



Recommended Budget and Resource Allocation Plan

City of Sunnyvale, California – Fiscal Year 2016/17

Volume I

Summary & Operating Budget



**City Manager's
Letter of Transmittal**



CITY OF SUNNYVALE

Memorandum

DATE: May 5, 2016

TO: Mayor, Councilmembers and Residents of Sunnyvale

FROM: Deanna J. Santana, City Manager

SUBJECT: Fiscal Year 2016/17 Recommended Budget for the City of Sunnyvale

I am pleased to present the FY 2016/17 Recommended Budget and 20-Year Resource Allocation Plan. This Recommended Budget balances the resource demands for core operations, City Council's strategic policy priorities, personnel costs, strategic investments, and the increasing demand for services from the community. It also provides new tools to respond to opportunities or address current issues that can no longer be deferred, setting the groundwork for an even more nimble and proactive organization that is positioned to continue to provide high-quality service in a modern, thriving, and active community. City staff had four goals while developing this Recommended Budget:

1. Carefully reflect the benefits of the strong economy with thoughtful and reasonable revenue growth projections that provide a sustainable resource base to make strategic investments, while maintaining our high-quality services and fiscal prudence.
2. Make investments in internal service departments to improve "backbone" support to externally focused departments that serve our community.
3. Invest in mission critical information technology systems.
4. Provide a foundation to fund future increases in total compensation costs for employees.

Sunnyvale's economic climate and fiscal condition are complex. On the one hand, Sunnyvale continues to be at the forefront of a strong state-wide economic recovery led by the Bay Area region. Businesses in the city are creating jobs, the economy is active, and unemployment is low. The City is on solid financial footing with a growing real estate market impacting property tax revenue in a significant and positive way. We are fortunate to experience this additional revenue during growing demand for resources and unanticipated cost increases. In this very complex economic context, we remain cautious as new revenues are quickly consumed by deferred investments that require immediate action to sustain core operations or cost escalations that are not necessarily within our control. That said, the Recommended Budget allows for some opportunity for investment in key service areas, but largely this budget has focused on stabilizing the City's primary information technology systems (\$15.7 million investment) and increasing pension costs (\$167+ million investment). As such, this requires the consideration of policy trade-offs, limited-term budgeting to pilot new services, and is placed in the context of the broader unfunded needs of the City. I believe that with this budget we have done a great job of

balancing these conditions under the circumstances we are facing to provide the best and most strategic set of resources to serve our community, while cautious and mindful of growing expenditures.

We are fortunate that the City Council has had the wisdom to establish policy priorities and has held several strategic sessions where, through a deliberative process, we have advanced each of them. In acknowledgement of our operational priorities and limited capacity, Council adopted the following policy priorities:

- Civic Center Campus and Main Library
- Ability of Infrastructure to Support Development and Traffic
- Open Space Acquisition Planning: Future of Golf Courses
- Downtown Sunnyvale
- Improved Processes and Services through the use of Technology

The Recommended Budget advances each of these priorities, applying resources both at a high level and on a very specific and targeted basis. Examples include: continued effort to identify a path forward on the Civic Center based on pending results from public opinion polling and potential Council action; targeted funding for projects that address infrastructure deficiencies, especially in transportation infrastructure; resourcing the golf courses to put them on a path to success; continued resources to make progress on the downtown; and investment in the City's technology services.

Investing Strategically to Address Increasing Demand and Strengthen Sunnyvale's Internal Service Departments

The Recommended Budget provides for investments in internal service departments to address increasing demands for service from the community. Examples include additional staffing resources for development-related services, permanently adding staff to meet the growing demand for care management services, very limited resources to continue implementation of the City's Climate Action Plan goals, and more.

During the recession, some of the hardest hit areas of the City's business operations were the internal service departments. Those departments remain under resourced and face significant infrastructure challenges. This is not unusual, as in tough times limited resources are generally preserved to focus on maintaining externally focused departments to preserve services levels for the community. However, the combination of deferred investment and growing service demand calls for investment in our internal service departments, advancing service innovations, and making strategic changes to align to community service trends. Given the deferred investments in these departments over the years, we are challenged with advancing the organization while keeping up with service demands due to insufficient staffing or resources (e.g. procurement, hiring, and training). The Recommended Budget begins to resolve this concern.

The Recommended Budget invests an additional \$15.7 million in technology initiatives including a new Enterprise Resource Planning Solution, permitting system, and Public Safety records management system. Funding not only includes the cost of acquisition of these systems, but staffing and resources to properly implement the systems. Another investment made in our internal service departments includes the addition of a Buyer for

the Purchasing Division in the Finance Department, which is heavily impacted by increased infrastructure renovation activities. Finally, resources and staffing have been added to the Human Resources Department in support of employee development, recruitment/retention, succession planning, wellness, recruitment, and training efforts. These investments are essential to developing and maintaining a quality workforce and advancing service demands and policy priorities.

Ensuring Stable and Sustainable Employee Compensation, at a Time of Significant Increases

Another important area to highlight in the Recommended Budget is employee total compensation. The City continues to face growing personnel-related expenses and long-term liabilities. Recognizing that our workforce is our most important asset and working collaboratively with our bargaining units over the past several years, we have made considerable progress towards sustainable compensation costs. Contributions made by our employees, such as moderated increases in salaries and increases in employee-paid pension contribution rates have been critical to stabilizing the City's finances and maintaining service levels. Unfortunately, due to poor investment returns last year and in the current year, current actuarial information suggests that CalPERS will need to again increase the employers' pension contributions. While this Recommended Budget includes a plan to resolve the projected \$167+ million of increased pension expenditures, it does so by using ongoing revenue and reserves while postponing investment in areas that were originally slated for funding. The City will need to continue to work with bargaining units and develop fiscal measures that alleviate salary and benefit expenditures. More details are provided in the budget highlights section of this Recommended Budget Message.

Identifying Unfunded Needs and Service Trade-offs and Buy Backs

As part of the development of the FY 2016/17 Recommended Budget, I initiated a process to identify potential adjustments to service levels and unfunded needs (e.g. programs, projects, and infrastructure). Departments were tasked to bring forward potential adjustments to service levels for my consideration that they felt aligned to service demand and begin the development of a list of unfunded needs. The latter is intended to be a dynamic and evolving document that captures funding priorities in a larger context and maintains the long-term vision for which Sunnyvale is so well known. The Recommended Budget also includes a series of 10 Budget Supplements that total \$4.2 million over 20 years, all of which impact the General Fund. Without any of these in place, the Recommended Long-Term General Fund Financial Plan reaches a low point in FY 2033/34 of approximately \$7.1 million in the Budget Stabilization Fund. If the Council opts to fund all the recommended budget supplements, the Budget Stabilization Fund is projected to be as low as \$3.3 million. Each of these supplements focus on areas that are responsive to the needs of the community; however, with the exception of only a few, the majority are discretionary in nature and, in most cases, are ultimately policy trade-offs against the Council's desire to maintain a Budget Stabilization Fund at a certain level. I've strategically reviewed each Budget Supplement and made a recommendation, identifying partial or limited term efforts where appropriate. To the extent that Council eliminates expenditures included in the Recommended Budget, identifies additional revenues, or draws reserves, Council can use those resources to add supplements, make service level adjustments, or begin to address unfunded needs.

In the following pages, the overview of the FY 2016/17 Recommended Budget provides greater detail by the key components: revenues, expenditures, and reserves. It also includes a section for Service Level Adjustments, Budget Supplements, and Unfunded Needs for the evaluation discussed above. For further information, *Volume I: Summary & Operating Budget* includes the 20-year financial plans for all funds and the operating budget by department. *Volume II: Projects* presents specific project detail by project category.

In summary, the FY 2016/17 Recommended Budget presents a balanced allocation of resources that maintains sufficient reserves to manage the volatility of our regional economy, and holds Sunnyvale's reputation for being strategic, prudent, and thoughtful in its long-term budgeting. It allows resources to continue advancing the policy priorities set by the City Council, invests in the internal service departments to better serve the community, and sustains service levels that our residents have ranked highly. While we will continue to be faced with challenges such as long-term compensation costs for our employees, inadequate technology, and aging infrastructure, with prudent fiscal planning and thoughtful deliberation on setting priorities, we are well positioned to address these issues. With patience, partnership, and persistence, along with a collective focus on providing the best for our community, we will find solutions to the challenges presented and continue Sunnyvale's strong tradition as a world class city.



Deanna J. Santana
City Manager

FY 2016/17 Recommended Budget Highlights

The FY 2016/17 Recommended Budget totals \$398 million and includes all City operations and project expenditures, as well as withdrawals and contributions to the City's reserves. Citywide budgeted expenditures are funded from multiple sources that include general taxes and revenues (the General Fund), restricted enterprise funds (Water, Wastewater, Solid Waste, Development Enterprise and Golf and Tennis), restricted special revenue funds such as Housing, Park Dedication and Gas Tax, and grant funding which include transportation related grants for capital projects and federal and state workforce grants for employment development. Restricted funds make up over half of the budget.

The City's General Fund, which accounts for 41% of the citywide budget, has proposed expenditures of \$165 million. The General Fund is balanced over the twenty-year financial plan with a Budget Stabilization Fund Reserve that ends with \$6.3 million in the twentieth year. The Budget Stabilization Fund is used strategically over the twenty-year planning period to ensure we provide a stable and consistent level of service over the long term and remain fiscally sustainable.

The Budget Stabilization Fund serves to provide flexibility to invest in services, deal with unexpected events, or absorb the impact when budgetary assumptions do not come in as planned. This is an important factor given two significant vulnerabilities in the General Fund long-term financial plan. First, several of the major revenue sources in the General Fund are highly volatile and heavily impacted by economic cycles. We are also budgeting at a time when several revenues appear to be at high-growth levels. While we have taken care to budget to historical growth averages over the long-term plan, the City has experienced years of slow revenue growth and dramatic revenue reductions during the last 20 years.

Second, in the context of more complex economic cycles, personnel expenditures have also become less predictable with growing focus on corrective action for pension sustainability and related directives that assume significant expenditures. As such, this budget includes projected increased costs for pension contributions totaling \$167 million over a twenty year planning period. However, the budgeted personnel cost assumptions may not be reflective of future increases in personnel costs given the City's long-term unfunded liabilities for pension and other post employment benefits. This, coupled with the need to remain a competitive employer in an improving economy puts additional pressure on the City's long term financial plans. Therefore, fiscal sustainability will have to be balanced with the totality of personnel costs, i.e., salaries and benefits. With these vulnerabilities in mind, funds from the Budget Stabilization Reserve should be used thoughtfully and strategically and, while this issue is resolved in this Recommended Budget for now, the City needs to vigilantly monitor this issue and develop additional fiscal measures to continue the City's fiscal sustainability and prepare for additional actions that the State may take relative to pension sustainability.

As part of the development of the budget, the City performs a detailed review of operations and projects in alternating years. For the FY 2016/17 Recommended Budget, the focus is on the two year operating budget. First and foremost, the Recommended Budget resolves two current requirements for investment: (1) \$15.7 million for antiquated information technology systems that are at a critical state, but not properly funded for replacement, and (2) \$167 million to stabilize our greatest asset, our workforce, and fund projected personnel costs (albeit additional fiscal impacts are projected). Upon assigning fiscal resources for the two priorities, all City operating budgets were updated and reviewed in detail for adjustments. Many existing budgets have increased reflecting the rising costs of doing business due to costs for materials and contract services. Additionally, costs have increased due to the rising demand for services. Requests for development services such as plan checking, building and fire inspections, and engineering review have been at record high levels. At the same time, a significantly higher number of public works construction projects are currently underway or in the pipeline than ever before. In addition, the Recommended Budget includes investments in several strategic areas, specifically in internal service departments, which provide backbone support to the City's externally focused departments. The FY 2016/17 operating budget for all funds totals \$262 million, up \$18.4 million or 7.5% from the FY 2015/16 Adopted Budget. Highlights are included below under "Major Operating Budget Highlights."

As FY 2016/17 is not a projects budget year, the projects budget is largely the same as presented in the FY 2015/16 Adopted Budget and Long-Term Financial Plan. The recommended budget includes a few changes based on Council

actions during FY 2015/16 with the exception of a few new projects that address Council strategic priorities. These are detailed in the “Projects Budget” section.

The FY 2016/17 Recommended Budget also includes ten Budget Supplements totaling \$4.2 million, which provide funding for a variety of services or initiatives. Detail is provided in the “Budget Supplements” section. These Budget Supplements require specific Council approval and the funding is included in the Recommended Budget. While all Budget Supplements are generally great concepts, staff proposes to fund some for a limited duration to learn more about the service before committing to funding them for a 20 year term. This is a fiscally prudent approach and leaves flexibility for decision making based on additional information on how successful these additional investments are with responding to the community’s demand for services. This is a departure from past practice, but warranted given the desire to remain fiscally flexible in future years.

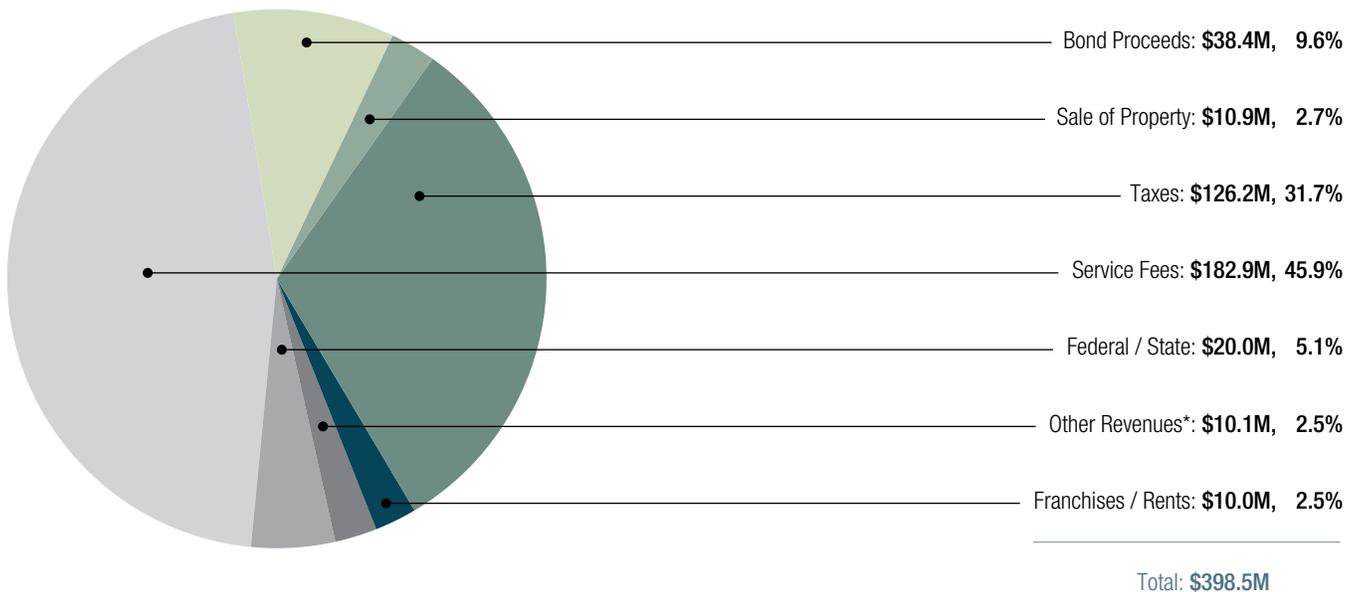
City’s Budget and Resource Allocation Plan

There are three key elements to the City’s budget and resource allocation plan that provide the financial picture of the City for both the short and long term: revenues, expenditures and reserves. The following sections discuss the highlights, key assumptions and changes included in this recommended budget for each of these elements. It is important to note these elements are budgeted into specific funds, such as the Park Dedication Fund and the Gas Tax Fund, primarily to ensure that revenues restricted to specific purposes are spent for those purposes. While the discussion here is not organized by fund, this important structure is reflected in the budget document with the presentation of twenty-year financial plans for each of the City’s funds. Detailed discussions about revenues, expenditures, and reserves by specific fund are included with the financial plans.

I. City Revenues and Resources

The City relies on many sources of revenues and the strategic use of reserves to fund services to the community at a stable and sustainable level. As Figure 1 shows, the largest revenue categories are taxes and service fees.

Figure 1. FY 2016/17 Recommended Budget/Revenues by Source



*Other Revenues include : interest income, fines / licenses /permits, miscellaneous revenues (ie: damage to City property, housing loan repayments), SMaRT Station Revs, reimbursement from the county, and other agencies’ contributions.

Taxes

Taxes, imposed by a government for the purpose of raising revenue to support governmental activities, are distinctly different from fees in that a tax does not need to be levied in proportion to the specific benefit received by a person or property. Therefore, almost all of the City's tax revenues are in the General Fund, the primary general purpose fund of the City. Taxes account for 80% of the total revenues in the General Fund, supporting many of the most visible and essential city services such as police, fire, road maintenance, libraries and parks maintenance. The one major tax revenue accounted for in a separate fund is the Gas Tax, which is levied and distributed by the State. Gas Tax funds must be spent on maintenance and capital projects related to public streets and highways. Figure 2 presents recent revenue received and projections for the top tax revenues.

Figure 2 – Top Tax Revenues

| Revenue Source | 2013/14 Actual | 2014/15 Actual | 2015/16 Budget | 2015/16 Revised Projection | 2016/17 Proposed Projection |
|-------------------------------|----------------------|----------------------|----------------------|----------------------------------|-----------------------------------|
| Property Tax | \$50,293,385 | \$54,940,570 | \$56,486,757 | \$61,748,736 | \$62,777,052 |
| Sales Tax | 30,194,827 | 29,676,176 | 31,947,169 | 30,352,481 | 31,698,678 |
| Transient Occupancy Tax | 10,858,671 | 14,137,069 | 11,397,216 | 16,383,291 | 14,471,479 |
| Utility Users Tax | 6,754,263 | 6,774,027 | 6,809,616 | 6,809,616 | 6,903,949 |
| Gas Tax | 4,568,727 | 3,717,503 | 2,599,579 | 3,102,861 | 3,023,610 |
| Construction Tax | 2,983,677 | 3,066,351 | 3,102,861 | 2,948,440 | 2,582,427 |
| Total Top Tax Revenues | \$105,653,550 | \$112,311,696 | \$112,343,198 | \$121,345,425 | \$121,457,195 |

The proposed revenues present an overall positive outlook in the short term, but also reflect the volatility in key tax revenue sources such as the Transient Occupancy Tax. As part of the development of the recommended budget, the current year projections are also updated. Based on year-to-date figures, we anticipate FY 2015/16 revenues to exceed actual returns in the prior year with the exceptions of gas tax and construction tax. Revised FY 2015/16 estimates for these revenues estimate a slight decrease from FY 2014/15. It is important to note that we are currently working on a Council Study Issue to modernize the utility users' tax ordinance. In May, staff will share polling results related to the modernization of the Utility User Tax (UUT) which may result in Council adding a UUT modernization ballot measure for voter approval on the November 2016 ballot.

Property tax revenue has continued to experience very strong growth. The increased revenue is due to bustling development activity in both the residential and commercial real estate markets. In particular, Sunnyvale home sales prices have hit record levels with an average sale price of \$1.1M. Revenues from the residential sector increased 8.7% in FY 2015/16 while the commercial/industrial sector experienced 14.1% growth. While growth was forecast in the FY 2015/16 Adopted Budget, actual growth is higher than these estimates and therefore, the City's property tax revenue base was adjusted upward. In addition, we anticipate continued strong growth in property tax revenue for the next two years. The residential growth projection is adjusted up to 5.8% for FY 2016/17. On the commercial side, we have analyzed significant approved development projects and the estimated construction schedules for these projects. Based on this data, three years of high growth is projected as these projects are added to the tax roll. Beginning in FY 2019/20, we forecast property tax growth at a long-term historical average of 4.1%. With the higher property tax base and increased growth assumptions in the short term, the combined effect is that property tax revenues over the General Fund long-term financial plan are up \$128.6 million over twenty years.

Sales tax, the City's second largest tax revenue source, continues to provide unstable returns. The largest segment of activity in our sales tax base is business-to-business sales, which has declined over the last four years. In addition, a large negative adjustment made by the State Board of Equalization related to remittances from one of the City's largest sales tax producers impacted revenues for FY 2013/14 through FY 2015/16. With the end of this adjustment, projected FY 2015/16 sales tax revenue is anticipated to be up from FY 2014/15 by approximately \$675,000. For the long term, given the ongoing volatility and the erosion of the sales tax base as we continue to move into more of a service based economy, we have maintained modest sales tax growth projections. Projections for additional sales tax revenue from the redevelopment of the downtown have been pushed back one year to mid-FY 2017/18 and reduced from \$1.5 million annually to \$1 million annually. The overall impact of all these adjustments to the City's General Fund long-term financial plan is a \$30.4 million decrease over twenty years.

Transient occupancy tax (TOT) has shown significant growth over recent years, coming in above estimates for FY 2014/15 and anticipated to be above estimates again for FY 2015/16. Currently, TOT is one of the City's strongest growth revenues, and the recommended budget anticipates that room rates and occupancy levels will remain strong in the short-term, stepping down from current record level but remaining well above the historical average, through FY 2016/17. It is important to note that hotel activity in Sunnyvale is heavily reliant on business travel activity, and therefore this revenue source can be quite volatile and directly related to the economic climate. In the update of revenue projections for the FY 2016/17 Recommended Budget, we have adjusted the timing of projected new hotels forecast in the budget and have only included approved projects. Because of the heavy reliance on business travel and the resulting volatility, we utilize historical room and occupancy rates for projections starting in FY 2017/18 but have revised those up to reflect more recent trends.

Utility users tax (UUT) revenue, generated from the sale of electricity, telecom services, and the sale of gas, is forecasted to remain flat over the long term as compared to the FY 2015/16 Budget. The decline is being driven by two factors, energy efficiency and how the City's current ordinance applies to telecom services. High development activity, in particular the impact of additional buildings within the City, is growing the base. However, the impact of this growth has been substantially negated by energy efficiency, resulting in only modest growth in revenue related to gas, and electricity usage. The majority of telecom utility user tax revenue is based on land-lines, while services such as data transmission are not included in the tax calculation due to the City's current ordinance. Upon analysis of the UUT returns for the past several years, we have seen that the telecom tax base is deteriorating at a faster pace than previously projected as the market shifts away from traditional land lines. In Spring, Council is scheduled to consider placing a measure on the November 2016 ballot to modernize the City's UUT ordinance. It is expected that the UUT modernization will stem the flattening or decline of UUT revenue and growth will return, however this assumption is not included in the FY 2016/17 Recommended Budget, as the change in the tax structure requires voter approval.

