and downturns of economic cycles.

Annual budget review and approval is a sound business practice and is required by the City Charter. However, an understanding of the City's long-term financial picture is more important to the process than just looking at a one-year or two-year snapshot. Therefore, much of the discussion in the Transmittal Letter focuses on long-term strategic planning and fiscal issues.

One of the most powerful aspects of multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider the necessary steps to alter the long-term forecasted position of a particular fund should that appear necessary. The reserves contained in the General Fund's Long-Term Financial Plan play a pivotal role in the City's multi-year planning strategy. Reserves also play an important role in the utility enterprise funds, allowing rates to be set in a level, rational manner.

PERFORMANCE BASED BUDGETING

The performance based management system is an important part of Sunnyvale's Planning and Management System (PAMS). The City began to implement this management concept in the late 1970's and has consistently refined the system over the years. Sunnyvale's budget focuses on the identifying and quantifying the value created from the efficient/effective provision of City services. This allows decisions to be made by Council on levels of service desired and allows staff to measure and evaluate performance. Annual results of our efforts are reported to Council and the citizens so that they are aware of what they are receiving for their tax dollars.

OPERATING BUDGET PROCESS

Sunnyvale implemented a two-year operating budget concept in the early 1980's. This is in recognition of the tremendous effort needed to develop budgets, particularly with the City's sophisticated performance based budget system. In normal times, service levels remain relatively constant from year to year. By doing two-year budgeting, staff time is maximized and more in-depth review of each budget element can be accomplished. FY 2009/2010 is the first year of a two-year projects budget cycle and the second year of the two-year operating budget cycle. Therefore, operating programs were not reviewed extensively this year so that staff could focus on detailed review of all capital and special projects. However, rental rates and additive rates for the internal service programs were reviewed, with new rates applied to recover costs. Current salary levels for City employees were adjusted based on existing Memoranda of Understanding or estimated salary trends. Employee benefit costs, especially retirement contributions and health insurance costs were reviewed. For enterprise funds, significant cost components were updated with current information and utility rates adjusted as appropriate. Finally, major revenue sources were updated for all funds.

PROJECTS BUDGET PROCESS

In the City of Sunnyvale the term "project" refers to non-operating activities. Beginning in FY 1999/2000, the City segregated each project into one of four possible categories: Capital, Infrastructure, Special and Outside Group Funding. Project Operating Costs are also reflected when appropriate for each project. Finally, certain projects which do not have funding sources are identified as being needed and listed as Unfunded.

These terms are defined as follows:

Capital Projects are major expenditures related to construction, improvement or acquisition of capital assets. This category includes feasibility studies, preliminary plans and other projects that are related to design, construction, capital improvement or acquisition. The construction of a new traffic signal would be a capital project. Other examples include adding a room to an existing facility (capital improvement) or purchasing a piece of property (acquisition).

Infrastructure Projects are inherently related to capital projects. This category includes the renovation and/or replacement of a capital asset. After a capital project is complete, the City has an asset that must be maintained through the operating budget until the asset reaches a point where maintenance costs exceed renovation/replacement costs. An infrastructure project is developed in order to provide future funds at the time that replacement or renovation is required. An example would be the replacement of major components of the Water Pollution Control Plant or the replacement of the Heating, Ventilation and Air Conditioning (HVAC) system in City Hall.

Special Projects are one-time only in nature and are set up to eliminate the impact that such costs would have on unit costs in operating programs. This category includes studies and other projects that are not related to construction, capital improvements, renovation/ replacement or acquisition of a capital asset. For example, the preparation of a new sub-element of the General Plan would be a special project.

Outside Group Funding Projects are essentially special projects; however, they are established to identify contributions made to local community-based organizations.

Project Operating Costs are those on-going operating costs that will need to be included in future years upon the completion of a given project. These costs are reflected on each Long Term Financial Plan in the *Current Requirements* section under *Project Operating Costs*. Consideration of this information enables decision-makers to evaluate the complete cost of proposed actions. This prevents the City from adding assets or activities that are not sustainable over the long term.

Unfunded Projects are those projects which are desirable or pose a liability in the long term but do not have identified funding sources. In some cases, future grant funds may be available for all or a portion of the costs, but it is the City's policy not to recognize these revenue sources until they are actually available.

BUDGET PRIORITIZATION PROCESS

As part of the FY 2008/2009 budget cycle, the Sunnyvale City Council directed that a budgetary priority setting tool be developed to prioritize all city services and projects. This budget priority setting tool assigns a ranking scale from 1 to 5 for all city services and projects, with 1 being the highest priority and 5 being the lowest. All services are ranked at the activity level, e.g., the base level of service provision within the context of the City's performance based budgeting system. Additional sub-rankings were applied to all Priority 5 rankings.

The priority setting tool is designed to assist the Council in determining relative funding priorities by balancing lower priority services/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/needs of the community, while maintaining fiscal sustainability.

It is important to note that the budget priority setting tool is not a process to reduce expenditures or increase fees or taxes, nor is it a process to reduce or modify service levels, or a way to optimize staffing/maximize operational efficiencies. These areas are addressed on an annual basis through the normal development of the budget.

BUDGET FORMAT AND AWARDS

Sunnyvale has a thorough and detailed budget preparation, review and adoption process. Staff has traditionally presented to Council the City Manager's recommended Budget in the form of a workbook. This workbook is used to guide the Council through the budget workshop, the public hearing and finally the official adoption of the budget for the upcoming fiscal year.

The recommended Budget document is divided into four volumes. *Volume I* includes the *City Manager's Transmittal Letter, Budget Summary, Long-Term Financial Plans, and Revenues*. Also included are *Budget Supplements, Community Condition Indicators*, and a section on proposed *Cost Saving Actions*. The City's Operating Programs are contained in *Volume II* and *Volume III*. Preceding the operating programs is an *Operating Budget Guide* that describes Sunnyvale's unique Planning and Management System and explains how the City's Performance-Based Budgeting system differs from traditional line item budgeting. At the back of *Volume III* is a section on *Budget and Fiscal Policies* and a *Glossary of Terms*.

The Operating Budget volumes contain most of the City's programmatic efforts. The Operating Budget is organized around the seven elements of the General Plan. Each element contains the General Plan's Goals, Policies and Action Statements, and the budget of each operating program that is tied to that particular element.

Volume IV Projects Budget contains all of the City's capital, infrastructure, special and outside group funding efforts. This volume begins with a *Projects Budget Guide* that describes what a project is in the City of Sunnyvale and how projects are prioritized in the budget process.

In December 2008 the Department of Finance was notified that the City's adopted FY 2008/2009 Budget and Resource Allocation Plan had received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA), a national organization of finance professionals. This award program, established in 1984, "recognizes exemplary budget documentation by state, provincial and local government, as well as public universities and colleges." The City has received this award for 20 consecutive years.

**Budget
Summary**

**CITY OF SUNNYVALE
FY 2009/2010 BUDGET SUMMARY**

Revenue Sources:

Property Tax	41,834,737
Refuse Collection and Disposal Service Fees	32,504,860
Sales Tax	27,100,000
Water Supply and Distribution Fees	26,402,944
Wastewater Management Service Fees	23,859,546
SMaRT Station Operations Reimbursement*	11,882,533
Workforce Investment Act Grant	9,784,506
Recreation Service Fees	7,339,101
Utility Users Tax	7,175,823
Bond Proceeds	6,352,625
Franchise Fees	6,227,378
Special Assessment	6,143,427
Transient Occupancy Tax	5,796,280
Federal Grants	5,636,324
Rents and Concessions	4,668,921
Permits and Licenses	4,355,724
Interest Income	4,341,696
State Highway Users Tax (Gas Tax)	3,510,512
Miscellaneous Revenues	3,496,082
Other Fees and Services	3,326,849
Other Taxes	2,730,955
Community Development Block Grant	2,063,817
Park Dedication Fee	2,017,699
SMaRT Station Revenues	1,506,785
Fines and Forfeitures	1,193,955
State Shared Revenues	961,333
HOME Grant	679,202
State Traffic Congestion Relief Program (Prop 42)	524,000
Sense of Place Fee	457,450
Other Agencies Contributions	299,638

Use of Reserves

\$19,428,599

Total Revenue Sources**

\$273,603,301

* SMaRT Station Operations Reimbursement includes the City of Mountain View and the City of Palo Alto's reimbursement for SMaRT Station operating expenditures.

** Excludes internal service fund revenues.

**CITY OF SUNNYVALE
FY 2009/2010 BUDGET SUMMARY**

EXPENDITURES:

Operating Budget:

City Council		\$656,444
Office of the City Attorney		\$1,861,688
Office of the City Manager:		
Office of the City Manager Department Management and Support Services	1,279,563	
Public Records and City Elections	836,858	
Economic Development	762,032	
Communications	609,955	
Community Building, Civic Engagement and Volunteering	490,902	
Policy Analysis and Citywide Process Improvement	163,218	
Council - Appointed Advisory Boards and Commissions	143,934	
Intergovernmental Relations (IGR)	139,205	
Total Office of the City Manager		\$4,425,668
Community Development Department:		
Construction Permitting	2,557,252	
Land Use Planning	2,131,996	
Housing and Human Services	1,176,779	
Neighborhood Preservation	881,479	
Community Development Department Management and Support Services	326,783	
Total Community Development Department		\$7,074,290
Employment Development Department		\$11,968,167

**CITY OF SUNNYVALE
FY 2009/2010 BUDGET SUMMARY**

Operating Budget: (Continued)

Finance Department:

Utility Billing, Collection, and Revenue Management	2,114,216	
Purchasing and Payment of City Obligations	1,536,418	
Budget Management	994,763	
Treasury/Cash Management	928,800	
Accounting and Financial Reporting	837,790	
Financial Management and Analysis	592,174	
Payroll Administration	512,324	
Internal Audits	394,550	
Finance Department Management and Support Services	224,616	
Total Finance Department	\$8,135,651	\$8,135,651

Human Resources Department

\$4,344,664

Library Department:

Borrower Services/Circulation of Library Materials	2,157,341	
Acquire Library Materials for the Public	1,262,295	
Library Services for Adults	943,861	
Library Department Management and Support Services	879,674	
Library Services for Children and Teens	837,236	
Prepare Library Materials for the Public	795,448	
Technology Services	331,971	
Outreach and Publicity Services	104,409	
Total Library Department	\$7,312,235	\$7,312,235

Community Services Department:

Arts and Recreation Programs and Operation of Recreation Facilities	8,550,143	
Neighborhood Parks and Open Space Management	6,984,067	
Golf Course Maintenance Operations and Golf Shop Services	3,443,991	
Community Services Department Management and Support Services	766,832	
Columbia Neighborhood Center	745,807	
Youth, Family and Child Care Resources	232,293	
Total Community Services Department	\$20,723,133	\$20,723,133

**CITY OF SUNNYVALE
FY 2009/2010 BUDGET SUMMARY**

Operating Budget: (Continued)

Public Safety Department:

Police Services	23,582,988	
Fire Services	23,215,972	
Investigation Services	6,541,367	
Public Safety Department Management and Support	5,255,860	
Community Safety Services	4,525,225	
Communication Services	3,705,276	
Personnel and Training Services	2,497,506	
Records Management and Property Services	2,199,317	
Total Public Safety Department	71,523,511	\$71,523,511

Public Works Department:

Solid Waste Management*	28,860,400	
Water Supply and Distribution	20,415,413	
Materials Recovery and Refuse Transfer (SMaRT)**	12,292,030	
Wastewater Treatment	12,054,504	
Pavement Operations	4,557,993	
Transportation and Traffic Services	2,213,883	
Sanitary Sewer Collection System	1,640,413	
Street Tree Services	1,571,856	
Roadside and Median Right-of-Way Services	1,404,061	
Concrete Maintenance	1,162,430	
City Streetlight System	1,091,692	
Engineering Services	1,034,351	
Public Works Department Management and Support Services	697,086	
Storm Water Collection System	320,586	
City Property Management Services	303,235	
Program Administration	132,870	
Parking District Landscaping Management	78,208	
Downtown Parking District Parking Lots	57,862	
Total Public Works Department	89,888,873	\$89,888,873

Budget Supplements \$92,955

Project Operating Budget \$72,960

Total Operating Budget*** **\$228,080,230**

* Solid Waste Management includes the City's share of SMaRT Station operating expenditures.

** SMaRT Station Operations includes the City of Mountain View and the City of Palo Alto's share of SMaRT Station operating expenditures.

*** Excludes internal service fund operating budget.

**CITY OF SUNNYVALE
FY 2009/2010 BUDGET SUMMARY**

Projects Budget:	
Capital Projects	\$11,473,273
Special Projects	\$9,156,080
Infrastructure Projects	\$15,964,554
Outside Group Funding	\$306,044
Lease Payments	\$1,896,545
Project Administration	\$1,539,294
Total Projects Budget	<u>\$40,335,790</u>
Other Expenditures:	
Debt Service	\$8,637,049
Equipment	\$750,584
Cost Saving Actions	(\$4,200,352)
Total Other Expenditures	<u>\$5,187,281</u>
Total Expenditures	<u>\$273,603,301</u>
Total Recommended Budget	<u>\$273,603,301</u>

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

	FY 2008/2009	FY 2009/2010
Appropriations:		
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
Total Appropriations	193,852,222	156,142,748
Appropriation Adjustments:		
Non-Tax Revenues	(75,490,481)	(51,883,573)
Debt Service Appropriation	(179,010)	(177,270)
Capital Outlay	(2,936,366)	(475,000)
Total Appropriation Adjustments	(78,605,857)	(52,535,843)
Adjusted Appropriations Subject to Limit	115,246,365	103,606,905
Growth Rate Factor	1.0608	1.0219
Total Allowable Appropriations Limit <i>(Prior Year Appropriations Limit x Growth Rate Factor)</i>	157,039,013	160,477,652
Amount Under (Over) Allowable Appropriations Limit	\$ 41,792,648	\$ 56,870,747

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

	FY 2008/2009	FY 2009/2010
Revenues:		
Tax Revenues:		
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
	95,807,010	87,268,364
Non-Tax Revenues:		
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
	75,490,481	51,883,573
Total Revenues	\$ 171,297,491	\$ 139,151,937

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

	AMOUNT	SOURCE
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)
Total Adjustment %	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	0	
E. TOTAL ADJUSTMENTS	\$ 3,438,639	(C+D)
F. THIS YEAR'S LIMIT	\$ 160,477,652	(A+E)

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**Financial
Plans**

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2008 TO JUNE 30, 2019**

	ACTUAL 2007/2008	CURRENT 2008/2009	BUDGET 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	FY 2008/2009 TO FY 2018/2019 TOTAL
RESERVES/FUND BALANCE, JULY 1	82,707,115	98,385,089	64,886,866	57,279,730	49,732,784	47,449,037	49,805,505	54,325,335	51,002,318	53,800,467	53,889,442	66,453,749	98,385,089
CURRENT RESOURCES:													
Property Tax	38,948,749	41,259,440	41,834,737	42,166,081	44,048,296	45,690,032	47,470,299	49,400,267	51,493,070	53,501,340	55,406,308	57,195,229	529,465,099
Triple Flip - Property Tax Increase	7,426,336	6,500,000	6,500,000	6,500,000	7,000,000	7,456,250	7,679,938	7,910,336	8,147,646	8,392,075	8,643,837	8,907,500	83,637,581
Sales Tax	29,705,343	26,000,000	26,000,000	26,000,000	28,000,000	29,825,000	30,719,750	31,641,343	32,590,583	33,568,300	34,575,349	35,629,999	334,550,324
Triple Flip - Sales Tax Reduction	(7,426,336)	(6,500,000)	(6,500,000)	(6,500,000)	(7,000,000)	(7,456,250)	(7,679,938)	(7,910,336)	(8,147,646)	(8,392,075)	(8,643,837)	(8,907,500)	(83,637,581)
Public Safety Sales Tax	1,209,287	1,100,000	1,100,000	1,100,000	1,133,000	1,166,990	1,202,000	1,238,060	1,275,201	1,313,458	1,352,861	1,393,447	13,375,017
Business License Tax	1,075,004	1,133,000	1,166,990	1,202,000	1,238,060	1,275,201	1,313,458	1,352,861	1,393,447	1,435,251	1,478,308	1,537,440	14,526,016
Other Taxes	4,167,264	1,885,287	1,563,965	1,821,072	2,241,333	2,409,255	2,467,851	2,527,932	2,589,535	2,652,702	2,717,474	2,795,962	25,672,369
Transient Occupancy Tax	7,350,255	5,637,015	5,796,280	5,970,169	7,307,568	8,999,226	9,362,411	9,739,288	10,031,466	10,332,410	10,642,383	10,961,654	94,779,870
Utility Users Taxes	6,840,342	7,038,494	7,175,823	7,319,339	7,465,726	7,615,040	7,767,341	7,922,688	8,081,142	8,242,765	8,407,620	8,575,772	85,611,751
Franchises	5,855,124	6,177,593	6,227,378	6,353,298	6,460,146	6,595,517	6,731,017	6,872,820	7,014,757	7,163,062	7,311,704	7,466,983	74,374,274
Rents and Concessions	2,194,159	2,381,925	2,480,758	1,945,594	1,490,842	1,537,211	1,512,737	1,557,288	1,603,176	1,650,440	1,685,273	1,569,639	19,414,881
Federal & Intergovernmental Revenues	844,844	401,090	153,472	156,421	159,432	162,506	165,645	168,849	172,121	175,462	178,873	182,356	2,076,227
State Shared Revenues	1,225,805	809,917	754,333	761,618	769,051	776,635	784,375	792,274	800,337	808,567	816,969	830,959	8,705,035
Permits and Licenses	9,265,468	5,263,566	4,355,724	4,673,291	5,111,098	5,228,197	5,348,084	5,479,781	5,606,487	5,766,040	5,899,016	6,035,181	58,766,462
Fines and Forfeitures	1,219,050	1,150,636	1,139,833	1,161,812	1,189,561	1,218,659	1,249,156	1,313,614	1,347,313	1,382,672	1,419,764	1,458,662	14,031,683
Service Fees	7,039,219	3,676,607	3,287,591	2,860,132	3,496,864	3,571,482	3,646,167	3,722,763	3,803,165	3,883,733	3,966,367	4,053,023	39,967,895
Interest Income	3,824,016	2,066,000	1,946,606	2,291,189	1,989,311	1,897,961	1,992,220	2,173,013	2,040,093	2,152,019	2,155,578	2,658,150	23,362,141
Inter-Fund Revenues	9,143,276	5,041,606	7,082,396	9,279,650	13,072,355	13,964,149	14,238,766	7,867,185	13,855,178	13,988,351	14,145,651	14,322,475	126,857,760
Repayment to City - Town Center Developer	375,867	119,136	0	841,526	3,216,836	4,292,423	4,378,272	4,228,846	3,643,778	3,698,746	3,754,083	3,810,771	31,984,417
Miscellaneous Revenues	761,205	223,487	47,160	47,789	48,493	49,215	49,955	50,715	51,494	52,293	53,112	44,687	718,398
Modular Classroom Lease Revenue	184,144	184,144	184,144	184,144	184,144	92,072	0	0	0	0	0	0	828,648
Sale of Property	4,708,333	0	0	0	0	0	2,130,818	0	0	0	11,474,036	0	13,604,854
In-Lieu Charges	7,792,877	8,275,534	8,974,557	9,095,293	9,541,911	9,745,145	9,952,891	10,165,251	10,382,322	10,604,215	10,831,031	11,062,885	108,631,036
Transfers From Other Funds	103,481	133,162	966,062	338,261	147,946	153,999	1,360,329	166,947	173,869	222,116	51,266	51,450	3,765,408
TOTAL CURRENT RESOURCES	143,833,112	119,957,640	122,237,810	125,568,679	138,311,971	146,265,916	153,843,542	148,381,784	157,948,532	162,593,940	178,323,025	171,636,725	1,625,069,564
TOTAL AVAILABLE RESOURCES	226,540,227	218,342,729	187,124,676	182,848,409	188,044,756	193,714,953	203,649,047	202,707,119	208,950,850	216,394,407	232,212,467	238,090,473	1,723,454,653
CURRENT REQUIREMENTS:													
Equipment	9,415	166,885	147,389	174,660	542,894	138,478	79,325	527,821	301,153	185,145	144,810	359,394	2,767,954
Debt Service	408,969	179,010	177,270	175,145	177,490	179,170	194,940	0	0	0	0	0	1,083,025
Operations	116,091,496	121,699,787	125,671,435	126,927,277	131,219,655	133,356,465	136,346,294	139,247,679	142,212,848	145,243,268	148,340,440	151,506,063	1,501,771,211
Operations (PERS Increase-Original)	0	0	0	0	4,952,010	5,026,906	5,127,444	5,229,993	5,334,593	5,441,284	5,550,110	5,661,112	42,323,451
Operations (Adjustment to PERS Increase)	0	0	0	0	(4,588,882)	(2,463,836)	(144,777)	54,015	250,192	444,182	635,372	824,221	(4,989,513)
Operations Transfer To Gas Tax/Prop 42	(2,159,687)	(2,185,181)	(2,050,946)	(2,175,514)	(2,218,279)	(2,083,932)	(2,140,624)	(2,196,249)	(2,246,867)	(2,303,000)	(2,372,885)	(2,433,743)	(24,407,220)
Budget Supplements	0	0	12,955	7,094	7,236	7,381	7,528	7,679	7,832	7,989	8,149	8,312	82,154
Projects and Project Administration	5,911,450	8,843,707	1,962,044	4,027,514	3,940,277	1,923,155	1,736,626	2,081,687	2,910,354	4,062,870	3,745,284	3,957,185	39,190,703
Project Operating Costs	0	0	72,960	(85,185)	(81,788)	26,635	32,473	33,122	140,251	143,056	151,661	182,150	615,335
Community Investment	0	0	0	0	0	0	0	0	0	3,000,000	3,000,000	5,000,000	11,000,000
Payment To Town Center Developer	375,867	119,136	0	841,526	3,216,836	4,292,423	4,378,272	4,228,846	3,643,778	3,698,746	3,754,083	3,810,771	31,984,417
Lease Payments	1,213,805	1,208,280	1,210,893	1,206,475	1,205,118	1,206,523	1,205,689	0	0	0	0	0	7,242,978
Cost Saving Actions	0	0	(4,000,000)	(4,143,200)	(4,239,737)	(4,338,522)	(4,425,293)	(4,513,799)	(4,604,075)	(4,696,156)	(4,790,079)	(4,885,881)	(44,636,742)
TOTAL EXPENDITURES	121,851,314	130,031,624	123,204,000	126,955,792	134,132,831	137,270,844	142,397,897	144,700,793	147,950,060	155,227,384	158,166,944	163,989,585	1,564,027,754