Gas tax, levied as a flat rate per gallon sold, is projected to decline in the short term and then hold flat in the long term over the twenty-year financial plan. The majority of the tax is based on volume sold and not on the price of gasoline, and therefore, our projections consider advancements in fuel economy offsetting increased population and number of vehicles. The short-term decrease is due to a true-up rate set by the State for the portion that is based on price, caused by gas prices in FY 2013/14 declining much further than projected. While this revenue source holds flat over time, the costs and needs for street maintenance and improvements continue to climb. There is discussion at the State and Federal level to make changes to the gas tax and how it is levied. In the meantime, in this 20-year Financial Plan, the City's General Fund is picking up the increased funding requirement for these important expenditures.

Construction tax returns have been very strong, an indication of the high level of development activity that the City has sustained for three consecutive years. We anticipate that this current peak level will cool off, stepping down over the next three years although still estimated at elevated amounts as compared to historical averages through FY 2018/19 and return to the historical average level planned beginning in FY 2019/20.

Service Fees

Service fees are the City's largest source of revenue. A diverse set of fees are charged to recover all or a portion of the City's costs for providing a service or access to public property, or for mitigating the impacts of the fee payer's activities on the community. Intended for cost recovery, a fee may not exceed the estimated reasonable cost of

providing the service or facility for which the fee is charged. Because of this basis and the legal restrictions related to the expenditure of many of the fees, many of the City’s fees are accounted for in separate funds. By far, the largest source of fee revenue comes from the provision of water, sewer and solid waste collection services. The proposed increases in utility rates are discussed below, as well as significant highlights in other fee categories.

Utility Rates. The City has three utility funds that are fully self-supporting: the Water Supply and Distribution Fund, the Solid Waste Management Fund, and the Wastewater Management Fund. Each year, as part of the budget process, staff analyzes the current condition and long-term outlook for all three funds. The analysis includes a review of fund balances; State and Federal environmental requirements; revenues; anticipated capital, infrastructure, and operational requirements; and a detailed inspection of significant expenditure areas. The results lead to proposed adjustments to rates that will generate the revenues necessary to meet planned expenditures. Through the long-term planning model, staff attempts to keep utility rates as stable as possible with modest increases annually, rather than keeping rates flat and impacting customers with a high increase in one year. The overall recommended increase for FY 2016/17 is shown below, in Figure 3, with a comparison to the original projection made in the FY 2015/16 Adopted Budget:

Figure 3. Table of Planned and Recommended Utility Rate Increases

| Utility | Original Projection | Recommended FY 2016/17 | Change in Percentage Points |
|-------------|---------------------|------------------------|-----------------------------|
| Water | 6.00% | Varies* | Varies* |
| Wastewater | 8.00% | 8.00% | 0.00% |
| Solid Waste | 3.00% | 3.50% | 0.50% |

*Percentages vary by customer group as a result of cost of service adjustments

Each of the utility enterprises has its own unique pressures that are driving rate adjustments. The FY 2016/17 Recommended Budget is the first year in the two year operating budget cycle. As such, each utility submitted updated operating budgets as discussed in more detail below.

In the water utility, the two drivers affecting rates are the extended drought being experienced across the State for four consecutive years, and increased infrastructure needs. The drought adds a layer of financial uncertainty to the Fund. Water demand and corresponding sales are down significantly over the last several years. In fact, from FY 2012/13 to FY 2014/15, water demand in Sunnyvale is down 23.4%. The State has continued its call for reductions in water use. Due to some of the landscape and water smart appliance incentives that have been available, we are projecting that water consumption will remain relatively flat with moderate growth into the future. The financial plan assumes that the drought will affect both revenues and expenditures as customers adjust to the mandate and the City sells and buys less water. In FY 2015/16, both wholesalers have agreed to reduce the City’s minimum purchase requirements, so the revenue loss will be largely offset by savings in buying less water. The plan anticipates that these reductions will continue for another year. However, both wholesalers have also announced proposed rate increases of approximately 8-20% or more. These are much larger than what was previously in the plan, and as such, the City’s rates must also be adjusted significantly.

As with all utilities, there are fixed costs to operate the water system that are not based on the volume of water delivered. These include large capital needs in the Fund, mainly associated with pipe, tank, and well replacements and rehabilitation. The recommended budget includes approximately \$108 million in projects over 20 years, the most significant of which is \$71 million for water pipe and main replacements. The plan also includes investment in recycled water through the Continuous Recycled Water Production project being implemented at the City’s Water Pollution Control Plant. This investment leverages a \$1.5 million grant from the State Department of Water Resources and supports both an investment in recycled water within the City and a more regional approach in partnership with the Santa Clara Valley Water District to secure and stabilize water supply.

Also, the City completed a Water Cost of Service Rate Study for the FY 2016/17 rates. This practice, which periodically recalibrates rates to reflect the current costs of providing water service proposes modifications to the City’s pricing structure to adjust rates to more closely reflect the cost of providing service. The proposed pricing structure shifts costs from the variable water consumption charges to the fixed service charge to reflect the fixed costs of

providing water service. Additionally, in response to recent statewide rate structure changes, the modifications include a flattening of the tiered pricing structure, which will have a varying effect on different customer classes.

Wastewater rates are rising as planned driven primarily by costs associated with improvements to the City's wastewater collection and treatment system and stricter regulatory requirements. The main driver of rates in the Wastewater Management Fund is the need to replace the City's aging wastewater treatment plant. The rates include an assumption that the City will issue 30-year utility revenue bonds to fund the project over many years; annual debt service costs are expected to be over \$22 million by FY 2023/24 after all the bonds have been issued. This debt service expense is substantial as it will eventually make up a third of the Fund's total expenditure requirements. It is notable that the City is in the final stages of approval to receive State Clean Water Revolving Funds for the project, which will come at a significantly lower rate than traditional municipal bonds. Once approved, we will include the reduced debt service costs in the long term financial plan for this enterprise.

Solid waste rates are rising approximately as planned, driven primarily by the implementation of the City's Zero Waste Strategic Plan. This plan, which targets increasing the City's waste diversion rate to 75% by 2020 and 90% by 2030, is scheduled to achieve these goals through a combination of new services and enhanced public education and outreach. A portion of the increases from zero waste are offset by savings through waste being diverted from the landfill.

Solid waste rates also include the costs of operating and maintaining the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station). These costs are shared by the cities of Mountain View and Palo Alto proportionally by the amount of recyclable material processed.

Overall, the utility funds remain on solid footing and are performing well. As the City continues its disciplined approach in reviewing the financial condition of each of these critical funds every year, it affords sufficient time to make adjustments and minimize the fiscal impact on each utility's customers over the twenty-year horizon.

Development-Related Fees Effective FY 2014/15, a separate Development Enterprise Fund was established that includes all development-related fees (e.g. plan check fees, inspection fees and permit application fees) and related expenditures. In addition to ensuring full cost recovery, the fund allows us to track revenues and expenditures separately and build and draw down on a separate reserve. This is especially important as development-related fee revenues are highly volatile and, as large development projects take many years to complete, expenditures related to specific fees can occur later fiscal years than the one in which the revenue was collected.

With several large scale development projects in the Moffett Park and Peery Park areas, staff estimates revenue to remain elevated over historical averages through FY 2017/18 however have stepped projections down slightly from peak year numbers. History has shown us that this revenue is highly volatile with very wide swings between the peaks and valleys. As a result, a historical average has been budgeted starting in FY 2018/19.

On the expenditure side, a detailed analysis was conducted to ensure all direct and indirect costs are reflected in the Fund and each of the departments with operations in this fund updated their operating budgets. Additionally, Council took action to add staffing to development related operations to address increasing demands for service. These staff were added on a limited term basis, with the assumption that attrition will occur over time to reduce staffing levels to reflect more normal (as opposed to peak) demands for services. Once the projection for revenues drops back to historical averages, the long-term financial plan indicates revenues will not fully cover expenditures over the long term. As a result, in out-years of the financial plan, fees will need to be increased or expenses reduced. Careful monitoring of development activity within the City and the effects on the Development Enterprise fund will be key in the coming years.

Development Impact Fees The City imposes four development impact fees to mitigate the impact of a development on the community: Park Dedication fees, Transportation Impact fees, Housing Mitigation fees and Sense of Place fees. Impact fees have strict requirements, set by state government code, that require fees to be roughly proportional to the impacts of the project and imposed for purposes related to the impacts of the project. Therefore, each of these fees is accounted for separately in its own fund or sub-fund. With development activity in the City at record levels, revenue from these fees has been significant. The City collected \$12 million in revenue from these four fees in FY 2014/15. Based on year-to-date figures and approved projects, we estimate collecting \$27.3 million

in FY 2015/16. With the known development projects in the permitting process currently, a high level of revenue is anticipated for FY 2016/17 and FY 2017/18. Because of the volatile nature of development projects, it is challenging to forecast impact fee revenue beyond the most immediate years. The revenue projected above last year's budget is primarily appropriated in projects, or reflected as increases to fund reserves that will be dedicated to future projects.

Figure 4. Impact Fee Revenue

| Revenue Source | FY 2014/15 Actual | FY 2015/16 Budget | FY 2016/17 Plan | FY 2017/18 Plan | FY 2018/19 Plan | FY 2019/20 Plan |
|----------------------------|----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| Park Dedication Fee | 6,214,777 | 23,001,064 | 22,291,133 | 25,488,824 | 7,527,168 | 7,527,168 |
| Housing Mitigation Fee | 2,833,200 | 2,320,526 | 8,410,030 | 18,679,705 | 4,785,526 | 4,881,237 |
| Transportation Impact Fee | 2,929,329 | 1,901,680 | 5,801,648 | 6,444,394 | 1,939,858 | 1,978,655 |
| Sense of Place Fee | 63,609 | 54,223 | 915,111 | 56,876 | 251,226 | 256,250 |
| IMPACT FEES – TOTAL | 12,040,915 | 27,277,493 | 37,417,922 | 50,669,799 | 14,503,778 | 14,643,310 |

Golf Fees Newly configured in FY 2012/13, the Golf and Tennis Fund has struggled over the last four years to operate as a true enterprise fund, with all activities attempting to be self-supporting. This has been a strategic focus for Council, and staff has made good progress in restructuring activities to reduce expenditures; however growing revenues has been a challenge and the Fund will require continued subsidy, as illustrated during the Fall 2015 study session and proposed study issue. Recently, we have contracted with new restaurant operators for both courses and Sunken Gardens is now open for business with the restaurant operator at Sunnyvale Municipal Golf Course just beginning preparations to open. While staff will continue to explore cost saving opportunities, the Fund remains in a precarious position and requires Council action to again provide General Fund monies to the Golf and Tennis Operations Fund due to a projected shortfall in FY 2016/17. In FY 2015/16, the Golf and Tennis Operations Fund received a \$450,000 subsidy from the General Fund. It is estimated that an additional \$550,000 will be required in FY 2016/17 to keep the fund in a positive cash position and allow time for the establishment of the new restaurant owner. As a separate action, the City Council can act to reexamine this Fund and fund the study issue to alleviate future subsidies as any cost-saving efficiencies developed by staff would not likely resolve entirely the structural shortage that exists.

An additional longer term pressure is the funding of capital improvements. Current planned capital projects are funded by Park Dedication Fees through FY 2032/33, but subsequently the Golf and Tennis Fund is expected to fund its own capital and infrastructure. Given the many challenges, the recently begun discussion of the long-term viability of the golf course operations and the current funding model needs to will continue in earnest FY 2016/17.

Other Revenue Sources

The remaining revenue sources are varied including franchises, rents, fines, licenses and interest income. There are also one-time revenues in this category such as bond proceeds, federal and state grants and sale of property. Highlights of other revenue sources are discussed below.

Debt Financing We use debt financing as a tool to maintain long-term financial stability by paying for certain expenditures over time. Debt financing is a tool for managing cash flow when large, one-time outlays are required, generally for large infrastructure projects.

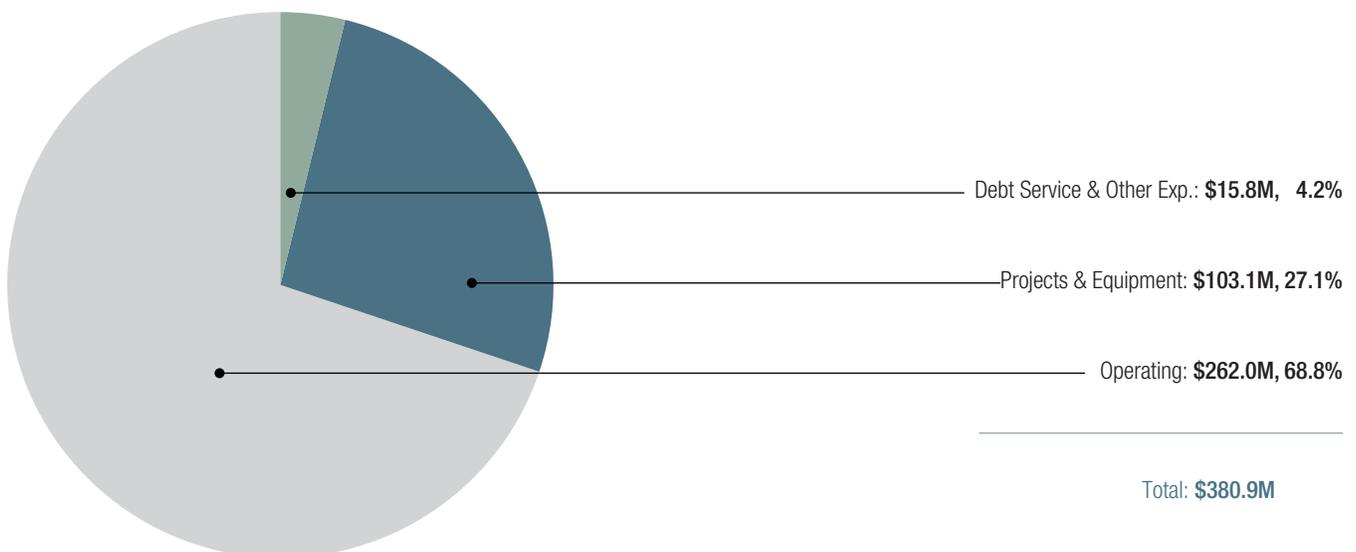
The City currently carries debt for both the Water and Wastewater Systems, the SMaRT Station, the Redevelopment Successor Agency and the Government Center property at 505 West Olive Avenue ("Sunnyvale Office Center"). All of the currently held debt is funded by rate revenues, former tax increment or lease payments paid by various funds. The City does not maintain any general obligation debt (commonly called "GO Bonds") and continues to maintain the highest issuer credit rating issued by Standard & Poors (AAA) and Moody's (Aaa).

Sale of Property One-time in nature, proceeds from the sale of property go to the fund that owned or purchased the property. By City policy, one-time revenues are spent on one-time expenditures. As such, in the General Fund, sale of property revenue is placed in the *Capital Improvement Reserve* within the Fund. For FY 2015/16, the General Fund reflects \$14 million for the sale of the Raynor Activity Center. Sale proceeds from the Raynor Activity Center are planned for design and construction of a branch library on the Lakewood Park site. The recommended budget also reflects updated sales numbers for the Unilever Margarine Plant site, The estimated value (based on an appraisal) is \$11 million. Unilever has exited the property and an evaluation of its disposition has begun.

II. City Expenditures

City expenditures fall into three broad categories: operating, projects and equipment, and debt service. As Figure 5 shows, operating expenditures make up most of the City’s expenditures.

Figure 5. FY 2016/17 Recommended Budget Citywide Expenditures by Type



*The difference between total Citywide revenues and expenditures is reflects as an increase to reserves of \$17.6 million.

Operating Expenditures

City departments are extremely integrated and highly reliant on each other to deliver services and achieve the goals and results established by the City Council. With this in mind, the subsequent overview discusses the changes in the context of service delivery clusters. These are:

- The Office of the City Attorney
- The Office of the City Manager
- Administrative Services
- Library & Community Services and Public Facilities
- Transportation, Streets, and Infrastructure
- Public Safety
- Community, Economic, and Workforce Development; and
- Environment and Sustainability

Citywide Operations

Employee Compensation

As a service delivery organization, the majority of the operating expenditures are the salaries and benefits costs for our employees. Therefore, the City has focused on managing compensation costs during and after the deep recession and will continue this effort to ensure our financial sustainability over the long term.

The most significant change in employee compensation for the FY 2016/17 Recommended Budget is the projected increase in pension benefits costs. The cost to fund the CalPERS retirement benefit provided to employees is broken down into two contributions, the employer contribution and the employee contribution. The FY 2016/17 Budget, consistent with the prior year budget, assumes that tier one and two employees will contribute their full employee share by FY 2018/19 (Miscellaneous) and FY 2019/20 (Safety, excluding a 2.25% employee cost share paid by the City). Tier three employees (those employees hired under the Public Employees Pension Reform Act, PEPR), must pay half their normal cost at the end of any existing labor agreement, or by January 1, 2018.

While the employee contribution rate is set by law, the employer contribution rate is adjusted annually by CalPERS through an actuarial analysis which considers factors such as demographic information and investment earnings. The contribution rates that are received from CalPERS are applied against the City's employee salaries (PERSable earnings) in order to calculate the dollar amounts the City must contribute.

Over the past decade, employer contribution rates have increased significantly, predominantly due to the significant market losses experienced in the early 2000s and in FY 2008/09. Other factors contributing to the sharp increase in contribution rates have been enhanced pension benefits for employees, applied retroactively, and changes in actuarial experience (i.e. employees retiring earlier at higher salaries and living longer in retirement).

As part of the budget process, the City engages a consulting actuary to review the latest CalPERS valuation reports, and project long term rates based on those reports as well as reasonable assumptions based on current information. Poor recent CalPERS returns, plus the implementation of new mortality assumptions and their de-risking strategy are projected to have a significant impact on the City's cost for pensions during the next 20 years. The City's consulting actuary updated the contribution rate projections for the twenty-year plan, revising the rates significantly upward primarily due to CalPERS efforts on risk mitigation strategies, assumption changes and contribution policy changes. The resulting impact is approximately \$167 million in additional cost over the twenty year plan.

The Recommended Budget addresses the additional pension costs of \$167 million in several ways. The City accounts for pension costs in a separate Employee Benefits Fund. The FY 2015/16 Budget for this fund had several assumptions to hedge against future pension cost volatility built in and the fund has a healthy reserve level. The FY 2015/16 Budget assumed that the City will make additional contributions to CalPERS to pay down the City's long term liability. The plan included an additional 1% per year towards safety pensions, and an additional half a percent towards miscellaneous pensions. These additional contributions, which total \$16 million have been used to offset the increased cost. Also as part of the FY 2015/16 Budget, the City set aside an additional \$1.2 million per year in savings that came from reduced projections on pension costs. These reductions reflected two strong years of CalPERS earnings. In order to offset the increased cost in the FY 2016/17 Recommended Budget, staff also used these savings, which totaled \$33 million over twenty years. Lastly, the Recommended Budget draws down reserves in the Employee Benefits fund by \$13 million over twenty years. The total of these three actions provided \$62 million in resources to offset the additional anticipated cost for pensions. With these adjustments, the additional pension cost remaining is approximately \$105 million for all funds with the largest impact on the General Fund. The other funds are able to pay for the increased pension costs through use of reserves and increased revenue.

Combined with other changes in personnel cost assumptions including salaries, insurances, and a rise in total number of employees, the total employee compensation costs will rise approximately \$167 million over twenty years. This increase has been offset by the addition of new revenue, primarily property tax and transient occupancy tax as discussed above. We will be closely watching total compensation costs into the future, with a continued emphasis on providing sustainable and competitive compensation while managing our long term liabilities. As a change to previous 20-year financial plans, planned increases in salaries are combined with related benefits costs. For example as salaries increase, the related increased in pension costs is included in that line item.

The City is organized into eleven operating departments. Figure 6 summarizes the changes in the budget for each department:

Figure 6. Budgeted and Actual Operating Costs by Department

| Fund/Program | Actual 2013/14 | Budget 2014/15 | Actual 2014/15 | Budget 2015/16 | Plan 2016/17 | % Change 15/16 to 16/17 |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------------|
| Community Development | 6,966,614 | 7,271,984 | 7,206,305 | 7,548,975 | 8,529,105 | 13.0% |
| Environmental Services * | 76,495,173 | 81,501,963 | 75,351,517 | 84,211,327 | 87,406,197 | 3.8% |
| Finance | 7,860,003 | 8,396,376 | 8,200,684 | 8,490,746 | 8,996,089 | 6.0% |
| Human Resources | 3,529,369 | 4,152,879 | 4,027,665 | 4,419,667 | 5,041,213 | 14.1% |
| Information Technology | 6,142,175 | 6,949,480 | 6,715,674 | 7,100,904 | 7,837,713 | 10.4% |
| Library and Community Services | 16,192,208 | 17,364,506 | 16,731,226 | 17,847,712 | 18,554,883 | 4.0% |
| NOVA Workforce Services | 6,917,787 | 8,103,883 | 7,193,894 | 10,055,000 | 10,462,945 | 4.1% |
| Office of the City Attorney | 2,057,641 | 1,946,939 | 1,738,918 | 1,856,142 | 1,956,799 | 5.4% |
| Office of the City Manager | 4,457,164 | 4,326,582 | 4,303,071 | 4,621,502 | 6,469,079 | 40% |
| Public Safety | 78,795,895 | 85,995,244 | 82,754,365 | 89,778,056 | 95,928,241 | 6.9% |
| Public Works | 34,370,048 | 35,481,432 | 34,886,063 | 36,745,801 | 39,332,963 | 7.0% |
| TOTAL EXPENDITURES | 243,784,076 | 261,491,267 | 249,109,381 | 272,675,831 | 290,515,227 | 6.4% |

*Excludes SMaRT Station Operating Program

Overall, the operating budget is up 6.4%. Some of this change is due to base changes in employee compensation, and some is due to increases in the number of employees, goods and services budgets to meet increasing demands. The following discusses some of the significant changes that were made in each service cluster.

City Attorney and City Manager

These two departments serve as support to all service clusters, providing overall legal and policy guidance as well as organizational leadership and strategic direction. They support the City Council in its policy making and strategic planning while also providing core services such as the City Clerk, Elections, and City-wide printing and mailing services. The Office of the City Manager is directly responsible for all day-to-day operations, through collaboration and coordination with departments. The Office of the City Attorney ensures that actions are legally compliant and minimize risk or liability to the City.