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2019 TO JUNE 30, 2029**

	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL
RESERVES/FUND BALANCE, JULY 1	66,302,117	67,742,958	66,640,981	66,448,354	66,449,435	66,511,171	65,877,850	65,666,732	70,899,808	74,350,799	66,302,117	98,385,089
CURRENT RESOURCES:												
Property Tax	59,281,960	61,544,796	64,098,538	66,972,044	69,527,973	72,065,582	74,577,593	77,303,775	80,384,586	83,851,707	709,608,553	1,239,073,652
Triple Flip - Property Tax Increase	0	0	0	0	0	0	0	0	0	0	0	83,637,581
Sales Tax	37,055,199	38,537,407	40,078,903	41,682,059	43,349,342	45,083,315	46,886,648	48,762,114	50,712,598	52,741,102	444,888,686	779,439,010
Triple Flip - Sales Tax Reduction	0	0	0	0	0	0	0	0	0	0	0	(83,637,581)
Public Safety Sales Tax	1,449,185	1,507,152	1,567,438	1,630,136	1,695,341	1,763,155	1,833,681	1,907,029	1,983,310	2,062,642	17,399,070	30,774,087
Business License Tax	1,598,938	1,662,895	1,729,411	1,798,588	1,870,531	1,945,352	2,023,167	2,104,093	2,188,257	2,275,787	19,197,020	33,723,036
Other Taxes	2,892,393	2,992,218	3,095,561	3,202,547	3,313,307	3,427,978	3,546,700	3,669,618	3,796,885	3,928,657	33,865,864	59,538,233
Transient Occupancy Tax	11,400,120	11,856,125	12,330,370	12,823,585	13,336,528	13,869,989	14,424,789	15,001,780	15,601,852	16,225,926	136,871,064	231,650,934
Utility Users Taxes	8,808,737	9,048,205	9,294,361	9,547,396	9,807,506	10,074,893	10,349,764	10,632,335	10,922,824	11,221,458	99,707,479	185,319,229
Franchises	7,683,712	7,910,839	8,142,013	8,384,248	8,630,882	8,889,285	9,152,465	9,428,173	9,709,069	10,003,299	87,933,984	162,308,258
Rents and Concessions	1,627,714	1,687,971	1,750,493	1,815,366	1,882,679	1,952,526	2,025,003	2,100,210	2,178,252	2,259,236	19,279,449	38,694,330
Federal & Intergovernmental Revenues	188,064	193,497	199,100	204,875	210,830	216,970	223,300	229,826	236,554	243,492	2,146,508	4,222,735
State Shared Revenues	845,355	860,171	875,420	891,116	873,942	890,578	907,707	925,345	943,510	962,218	8,975,362	17,680,397
Permits and Licenses	6,234,967	6,441,495	6,654,999	6,875,718	7,103,902	7,339,807	7,583,701	7,835,860	8,096,570	8,366,127	72,533,147	131,299,609
Fines and Forfeitures	1,510,511	1,564,434	1,620,514	1,678,837	1,739,493	1,802,575	1,868,181	1,936,411	2,007,370	2,081,167	17,809,492	31,841,176
Service Fees	4,178,949	4,309,347	4,444,377	4,582,583	4,727,323	4,875,527	5,030,692	5,189,630	5,355,988	5,528,282	48,222,697	88,190,592
Interest Income	3,315,106	3,387,148	3,332,049	3,322,418	3,322,472	3,325,559	3,293,892	3,283,337	3,544,990	3,717,540	33,844,510	57,206,651
Inter-Fund Revenues	14,047,376	9,591,034	9,758,798	9,945,148	11,223,670	10,777,503	10,999,337	15,458,902	15,738,399	2,830,168	110,370,335	237,228,096
Repayment to City - Town Center Developer	3,868,510	3,927,324	3,987,545	4,048,879	4,072,540	4,136,403	4,201,543	0	0	0	28,242,744	60,227,161
Miscellaneous Revenues	46,087	47,544	49,059	50,634	44,911	46,615	48,387	50,230	52,147	54,140	489,755	1,208,153
Modular Classroom Lease Revenue	0	0	0	0	0	0	0	0	0	0	0	828,648
Sale of Property	0	0	0	0	0	0	0	0	0	0	0	13,604,854
In-Lieu Charges	11,520,872	11,845,976	12,180,572	12,524,938	12,879,360	13,244,132	13,619,554	14,005,939	14,403,606	14,812,886	131,037,833	239,668,870
Transfers From Other Funds	52,994	54,584	103,299	57,909	59,645	61,435	116,264	65,176	67,131	69,146	707,583	4,472,991
TOTAL CURRENT RESOURCES	177,606,748	178,970,162	185,292,818	192,039,021	199,672,177	205,789,178	212,712,367	219,889,781	227,923,896	223,234,978	2,023,131,127	3,648,200,691
TOTAL AVAILABLE RESOURCES	243,908,866	246,713,119	251,933,799	258,487,375	266,121,612	272,300,349	278,590,217	285,556,514	298,823,704	297,585,777	2,089,433,244	3,746,585,780
CURRENT REQUIREMENTS:												
Equipment	358,939	392,533	299,581	170,778	609,545	425,131	251,801	415,598	209,422	238,538	3,371,866	6,139,820
Debt Service	0	0	0	0	0	0	0	0	0	0	0	1,083,025
Operations	158,107,960	162,770,300	167,570,487	172,512,607	177,600,865	182,839,594	188,233,251	193,786,431	199,503,860	205,390,408	1,808,315,762	3,310,086,973
Operations (PERS Increase-Original)	5,830,946	6,005,874	6,186,050	6,371,632	6,562,781	6,759,664	6,962,454	7,171,328	7,386,467	7,608,061	66,845,257	109,168,708
Operations (Adjustment to PERS Increase)	1,020,269	1,217,571	1,415,735	1,615,337	1,815,300	2,016,605	2,218,834	2,421,618	2,625,263	2,829,742	19,196,275	14,206,762
Operations Transfer To Gas Tax/Prop 42	(2,134,512)	(2,218,088)	(2,296,420)	(2,373,276)	(2,448,212)	(2,546,689)	(2,660,703)	(2,792,131)	(2,937,159)	(3,065,267)	(25,472,457)	(49,879,677)
Budget Supplements	8,561	8,818	9,082	9,355	9,636	9,925	10,222	10,529	10,845	11,170	98,143	180,298
Projects and Project Administration	4,069,353	3,710,183	3,956,868	4,356,118	4,954,737	4,244,409	3,046,876	4,881,615	4,790,734	4,729,947	42,740,840	81,931,543
Project Operating Costs	165,370	170,330	181,842	187,297	199,707	205,699	219,075	225,647	240,059	247,261	2,042,287	2,657,622
Community Investment	2,000,000	1,000,000	1,000,000	2,000,000	3,000,000	5,000,000	7,000,000	5,000,000	9,000,000	6,000,000	41,000,000	52,000,000
Payment To Town Center Developer	3,868,510	3,927,324	3,987,545	4,048,879	4,072,540	4,136,403	4,201,543	0	0	0	28,242,744	60,227,161
Lease Payments	0	0	0	0	0	0	0	0	0	0	0	7,242,978
Cost Saving Actions	(5,032,457)	(5,183,431)	(5,338,934)	(5,499,102)	(5,664,075)	(5,833,997)	(6,009,017)	(6,189,288)	(6,374,966)	(6,566,215)	(57,691,484)	(102,328,225)
TOTAL EXPENDITURES	168,262,939	171,801,414	176,971,837	183,399,624	190,712,824	197,256,744	203,474,336	204,931,346	214,454,525	217,423,645	1,928,689,235	3,492,716,988

**CITY OF SUNNYVALE
175. ASSET FORFEITURE FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2019 TO JUNE 30, 2029**

	PLAN	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL									
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029		
RESERVES/FUND BALANCE, JULY 1	76,045	16,400	0	0	0	0	0	0	0	0	76,045	1,273,044

CURRENT RESOURCES:												
Asset Forfeitures	0	0	0	0	0	0	0	0	0	0	0	278,299
Interest Income	781	0	0	0	0	0	0	0	0	0	781	280,947

TOTAL CURRENT RESOURCES	781	0	0	0	0	0	0	0	0	0	781	559,246

TOTAL AVAILABLE RESOURCES	76,826	16,400	0	0	0	0	0	0	0	0	76,826	1,832,290

CURRENT REQUIREMENTS:												
Operations - Audit	2,499	0	0	0	0	0	0	0	0	0	2,499	26,727
Capital Projects	57,927	16,400	0	0	0	0	0	0	0	0	74,327	790,309
Special Projects	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To Gen. Svcs./Tech. Sub-Fund	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To Infrastructure Fund	0	0	0	0	0	0	0	0	0	0	0	29,610
Transfer To General Fund	0	0	0	0	0	0	0	0	0	0	0	985,645

TOTAL CURRENT REQUIREMENTS	60,426	16,400	0	0	0	0	0	0	0	0	76,826	1,832,290

RESERVES:												
Federal Department of Justice	5,502	0	0	0	0	0	0	0	0	0	0	0
Federal Department of Treasury	0	0	0	0	0	0	0	0	0	0	0	0
State Department of Justice	10,898	0	0	0	0	0	0	0	0	0	0	0

TOTAL RESERVES	16,400	0	0	0	0	0	0	0	0	0	0	0

FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
=====												

**CITY OF SUNNYVALE
210. EMPLOYMENT DEVELOPMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2019 TO JUNE 30, 2029**

	PLAN	FY 2018/2019 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL									
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029		
RESERVE/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	165,693

CURRENT RESOURCES:												
Federal Grant	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	170,061,054
Other Grants and Contributions	0	0	0	0	0	0	0	0	0	0	0	0
ARRA Stimulus funds	0	0	0	0	0	0	0	0	0	0	0	4,701,976

TOTAL CURRENT RESOURCES	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	174,763,030

TOTAL AVAILABLE RESOURCES	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	174,928,723

CURRENT REQUIREMENTS:												
Operations	7,664,304	7,664,304	7,664,304	7,664,304	7,664,304	7,664,304	7,664,304	7,664,304	7,664,304	7,664,304	76,643,035	167,664,460
In-Lieu Charges	335,696	335,696	335,696	335,696	335,696	335,696	335,696	335,696	335,696	335,696	3,356,965	7,264,263

TOTAL CURRENT REQUIREMENTS	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	174,928,723

RESERVES:												
20 Year RAP	0	0	0	0	0	0	0	0	0	0	0	0

TOTAL RESERVES	0	0	0	0	0	0	0	0	0	0	0	0

FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
=====												

CITY OF SUNNYVALE
385/970. CAPITAL PROJECTS FUND/SENSE OF PLACE FEES SUB-FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2019 TO JUNE 30, 2029

	PLAN	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL									
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029		
RESERVE/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	74,788

CURRENT RESOURCES:												
Sense of Place Fees	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,107,321
Interest Income	0	0	0	0	0	0	0	0	0	0	0	2,241
Transfers In - Sense of Place Fees	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT RESOURCES	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,109,561
TOTAL AVAILABLE RESOURCES	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,184,349

CURRENT REQUIREMENTS:												
Future Sense of Place Projects	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,110,477
Transfer To Cap. Proj./General Assets	0	0	0	0	0	0	0	0	0	0	0	73,872
TOTAL CURRENT REQUIREMENTS	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,184,349

RESERVES:												
Capital Reserve	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	0	0	0	0	0	0	0	0	0	0	0	0
=====												
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
=====												

**CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2008 TO JUNE 30, 2019**

	ACTUAL 2007/2008	CURRENT 2008/2009	BUDGET 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	FY 2008/2009 TO FY 2018/2019 TOTAL
RESERVE/FUND BALANCE, JULY 1	10,137,133	10,479,204	11,170,585	13,262,577	15,189,836	13,130,293	10,376,646	9,917,038	10,942,979	11,971,470	14,000,447	15,495,499	10,479,204
CURRENT RESOURCES:													
Service Fees	22,113,182	24,309,374	25,449,793	28,802,064	31,236,773	33,595,309	35,999,168	37,894,042	39,549,018	40,527,424	41,168,921	41,864,697	380,396,585
Recycled Water	802,316	882,548	953,151	1,024,638	1,101,486	1,184,097	1,266,984	1,330,333	1,383,546	1,411,217	1,425,329	1,439,583	13,402,912
Miscellaneous Revenues	944,222	511,621	550,956	561,975	578,834	538,095	554,238	570,865	587,991	605,631	623,800	642,514	6,326,519
SCVWD Recycled Water Rebate	147,316	220,225	0	0	0	0	0	0	0	0	0	0	220,225
Interest Income	394,017	435,636	269,037	373,534	429,482	400,702	383,057	423,590	462,140	540,211	598,411	626,496	4,942,296
Bond Proceeds	0	0	6,352,625	5,681,471	2,965,904	0	0	0	0	0	0	0	15,000,000
TOTAL CURRENT RESOURCES	24,401,053	26,359,403	33,575,562	36,443,682	36,312,479	35,718,204	38,203,446	40,218,830	41,982,695	43,084,483	43,816,462	44,573,290	420,288,537
TOTAL AVAILABLE RESOURCES	34,538,186	36,838,607	44,746,148	49,706,260	51,502,316	48,848,496	48,580,092	50,135,869	52,925,674	55,055,953	57,816,909	60,068,789	430,767,741
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	351,700	351,700	351,700	351,700	351,700	351,700	351,700	351,700	0	0	0	0	2,461,900
Debt Service	1,183,992	1,189,665	1,171,296	1,171,525	1,165,863	1,171,658	1,171,141	1,170,640	1,172,099	1,172,237	1,171,276	1,171,692	12,899,093
2010 Debt Service	0	0	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	12,000,000
Operations	5,700,580	4,823,800	5,075,247	5,283,249	5,541,067	5,648,551	5,758,279	5,870,301	5,984,668	6,101,433	6,220,650	6,342,372	62,649,618
Purchased Water	12,546,097	14,729,952	15,384,455	17,285,863	19,402,811	21,876,675	24,139,351	25,950,359	27,496,509	28,241,155	29,254,128	30,428,820	254,190,077
In-Lieu Charges	2,330,789	2,512,191	2,710,755	2,774,355	2,840,083	2,902,554	2,962,402	3,031,655	3,098,344	3,166,502	3,236,160	3,307,351	32,542,352
Capital Projects	48,211	100,000	130,000	377,025	1,973,700	83,232	84,897	86,595	88,326	90,093	91,895	93,733	3,199,495
Special Projects	19,324	211,896	40,000	30,000	30,600	0	0	54,122	0	0	34,461	175,749	576,828
Infrastructure Projects	1,489,112	7,201,469	5,390,509	4,250,533	3,055,465	2,547,446	2,239,506	1,029,307	1,695,418	900,183	886,024	968,185	30,164,047
Adjustment for projected CIP Cash Flow	0	(5,787,391)	(262,884)	1,179,938	2,340,163	1,888,261	371,305	270,608	0	0	0	0	0
Project Administration	363,933	260,069	266,742	603,085	463,130	571,321	367,285	169,856	205,984	175,939	218,741	218,542	3,520,694
Transfer To General Services Fund	0	74,671	0	5,000	0	213,553	0	0	5,000	0	0	0	298,224
Transfer To Infrastructure Fund	25,244	0	1,750	1,750	5,040	14,499	14,788	5,348	5,455	5,564	5,676	5,789	65,659
Budget Supplements	0	0	24,000	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	45,600
TOTAL CURRENT REQUIREMENTS	24,058,982	25,668,022	31,483,570	34,516,423	38,372,023	38,471,850	38,663,054	39,192,890	40,954,204	41,055,506	42,321,410	43,914,633	414,613,586
RESERVES:													
Debt Service	1,127,425	1,149,398	2,331,322	2,331,342	2,331,328	2,331,650	2,331,925	2,332,155	2,332,339	2,332,477	2,332,569	2,332,985	2,332,985
Contingencies	4,561,669	4,888,438	5,114,925	5,642,278	6,235,970	6,881,307	7,474,407	7,955,165	8,370,294	8,585,647	8,868,694	9,192,798	9,192,798
Rate Stabilization Reserve	4,790,109	5,132,749	5,816,329	7,216,216	4,562,995	1,163,689	110,706	655,658	1,268,837	3,082,323	4,294,235	4,628,372	4,628,372
TOTAL RESERVES	10,479,204	11,170,585	13,262,577	15,189,836	13,130,293	10,376,646	9,917,038	10,942,979	11,971,470	14,000,447	15,495,499	16,154,155	16,154,155
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Recommended Water Rate Increase	9.5%	10.0%	8.0%	7.5%	7.5%	7.5%	7.0%	5.0%	4.0%	2.0%	1.0%	1.0%	
Purchased Water Percent of Operations	68.8%	75.3%	75.2%	76.6%	77.8%	79.5%	80.7%	81.6%	82.1%	82.2%	82.5%	82.8%	
Percent Change in Purchased Water Cost	4.0%	17.4%	4.4%	12.4%	12.2%	12.8%	10.3%	7.5%	6.0%	2.7%	6.4%	7.7%	

CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2019 TO JUNE 30, 2029

	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL
RESERVE/FUND BALANCE, JULY 1	16,154,155	16,710,744	17,455,106	17,340,016	17,937,068	18,129,476	18,850,990	18,567,475	18,552,695	18,028,852	16,154,155	10,479,204
CURRENT RESOURCES:												
Service Fees	43,158,076	43,980,961	44,868,421	45,822,173	46,845,635	47,944,016	49,120,983	50,382,027	51,731,075	53,117,717	476,971,084	857,367,669
Recycled Water	1,453,979	1,468,518	1,483,204	1,498,036	1,513,016	1,528,146	1,543,428	1,558,862	1,574,450	1,590,195	15,211,832	28,614,744
Miscellaneous Revenues	668,214	694,943	722,740	751,650	781,716	812,985	845,504	879,324	914,497	951,077	8,022,651	14,349,171
SCVWD Recycled Water Rebate	0	0	0	0	0	0	0	0	0	0	0	220,225
Interest Income	798,623	834,451	828,154	856,658	866,866	900,997	886,910	887,349	861,429	805,498	8,526,935	13,469,231
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	15,000,000
TOTAL CURRENT RESOURCES	46,078,891	46,978,874	47,902,519	48,928,516	50,007,233	51,186,144	52,396,824	53,707,562	55,081,452	56,464,487	508,732,503	929,021,040
TOTAL AVAILABLE RESOURCES	62,233,047	63,689,618	65,357,626	66,268,533	67,944,301	69,315,620	71,247,815	72,275,037	73,634,147	74,493,339	524,886,658	939,500,244
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	2,461,900
Debt Service	1,172,782	70,242	70,486	70,673	70,802	71,245	71,618	71,922	72,158	72,907	1,814,835	14,713,928
2010 Debt Service	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	12,000,000	24,000,000
Operations	6,599,186	6,775,162	6,956,156	7,142,315	7,333,790	7,530,737	7,733,317	7,941,693	8,156,037	8,376,523	74,544,917	137,194,534
Purchased Water	31,182,595	32,073,112	33,074,006	34,026,222	35,054,148	36,230,846	37,525,399	38,825,200	40,302,572	41,778,090	360,072,188	614,262,266
In-Lieu Charges	3,445,364	3,546,218	3,697,101	3,756,868	3,866,841	3,980,032	4,096,537	4,216,453	4,339,879	4,466,919	39,412,212	71,954,564
Capital Projects	96,545	99,441	102,424	105,497	108,662	111,922	115,279	118,738	122,300	125,969	1,106,777	4,306,272
Special Projects	24,136	37,290	0	0	40,748	27,980	0	44,527	0	236,192	410,873	987,701
Infrastructure Projects	1,531,848	2,173,828	2,629,535	1,623,780	1,878,951	1,114,093	1,679,242	1,118,120	1,151,663	1,253,921	16,154,981	46,319,028
Adjustment for projected CIP Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0
Project Administration	261,484	244,461	279,176	341,845	251,771	173,599	242,222	175,956	250,732	238,262	2,459,508	5,980,202
Transfer To General Services Fund	0	6,215	0	47,078	0	0	7,205	0	0	0	60,498	358,722
Transfer To Infrastructure Fund	5,963	6,142	6,326	14,787	6,711	21,776	7,120	7,334	7,554	7,780	91,493	157,152
Budget Supplements	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	24,000	69,600
TOTAL CURRENT REQUIREMENTS	45,522,303	46,234,511	48,017,610	48,331,465	49,814,825	50,464,629	52,680,339	53,722,342	55,605,295	57,758,964	508,152,283	922,765,869
RESERVES:												
Debt Service	2,333,344	1,270,242	1,270,486	1,270,673	1,270,802	1,271,245	1,271,618	1,271,922	1,272,158	1,272,907	1,272,907	1,272,907
Contingencies	9,445,445	9,712,069	10,007,540	10,292,134	10,596,985	10,940,396	11,314,679	11,691,723	12,114,652	12,538,653	12,538,653	12,538,653
Rate Stabilization Reserve	4,931,955	6,472,796	6,061,990	6,374,260	6,261,689	6,639,350	5,981,178	5,589,050	4,642,041	2,922,815	2,922,815	2,922,815
TOTAL RESERVES	16,710,744	17,455,106	17,340,016	17,937,068	18,129,476	18,850,990	18,567,475	18,552,695	18,028,852	16,734,375	16,734,375	16,734,375
FUND BALANCE, JUNE 30	0	0										
STATISTICS:												
Recommended Water Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		
Purchased Water Percent of Operations	82.5%	82.6%	82.6%	82.7%	82.7%	82.8%	82.9%	83.0%	83.2%	83.3%		
Percent Change in Purchased Water Cost	10.4%	2.9%	3.1%	2.9%	3.0%	3.4%	3.6%	3.5%	3.8%	3.7%		

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2008 TO JUNE 30, 2019**

	ACTUAL 2007/2008	CURRENT 2008/2009	BUDGET 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	FY 2008/2009 TO FY 2018/2019 TOTAL
RESERVE/FUND BALANCE, JULY 1	20,603,531	19,575,798	14,549,629	10,524,646	10,592,342	8,743,122	5,852,414	9,344,471	14,317,150	15,374,279	16,619,201	13,356,234	19,575,798
CURRENT RESOURCES:													
Service Fees	19,413,339	21,633,289	23,256,846	25,001,109	26,751,187	28,623,770	29,768,721	30,959,469	32,197,848	33,485,762	35,494,908	37,624,602	324,797,511
Connection and Development Fees	3,395,272	523,600	602,700	600,571	619,416	648,332	682,684	717,286	738,804	726,013	731,591	754,485	7,345,483
Other Revenues	195,286	234,346	183,264	190,274	198,698	207,595	214,160	220,947	227,965	235,222	244,936	255,128	2,412,535
Interest Income	801,346	559,601	404,794	407,398	336,274	225,093	359,403	550,660	591,318	639,200	513,701	439,609	5,027,051
Transfer From General Services Fund	4,841	3,291,855	0	0	0	0	0	0	0	0	0	0	3,291,855
New WPCP Bond Proceeds	0	0	0	0	7,650,000	7,803,000	7,959,060	8,118,241	55,204,040	56,308,121	57,434,284	58,582,969	259,059,715
TOTAL CURRENT RESOURCES	23,810,083	26,242,691	24,447,603	26,199,352	35,555,575	37,507,790	38,984,028	40,566,604	88,959,976	91,394,318	94,419,421	97,656,793	601,934,150
TOTAL AVAILABLE RESOURCES	44,413,614	45,818,489	38,997,232	36,723,998	46,147,917	46,250,912	44,836,441	49,911,074	103,277,126	106,768,597	111,038,621	111,013,027	621,509,948
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	3,458,638	3,458,638	450,000	550,000	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	14,505,203
Debt Service	1,566,961	1,572,783	1,565,023	1,565,082	1,557,091	1,564,545	1,563,386	1,562,266	1,563,850	1,562,206	1,562,962	992,254	16,631,446
New WPCP Debt Service	0	0	0	0	159,375	478,125	796,875	1,115,625	7,053,687	7,321,437	13,100,600	13,655,312	43,681,036
Operations	12,679,016	13,491,980	14,085,168	14,674,558	15,412,248	15,729,612	16,053,628	16,384,438	16,722,190	17,067,032	17,419,119	17,778,605	174,818,578
Projects	2,667,351	8,160,793	7,506,138	4,154,529	6,002,561	7,574,720	2,627,663	2,109,450	980,209	1,306,130	1,277,115	1,302,657	43,001,965
Replacement/ Rehabilitation of WPCP	0	0	0	0	7,650,000	7,803,000	7,959,060	8,118,241	55,204,040	56,308,121	57,434,284	58,582,969	259,059,715
Wastewater Equipment Replacement	676,311	924,086	547,440	726,966	551,393	845,572	667,159	353,252	486,562	493,928	617,265	877,505	7,091,130
In-Lieu Charges and Fund Transfers	2,726,795	2,565,954	3,199,180	3,318,491	3,640,016	3,935,524	3,320,453	3,409,466	3,312,563	3,471,077	3,610,669	3,691,383	37,474,776
Water Pollution Control Plant Rent	302,683	311,763	321,116	327,538	337,364	347,485	357,910	368,647	379,707	391,098	402,831	414,916	3,960,376
Transfer To General Fund (Power Generation Facility)	760,062	782,864	798,521	814,492	838,926	864,094	890,017	916,718	944,219	972,546	1,001,722	1,031,774	9,855,892
Budget Supplements	0	0	24,000	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	45,600
TOTAL CURRENT REQUIREMENTS	24,837,816	31,268,860	28,472,586	26,131,656	37,404,796	40,398,498	35,491,970	35,593,924	87,902,847	90,149,396	97,682,387	99,583,196	610,080,117
RESERVES:													
Debt Service	1,566,961	1,566,961	1,565,309	1,565,082	1,564,582	1,564,545	1,564,130	1,564,011	1,563,850	1,563,207	1,562,962	992,254	992,254
Contingencies	3,169,754	3,372,995	3,521,292	3,668,640	3,853,062	3,932,403	4,013,407	4,096,110	4,180,547	4,266,758	4,354,780	4,444,651	4,444,651
Rate Stabilization Reserve	14,839,083	9,609,673	5,438,046	5,358,621	3,325,477	355,466	3,766,934	8,657,030	9,629,882	10,789,236	7,438,493	5,992,926	5,992,926
TOTAL RESERVES	19,575,798	14,549,629	10,524,646	10,592,342	8,743,122	5,852,414	9,344,471	14,317,150	15,374,279	16,619,201	13,356,234	11,429,832	11,429,832
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Sewer Rate Increase			7.5%	7.5%	7.0%	7.0%	4.0%	4.0%	4.0%	4.0%	6.0%	6.0%	
PRIOR YEAR STATISTICS:													
Prior Year Sewer Rate Increase	8.5%	8.5%	8.0%	7.0%	7.0%	7.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2019 TO JUNE 30, 2029**

	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL
RESERVE/FUND BALANCE, JULY 1	11,429,832	8,782,792	6,934,790	6,249,516	6,699,986	7,290,348	8,330,387	9,339,748	9,765,073	10,814,188	11,429,832	20,603,531
CURRENT RESOURCES:												
Service Fees	39,882,079	42,275,003	44,811,503	47,052,079	47,993,120	48,952,983	49,932,042	50,431,363	50,935,676	51,445,033	473,710,881	798,508,392
Connection and Development Fees	796,584	828,447	831,503	850,684	885,542	931,421	983,905	1,037,831	1,079,344	1,122,518	9,347,779	16,693,262
Other Revenues	267,132	279,745	292,999	305,450	313,792	322,383	331,231	338,695	346,384	354,304	3,152,114	5,564,649
Interest Income	418,228	330,228	297,596	319,047	347,159	396,685	444,750	465,003	514,961	543,000	4,076,657	9,103,708
Transfer From General Services Fund	0	0	0	0	0	0	0	0	0	0	0	3,291,855
New WPCP Bond Proceeds	59,754,628	61,547,268	0	0	0	0	0	0	0	0	121,301,896	380,361,611
TOTAL CURRENT RESOURCES	101,118,650	105,260,691	46,233,601	48,527,260	49,539,613	50,603,472	51,691,928	52,272,892	52,876,365	53,464,855	611,589,327	1,213,523,478
TOTAL AVAILABLE RESOURCES	112,548,482	114,043,483	53,168,391	54,776,776	56,239,599	57,893,820	60,022,316	61,612,640	62,641,438	64,279,043	623,019,159	1,234,127,009
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	841,656	841,656	841,656	841,656	841,656	841,656	841,656	841,656	841,656	841,656	8,416,560	22,921,763
Debt Service	990,670	987,534	987,720	990,981	987,314	986,973	989,446	989,606	51,424	51,513	8,013,181	24,644,627
New WPCP Debt Service	16,643,499	17,364,249	17,505,807	17,906,537	17,912,691	18,042,384	18,042,384	18,042,384	18,042,384	18,042,384	177,544,703	221,225,739
Operations	18,554,396	19,106,293	19,674,632	20,259,905	20,862,616	21,483,285	22,122,448	22,780,657	23,458,480	24,156,502	212,459,214	387,277,792
Projects	1,341,737	1,381,989	1,484,904	1,532,088	1,578,051	1,625,393	1,962,352	1,721,410	1,699,672	1,750,663	16,078,260	59,080,224
Replacement/ Rehabilitation of WPCP	59,754,628	61,547,268	0	0	0	0	0	0	0	0	121,301,896	380,361,611
Wastewater Equipment Replacement	366,543	545,421	877,264	674,531	777,373	413,463	362,177	901,242	849,487	972,807	6,740,307	13,831,437
In-Lieu Charges and Fund Transfers	3,768,004	3,769,543	3,919,563	4,178,670	4,229,432	4,339,756	4,458,360	4,590,717	4,825,057	4,919,060	42,998,162	80,472,938
Water Pollution Control Plant Rent	431,512	448,773	466,724	485,393	504,808	525,001	546,001	567,841	590,554	614,177	5,180,784	9,141,159
Transfer To General Fund (Power Generation Facility)	1,073,045	1,115,966	1,160,605	1,207,029	1,255,310	1,305,523	1,357,744	1,412,053	1,468,536	1,527,277	12,883,088	22,738,980
Budget Supplements	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	24,000	69,600
TOTAL CURRENT REQUIREMENTS	103,765,690	107,108,692	46,918,875	48,076,790	48,949,251	49,563,433	50,682,568	51,847,567	51,827,250	52,876,038	611,616,154	1,221,696,271
RESERVES:												
Debt Service	991,545	991,409	991,220	990,981	990,064	989,973	989,821	989,606	51,513	51,513	51,513	51,513
Contingencies	4,638,599	4,776,573	4,918,658	5,064,976	5,215,654	5,370,821	5,530,612	5,695,164	5,864,620	6,039,125	6,039,125	6,039,125
Rate Stabilization Reserve	3,152,648	1,166,808	339,638	644,029	1,084,630	1,969,593	2,819,315	3,080,303	4,898,055	5,312,366	5,312,366	6,340,099
TOTAL RESERVES	8,782,792	6,934,790	6,249,516	6,699,986	7,290,348	8,330,387	9,339,748	9,765,073	10,814,188	11,403,005	11,403,005	12,430,738
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Sewer Rate Increase	6.0%	6.0%	6.0%	5.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%		
PRIOR YEAR STATISTICS:												
Prior Year Sewer Rate Increase	5.0%	5.0%	5.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%		

**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2008 TO JUNE 30, 2019**

	ACTUAL 2007/2008	CURRENT 2008/2009	BUDGET 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	FY 2008/2009 TO FY 2018/2019 TOTAL
RESERVE/FUND BALANCE, JULY 1	3,813,406	4,128,080	3,544,967	3,575,502	4,836,397	4,446,605	5,171,207	6,406,264	6,280,203	6,142,182	5,974,836	6,280,745	4,128,080
CURRENT RESOURCES:													
Rental Income	156,565	161,001	165,681	170,601	175,668	180,886	186,260	191,793	197,492	203,360	209,404	217,663	2,059,808
Service Fees	29,314,592	30,787,658	32,481,569	34,268,055	35,981,458	37,240,809	38,358,034	39,508,775	40,694,038	41,507,919	42,130,537	42,551,843	415,510,694
Miscellaneous Revenues	360,287	389,494	507,853	410,043	420,440	428,850	436,661	444,654	452,833	459,396	465,142	470,028	4,885,393
SMaRT Station Revenues	2,060,375	2,157,325	1,506,785	1,524,196	1,546,666	1,563,682	1,580,899	1,598,320	1,615,947	1,633,783	1,651,831	1,667,758	18,047,192
County Wide AB939 Fee	163,035	126,352	110,883	110,906	111,054	111,054	111,054	111,054	111,054	111,054	111,054	111,054	1,236,571
Landfill Gas Revenue	74,518	24,136	23,291	22,476	21,689	20,930	20,198	19,491	18,809	18,150	17,515	16,902	223,587
Interest Income	203,052	136,345	137,519	186,015	171,023	198,893	246,395	241,546	236,238	229,801	241,567	259,620	2,284,962
TOTAL CURRENT RESOURCES	32,332,424	33,782,310	34,933,581	36,692,293	38,427,998	39,745,104	40,939,500	42,115,632	43,326,410	44,163,463	44,827,050	45,294,866	444,248,207
TOTAL AVAILABLE RESOURCES	36,145,830	37,910,391	38,478,548	40,267,794	43,264,395	44,191,709	46,110,706	48,521,896	49,606,613	50,305,645	50,801,886	51,575,611	448,376,288
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	750,000	976,440	600,000	1,300,000	3,157,302	3,157,302	3,157,302	4,653,203	4,653,203	4,653,203	4,653,203	4,653,203	35,614,359
Debt Service	80,305	87,388	80,657	80,320	79,937	79,883	79,770	79,593	79,355	79,055	77,937	78,647	882,542
SMaRT Station Debt Service	1,028,789	1,029,889	1,031,250	1,031,409	1,030,027	1,031,382	1,031,603	1,031,084	1,030,670	1,030,207	0	0	9,277,521
Estimated Future SMaRT Station Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
New MRF Debt Service	80,938	547,322	548,702	549,502	546,183	549,504	548,562	547,040	548,475	549,184	549,168	548,426	6,032,068
Operations	1,982,279	2,230,360	2,347,998	2,408,780	2,517,234	2,568,796	2,621,428	2,675,155	2,730,000	2,785,985	2,843,136	2,903,793	28,632,665
Solid Waste Collection Contract	15,623,844	16,791,794	15,811,254	15,764,855	16,127,199	16,752,110	17,270,951	17,842,523	18,779,866	19,235,803	20,039,656	20,085,566	194,501,577
Capital Projects	0	50,000	300,000	0	0	0	0	0	0	0	0	0	350,000
Special Projects	280,269	127,895	314,190	0	51,000	113,674	0	97,625	0	0	109,125	0	813,509
Infrastructure Projects	0	96,000	109,332	0	374,340	0	0	0	0	0	0	0	579,672
Project Administration	2,005	1,805	23,093	0	33,188	0	0	0	0	6,962	0	0	65,048
SMaRT Capital Replacement	248,760	207,300	182,424	187,897	193,534	199,340	205,320	211,479	217,824	224,359	231,089	238,022	2,298,587
In-Lieu Charges	2,163,622	2,215,248	2,410,989	2,486,956	2,626,739	2,685,030	2,744,615	2,805,523	2,867,781	2,931,421	2,996,474	3,062,970	29,833,746
SMaRT Expense Share (Sunnyvale)	9,429,229	9,650,065	10,746,468	11,243,802	11,682,954	11,493,434	11,647,105	11,892,368	12,143,531	12,365,048	12,591,041	12,816,002	128,271,819
Long Term Rent - 301 Carl Rd. (SMaRT)	343,610	353,918	364,536	371,827	379,263	386,849	394,585	402,477	410,527	418,737	427,112	435,654	4,345,486
Transfer To General Fund	0	0	0	0	0	0	0	0	0	41,008	0	0	41,008
Transfer To Infrastructure Fund	2,615	0	153	285	15,249	0	0	423	0	6,636	0	0	22,746
Transfer To General Services	1,484	0	0	2,565	441	0	0	0	0	0	0	0	3,006
Budget Supplements	0	0	32,000	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	60,800
TOTAL CURRENT REQUIREMENTS	32,017,749	34,365,424	34,903,046	35,431,398	38,817,790	39,020,503	39,704,442	42,241,694	43,464,431	44,330,809	44,521,141	44,825,483	441,626,159
RESERVES:													
Debt Service	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914
Contingencies	2,703,535	2,867,222	2,890,572	2,941,744	3,032,739	3,081,434	3,153,948	3,241,005	3,365,340	3,438,684	3,547,383	3,580,536	3,580,536
20 Year Resource Allocation Plan	1,361,631	614,831	622,016	1,831,739	1,350,952	2,026,859	3,189,402	2,976,284	2,713,928	2,473,238	2,670,447	3,106,678	3,106,678
TOTAL RESERVES	4,128,080	3,544,967	3,575,502	4,836,397	4,446,605	5,171,207	6,406,264	6,280,203	6,142,182	5,974,836	6,280,745	6,750,128	6,750,128
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Refuse Rate Increase	6.5%	5.5%	5.5%	5.5%	5.0%	3.5%	3.0%	3.0%	3.0%	2.0%	1.5%	1.0%	
PRIOR YEAR STATISTICS:													
Refuse Rate Increase			5.5%	5.5%	5.5%	5.5%	3.5%	3.0%	3.5%	3.5%	3.0%	2.5%	

**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2019 TO JUNE 30, 2029**

	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL
RESERVE/FUND BALANCE, JULY 1	6,750,128	6,622,512	5,251,645	7,673,536	9,907,575	11,159,414	11,329,118	10,602,511	8,751,485	6,046,103	6,750,128	4,128,080
CURRENT RESOURCES:												
Rental Income	226,309	235,300	244,649	254,369	264,477	274,987	285,915	297,278	309,093	321,379	2,713,757	4,773,565
Service Fees	42,977,361	43,407,135	43,841,206	44,279,618	44,722,414	45,169,638	45,621,335	46,305,655	47,000,240	47,705,243	451,029,845	866,540,539
Miscellaneous Revenues	475,206	480,450	485,762	491,142	496,591	502,112	507,703	514,382	521,161	528,040	5,002,550	9,887,943
SMaRT Station Revenues	1,690,354	1,710,924	1,731,809	1,753,016	1,774,552	1,796,423	1,818,637	1,841,201	1,864,121	5,183,909	21,164,947	39,212,139
County Wide AB939 Fee	111,054	111,054	111,054	111,054	111,054	111,054	111,054	111,054	111,054	111,054	1,110,538	2,347,109
Landfill Gas Revenue	16,310	15,740	15,189	14,657	14,144	13,649	13,171	12,710	12,265	11,836	139,672	363,260
Interest Income	315,358	250,078	365,406	471,789	531,401	539,482	504,881	416,737	287,910	268,671	3,951,713	6,236,675
TOTAL CURRENT RESOURCES	45,811,953	46,210,680	46,795,074	47,375,645	47,914,633	48,407,345	48,862,697	49,499,017	50,105,844	54,130,133	485,113,022	929,361,230
TOTAL AVAILABLE RESOURCES	52,562,081	52,833,192	52,046,719	55,049,181	57,822,208	59,566,759	60,191,814	60,101,528	58,857,330	60,176,236	491,863,151	933,489,310
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	4,653,203	4,653,203	0	0	0	0	0	0	0	0	9,306,406	44,920,765
Debt Service	78,523	78,322	78,043	77,688	77,256	77,122	76,897	76,577	76,167	73,999	770,594	1,653,136
SMaRT Station Debt Service	0	0	0	0	0	0	0	0	0	0	0	9,277,521
Estimated Future SMaRT Station Debt Service	0	0	0	1,050,320	1,050,320	1,050,320	1,050,320	1,050,320	1,050,320	1,050,320	7,352,240	7,352,240
New MRF Debt Service	546,958	548,303	548,777	0	0	0	0	0	0	0	1,644,038	7,676,106
Operations	3,023,856	3,113,969	3,206,771	3,302,342	3,400,764	3,502,122	3,606,505	3,714,002	3,824,706	3,938,714	34,633,750	63,266,415
Solid Waste Collection Contract	20,502,823	21,326,247	22,182,707	23,073,528	24,000,088	24,963,818	25,966,210	27,008,812	28,093,237	29,221,161	246,338,629	440,840,206
Capital Projects	0	0	0	0	0	0	0	0	0	0	0	350,000
Special Projects	126,051	62,151	0	59,342	67,914	56,226	0	169,587	68,794	0	610,065	1,423,574
Infrastructure Projects	0	0	0	0	0	0	0	35,621	0	0	35,621	615,293
Project Administration	0	0	0	0	0	0	0	0	0	0	0	65,048
SMaRT Capital Replacement	245,163	252,517	260,093	267,896	275,933	284,211	292,737	301,519	310,565	319,882	2,810,516	5,109,103
In-Lieu Charges	3,194,220	3,287,501	3,383,506	3,482,314	3,584,008	3,688,672	3,796,393	3,907,259	4,021,363	4,138,799	36,484,035	66,317,781
SMaRT Expense Share (Sunnyvale)	13,116,664	13,793,593	14,212,134	13,334,644	13,698,268	14,072,873	14,236,593	14,522,525	14,794,445	15,202,224	140,983,964	269,255,783
Long Term Rent - 301 Carl Rd. (SMaRT)	448,724	462,186	476,051	490,333	505,043	520,194	535,800	551,874	568,430	585,483	5,144,117	9,489,602
Transfer To General Fund	0	0	0	0	0	0	0	0	0	0	0	41,008
Transfer To Infrastructure Fund	185	355	21,901	0	0	18,883	24,650	8,747	0	360	75,081	97,827
Transfer To General Services	0	0	0	0	0	0	0	0	0	0	0	3,006
Budget Supplements	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	32,000	92,800
TOTAL CURRENT REQUIREMENTS	45,939,570	47,581,547	44,373,183	45,141,607	46,662,794	48,237,642	49,589,304	51,350,042	52,811,227	54,534,141	486,221,056	927,847,215
RESERVES:												
Debt Service	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914
Contingencies	3,664,334	3,823,381	3,960,161	3,971,051	4,109,912	4,253,881	4,380,931	4,524,534	4,671,239	4,836,210	4,836,210	4,836,210
20 Year Resource Allocation Plan	2,895,263	1,365,350	3,650,461	5,873,609	6,986,588	7,012,322	6,158,666	4,164,038	1,311,950	742,971	742,971	742,971
TOTAL RESERVES	6,622,512	5,251,645	7,673,536	9,907,575	11,159,414	11,329,118	10,602,511	8,751,485	6,046,103	5,642,095	5,642,095	5,642,095
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Refuse Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%		
PRIOR YEAR STATISTICS:												
Refuse Rate Increase	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	2.0%	3.0%	0.0%		

CITY OF SUNNYVALE
595/500. GENERAL SERVICES FUND/WASTEWATER EQUIPMENT SUB-FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2008 TO JUNE 30, 2019

	ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
RESERVES/FUND BALANCE, JULY 1	3,055,764	3,291,854	0	0	0	0	0	0	0	0	0	0	3,291,854

CURRENT RESOURCES:													
Transfer From Wastewater Mgmt Fund	676,311	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	133,770	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT RESOURCES	810,081	0	0	0	0	0	0	0	0	0	0	0	0

TOTAL AVAILABLE RESOURCES	3,865,845	3,291,854	0	0	0	0	0	0	0	0	0	0	3,291,854

CURRENT REQUIREMENTS:													
Equipment Replacement	569,151	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To Wastewater Mgmt Fund	4,841	3,291,854	0	0	0	0	0	0	0	0	0	0	3,291,854
TOTAL CURRENT REQUIREMENTS	573,992	3,291,854	0	0	0	0	0	0	0	0	0	0	3,291,854

RESERVES:													
Equipment Reserve	3,291,854	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	3,291,854	0	0	0	0	0	0	0	0	0	0	0	0

FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
=====													

Revenues

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
0150	Secured Tax	25,053,750	26,983,199	27,522,863	27,798,092	28,805,967	29,904,621	31,100,806	32,402,517	33,819,166	35,171,932	36,447,171	37,633,881	347,590,214
0152	Unitary Roll - AB454	376,873	397,000	404,940	413,039	421,300	429,726	438,320	447,086	456,028	465,149	474,452	483,941	4,830,980
0153	Property Tax in Lieu of VLF	9,623,750	10,360,053	10,567,254	10,672,927	11,059,895	11,481,717	11,940,986	12,440,771	12,984,686	13,504,073	13,993,694	14,449,325	133,455,381
0155	Tax Delinquencies	1,072,976	900,000	900,000	769,153	792,228	815,994	840,474	865,688	891,659	918,409	945,961	983,800	9,623,367
0156	Unsecured Tax	2,053,594	2,143,000	2,000,000	2,060,000	2,320,653	2,390,273	2,461,981	2,535,841	2,611,916	2,690,273	2,770,981	2,854,111	26,839,029
0157	Supplemental Roll	1,286,352	1,020,188	1,000,000	1,030,000	1,242,697	1,279,978	1,318,377	1,357,928	1,398,666	1,440,626	1,483,845	1,528,360	14,100,667
0159	Administrative Fees	(518,546)	(544,000)	(560,320)	(577,130)	(594,443)	(612,277)	(630,645)	(649,564)	(669,051)	(689,123)	(709,797)	(738,188)	(6,974,539)
TOTAL PROPERTY TAXES		38,948,749	41,259,440	41,834,737	42,166,081	44,048,296	45,690,032	47,470,299	49,400,267	51,493,070	53,501,340	55,406,308	57,195,229	529,465,099
0300	Sales and Use Tax	29,705,343	26,000,000	26,000,000	26,000,000	27,500,000	28,325,000	29,174,750	30,049,993	30,951,492	31,880,037	32,836,438	33,821,531	322,539,241
0300	Additional Sales Tax - Downtown	0	0	0	0	500,000	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263	1,738,911	1,808,468	12,011,082
TOTAL SALES AND USE TAXES		29,705,343	26,000,000	26,000,000	26,000,000	28,000,000	29,825,000	30,719,750	31,641,343	32,590,583	33,568,300	34,575,349	35,629,999	334,550,324
0301	Sales and Use Tax - Public Safety	1,209,287	1,100,000	1,100,000	1,100,000	1,133,000	1,166,990	1,202,000	1,238,060	1,275,201	1,313,458	1,352,861	1,393,447	13,375,017
TOTAL SALES AND USE TAX - PUBLIC SAFETY		1,209,287	1,100,000	1,100,000	1,100,000	1,133,000	1,166,990	1,202,000	1,238,060	1,275,201	1,313,458	1,352,861	1,393,447	13,375,017
0450	Business License Tax	1,075,004	1,133,000	1,166,990	1,202,000	1,238,060	1,275,201	1,313,458	1,352,861	1,393,447	1,435,251	1,478,308	1,537,440	14,526,016
TOTAL BUSINESS LICENSE TAX		1,075,004	1,133,000	1,166,990	1,202,000	1,238,060	1,275,201	1,313,458	1,352,861	1,393,447	1,435,251	1,478,308	1,537,440	14,526,016
0451	Construction Tax	2,942,548	1,285,287	963,965	1,071,072	1,341,333	1,368,159	1,395,522	1,423,433	1,451,902	1,480,940	1,510,558	1,540,770	14,832,941
0452	Real Property Transfer Tax	1,224,716	600,000	600,000	750,000	900,000	1,041,096	1,072,329	1,104,499	1,137,634	1,171,763	1,206,916	1,255,192	10,839,428
TOTAL OTHER TAXES		4,167,264	1,885,287	1,563,965	1,821,072	2,241,333	2,409,255	2,467,851	2,527,932	2,589,535	2,652,702	2,717,474	2,795,962	25,672,369
0453-01	Transient Occupancy Tax	7,346,999	5,637,015	5,796,280	5,970,169	7,307,568	8,999,226	9,362,411	9,739,288	10,031,466	10,332,410	10,642,383	10,961,654	94,779,870
0453-02	Transient Occupancy Tax Penalties	3,256	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSIENT OCCUPANCY TAX		7,350,255	5,637,015	5,796,280	5,970,169	7,307,568	8,999,226	9,362,411	9,739,288	10,031,466	10,332,410	10,642,383	10,961,654	94,779,870

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL								
		2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	TOTAL	TOTAL
0150	Secured Tax	39,000,937	40,489,749	42,183,057	44,101,483	45,784,271	47,447,410	49,085,387	50,871,192	52,906,040	55,212,538	467,082,063	814,672,277
0152	Unitary Roll - AB454	493,620	503,492	513,562	523,833	534,310	544,996	555,896	567,014	578,354	589,921	5,404,997	10,235,977
0153	Property Tax in Lieu of VLF	14,974,198	15,545,820	16,195,956	16,932,526	17,578,623	18,217,176	18,846,069	19,531,719	20,312,988	21,198,555	179,333,630	312,789,011
0155	Tax Delinquencies	1,023,152	1,064,078	1,106,641	1,150,906	1,196,943	1,244,820	1,294,613	1,346,398	1,400,254	1,456,264	12,284,068	21,907,434
0156	Unsecured Tax	2,968,275	3,087,006	3,210,487	3,338,906	3,472,462	3,611,361	3,755,815	3,906,048	4,062,290	4,224,781	35,637,431	62,476,460
0157	Supplemental Roll	1,589,495	1,653,075	1,719,198	1,787,966	1,859,484	1,933,864	2,011,218	2,091,667	2,175,333	2,262,347	19,083,646	33,184,312
0159	Administrative Fees	(767,716)	(798,425)	(830,362)	(863,576)	(898,119)	(934,044)	(971,406)	(1,010,262)	(1,050,672)	(1,092,699)	(9,217,281)	(16,191,820)
TOTAL PROPERTY TAXES		59,281,960	61,544,796	64,098,538	66,972,044	69,527,973	72,065,582	74,577,593	77,303,775	80,384,586	83,851,707	709,608,553	1,239,073,652
0300	Sales and Use Tax	35,174,393	36,581,368	38,044,623	39,566,408	41,149,064	42,795,027	44,506,828	46,287,101	48,138,585	50,064,128	422,307,525	744,846,766
0300	Additional Sales Tax - Downtown	1,880,806	1,956,039	2,034,280	2,115,651	2,200,277	2,288,288	2,379,820	2,475,013	2,574,013	2,676,974	22,581,161	34,592,244
TOTAL SALES AND USE TAXES		37,055,199	38,537,407	40,078,903	41,682,059	43,349,342	45,083,315	46,886,648	48,762,114	50,712,598	52,741,102	444,888,686	779,439,010
0301	Sales and Use Tax - Public Safety	1,449,185	1,507,152	1,567,438	1,630,136	1,695,341	1,763,155	1,833,681	1,907,029	1,983,310	2,062,642	17,399,070	30,774,087
TOTAL SALES AND USE TAX - PUBLIC SAFETY		1,449,185	1,507,152	1,567,438	1,630,136	1,695,341	1,763,155	1,833,681	1,907,029	1,983,310	2,062,642	17,399,070	30,774,087
0450	Business License Tax	1,598,938	1,662,895	1,729,411	1,798,588	1,870,531	1,945,352	2,023,167	2,104,093	2,188,257	2,275,787	19,197,020	33,723,036
TOTAL BUSINESS LICENSE TAX		1,598,938	1,662,895	1,729,411	1,798,588	1,870,531	1,945,352	2,023,167	2,104,093	2,188,257	2,275,787	19,197,020	33,723,036
0451	Construction Tax	1,586,993	1,634,602	1,683,641	1,734,150	1,786,174	1,839,759	1,894,952	1,951,801	2,010,355	2,070,665	18,193,092	33,026,033
0452	Real Property Transfer Tax	1,305,400	1,357,616	1,411,921	1,468,397	1,527,133	1,588,219	1,651,747	1,717,817	1,786,530	1,857,991	15,672,771	26,512,199
TOTAL OTHER TAXES		2,892,393	2,992,218	3,095,561	3,202,547	3,313,307	3,427,978	3,546,700	3,669,618	3,796,885	3,928,657	33,865,864	59,538,233
0453-01	Transient Occupancy Tax	11,400,120	11,856,125	12,330,370	12,823,585	13,336,528	13,869,989	14,424,789	15,001,780	15,601,852	16,225,926	136,871,064	231,650,934
0453-02	Transient Occupancy Tax Penalties	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSIENT OCCUPANCY TAX		11,400,120	11,856,125	12,330,370	12,823,585	13,336,528	13,869,989	14,424,789	15,001,780	15,601,852	16,225,926	136,871,064	231,650,934