The overwhelming majority of the increase in the Office of the City Managers is associated with the 2016 Special and General Elections. The cost for a General Election totals approximately \$460,000 and is held every other year. Additionally, \$772,000 is included in FY 2016/17 for a Special Election to be held in August to fill a vacant seat on Council. Costs in the Office of the City Attorney reflect primarily the true up of personnel related costs to fully reflect the number of hours staff in the department are working. The Office of the City Manager has made similar adjustments to more accurately reflect the hours staff in the department work.

Administrative Services

The Administrative Services cluster includes the Departments of Finance, Human Resources, and Information Technology (also referred to as internal service departments throughout this Recommended Budget). Changes in this group primarily reflect the addition of personnel resources. In Finance an additional Buyer has been added to keep pace with the procurement demands of the organization and large scale projects (e.g., WPCP, capital projects, etc.). The department also reorganized to better align its personnel and service delivery structure at no additional cost. In Human Resources, additional resources were added to support our workforce with recruitment and retention efforts, succession planning, training, employee engagement and wellness programs. These additions will enable the department to keep up with recruitment demands and reinvest in the City's workforce. In the Information Technology Department, the addition of an IT Manager is required to support the delivery of projects. Also, consistent with Council's recent action to prioritize the proper planning and investment in mission-critical technology systems, the budget includes an additional \$15.7 million for critical information technology systems such as the Enterprise Resource Planning System, the permitting system, and the public safety records management system.

Library, Community Services, and Public Facilities

The Library, Community Services and Public Facilities cluster includes services provided through the Library and Community Services Department and the Facilities Division of the Department of Public Works. While largely remaining flat in terms of year over year budget, Library and Community Services did make some minor adjustments, restoring full funding for performing arts and adjusting budgeted personnel resources and materials as appropriate. The Recommended Budget also includes continued efforts to modernize the City's public facilities including the Library and Civic Center. Separately, as a continued practice, the City included a Budget Supplement to fund care management services but added additional resources to more accurately reflect the increasing growing demand for service.

Transportation, Streets and Infrastructure

The Transportation, Streets and Infrastructure cluster includes Divisions within the Department of Public Works. While most investments in this area are through the capital projects budget, several additions were made to the operating budget to address increasing demands. Two additional limited duration positions were funded in Traffic Engineering through a cooperative agreement with Google. Additional funding was included to address the increasing costs related to emergency signal and street light repair and the ever increasing cost of electricity.

Public Safety

The Recommended Budget for the Department of Public Safety now includes funding for four previously authorized Public Safety Officers that were not included in prior years as they were anticipated to be progressing through the training program. Additional overtime hours were included for dispatch and the addition of a Dispatcher in Training position shore up the needs in the Communications Division. Lastly, funding was added to provide resources for a contract with the County to continue services provided by a probation officer targeted toward youth. In the near term, the City Council will consider additional Public Safety Officer staffing increases through a development agreement.

Community, Economic, and Workforce Development

The Community, Economic, and Workforce Development cluster combines services from the Community Development Department, the Office of the City Manager and NOVA. Community development activity has been at a high level for the past several years and the FY 2016/17 Recommended Budget reflects the addition of one planner as well as some increase and reallocation of hours to meet service demands. Additionally, Council added six positions to in the middle of FY 2015/16 to address workload and development services. These included two Building Inspectors, a Public Works Construction inspector, a senior transportation engineer, and two Fire Protection Engineers. The City's Workforce Development effort is grant funded and the FY 2016/17 Recommended Budget reflects the recent expansion of services into San Mateo County.

Environment and Sustainability

The Environment and Sustainability cluster includes the City's water, wastewater and solid waste utilities as well as efforts toward environmental sustainability and is largely supported by utility rates. The results of the drought on the cost of water, reduced demand for water and the maintenance requirements of the aging utility system continue to be major contributing factors in the cost of service provision.

Projects Budget

This year is the second year of the projects budget cycle, so the only changes made to projects were on an exception basis. We categorize our projects into three broad categories, Capital, Infrastructure, and Special. Capital projects are efforts to construct new or expanded facilities or infrastructure. Infrastructure projects are to rehabilitate existing infrastructure. Special projects are efforts like special studies or initiatives.

As only minimal changes were made to projects, the following highlights notable changes or new projects added in the FY 2016/17 Budget that are forthcoming within the next several years.

Projects Budget Highlights

Public Safety Recruitment Projects All of the costs associated with the recruitment, selection and training of new Public Safety Officers are accounted for separate from the Operating Budget in special projects by recruitment class. The Department of Public Safety recently completed a comprehensive staffing analysis. The result from the analysis is a revised timeline and cost estimate for each project. The FY 2016/17 recruit total was increased from eleven to twenty, with an increased cost of \$2.6 million. The overall cost increase of recruitment projects included in the FY 2016/17 budget is \$4.2 million. This aligns to the previous Council action to put in place an accelerated recruitment strategy to resolve the higher than usual anticipated vacancies.

Sidewalks Annual funding is provided for the replacement of damaged or raised sidewalks, curbs and gutters throughout the City. The City has programmed one-time revenue from additional property tax that was received in FY 2015/16 to increase the budgeted project costs over the next three years. Approximately \$1.5 million was received in Excess ERAF, which was used to increase the overall project budget to \$15.77 over the twenty years.

Technology Initiatives

\$8.4 million has been programmed to replace the City's aging financial and budget systems as well as the current HRIS system. The ERP System Acquisition, Implementation and Support project enables the City to modernize our technological infrastructure with enhanced functionality and reporting capabilities. The FY 2016/17 Recommended Budget also funds a new project to replace the City's Permitting System with \$1.2 million from the Development Enterprise fund. In addition, approximately \$758,700 is budgeted to provide additional staffing for the City's Website Redesign project.

Budget Supplements, Service Level Adjustments, and Unfunded Needs

As part of the development of the FY 2016/17 Recommended budget, we identified potential adjustments to service levels, unfunded needs (i.e. programs, projects, and infrastructure) and carried forward Budget Supplements that came out of the Study/Budget Issues Workshop. Departments were tasked to bring in potential adjustments to service levels and begin the development of a list of unfunded needs which is intended to be a dynamic and evolving document that helps illustrate funding priorities in a larger context and maintain the long term vision for which Sunnyvale is so well known. The Recommended Budget also includes a series of ten Budget Supplements, all of which impact the General Fund.

With these in place, the Recommended Long-Term General Fund Financial Plan ends the twenty years with \$6.3 million in the Budget Stabilization Fund. To the extent that Council eliminates expenditures included in the Recommended Budget, identifies additional revenues, or draws reserves, Council can use those resources to add supplements, service level adjustments, or begin to address unfunded needs.

The following list includes all Budget Supplements, Service Level Adjustments, and currently identified unfunded needs for the evaluation discussed above. The City Manager has recommended certain Budget Supplements for inclusion in the Adopted Budget. Any service Level Adjustments brought forward by departments that were recommended by the City Manager were included in the base Recommended Budget. No unfunded needs have been addressed at this time as many are still in the early stages of development or other funding requirements were necessary to structurally cure the budget in the twenty year plan.

Budget Supplements

Budget supplements are proposals to increase, decrease or change service levels. Each supplement is presented separately and recommended for inclusion or exclusion from the FY 2016/17 Recommended Budget. This year, the recommended budget includes eight Budget Supplements. Figure 7 lists the supplements and the City Manager's recommendation. If the supplement is recommended for funding, it will be included in the financial plan of the affected fund for budget adoption. Details of each supplement can be found in the Budget Supplements section of this recommended budget.

Figure 7. Proposed Budget Supplements

| FY 2016/17 Budget Supplements | | | | |
|-------------------------------|--|--|--------------|---|
| No. | Title | Cost | Fund | Recommendation |
| 1 | Silicon Valley Talent Partnership | \$3,000 annually for 3 years \$9,000 total | General Fund | Recommended for Limited Duration Funding |
| 2 | Implementation of Green Bike Lanes | \$250,000 one-time + | General Fund | Recommend partial funding/Defer to Projects Budget Cycle for further review |
| 3 | Tenant-Landlord and Community Mediation Services | \$45,000 one-time | General Fund | Recommended for Funding |
| 4 | Safe Routes to School | \$176,279 one-time + \$453,637 over three years | General Fund | Recommended for Limited Duration Funding |

| FY 2016/17 Budget Supplements | | | | |
|-------------------------------|--|--|--------------|---|
| No. | Title | Cost | Fund | Recommendation |
| 5 | Care Management | \$81,264 annually \$2,108,776 over 20 years | General Fund | Recommended for Funding |
| 6 | Inflation Adjustment to Planned Supplemental Human Services Funding | \$478,332 over 20 years | General Fund | No action as Council has the discretion to fund above or below average rate of expenditure based on its assessment of need. |
| 7 | Sustainability Speaker Series | \$25,000 annually \$131,408 over five years | General Fund | Recommended for Limited Duration Funding, Limited to Five Years |
| 8 | Scoping of Grade Separation for Caltrain Crossings at Mary Avenue and Sunnyvale Avenue | \$500,000 one-time | General Fund | Recommended for Funding |
| 9 | Vision Zero | \$150,000 one-time | General Fund | Recommended for Funding |
| 10 | Update to the Murphy Avenue Design Guidelines | \$25,000 one-time | General Fund | Recommended for Funding |
| 20 Year Total | | 4,151,153 | | |

Service Level Adjustments

The following reflects the adjustments to service levels requested by various departments that were not included in the Recommended Budget. They are organized by Service Cluster.

| FY 2016/17 Service Level Adjustment Requests | | |
|--|--|------------------|
| Title | Cost | Fund |
| Community, Economic & Workforce Development | | |
| Senior Planner | \$175,120 annually \$4.4 million over twenty years | Development Fund |
| Public Safety | | |
| Street Crimes – 3 PSO IIs | \$898,853 one time \$17.6 million over 20 years | General Fund |
| Traffic Officer | \$322,648 one time \$7.95 million over twenty years | General Fund |
| Hazardous Materials – 3 PSO IIs | \$814,740 annually \$22.9 million over twenty years | General Fund |
| Animal Control Officer | \$125,523 annually \$3.2 million over twenty years | General Fund |
| Community Services Officer for Investigations | \$169,474 one time \$3.5 million over twenty years | General Fund |

| FY 2016/17 Service Level Adjustment Requests | | |
|--|---|--------------|
| Title | Cost | Fund |
| Assistant Fire Marshal (reclassification) | \$28,053 annually \$710,500 over twenty years | General Fund |
| Fire Protection Specialist | \$156,808 one time \$3.4 million over 20 years | General Fund |
| Fire Protection Specialist - Apartments | \$156,808 one time \$3.4 million over 20 years | General Fund |
| Public Safety Specialist | \$127,706 one time \$3.2 million over twenty years | General Fund |
| Sr. Hazardous Materials Inspector (reclassification) | \$24,052 one time \$609,168 over twenty years | General Fund |
| Library, Community Services & Public Facilities | | |
| Parks Staff | \$158,960 annually \$4 million over twenty years | General Fund |
| Parks Worker II OT & Materials | \$34,855 annually \$882,777 over twenty years | |
| Office of the City Attorney | | |
| Deputy City Attorney | \$210,200 annually \$5.1 million over 20 years | General Fund |

Unfunded Programs and Projects

The following list enumerates known areas that are unfunded or underfunded. It is important to note that this list is dynamic and will change with each budget cycle and as the City identifies new needs or funds items on the list.

Unfunded Projects Listing

Transportation, Streets & Infrastructure

- Transportation Strategic Plan Projects
- Bicycle CIP Improvement Program Projects
- Downtown Specific Plan Projects

Traffic Signal Infrastructure Replacement

- Sidewalk Repair
- Street maintenance (addl to maintain PCI)

Environment and Sustainability

- CAP Program Funding
- Water Infrastructure
- Wastewater Collection Infrastructure

- Stormwater Collection Infrastructure
- Power Generation Facility Funding
- Stormwater Program Funding

Library, Community Services & Public Facilities

- Civic Center Modernization
- Corporation Yard Modernization
- Fire Station Replacements/Rehabilitation
- Gap funding for repairs to corporation yard
- Golf building replacements
- Golf operations subsidy
- Branch Library operating and ongoing costs

Public Safety

- Fully functioning Emergency Operations Center

Administrative Services

- Work order and Asset Management Systems
- GIS Assessment - GIS Coordinator
- Modernization of various customer interface systems (POS, non-CDD permitting, etc)

III. City Reserves

The backbone of our financial planning process is the Twenty-Year Resource Allocation Plan. This planning document provides the framework to maintain a structurally balanced budget by requiring financial discipline in making policy and service level decisions. One of the key components of the financial plans is the various reserves contained within each plan, which is considered a best practice. While many organizations have reserves, our use of them in this strategic and disciplined way is different and more active than a typical city. We maintain reserves for different purposes; some are restricted in use while others are available for a variety of priorities. Examples of restricted reserves include debt service reserves or reserves of special revenues. Unrestricted reserves are used strategically over the twenty-year planning period to balance each fund. We plan to increase or decrease reserve levels as business and economic cycles pass, allowing us to provide a stable and consistent level of service. This is especially critical when several of our large revenue sources are volatile by nature. Reviewing reserves over a long period forces policymakers, staff and the community to think carefully before adding services that must be sustained through growing and recessionary economic periods.

In the General Fund, the unrestricted reserve is the Budget Stabilization Fund. Disciplined and strategic use of this reserve has allowed us to weather the great recession, and is helping us to strategically add back services in a planned way to ensure sustainability over the long run. Most significantly, in this Recommended Budget and as directed by former Council actions, it helped manage the significant increase in projected pension costs.

In the utility funds, the use of the Rate Stabilization Reserves allows for the measured increase of rates to cover rapidly increasing costs such as wholesale water costs and tightening regulations on wastewater discharge. This reserve also allows us to incrementally increase rates to the level needed to support the significant debt service associated with the replacement of the WPCP.

In both these cases, and throughout the budget, reserves also allow us to deal with unexpected expenditures. In the most extreme case, each significant fund carries large contingency reserves for emergencies such as natural disasters; however, reserves also allow us to address projects that may be more expensive than estimated or absorb unanticipated operating costs. In all cases, reserves are one of our most critical tools to achieve and maintain financial sustainability.

Conclusion

With the economic recovery in full swing, this budget focuses on deploying resources strategically to meet the increasing demands of the community and improve the City's infrastructure while continuing to maintain a sustainable financial position for the long term. The recommended budget resources the vast array of services the City provides and funds a wide variety of projects that improve our transportation and utility infrastructure, adds wonderful new amenities like the Washington Community Swim Center and a branch library, upgrades parks and recreational facilities, and more. Revenues are growing, as are expenditures, which requires that the City look critically at any actions taken to augment services and resource allocations. While this budget allows for some additional ongoing costs, it resolves projected pension and retiree medical liabilities that will continue into the future. This budget is both strategic in advancing the City Council's goals, and services that the residents highly value, while being fiscally prudent to sustain our service in the long-term.

We will continue to be faced with tough decisions regarding management of personnel costs, use of debt for large infrastructure needs and mitigating volatility in our major revenues. Our twenty-year planning allows us to take a balanced approach, to evaluate decisions in a long-term fiscal context and plan ahead. To that end, this budget presents a responsible, sustainable, and balanced plan for the future of Sunnyvale and, like many other California jurisdictions, more work is required to remain competitive and sustainable over the years.

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**Budget
Summary**

**CITY OF SUNNYVALE
FY 2016/17 BUDGET SUMMARY**

Revenue Sources:

| | |
|---|------------|
| Property Tax | 62,923,052 |
| Water Supply and Distribution Fees | 45,500,730 |
| Refuse Collection and Disposal Service Fees | 44,104,039 |
| Bond Proceeds | 38,444,864 |
| Sales Tax | 33,334,799 |
| Wastewater Management Service Fees | 34,852,348 |
| Park Dedication Fee | 22,291,133 |
| Transient Occupancy Tax | 14,471,479 |
| Development Revenues | 11,736,641 |
| Sale of Property | 10,910,000 |
| Workforce Investment Act Grant | 10,500,000 |
| Housing Mitigation Fee | 8,410,030 |
| Franchise Fees | 7,153,717 |
| Utility Users Tax | 6,903,949 |
| Federal Grants | 6,525,543 |
| Traffic Impact Fee | 5,801,648 |
| Other Taxes | 5,339,129 |
| Interest Income | 2,409,337 |
| Recreation Service Fees | 3,274,777 |
| Golf and Tennis Fees | 3,126,864 |
| State Highway Users Tax (Gas Tax) | 3,023,610 |
| Rents and Concessions | 2,884,428 |
| Reimbursement from County | 2,527,935 |
| Other Fees and Services | 2,283,845 |
| Miscellaneous Revenues | 1,897,907 |
| State Shared Revenues | 1,644,926 |
| Permits and Licenses | 1,261,679 |
| Community Development Block Grant | 1,037,051 |
| Fines and Forfeitures | 1,009,943 |
| Sense of Place Fee | 915,111 |
| SMaRT Station Revenues | 633,804 |
| BMR In-Lieu Fees | 590,100 |
| Other Agencies Contributions | 319,410 |
| HOME Grant | 307,196 |
| Special Assessment | 211,018 |

Total Revenue Sources*

\$398,562,041

* Excludes internal service fund revenues.

**CITY OF SUNNYVALE
FY 2016/17 BUDGET SUMMARY**

EXPENDITURES:

Operating Budget:

| | | |
|---|------------|--------------|
| Office of the City Attorney | | \$1,956,799 |
| Office of the City Manager | | \$5,836,609 |
| Community Development Department | | |
| Building Safety | 3,832,882 | |
| Planning | 2,729,622 | |
| Housing and CDBG Program | 1,360,752 | |
| Community Development Department Management | 526,103 | |
| Total Community Development Department | 8,449,359 | \$8,449,359 |
| NOVA Workforce Services Department | | \$10,462,945 |
| Finance Department | | |
| Wholesale Water Purchases | 27,190,303 | |
| Utility Billing | 2,575,560 | |
| Accounting and Financial Services | 2,024,314 | |
| Purchasing | 1,511,931 | |
| Budget Management | 962,286 | |
| Revenue Collection and Audit | 960,512 | |
| Financial Management and Analysis | 930,143 | |
| Total Finance Department | 36,155,048 | \$36,155,048 |
| Human Resources Department | | \$4,588,585 |
| Library and Community Services Department | | |
| Library | 8,730,564 | |
| Arts and Recreation Programs and Operation of Recreation Facilities | 8,624,503 | |
| Youth, Family and Child Care Resources | 1,199,817 | |
| Total Library and Community Services Department | 18,554,883 | \$18,554,883 |
| Public Safety Department | | |
| Fire Services | 31,161,740 | |
| Police Services | 30,690,368 | |
| Public Safety Administrative Services | 5,770,381 | |
| Investigation Services | 4,861,829 | |
| Community Safety Services | 4,299,095 | |
| Communication Services | 4,192,385 | |
| Fire Prevention Services | 2,585,304 | |
| Personnel and Training Services | 2,133,109 | |
| Records Management and Property Services | 2,103,318 | |
| Total Public Safety Department | 87,797,529 | \$87,797,529 |

**CITY OF SUNNYVALE
FY 2016/17 BUDGET SUMMARY**

Operating Budget: (Continued)

| | | |
|--|------------|----------------------|
| Public Works Department | | |
| Neighborhood Parks and Open Space Management | 9,597,564 | |
| Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easement | 6,067,699 | |
| Golf Course Operations | 3,560,260 | |
| Transportation and Traffic Services | 2,935,930 | |
| Street Tree Services | 2,068,516 | |
| Land Development - Engineering Services | 1,615,566 | |
| Street Lights | 1,261,318 | |
| Public Works Administration | 892,044 | |
| Downtown Parking Lot Maintenance | 65,067 | |
| Total Public Works Department | | \$28,063,965 |
| | | |
| Environmental Services Department | | |
| Solid Waste Management* | 36,073,342 | |
| Wastewater Management | 9,660,447 | |
| Water Resources | 6,678,031 | |
| Regulatory Programs | 4,727,648 | |
| Wastewater Collection Systems | 3,006,168 | |
| Total Environmental Department | | \$60,145,637 |
| | | |
| Service Level Set Aside | | |
| Operating Savings | | |
| | | |
| Total Operating Budget** | | \$262,011,360 |

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

** Excludes internal service fund operating budget.

**CITY OF SUNNYVALE
FY 2016/17 BUDGET SUMMARY**

| | |
|---------------------------------|-----------------------------|
| Projects Budget: | |
| Capital Projects | \$19,796,035 |
| Special Projects | \$19,104,153 |
| Infrastructure Projects | \$60,259,661 |
| Outside Group Funding | \$304,000 |
| Technology Projects | \$2,761,500 |
| Project Operating | \$281,405 |
| Council Service Level Set-Aside | \$100,000 |
| Project Administration | \$3,257,945 |
| Total Projects Budget | <u>\$105,864,699</u> |
| Other Expenditures: | |
| Debt Service | \$8,938,923 |
| Lease Payments | \$2,259,617 |
| Equipment | \$855,654 |
| Budget Supplements | \$1,005,543 |
| Total Other Expenditures | <u>\$13,059,737</u> |
| Total Expenditures | <u>\$380,935,796</u> |
| Contribution to Reserves | \$17,626,245 |
| Total Recommended Budget | <u>\$398,562,041</u> |

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2016/17 Recommended Budget**

| | <u>FY 2015/2016</u> | <u>FY 2016/2017</u> |
|--|-----------------------------|------------------------------|
| Appropriations: | | |
| 035. General Fund | \$ 140,666,239 | \$ 155,023,764 |
| 070. Housing Fund | 6,378,055 | 6,942,967 |
| 071. Home Fund | 1,412,880 | 693,536 |
| 072. Redevelopment Housing Fund | - | 290,093 |
| 110. Community Development Block Grant Fund | 1,202,663 | 1,564,505 |
| 141. Park Dedication Fund | 818,930 | 1,046,871 |
| 175. Public Safety Forfeiture Fund | 148,763 | 151,792 |
| 190. Police Services Augmentation Fund | 232,230 | 231,405 |
| 210. Employment Development Fund | 10,500,000 | 10,500,000 |
| 245. Parking District Fund | 328,576 | 194,847 |
| 280. Gas Tax Fund | 2,339,920 | 355,164 |
| 290. VRF Local Road Improvement Fund | 48,748 | - |
| 295. Youth and Neighborhood Services Fund | 763,619 | 839,688 |
| 385. Capital Projects Fund | 6,895,441 | 16,585,015 |
| 610. Infrastructure Renovation and Replacement Fund | 13,228,550 | 11,220,725 |
| | <u>184,964,614</u> | <u>205,640,373</u> |
| Total Appropriations | | |
| Appropriation Adjustments: | | |
| Non-Tax Revenues | (83,134,086) | (98,004,267) |
| Qualified Capital Outlay | (2,702,750) | (1,950,750) |
| | <u>(85,836,836)</u> | <u>(99,955,017)</u> |
| Total Appropriation Adjustments | | |
| Appropriations Subject to Limit | 99,127,778 | 105,685,356 |
| Growth Rate Factor | <u>1.0499</u> | <u>1.0670</u> |
| Total Allowable Appropriations Limit <i>(Prior Year Appropriations Limit x Growth Rate Factor)</i> | <u>197,114,763</u> | <u>210,316,844</u> |
| Amount Under (Over) Allowable Appropriations Limit | <u><u>\$ 97,986,985</u></u> | <u><u>\$ 104,631,488</u></u> |