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
1119-01	PCJPB Reimbursement - Multimodal	121,001	110,000	132,764	135,420	138,128	140,891	143,708	146,583	149,514	152,505	155,555	158,666	1,563,733
0901	Onizuka AFS Base Realignment Reimbursement	494,899	169,233	0	0	0	0	0	0	0	0	0	0	169,233
TOTAL FEDERAL & INTERGOVERNMENTAL REVENUES		844,844	401,090	153,472	156,421	159,432	162,506	165,645	168,849	172,121	175,462	178,873	182,356	2,076,227
1002	Office of Emergency Services	36,625	0	0	0	0	0	0	0	0	0	0	0	0
1012	Homeowner's Property Tax Relief	213,332	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	2,310,000
1014	Motor Vehicle License Fees	601,973	350,000	353,500	357,035	360,605	364,211	367,854	371,532	375,247	379,000	382,790	390,446	4,052,220
1017	Office of Traffic Safety	82,159	33,488	0	0	0	0	0	0	0	0	0	0	33,488
1018	POST Reimbursement	51,192	45,000	0	0	0	0	0	0	0	0	0	0	45,000
1022	State Library Grant	52,136	46,830	0	0	0	0	0	0	0	0	0	0	46,830
1025	Mandated Cost - SB 90	(16,254)	5,180	125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	164,680	1,439,748
1025	Mandated Costs PY Reimbursement	0	0	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	333,330
1027	Miscellaneous State Grants	130,472	46,258	0	0	0	0	0	0	0	0	0	0	46,258
1034	Library Services and Tech Act	38,476	40,661	0	0	0	0	0	0	0	0	0	0	40,661
1041	State Tire Enforcement Grant	35,694	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	357,500
TOTAL STATE SHARED REVENUE		1,225,805	809,917	754,333	761,618	769,051	776,635	784,375	792,274	800,337	808,567	816,969	830,959	8,705,035
1349	Certified Unified Program Agency	156,467	167,064	173,747	177,222	182,539	188,015	193,655	199,465	205,449	211,612	217,961	224,500	2,141,228
1351	Major Permit Application Fees	67,335	56,268	62,829	64,086	104,435	107,568	110,795	114,119	117,543	121,069	124,701	128,442	1,111,854
1352	Minor Permit Application Fees	68,806	64,500	62,515	63,765	65,678	67,649	69,678	71,768	73,921	76,139	78,423	80,776	774,813
1353	Permit - Bingo	250	250	0	0	0	0	0	0	0	0	0	0	250
1354	Permit - Building	3,587,657	1,843,457	1,382,593	1,536,214	1,635,399	1,668,107	1,701,470	1,735,499	1,770,209	1,805,613	1,841,725	1,878,560	18,798,847
1355	Permit - Electrical	843,473	364,425	273,319	303,687	384,489	392,179	400,023	408,023	416,183	424,507	432,997	441,657	4,241,490
1356	Permit - Fire Prevention	2,035,018	926,927	695,195	772,439	927,644	946,197	965,120	984,423	1,004,111	1,024,194	1,044,677	1,065,571	10,356,498
1358	Permit - Grading	10,536	14,264	10,698	11,887	4,803	4,899	4,997	5,097	5,199	5,303	5,409	5,517	78,070
1359	Permit - Hazardous Materials	770,197	796,600	828,464	845,033	870,384	896,496	923,390	960,044	989,610	1,049,877	1,081,373	1,113,815	10,355,086
1360	Permit - Mechanical	663,513	323,918	242,938	269,932	302,456	308,505	314,675	320,969	327,388	333,936	340,615	347,427	3,432,760
1361	Permit - Miscellaneous	1,164	181	136	151	531	541	552	563	574	586	598	609	5,022
1362	Permit - Fire Operations	136,678	164,000	172,298	175,744	181,016	186,447	192,040	197,801	203,735	209,848	216,143	222,627	2,121,700
1363	Permit - Plumbing and Gas	579,280	321,501	241,126	267,917	264,059	269,340	274,727	280,222	285,826	291,543	297,374	303,321	3,096,957
1364	Permit - Sign	20,995	13,827	10,370	11,522	9,570	9,762	9,957	10,156	10,359	10,566	10,778	10,993	117,862

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL									
		2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	TOTAL	TOTAL
1119-01	PCJPB Reimbursement - Multimodal	163,426	168,328	173,378	178,580	183,937	189,455	195,139	200,993	207,023	213,233	1,873,493	3,437,226
0901	Onizuka AFS Base Realignment Reimbursement	0	0	0	0	0	0	0	0	0	0	0	169,233
TOTAL FEDERAL & INTERGOVERNMENTAL REVENUES		188,064	193,497	199,100	204,875	210,830	216,970	223,300	229,826	236,554	243,492	2,146,508	4,222,735
0													
1002	Office of Emergency Services	0	0	0	0	0	0	0	0	0	0	0	0
1012	Homeowner's Property Tax Relief	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	2,100,000	4,410,000
1014	Motor Vehicle License Fees	398,255	406,220	414,344	422,631	431,084	439,705	448,499	457,469	466,619	475,951	4,360,776	8,412,996
1017	Office of Traffic Safety	0	0	0	0	0	0	0	0	0	0	0	33,488
1018	POST Reimbursement	0	0	0	0	0	0	0	0	0	0	0	45,000
1022	State Library Grant	0	0	0	0	0	0	0	0	0	0	0	46,830
1025	Mandated Cost - SB 90	171,267	178,118	185,243	192,652	200,359	208,373	216,708	225,376	234,391	243,767	2,056,254	3,496,002
1025	Mandated Costs PY Reimbursement	33,333	33,333	33,333	33,333	0	0	0	0	0	0	133,332	466,662
1027	Miscellaneous State Grants	0	0	0	0	0	0	0	0	0	0	0	46,258
1034	Library Services and Tech Act	0	0	0	0	0	0	0	0	0	0	0	40,661
1041	State Tire Enforcement Grant	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	325,000	682,500
TOTAL STATE SHARED REVENUE		845,355	860,171	875,420	891,116	873,942	890,578	907,707	925,345	943,510	962,218	8,975,362	17,680,397
1349	Certified Unified Program Agency	233,480	242,819	252,531	262,633	273,138	284,064	295,426	307,243	319,533	332,314	2,803,180	4,944,408
1351	Major Permit Application Fees	133,580	138,923	144,480	150,259	156,269	162,520	169,021	175,782	182,813	190,125	1,603,770	2,715,624
1352	Minor Permit Application Fees	84,007	87,367	90,862	94,496	98,276	102,207	106,296	110,547	114,969	119,568	1,008,597	1,783,411
1353	Permit - Bingo	0	0	0	0	0	0	0	0	0	0	0	250
1354	Permit - Building	1,934,917	1,992,964	2,052,753	2,114,336	2,177,766	2,243,099	2,310,392	2,379,704	2,451,095	2,524,627	22,181,652	40,980,498
1355	Permit - Electrical	454,907	468,554	482,611	497,089	512,002	527,362	543,183	559,478	576,262	593,550	5,214,998	9,456,488
1356	Permit - Fire Prevention	1,097,538	1,130,464	1,164,378	1,199,310	1,235,289	1,272,348	1,310,518	1,349,833	1,390,328	1,432,038	12,582,045	22,938,543
1358	Permit - Grading	5,682	5,853	6,028	6,209	6,396	6,587	6,785	6,989	7,198	7,414	65,142	143,212
1359	Permit - Hazardous Materials	1,158,367	1,204,702	1,252,890	1,303,005	1,355,126	1,409,331	1,465,704	1,524,332	1,585,305	1,648,718	13,907,479	24,262,565
1360	Permit - Mechanical	357,850	368,585	379,643	391,032	402,763	414,846	427,291	440,110	453,313	466,913	4,102,347	7,535,107
1361	Permit - Miscellaneous	628	647	666	686	707	728	750	772	795	819	7,197	12,218
1362	Permit - Fire Operations	231,532	240,794	250,425	260,442	270,860	281,694	292,962	304,681	316,868	329,543	2,779,802	4,901,502
1363	Permit - Plumbing and Gas	312,421	321,793	331,447	341,391	351,632	362,181	373,047	384,238	395,765	407,638	3,581,554	6,678,511
1364	Permit - Sign	11,323	11,663	12,013	12,373	12,744	13,127	13,520	13,926	14,344	14,774	129,807	247,669

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
1365	Permit - Street Cut	226,413	100,000	100,000	72,225	73,670	75,143	76,646	78,179	79,742	81,337	82,964	84,623	904,528
1366	Permit - Temporary Building	2,493	1,000	1,000	1,000	1,136	1,159	1,182	1,206	1,230	1,255	1,280	1,305	12,754
1368	Permit - Transportation	14,154	22,000	18,870	19,247	19,632	20,025	20,425	20,834	21,251	21,676	22,109	22,551	228,621
1370	Permit - Taxi Driver and Vehicle	63,431	57,000	58,140	59,303	61,082	62,915	64,802	66,746	68,748	70,811	72,935	75,123	717,605
1371	Permit - Misc. Public Safety	4,939	7,043	5,100	5,202	5,358	5,519	5,684	5,855	6,031	6,211	6,398	6,590	64,991
1372	Permit - Liquidambar Street	25	50	0	0	0	0	0	0	0	0	0	0	50
1373	Adult Entertainment Permits	12,644	19,291	16,386	16,714	17,215	17,732	18,264	18,812	19,376	19,957	20,556	21,173	205,476
TOTAL PERMITS AND LICENSES		9,265,468	5,263,566	4,355,724	4,673,291	5,111,098	5,228,197	5,348,084	5,479,781	5,606,487	5,766,040	5,899,016	6,035,181	58,766,462
1502-01	Fines - Library Overdue Material - Circulation Desk Payments	157,275	144,373	161,698	156,847	152,142	147,578	143,151	160,329	155,519	150,853	146,327	141,937	1,660,754
1502-02	Fines - Overdue/Lost & Damaged - Internet Payments	37,902	43,970	54,083	58,410	63,082	68,129	73,579	90,502	97,742	105,561	114,006	123,126	892,190
1503	Fines - Parking	496,433	410,538	422,854	435,540	448,606	462,064	475,926	490,204	504,910	520,057	535,659	551,729	5,258,087
1504	Fines - Traffic and Criminal	455,774	500,000	454,230	463,315	477,214	491,531	506,277	521,465	537,109	553,222	569,819	586,914	5,661,096
1505	Hazardous Material Recovery	4,145	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	33,000
1506	Juvenile Diversion	5,210	6,000	6,120	6,242	6,429	6,622	6,821	7,025	7,236	7,453	7,677	7,907	75,533
1507	Late Payment Penalties	16,925	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	18,815	19,379	184,688
1509	Returned Check Charge	5,180	5,335	5,495	5,660	5,830	6,005	6,185	6,371	6,562	6,759	6,961	7,170	68,335
1512	Community Dev Code Violations	34,417	23,000	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	198,000
1514	CUPA Fines	5,789	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL FINES AND FORFEITURES		1,219,050	1,150,636	1,139,833	1,161,812	1,189,561	1,218,659	1,249,156	1,313,614	1,347,313	1,382,672	1,419,764	1,458,662	14,031,683
1650	Administrative Request Fees	63,384	60,384	49,494	50,484	51,998	53,558	55,165	56,820	58,525	60,280	62,089	63,951	622,749
1652	Demolition Fees	20,622	9,503	6,799	7,555	9,400	9,588	9,780	9,976	10,175	10,379	10,586	10,798	104,540
1653	Energy Plan Check Fees	211,230	59,412	44,559	49,510	96,287	98,213	100,177	102,181	104,224	106,309	108,435	110,604	979,911
1654	Environmental Review Fees	15,467	28,054	21,997	22,437	46,486	47,881	49,317	50,797	52,320	53,890	55,507	57,172	485,857
1655	Legislative Actions	25,115	11,197	18,539	18,910	38,975	40,144	41,349	42,589	43,867	45,183	46,538	47,934	395,225
1667-01	Plan Maintenance Fees	272,170	128,529	96,397	107,107	134,133	136,816	139,552	142,343	145,190	148,094	151,056	154,077	1,483,294
1670	Plan Check Fees	2,504,119	837,736	628,302	698,113	1,141,479	1,164,309	1,187,595	1,211,347	1,235,574	1,260,285	1,285,491	1,311,200	11,961,429
1673-01	Subdivision Map Filing Fees - Plng	53,595	31,429	43,330	44,197	78,652	81,012	83,442	85,945	88,524	91,179	93,915	96,732	818,356
1673-02	Subdivision Map Filing Fees - Final	16,485	22,300	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512	21,942	223,337

**035. GENERAL FUND
REVENUES BY SOURCE**

	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL
1365 Permit - Street Cut	87,162	89,777	92,470	95,244	98,101	101,044	104,076	107,198	110,414	113,726	999,212	1,903,740
1366 Permit - Temporary Building	1,345	1,385	1,426	1,469	1,513	1,559	1,605	1,654	1,703	1,754	15,414	28,167
1368 Permit - Transportation	23,228	23,925	24,643	25,382	26,143	26,928	27,735	28,567	29,424	30,307	266,282	494,904
1370 Permit - Taxi Driver and Vehicle	78,128	81,253	84,503	87,884	91,399	95,055	98,857	102,811	106,924	111,201	938,015	1,655,621
1371 Permit - Misc. Public Safety	6,853	7,127	7,413	7,709	8,017	8,338	8,672	9,019	9,379	9,754	82,282	147,272
1372 Permit - Liquidambar Street	0	0	0	0	0	0	0	0	0	0	0	50
1373 Adult Entertainment Permits	22,020	22,900	23,817	24,769	25,760	26,790	27,862	28,976	30,135	31,341	264,371	469,847
TOTAL PERMITS AND LICENSES	6,234,967	6,441,495	6,654,999	6,875,718	7,103,902	7,339,807	7,583,701	7,835,860	8,096,570	8,366,127	72,533,147	131,299,609
1502-01 Fines - Library Overdue Material - Circulation Desk Payments	141,937	141,937	141,937	141,937	141,937	141,937	141,937	141,937	141,937	141,937	1,419,370	3,080,124
1502-02 Fines - Overdue/Lost & Damaged - Internet Payments	128,051	133,173	138,500	144,040	149,802	155,794	162,025	168,506	175,247	182,257	1,537,395	2,429,585
1503 Fines - Parking	573,798	596,750	620,620	645,445	671,262	698,113	726,037	755,079	785,282	816,693	6,889,079	12,147,166
1504 Fines - Traffic and Criminal	610,390	634,806	660,198	686,606	714,070	742,633	772,338	803,232	835,361	868,775	7,328,409	12,989,505
1505 Hazardous Material Recovery	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000	63,000
1506 Juvenile Diversion	8,223	8,552	8,895	9,250	9,620	10,005	10,405	10,822	11,254	11,705	98,732	174,265
1507 Late Payment Penalties	20,154	20,961	21,799	22,671	23,578	24,521	25,502	26,522	27,583	28,686	241,976	426,665
1509 Returned Check Charge	7,457	7,755	8,066	8,388	8,724	9,073	9,436	9,813	10,206	10,614	89,531	157,866
1512 Community Dev Code Violations	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	175,000	373,000
1514 CUPA Fines	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL FINES AND FORFEITURES	1,510,511	1,564,434	1,620,514	1,678,837	1,739,493	1,802,575	1,868,181	1,936,411	2,007,370	2,081,167	17,809,492	31,841,176
1650 Administrative Request Fees	66,510	69,170	71,937	74,814	77,807	80,919	84,156	87,522	91,023	94,664	798,521	1,421,270
1652 Demolition Fees	11,122	11,456	11,799	12,153	12,518	12,893	13,280	13,679	14,089	14,512	127,501	232,041
1653 Energy Plan Check Fees	113,922	117,339	120,860	124,485	128,220	132,067	136,029	140,109	144,313	148,642	1,305,986	2,285,897
1654 Environmental Review Fees	59,459	61,837	64,311	66,883	69,558	72,341	75,234	78,244	81,373	84,628	713,869	1,199,726
1655 Legislative Actions	49,852	51,846	53,920	56,076	58,319	60,652	63,078	65,601	68,226	70,955	598,525	993,750
1667-01 Plan Maintenance Fees	158,699	163,460	168,364	173,415	178,617	183,976	189,495	195,180	201,035	207,067	1,819,309	3,302,603
1670 Plan Check Fees	1,350,537	1,391,053	1,432,784	1,475,768	1,520,041	1,565,642	1,612,611	1,660,990	1,710,819	1,762,144	15,482,388	27,443,817
1673-01 Subdivision Map Filing Fees - Plng	100,601	104,625	108,810	113,163	117,689	122,397	127,293	132,384	137,680	143,187	1,207,830	2,026,186
1673-02 Subdivision Map Filing Fees - Final	22,600	23,278	23,977	24,696	25,437	26,200	26,986	27,795	28,629	29,488	259,085	482,422

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
1674	Nuisance Abatement Fees	7,855	0	0	0	0	0	0	0	0	0	0	0	0
1676	Special Inspection Reimbursement	21,912	27,401	27,949	28,508	29,363	30,244	31,151	32,086	33,049	34,040	35,061	36,113	344,966
TOTAL COMMUNITY DEVELOPMENT		3,211,954	1,215,945	955,726	1,045,548	1,645,876	1,681,248	1,717,402	1,754,354	1,792,123	1,830,729	1,870,189	1,910,524	17,419,664
1801-01	Bus. License Processing - New App.'s	87,108	88,000	89,760	91,555	94,302	97,131	100,045	103,046	106,138	109,322	112,601	115,979	1,107,879
1801-02	Bus. License Processing - Renewals	97,026	96,000	97,920	99,878	102,875	105,961	109,140	112,414	115,786	119,260	122,838	126,523	1,208,595
3100-05	Internet & Phone Credit Card Fee	10,011	10,311	10,621	10,939	11,267	11,605	11,954	12,312	12,682	13,062	13,454	13,858	132,065
3101	Notary Fee	50	111	0	0	0	0	0	0	0	0	0	0	111
TOTAL FINANCE FEES		194,195	194,422	198,301	202,373	208,444	214,697	221,138	227,772	234,606	241,644	248,893	256,360	2,448,651
2102	Library- Lost/Damaged Materials	12,854	13,484	13,349	13,216	13,083	12,953	12,823	12,695	12,568	12,442	12,318	12,195	141,124
2105	Miscellaneous Library Charges	14,449	3,909	3,948	3,987	4,027	4,068	4,108	4,149	4,191	4,233	4,275	4,318	45,214
TOTAL LIBRARY FEES		27,303	17,393	17,297	17,203	17,111	17,020	16,931	16,844	16,759	16,675	16,593	16,512	186,338
2355	Baylands Picnic Reservation	50,575	58,000	59,740	59,740	59,740	61,532	61,532	61,532	63,378	63,378	63,378	65,280	677,231
2356	Baylands Vehicle Entry Fee	68,475	66,000	67,980	70,019	72,120	74,284	76,512	78,807	81,172	83,607	86,115	88,698	845,315
TOTAL PARKS AND RECREATION FEES		119,050	124,000	127,720	129,759	131,860	135,816	138,044	140,340	144,550	146,985	149,493	153,978	1,522,545
2750	Abandoned Vehicles	195,637	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,035,000
2751	Animal Control Fees	87,225	90,000	75,000	78,030	80,371	82,782	85,265	87,823	90,458	93,172	95,967	98,846	957,715
2752	Court Ordered Reimbursement	130	235	0	0	0	0	0	0	0	0	0	0	235
2754	Emergency Response	38,506	30,000	30,900	31,518	32,464	33,437	34,441	35,474	36,538	37,634	38,763	39,926	381,095
2756	False Burglar Alarm Fees	215,918	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	2,233,000
2760	Police Contract Overtime	53,374	18,845	0	0	0	0	0	0	0	0	0	0	18,845
2763	Vehicle Release Fee	173,114	171,458	174,887	178,385	183,736	189,249	194,926	200,774	206,797	213,001	219,391	225,973	2,158,576
2765-01	Other DPS - Address Search	528	500	510	520	536	552	568	585	603	621	640	659	6,295
2765-02	Other DPS - Copy of Incident Report	51,507	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	231,000
2765-03	Other DPS - Copy of Video Tape	194	206	212	216	223	230	236	244	251	258	266	274	2,617
2765-04	Other DPS- Violation Citation Correction	18,295	20,000	20,000	20,400	21,012	21,642	22,292	22,960	23,649	24,359	25,089	25,842	247,246
2765-05	Other DPS - Subpoena Duces Tecum	502	500	500	500	500	500	500	500	500	500	500	500	5,500
2765-07	Other DPS - Photographs	1,930	3,060	3,121	3,183	3,279	3,377	3,479	3,583	3,690	3,801	3,915	4,033	38,522

**035. GENERAL FUND
REVENUES BY SOURCE**

											FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL	
	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029			
1674	Nuisance Abatement Fees	0	0	0	0	0	0	0	0	0	0	0	
1676	Special Inspection Reimbursement	37,558	39,060	40,622	40,622	42,247	42,247	43,937	43,937	45,695	47,522	423,448	768,413
TOTAL COMMUNITY DEVELOPMENT		1,970,859	2,033,124	2,097,383	2,162,076	2,230,454	2,299,334	2,372,099	2,445,442	2,522,882	2,602,808	22,736,461	40,156,125
1801-01	Bus. License Processing - New App.'s	120,619	125,443	130,461	135,679	141,107	146,751	152,621	158,726	165,075	171,678	1,448,159	2,556,038
1801-02	Bus. License Processing - Renewals	131,584	136,847	142,321	148,014	153,935	160,092	166,496	173,155	180,082	187,285	1,579,810	2,788,406
3100-05	Internet & Phone Credit Card Fee	14,412	14,988	15,588	16,211	16,860	17,534	18,236	18,965	19,724	20,513	173,030	305,096
3101	Notary Fee	0	0	0	0	0	0	0	0	0	0	0	111
TOTAL FINANCE FEES		266,614	277,279	288,370	299,905	311,901	324,377	337,352	350,846	364,880	379,475	3,201,000	5,649,651
2102	Library- Lost/Damaged Materials	12,195	12,195	12,195	12,195	12,195	12,195	12,195	12,195	12,195	12,195	121,945	263,070
2105	Miscellaneous Library Charges	4,491	4,670	4,857	5,051	5,253	5,463	5,682	5,909	6,146	6,392	53,914	99,128
TOTAL LIBRARY FEES		16,685	16,865	17,052	17,246	17,448	17,658	17,877	18,104	18,340	18,586	175,860	362,198
2355	Baylands Picnic Reservation	67,891	70,606	73,431	76,368	79,423	82,599	85,903	89,340	92,913	96,630	815,103	1,492,334
2356	Baylands Vehicle Entry Fee	92,246	95,936	99,774	103,765	107,915	112,232	116,721	121,390	126,246	131,295	1,107,520	1,952,835
TOTAL PARKS AND RECREATION FEES		160,137	166,543	173,204	180,132	187,338	194,831	202,625	210,730	219,159	227,925	1,922,623	3,445,168
2750	Abandoned Vehicles	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,850,000	3,885,000
2751	Animal Control Fees	102,800	106,912	111,188	115,636	120,261	125,072	130,075	135,278	140,689	146,316	1,234,227	2,191,942
2752	Court Ordered Reimbursement	0	0	0	0	0	0	0	0	0	0	0	235
2754	Emergency Response	41,523	43,184	44,911	46,708	48,576	50,519	52,540	54,642	56,827	59,100	498,531	879,626
2756	False Burglar Alarm Fees	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	2,030,000	4,263,000
2760	Police Contract Overtime	0	0	0	0	0	0	0	0	0	0	0	18,845
2763	Vehicle Release Fee	235,012	244,412	254,189	264,356	274,930	285,928	297,365	309,259	321,630	334,495	2,821,574	4,980,150
2765-01	Other DPS - Address Search	685	713	741	771	802	834	867	902	938	975	8,228	14,523
2765-02	Other DPS - Copy of Incident Report	21,840	22,714	23,622	24,567	25,550	26,572	27,635	28,740	29,890	31,085	262,213	493,213
2765-03	Other DPS - Copy of Video Tape	285	297	308	321	334	347	361	375	390	406	3,423	6,040
2765-04	Other DPS- Violation Citation Correction	26,876	27,951	29,069	30,232	31,441	32,699	34,006	35,367	36,781	38,253	322,674	569,919
2765-05	Other DPS - Subpoena Duces Tecum	500	500	500	500	500	500	500	500	500	500	5,000	10,500
2765-07	Other DPS - Photographs	4,194	4,362	4,536	4,718	4,906	5,103	5,307	5,519	5,740	5,969	50,353	88,875