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2016/17 Recommended Budget**

| | <u>FY 2015/2016</u> | <u>FY 2016/2017</u> |
|---------------------------------------|------------------------------|------------------------------|
| Revenues: | | |
| Tax Revenues: | | |
| Property Tax | \$ 56,486,758 | \$ 64,072,610 |
| Sales Tax | 33,513,807 | 33,334,799 |
| Other Taxes | 23,473,881 | 26,714,557 |
| Unrestricted State Subventions | 222,960 | 222,960 |
| Interest Income | 1,153,939 | 1,020,816 |
| | <u>114,851,345</u> | <u>125,365,742</u> |
| Total Tax Revenues | 114,851,345 | 125,365,742 |
| Non-Tax Revenues: | | |
| Federal Grants | 17,057,274 | 18,018,377 |
| Restricted State Shared Revenues | 3,102,861 | 3,023,610 |
| State Grants/Reimbursements | 363,063 | 524,002 |
| Other Intergovernmental Contributions | 2,442,071 | 1,884,967 |
| Franchise Fees | 6,963,390 | 7,153,717 |
| Permits and Licenses | 1,218,659 | 1,261,679 |
| Service and Development Fees | 26,222,052 | 43,162,529 |
| Rents and Concessions | 2,435,002 | 2,501,755 |
| Fines and Forfeitures | 962,184 | 999,943 |
| Housing Loan Repayments | 423,130 | 607,452 |
| Revenue from Sale of Property | 14,000,000 | 10,910,000 |
| Miscellaneous | 832,864 | 756,162 |
| Inter-Fund Loan Repayments | 6,272,017 | 6,290,179 |
| Interest Income | 839,519 | 909,895 |
| | <u>83,134,086</u> | <u>98,004,267</u> |
| Total Non-Tax Revenues | 83,134,086 | 98,004,267 |
| Total Revenues | <u>\$ 197,985,431</u> | <u>\$ 223,370,009</u> |

**CITY OF SUNNYVALE
 APPROPRIATIONS LIMIT
 FY 2016/17 Recommended Budget**

| | <u>AMOUNT</u> | <u>SOURCE</u> |
|----------------------------|------------------------------|-----------------------------|
| A. LAST YEAR'S LIMIT | \$ 197,114,763 | Prior Year |
| B. ADJUSTMENT FACTORS | | |
| 1. Population | 1.0126 | State Department of Finance |
| 2. Inflation | 1.0537 | State Department of Finance |
| | 1.0670 | (B1*B2) |
| Total Adjustment % | 0.0670 | (B1*B2-1) |
| C. ANNUAL ADJUSTMENT | \$ 13,202,081 | (B*A) |
| D. OTHER ADJUSTMENTS: | | |
| Lost Responsibility (-) | 0 | |
| Transfer to private (-) | 0 | |
| Transfer to fees (-) | 0 | |
| Assumed Responsibility (+) | 0 | |
| Sub-total | <u>0</u> | |
| E. TOTAL ADJUSTMENTS | \$ 13,202,081 | (C+D) |
| F. THIS YEAR'S LIMIT | <u><u>\$ 210,316,844</u></u> | (A+E) |

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**Financial Plan -
General 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 other funds. It supports many of the most visible and essential City services such as police, fire, road maintenance, libraries, parks, and open space maintenance. General government support functions are also included in this fund, and their costs are apportioned through the use of indirect administrative 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 two decades, revenues to the General Fund are significantly less than they would have otherwise been. Additionally, the General Fund has a very close relationship with several other funds: the Youth and Neighborhood Services Fund, the Gas Tax Fund, the Internal Service Funds, the Capital Projects Fund, and the Infrastructure Renovation and Replacement Fund. In each case, the condition of these funds has a direct bearing on the General Fund because the General Fund is a significant source of their 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 as reliable as possible over the long term. Historical data underscores the fact that a significant swing in revenues can occur due to economic cycles, as these cycles have 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 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 unique characteristics that have been used to make projections. In general, actual 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 source. 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 over 84% of the City's General Fund revenues (excluding property sale proceeds). These sources are Property Tax, Sales Tax, Utility Users Tax, Franchise Fees, and Transient Occupancy Tax (TOT). The recent performance of each of these top four sources has generally exceeded projections. In FY 2014/15, Property Tax and TOT both had significant growth. Property Tax revenue increased 9.2% in FY 2014/15 (up \$4.6 million), and TOT revenue increased 30.2% (up \$3.3 million). UUT revenue also increased, however the growth from this source was very minimal. The one General Fund revenue source that did not perform well in FY 2014/15 was Sales Tax, with revenue declining \$0.5 million. These year-over-year results, as well as the revised FY 2015/16 projections call attention to several important trends like the significant volatility of past returns, which will be discussed in greater detail below.

The FY 2015/16 Adopted Budget assumed growth for Property Tax, Sales Tax and UUT/Franchise Fees revenues in FY 2015/16 over expected FY 2014/15 results. TOT revenue was projected to remain at an elevated level for one year, but to then decline to its historical average. As FY 2015/16 unfolded, Property Tax and TOT exceeded expectations. In the FY 2015/16 Adopted Budget, TOT revenues were projected to decrease 8.4% in FY 2015/16. Despite the fact that FY 2014/15 revenue finished higher than anticipated, year-to-date returns for FY 2015/16 reflect significant further growth in TOT. The

revised estimate for FY 2015/16 TOT is growth of 15.9%, with revenue of \$14.1 million. Property Tax revenues will also exceed expectations in FY 2015/16. The revised projection is for growth of 12.4%, greater than the original 5.6% growth estimated. On the Sales Tax side, the original estimate was for modest growth, with revised estimates projecting revenue to increase by 2.3% in FY 2015/16. Revised estimates for FY 2015/16 Utility Users Tax and Franchise Fee revenues are up slightly from the original projections in the FY 2015/16 Adopted Budget.

The projections for FY 2016/17 and beyond vary based on the revenue source. Property Tax is projected to experience healthy growth over the next three years before growth returns to more historical levels. Sales Tax, historically a very volatile revenue source, is expected to recover the losses

experienced in recent years and grow over the next two years. Moving forward, Sales Tax is projected to have modest growth in the following years. The projection for Transient Occupancy Tax, which is driven by business travel, is to gradually return to the historical average, based on average room rates and average occupancy data. Utility Users Tax and Franchise Fees are expected to show a small increase in FY 2016/17 and then grow at an inflation factor moving forward.

Total General Fund revenue is projected to be down 1.4% in FY 2016/17. The table below reflects projected sources of General Fund revenues for FY 2016/17 and compares those sources with the FY 2015/16 revised projections. Actual revenues for FY 2013/14 and FY 2014/15 are also included.

Exhibit 1: Major Revenues

| Revenue Source | 2013/14 Actual | 2014/15 Actual | 2015/16 Revised Projection | 2016/17 Proposed Projection | % Change 2016/17 over 2015/16 |
|----------------------------|----------------------|----------------------|----------------------------|-----------------------------|-------------------------------|
| Property Tax | \$50,293,385 | \$54,940,570 | \$61,748,736 | \$62,777,052 | 1.7% |
| Sales Tax | 30,194,827 | 29,676,176 | 30,352,481 | 31,698,678 | 4.40% |
| Transient Occupancy Tax | 10,858,671 | 14,137,069 | 16,383,291 | 14,471,479 | -11.70% |
| UUT & Franchises | 13,448,599 | 13,671,830 | 13,820,890 | 14,057,666 | 1.70% |
| Construction Tax | 2,983,677 | 3,066,351 | 2,948,440 | 2,582,427 | -12.40% |
| Business License Tax | 1,742,401 | 1,845,883 | 1,734,000 | 1,768,680 | 2.00% |
| Real Property Transfer Tax | 1,674,362 | 1,764,551 | 1,911,527 | 988,022 | -48.31% |
| Permits & Fees | 9,796,323 | 1,308,386 | 1,247,915 | 1,261,679 | 1.10% |
| Service Fees | 10,405,558 | 6,028,267 | 5,788,278 | 5,503,194 | -4.90% |
| Rents and Concessions | 2,299,404 | 2,439,797 | 2,426,454 | 2,451,331 | 1.00% |
| Interest | 548,687 | 668,696 | 866,330 | 721,012 | -16.77% |
| Other Revenue | 5,191,944 | 4,793,806 | 5,201,519 | 4,113,250 | -20.92% |
| SUBTOTAL | \$139,437,838 | \$134,341,382 | \$144,429,861 | \$142,394,470 | -1.41% |
| Sale of Property | 7,509,406 | 14,069 | 14,011,083 | 11,022,794 | - |
| TOTAL RESOURCES | \$146,947,244 | \$134,355,451 | \$158,440,944 | \$153,417,264 | -3.17% |

* Excludes In Lieu Charges / Transfers & Interfund Revenues

In the following sections are detailed discussions of the City's four major revenue sources, including explanations of the revenue forecasts for FY 2016/17 and beyond. Discussions of several other revenue sources of particular note follow.

Property Tax

Property Tax represents the largest source of General Fund revenue, estimated to be about 42% of all General Fund revenues in FY 2016/17. For each dollar of Property Tax paid by property owners in Sunnyvale, approximately \$0.13 is now allocated to the City of Sunnyvale.

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 that cross county lines, and Tax Delinquencies.

Property Tax has also been the revenue most shaped by voter initiatives and legislative actions. Approval of Proposition 13 in 1978 reduced Property Tax revenue by approximately two-thirds and thereafter limited the growth of assessed valuation to 2% annual increases or the California Consumer Price Index (CA-CPI), whichever is less. In the early 1990s, the State legislature permanently 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 \$9 million. In FY 2004/05 and FY 2005/06 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 2004/05 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 0.65%. For FY 2004/05, 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 2005/06, the City began to receive our portion of VLF revenues at the lower rate of 0.65%, while the Property Tax base was adjusted to reflect its new, permanent base.

Overall FY 2016/17 Property Tax revenues are expected to be up when compared to FY 2015/16, continuing the growth seen over the past several years. The outlook for Property Tax is positive, with expectations of increased assessed valuations in both the residential and commercial sectors driving revenue growth.

Secured Tax, which accounts for approximately 88% of total Property Tax revenue, has experienced strong growth in FY 2015/16 and is expected to increase significantly over the next two fiscal years. The residential market has performed strongly for three consecutive years, and this FY 2016/17 Recommended Budget adds to the residential property tax base by building in an additional 1.8% of growth in FY 2016/17. Significant growth is also expected in the short term for commercial and industrial property values. Staff identified several major projects that have added, or are on schedule to add, substantial assessed value to the City's Property Tax roll. Continued strong development activity, increasing the amount of new commercial building square footage in Sunnyvale, is reflected in these projections. Overall, the combined residential and commercial growth rate is expected to be 5.6% in FY 2016/17 and FY 2017/18, and 4.2% in FY 2018/19, and 4.4% in FY 2019/20. After that, growth is expected to continue at the historical average of approximately 4.1% annually. This historical average includes the maximum 2% increase in CPI as well as an additional 2.1% historical average growth from new construction and change of ownership.

In addition, the Secured Property Tax base has been increased with the dissolution of the Sunnyvale Redevelopment Agency (RDA). After the payment of enforceable obligations, the former property tax increment is distributed as Property Tax to all applicable taxing agencies, and \$38.9 million has been programmed into the long-term financial plan to account for the City's expected allocation over twenty years. In FY 2016/17 the distribution of the former property tax increment is expected to provide \$1.4 million in revenue to the City.

In FY 2015/16 the City received an additional one-time distribution of \$1.8 million as its share of a \$14 million payment the City made to the County for distribution to the affected taxing entities. This \$14 million payment was the amount transferred for the former Redevelopment Agency to the City the State Department of Finance determined the City was not eligible to receive.

Two other important elements of Property Tax revenue are the Unsecured Property Tax and Supplemental Property Tax rolls. Unsecured Property Tax revenue was up in FY 2014/15 after several years of flat returns. This revenue source is projected to slightly increase in FY 2015/16 and decline sharply in FY 2016/17 due to a negative adjustment for personal property that shifted from the Unsecured tax roll to the Secured tax roll. Unsecured tax revenue is projected to grow modestly from FY 2017/18 forward.

The Supplemental Property Tax roll reflects properties that are sold or transferred after the official lien date. Supplemental assessments pick up the higher or lower value on the property immediately by using a floating lien date, and the added or reduced 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. Another factor that makes this revenue source difficult to forecast is the fact that it is pooled at the County

level. All Supplemental Property Tax collected by the County is allocated to the cities based on a formula and not on transactions within each jurisdiction. As such, the significant valuation changes in other parts of the county impact the City of Sunnyvale's Supplemental Property Tax revenues. Over the past several years, this revenue source hit a record low in FY 2010/11 of \$175,000 and climbed to \$1,328,200 in FY 2014/15. Staff projects that Supplemental Property Tax revenue will remain high in FY 2015/16 and FY 2016/17, before returning to a historical average, beginning in FY 2017/18. Our projection revises the FY 2015/16 forecast to \$939,000. FY 2015/16 revenue is projected to be \$1.1 million. The long-term average of \$863,000 is projected in FY 2017/18, increasing modestly from there throughout the remainder of the long-term plan.

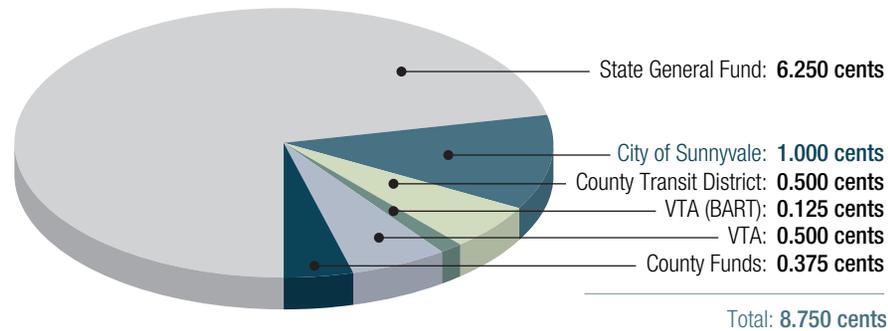
Another component of the City's Property Tax is the administrative fee the County of Santa Clara charges to collect and distribute Property Tax.

Administrative fees are projected to increase 16% in FY 2015/16 due to increased costs for the Santa Clara County Assessor's Office. The baseline Property Tax Administrative Fee used in our twenty year plan, beginning in FY 2016/17, is the long-term average of \$491,000, increasing by the same rate of growth projected for Secured Tax in future years.

Sales and Use Tax

Sales and Use Tax (Sales Tax) represents the second largest source of revenue to the General Fund. Sales Tax is expected to make up 21% of budgeted revenues in FY 2016/17. Sales and Use Tax also represents one of the General Fund’s most volatile revenue sources, with drastic swings over the past decade. In FY 2000/01, Sales Tax was the General Fund’s largest revenue source, constituting 32% of total revenue at \$36.3 million. The subsequent economic downturn caused by the technology industry bust saw Sales Tax revenue plummet to \$22.8 million by FY 2002/03. Revenues recovered over the following four fiscal years, reaching \$30.9 million in FY 2006/07, then dropped 4% in FY 2007/08 with the onset of the Great Recession. In the seven years since the recession returns have been volatile, but revenue has recovered to pre-recession levels, with Sales Tax revenue of \$29.7 million in FY 2014/15.

Exhibit 2: Sales Tax Distribution
8.75 Cents per Dollar – Santa Clara County



Source: CA Board of Equalization

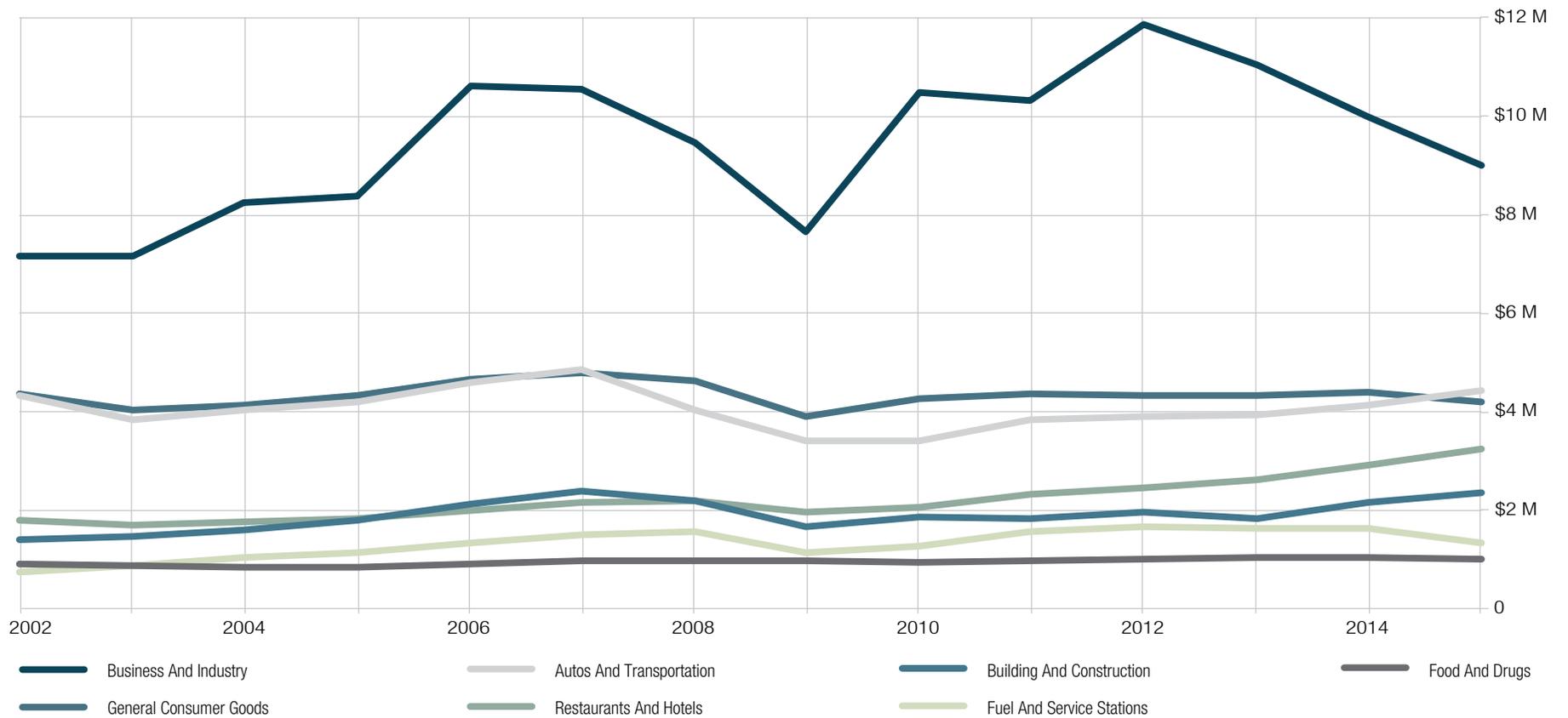
Exhibit 2 shows how Sales Tax dollars are distributed within Santa Clara County. The State receives the largest share of the eight and three-quarter cents per dollar of sales, while cities receive only one cent of the rate. There have been three increases to the Sales Tax implemented since 2011, and the increases have added a total of one-half cent to the Sales Tax. Measure B, approved by voters in 2008, added an eighth-cent Sales Tax to support the BART extension and became effective July 1, 2012. This additional eighth-cent will be effective for 30 years. In 2012, voters approved two additional Sales Tax measures. One was Proposition 30, a quarter-cent increase to the statewide base Sales Tax rate. This addition became effective on January 1, 2013 and is set to end on December 31, 2016. The other was Measure A, an eighth-cent increase to the portion of Sales Tax the County of Santa Clara receives for general County purposes. This addition became effective April 1, 2013 and is set to end on March 31, 2023. While these changes have impacted the sales tax rates paid by Sunnyvale residents, the City of Sunnyvale is not a beneficiary of either of these increases and continues to receive only 1% of all taxable sales.

Sales and Use Tax is composed of primary categories of transactions – general retail sales and business-to-business sales. In Sunnyvale, as well as some other Silicon Valley cities, a high percentage of overall Sales Tax has traditionally been business-to-business in nature. This sector currently constitutes 37% of our point-of-sale sales tax revenue, as compared to the statewide average of approximately 17%. This makes Sales Tax complicated and difficult to predict because it is often one time in nature.

Specific year-over-year growth projections are developed by dividing Sales Tax receipts into five major segments that have similar economic characteristics: Business and Industry, General Consumer Goods, Autos and Transportation, County Pool, 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 2002 and 2015, each category has a unique pattern:

Exhibit 3. Sales Tax Receipts by Major Sector
(Calendar Year 2002 - 2015)



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. As previously noted, in FY 2006/07, Sales Tax reached \$30.9 million. Two years later, by FY 2008/09, the Great Recession had taken its toll and Sales Tax had dropped to \$25.1 million, a 19% loss over two years. Sales Tax has recovered to nearly FY 2006/07 levels, as revenues of just over \$30 million were received in FY 2012/13 and FY 2013/14.

Our revised Sales Tax estimate for FY 2015/16 is \$30.4 million, up slightly from the prior year actual revenue of \$29.7 million. This increase was primarily caused by recovering from a negative adjustment in the Business and Industry category that reduced revenue in FY 2014/15. This adjustment impacted Sales Tax revenue over the prior two years. Excluding the one-time adjustment, the sales tax base is projected to be down 0.4% in FY 2015/16. However, modest growth is anticipated in the upcoming years as the economic recovery continues. Specifically, staff is forecasting sustained high activity in the Building/Construction and Auto/Transportation categories, as well as increased projections on revenue received from the County pool. Pooled revenues are expected to increase as a percentage of the City's overall Sales Tax revenue as e-commerce continues to become a larger part of the economy. When transactions occur online for Sales Tax-eligible purchases, the 1% share received by cities instead goes into a County pool for distribution. For example, if a Sunnyvale resident goes to Target in Sunnyvale and purchases a television, the City receives 1% of the sale price in Sales Tax revenue. If that same Sunnyvale resident buys that television off of Target's website, the 1% of the sale price instead goes to the County pool for distribution to all agencies, as the revenue from online purchases is tracked to the county where the customer is located rather than to a more precise location due to the lack of detail in the seller's tax return. The County pool is distributed based on each jurisdiction's share of total taxable sales. For the last reporting period, Sunnyvale's share of the pool was 7.5%. This increasing trend not only makes Sales Tax revenue increasingly difficult to project, but it also means that a larger part of this significant revenue source has less to do with activity in Sunnyvale.

Because of the volatility of this revenue source, staff has taken a conservative approach toward projecting growth. Growth is anticipated at a normal rate in FY 2016/17, reaching \$31.7 million, for a 4.5% increase over the projected FY 2015/16 revenue. This represents a growth to the base of 3.6% increase over the FY 2015/16 projection when you factor out the audit adjustment. Growth projections past FY 2017/18 are very modest, averaging 2.8% annually through FY 2035/36, which is only slightly above the inflation expectation during that time period. While it is not possible to predict the next slowdown or how that slowdown will impact Sales Tax revenues, the projections for future revenues reflect overall positive growth with the expectation that some years of growth will be offset by losses in other years due to economic fluctuations.

Further, following completion of the Town Center project, it is anticipated that the City will receive additional Sales Tax revenue of approximately \$1.1 million per year once the project is complete. This value is increased slightly from the \$1.0 million that was projected in the FY 2015/16 Adopted Budget. However, the revised estimate reflects an updated timeline, with the project not coming fully online until FY 2019/20. Staff revised the projection to reflect a conservative estimate for when various stages of the project will be completed. We begin showing a portion of these funds starting in FY 2017/18. In total, the revised projections reduce the total Sales Tax revenue by \$4.2 million over the twenty-year plan.

Utility Users Tax and Franchise Fees

Utility Users Tax (UUT) and Franchise Fees represent the third largest source of General Fund revenue, generating about 10% of the total for FY 2015/16. Historically, these two revenue categories have been combined because one of the primary sources of revenue for both the sale of electricity and gas. After declining in FY 2012/13, combined UUT & Franchise Fee revenue increased 3.4% to \$13.4 million in FY 2013/14. The City's UUT rate is 2% on electricity, gas, and intrastate telephone providers, which is lower than the 3.7% average of those cities in Santa Clara County which have UUT. It is also lower than the UUT rate of 3.6% for Santa Clara County when weighted by population and significantly lower than the statewide average of 6%.

Approximately 67% of UUT revenue is derived from the sale of electricity, 22% is related to intrastate telephone usage, and 11% is derived from the sale of gas.

The single largest component of UUT revenue is the electric rates charged by Pacific Gas & Electric (PG&E). With the elevated level of commercial development over recent years, and as the new square footage gets occupied, electric usage is expected to go up. However, in recent years the City has experienced very modest growth, indicating that the anticipated growth from new development has been almost entirely offset by the fact that many of these new buildings are more energy-efficient than prior uses. Modest growth is projected to continue. The revised projection for UUT on electric is \$4.25 million in FY 2015/16 and \$4.38 million in FY 2016/17.

The City is expecting to receive approximately \$1.51 million in FY 2015/16 from UUT on intrastate telephone usage. This is down approximately 2.8% from the \$1.55 million received in FY 2014/15. The long-term viability of this revenue source is a concern. Despite growth in the overall telecommunications industry, the City has not benefitted with increased UUT revenue. This is due to the fact that most of the growth in the market is in services that are not included in the UUT calculation, such as data transmission. As a result, revenue projections for FY 2016/17 and beyond reflect the continued degradation of this revenue source. The FY 2015/16 Adopted Budget projected declines of 2.8% annually. In the FY 2016/17 Recommended Budget, given the UUT telecom tax returns, this rate of decline was unchanged.

The City receives a one-time franchise payment from PG&E each year which represents approximately 38% 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 Solid Waste. For FY 2016/17, Franchise Fees are projected to increase by approximately 2% over the revised FY 2015/16 projection. This mixed growth is comprised of modest growth from the Specialty garbage and Cal Water franchises and cell phone tower franchise agreements.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) represents the fourth largest revenue source of the General Fund, constituting over 10% of the total projected revenue for FY 2016/17.

TOT revenue is expected to finish at nearly \$16.4 million in FY 2015/16. This represents a 15.9% increase over FY 2014/15. This increase in TOT revenue is the result of three factors. Effective midway through FY 2013/14, on January 1, 2014, the TOT tax rate increased from 9.5% to 10.5%. The second driving factor is business-related travel, the core business of Sunnyvale's hotels, remains at a high level. As the economic recovery has continued and business travel continues to be strong, Sunnyvale hotels have benefited from increasing room rates and occupancy rates, which has positively impacted the City's TOT revenues. The third factor is that the City added one hotel in FY 2014/15. Anticipated TOT revenue from this additional hotel was included in the projections made in the FY 2015/16 Adopted Budget.

Projections for future years consider a number of factors, including room rates and occupancy rates returning to their historical average, as well as projecting four new hotels to begin generating revenue in future years. Due to the very high, peak level that the City is currently experiencing, the long-term plan resets revenue projections to a sustainable base over a period of two years. The anticipated decline reflects projected decreases in room rates and occupancy rates to their historical averages; which is then used as sustainable level base level for future years. The long-term plan has growth built in future years. The first of the new hotels is projected to come online in FY 2017/18. When fully operational, these new hotels are expected to bring in approximately \$2.1M in net new TOT revenue annually. While there have been many additional hotel applications submitted, due to the volatile nature of hotel development, only likely projects are included in the long-term plan. Beyond FY 2017/18, growth is expected to be relatively steady, reflecting primarily flat occupancy rates with modest annual increases in room rates. This revenue is reliant on business-travel, and therefore revenue is very volatile. Modest growth is projected.

Other Revenue Highlights

The FY 2016/17 Recommended Budget includes certain other revenue sources which warrant some discussion.

Other Taxes

Construction Tax, Business License Tax, and Real Property Transfer Tax revenue have each had strong returns in recent years. Construction Tax revenues have been strong through FY 2015/16, an indication of the high level of development activity that the City has sustained for three consecutive years. The long-term financial plan anticipates that this historically high level will cool off, with an elevated amount estimated for FY 2016/17 and the historical average level planned beginning in FY 2017/18. Business License Tax has seen steady growth, in line with the strong level of economic activity in the City in recent years. Real Property Transfer Tax, which is driven by property turnover and changes in valuation, has also been high in recent years. The long-term financial plan anticipates that this revenue will return to its historical average in FY 2016/17.

Permits & Service Fees

This category includes revenue collections from fees charged for services provided by City operations. The majority of revenue in this category comes from the Department of Public Safety, the Recreation Division in the Department of Library and Community Services, the Community Development Department, and the Department of Public Works. The high level in FY 2013/14 actuals is due to the strong Development-related results which are no longer accounted for in the General Fund. Effective in FY 2014/15, fees related to development activities were shifted to the Development Enterprise Fund.

Sale of Property

This revenue item reflects the sale of some of the City's property. There are two sales of City property included in the General Fund's long-term financial plan for the FY 2016/17 Recommended Budget. The sale of the Raynor Activity Center (\$14 million) is planned in FY 2015/16. Third, the sale of the margarine plant has been updated to \$10.9 million to be received in FY 2016/17.

Revenues from the sale of property, as one-time funds, are best utilized for one-time capital needs. As such, these revenues are segregated into the Capital Improvement Projects Reserve. A portion of the sale proceeds from the Raynor Activity Center have been programmed for the Lakewood Branch Library project. The proceeds from the other sales have not been appropriated to any projects.

In-Lieu Charges and Transfers

In-Lieu Charges and Transfers are primarily funds transferred into the General Fund from other City funds to pay for projects and the cost of City-Wide administration, including the cost of the Department of Finance, the Human Resources Department, the Office of the City Manager, and the Office of the City Attorney. The FY 2016/17 in-lieu charges are up 8.6% due to increases in the General Fund and Development Enterprise Fund operating budgets.

Inter-Fund Revenues

Inter-Fund Revenues are primarily loan repayments to the General Fund from other funds, including the utility funds. Year-to-year fluctuations in this revenue source are expected, as loan repayment schedules are not always on fixed amortization periods and often change based on cash considerations.

FY 2014/15 was the final year of repayment from the Water Fund (for its share of the purchase of property adjacent to the corporation yard), and from the General Services Fund / Sunnyvale Office Center Sub-fund (\$248k rebate for rental income). The Sunnyvale Office Center Sub-fund rebate was removed in the FY 2015/16 Adopted Budget to strengthen reserves in this sub-fund, which funds the lease payments associated with the purchase of the debt financed Sunnyvale Office Center. The final loan repayment of \$4.1 million from the Solid Waste fund is scheduled in FY 2023/24.

General Fund Expenditures

General Fund expenditures fund common and core City operations like public safety, libraries, and parks and provide critical infrastructure funding for streets and sidewalks and more. The 2016/17 Recommended General Fund expenditures, including budget supplements, projects, lease

payments, equipment, and transfers total \$169.9 million. Of this amount, operating expenditures are the majority, totaling \$148.2 million, or 87%, of total expenditures. Operating expenditures are up 8.7% over the current FY 2015/16 budget primarily due to the addition of budgeted personnel to address increasing demands for service and rising compensation costs.

Operations — Employee Total Compensation

Employee Total Compensation makes up the largest portion of operating expenditures. For accuracy in projections, compensation is broken into two categories, Safety and Miscellaneous. Changes in safety Total Compensation is driven by salary surveys and the cost of pensions and other benefits. For FY 2016/17, safety total compensation is budgeted at \$65.2 million. This is a \$5.1 million, or 8.5%, increase from the \$60.1 million in the current budget for FY 2015/16. Safety salaries were adjusted downward in FY 2014/15 due to a lower salary increase than budgeted. The annual market survey of total compensation calculated increases that were lower than the current budgeted increase of 3%, thereby lowering the safety Salary base for FY 2015/16.

A total of three public safety officers have been added to the Operating Budget in FY 2016/17. These three new officers are to staff the new fire station in North Sunnyvale, however the cost was included in the FY 2015/16 twenty-year plan for the General Fund and therefore there is no impact from these additions.

For FY 2016/17, Miscellaneous Total Compensation is budgeted at \$53.2 million. This is a slight increase over the FY 2015/16 budget primarily due to the strategic addition of personnel.

Benefits, which consist of leave, retirement, insurance, and workers compensation costs, are up approximately 7.8% for Miscellaneous and 9.2% for Safety employees. This is primarily due to increases in retirement and insurance benefits costs anticipated in FY 2016/17. As more fully discussed in the Internal Service Fund section, employer contribution rates for retirement are projected to rise steeply over the next five to ten years and medical premium increases are estimated in the 5-7.5% range over the next several years. These increases are the same or exceed what was planned in the last long-term financial plans.

Operations — Other

Other operations are expenditures for purchased goods and services and overhead charges. Over the twenty-year planning period, these expenditures are up \$20.6 million over the current budget. About half of the change is attributable to Adjustments in goods and service needed to meet increasing demands and the rising cost of electricity.

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. The amount that is used for this purpose varies depending upon funds available and project requirements. As mentioned above, this support is projected to decrease in the future, primarily due to lower volumes and sale prices of gas sold. In FY 2016/17, the support is held flat to the current budgeted amount of \$2.025 million. For FY 2017/18 and FY 2017/18, this amount is reduced to \$1.4 million a year, and then to \$1.1 million the remainder of the first ten-year period.

Technology Project Funding is a new expenditure line-item in the General Fund. Over the twenty-year period, a total of \$27.1 million, or approximately \$1.4 million per year, has been added to the expenditure budget for investments in the City's I.T. infrastructure by fully funding critical projects and planning for their eventual replacement. The fund is able to afford these new costs primarily due to the increase in the property tax base.

Public Safety Recruitment Projects, Projects and Project Administration, and Project Operating Costs reflect General Fund expenditures related to capital, special, and Department of Public Safety recruitment projects. The content of these expenditures is discussed below in the General Fund Projects section.

The **Equipment** line item contains the appropriations for equipment for the Departments of Public Safety and assistance to the Library and Community Services based on their replacement schedules. These costs are up slightly, primarily due to adjustments and additions for some public safety equipment. In particular, due to decreasing Asset Forfeiture funds, the replacement of Tasers has been moved to the General Fund.

Lease payments in the amount of \$1,200,750 are included in the appropriation for FY 2016/17 as well. These payments fulfill the City's

agreement with the former Redevelopment Agency to pay lease payments equal to the annual debt service on one of the downtown parking structures. Previously a Redevelopment Agency obligation, this item remains a subject of litigation in the redevelopment dissolution process.

Council Service-Level Set Aside is an annual \$100,000 set aside for Council's use at its discretion for unplanned projects, services, or other initiatives that come up over the course of the fiscal year.

The FY 2016/17 General Fund Budget includes funding for ten budget supplements. Details on each of the supplements are included in the Budget Supplement section in this volume of the FY 2016/17 Recommended Budget. The total expenditures budget for the ten supplements in FY 2016/17 is \$1,005,543 with total costs over the twenty year plan of \$3.7 million.

Transfers to Other Funds reflect transfers from the General Fund to other funds for operating and capital project purposes. These include transfers to the Youth and Neighborhood Services Fund for support of Columbia Neighborhood Center, the Liability and Property Insurance Fund for the General Fund's share of claims and insurance, and the Capital and Infrastructure Project Funds to cover project expenditures. As established in the FY 2012/13 Budget, the long-term financial plan for the General Fund reflects an annual transfer of \$1.5 million for investment in the City's administrative infrastructure. These funds are not set aside for a specific project or set of projects at this point but will accumulate in the Infrastructure Fund and be appropriated as projects are identified and prioritized. Starting in FY 2016/17, approximately \$11.6 million is planned to be transferred over three years to the Capital Projects Fund for the design and construction work on the Lakewood Branch Library Facility project. \$550,000 has also been budgeted to transfer to the Golf and Tennis Fund to address the deficit in that Fund anticipated for FY 2016/17.

General Fund Projects

The FY 2016/17 Recommended Budget for the General Fund includes \$10.8 million for capital, special, and outside group funding projects. This amount also includes Project Administration costs of \$402,979. This is the cost of Public Works staff for design and inspection of General Fund supported capital projects. The majority of the projects budget in FY 2016/17,

or \$7.8 million, is in a special project for the recruitment and training of sworn public safety officers. In FY 2014/15, \$6.3 million was been brought forward from future years' recruitment budgets to accelerate recruitment efforts, fill vacancies and reach the current authorized sworn staffing. The additional funds supported the recruitment of additional recruits through FY 2016/17 in anticipation of the elevated level of projected separations in the next few years. In the FY 2016/17 Recommended Budget \$10.7 million was added to the recruitment projects over twenty years. The practice of 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 began in FY 2006/07. This methodology allows expenditures to fluctuate each year based on the number of recruitments and allows for better monitoring and tracking of costs. It should be noted that the fixed costs associated with this activity, which include management oversight and other recruitment expenses, continue to be part of the Public Safety Department operating budget.

Other projects include \$867,000 for the Emergency Vehicle Traffic Signal Preemption project to upgrade and expand existing outdated traffic signal preemption equipment in the City of Sunnyvale. \$316,200 is budgeted for Climate Action Plan Implementation, and \$152,150 for the Website Redesign project. There is also one ongoing special project for \$30,000 a year related to a minimum wage enforcement agreement with the San Jose Office of Equality Assurance, totaling \$600,000 over the twenty-year plan. The FY 2016/17 Budget also contains \$100,000 for Outside Group Funding per Council policy.

Often times, one-time capital projects will result in ongoing operational costs. The Project Operating Costs line reflects the future operating costs of budgeted projects. The first set of operating costs arising from projects starts in FY 2016/17, with the majority of the total being attributable to the DPS Body Worn Cameras (\$204,000). Another significant increase to project operating costs comes in FY 2019/20, when approximately \$267,000 is added annually to cover the net new ongoing costs of the Lakewood Branch Library and \$128,000 is added annually to cover the ongoing costs of the Washington Community Swim Center project. These ongoing costs are expected to be partially offset by increased revenues at Washington Pool once expansion is complete.

General Fund Reserves

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.

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 by Council.

The General Fund has five reserves that are contained in its long-term financial plan under the sub-heading, Reserves. The first is the Contingencies Reserve. By Council policy, this reserve must be equal to 15% of the operating budget in the first year of the long-term plan, in this case FY 2016/17, and then grow by the estimated change in the Consumer Price Index in each subsequent year. Prior to FY 2011/12, this reserve was set at 20% of General Fund operational expenditures annually; however, Council changed this reserve policy in 2011 to better reflect the intent and potential uses of this reserve. It is important to note that this reserve is not intended for normal unanticipated expenditures and is instead to be used for non-fiscal emergencies or disasters as determined by Council.

A second reserve in the General Fund mandated by Council policy is the Budget Stabilization Fund. The Budget Stabilization Fund functions to normalize service levels through economic cycles. In essence, the intent is for this fund to increase during periods of economic growth and to be drawn down during the low points of economic cycles to maintain stable service levels. Using 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.

In August 2011, Council adopted a new policy governing the balance of the Budget Stabilization Fund. This policy requires that the Budget Stabilization Fund be maintained at no less than 15% of total projected revenue for the first two years of the 20-year plan and that it never go below \$0 in any year. For the FY 2016/17 Budget, the Budget Stabilization Fund balance is 26% of revenues in FY 2016/17 and 24% in FY 2017/18.

The FY 2016/17 Recommended Budget continues to maintain the short- and long-term balance. Over the twenty-year plan, Total Available Resources are up \$162 million, and Total Expenditures are also up, approximately \$201 million.

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 1994/95 for the purpose of purchasing land or property in the downtown area with an emphasis on future income generation through economic development. In FY 2006/07 the reserve name was changed to Reserve for Capital Improvement Projects to reflect its expanded purpose. At the end of FY 2015/16, it is projected that the balance in this reserve will be \$23 million, an increase from the prior year due to the anticipated sale of the Raynor Activity Center for \$14 million in FY 2015/16. It is anticipated that the Reserve for Capital Improvement Projects will increase again in FY 2016/17 due to the sale of the Margarine Plant. After FY 2017/18, the reserve is projected to increase with interest earnings.

Lastly, the Equipment & Project C/O Reserve accounts for actual FY 2014/15 project carryover costs (and related revenues). Since a significant portion of the current budgeted project costs are from the prior year (FY 2014/15) carryover, it was prudent to separate out this reserve to increase transparency of unspent project costs. Additionally, accounting for this reserve separately helps ensure that the available funds in the Budget Stabilization Fund are not overstated.

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.