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
2765-08	Other DPS - Copy of Audio Recording	360	306	312	318	328	338	348	358	369	380	391	403	3,851
2765-09	Other DPS - Crim. Hist. Clearance Letter	7,918	6,966	7,105	7,247	7,465	7,688	7,919	8,157	8,401	8,653	8,913	9,180	87,695
2766-01	False Alarm Fee - Fire Alarm	31,625	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	330,000
2767	Fire Contract Reimbursement	228,335	385,000	0	0	0	0	0	0	0	0	0	0	385,000
2768	Criminal Justice Administration Fee	130	65	0	0	0	0	0	0	0	0	0	0	65
2769	Civil Subpoena Fees	3,090	4,157	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	29,157
2770	DPS Alarm Permit Fees	15,155	48,000	48,960	49,939	51,437	52,980	54,570	56,207	57,893	59,630	61,419	63,261	604,296
2772	Apartment Inspections - Fire	0	400,000	408,000	416,160	428,645	441,504	454,749	468,392	482,443	496,917	511,824	527,179	5,035,814
TOTAL PUBLIC SAFETY FEES		1,123,473	1,618,298	1,211,007	1,227,917	1,251,495	1,275,780	1,300,793	1,326,557	1,353,094	1,380,426	1,408,579	1,437,577	14,791,522
2900	Engineering Fees	2,339,504	460,000	734,740	190,902	194,720	198,614	202,587	206,638	210,771	214,987	219,286	223,672	3,056,918
2901	Mathilda/237 Maintenance	15,237	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804	48,760	486,749
2904	Street Tree Fees	7,153	6,324	2,000	4,814	4,910	5,008	5,109	5,211	5,315	5,421	5,530	5,640	55,283
2909	Temporary Traffic Controls	1,350	225	0	0	0	0	0	0	0	0	0	0	0
TOTAL PUBLIC WORKS FEES		2,363,244	506,549	777,540	237,332	242,079	246,920	251,859	256,896	262,034	267,274	272,620	278,072	3,599,174
TOTAL SERVICE FEES		7,039,219	3,676,607	3,287,591	2,860,132	3,496,864	3,571,482	3,646,167	3,722,763	3,803,165	3,883,733	3,966,367	4,053,023	39,967,895
3355	Interest	3,824,015	2,066,000	1,946,606	2,291,189	1,989,311	1,897,961	1,992,220	2,173,013	2,040,093	2,152,019	2,155,578	2,658,150	23,362,141
TOTAL INTEREST INCOME		3,824,015	2,066,000	1,946,606	2,291,189	1,989,311	1,897,961	1,992,220	2,173,013	2,040,093	2,152,019	2,155,578	2,658,150	23,362,141
3601	Refuse Loan Repayment (3602-42)	750,000	976,440	600,000	1,300,000	3,157,302	3,157,302	3,157,302	4,653,203	4,653,203	4,653,203	4,653,203	4,653,203	35,614,361
3601	Redevelopment Agency Repayment	2,997,775	(1,813,702)	3,980,810	5,517,483	6,715,251	7,884,488	8,315,142	412,896	6,716,782	6,813,074	6,932,387	7,070,084	58,544,695
3602-43	Sewer Loan Repayment	3,458,637	3,458,637	450,000	550,000	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	1,255,821	14,505,205
3601-42	Water Loan Repayment	351,700	351,700	351,700	351,700	351,700	351,700	351,700	351,700	0	0	0	0	2,461,900

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
3602-96	General Services Loan Repayment	600,000	1,053,812	662,554	500,000	500,000	189,789	0	0	0	0	0	0	2,906,155
3605	Power Generation Facility	760,062	782,864	798,521	814,492	838,926	864,094	890,017	916,718	944,219	972,546	1,001,722	1,031,774	9,855,893
3604	Sunnyvale Office Center	225,102	231,855	238,811	245,975	253,354	260,955	268,783	276,847	285,152	293,707	302,518	311,594	2,969,551
TOTAL INTERFUND REVENUES		9,143,276	5,041,606	7,082,396	9,279,650	13,072,355	13,964,149	14,238,766	7,867,185	13,855,178	13,988,351	14,145,651	14,322,475	126,857,760
3601	Repayment to City - Town Center Developer	375,867	119,136	0	841,526	3,216,836	4,292,423	4,378,272	4,228,846	3,643,778	3,698,746	3,754,083	3,810,771	31,984,417
TOTAL REPAYMENT TO CITY - TOWN CENTER DEVELOPER		375,867	119,136	0	841,526	3,216,836	4,292,423	4,378,272	4,228,846	3,643,778	3,698,746	3,754,083	3,810,771	31,984,417
1216	Misc Grants - Other	26,544	72,486	0	0	0	0	0	0	0	0	0	0	72,486
4460-02	Repayments - Conway Property Owners	71,436	18,119	18,119	18,119	18,119	18,119	18,119	18,119	18,119	18,119	18,119	8,674	189,864
2764	Unclaimed Property	10,579	8,404	0	0	0	0	0	0	0	0	0	0	8,404
3801	Personal Property Sale	8,333	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	64,039
4100	Miscellaneous Revenues	22,307	15,614	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,464	183,324
4102	Damage to City Property	201,722	81,000	0	0	0	0	0	0	0	0	0	0	81,000
4104	Jury Duty Reimbursement	205	180	0	0	0	0	0	0	0	0	0	0	180
4105	Misc Revenues - Special Event	4,021	1,188	0	0	0	0	0	0	0	0	0	0	1,188
4114	Cash Overage & Shortage	(7)	0	0	0	0	0	0	0	0	0	0	0	0
4116-02	Photocopies - Public Safety	2,673	1,644	0	0	0	0	0	0	0	0	0	0	1,644
4116-04	Photocopies - Other Departments	1,826	1,289	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,289
4117-01	Printed Material Sales	590	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016	2,076	19,788
4117-05	Printed Material Sale - Public Works/Plans & Specs	9,509	4,000	6,000	6,120	6,304	6,493	6,687	6,888	7,095	7,308	7,527	7,753	72,174
4120	Litigation Settlement Proceeds	382,787	500	0	0	0	0	0	0	0	0	0	0	500
4121	Miscellaneous Reimbursement	26,605	2,471	0	0	0	0	0	0	0	0	0	0	2,471
4122	Solar Energy Rebate	0	9,841	0	0	0	0	0	0	0	0	0	0	9,841
4123-03	Bankruptcy Recovery - Other	408	206	0	0	0	0	0	0	0	0	0	0	206
TOTAL MISCELLANEOUS		761,205	223,487	47,160	47,789	48,493	49,215	49,955	50,715	51,494	52,293	53,112	44,687	718,398

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL
		2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	
3602-96	General Services Loan Repayment	0	0	0	0	0	0	0	0	0	0	2,906,155
3605	Power Generation Facility	1,073,045	1,115,966	1,160,605	1,207,029	1,255,310	1,305,523	1,357,744	1,412,054	1,468,536	1,527,277	12,883,089
3604	Sunnyvale Office Center	324,057	337,020	350,501	364,521	379,101	394,265	410,036	426,438	443,495	461,235	3,890,669
TOTAL INTERFUND REVENUES		14,047,376	9,591,034	9,758,798	9,945,148	11,223,670	10,777,503	10,999,337	15,458,902	15,738,399	2,830,168	110,370,335
3601	Repayment to City - Town Center Developer	3,868,510	3,927,324	3,987,545	4,048,879	4,072,540	4,136,403	4,201,543	0	0	0	28,242,744
TOTAL REPAYMENT TO CITY - TOWN CENTER DEVELOPER		3,868,510	3,927,324	3,987,545	4,048,879	4,072,540	4,136,403	4,201,543	0	0	0	28,242,744
1216	Misc Grants - Other	0	0	0	0	0	0	0	0	0	0	72,486
4460-02	Repayments - Conway Property Owners	8,674	8,674	8,674	8,674	1,313	1,313	1,313	1,313	1,313	1,313	42,574
2764	Unclaimed Property	0	0	0	0	0	0	0	0	0	0	8,404
3801	Personal Property Sale	6,988	7,268	7,559	7,861	8,175	8,502	8,843	9,196	9,564	9,947	83,903
4100	Miscellaneous Revenues	19,203	19,971	20,770	21,600	22,464	23,363	24,298	25,270	26,280	27,331	230,550
4102	Damage to City Property	0	0	0	0	0	0	0	0	0	0	81,000
4104	Jury Duty Reimbursement	0	0	0	0	0	0	0	0	0	0	180
4105	Misc Revenues - Special Event	0	0	0	0	0	0	0	0	0	0	1,188
4114	Cash Overage & Shortage	0	0	0	0	0	0	0	0	0	0	0
4116-02	Photocopies - Public Safety	0	0	0	0	0	0	0	0	0	0	1,644
4116-04	Photocopies - Other Departments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
4117-01	Printed Material Sales	2,159	2,246	2,336	2,429	2,526	2,627	2,732	2,842	2,955	3,074	25,926
4117-05	Printed Material Sale - Public Works/Plans & Specs	8,063	8,385	8,721	9,069	9,432	9,810	10,202	10,610	11,034	11,476	96,802
4120	Litigation Settlement Proceeds	0	0	0	0	0	0	0	0	0	0	500
4121	Miscellaneous Reimbursement	0	0	0	0	0	0	0	0	0	0	2,471
4122	Solar Energy Rebate	0	0	0	0	0	0	0	0	0	0	9,841
4123-03	Bankruptcy Recovery - Other	0	0	0	0	0	0	0	0	0	0	206
TOTAL MISCELLANEOUS		46,087	47,544	49,059	50,634	44,911	46,615	48,387	50,230	52,147	54,140	489,755

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
3204	Modular Classroom Lease	184,144	184,144	184,144	184,144	184,144	92,072	0	0	0	0	0	0	828,648
TOTAL MODULAR CLASSROOM LEASE		184,144	184,144	184,144	184,144	184,144	92,072	0	0	0	0	0	0	828,648
3800	Real Property Sale	4,708,333	0	0	0	0	0	2,130,818	0	0	0	11,474,036	0	13,604,854
TOTAL SALE OF PROPERTY		4,708,333	0	0	0	0	0	2,130,818	0	0	0	11,474,036	0	13,604,854
4400	Transfers In	7,896,358	8,408,696	9,940,619	9,433,555	9,689,857	9,899,144	11,313,220	10,332,198	10,556,191	10,826,331	10,882,297	11,114,335	112,396,445
TOTAL TRANSFERS IN		7,896,358	8,408,696	9,940,619	9,433,555	9,689,857	9,899,144	11,313,220	10,332,198	10,556,191	10,826,331	10,882,297	11,114,335	112,396,445
FUND TOTAL		143,833,111	119,957,640	122,237,810	125,568,679	138,311,971	146,265,916	153,843,542	148,381,784	157,948,532	162,593,940	178,323,025	171,636,725	1,625,069,564

**035. GENERAL FUND
REVENUES BY SOURCE**

	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	FY 2019/2020 TO FY 2028/2029 TOTAL	FY 2008/2009 TO FY 2028/2029 TOTAL
3204 Modular Classroom Lease	0	0	0	0	0	0	0	0	0	0	0	828,648
TOTAL MODULAR CLASSROOM LEASE	0	0	0	0	0	0	0	0	0	0	0	828,648
3800 Real Property Sale	0	0	0	0	0	0	0	0	0	0	0	13,604,854
TOTAL SALE OF PROPERTY	0	0	0	0	0	0	0	0	0	0	0	13,604,854
4400 Transfers In	11,573,866	11,900,560	12,283,871	12,582,846	12,939,005	13,305,566	13,735,818	14,071,114	14,470,738	14,882,031	131,745,416	244,141,861
TOTAL TRANSFERS IN	11,573,866	11,900,560	12,283,871	12,582,846	12,939,005	13,305,566	13,735,818	14,071,114	14,470,738	14,882,031	131,745,416	244,141,861
FUND TOTAL	177,606,749	178,970,163	185,292,819	192,039,022	199,672,178	205,789,179	212,712,368	219,889,782	227,923,897	223,234,979	2,023,131,137	3,648,200,701

**460. WATER SUPPLY AND DISTRIBUTION FUND
REVENUES BY SOURCE**

	ACTUAL 2007/2008	CURRENT 2008/2009	BUDGET 2009/2010	PLAN 2010/2011	PLAN 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	FY 2008/2009 TO FY 2018/2019 TOTAL
1103 SCVWD Reclaimed Water Rebate	147,316	220,225	0	0	0	0	0	0	0	0	0	0	220,225
1507 Late Payment Penalties	76,227	92,000	92,000	93,840	96,655	80,000	82,400	84,872	87,418	90,041	92,742	95,524	987,492
3050 Water Connection Fees	429,386	100,000	140,000	142,800	147,084	151,497	156,041	160,723	165,544	170,511	175,626	180,895	1,690,720
3052 Water Hydrant Fees	16,932	10,956	10,956	11,175	11,510	11,856	12,211	12,578	12,955	13,344	13,744	14,156	135,441
3053 Water Frontage Fees	184,419	5,000	5,000	5,100	5,253	5,411	5,573	5,740	5,912	6,090	6,272	6,461	61,811
3054 Water Meter Sales	91,056	130,000	130,000	132,600	136,578	140,675	144,896	149,242	153,720	158,331	163,081	167,974	1,607,097
3055 Water Meter Use Fees	2,412,285	2,653,514	3,124,566	3,358,908	3,610,827	3,881,639	4,153,353	4,361,021	4,535,462	4,626,171	4,672,433	4,719,157	43,697,050
3056 Water Sales - Metered	19,700,897	21,655,861	22,325,227	25,443,156	27,625,947	29,713,671	31,845,814	33,533,021	35,013,556	35,901,253	36,496,489	37,145,540	336,699,535
3057 Water Tapping Fees	17,358	8,000	8,000	8,160	8,405	8,657	8,917	9,184	9,460	9,743	10,036	10,337	98,898
3058 Water Turn On Fees	134,399	165,000	165,000	168,300	173,349	140,000	144,200	148,526	152,982	157,571	162,298	167,167	1,744,394
3060 Water Recycled	802,316	882,548	953,151	1,024,638	1,101,486	1,184,097	1,266,984	1,330,333	1,383,546	1,411,217	1,425,329	1,439,583	13,402,912
3089 Hydrant Meter Deposits Forfeited	70	0	0	0	0	0	0	0	0	0	0	0	0
3355 Interest Income	394,017	435,636	269,037	373,534	429,482	400,702	383,057	423,590	462,140	540,211	598,411	626,496	4,942,296
4100 Miscellaneous Revenues	(5,625)	665	0	0	0	0	0	0	0	0	0	0	665
4490 Bond Proceeds	0	0	6,352,625	5,681,471	2,965,904	0	0	0	0	0	0	0	15,000,000
FUND TOTAL	24,401,053	26,359,403	33,575,562	36,443,682	36,312,479	35,718,204	38,203,446	40,218,830	41,982,695	43,084,483	43,816,462	44,573,290	420,288,537

**465. WASTEWATER MANAGEMENT FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
1114	Other Agencies - Reimbursement	15,942	48,867	43,806	43,806	44,682	45,576	46,487	47,417	48,365	49,333	50,319	51,326	519,984
1367	Permit - Waste Discharge	30,116	48,410	48,410	49,378	50,860	52,385	53,957	55,576	57,243	58,960	60,729	62,551	598,458
1507	Late Payment Penalties	59,917	69,417	76,748	82,504	88,279	94,458	98,237	102,166	106,253	110,503	117,133	124,161	1,069,859
2902	Storm Drain Fees	73,876	123,600	92,700	80,371	83,610	96,452	114,248	131,796	135,750	104,867	91,811	95,511	1,150,716
3066	Sewer Fees - City	18,865,701	21,035,304	22,613,983	24,310,031	26,011,733	27,832,555	28,945,857	30,103,691	31,307,839	32,560,152	34,513,762	36,584,587	315,819,494
3067	Sewer Fees - Non-City	547,638	597,985	642,863	691,078	739,453	791,215	822,864	855,778	890,009	925,610	981,146	1,040,015	8,978,017
3068	Sewer Connection Fees	3,229,573	400,000	510,000	520,200	535,806	551,880	568,437	585,490	603,054	621,146	639,780	658,974	6,194,767
3069	Sewer Frontage Fees	91,823	0	0	0	0	0	0	0	0	0	0	0	0
3090	Sales from PGF Electricity	77,689	57,000	14,300	14,586	14,878	15,175	15,479	15,788	16,104	16,426	16,755	17,090	213,581
3355	Interest Income	801,346	559,601	404,794	407,398	336,274	225,093	359,403	550,660	591,318	639,200	513,701	439,609	5,027,051
4100	Miscellaneous	11,622	10,652	0	0	0	0	0	0	0	0	0	0	10,652
4400	Transfer From General Services Fund	4,841	3,291,855	0	0	0	0	0	0	0	0	0	0	3,291,855
4490	Bond Proceeds	0	0	0	0	7,650,000	7,803,000	7,959,060	8,118,241	55,204,040	56,308,121	57,434,284	58,582,969	259,059,715
FUND TOTAL		23,810,083	26,242,691	24,447,603	26,199,352	35,555,575	37,507,790	38,984,028	40,566,604	88,959,976	91,394,318	94,419,421	97,656,793	601,934,150

**485. SOLID WASTE MANAGEMENT FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
0751	Long Term Rent	156,565	161,001	165,681	170,601	175,668	180,886	186,260	191,793	197,492	203,360	209,404	217,663	2,059,808
957	REPI	3,635	0	0	0	0	0	0	0	0	0	0	0	0
1003-01	CEC Subsidy	36,635	0	0	0	0	0	0	0	0	0	0	0	0
1004	County Wide AB939 Fee	163,035	126,352	110,883	110,906	111,054	111,054	111,054	111,054	111,054	111,054	111,054	111,054	1,236,571
1507	Late Payment Penalties	94,379	136,834	144,367	152,307	159,923	165,520	170,486	175,600	180,868	184,485	187,253	189,125	1,846,768
2906	Battery/Oil/Paint Drop Off Fee	26,902	20,000	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	238,994
3061	Refuse Service Fees - City	28,821,086	30,407,658	32,081,569	33,846,055	35,538,358	36,782,201	37,885,667	39,022,237	40,192,904	40,996,762	41,611,713	42,027,831	410,392,955
3062	Refuse Service Fees - Specialty	493,506	380,000	400,000	422,000	443,100	458,609	472,367	486,538	501,134	511,157	518,824	524,012	5,117,740
3071	MRF Revenues - SMaRT	391,859	717,180	666,897	673,710	681,352	688,166	695,047	701,998	709,018	716,108	723,269	730,502	7,703,247
3080	Kirby Canyon SMaRT Operator	146,044	137,884	143,491	147,125	154,919	158,018	161,178	164,402	167,690	171,044	174,464	177,954	1,758,169
3083	Curbside	1,875,446	1,701,769	910,037	919,137	928,329	937,612	946,988	956,458	966,023	975,683	985,440	995,294	11,222,771
3084	Curbside Sales - General	230,356	232,659	234,986	237,336	239,709	242,106	244,527	246,972	249,442	251,937	254,456	257,000	2,691,130
3086	Yardwaste Sales - SMaRT	(352,974)	(399,507)	(213,640)	(215,777)	(217,935)	(220,114)	(222,315)	(224,538)	(226,784)	(229,051)	(231,342)	(235,992)	(2,636,995)
3091	Green Ticket Revenue	34,248	24,136	23,291	22,476	21,689	20,930	20,198	19,491	18,809	18,150	17,515	16,902	223,587
3355	Interest Income	203,052	136,345	137,519	186,015	171,023	198,893	246,395	241,546	236,238	229,801	241,567	259,620	2,284,962
4100	Miscellaneous Revenues	8,650	0	0	0	0	0	0	0	0	0	0	0	0
FUND TOTAL		32,332,424	33,782,310	34,825,081	36,692,293	38,427,998	39,745,104	40,939,500	42,115,632	43,326,410	44,163,463	44,827,050	45,294,866	444,139,707

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	TOTAL
2351	Vending	4,690	5,000	5,000	5,300	5,300	5,300	5,777	5,777	5,777	6,299	6,299	6,299	62,128
TOTAL VENDING		4,690	5,000	5,000	5,300	5,300	5,300	5,777	5,777	5,777	6,299	6,299	6,299	62,128
0750-01	License Fee Tennis Center	93,095	79,730	81,325	81,325	81,325	83,765	83,765	83,765	86,278	86,278	86,278	88,866	922,698
0750-02	Concessions - Tennis Center	0	12,681	13,260	13,525	13,931	14,349	14,779	15,223	15,679	16,150	16,634	17,133	163,343
0750-04	Lookout Rental	63,600	63,600	66,780	66,780	66,780	66,780	66,780	66,780	66,780	66,780	66,780	66,780	731,400
0750-05	Percent Over Gross Lookout	21,786	22,958	21,822	21,822	22,704	23,158	23,621	24,094	24,576	25,067	25,569	26,080	261,471
0752-01	Rental - Indoor Sports Ctr	68,182	65,000	66,300	67,626	69,655	71,744	73,897	76,114	78,397	80,749	83,171	85,667	818,320
0752-05	Rental - Performing Arts Ctr	106,604	110,000	110,000	112,200	115,566	119,033	122,604	126,282	130,071	133,973	137,992	142,132	1,359,852
0752-06	Rental - Recreation Ctr	123,945	122,570	125,021	127,522	131,348	135,288	139,347	143,527	147,833	152,268	156,836	161,541	1,543,101
0752-09	Rental - Equipment	10,200	11,300	11,526	11,526	11,526	11,872	11,872	11,872	12,228	12,228	12,228	12,595	130,772
0752-10	Rental - Senior Center	169,540	109,500	127,500	130,050	133,952	137,970	142,109	146,372	150,764	155,287	159,945	164,743	1,558,192
0752-14	Rental - Creative Arts Center	2,698	2,800	2,856	2,856	2,856	2,942	2,942	2,942	3,030	3,030	3,030	3,121	32,404
0752-15	Rental - Banner Installation	0	800	800	800	850	850	900	900	900	900	900	900	9,500
0752-16	Rental - Non-Profits	2,690	3,000	3,060	3,060	3,060	3,152	3,152	3,152	3,246	3,246	3,246	3,344	34,718
TOTAL RENTS AND CONCESSIONS		662,340	603,939	630,250	639,092	653,552	670,902	685,767	701,022	719,781	735,955	752,609	772,901	7,565,770
1121	Silicon Valley Council on Aging Grant	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
1120	Advertising	500	773	796	820	845	870	896	923	951	979	1,009	1,039	9,900
1122	Fremont Pool Cost Sharing	35,721	18,708	19,082	19,464	19,853	20,250	20,655	21,068	21,490	21,919	22,358	22,805	227,652
1123	Columbia Pool Cost Sharing	26,982	27,540	28,091	28,653	29,226	29,810	30,406	31,015	31,635	32,267	32,913	33,571	335,126
OTHER INTERGOV REVENUES		63,203	57,021	57,969	58,936	59,923	60,930	61,958	63,006	64,075	65,166	66,279	67,415	682,679
1369	Art in Private Development	8,632	6,669	6,869	7,006	7,216	7,433	7,656	7,885	8,122	8,366	8,616	8,875	84,713
TOTAL ART IN PRIVATE DEVELOPMENT		8,632	6,669	6,869	7,006	7,216	7,433	7,656	7,885	8,122	8,366	8,616	8,875	84,713