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2015 TO JUNE 30, 2026**

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|---|---------------------|----------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|
| RESERVES/FUND BALANCE, JULY 1 | 116,003,026 | 112,566,377 | 97,751,647 | 100,932,134 | 88,303,575 | 83,858,708 | 87,170,224 | 89,898,154 | 93,499,780 | 96,720,041 | 100,592,194 | 98,536,802 | 112,566,377 |
| CURRENT RESOURCES: | | | | | | | | | | | | | |
| Property Tax | 54,940,570 | 61,748,736 | 62,777,052 | 64,448,323 | 67,791,647 | 71,085,747 | 73,867,311 | 76,834,731 | 79,791,703 | 82,928,401 | 86,158,793 | 89,544,746 | 816,977,191 |
| Sales Tax | 29,676,176 | 30,352,481 | 31,698,678 | 33,009,729 | 33,694,247 | 34,711,878 | 35,706,377 | 36,722,959 | 37,876,087 | 39,069,270 | 40,293,390 | 41,450,979 | 394,586,075 |
| Public Safety Sales Tax | 1,542,805 | 1,566,638 | 1,636,121 | 1,698,630 | 1,727,251 | 1,767,904 | 1,812,525 | 1,858,286 | 1,911,611 | 1,966,487 | 2,022,960 | 2,081,076 | 20,049,488 |
| Business License Tax | 1,845,883 | 1,734,000 | 1,768,680 | 1,804,054 | 1,840,135 | 1,876,937 | 1,914,476 | 1,952,766 | 1,991,821 | 2,031,657 | 2,092,607 | 2,155,385 | 21,162,518 |
| Other Taxes | 4,830,902 | 4,859,967 | 3,570,449 | 3,259,512 | 3,358,584 | 3,463,337 | 3,568,018 | 3,675,549 | 3,786,514 | 3,901,029 | 4,019,215 | 4,141,196 | 41,603,372 |
| Transient Occupancy Tax | 14,137,069 | 16,383,291 | 14,471,479 | 10,811,481 | 11,265,442 | 11,960,267 | 12,308,847 | 12,666,585 | 13,033,710 | 13,410,452 | 13,773,794 | 14,146,305 | 144,231,653 |
| Utility Users Taxes | 6,774,027 | 6,809,616 | 6,903,949 | 6,971,730 | 7,042,847 | 7,117,312 | 7,195,136 | 7,276,335 | 7,360,924 | 7,448,921 | 7,549,003 | 7,707,931 | 79,383,704 |
| Franchises | 6,897,803 | 7,011,274 | 7,153,717 | 7,261,043 | 7,379,181 | 7,516,124 | 7,639,265 | 7,764,986 | 7,893,343 | 8,024,391 | 8,211,661 | 8,404,411 | 84,259,397 |
| Rents and Concessions | 2,439,797 | 2,426,454 | 2,451,331 | 2,438,316 | 2,530,191 | 2,571,080 | 2,503,161 | 2,543,775 | 2,587,562 | 2,630,305 | 2,691,169 | 2,743,704 | 28,117,048 |
| Federal, State and Intergovernmental Revenue | 1,609,139 | 2,066,065 | 881,123 | 642,537 | 637,069 | 643,730 | 650,525 | 657,455 | 664,524 | 669,977 | 680,957 | 692,265 | 8,886,228 |
| Permits and Licenses | 1,308,386 | 1,247,915 | 1,261,679 | 1,276,049 | 1,301,212 | 1,326,880 | 1,353,060 | 1,379,764 | 1,407,002 | 1,434,785 | 1,477,036 | 1,520,539 | 14,985,923 |
| Fines and Forfeitures | 1,093,087 | 942,261 | 999,943 | 996,876 | 1,008,068 | 1,019,659 | 1,031,652 | 1,044,054 | 1,056,869 | 1,070,101 | 1,084,355 | 1,099,067 | 11,352,905 |
| Service Fees | 6,028,267 | 5,788,278 | 5,503,194 | 5,529,415 | 5,627,327 | 5,800,066 | 5,902,062 | 6,010,167 | 6,117,509 | 6,235,563 | 6,347,233 | 6,460,217 | 65,321,030 |
| Interest Income | 668,696 | 866,330 | 721,012 | 1,313,891 | 1,930,515 | 2,685,573 | 2,788,324 | 2,918,094 | 3,045,580 | 3,187,537 | 3,108,635 | 2,931,632 | 25,497,122 |
| Interest from Sale of Property | 0 | 11,083 | 112,794 | 90,404 | 18,317 | 25,156 | 26,162 | 27,209 | 28,297 | 29,429 | 30,606 | 31,830 | 431,288 |
| Inter-Fund Revenues | 6,864,357 | 6,272,017 | 6,290,179 | 6,308,704 | 6,327,599 | 5,932,708 | 5,952,366 | 5,972,418 | 5,992,871 | 6,013,733 | 1,946,096 | 1,978,972 | 58,987,663 |
| Miscellaneous Revenues | 548,777 | 626,555 | 596,062 | 598,714 | 149,602 | 152,361 | 155,175 | 158,045 | 160,972 | 163,741 | 168,303 | 173,002 | 3,102,532 |
| Sale of Property | 14,069 | 14,000,000 | 10,910,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,910,000 |
| Transfer From Gas Tax Fund | 0 | 0 | 2,025,000 | 1,365,000 | 1,375,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 | 12,465,000 |
| In-Lieu Charges | 8,894,572 | 10,115,108 | 11,199,134 | 11,423,115 | 11,651,577 | 11,884,609 | 12,122,301 | 12,364,747 | 12,612,041 | 12,864,283 | 13,250,212 | 13,647,718 | 133,134,846 |
| Transfer From Other Funds | 373,203 | 1,124,105 | 152,711 | 61,789 | 78,069 | 348,958 | 354,657 | 157,906 | 79,526 | 79,992 | 80,472 | 80,472 | 2,598,657 |
| TOTAL CURRENT RESOURCES | 150,487,584 | 175,952,175 | 173,084,287 | 161,309,311 | 166,733,882 | 172,990,287 | 177,951,400 | 183,085,832 | 188,498,467 | 194,260,055 | 196,086,494 | 202,091,449 | 1,992,043,640 |
| TOTAL AVAILABLE RESOURCES | 266,490,611 | 288,518,553 | 270,835,934 | 262,241,445 | 255,037,457 | 256,848,995 | 265,121,624 | 272,983,986 | 281,998,247 | 290,980,096 | 296,678,689 | 300,628,252 | 2,104,610,017 |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | | |
| Operations - Total Compensation - Safety | 56,259,676 | 60,127,339 | 65,171,210 | 67,079,727 | 69,138,906 | 71,977,121 | 75,104,389 | 78,402,081 | 81,881,429 | 85,554,489 | 89,970,297 | 94,851,210 | 839,258,197 |
| Operations - Total Compensation - Miscellaneous | 47,078,118 | 49,896,870 | 53,175,269 | 54,029,297 | 55,286,134 | 56,579,992 | 57,893,473 | 59,320,563 | 60,787,985 | 62,297,069 | 64,435,712 | 66,709,407 | 640,411,772 |
| Operations - Other | 26,270,732 | 26,335,774 | 29,857,107 | 28,487,636 | 29,180,660 | 29,906,208 | 30,637,112 | 31,490,022 | 32,366,502 | 33,240,722 | 34,113,426 | 35,008,422 | 340,623,591 |
| Operations Transfer To Gas Tax Fund | (1,991,231) | (2,025,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,025,000) |
| Public Safety Recruitment Projects | 5,755,430 | 8,362,780 | 7,800,031 | 5,905,794 | 3,170,822 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 41,321,298 |
| Projects and Project Administration | 2,450,657 | 13,877,348 | 2,961,100 | 1,662,630 | 1,009,939 | 988,700 | 930,188 | 531,499 | 779,005 | 477,586 | 490,184 | 721,023 | 24,429,201 |
| Project Operating Costs | 0 | 0 | 289,339 | 340,375 | 339,902 | 742,287 | 755,399 | 773,559 | 770,938 | 791,600 | 813,528 | 843,852 | 6,460,779 |
| Equipment | 410,061 | 787,274 | 443,899 | 358,683 | 345,726 | 340,710 | 1,233,534 | 259,833 | 833,069 | 438,472 | 341,101 | 635,877 | 6,018,178 |
| Lease Payments | 1,341,019 | 1,202,750 | 1,200,750 | 1,201,625 | 1,200,250 | 1,235,625 | 1,242,375 | 1,241,250 | 0 | 0 | 0 | 0 | 8,524,625 |
| Payment to State - RDA Dissolution | 0 | 14,175,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,175,000 |
| Council Service Level Set-Aside | 0 | 25,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 1,025,000 |
| Budget Supplements | 0 | 0 | 1,005,543 | 500,600 | 253,323 | 114,435 | 117,296 | 91,943 | 94,241 | 96,597 | 99,012 | 101,488 | 2,474,477 |
| Technology Project Funding | 0 | 0 | 2,761,500 | 3,500,000 | 3,125,000 | 1,475,000 | 923,228 | 941,692 | 960,526 | 979,736 | 999,331 | 1,019,318 | 16,685,331 |
| Service Level Set-Aside | 0 | 950,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 950,000 |
| Budget Modification | 0 | 2,731,830 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,731,830 |
| TOTAL EXPENDITURES | 137,574,461 | 176,446,965 | 164,765,749 | 163,166,367 | 163,150,661 | 165,757,488 | 171,234,403 | 175,449,850 | 180,871,105 | 186,273,681 | 193,660,001 | 202,288,007 | 1,943,064,278 |

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2015 TO JUNE 30, 2026**

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|---------------------------------------|---------------------|----------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|
| TRANSFERS TO OTHER FUNDS: | | | | | | | | | | | | | |
| Infrastructure Fund | 2,159,785 | 7,276,802 | 593,308 | 605,174 | 674,584 | 629,623 | 642,216 | 655,060 | 1,001,246 | 681,524 | 1,037,871 | 1,012,357 | 14,809,765 |
| Investment in City Facilities | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 16,500,000 |
| Capital Projects Fund | 69,798 | 2,769,821 | 852,000 | 6,976,072 | 4,106,121 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,704,014 |
| Youth and Neighborhood Services Fund | 493,412 | 492,502 | 582,886 | 588,005 | 601,041 | 610,927 | 625,177 | 638,818 | 652,973 | 667,285 | 665,949 | 679,692 | 6,805,254 |
| Solid Waste Management Fund | 0 | 101,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101,000 |
| Golf and Tennis Fund | 140,000 | 450,000 | 550,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| Development Enterprise Fund | 8,337,346 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Services Fund | 29,583 | 711,150 | 0 | 0 | 0 | 0 | 5,520 | 0 | 0 | 0 | 0 | 6,154 | 722,824 |
| Employee Benefits Fund | 2,600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Liability and Property Insurance Fund | 1,019,848 | 1,018,667 | 1,059,858 | 1,102,252 | 1,146,342 | 1,180,732 | 1,216,154 | 1,240,477 | 1,252,882 | 1,265,411 | 1,278,065 | 1,290,846 | 13,051,686 |
| TOTAL TRANSFERS TO OTHER FUNDS | 16,349,772 | 14,319,941 | 5,138,052 | 10,771,503 | 8,028,088 | 3,921,283 | 3,989,067 | 4,034,355 | 4,407,101 | 4,114,220 | 4,481,885 | 4,489,048 | 67,694,543 |
| TOTAL CURRENT REQUIREMENTS | 153,924,234 | 190,766,906 | 169,903,801 | 173,937,870 | 171,178,749 | 169,678,771 | 175,223,470 | 179,484,205 | 185,278,206 | 190,387,901 | 198,141,886 | 206,777,055 | 2,010,758,821 |
| RESERVES: | | | | | | | | | | | | | |
| DESIGNATED: | | | | | | | | | | | | | |
| Contingencies (15%) | 19,142,594 | 20,150,247 | 22,577,689 | 23,142,131 | 23,720,684 | 24,313,701 | 24,921,544 | 25,544,583 | 26,183,197 | 26,837,777 | 27,508,722 | 28,196,440 | 28,196,440 |
| Capital Improvement Projects | 13,268,185 | 22,809,268 | 33,082,063 | 26,300,434 | 22,318,752 | 22,343,908 | 22,370,070 | 22,397,279 | 22,425,576 | 22,455,005 | 22,456,182 | 22,486,835 | 22,486,835 |
| Reserve for RDA payment | 14,128,459 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Budget Stabilization Fund | 53,972,026 | 54,792,131 | 45,272,382 | 38,861,010 | 37,819,272 | 40,512,615 | 42,606,540 | 45,557,919 | 48,111,268 | 51,299,413 | 48,571,899 | 43,167,922 | 43,167,922 |
| Equipment & Project C/O Reserve | 12,055,113 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL DESIGNATED RESERVES | 112,566,377 | 97,751,647 | 100,932,134 | 88,303,575 | 83,858,708 | 87,170,224 | 89,898,154 | 93,499,780 | 96,720,041 | 100,592,194 | 98,536,802 | 93,851,197 | 93,851,197 |
| TOTAL RESERVES | 112,566,377 | 97,751,647 | 100,932,134 | 88,303,575 | 83,858,708 | 87,170,224 | 89,898,154 | 93,499,780 | 96,720,041 | 100,592,194 | 98,536,802 | 93,851,197 | 93,851,197 |
| FUND BALANCE, JUNE 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Current Resources | 150,473,515 | 161,941,092 | 162,061,493 | 161,218,908 | 166,715,564 | 172,965,131 | 177,925,238 | 183,058,623 | 188,470,170 | 194,230,626 | 196,055,888 | 202,059,619 | |
| Total Current Requirements | 153,924,234 | 190,766,906 | 169,153,801 | 167,065,838 | 167,178,749 | 169,678,771 | 175,223,470 | 179,484,205 | 185,278,206 | 190,387,901 | 198,141,886 | 206,777,055 | |
| DIFFERENCE | (3,450,718) | (28,825,814) | (7,092,308) | (5,846,930) | (463,185) | 3,286,360 | 2,701,768 | 3,574,418 | 3,191,964 | 3,842,724 | (2,085,998) | (4,717,436) | |

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2026 TO JUNE 30, 2036**

| | PLAN 2026/2027 | PLAN 2027/2028 | PLAN 2028/2029 | PLAN 2029/2030 | PLAN 2030/2031 | PLAN 2031/2032 | PLAN 2032/2033 | PLAN 2033/2034 | PLAN 2034/2035 | PLAN 2035/2036 | FY 2026/2027 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| RESERVES/FUND BALANCE, JULY 1 | 93,851,197 | 89,851,452 | 85,462,820 | 81,130,344 | 76,137,305 | 70,410,960 | 65,689,248 | 62,795,795 | 61,878,950 | 63,484,893 | 93,851,197 | 112,566,377 |
| CURRENT RESOURCES: | | | | | | | | | | | | |
| Property Tax | 93,771,956 | 97,696,008 | 101,556,716 | 105,571,642 | 109,746,992 | 114,089,218 | 118,605,039 | 123,301,441 | 128,185,696 | 133,224,680 | 1,125,749,387 | 1,942,726,578 |
| Sales Tax | 42,642,272 | 43,868,259 | 45,129,959 | 46,428,424 | 47,764,734 | 49,140,003 | 50,555,376 | 52,012,033 | 53,511,191 | 55,055,778 | 486,108,028 | 880,694,103 |
| Public Safety Sales Tax | 2,140,885 | 2,202,435 | 2,265,778 | 2,330,968 | 2,398,057 | 2,467,102 | 2,538,160 | 2,611,291 | 2,686,556 | 2,764,017 | 24,405,248 | 44,454,736 |
| Business License Tax | 2,220,047 | 2,286,648 | 2,355,248 | 2,425,905 | 2,498,682 | 2,573,643 | 2,650,852 | 2,730,378 | 2,812,289 | 2,896,658 | 25,450,349 | 46,612,867 |
| Other Taxes | 4,280,604 | 4,424,812 | 4,573,991 | 4,728,315 | 4,887,966 | 5,053,133 | 5,224,010 | 5,400,800 | 5,583,712 | 5,772,964 | 49,930,308 | 91,533,680 |
| Transient Occupancy Tax | 14,166,696 | 14,623,736 | 15,062,448 | 15,514,322 | 15,979,751 | 16,459,144 | 16,952,918 | 17,461,506 | 17,985,351 | 18,524,912 | 162,730,785 | 306,962,438 |
| Utility Users Taxes | 7,873,531 | 8,045,948 | 8,225,334 | 8,411,849 | 8,605,656 | 8,806,927 | 9,015,839 | 9,232,577 | 9,457,330 | 9,690,298 | 87,365,290 | 166,748,994 |
| Franchises | 8,618,965 | 8,839,957 | 9,067,577 | 9,302,027 | 9,543,510 | 9,792,237 | 10,048,426 | 10,312,301 | 10,584,092 | 10,864,036 | 96,973,128 | 181,232,525 |
| Rents and Concessions | 2,602,188 | 2,669,511 | 2,733,546 | 2,810,281 | 2,878,983 | 2,952,673 | 3,032,643 | 3,111,525 | 3,187,672 | 3,219,660 | 29,198,684 | 57,315,731 |
| Federal, State and Intergovernmental Revenue | 709,489 | 722,080 | 735,048 | 715,072 | 728,830 | 743,001 | 757,597 | 772,631 | 788,116 | 804,065 | 7,475,929 | 16,362,157 |
| Permits and Licenses | 1,566,155 | 1,613,140 | 1,661,534 | 1,711,380 | 1,762,722 | 1,815,603 | 1,870,071 | 1,926,173 | 1,983,959 | 2,043,477 | 17,954,215 | 32,940,138 |
| Fines and Forfeitures | 1,123,164 | 1,148,143 | 1,174,030 | 1,200,848 | 1,228,622 | 1,257,378 | 1,287,142 | 1,317,942 | 1,349,807 | 1,382,766 | 12,469,843 | 23,822,747 |
| Service Fees | 6,620,194 | 6,786,452 | 6,967,426 | 7,142,383 | 7,327,262 | 7,530,176 | 7,718,213 | 7,905,706 | 8,127,818 | 8,335,725 | 74,461,354 | 139,782,384 |
| Interest Income | 3,446,004 | 3,229,863 | 3,024,301 | 2,793,446 | 2,520,932 | 2,284,985 | 2,142,395 | 2,094,790 | 2,176,791 | 2,352,438 | 26,065,944 | 51,563,066 |
| Interest from Sale of Property | 41,379 | 43,448 | 45,621 | 47,902 | 50,297 | 52,812 | 55,452 | 58,225 | 61,136 | 64,193 | 520,466 | 951,754 |
| Inter-Fund Revenues | 2,012,835 | 2,047,714 | 2,083,639 | 2,120,641 | 2,158,754 | 2,198,010 | 2,238,444 | 2,280,091 | 2,322,987 | 2,367,170 | 21,830,285 | 80,817,948 |
| Miscellaneous Revenues | 177,842 | 182,827 | 180,600 | 185,889 | 191,336 | 196,947 | 202,726 | 208,678 | 214,809 | 221,124 | 1,962,780 | 5,065,312 |
| Sale of Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,910,000 |
| Transfer From Gas Tax Fund | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 9,500,000 | 21,965,000 |
| In-Lieu Charges | 14,057,058 | 14,478,769 | 14,913,131 | 15,360,526 | 15,821,341 | 16,295,981 | 16,784,860 | 17,288,407 | 17,807,059 | 18,341,271 | 161,148,405 | 294,283,251 |
| Transfer From Other Funds | 96,970 | 97,478 | 98,002 | 98,541 | 542,438 | 456,420 | 100,258 | 100,865 | 101,491 | 102,135 | 1,794,597 | 4,393,255 |
| TOTAL CURRENT RESOURCES | 209,118,233 | 215,957,228 | 222,803,930 | 229,850,362 | 237,586,865 | 245,115,393 | 252,730,424 | 261,077,362 | 269,877,863 | 278,977,367 | 2,423,095,025 | 4,415,138,665 |
| TOTAL AVAILABLE RESOURCES | 302,969,430 | 305,808,680 | 308,266,750 | 310,980,706 | 313,724,170 | 315,526,353 | 318,419,672 | 323,873,157 | 331,756,813 | 342,462,260 | 2,516,946,222 | 4,527,705,042 |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | |
| Operations - Total Compensation - Safety | 98,240,547 | 101,903,080 | 105,704,445 | 109,649,998 | 113,404,528 | 117,297,554 | 121,334,436 | 125,618,980 | 128,434,509 | 132,287,544 | 1,153,875,621 | 1,993,133,818 |
| Operations - Total Compensation - Miscellaneous | 68,569,265 | 70,549,804 | 72,588,831 | 74,800,191 | 76,895,620 | 76,029,901 | 78,148,796 | 80,105,682 | 81,320,264 | 82,948,696 | 761,957,048 | 1,402,368,820 |
| Operations - Other | 36,082,476 | 37,189,249 | 38,329,762 | 39,505,072 | 40,716,266 | 42,014,346 | 43,353,605 | 44,735,383 | 46,161,060 | 47,632,067 | 415,719,286 | 756,342,877 |
| Operations Transfer To Gas Tax Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (2,025,000) |
| Public Safety Recruitment Projects | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 2,297,410 | 22,974,100 | 64,295,398 |
| Projects and Project Administration | 809,645 | 600,026 | 726,954 | 1,117,525 | 1,229,981 | 874,292 | 788,609 | 744,877 | 1,105,132 | 1,098,271 | 9,095,311 | 33,524,512 |
| Project Operating Costs | 853,898 | 885,789 | 918,973 | 953,516 | 989,484 | 1,026,934 | 1,065,938 | 1,106,571 | 1,148,902 | 1,180,944 | 10,130,949 | 16,591,728 |
| Equipment | 459,709 | 942,935 | 484,545 | 334,723 | 1,252,501 | 455,881 | 1,027,326 | 500,390 | 838,291 | 782,884 | 7,079,184 | 13,097,362 |
| Lease Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,524,625 |
| Payment to State - RDA Dissolution | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,175,000 |
| Council Service Level Set-Aside | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 1,000,000 | 2,025,000 |
| Budget Supplements | 104,532 | 107,668 | 110,898 | 114,225 | 117,652 | 121,182 | 124,817 | 128,561 | 132,418 | 136,391 | 1,198,345 | 3,672,822 |
| Technology Project Funding | 1,049,897 | 1,081,394 | 1,113,836 | 1,147,251 | 1,181,669 | 1,217,119 | 1,253,632 | 1,291,241 | 1,329,978 | 1,369,878 | 12,035,896 | 28,721,227 |
| Service Level Set-Aside | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 950,000 |
| Budget Modification | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,731,830 |
| TOTAL EXPENDITURES | 208,567,379 | 215,657,354 | 222,375,655 | 230,019,910 | 238,185,110 | 241,434,617 | 249,494,570 | 256,629,095 | 262,867,966 | 269,834,085 | 2,395,065,740 | 4,338,130,018 |

CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2026 TO JUNE 30, 2036

| | PLAN 2026/2027 | PLAN 2027/2028 | PLAN 2028/2029 | PLAN 2029/2030 | PLAN 2030/2031 | PLAN 2031/2032 | PLAN 2032/2033 | PLAN 2033/2034 | PLAN 2034/2035 | PLAN 2035/2036 | FY 2026/2027 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| TRANSFERS TO OTHER FUNDS: | | | | | | | | | | | | |
| Infrastructure Fund | 1,042,728 | 1,132,775 | 1,155,997 | 1,168,510 | 1,335,742 | 4,671,688 | 2,359,306 | 1,555,018 | 1,562,173 | 1,510,071 | 17,494,008 | 32,303,773 |
| Investment in City Facilities | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 15,000,000 | 31,500,000 |
| Capital Projects Fund | 0 | 0 | 0 | 0 | 92,755 | 0 | 0 | 0 | 0 | 0 | 92,755 | 14,796,769 |
| Youth and Neighborhood Services Fund | 691,208 | 712,735 | 734,898 | 757,728 | 781,242 | 805,463 | 830,410 | 856,107 | 873,254 | 890,729 | 7,933,773 | 14,739,027 |
| Solid Waste Management Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 101,000 |
| Golf and Tennis Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| Development Enterprise Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General Services Fund | 0 | 0 | 0 | 0 | 7,135 | 0 | 0 | 0 | 0 | 0 | 7,135 | 729,959 |
| Employee Benefits Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Liability and Property Insurance Fund | 1,316,663 | 1,342,996 | 1,369,856 | 1,397,253 | 1,411,225 | 1,425,338 | 1,439,591 | 1,453,987 | 1,468,527 | 1,483,212 | 14,108,647 | 27,160,333 |
| TOTAL TRANSFERS TO OTHER FUNDS | 4,550,598 | 4,688,505 | 4,760,751 | 4,823,490 | 5,128,100 | 8,402,488 | 6,129,307 | 5,365,112 | 5,403,954 | 5,384,012 | 54,636,318 | 122,330,861 |
| TOTAL CURRENT REQUIREMENTS | 213,117,978 | 220,345,859 | 227,136,406 | 234,843,400 | 243,313,210 | 249,837,105 | 255,623,877 | 261,994,207 | 268,271,919 | 275,218,097 | 2,449,702,058 | 4,460,460,879 |
| RESERVES: | | | | | | | | | | | | |
| DESIGNATED: | | | | | | | | | | | | |
| Contingencies (15%) | 29,042,333 | 29,913,603 | 30,811,011 | 31,735,341 | 32,687,401 | 33,668,023 | 34,678,064 | 35,718,406 | 36,789,958 | 37,893,657 | 37,893,657 | 37,893,657 |
| Capital Improvement Projects | 22,528,214 | 22,571,663 | 22,617,284 | 22,665,186 | 22,715,483 | 22,768,294 | 22,823,747 | 22,881,972 | 22,943,108 | 23,007,301 | 23,007,301 | 23,007,301 |
| Reserve for RDA payment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Budget Stabilization Fund | 38,280,905 | 32,977,555 | 27,702,050 | 21,736,779 | 15,008,076 | 9,252,930 | 5,293,984 | 3,278,572 | 3,751,827 | 6,343,205 | 6,343,205 | 6,343,205 |
| Equipment & Project C/O Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB-TOTAL DESIGNATED RESERVES | 89,851,452 | 85,462,820 | 81,130,344 | 76,137,305 | 70,410,960 | 65,689,248 | 62,795,795 | 61,878,950 | 63,484,893 | 67,244,163 | 67,244,163 | 67,244,163 |
| TOTAL RESERVES | 89,851,452 | 85,462,820 | 81,130,344 | 76,137,305 | 70,410,960 | 65,689,248 | 62,795,795 | 61,878,950 | 63,484,893 | 67,244,163 | 67,244,163 | 67,244,163 |
| FUND BALANCE, JUNE 30 | 0 | 0 |
| Total Current Resources | 209,076,853 | 215,913,779 | 222,758,309 | 229,802,460 | 237,536,568 | 245,062,581 | 252,674,972 | 261,019,137 | 269,816,727 | 278,913,174 | | |
| Total Current Requirements | 213,117,978 | 220,345,859 | 227,136,406 | 234,843,400 | 243,313,210 | 249,837,105 | 255,623,877 | 261,994,207 | 268,271,919 | 275,218,097 | | |
| DIFFERENCE | (4,041,124) | (4,432,080) | (4,378,097) | (5,040,941) | (5,776,642) | (4,774,524) | (2,948,905) | (975,070) | 1,544,807 | 3,695,077 | | |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | ACTUAL | CURRENT | BUDGET | PLAN | FY 2015/2016 TO FY 2025/2026 TOTAL |
|--|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| | | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | |
| 0150 | Secured Tax | 35,725,137 | 39,493,489 | 41,689,717 | 44,013,652 | 45,855,973 | 47,879,549 | 49,840,173 | 51,859,637 | 53,961,053 | 56,147,750 | 58,423,194 | 60,790,994 | 549,955,180 |
| 0152 | Unitary Roll - AB454 | 442,978 | 482,790 | 509,638 | 538,047 | 560,568 | 585,306 | 609,274 | 633,961 | 659,649 | 686,381 | 714,197 | 743,142 | 6,722,953 |
| 0153 | Property Tax in Lieu of VLF | 13,343,886 | 14,774,000 | 15,595,580 | 16,464,934 | 17,154,122 | 17,911,116 | 18,644,560 | 19,400,015 | 20,186,127 | 21,004,142 | 21,855,356 | 22,741,119 | 205,731,073 |
| 0155 | Tax Delinquencies | 493,396 | 459,000 | 861,336 | 878,563 | 896,134 | 914,057 | 932,338 | 950,985 | 970,004 | 989,404 | 1,009,193 | 1,039,468 | 9,900,482 |
| 0156 | Unsecured Tax | 3,045,976 | 3,119,000 | 2,144,429 | 2,187,318 | 2,231,064 | 2,275,686 | 2,321,199 | 2,367,623 | 2,414,976 | 2,463,275 | 2,512,541 | 2,562,792 | 26,599,904 |
| 0157 | Supplemental Roll | 1,328,200 | 939,000 | 1,083,101 | 863,837 | 881,114 | 898,736 | 916,711 | 935,045 | 953,746 | 972,821 | 992,277 | 1,012,123 | 10,448,510 |
| 0159 | Administrative Fees | (402,425) | (466,000) | (491,914) | (519,335) | (541,074) | (564,951) | (588,085) | (611,913) | (636,709) | (662,511) | (689,359) | (717,298) | (6,489,148) |
| 0181 | General Fund Share of Tax Increment | 963,421 | 2,947,457 | 1,385,164 | 21,307 | 753,745 | 1,186,249 | 1,191,142 | 1,299,378 | 1,282,856 | 1,327,139 | 1,341,394 | 1,372,406 | 14,108,237 |
| TOTAL PROPERTY TAXES | | 54,940,570 | 61,748,736 | 62,777,052 | 64,448,323 | 67,791,647 | 71,085,747 | 73,867,311 | 76,834,731 | 79,791,703 | 82,928,401 | 86,158,793 | 89,544,746 | 816,977,191 |
| 0300 | Sales and Use Tax | 29,676,176 | 30,352,481 | 31,698,678 | 32,909,729 | 33,464,247 | 34,251,878 | 35,116,377 | 36,002,959 | 37,036,087 | 38,099,270 | 39,193,390 | 40,319,356 | 388,444,452 |
| 0300 | Additional Sales Tax - Downtown | 0 | 0 | 0 | 100,000 | 230,000 | 460,000 | 590,000 | 720,000 | 840,000 | 970,000 | 1,100,000 | 1,131,623 | 6,141,623 |
| TOTAL SALES AND USE TAXES | | 29,676,176 | 30,352,481 | 31,698,678 | 33,009,729 | 33,694,247 | 34,711,878 | 35,706,377 | 36,722,959 | 37,876,087 | 39,069,270 | 40,293,390 | 41,450,979 | 394,586,075 |
| 0301 | Sales and Use Tax - Public Safety | 1,542,805 | 1,566,638 | 1,636,121 | 1,698,630 | 1,727,251 | 1,767,904 | 1,812,525 | 1,858,286 | 1,911,611 | 1,966,487 | 2,022,960 | 2,081,076 | 20,049,488 |
| TOTAL SALES AND USE TAX - PUBLIC SAFETY | | 1,542,805 | 1,566,638 | 1,636,121 | 1,698,630 | 1,727,251 | 1,767,904 | 1,812,525 | 1,858,286 | 1,911,611 | 1,966,487 | 2,022,960 | 2,081,076 | 20,049,488 |
| 0450 | Business License Tax | 1,845,883 | 1,734,000 | 1,768,680 | 1,804,054 | 1,840,135 | 1,876,937 | 1,914,476 | 1,952,766 | 1,991,821 | 2,031,657 | 2,092,607 | 2,155,385 | 21,162,518 |
| TOTAL BUSINESS LICENSE TAX | | 1,845,883 | 1,734,000 | 1,768,680 | 1,804,054 | 1,840,135 | 1,876,937 | 1,914,476 | 1,952,766 | 1,991,821 | 2,031,657 | 2,092,607 | 2,155,385 | 21,162,518 |
| 0451 | Construction Tax | 3,066,351 | 2,948,440 | 2,582,427 | 2,216,414 | 2,271,824 | 2,328,619 | 2,386,835 | 2,446,506 | 2,507,668 | 2,570,360 | 2,634,619 | 2,700,485 | 27,594,197 |
| 0452 | Real Property Transfer Tax | 1,764,551 | 1,911,527 | 988,022 | 1,043,098 | 1,086,760 | 1,134,718 | 1,181,183 | 1,229,043 | 1,278,846 | 1,330,669 | 1,384,596 | 1,440,711 | 14,009,175 |
| TOTAL OTHER TAXES | | 4,830,902 | 4,859,967 | 3,570,449 | 3,259,512 | 3,358,584 | 3,463,337 | 3,568,018 | 3,675,549 | 3,786,514 | 3,901,029 | 4,019,215 | 4,141,196 | 41,603,372 |
| 0453-01 | Transient Occupancy Tax | 14,132,278 | 16,383,291 | 14,471,479 | 10,811,481 | 11,265,442 | 11,960,267 | 12,308,847 | 12,666,585 | 13,033,710 | 13,410,452 | 13,773,794 | 14,146,305 | 144,231,653 |
| 0453-02 | Transient Occupancy Tax Penalties | 4,792 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL TRANSIENT OCCUPANCY TAX | | 14,137,069 | 16,383,291 | 14,471,479 | 10,811,481 | 11,265,442 | 11,960,267 | 12,308,847 | 12,666,585 | 13,033,710 | 13,410,452 | 13,773,794 | 14,146,305 | 144,231,653 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | PLAN | PLAN | PLAN | PLAN | PLAN | PLAN | PLAN | PLAN | PLAN | FY 2025/2026 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL | |
|--|-------------------------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|---|----------------------|
| | | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 | 2035/2036 | | |
| 0150 | Secured Tax | 63,254,903 | 65,818,829 | 68,486,837 | 71,263,160 | 74,152,201 | 77,158,545 | 80,286,960 | 83,542,413 | 86,930,068 | 90,455,304 | 761,349,218 | 1,311,304,398 |
| 0152 | Unitary Roll - AB454 | 773,261 | 804,603 | 837,219 | 871,158 | 906,475 | 943,226 | 981,469 | 1,021,266 | 1,062,678 | 1,105,773 | 9,307,128 | 16,030,080 |
| 0153 | Property Tax in Lieu of VLF | 23,662,836 | 24,621,967 | 25,620,034 | 26,658,620 | 27,739,373 | 28,864,007 | 30,034,307 | 31,252,129 | 32,519,407 | 33,838,151 | 284,810,830 | 490,541,903 |
| 0155 | Tax Delinquencies | 1,070,652 | 1,102,772 | 1,135,855 | 1,169,931 | 1,205,029 | 1,241,180 | 1,278,415 | 1,316,767 | 1,356,270 | 1,356,270 | 12,233,141 | 22,133,624 |
| 0156 | Unsecured Tax | 2,639,675 | 2,718,866 | 2,800,432 | 2,884,445 | 2,970,978 | 3,060,107 | 3,151,910 | 3,246,468 | 3,343,862 | 3,444,178 | 30,260,920 | 56,860,824 |
| 0157 | Supplemental Roll | 1,042,486 | 1,073,761 | 1,105,974 | 1,139,153 | 1,173,328 | 1,208,528 | 1,244,783 | 1,282,127 | 1,320,591 | 1,360,208 | 11,950,939 | 22,399,449 |
| 0159 | Administrative Fees | (746,369) | (776,622) | (808,103) | (840,862) | (874,950) | (910,423) | (947,337) | (985,749) | (1,025,721) | (1,067,317) | (8,983,453) | (15,472,602) |
| 0181 | General Fund Share of Tax Increment | 2,074,511 | 2,331,832 | 2,378,468 | 2,426,038 | 2,474,559 | 2,524,050 | 2,574,531 | 2,626,021 | 2,678,542 | 2,732,113 | 24,820,664 | 38,928,902 |
| TOTAL PROPERTY TAXES | | 93,771,956 | 97,696,008 | 101,556,716 | 105,571,642 | 109,746,992 | 114,089,218 | 118,605,039 | 123,301,441 | 128,185,696 | 133,224,680 | 1,125,749,387 | 1,942,726,578 |
| 0300 | Sales and Use Tax | 41,478,105 | 42,670,600 | 43,897,832 | 45,160,824 | 46,460,627 | 47,798,323 | 49,175,028 | 50,591,889 | 52,050,088 | 53,550,842 | 472,834,158 | 861,278,610 |
| 0300 | Additional Sales Tax - Downtown | 1,164,167 | 1,197,659 | 1,232,127 | 1,267,600 | 1,304,107 | 1,341,679 | 1,380,348 | 1,420,145 | 1,461,103 | 1,504,936 | 13,273,870 | 19,415,493 |
| TOTAL SALES AND USE TAXES | | 42,642,272 | 43,868,259 | 45,129,959 | 46,428,424 | 47,764,734 | 49,140,003 | 50,555,376 | 52,012,033 | 53,511,191 | 55,055,778 | 486,108,028 | 880,694,103 |
| 0301 | Sales and Use Tax - Public Safety | 2,140,885 | 2,202,435 | 2,265,778 | 2,330,968 | 2,398,057 | 2,467,102 | 2,538,160 | 2,611,291 | 2,686,556 | 2,764,017 | 24,405,248 | 44,454,736 |
| TOTAL SALES AND USE TAX - PUBLIC SAFETY | | 2,140,885 | 2,202,435 | 2,265,778 | 2,330,968 | 2,398,057 | 2,467,102 | 2,538,160 | 2,611,291 | 2,686,556 | 2,764,017 | 24,405,248 | 44,454,736 |
| 0450 | Business License Tax | 2,220,047 | 2,286,648 | 2,355,248 | 2,425,905 | 2,498,682 | 2,573,643 | 2,650,852 | 2,730,378 | 2,812,289 | 2,896,658 | 25,450,349 | 46,612,867 |
| TOTAL BUSINESS LICENSE TAX | | 2,220,047 | 2,286,648 | 2,355,248 | 2,425,905 | 2,498,682 | 2,573,643 | 2,650,852 | 2,730,378 | 2,812,289 | 2,896,658 | 25,450,349 | 46,612,867 |
| 0451 | Construction Tax | 2,781,499 | 2,864,944 | 2,950,892 | 3,039,419 | 3,130,602 | 3,224,520 | 3,321,255 | 3,420,893 | 3,523,520 | 3,629,226 | 31,886,771 | 59,480,968 |
| 0452 | Real Property Transfer Tax | 1,499,105 | 1,559,868 | 1,623,099 | 1,688,896 | 1,757,364 | 1,828,613 | 1,902,755 | 1,979,907 | 2,060,192 | 2,143,739 | 18,043,537 | 32,052,712 |
| TOTAL OTHER TAXES | | 4,280,604 | 4,424,812 | 4,573,991 | 4,728,315 | 4,887,966 | 5,053,133 | 5,224,010 | 5,400,800 | 5,583,712 | 5,772,964 | 49,930,308 | 91,533,680 |
| 0453-01 | Transient Occupancy Tax | 14,166,696 | 14,623,736 | 15,062,448 | 15,514,322 | 15,979,751 | 16,459,144 | 16,952,918 | 17,461,506 | 17,985,351 | 18,524,912 | 162,730,785 | 306,962,438 |
| 0453-02 | Transient Occupancy Tax Penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL TRANSIENT OCCUPANCY TAX | | 14,166,696 | 14,623,736 | 15,062,448 | 15,514,322 | 15,979,751 | 16,459,144 | 16,952,918 | 17,461,506 | 17,985,351 | 18,524,912 | 162,730,785 | 306,962,438 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|--|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| 0751-23 Rental - Courthouse Parking | 42,854 | 44,150 | 45,474 | 46,838 | 47,775 | 48,730 | 49,705 | 50,699 | 51,713 | 52,747 | 54,330 | 55,959 | 548,120 |
| 0751-24 Rental - Dental | 28,080 | 28,080 | 28,080 | 29,484 | 30,074 | 30,675 | 31,289 | 31,914 | 32,553 | 33,204 | 34,200 | 35,226 | 344,778 |
| 0752-01 Rental - Indoor Sports Center | 92,720 | 115,000 | 115,000 | 118,450 | 118,450 | 122,004 | 122,004 | 125,664 | 125,664 | 129,434 | 129,434 | 133,317 | 1,354,418 |
| 0752-03 Rental - Park Buildings | 75,949 | 80,000 | 80,800 | 81,608 | 82,424 | 83,248 | 84,081 | 84,922 | 85,771 | 86,629 | 87,495 | 88,370 | 925,347 |
| 0752-04 Rental - Picnic Areas | 117,569 | 120,000 | 121,200 | 122,412 | 123,636 | 124,872 | 126,121 | 127,382 | 128,656 | 129,943 | 131,242 | 132,555 | 1,388,020 |
| 0752-05 Rental - Performing Arts Center | 161,465 | 162,000 | 165,240 | 168,544 | 171,915 | 175,353 | 178,860 | 182,437 | 186,086 | 189,808 | 193,604 | 197,476 | 1,971,324 |
| 0752-06 Rental - Community Center | 100,068 | 115,000 | 116,150 | 117,311 | 118,484 | 119,669 | 120,866 | 122,074 | 123,295 | 124,528 | 125,773 | 127,031 | 1,330,181 |
| 0752-07 Rental - Athletic Fields | 187,926 | 205,000 | 209,100 | 209,100 | 213,282 | 213,282 | 217,548 | 217,548 | 221,899 | 221,899 | 226,337 | 226,337 | 2,381,330 |
| 0752-09 Rental - Equipment | 12,075 | 12,000 | 12,000 | 12,240 | 12,240 | 12,240 | 12,240 | 12,240 | 12,240 | 12,852 | 12,852 | 12,852 | 135,996 |
| 0752-10 Rental - Senior Center | 149,533 | 120,000 | 121,200 | 122,412 | 123,636 | 124,872 | 126,121 | 127,382 | 128,656 | 129,943 | 131,242 | 132,555 | 1,388,020 |
| 0752-14 Rental - Creative Arts Center | 0 | 0 | 2,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,500 |
| 0752-15 Rental - Banner Installations | 2,400 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 22,000 |
| 0752-16 Rental - Non Profit Use - Park Buildings | 18,838 | 20,000 | 20,200 | 20,402 | 20,606 | 20,812 | 21,020 | 21,230 | 21,443 | 21,657 | 21,874 | 22,092 | 231,337 |
| 0752-17 Rental - Non-Profit Use - Community Center | 2,545 | 2,000 | 2,020 | 2,040 | 2,060 | 2,081 | 2,102 | 2,123 | 2,144 | 2,166 | 2,187 | 2,209 | 23,132 |
| 0754-02 Tower/Antenna Rental - Nextel | 19,229 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0754-04 Tower/Antenna Rental - Sprint | 8,243 | 8,304 | 8,470 | 8,639 | 8,812 | 8,988 | 9,168 | 9,351 | 9,538 | 9,729 | 10,021 | 10,321 | 101,341 |
| 0754-05 Tower/Antenna Rental - Cingular | 70,399 | 70,467 | 72,740 | 9,772 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 152,979 |
| 0754-06 Tower/Antenna Rental - T-Mobile | 70,684 | 73,238 | 76,085 | 79,042 | 80,623 | 82,235 | 83,880 | 85,558 | 87,269 | 89,014 | 91,685 | 94,435 | 923,065 |
| 0754-07 Tower/Antenna Rental - Metro PCS | 7,927 | 8,225 | 8,472 | 8,726 | 8,900 | 9,078 | 9,260 | 9,445 | 9,634 | 9,827 | 10,121 | 10,425 | 102,112 |
| 0754-10 Tower/Antenna Rental - Clearwire | 43,915 | 45,821 | 47,654 | 49,560 | 50,551 | 51,562 | 52,593 | 53,645 | 54,718 | 55,813 | 57,487 | 59,212 | 578,617 |
| 3606-42 SMART Station Rent | 406,423 | 414,551 | 422,842 | 431,299 | 439,925 | 448,724 | 457,698 | 466,852 | 476,189 | 485,713 | 500,284 | 515,293 | 5,059,372 |
| 3607-43 Water Pollution Control Plant Rent | 358,014 | 365,174 | 372,478 | 379,927 | 387,526 | 395,276 | 403,182 | 411,245 | 419,470 | 427,860 | 440,696 | 453,916 | 4,456,750 |
| 3610-42 Landfill Rent | 253,313 | 258,379 | 263,547 | 268,818 | 274,194 | 279,678 | 285,271 | 290,977 | 296,796 | 302,732 | 311,814 | 311,814 | 3,144,022 |
| TOTAL RENTS AND CONCESSIONS | 2,439,797 | 2,426,454 | 2,451,331 | 2,438,316 | 2,530,191 | 2,571,080 | 2,503,161 | 2,543,775 | 2,587,562 | 2,630,305 | 2,691,169 | 2,743,704 | 28,117,048 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | PLAN 2026/2027 | PLAN 2027/2028 | PLAN 2028/2029 | PLAN 2029/2030 | PLAN 2030/2031 | PLAN 2031/2032 | PLAN 2032/2033 | PLAN 2033/2034 | PLAN 2034/2035 | PLAN 2035/2036 | FY 2025/2026 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|---|
| 0751-23 Rental - Courthouse Parking | 57,638 | 59,367 | 61,148 | 62,983 | 64,872 | 66,819 | 68,823 | 70,888 | 73,014 | 75,205 | 660,758 | 1,208,878 |
| 0751-24 Rental - Dental | 36,283 | 37,371 | 38,492 | 39,647 | 40,836 | 42,062 | 43,323 | 44,623 | 45,962 | 47,341 | 415,940 | 760,718 |
| 0752-01 Rental - Indoor Sports Center | 133,317 | 137,316 | 137,316 | 141,435 | 141,435 | 145,679 | 145,679 | 150,049 | 150,049 | 154,550 | 1,436,825 | 2,791,243 |
| 0752-03 Rental - Park Buildings | 89,253 | 90,146 | 91,047 | 91,958 | 92,878 | 93,806 | 94,744 | 95,692 | 96,649 | 97,615 | 933,789 | 1,859,136 |
| 0752-04 Rental - Picnic Areas | 133,880 | 135,219 | 136,571 | 137,937 | 139,316 | 140,709 | 142,117 | 143,538 | 144,973 | 146,423 | 1,400,683 | 2,788,703 |
| 0752-05 Rental - Performing Arts Center | 203,400 | 209,502 | 215,788 | 222,261 | 228,929 | 235,797 | 242,871 | 250,157 | 257,662 | 265,391 | 2,331,758 | 4,303,082 |
| 0752-06 Rental - Community Center | 128,301 | 129,584 | 130,880 | 132,189 | 133,511 | 134,846 | 136,194 | 137,556 | 138,932 | 140,321 | 1,342,316 | 2,672,497 |
| 0752-07 Rental - Athletic Fields | 18,078 | 18,078 | 18,439 | 18,439 | 18,808 | 18,808 | 19,184 | 19,184 | 19,568 | 19,568 | 188,156 | 2,569,486 |
| 0752-09 Rental - Equipment | 12,852 | 13,495 | 13,495 | 13,495 | 13,495 | 13,495 | 14,169 | 14,169 | 14,169 | 14,169 | 137,002 | 272,998 |
| 0752-10 Rental - Senior Center | 139,182 | 139,182 | 139,182 | 146,142 | 146,142 | 146,142 | 153,449 | 153,449 | 153,449 | 153,449 | 1,469,766 | 2,857,786 |