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
2310/11	Recreation Credit (Net)	(4,130)	0	0	0	0	0	0	0	0	0	0	0	0
2357	Youth Basketball League	103,860	105,384	107,492	111,792	115,146	118,600	122,158	125,823	129,598	133,485	137,490	141,615	1,348,582
2358	Adult Leagues - Softball	34,272	33,990	34,669	35,500	36,565	37,662	38,792	39,956	41,154	42,389	43,661	44,970	429,307
2359	Adult Leagues - Basketball	63,905	62,890	66,187	67,511	69,536	71,622	73,771	75,984	78,264	80,612	83,030	85,521	814,928
2360	Adult Leagues - Volleyball	48,235	49,920	50,918	51,936	53,494	55,099	56,752	58,454	60,208	62,014	63,875	65,791	628,461
2361	Open Gym - Adult	34,878	37,000	37,000	38,000	39,140	40,314	41,524	42,769	44,052	45,374	46,735	48,137	460,046
2364	Fitness/Sports Youth	220,985	235,000	240,000	244,800	252,144	259,708	267,500	275,525	283,790	292,304	301,073	310,105	2,961,949
2365	Fitness/Sports Adult	87,777	93,000	95,000	97,000	99,910	102,907	105,995	109,174	112,450	115,823	119,298	122,877	1,173,433
2367	Sports Camps Youth	125,751	125,000	127,500	128,500	132,355	136,326	140,415	144,628	148,967	153,436	158,039	162,780	1,557,945
2370	Special Events HOTS	6,389	6,500	7,200	7,200	8,400	8,400	8,400	8,400	8,400	9,600	9,600	9,600	91,700
2375	Gymnastics Youth	280,001	280,000	280,000	285,600	294,168	302,993	312,083	321,445	331,089	341,021	351,252	361,790	3,461,441
2377	Swim Classes Youth	174,482	190,000	200,000	204,000	210,120	216,424	222,916	229,604	236,492	243,587	250,894	258,421	2,462,458
2379	Rec Swim Youth	13,572	15,000	20,000	20,400	21,012	21,642	22,292	22,960	23,649	24,359	25,089	25,842	242,246
2381	Pool Rental Youth	27,542	32,000	54,000	32,640	33,619	34,628	35,667	36,737	37,839	38,974	40,143	41,347	417,593
2383	Aquatics Classes Adult	10,482	17,500	17,850	18,207	18,753	19,316	19,895	20,492	21,107	21,740	22,392	23,064	220,317
2385	Special Interest Child	47,075	46,000	46,680	47,614	49,042	50,513	52,029	53,590	55,197	56,853	58,559	60,315	576,392
2387	After School Recreation	32,754	36,284	37,373	37,373	37,373	37,373	38,494	38,494	38,494	39,649	39,649	39,649	420,205
2388	Visual Arts Child	61,996	56,000	58,350	59,517	61,303	63,142	65,036	66,987	68,997	71,066	73,198	75,394	718,990
2391	Visual Arts Adult	8,616	8,000	8,160	8,323	8,573	8,830	9,095	9,368	9,649	9,938	10,236	10,544	100,716
2392	Dance Classes Child	118,823	120,000	120,000	122,400	126,072	129,854	133,750	137,762	141,895	146,152	150,537	155,053	1,483,475
2393	Dance Classes Adult	88,330	90,000	91,000	92,820	95,605	98,473	101,427	104,470	107,604	110,832	114,157	117,582	1,123,968
2394	Performing Arts Child	27,775	28,000	31,827	32,464	33,437	34,441	35,474	36,538	37,634	38,763	39,926	41,124	389,628
2396	Cultural Arts Theater Tickets	27,227	27,000	29,355	31,143	32,077	33,040	34,031	35,052	36,103	37,186	38,302	39,451	372,740
2397	Preschool Programs	137,834	137,834	140,591	143,403	147,705	152,136	156,700	161,401	166,243	171,230	176,367	181,658	1,735,269

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
2401	Neighborhood Rec Summer	263,192	231,294	235,920	240,638	247,857	255,293	262,952	270,840	278,965	287,334	295,954	304,833	2,911,881
2403	Summer Activities	1,544	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	30,800
2404	Non Academic Summer School	123,399	125,586	128,098	130,660	134,580	138,617	142,776	147,059	151,471	156,015	160,695	165,516	1,581,072
2406	Senior Adults Dances	3,907	3,731	4,137	4,220	4,346	4,477	4,611	4,749	4,892	5,039	5,190	5,345	50,737
2407	Senior Adult Programs	36,910	38,000	43,750	44,625	45,964	47,343	48,763	50,226	51,733	53,285	54,883	56,530	535,100
2408	Senior Adult Trips	179,846	126,248	114,000	114,000	117,420	120,943	124,571	128,308	132,157	136,122	140,206	144,412	1,398,386
2409	Senior Adult Special Events	11,096	10,500	13,440	13,709	14,120	14,544	14,980	15,429	15,892	16,369	16,860	17,366	163,209
2410	Therapeutic Services Programs	19,552	18,056	22,279	22,725	23,406	24,109	24,832	25,577	26,344	27,134	27,948	28,787	271,196
2411	Senior Center Membership	69,972	66,000	67,000	68,340	70,390	72,502	74,677	76,917	79,225	81,602	84,050	86,571	827,273
2412	Senior Adult Lunch Program	39,213	37,000	47,000	47,940	49,378	50,860	52,385	53,957	55,576	57,243	58,960	60,729	571,028
2413	Teen Programs Co-Op	56,402	41,000	41,000	41,000	42,230	42,230	42,230	43,497	43,497	43,497	44,802	44,802	469,784
2414	Teen Programs Summer	50,962	50,190	51,000	52,020	53,581	55,188	56,844	58,549	60,305	62,115	63,978	65,897	629,667
2415	Teen Programs Middle School	6,867	9,750	9,750	9,750	10,950	10,950	10,950	12,150	12,150	12,150	13,350	13,350	125,250
2416	Teen Programs High School	18,701	26,475	27,005	27,545	28,371	29,223	30,099	31,002	31,932	32,890	33,877	34,893	333,314
2417	Registration Service Fees	8,020	8,000	8,125	8,288	8,536	8,792	9,056	9,328	9,607	9,896	10,193	10,498	100,319
2420	Youth Drop-In Sports	0	1,083	1,083	1,072	1,104	1,137	1,171	1,207	1,243	1,280	1,318	1,358	13,057
2422	School-Year Rec. Enrichment Programs	38,178	43,386	43,386	44,688	44,688	44,688	46,028	46,028	46,028	47,409	47,409	47,409	501,147
2423	Pottery - Adult	71,384	71,000	72,420	73,868	76,084	78,367	80,718	83,140	85,634	88,203	90,849	93,574	893,857
2424	Music - Child	146,222	146,000	148,500	148,500	152,440	157,013	161,724	166,575	171,573	176,720	182,021	187,482	1,798,548
2425	Music - Adult	10,868	10,300	10,609	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	128,687
2455	SMS After School Progs	9,870	10,166	10,710	10,584	10,902	11,229	11,565	11,912	12,270	12,638	13,017	13,407	128,400
2460	High School Special Activities	1,075	0	0	0	0	0	0	0	0	0	0	0	0
2465	Columbia Co-Op Sports	25,628	35,000	36,050	36,050	37,132	37,132	37,132	38,245	38,245	38,245	39,393	39,393	412,016
4114	Misc Recreation Revenues	(1,783)	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RECREATION FEES		2,969,456	2,943,867	3,039,214	3,071,772	3,162,756	3,252,131	3,346,650	3,445,049	3,542,712	3,647,041	3,754,304	3,861,023	37,066,517
1950-11	Sunnyvale Weekday	479,368	566,580	627,669	632,870	666,676	687,812	716,780	738,283	760,431	783,244	806,741	830,943	7,818,030

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
1950-12	Sunnyvale Weekday Replay	395,527	375,858	345,597	349,452	371,592	385,798	402,047	414,108	426,531	439,327	452,507	466,082	4,428,900
1950 -13	Sunnyvale Weekend/Holiday	630,190	698,757	785,618	790,498	827,015	849,244	885,012	911,562	938,909	967,076	996,088	1,025,971	9,675,750
1950-14	Sunnyvale W/E Holiday Replay	277,187	226,405	231,257	232,416	243,367	252,149	262,768	270,651	278,771	287,134	295,748	304,620	2,885,287
1950-15	Sunnyvale S.A.C.	37,020	45,612	48,367	48,805	51,544	53,270	55,514	57,179	58,894	60,661	62,481	64,355	606,683
1950-16	Sunnyvale Golf Discount	249,465	282,628	249,223	251,900	267,500	277,478	289,164	297,839	306,774	315,977	325,456	335,220	3,199,160
1950-17	Sunnyvale 10-Play Card	44,721	53,318	64,833	65,370	68,862	71,046	74,037	76,258	78,546	80,902	83,329	85,829	802,331
1950-18	Smart Card Fee Sunnyvale	1,915	1,058	1,708	1,708	1,750	3,541	3,583	3,625	3,666	3,708	5,624	5,624	35,595
1951	SM Gift Certificates	4,188	2,600	0	0	0	0	0	0	0	0	0	0	2,600
1952	School Group Play	900	900	900	1,000	1,000	1,000	1,000	1,000	1,100	1,100	1,100	1,100	11,200
1954-01	Tournament Fee - Sunnyvale	4,358	9,060	8,093	8,485	9,673	9,788	10,313	11,449	11,581	12,137	13,325	13,325	117,229
1954-02	Tournament Fee - Sunken Gardens	886	1,461	1,043	1,140	1,334	1,355	1,443	1,630	1,654	1,748	1,946	1,946	16,700
1963-11	Sunken Garden Weekday	394,255	422,375	365,664	381,277	405,765	420,895	440,191	453,397	466,999	481,009	495,439	510,302	4,843,313
1963-12	Sunken Garden Weekday Replay	7,125	5,664	5,244	5,487	5,907	6,175	6,458	6,652	6,852	7,058	7,270	7,488	70,254
1963-13	Sunken Garden Weekend/Holiday	335,329	343,443	309,053	321,705	340,447	351,799	367,927	378,965	390,334	402,044	414,105	426,528	4,046,351
1963-14	Sunken Garden Weekend Replay	10,449	7,598	7,614	7,956	8,530	8,891	9,299	9,578	9,865	10,161	10,466	10,780	100,738
1963-15	Sunken Garden Syvale Advant	28,422	30,202	32,227	33,603	35,761	37,095	38,796	39,960	41,159	42,394	43,666	44,976	419,838
1963-16	Sunken Garden Golf Discount	102,077	115,156	102,345	107,605	117,652	124,233	129,928	133,826	137,841	141,976	146,235	150,622	1,407,420
1963-17	Sunken Garden 10-Play	13,598	13,157	10,898	11,447	12,476	13,148	13,751	14,164	14,589	15,027	15,478	15,942	150,076
1963-18	Sunken Garden Smart Card Fee	1,620	934	1,313	1,357	1,401	2,846	2,889	2,933	2,977	3,021	4,597	4,597	28,865
1964	Sunken Gardens Gift Certificates	3,925	1,993	0	0	0	0	0	0	0	0	0	0	1,993
1950/1955	Additional Revenue - Project 827170	0	0	0	79,000	80,580	82,192	83,835	85,512	87,223	88,967	90,746	92,561	770,616
TOTAL GOLF FEES		3,022,525	3,204,759	3,198,666	3,333,081	3,518,832	3,639,755	3,794,736	3,908,571	4,024,696	4,144,671	4,272,348	4,398,812	41,438,927

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	PLAN	FY 2008/2009 TO FY 2018/2019 TOTAL								
		2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	
1955	Golf Cart Rental	341,785	336,687	370,665	370,665	381,785	381,785	381,785	393,239	393,239	393,239	405,036	405,036	4,213,161
1956	Driving Range Fees	309,548	296,480	307,384	307,384	307,384	316,606	316,606	316,606	316,606	316,606	316,606	316,606	3,434,874
1957	Golf Miscellaneous Rentals	41,540	47,125	43,557	43,557	43,557	44,864	44,864	44,864	44,864	44,864	44,864	44,864	491,844
4175	Golf Merchandise Sales	247,630	245,849	256,906	262,044	269,905	278,002	286,342	294,932	303,780	312,893	322,280	331,948	3,164,882
4180	Golf Instruction	35,215	42,700	35,019	35,719	36,791	37,895	39,032	40,203	41,409	42,651	43,931	45,249	440,598
TOTAL GOLF SHOP REVENUE		975,718	968,841	1,013,531	1,019,370	1,039,422	1,059,151	1,068,629	1,089,844	1,099,898	1,110,254	1,132,716	1,143,703	11,745,359
4100	Miscellaneous Revenue	15,362	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MISCELLANEOUS REVENUE		15,362	0	0	0	0	0	0	0	0	0	0	0	0
3355	Interest Income	27,750	55,000	22,220	28,442	17,428	7,625	2,386	0	3,283	7,587	14,563	28,764	187,298
TOTAL INTEREST INCOME		27,750	55,000	22,220	28,442	17,428	7,625	2,386	0	3,283	7,587	14,563	28,764	187,298
4400-70	Fremont Pool Endowment	39,238	25,356	27,217	36,290	36,290	36,290	36,290	36,290	36,290	36,290	36,290	36,290	379,183
2418	Fremont Pool User Fees	42,500	42,000	42,840	43,697	44,571	45,462	46,371	47,299	48,245	49,210	50,194	51,298	511,186
TOTAL FREMONT POOL REVENUES		81,738	67,356	70,057	79,987	80,861	81,752	82,661	83,589	84,535	85,500	86,484	87,588	890,369
	Recreation Revenue Enhancements	0	0	44,850	45,747	46,662	48,062	49,504	50,989	52,518	54,094	55,717	57,388	505,531
4400-03	Transfer From General Fund	4,301,081	4,067,299	4,193,385	4,319,187	4,448,762	4,582,225	4,719,692	4,861,283	5,007,121	5,157,335	5,312,055	5,471,417	52,139,762
4400-03	Additional Transfer From General Fund	0	204,677	172,090	53,545	54,616	55,708	56,822	57,959	59,118	60,300	61,506	62,736	899,078
4400-03	Expense Reimbursement	0	173,175	176,541	180,072	183,673	187,347	191,094	194,916	198,814	202,790	206,846	210,983	2,106,250
4400-36	Transfer From Dorolou Swirsky Fund	24,277	15,426	16,557	22,076	22,076	22,076	22,076	22,076	22,076	22,076	22,076	22,076	230,667
4400-03	Care Management	0	63,687	72,357	73,804	75,280	76,786	78,322	79,888	81,486	83,115	84,778	86,473	855,976
TOTAL TRANSFERS IN		4,325,358	4,524,264	4,675,780	4,694,431	4,831,070	4,972,204	5,117,509	5,267,110	5,421,133	5,579,711	5,742,978	5,911,073	56,737,263
FUND TOTAL		12,156,772	12,436,716	12,719,556	12,937,416	13,376,359	13,757,183	14,173,729	14,571,852	14,974,012	15,390,548	15,837,196	16,286,454	156,461,023

**Community Condition
Indicators**

COMMUNITY CONDITION INDICATORS

The Community Condition Indicators (CCI) have been presented as an integral part of the City's budget for many years. The CCI is a measurement tool used to evaluate the General Plan by presenting the community conditions that require some form of direct or indirect service provided by the City. On May 8, 2007, the CCI report was modified to support and address the issue of growth and its potential effect on the economic vitality and quality of life in Sunnyvale. The underlying data was not modified, only how the data is presented. In previous years, the CCIs were included in each General Plan Element of the budget; beginning with the FY 2008/2009 Budget they are centralized in this separate section.

Data is included as available for the 1990 census, the 2000 census, and each year following.

Balanced Growth Index

The Balanced Growth Index (BGI) was developed in 2007 to monitor the City's growth and measure if that growth is being achieved in a balanced manner. Currently, the BGI presents the first four years, or 20.0 percent, of the 20-year planning horizon. The index's profile will be extended each year by adding the annual incremental growth from the preceding year. The profile is based on the assumption that Sunnyvale was in a balanced state in 2005. This assumption is supported by the high level of satisfaction expressed in the 2005 Resident Satisfaction Survey. Data show responses indicating adequate functioning of utilities, a satisfactory level of service in traffic operations, and a lack of severe overcrowding in the schools.

The BGI, itself, is presented as a bar graph. For analysis purposes, if all elements grow in a balanced manner, all bars in the profile are equal length every year and extend exactly to the current year. This scenario would present optimal balanced growth. Optimal balanced growth will not always be the case and it is important to remember an imbalance in a single year does not signify a problem. An imbalance over multiple years, however, should be noted by decision-makers so modifications of development policy can be

considered to bring the City back into a balanced growth state. As the Sunnyvale Community Vision is updated in the future, or as functional element updates result in different projected goals for 2025, the BGI will be recalibrated to reflect the revisions.

Community Condition Indicators

Indicator	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	Notes	
Population												
Number												
1	• Total	117,229	131,760	132,524	132,580	132,343	133,242	132,725	133,544	135,721	137,538	
2	✓ Under 18 years	22,457	26,897	n/a	n/a	n/a	n/a	29,996	22,035	n/a	n/a	
3	✓ 19 – 64 years	82,581	90,906	n/a	n/a	n/a	n/a	80,962	97,086	n/a	n/a	
4	✓ 65 years and older	12,191	13,957	n/a	n/a	n/a	n/a	21,767	14,423	n/a	n/a	
5	• Average household size	2.42	2.49	2.46	2.45	2.44	2.43	2.42	2.43	n/a	n/a	
6	• Sunnyvale public school enrollment	n/a	12,128	12,725	12,320	(Edited 2007 year)						
7	• Sunnyvale private school enrollment	n/a	4,079	4,025	3,811							
Ethnicity												
8	• Caucasian (%)	71.6	53.3	n/a	n/a	n/a	n/a	45.9	45.8	n/a	n/a	
9	• Asian / Pacific Islander (%)	19.3	25.1	n/a	n/a	n/a	n/a	40.1	36.5	n/a	n/a	
10	• African-American (%)	3.4	2.2	n/a	n/a	n/a	n/a	3.8	3.9	n/a	n/a	
11	• Other (%)	5.7	9.1	n/a	n/a	n/a	n/a	10.2	13.8	n/a	n/a	
12	• Foreign Born (%)	22.5	39.4	n/a	n/a	n/a	n/a	43.7	n/a	n/a	n/a	
13	• Hispanic Origin (%)	13.2	11.4					16.6	18.1	n/a	n/a	
Education												
14	• High school graduate (%)	87.1	89.4	n/a	n/a	n/a	n/a	90.2	90	n/a	n/a	
15	• Bachelor degree (%)	37.1	50.8	n/a	n/a	n/a	n/a	54.4	52.2	n/a	n/a	
16	• Graduate degree (%)	n/a	21.9	n/a	n/a	n/a	n/a	24.3	24.4	n/a	n/a	
Income												
17	• Median household income (\$)	46,403	74,409	n/a	n/a	n/a	n/a	74,449	79,926	n/a	n/a	
18	✓ Population below poverty (%)	2.5	3.8	3.8	3.8	4.3	5.5	5.4	8.2	n/a	n/a	
Community												
19	• Active neighborhood/business associations	n/a	28	30	27							
20	• Residents rating city good place to live (%)	n/a	92	94	95	93	n/a	94	n/a	93	92	
21	• Residents rating public services good to excellent (%)	n/a	92	92	93	90	n/a	89	n/a	82	85	
22	• Part I crimes/100,000 population	n/a	n/a	n/a	n/a	2.80	3.00	2.22	2.17	2.07	2.04	
23	• Average emergency police response time (minutes)	n/a	3.3	3.3	3.4	3.3	3.3	3.3	2.5	4.2	4.38	Fiscal Year

Community Condition Indicators

Indicator	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	Notes	
Economy												
Jobs												
24	• Total number	n/a	89,899	n/a	n/a	n/a	n/a	84,763	86,271	88,500	93,000	
	• Labor Force										75,700	
	• Employment										71,800	
Employment												
25	• Jobs/employed resident	n/a	1.24	n/a	n/a	n/a	n/a	1.26	n/a	n/a	n/a	
26	• Employed residents working in Sunnyvale (%)	n/a	23.0	n/a								
27	• Unemployed (% of workforce)	2.6	4.3	7.2	7.2	5.6	4.6	4.1	3.9	4.3	5.1	
28	• Employed residents in service jobs (%)	n/a	8.9	n/a	n/a	n/a	n/a	13.5	n/a	n/a	n/a	
29	• Employed residents in management/professional jobs (%)	n/a	59.5	n/a	n/a	n/a	n/a	56.4	n/a	n/a	n/a	
Retail												
30	• Retail & restaurant sales volume (\$ in millions)	n/a	158.6	137.9	120.0	114.3	124.0	129.5	145.9	151.0	159.1	
31	• Sales/sq. ft. (\$)	n/a	51.2	44.5	37.5	35.7	37.6	39.2	41.6	43.1	45.5	
Hospitality												
32	• Total Number of Hotel Rooms	n/a	3,835	3,945	3,945	3,930	3,930	3,851	3,930	3,923	3,378	Calendar Year
33	• Average hotel occupancy (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	72	63.27	64	
Real Estate												
34	• Total assessed value (\$ in billions)	n/a	n/a	n/a	n/a	n/a	17.92	19.23	20.71	22.67	24.73	
35	• Vacant office, industrial, R&D (%)	11.7	2.0	11.7	13.0	17.2	15.6	15.4	12.2	13.6	17.1	
36	• Average office/industrial rent (\$/sq. ft.)	0.71	3.47	1.82	1.39	1.26	1.30	1.34	1.48	2.09	2.77	
37	• Average apartment rent (3 bedroom) (\$)	n/a	2,600	2,900	2,800	2,500	2,100	2,200	1,822	2,138	2,380	
38	• Housing rental vacancy rate (%)	n/a	n/a	7.00	5.94	6.00	5.75	2.99	2.37	2.72	4.7	
39	• Median single-family detached home price (\$)	n/a	618,000	596,600	624,500	623,500	685,000	790,000	835,000	850,538	901,000	
40	• Median single-family attached home (townhouse/condo) price (\$)	n/a	390,000	407,000	400,000	393,000	445,000	545,000	555,000	565,468	562,000	
41	• Valuation of new construction permitted (\$ in millions)	16.3	235.9	265.5	76.9	182.6	79.0	115.1	101.4	335.7	280.3	

Community Condition Indicators

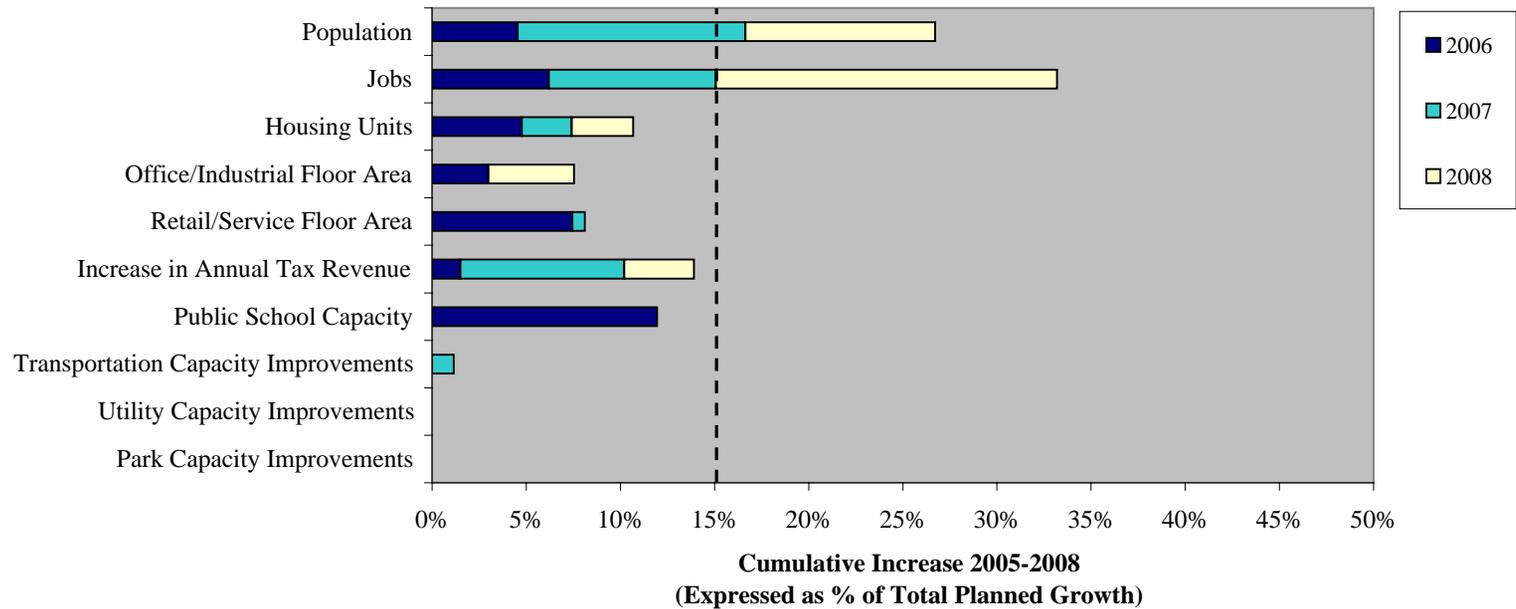
Indicator	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	Notes	
Tax Base												
42	• Property tax revenue (\$ in millions)	15.8	18.7	20.4	22.8	23.9	23.6	29.5	32.0	35.8	39.95	Fiscal Year
43	• Sales tax revenue (\$ in millions)	21.5	30.0	36.3	25.8	22.8	23.5	24.9	28.4	30.8	29.71	Fiscal Year
44	• Transient occupancy tax revenue (\$ in millions)	3.6	9.8	10.7	6.3	5.1	4.7	5.1	5.6	6.4	7.35	Fiscal Year
Physical City												
Land Use												
45	• Land area (sq. mi.)	22.81	22.82	22.85	22.85	22.85	22.85	22.86	22.86	22.86	22.86	
46	• Vacant land area (sq. mi.)	0.13	0.13	0.13	0.13	0.13	0.13	0.12	0.12	0.12	0.12	
47	• Developable land area (sq. mi.)	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	
48	• Residential area (%)	n/a	52.7	n/a	n/a	n/a	n/a	n/a	52.4	52.6	55.0	
49	• Office/industrial land area (%)	n/a	24.2	n/a	n/a	n/a	n/a	n/a	26.2	26.0	25.2	
50	• Retail/service land area (%)	n/a	7.5	n/a	n/a	n/a	n/a	n/a	6.8	6.8	6.5	
51	• City parks and open space (%)	n/a	7.6	n/a	n/a	n/a	n/a	n/a	7.6	7.6	7.6	
52	• Other (%)	n/a	8.0	n/a	n/a	n/a	n/a	n/a	7.0	7.0	5.7	
Transportation												
53	• Vehicle miles traveled in weekday (millions of miles)	n/a	2.31	2.18	2.24	2.03	1.92	2.23	2.25	2.28	2.21	
54	• Intersections not meeting LOS standards	1	1	0	0	0	0	0	0	n/a	0	
55	• Transit boardings/de-boardings per day	n/a	25,122	24,168	19,049	13,304	17,714	19,451	19,824	22,428	4,580	
56	• Utilization of transit capacity (%)								n/a	n/a	n/a	
57	• Miles of streets	300	300	300	300	300	300	300	300	300	300	
58	• Miles of bikeways	n/a	65	65	68	71	74	79	79	82.9	83.1	
Housing												
59	• Total housing units	n/a	53,441	53,875	54,143	54,151	54,397	54,769	55,012	55,141	55,381	
60	✓ Single-family detached	n/a	21,091	21,121	21,150	21,158	21,210	21,228	21,265	21,274	21,297	
61	✓ Single-family attached	n/a	4,751	4,755	4,755	4,755	4,826	5,123	5,240	5,613	5,830	
62	✓ Mobile Homes	n/a	4,023	4,023	4,023	4,023	4,023	3,956	3,965	3,927	3,927	
63	✓ Duplexes	n/a	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	
64	✓ Three or more attached units	n/a	20,949	21,337	21,434	21,434	21,557	21,681	21,704	21,480	21,480	
65	✓ Specialty units	n/a	1,025	1,025	1,183	1,183	1,183	1,183	1,249	1,249	1,249	
66	• Owner occupied (%)	48.9	47.6	n/a	n/a	n/a	n/a	49.1	n/a	n/a	n/a	
67	• Over 20 years old (%)	n/a	83	84	84	85	86	88	88	88	90	
68	• Total affordable units	n/a	n/a	1,066	1,119	1,120	1,496	1,465	1,452	1,452	1,412	

Community Condition Indicators

Indicator	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008	Notes
69 • New units receiving building permits	n/a	504	179	24	412	229	199	276	305	360	
70 ✓ Intended for ownership	n/a	57	11	24	289	164	199	276	305	360	
71 ✓ Rental	n/a	447	168	0	123	65	0	0	0	0	
Office/Industrial											
72 • Total floor area (sq. ft. in millions)	n/a	27.8	28.5	30.7	31.0	31.7	31.7	31.9	31.9	32.7	
73 ✓ Class A (%)	n/a	n/a	n/a	n/a	17.2	n/a	n/a	17.2	n/a	n/a	
74 • New floor area permitted (sq. ft.)	n/a	660,975	2,146,774	342,211	749,515	0	151,200	146,368	2,780,657	831,705	
75 • No. of patents received	n/a	n/a	n/a	n/a	2,874	3,173	3,194	3,045	3,177	3,121	Fiscal Year
Retail/Services											
76 • Total floor area (sq. ft. in millions)	n/a	3.1	3.1	3.2	3.2	3.3	3.3	3.5	3.5	3.5	
77 • Floor area/capita (sq. ft.)	n/a	26.2	25.7	25.4							
78 • New floor area permitted (sq. ft.)	n/a	0	58,000	65,000	12,000	0	240,000	8,000	5,000	293,000	
79 • Retail sales/retail sales potential (%)	n/a	91.7	89.9	88.9							
Environment											
80 • Sunny days (average)	n/a	n/a	n/a	n/a	n/a	n/a	300	300	292	293	
81 • Average temperature (degrees F)	70	70	70	70	71	71	72	72	68	n/a	Indicator is recommended to be deleted.
82 • Average rainfall (in.)	n/a	13.12	10.19	13.26	12.46	16.64	13.06	8.15	6.42	9.42	
83 • Days ozone standard exceeded	n/a	n/a	n/a	n/a	4	1	1	3	0		
84 • Recycled solid waste (%)	18	56	56	56	57	56	61	63	63	63	Calendar 2006 (most recent calculation available)
85 • Number of street trees	n/a	36,341	36,580	36,468	36,500	36,892	37,000	37,000	37,000	36,935	
86 • Average daily water consumption/capita (gal.)	n/a	161	169	166	157	188	180	139	153.18	153.7	
87 • Average daily electric energy use/capita (kwh)	n/a	33.16	71.6	81.1	2008 is a preliminary average.						
88 • Average daily gas use/capita (therms)	n/a	1.9	2.9	2008 is a preliminary average.							
89 • Average daily landings at Moffett Federal Airfield	n/a	33	25	25	20	21	25	25	26	23	

Balanced Growth Indices

	Base Year 2005	GOAL FOR 2025	Total Planned Growth Net Increase 2005 to 2025	2007 Actual	2008 Actual	2008 Increment Increase (actual since 2007)	2008 Increment (% of Total Planned Growth)
Park Capacity Improvements				0	0	0	0%
Utility Capacity Improvements				0	0	0	0%
Transportation Capacity Improvements		46,884,000	46,884,000	547,970	547,970	0	0%
Public School Capacity	5,373	6,729	1,356	5,535	5,535	0	0%
Increase in Annual Tax Revenue	72,271,030	174,748,212	102,477,182	82,731,078	86,536,989	3,805,911	4%
Retail/Service Floor Area	5,784,000	7,500,000	2,200,000	5,962,662	5,962,662	0	0%
Office/Industrial Floor Area	30,100,000	37,700,000	7,600,000	30,327,927	30,673,881	345,954	5%
Housing Units	54,600	61,900	7,300	55,141	55,381	240	3%
Jobs	84,763	109,570	24,807	88,500	93,000	4,500	18%
Population	132,725	150,725	18,000	135,721	137,538	1,817	10%



Notes

FY 2004/2005 is the base year for the Balanced Growth Index. All revenues are converted to FY 2004/2005 dollars for comparison purposes.

In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2008 would be 15%.

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**Budget
Supplements**

FY 2009/2010 Budget Supplements

Budget Supp. No.	Description	Fund	One- Time	On- Going	20-Year Impact	City Manager's Recommendation
1.	Accelerating Installation of Sidewalk Access Improvements/ Accessible Pedestrian Curb Ramps	CDBG	X		\$872,000	Yes
2.	Connecting the John W. Christian Trail to Lakewood and Fairwood Elementary Schools as Destinations and Locations of Bicycle Parking	General		X	\$124,589	No
3.	Development of a Multi-Media Educational Program on Traffic Safety	General	X		\$100,000	No
4.	Planning Commission Training Budget	General		X	\$174,300	Yes
5.	Electronic Utility Bill Presentment and Payment	Water, Wastewater, Solid Waste		X	\$276,715	Yes
6.	Outside Group Funding Request from Silicon Valley Leadership for Leadership Sunnyvale Program	General	X		\$6,000	Yes
7.	Junior Achievement K-12 Education Program	General	X		\$10,740	No
8.	Community Event Funding Support	General	X		\$30,000	No

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BUDGET SUPPLEMENT NO: 1

May 21, 2009

SUBJECT: Accelerating Installation of Sidewalk Access Improvements/Accessible Pedestrian Curb Ramps

BUDGET SUPPLEMENT REQUEST SUMMARY

At the January 23, 2009 Study and Budget Issues Workshop, a budget supplement to accelerate installation of sidewalk access improvements/accessible pedestrian curb ramps was referred to the City Manager for consideration as part of the operating budget review. This budget supplement, supported by Councilmember Whittum, would augment current funding for annual improvements to sidewalk access allowing installation of more pedestrian curb ramps, and related work necessary to remove pedestrian barriers at intersections and improve accessibility to people of various abilities. This would increase the service level for pedestrians, particularly for those who have limited abilities, or use wheelchairs.

BACKGROUND

Currently, the City receives \$100,000 annually from Community Development Block Grant (CDBG) funds to accelerate sidewalk access improvements and curb ramp construction to meet Americans with Disabilities Act (ADA) standards. These funds are budgeted in Project 820631 – ADA Curb Retrofit. The cost of completing a standard intersection had increased significantly in past years, due to new standards and increases in labor and material costs. Recent standards require truncated domes/tactile pads at each ramp, and two ramps per corner where necessary to align sidewalk paths. The average cost of a single ramp has cost as much as \$3,000 each. However, the most recent bids were more favorable at approximately \$2,000 each. Therefore, current funding can provide approximately 50 ramps per year. When double ramps are required at each corner to align sidewalks, there are eight ramps per intersection. This results in the ability to complete approximately 6 intersections per year, under current funding. The cost of ramp installation at some intersections requires additional expenditures to resolve storm drainage, conflicts with other utilities and/or correction of sight-lines necessary to provide reasonably safe access at an intersection.

A 2007 Pedestrian Safety and Opportunities Study provided a deficiency list of approximately 480 ramps or similar modifications needed to meet ADA standards at arterial and collector streets. Modifying existing curbs for accessibility to include other residential intersections would require installation of approximately 9,000 ramps.

Accessible sidewalks, using either ramps or raised intersections are installed at all new developments, and wherever major roadway work is done. Annual ramp installation is prioritized to meet needs, starting with response to requests for accommodation by people with handicaps along their routes or travel, to safe routes to schools and other locations with high volumes of pedestrian traffic.

EXISTING POLICY

Land Use and Transportation Element C3.5 Support a variety of transportation modes:

C3.5.1 Promote alternate modes of travel to the automobile

C3.5.4 Maximize the provision of bicycle and pedestrian facilities.

General Management, Article 11 Program and Service Accessibility for Persons with Disabilities

Section 2. Policy

It is the policy of the City to comply with all applicable laws prohibiting discrimination against individuals with disabilities, including, but not limited to, Title II of the Americans with Disabilities Act of 1990 ("ADA") and Section 504 of the Rehabilitation Act of 1973.

DISCUSSION

Although the initial budget issue dealt with supplementing the current level of CDBG funding of \$100,000 per year with other potential funding, including the General Fund, new economic stimulus funds available through the CDBG program provide the best opportunity to achieve the desired results without impacting the General Fund.

With additional one-time CDBG funds made available through the federal economic stimulus program, staff reviewed the total CDBG allocation for funding for curb ramps in conjunction with the Sunnyvale Works! program. As a result of the review, the recommended FY 2009/2010 Budget includes \$872,000 for 2009/2010 in the ADA Curb Retrofit Project. Additionally, funding has been allocated on an ongoing basis, contingent on continued CDBG funding.

In addition, the FY 2009/2010 Recommended Budget contains a project to address the backlog of sidewalk repairs. Staff has submitted projects to augment sidewalk repairs and ramp installation for consideration of economic stimulus funds and congressional appropriations, along with other projects. Funding is subject to competing priorities statewide, and the project will remain unfunded until revenue sources are identified. However, approximately 211 of the backlog of sidewalk repairs (approximately 20% of the total backlog) are in CDBG-eligible areas, and an estimated \$480,000 of CDBG money has been made available for these repairs in FY 2009/10.

SERVICE LEVEL IMPACT

\$872,000 in funding for curb ramp installation in FY 2009/10 will provide for the installation of approximately 436 ADA-compliant curb ramps. While this will not address all of the ramps that require modification, it will provide enough funding to address most of the 480 ramps identified in the 2007 Pedestrian and Safety Opportunities Study.

FISCAL IMPACT

Given the funding for installation of curb ramps will come from CDBG, there is no fiscal impact to the General Fund unless Council chooses to supplement the increased funding made available in FY 2009/10 with additional funding from the General Fund. Due to the current structural deficit, additional funding from the General Fund will require de-funding another project or service.

ALTERNATIVES

1. Utilize CDBG funds to augment existing budgets for curb ramp installation.
2. Augment CDBG funding with additional funding from the General Fund.
3. Other Council action as directed.

STAFF RECOMMENDATION

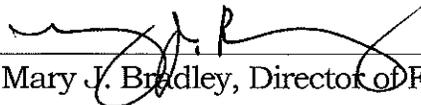
Staff recommends Alternative No. 1: Utilize CDBG funds to augment existing budgets for curb ramp installation. Staff does not recommend augmenting the project budget from the General Fund since these projects qualify for CDBG funding made available through economic stimulus funds and any increase in General Fund expenditures would impact the City's overall budget condition.

Reviewed by:



Marvin, Rose, Director of Public Works

Reviewed by:

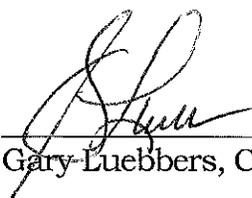


Mary J. Bradley, Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Gary Luebbers, City Manager

May 21, 2009

SUBJECT: Connecting the John W. Christian Trail to Lakewood and Fairwood Elementary Schools as Destinations and Locations of Bicycle Parking

BUDGET SUPPLEMENT REQUEST SUMMARY

The Bicycle and Pedestrian Advisory Commission (BPAC) is requesting funds for a capital project to build pathways between the John W. Christian Trail and Lakewood and Fairwood Elementary Schools. The intent is to facilitate bicycle and pedestrian access from the Trail to the schools, which will encourage bicycle and walking.

BACKGROUND

This budget issue was requested by the BPAC as part of the 2009 Study and Budget Issues process. BPAC membership believes that construction of pathway connections is a beneficial neighborhood improvement and means to encourage bicycling and walking to the two schools in question.

EXISTING POLICY

Land Use and Transportation Element C3.5.4

Maximize the provision of bicycle and pedestrian facilities.

Land Use and Transportation Element N1.3.2

Study the adequacy/deficiency of bicycle and pedestrian access and circulation within neighborhoods.

DISCUSSION

These pathways would provide a more direct route from the John W. Christian Trail to Fairwood and Lakewood Schools. The Sunnyvale School District has not been contacted regarding this proposal, so it is uncertain what their position would be regarding these connections. The schools can be accessed currently from the trails using existing roadway or sidewalk connections, but the perception is these new connections would provide a more direct route.

SERVICE LEVEL IMPACT

This project would become a priority of the Community Services Department and the Department of Public Works Project Administration Division. Management of these projects would be absorbed into the workload for these two Departments. Re-prioritization of capital projects would likely need to occur to accommodate the funding of this project.

FISCAL IMPACT

Staff estimates the cost of construction of these pathways to be \$100,000. Construction of the project would require a minor increase in maintenance services possibly associated with landscaping, lighting, and pavement surface. Staff estimates the ongoing annual operating cost to be \$1,000.

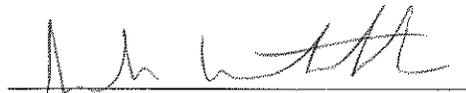
ALTERNATIVES

1. Approve the budget supplement for construction of pathways to connect the John W. Christian Trail to Lakewood and Fairwood Schools in the amount of \$100,000 plus \$1,000 in annual operating costs.
2. Do not approve the budget supplement for construction of pathways to connect the John W. Christian Trail to Lakewood and Fairwood Schools in the amount of \$100,000 plus \$1,000 in annual operating costs.
3. Other action as specified by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 2: Do not approve the budget supplement for construction of pathways to connect the John W. Christian Trail to Lakewood and Fairwood Schools in the amount of \$100,000 plus \$1,000 in annual operating costs. These pathways would not eliminate any barrier to access to the schools, as the trail is currently accessible from the schools via existing roadways and sidewalks. These pathways are not essential to providing access, but rather provide a minor incremental improvement. Given the minor incremental improvement, staff does not believe that construction of these paths would significantly increase bicycle and pedestrian ridership.

Prepared by:



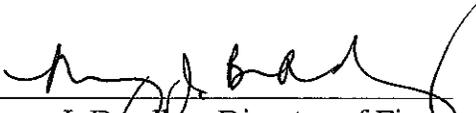
Jack Witthaus, Transportation and Traffic Manager

Reviewed by:



Marvin Rose, Director of Public Works

Reviewed by:



Mary J. Bradley, Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding


Gary Luebbers, City Manager

May 21, 2009

SUBJECT: Development of a Multi-Media Educational Program on Traffic Safety

BUDGET SUPPLEMENT REQUEST SUMMARY

This request from the Bicycle and Pedestrian Advisory Commission (BPAC) is to develop and conduct a public relations program to promote traffic safety. The request centers on the development of DVD's and CD's of safety information that can be distributed to the public, as well as use of KSUN to broadcast safety programs. Staff assumes that development of the program would be contracted to an outside source.

BACKGROUND

The BPAC included a budget issue request as part of the 2009 study and budget issues process. The BPAC would like to see the City develop materials and conduct a public relations campaign on the topic of traffic safety. The request as presented by the BPAC does not focus on bicycle and pedestrian safety, but rather uses the term traffic safety.

EXISTING POLICY

Land Use and Transportation Element – C3.5, Support a variety of transportation modes.

This project would aim at enhancing awareness of all road users. Improvements to safety conditions and sense of security could potentially increase cycling and walking.

DISCUSSION

The Transportation and Traffic Division has acquired and distributed various promotional materials on traffic, bicycle, and pedestrian safety over the past several years. This project would represent a more focused and concerted effort than the past. Staff assumes that the campaign would be Sunnyvale-specific, with materials focused on conditions of Sunnyvale city streets. Sunnyvale does not have a traffic safety problem per se, with collision rates typically below averages experienced in other communities.

SERVICE LEVEL IMPACT

This project would become a priority of the Communications Division of the Office of City Manager and the Transportation and Traffic Division of the Department of Public Works, and may potentially involve the Department of Public Safety. The project would not require additional staff resources, but would require prioritizing other tasks within each Department.

FISCAL IMPACT

This project would require retaining a media relations consultant to develop the proposed DVD's and CD's and assist in the conduct of a campaign. It may also require retaining a transportation expert to assist the development of the curricula. Staff estimates the cost of these services at \$100,000.

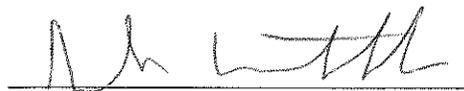
ALTERNATIVES

1. Approve the budget supplement for \$100,000 for a Multi-Media Educational Program on Traffic Safety.
2. Do not approve the budget supplement for \$100,000 for a Multi-Media Educational Program on Traffic Safety.
3. Other action as determined by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 2: do not approve a budget supplement for \$100,000 for a multi media educational program on traffic safety. Staff believes that while traffic safety is a core issue for the Departments of Public Works and Public Safety, 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. The City has promotional materials that it distributes and makes available for fairs and events, and a significant additional investment for a multi media campaign is not necessary.

Prepared by:



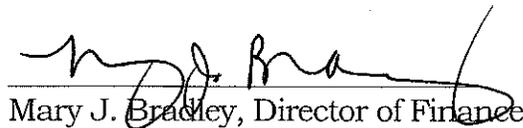
Jack Witthaus, Transportation and Traffic Manager

Reviewed by:



Marvin A. Rose, Director of Public Works

Reviewed by:

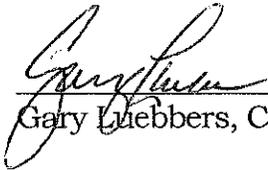


Mary J. Bradley, Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Gary Liebbbers, City Manager

BUDGET SUPPLEMENT NO: 4

May 21, 2009

SUBJECT: Planning Commission Training Budget

BUDGET SUPPLEMENT REQUEST SUMMARY

This budget 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.

BACKGROUND

In previous years Council policy allowed one conference per board/commissioner and up to two conferences for Planning Commissioners. Planning Commissioners were encouraged to attend the Planners Institute. In the early 2000s funding for training (including this conference) was severely cut to address ongoing budget concerns. After a request by the Planning Commission, the City Council added funds to the FY 2008/2009 Land Use Planning Program budget that would enable all the commissioners to attend the conference during this current fiscal year.

EXISTING POLICY

Council Policy 7.2.19 Boards and Commissions

“Conferences are conducted periodically by outside groups to assist members of boards and commissions in meeting their respective responsibilities more effectively. The City’s interests are often served by participation in the educational and training programs offered at the conferences. Each member of City boards and commissions may attend related training and/or conferences, provided that the conference subject matter pertains directly to the function of the board and commission and that funds for this purpose have been budgeted. “

DISCUSSION

The Planning Commission submitted a budget issue request for FY 2009/2010 that would enable all Planning Commissioners attendance at the Planner’s Institute next spring. Planning Commissioners have indicated the conference is extremely valuable as conference sessions cover a breadth of training specific to Planning Commissions and policy makers. The purpose of this conference is to bring Planning Commissioners and planners up to date on recent law changes, trends in planning and common issues faced by communities in California.

The Planning Commission request was for \$10,000 to fund conference registration, hotel and food, as well as travel to the conference. The Land Use Planning Budget already has \$3,045 for Planning Commission training. An additional \$6,955 would be sufficient to enable all commissioners to attend the conference. In recent years some of the commissioners have not been able to attend this conference, but have attended other training. Because this is an annual conference, the scope of the original budget issue submission was increased to request an ongoing increase in funding, instead of just funding FY 2009/2010 conference attendance.

SERVICE LEVEL IMPACT

An immeasurable increase in service level could be expected through additional training of Planning Commissioners.

FISCAL IMPACT

This supplement is for an additional \$6,955 (to bring the total training and conference budget to \$10,000) in funding for Planning Commissioner training annually. This represents an increase over the 20-year long-term plan of approximately \$175,000.

Due to the City's current fiscal situation, which includes a significant annual structural deficit, increasing the funding for Planning Commissioner training will result in the need for additional cuts elsewhere. These cuts have been considered in the ongoing fiscal strategies that the City Manager has incorporated into the FY 2009/2010 Recommended Budget.

ALTERNATIVES

1. Approve a budget supplement of \$6,955 annually for Planning Commission training.
2. Approve a budget supplement of less than \$6,955 annually for Planning Commission training.
3. Do not approve a budget supplement for Planning Commission training.

STAFF RECOMMENDATION

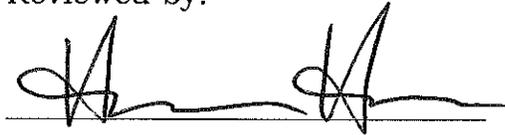
Staff recommends Alternative 1: approve a budget supplement in the amount of \$6,955 annually for Planning Commission training. The commissioners are expected to know about and understand a number of complex land use and development issues and laws. This conference provides training on these subjects and offers sessions on effective meetings and community outreach.

Prepared by:



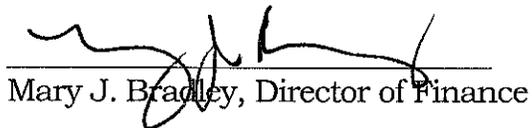
Trudi Ryan, Planning Officer

Reviewed by:



Hanson Hom, Director of Community Development

Reviewed by:

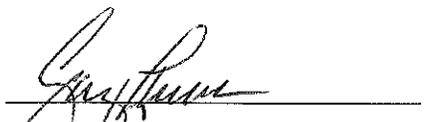


Mary J. Bradley, Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Gary Luebbers, City Manager

BUDGET SUPPLEMENT NO: 5

May 21, 2009

SUBJECT: Electronic Utility Bill Presentment and Payment

BUDGET SUPPLEMENT REQUEST SUMMARY

The City of Sunnyvale Utility Billing, Collection, and Revenue Management Program in the Department of Finance is requesting approval of Budget Supplement No. 5 to provide \$80,000 in one-time funding and \$8,000 per year in ongoing funding to design and implement fully-featured web access that allows customers to view utility bills, access billing and payment history, and make electronic bill payment.

BACKGROUND

The City of Sunnyvale Utility Billing, Collection, and Revenue Management Program (the Program) in the Department of Finance is responsible for the billing and collection of revenue for the City's three public utilities (solid waste management, water supply and distribution, and wastewater management). A significant portion of the Program's operation is responding to billing inquiries, collecting receivables and processing utility payments from the City's residential and commercial utility customers.

Currently, the Program handles approximately 35,000 customer contacts annually both over the phone and in person. The Program also sends approximately 195,200 utility bills a year, and receives and processes approximately 198,500 payments a year. These payments come via check payments received by mail and over the counter, credit card payments by phone and over the counter, electronic payments (payments received through customer's bank web sites) and direct debit bank draft (ACH).

The Program is focusing on implementing cost effective technological improvements over the next five years. The intent is to allow the program to absorb the impacts of service changes and increasing demands for services. This mission is supplemented by the Program's efforts to improve customer service through the provision of information to customers, with the next logical step being the implementation of Electronic Bill Presentment and Payment (EBPP).

EXISTING POLICY

Fiscal Sub Element Goal A.3.3 states that "An emphasis should be placed on achieving maximum work productivity to ensure an optimal allocation of human and fiscal resources for Council approved services and programs."

Utility Billing, Collection, and Revenue Management Program Measure P2. Collection of utility revenues will be maintained at 99% of Total Utility Revenues Invoiced. EBPP will provide another venue for payment and extend options for making last minute payments. The City's collection rate is tracking very high at over 99% of revenues invoiced. This change is intended to maintain that very high level.

Utility Billing, Collection, and Revenue Management Program Measure P4. Customer service surveys rate utility billing customer service as satisfactory or higher. Staff anticipates that results will improve in this area as there is a demand for this service. Staff hears regularly from the City's customers that they feel the City is behind in providing this service.

Utility Billing, Collection, and Revenue Management Program Measure C4. The annual cost to process, print, and distribute utility bills will be less than or equal to the planned cost. To the extent that the City is able to push bills via email, cost for paper and postage will be reduced.

DISCUSSION

Customer demand has increased for the City to provide fully-featured web access that allows customers to view bills, access billing and payment history, as well as make electronic bill payment. Furthermore, customer demand has increased for email presentation and payment (eBill), the option to securely deliver bills and offer payment options via email. In fact, a recent survey by CheckFree, a large payment processing company, found that 69% of U.S. online households are paying at least one bill online.

The City's current utility billing system vendor, Sungard Public Sector, offers a front end solution providing a gateway to customers with interactive web access to utility services, as well as the ability to pay their utility bills over a secure Internet connection using a credit card. Staff will evaluate this product and compare it to other products. Once a decision is made, staff will move forward with implementation anticipated for FY 2009/2010.

SERVICE LEVEL IMPACT

The increasing trend towards internet payment has been driven by customers who want the convenience and time savings associated with being able to access and view their bills and remit payment online. The convenience offered through EBPP is attractive to the City's customers and is an improvement in service for a number of reasons. With EBPP, customers will realize the following benefits:

- The ability to review bills and make payments when they want, 24 hours a day at the thier convenience

- Direct control over the timing and amount of the payment
- Simplification of bill payment processing and record retention
- Centralizing and streamlining of all bill payment functions and storage on the customer's computer
- Reduction or elimination of paper filing and storage
- A savings on the cost of checks, postage and envelopes

This service also benefits the City's operations in this area. With EBPP, the City has the opportunity to:

- Improve customer service
- Leverage the delivery power of the Internet to provide and promote services
- Integrate with the existing utility billing and payment system, reducing time and expense processing payments
- Reduce printing and mailing expense
- Reduce paper expense and waste
- Improve cash flow and posting time

FISCAL IMPACT

The cost to design and implement this project will not exceed a cost of \$80,000 in one time costs, with an additional \$8,000 per year in hardware and software maintenance costs. This estimate is based on the cost for the solution provided by the City's current utility billing software provider, Sungard Public Sector.

Funds are available in the City's Water, Wastewater, and Solid Waste Enterprises. Staff recommends that both the initial and ongoing funding be based on the percentage of revenue collected by each enterprise as follows:

	Water Enterprise (30%)	Wastewater Enterprise (30%)	Solid Waste Enterprise (40%)	Total
Initial Funding	\$24,000	\$24,000	\$32,000	\$80,000
Ongoing funding	\$2,400	\$2,400	\$3,200	\$8,000
Total	\$26,400	\$26,400	\$35,200	\$88,000

There will be additional costs to the city for credit card fees and other bank fees for accepting payments on line. These fees are typically a percentage of the transaction and are therefore difficult to project. The cost impact of these fees will be partially offset by reduced bank fees for processing checks. The remainder could be recovered through the application of a "Convenience Fee" charged to the customer at the time of the transaction. The City currently does this for over the phone credit card payments, charging 3% of the total. Alternately, the cost could be absorbed under the assumption that a customer who subscribes to and pays their bill on line is in fact reducing cost to the City by avoiding the need to print and send a utility bill.

Staff will make an effort to promote this service through utility bill stuffers and through encouraging new and existing customers to sign up as they call in to start, change, or inquire about their utility account.

ALTERNATIVES

1. Approve Budget Supplement No. 5 to fund electronic utility bill presentment and payment.
2. Do not approve budget supplement No. 5

STAFF RECOMMENDATION

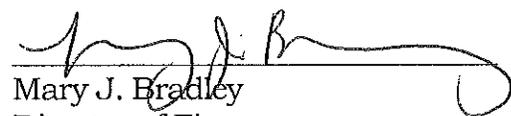
Staff recommends approval of Budget Supplement No. 5 to fund electronic utility bill presentment and payment.

Prepared by:



Timothy J. Kirby
Revenue Systems Supervisor

Reviewed by:



Mary J. Bradley
Director of Finance

City Manager's Recommendation

- Approve Budget Supplement for funding
- Do Not Approve Budget Supplement for funding



City Manager

BUDGET SUPPLEMENT NO: 6

May 21, 2009

**SUBJECT: Outside Group Funding Request from Silicon Valley
Leadership for Leadership Sunnyvale Program**

BUDGET SUPPLEMENT REQUEST SUMMARY

Silicon Valley Leadership (SVL), an independent, non-profit community-based organization that provides leadership and public affairs training to Sunnyvale community members, has submitted an outside group funding request to continue providing its Leadership Sunnyvale program. Approval of this request would provide \$8,000 to SVL, which has received supplemental funding through the City's Outside Group Funding Program since FY 2003/04.

BACKGROUND

Prior to 1999, the Sunnyvale Chamber of Commerce administered the Leadership and Education Foundation, which ran the Leadership Sunnyvale Program. In June 1999, Sunnyvale Leadership Development Institute (SLDI) was formed as an independent 501(c) 3 organization and took over administration of the Leadership Sunnyvale Program. In 2003, SLDI changed its name to Silicon Valley Leadership (SVL). The organization has received funding support from the City's General Fund for the Leadership Sunnyvale Program since FY 2003/04. The City's financial support for SVL and the number of Sunnyvale's residents and/or staff who have been served by the program are included in the following table:

Fiscal Year	City Funding	Total Number of Sunnyvale Residents and/or Staff Served
FY 2008/09	\$8,000	22
FY 2007/08	\$8,000	23
FY2006/07	\$8,323	19
FY2005/06	\$10,000	15
FY2004/05	\$7,000	22
FY2003/04	\$5,000	21

A separate *Agreement Between the City of Sunnyvale and SVL* supports SVL for Leadership Sunnyvale through the use of City facilities valued at approximately \$5,000, City staff presentation support, and a commitment to enroll one City staff member in Leadership Sunnyvale at a tuition rate of \$1,600. The agreement became effective on July 1, 2008, and expires June 30, 2010. (See Attachment A: *Agreement between the City of Sunnyvale and SVL*).

EXISTING POLICY

Community Engagement Sub-Element:

Goal 7.2B – Achieve a community in which all community members can be actively involved in shaping the quality of life and participate in local community and government activities.

Policy 7.2B.1 – Provide opportunities for and encourage community involvement in the development and implementation of City and community policies, activities, programs and services.

Socio-Economic Sub-Element

Council Policy 5.1.3 – Human Services

Council Policy 7.2.4 – Relationships with Outside Groups

City policy addresses outside group funding in several areas. The Socio-Economic Sub-Element deals with agencies that address the scope of human needs in the City as they relate to health and social welfare. Nonprofit agencies that meet identified human services needs are funded through the use of federal Community Development Block Grant (CDBG) monies and at the discretion of Council to provide supplemental City funding.

The Relationships with Outside Groups (RWOG) Council Policy provides a consistent approach, via a Special Agreement, for all non-CDBG-eligible groups to seek City funding support. Organizations that do not qualify for CDBG funding are defined as those that do not provide supportive services to a specific group of people, at least 51 percent of whom have low to moderate incomes. Groups eligible for supplemental support via the RWOG policy are those that:

“... provide a community service, or promote an informed interest in the City’s objectives, services, facilities and programs for the benefit of its residents and businesses, and/or have [as their] purpose the raising of funds and provision of financial support for the City’s programs, and comply with the First Amendment, pertinent federal and state laws, as well as City ordinances.”

The RWOG policy does not specify funding criteria or cite a funding source.

DISCUSSION

SVL requests \$8,000 in funding support for FY 2009/10 to support Leadership Sunnyvale, which is “a nine-month intensive public affairs and leadership training program that allows participants to expand their perspective of issues affecting the community and to enhance the skills needed to become more effectively involved in civic and community-based affairs.” The proposal states that Leadership Sunnyvale anticipates providing service to at least 15, but no more than 30 Sunnyvale residents and/or City staff in FY 2009/10. (See Attachment B: *Leadership Sunnyvale Funding Proposal*).

Leadership Sunnyvale trains community members in leadership skills and effective civic engagement. The program seeks to develop an expanding base of knowledgeable citizens and civic leaders who are well-equipped to serve the City on boards and commissions, as well as effective participants and leaders of community organizations.

SERVICE LEVEL IMPACT

Since FY2003/04, the City has provided General Fund support for Leadership Sunnyvale in accordance with the City’s Outside Group Funding program. SVL’s leadership training activities are consistent with the City of Sunnyvale’s Community Engagement Sub-Element, but are neither offered by the City nor incorporated into currently budgeted service levels. As a result, there would be no impact to currently budgeted service levels. General fund support for SVL leverages City resources for leadership training in the Sunnyvale community.

FISCAL IMPACT

Competing for Outside Group Funding are a variety of groups providing social services, recreational services and community engagement. Approval of Budget Supplement No. 6 would earmark \$8,000 for SVL to continue Leadership Sunnyvale in FY 2009/10. The budget supplement of \$8,000 would be identified in the General Fund for reimbursement to SVL for services provided.

Should Council approve SVL’s funding request, staff would amend the current agreement between the City and SVL to include the designated funding level for the FY 2009/10 Leadership Sunnyvale Program.

Due to the City’s current fiscal situation, which includes a significant annual structural deficit, providing funding for SVL will result in the need for additional cuts elsewhere. These cuts have been considered in the ongoing fiscal strategies that the City Manager has incorporated into the FY 2009/2010 Recommended Budget.

ALTERNATIVES

1. Do not approve the SVL funding request for \$8,000 of Outside Group Funding for FY 2009/10.
2. Approve the SVL funding request for \$8,000 of Outside Group Funding for FY 2009/10.
3. Approve a reduced funding amount of \$6,000 of Outside Group Funding for SVL for FY 2009/10.
4. Other direction as provided by Council.

STAFF RECOMMENDATION

Staff recommends alternative number three; approve reduced funding in the amount of \$6,000 of Outside Group Funding for SVL for FY 2009/10. In this economy, the City must make difficult choices regarding use of General Fund monies and cannot justify continued full funding of this particular program when core City functions are being reduced. Further, staff also recommends that SVL continues to receive in-kind support services as outlined in the *Agreement Between the City of Sunnyvale and SVL*. In-kind support includes use of City facilities valued at approximately \$5,000, City staff presentation support, and a commitment to enroll one City staff member in Leadership Sunnyvale at a tuition rate of \$1,600. The City supports efforts by SVL to develop the leadership potential that exists within the Sunnyvale community and generate an expanding base of knowledgeable citizens and future leaders to more effectively deal with a wide range of civic issues. A knowledgeable and engaged citizenry is a benefit to all communities and Sunnyvale is fortunate to have a community-based program providing this service.

Prepared by:



Patricia Lord, Community Resources Manager

Reviewed by:



Robert Walker, Assistant City Manager

Reviewed by:

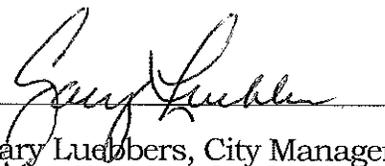


Mary J. Bradley, Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Gary Luebbers, City Manager

Attachments

Attachment A: *Agreement between the City of Sunnyvale and SVL*

Attachment B: *Leadership Sunnyvale Funding Proposal*

BUDGET SUPPLEMENT NO: 7

May 21, 2009

SUBJECT: Junior Achievement K-12 Education Program

BUDGET SUPPLEMENT REQUEST SUMMARY

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. Volunteer role models teach the programs during the school day, sharing experiences and exposing students to a cross-section of careers. JA's Classroom programs are offered at each grade level enhancing the regular school curriculum with business, economic education and workforce readiness programming including problem solving, teamwork and critical thinking. Staff does not support this budget supplement request.

BACKGROUND

Junior Achievement is the only program in existence with a comprehensive K-12 curriculum teaching young people about business, economics and workforce readiness through business and community volunteers helping in the classrooms on a continuous basis, with a defined curriculum. It is anticipated that over 150 role models from business and the community will annually teach over 2,500 Sunnyvale youth Junior Achievement curriculum, providing them essential skills for the world of work.

Since JA does not qualify to apply for Community Development Block Grant funding, which is defined as those organizations that provide supportive services to a specific group of people, at least 51% of whom have low to moderate incomes, their request is being submitted as a budget supplement for consideration.

EXISTING POLICY

Community Development Strategy – Goal: Work with those agencies responsible for education and job training so as to better prepare our workforce for the future jobs of Silicon Valley.

Socio-Economic Sub-Element Policy 5.1H.8 – Encourage programs that assist at-risk youth in obtaining an education and learning job skills.

DISCUSSION

JA's education program fits with Activity 526440 (Sponsor Training Sessions for Youth and Families on Relevant Youth and Family Issues) in Program 526

(Youth, Family & Child Care Resources). Both JA's program and this activity aim to provide direct education to youth on topics and issues not discussed within the education curriculum delivered through the schools. Examples of topics include: financial literacy to youth and/or parents, the connection between education and being competitive in today's labor market, building student's self-confidence, conflict resolution skills, etc.

JA's program leverages resources by serving an estimated 2,500 students with \$10,740. Their service model leverages resources by training and using volunteers to deliver their education program in over 100 classes in multiple schools in Sunnyvale.

For FY 09/10, Activity 526440 does not have monies budgeted to absorb JA's request of \$10,740. There are 170 staff hours and \$1,000 for professional services budgeted to serve an estimated 150 participants. Staff plans to partner with community organizations and other partners so workshops will be offered as an in-kind service to the City or at a reduced rate, paid for through the \$1,000 budgeted.

SERVICE LEVEL IMPACT

A product in this activity is defined as a student who attends a workshop/training. JA proposes to serve 2,523 students in 106 classes throughout various elementary, middle, and high schools in Sunnyvale.

FISCAL IMPACT

If JA is funded as a one-time cost to provide the program in FY 09/10, the budget impact will be \$10,740 for one year.

ALTERNATIVES

1. Fund JA Program as a one-time cost of \$10,740 to provide the program in FY 09/10. JA proposes to serve 2,523 students in 106 classes throughout various elementary, middle, and high schools in Sunnyvale.
2. Fund JA Program at a level reduced from what was proposed by JA.
3. Do not fund JA Program.

STAFF RECOMMENDATION

Staff recommends against funding. JA provides a positive service to community youth, and has done a great job of leveraging City funding support in the past (more than 2,000 children served for approximately \$10,000). However, staff would 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).

Prepared by:



Angela Chan, Youth and Family Resources Manager

Reviewed by:



David Lewis, Director, Department of Community Services

Reviewed by:



Mary J. Bradley, Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Gary Luebbers, City Manager

BUDGET SUPPLEMENT NO. 8

May 21, 2009

SUBJECT: Community Event Funding Support

BUDGET SUPPLEMENT REQUEST SUMMARY

This budget supplement request for \$30,000 would provide funds to support citywide community-initiated special events. Should such funding be approved, general guidelines for acting on specific requests for financial support of community events would be implemented in accordance with a Council policy established on September 25, 2001 with RTC 01-329.

BACKGROUND

Special events such as parades, fairs, carnivals, block parties, festivals, public dances, shows and concerts are an important part of a healthy and vibrant community. Special events provide opportunities to celebrate the City's diversity, heritage and uniqueness, allowing community members the occasion to interact and strengthen a sense of community and neighborhood identity, and foster an additional channel for economic prosperity.

In September 2000, staff presented a Study Issue Report to Council No. 00-315, *Consideration of Ways to Promote Non-City Sponsored Cultural Events*. The focus of the study was primarily one-time events planned and carried out by individual groups. While staff's intent during the study issue was to consider low- or no-cost alternatives for promoting special events, one avenue of event promotion included City funding for special events. Staff was directed to establish a policy for funding special events, and establish an annual funding process for considering requests for event assistance.

In June 2001, the City Manager submitted, and Council approved, a recommended annual budget of \$25,000 for community event grant support. On September 25, 2001, RTC 01-329, *Consideration of Ways to Promote Non-City Sponsored Community Events*, established the funding process and guidelines. As approved by council, the Community Event Grant Funding Program included: eligibility criteria, evaluation process, evaluation criteria, and criteria for administration of funds.

In addition, staff was directed to establish a point of central coordination for all community event permits and work with an interdepartmental team to consolidate and refine the City's community event permit procedures.

The Community Event Grant Funding Program was launched in FY 2001/02. To assure that all applications for City funding received due consideration and to ensure Council was provided with the information needed to make its funding decisions, the evaluation process stipulated the recommendations of the review team would be forwarded to the city manager. The city manager would evaluate recommendations of the review team and then recommend to Council which events should be funded and at what level.

On March 26, 2002, staff presented their recommendations to Council, RTC #02-098. A total of 13 applications were submitted with funding requests totaling \$101,605. At that time, Council directed staff to approve funding for six organizations for a total of \$14,960. Council directed that the remaining funding be carried over to the 2003 Community Events Grant Program budget.

On April 29, 2003, with RTC #03-152, staff presented a list to Council of recommendations for the 2003 community event grant funding applications. A total of seven applications were submitted with funding requests totaling \$40,973. Council directed staff to approve funding for four community events for a total of \$21,850.

During the **2003** budget reductions, the Community Event Grant Program was **eliminated**.

In December 2004, Council identified *Explore Community Support for Community Events*, as the Office of the City Manager's (OCM) highest ranking 2005 study issue. The issue was initiated by the city manager in response to Council's continued interest in developing Sunnyvale's sense of community.

On March 26, 2006, RTC #06-090 *Explore Community Support for Community Events (Study Issue)* was presented. Council approved policy on special events which:

1. Consolidates and clarifies the City's special event policies;
2. Encourages private sponsorship of events in alignment with Council policy from organizations inside and outside the community;
3. Identifies the manner in which the City supports events conducted by other organizations;
4. Enables private sector support for City-owned events through the increased use of sponsorships;
5. Encourages the City to explore participating in the formation of community associations, or other nonprofit entities, to support or manage community events.

On January 25, 2008 at the Study Issues Workshop, Council reviewed OCM Item 10, *Consider Providing Financial Support to Sunnyvale Downtown Association for "SunFest" Special Event*. The Executive Director of the Sunnyvale Downtown Association requested the City "consider an economic development budget issue allocation of \$196,000.00 for 2008" to be used for downtown projects and events. The proposed *SunFest* study issue prompted a budget supplement request to provide funds, through the dormant community event grant program, to support citywide community-initiated special events.

On June 3, 2008, RTC 08-176, Council approved Budget Supplement #3, Community Event Funding Support, to provide one-time FY 2008/2009

funding in the amount of \$30,000 to support citywide community-initiated special events.

EXISTING POLICY

Many policies, goals and action strategies in the Arts, Heritage Preservation, Recreation and Open Space, Community Design and Community Engagement Sub-elements lend policy support to the City in fostering community events.

Council Policy 7.2.18 Special Events

Community Engagement Sub-element

Policy C.2 – Encourage celebrations which help to create a strong, positive community identity and recognize cultural diversity.

Social Economic Sub-element

Policy 5.1B3 – Monitor the effect of City policies on business development and consider the effects of the overall health of business within the City.

DISCUSSION

Sunnyvale has a long-standing practice and commitment to community events. In recent years constrained City budgets have challenged event financing, resulting in a fiscally conservative approach to community events.

Over the years, Sunnyvale's City Council has had a continuing conversation about community special events. A review of the City's General Plan and Council reports on special events over the years yields the following themes:

- Citywide special events play an important role in the balanced delivery of leisure and cultural services;
- The City is committed to assuming a leadership role in the community event application process to ensure safe and successful events;
- Community service organizations serve as a valuable resource in planning, organizing and implementing special events;
- Since the FY 2003/04 budget crisis, event costs have needed to be constrained;
- The City's role and involvement should be clearly defined for each special event.

These themes are consistent with the following actions the City has taken to control event costs while facilitating the process for organizations seeking to hold events:

- 2001: Council directed staff to develop a grant funding program for special events, and allowed other organizations to use the City's banner spaces, if available, to promote their events. The banner program continues in place today.
- 2004: Staff streamlined the event application process with the introduction of a "One Stop" Community Events Coordinator and a comprehensive, online event application form.
- 2005: Council approved a neighborhood grant program which can be used by neighborhood groups for community-building activities and projects. The program was launched in 2006 and continues in place today with a total annual budget of \$10,000.
- 2008: Council approved the budget supplement request for \$30,000 to provide funds for FY 2008/09 to support city-wide community events, to be reviewed on an annual basis.

The City provides resources to assist community event organizers with advance planning to ensure a safe and well-organized event. The Office of the City Manager coordinates the community event application process as the central contact point for community event organizers. Many City departments, including Parks and Recreation, Public Works, Public Safety and Community Development commit staff time and resources to assisting event organizers with obtaining the necessary permits and conditions of approval for their events.

Sunnyvale has a long tradition of supporting special events; Council and staff have worked to support all types of community-building events. However, given recent budget cuts, the City has been forced to re-examine its ability to support events at the same levels as in the past.

Should funding be approved, community event funding requests will be considered on an annual basis via a competitive application process consistent with the Council-approved guidelines.

SERVICE LEVEL IMPACT

Approval of this budget supplement will result in an increased level of service to the community by providing opportunities for financial support to conduct city-wide special events. It is estimated, based on the administration of the Neighborhood Grant Program and the Special Event Grant Funding Program in 2008/09, approximately 100 hours of staff time would be required to provide a Special Event Grant Program. Staff time would be needed to develop and manage the grant program. Activities would include: create promotional materials for applications and guidelines of the grant program, coordinate an evaluation and selection process, prepare a Report to Council for councils'

determination of award recipients, and oversee the distribution of funds. The cost per hour for a Seasonal Professional is currently budgeted at \$43.65 per hour. The budget supplement funding request would be based on \$4,365 for staff time and \$25,635 for grant funding, both for one year.

FISCAL IMPACT

An estimated 100 hours of staff time would be needed to administer the Special Event Grant Funding Program. Depending on the number of grant requests and review time involved, additional resources may be required in the future if the estimated 100 hours are inadequate.

Resources will also be needed for printing and postage associated with outreach materials and administering the grant application process. These resources are available through existing budgets but may need to be increased in the future depending on the level of demand for such services.

If this funding were to be made available on an ongoing basis, the estimated cost impact would be approximately \$750,000 over the 20-Year Long-term Financial Plan.

ALTERNATIVES

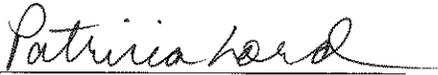
1. Approve the budget supplement request for \$30,000 to provide funds to support city-wide community events, to be reviewed on an annual basis.
2. Approve the budget supplement request for \$30,000 to provide annual funds to support city-wide community events as part of the long-term financial plan.
3. Do not approve the budget supplement request for \$30,000 that would provide funds to support city-wide community events.
4. Other direction as provided by Council.

STAFF RECOMMENDATION

Staff recommends alternative number three; do not approve the budget supplement request for \$30,000 that would provide funds to support city-wide community events. The community event grant program was initiated in 2001, but not sustained more than two years, due to budget constraints. An even more dire financial condition exists today. With core service delivery the City's highest priority and cuts in the general fund of an estimated \$4 million soon to occur this difficult recommendation must be considered. The program was approved for fiscal year 2008/2009, to be reviewed on an annual basis. The long-term financial impact of the special event grant program exceeds \$750,000. The City of Sunnyvale encourages celebrations which help to create a strong, positive community identity and recognize cultural diversity. Staff time and City resources will continue to be expended in processing community

event applications and working with event organizers to ensure safe and well-organized, successful events funded by the community.

Prepared by:



Patricia Lord, Community Resources Manager

Reviewed by:



Robert Walker, Assistant City Manager

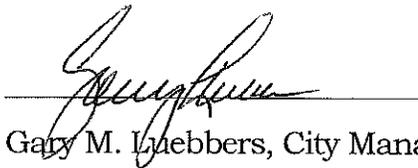
Reviewed by:


Mary J. Bradley, Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding


Gary M. Luebbers, City Manager