| 0752-14 Rental - Creative Arts Center | (9,450) | (9,733) | (9,733) | (9,733) | (10,025) | (10,025) | (10,025) | (10,326) | (10,326) | (10,326) | (99,703) | (97,203) |
| 0752-15 Rental - Banner Installations | 2,060 | 2,122 | 2,185 | 2,251 | 2,319 | 2,388 | 2,460 | 2,534 | 2,610 | 2,688 | 23,616 | 45,616 |
| 0752-16 Rental - Non Profit Use - Park Buildings | 22,092 | 23,197 | 23,197 | 23,197 | 24,357 | 24,357 | 24,357 | 25,575 | 25,575 | 25,575 | 241,479 | 472,815 |
| 0752-17 Rental - Non-Profit Use - Community Center | 2,319 | 2,319 | 2,319 | 2,435 | 2,435 | 2,435 | 2,557 | 2,557 | 2,557 | 2,557 | 24,494 | 47,625 |
| 0754-02 Tower/Antenna Rental - Nextel | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0754-04 Tower/Antenna Rental - Sprint | 10,631 | 10,950 | 11,278 | 11,617 | 11,965 | 12,324 | 12,694 | 13,075 | 13,467 | 13,871 | 121,873 | 223,214 |
| 0754-05 Tower/Antenna Rental - Cingular | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 152,979 |
| 0754-06 Tower/Antenna Rental - T-Mobile | 97,268 | 100,186 | 103,192 | 106,288 | 109,476 | 112,761 | 116,144 | 119,628 | 123,217 | 126,913 | 1,115,073 | 2,038,138 |
| 0754-07 Tower/Antenna Rental - Metro PCS | 10,738 | 11,060 | 11,392 | 11,733 | 12,085 | 12,448 | 12,821 | 13,206 | 13,602 | 14,010 | 123,096 | 225,208 |
| 0754-10 Tower/Antenna Rental - Clearwire | 60,988 | 62,818 | 64,702 | 66,643 | 68,642 | 70,702 | 72,823 | 75,007 | 77,258 | 79,575 | 699,158 | 1,277,775 |
| 3606-42 SMART Station Rent | 530,752 | 546,674 | 563,074 | 579,967 | 597,366 | 615,287 | 633,745 | 652,758 | 672,340 | 672,340 | 6,064,303 | 11,123,675 |
| 3607-43 Water Pollution Control Plant Rent | 467,534 | 481,560 | 496,007 | 510,887 | 526,213 | 542,000 | 558,260 | 575,008 | 592,258 | 592,258 | 5,341,984 | 9,798,734 |
| 3610-42 Landfill Rent | 330,804 | 340,728 | 350,950 | 361,478 | 372,323 | 383,492 | 394,997 | 406,847 | 419,052 | 419,052 | 3,779,724 | 6,923,745 |
| TOTAL RENTS AND CONCESSIONS | 2,602,188 | 2,669,511 | 2,733,546 | 2,810,281 | 2,878,983 | 2,952,673 | 3,032,643 | 3,111,525 | 3,187,672 | 3,219,660 | 29,198,684 | 57,315,731 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | | | | | | | | | | | | FY 2015/2016 |
|---|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | | | | | | | | | | | TO |
| | | | | | | | | | | | | | FY 2025/2026 |
| | | | | | | | | | | | | | TOTAL |
| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | |
| 1041 State Tire Enforcement Grant | 15,158 | 9,783 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,783 |
| TOTAL STATE SHARED REVENUE | 996,741 | 564,479 | 515,580 | 355,884 | 357,475 | 359,099 | 360,755 | 362,444 | 364,167 | 364,167 | 366,804 | 369,519 | 4,340,374 |
| 1349 Certified Unified Program Agency | 899,103 | 834,300 | 859,329 | 876,516 | 894,046 | 911,927 | 930,165 | 948,769 | 967,744 | 987,099 | 1,016,712 | 1,047,213 | 10,273,819 |
| 1351-01 Major Permit Application Fees | 10,320 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1353 Permit - Bingo | 150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1359 Permit - Hazardous Materials | 71,762 | 70,000 | 65,000 | 66,300 | 67,626 | 68,979 | 70,358 | 71,765 | 73,201 | 74,665 | 76,905 | 79,212 | 784,009 |
| 1362 Permit - Fire Operations | 215,730 | 245,000 | 245,000 | 245,000 | 249,900 | 254,898 | 259,996 | 265,196 | 270,500 | 275,910 | 284,187 | 292,713 | 2,888,299 |
| 1368 Permit - Transportation | 21,754 | 18,764 | 17,854 | 17,854 | 17,854 | 17,854 | 17,854 | 17,854 | 17,854 | 17,854 | 18,390 | 18,941 | 198,927 |
| 1370 Permit - Taxi Driver and Vehicle | 48,534 | 37,005 | 20,153 | 14,806 | 15,102 | 15,404 | 15,712 | 16,026 | 16,347 | 16,674 | 17,007 | 17,348 | 201,585 |
| 1371 Permit - Misc. Public Safety | 21,039 | 24,405 | 35,394 | 36,103 | 36,825 | 37,562 | 38,313 | 39,079 | 39,861 | 40,658 | 41,471 | 42,300 | 411,970 |
| 1372 Permit - Liquidambar Street | 1,260 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1373 Adult Entertainment Permits | 13,565 | 13,761 | 14,175 | 14,601 | 14,893 | 15,191 | 15,495 | 15,805 | 16,121 | 16,443 | 16,772 | 17,107 | 170,363 |
| 1374 OCM Special Event Permit Fee | 5,169 | 4,680 | 4,774 | 4,869 | 4,966 | 5,066 | 5,167 | 5,270 | 5,376 | 5,483 | 5,593 | 5,705 | 56,949 |
| TOTAL PERMITS AND LICENSES | 1,308,386 | 1,247,915 | 1,261,679 | 1,276,049 | 1,301,212 | 1,326,880 | 1,353,060 | 1,379,764 | 1,407,002 | 1,434,785 | 1,477,036 | 1,520,539 | 14,985,923 |
| 1502-01 Fines - Overdue Material - Circulation Desk | 71,022 | 56,537 | 53,145 | 49,956 | 48,957 | 47,978 | 47,018 | 46,078 | 45,156 | 44,253 | 43,368 | 42,501 | 524,947 |
| 1502-02 Fines - Overdue/Lost & Damaged-Internet | 176,777 | 168,685 | 168,685 | 168,685 | 165,311 | 162,005 | 158,765 | 155,590 | 152,478 | 149,428 | 146,440 | 143,511 | 1,739,583 |
| 1503-01 Fines - Parking | 525,268 | 441,000 | 500,000 | 500,000 | 510,000 | 520,200 | 530,604 | 541,216 | 552,040 | 563,081 | 574,343 | 585,830 | 5,818,314 |
| 1504 Fines - Traffic and Criminal | 230,736 | 225,000 | 225,000 | 225,000 | 229,500 | 234,090 | 238,772 | 243,547 | 248,418 | 253,387 | 258,454 | 263,623 | 2,644,791 |
| 1506 Juvenile Diversion | 1,610 | 2,000 | 2,000 | 2,000 | 2,040 | 2,081 | 2,122 | 2,165 | 2,208 | 2,252 | 2,320 | 2,389 | 23,578 |
| 1507 Late Payment Penalties | 45,327 | 5,046 | 5,000 | 5,000 | 5,100 | 5,202 | 5,306 | 5,412 | 5,520 | 5,631 | 5,800 | 5,974 | 58,991 |
| 1509 Returned Check Charge | 5,955 | 5,993 | 6,113 | 6,235 | 6,360 | 6,487 | 6,617 | 6,749 | 6,884 | 7,022 | 7,232 | 7,449 | 73,141 |
| 1516 Neighborhood Preservation Code Violations | 36,392 | 38,000 | 40,000 | 40,000 | 40,800 | 41,616 | 42,448 | 43,297 | 44,163 | 45,046 | 46,398 | 47,790 | 469,559 |
| TOTAL FINES AND FORFEITURES | 1,093,087 | 942,261 | 999,943 | 996,876 | 1,008,068 | 1,019,659 | 1,031,652 | 1,044,054 | 1,056,869 | 1,070,101 | 1,084,355 | 1,099,067 | 11,352,905 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | PLAN 2026/2027 | PLAN 2027/2028 | PLAN 2028/2029 | PLAN 2029/2030 | PLAN 2030/2031 | PLAN 2031/2032 | PLAN 2032/2033 | PLAN 2033/2034 | PLAN 2034/2035 | PLAN 2035/2036 | FY 2025/2026 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|---|
| 1041 State Tire Enforcement Grant | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,783 |
| TOTAL STATE SHARED REVENUE | 377,316 | 380,196 | 383,164 | 352,887 | 356,034 | 359,277 | 362,616 | 366,056 | 369,599 | 373,248 | 3,680,393 | 8,020,767 |
| 1349 Certified Unified Program Agency | 1,078,630 | 1,110,989 | 1,144,318 | 1,178,648 | 1,214,007 | 1,250,427 | 1,287,940 | 1,326,578 | 1,366,376 | 1,407,367 | 12,365,280 | 22,639,099 |
| 1351-01 Major Permit Application Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1353 Permit - Bingo | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1359 Permit - Hazardous Materials | 81,588 | 84,036 | 86,557 | 89,153 | 91,828 | 94,583 | 97,420 | 100,343 | 103,353 | 106,454 | 935,315 | 1,719,324 |
| 1362 Permit - Fire Operations | 301,494 | 310,539 | 319,855 | 329,451 | 339,334 | 349,514 | 360,000 | 370,800 | 381,924 | 393,381 | 3,456,292 | 6,344,591 |
| 1368 Permit - Transportation | 19,510 | 20,095 | 20,698 | 21,319 | 21,958 | 22,617 | 23,295 | 23,994 | 24,714 | 25,456 | 223,655 | 422,582 |
| 1370 Permit - Taxi Driver and Vehicle | 17,868 | 18,404 | 18,956 | 19,525 | 20,111 | 20,714 | 21,335 | 21,975 | 22,635 | 23,314 | 204,837 | 406,422 |
| 1371 Permit - Misc. Public Safety | 43,569 | 44,877 | 46,223 | 47,609 | 49,038 | 50,509 | 52,024 | 53,585 | 55,192 | 56,848 | 499,475 | 911,445 |
| 1372 Permit - Liquidambar Street | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1373 Adult Entertainment Permits | 17,621 | 18,149 | 18,694 | 19,255 | 19,832 | 20,427 | 21,040 | 21,671 | 22,321 | 22,991 | 202,001 | 372,364 |
| 1374 OCM Special Event Permit Fee | 5,876 | 6,052 | 6,234 | 6,421 | 6,613 | 6,812 | 7,016 | 7,227 | 7,443 | 7,667 | 67,361 | 124,311 |
| TOTAL PERMITS AND LICENSES | 1,566,155 | 1,613,140 | 1,661,534 | 1,711,380 | 1,762,722 | 1,815,603 | 1,870,071 | 1,926,173 | 1,983,959 | 2,043,477 | 17,954,215 | 32,940,138 |
| 1502-01 Fines - Overdue Material - Circulation Desk | 42,076 | 41,655 | 41,238 | 40,826 | 40,418 | 40,014 | 39,613 | 39,217 | 38,825 | 38,437 | 402,319 | 927,266 |
| 1502-02 Fines - Overdue/Lost & Damaged-Internet | 140,641 | 137,828 | 135,071 | 132,370 | 129,723 | 127,128 | 124,586 | 122,094 | 119,652 | 117,259 | 1,286,351 | 3,025,934 |
| 1503-01 Fines - Parking | 603,405 | 621,507 | 640,152 | 659,356 | 679,137 | 699,511 | 720,497 | 742,112 | 764,375 | 787,306 | 6,917,357 | 12,735,672 |
| 1504 Fines - Traffic and Criminal | 271,532 | 279,678 | 288,068 | 296,710 | 305,612 | 314,780 | 324,223 | 333,950 | 343,969 | 354,288 | 3,112,811 | 5,757,602 |
| 1506 Juvenile Diversion | 2,461 | 2,535 | 2,611 | 2,689 | 2,770 | 2,853 | 2,939 | 3,027 | 3,118 | 3,211 | 28,215 | 51,793 |
| 1507 Late Payment Penalties | 6,153 | 6,338 | 6,528 | 6,723 | 6,925 | 7,133 | 7,347 | 7,567 | 7,794 | 8,028 | 70,537 | 129,527 |
| 1509 Returned Check Charge | 7,673 | 7,903 | 8,140 | 8,384 | 8,636 | 8,895 | 9,162 | 9,437 | 9,720 | 10,011 | 87,961 | 161,102 |
| 1516 Neighborhood Preservation Code Violations | 49,224 | 50,700 | 52,221 | 53,788 | 55,402 | 57,064 | 58,775 | 60,539 | 62,355 | 64,226 | 564,293 | 1,033,852 |
| TOTAL FINES AND FORFEITURES | 1,123,164 | 1,148,143 | 1,174,030 | 1,200,848 | 1,228,622 | 1,257,378 | 1,287,142 | 1,317,942 | 1,349,807 | 1,382,766 | 12,469,843 | 23,822,747 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|--|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| 1667-01 General Plan Maintenance Fees | 852,091 | 819,011 | 717,341 | 615,670 | 631,060 | 646,837 | 663,008 | 679,583 | 696,573 | 713,987 | 731,837 | 750,133 | 7,665,039 |
| 1677 State Certified Access Specialist Fee | 4,943 | 3,500 | 3,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,000 |
| TOTAL COMMUNITY DEVELOPMENT FEES | 857,034 | 822,511 | 720,841 | 615,670 | 631,060 | 646,837 | 663,008 | 679,583 | 696,573 | 713,987 | 731,837 | 750,133 | 7,672,039 |
| 1801-01 Business License Processing-New Applications | 10,822 | 15,918 | 16,236 | 16,561 | 16,892 | 17,230 | 17,575 | 17,926 | 18,285 | 18,650 | 19,210 | 19,786 | 194,270 |
| 1801-02 Business License Processing - Renewals | 261 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3100-05 Internet & Phone Credit Card Fee | 795 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3101 Notary Fee | 70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FINANCE FEES | 11,948 | 15,918 | 16,236 | 16,561 | 16,892 | 17,230 | 17,575 | 17,926 | 18,285 | 18,650 | 19,210 | 19,786 | 194,270 |
| 2102 Library- Lost/Damaged Materials | 7,745 | 6,959 | 6,541 | 6,149 | 6,026 | 5,905 | 5,787 | 5,672 | 5,558 | 5,447 | 5,338 | 5,231 | 64,614 |
| 2105 Miscellaneous Library Charges | 2,478 | 2,220 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,220 |
| TOTAL LIBRARY FEES | 10,223 | 9,179 | 6,541 | 6,149 | 6,026 | 5,905 | 5,787 | 5,672 | 5,558 | 5,447 | 5,338 | 5,231 | 66,834 |
| 2310 Recreation Credit (Net) | (701) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2347 Senior Adult Services | 1,595 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2351 Vending | 6,000 | 6,000 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 69,000 |
| 2357 Youth Basketball League | 134,171 | 138,112 | 140,112 | 142,914 | 145,772 | 148,688 | 151,661 | 154,695 | 157,789 | 160,944 | 164,163 | 167,447 | 1,672,297 |
| 2359 Adult Basketball | 65,857 | 50,500 | 51,510 | 52,540 | 53,591 | 54,663 | 55,756 | 56,871 | 58,008 | 59,169 | 60,352 | 61,559 | 614,518 |
| 2360 Adult Volleyball | 40,388 | 33,000 | 40,000 | 40,800 | 41,616 | 42,448 | 43,297 | 44,163 | 45,046 | 45,947 | 46,866 | 47,804 | 470,989 |
| 2361 Adult Drop-In Sports | 42,542 | 41,000 | 34,000 | 41,000 | 41,000 | 41,000 | 41,000 | 41,000 | 41,000 | 41,000 | 41,000 | 41,000 | 444,000 |
| 2364 Youth Sports Classes | 232,819 | 250,000 | 252,500 | 257,550 | 262,701 | 267,955 | 273,314 | 278,780 | 284,356 | 290,043 | 295,844 | 301,761 | 3,014,805 |
| 2365 Adult Sports Activities | 98,871 | 100,000 | 110,000 | 112,200 | 114,444 | 116,733 | 119,068 | 121,449 | 123,878 | 126,355 | 128,883 | 131,460 | 1,304,469 |
| 2367 Youth Sports Camp | 212,310 | 210,000 | 214,200 | 218,484 | 222,854 | 227,311 | 231,857 | 236,494 | 241,224 | 246,048 | 250,969 | 255,989 | 2,555,430 |
| 2370 Special Events HOTS | 9,120 | 10,000 | 10,200 | 10,400 | 10,608 | 10,820 | 11,037 | 11,257 | 11,482 | 11,712 | 11,946 | 12,185 | 121,648 |
| 2375 Gymnastics - Youth | 407,570 | 380,000 | 391,400 | 403,142 | 415,236 | 427,693 | 440,524 | 453,740 | 467,352 | 481,373 | 495,814 | 510,688 | 4,866,962 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | PLAN | FY 2025/2026 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL | |
|---|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|---|-------------------|
| | | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 | 2035/2036 | TOTAL | TOTAL |
| 1667-01 | General Plan Maintenance Fees | 772,637 | 795,816 | 819,690 | 844,281 | 869,609 | 895,697 | 922,568 | 950,245 | 978,753 | 1,008,115 | 8,857,412 | 16,522,451 |
| 1677 | State Certified Access Specialist Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,000 |
| TOTAL COMMUNITY DEVELOPMENT FEES | | 772,637 | 795,816 | 819,690 | 844,281 | 869,609 | 895,697 | 922,568 | 950,245 | 978,753 | 1,008,115 | 8,857,412 | 16,529,451 |
| 1801-01 | Business License Processing-New Applications | 20,380 | 20,991 | 21,621 | 22,270 | 22,938 | 23,626 | 24,335 | 25,065 | 25,817 | 26,591 | 233,632 | 427,903 |
| 1801-02 | Business License Processing - Renewals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3100-05 | Internet & Phone Credit Card Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3101 | Notary Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL FINANCE FEES | | 20,380 | 20,991 | 21,621 | 22,270 | 22,938 | 23,626 | 24,335 | 25,065 | 25,817 | 26,591 | 233,632 | 427,903 |
| 2102 | Library- Lost/Damaged Materials | 5,127 | 5,024 | 4,924 | 4,825 | 4,729 | 4,634 | 4,541 | 4,451 | 4,362 | 4,274 | 46,891 | 111,505 |
| 2105 | Miscellaneous Library Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,220 |
| TOTAL LIBRARY FEES | | 5,127 | 5,024 | 4,924 | 4,825 | 4,729 | 4,634 | 4,541 | 4,451 | 4,362 | 4,274 | 46,891 | 113,725 |
| 2310 | Recreation Credit (Net) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2347 | Senior Adult Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2351 | Vending | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 6,300 | 63,000 | 132,000 |
| 2357 | Youth Basketball League | 172,470 | 177,644 | 182,973 | 188,463 | 194,116 | 199,940 | 205,938 | 212,116 | 218,480 | 225,034 | 1,977,174 | 3,649,471 |
| 2359 | Adult Basketball | 63,406 | 65,308 | 67,267 | 69,285 | 71,364 | 73,505 | 75,710 | 77,981 | 80,321 | 82,730 | 726,876 | 1,341,394 |
| 2360 | Adult Volleyball | 49,238 | 50,715 | 52,236 | 53,803 | 55,418 | 57,080 | 58,793 | 60,556 | 62,373 | 64,244 | 564,456 | 1,035,445 |
| 2361 | Adult Drop-In Sports | 41,000 | 41,000 | 41,000 | 41,000 | 50,400 | 50,400 | 50,400 | 50,400 | 50,400 | 50,400 | 466,400 | 910,400 |
| 2364 | Youth Sports Classes | 310,814 | 320,138 | 329,742 | 339,635 | 349,824 | 360,318 | 371,128 | 382,262 | 393,729 | 405,541 | 3,563,131 | 6,577,935 |
| 2365 | Adult Sports Activities | 135,404 | 139,466 | 143,650 | 147,960 | 152,398 | 156,970 | 161,679 | 166,530 | 171,526 | 176,671 | 1,552,255 | 2,856,724 |
| 2367 | Youth Sports Camp | 261,109 | 261,109 | 266,331 | 266,331 | 271,657 | 271,657 | 277,091 | 277,091 | 282,632 | 291,111 | 2,726,118 | 5,281,549 |
| 2370 | Special Events HOTS | 12,185 | 12,795 | 12,795 | 12,795 | 12,795 | 13,434 | 13,434 | 13,434 | 13,434 | 14,106 | 131,206 | 252,854 |
| 2375 | Gymnastics - Youth | 526,009 | 541,789 | 558,043 | 574,784 | 592,028 | 609,788 | 628,082 | 646,925 | 666,332 | 686,322 | 6,030,102 | 10,897,065 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | ACTUAL | CURRENT | BUDGET | PLAN | FY 2015/2016 TO FY 2025/2026 TOTAL |
|---------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|
| | | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | |
| 2381 | Swim Pool Rentals | 39,881 | 52,609 | 43,197 | 43,647 | 43,647 | 43,647 | 43,647 | 45,829 | 45,829 | 45,829 | 45,829 | 45,829 | 499,541 |
| 2383 | Washington Pool Adult Swim Lessons | 12,670 | 12,500 | 12,750 | 13,005 | 13,265 | 13,530 | 13,801 | 14,077 | 14,359 | 14,646 | 14,939 | 15,237 | 152,109 |
| 2385 | Special Interest - Youth | 7,845 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2388 | Visual Arts - Youth | 33,675 | 37,112 | 25,614 | 26,127 | 26,650 | 27,183 | 27,726 | 28,281 | 28,846 | 29,423 | 30,012 | 30,612 | 317,585 |
| 2391 | Visual Arts - Adult | 10,372 | 6,929 | 10,000 | 10,200 | 10,404 | 10,612 | 10,824 | 11,041 | 11,262 | 11,487 | 11,717 | 11,951 | 116,426 |
| 2392 | Dance Classes - Child | 78,404 | 79,358 | 80,945 | 82,564 | 84,215 | 85,900 | 87,618 | 89,370 | 91,157 | 92,980 | 94,840 | 96,737 | 965,684 |
| 2393 | Dance Classes - Adult | 62,121 | 59,203 | 60,387 | 61,595 | 62,827 | 64,083 | 65,365 | 66,672 | 68,006 | 69,366 | 70,753 | 72,168 | 720,426 |
| 2394 | Drama - Youth | 24,982 | 29,019 | 29,599 | 30,191 | 30,795 | 31,411 | 32,039 | 32,680 | 33,333 | 34,000 | 34,680 | 35,374 | 353,120 |
| 2396 | Cultural Arts Theater Tickets | 25,419 | 21,345 | 25,000 | 28,700 | 29,274 | 29,859 | 30,457 | 31,066 | 31,687 | 32,321 | 32,967 | 33,627 | 326,303 |
| 2397 | Preschool Programs | 262,512 | 263,295 | 265,927 | 268,586 | 271,272 | 273,985 | 276,724 | 279,492 | 282,287 | 285,109 | 287,961 | 290,840 | 3,045,477 |
| 2401 | Neighborhood Recreation | 382,322 | 385,322 | 393,028 | 400,888 | 408,906 | 417,084 | 425,426 | 433,934 | 442,613 | 451,465 | 460,494 | 469,704 | 4,688,863 |
| 2406 | Senior Adults Dances | 2,206 | 2,500 | 2,500 | 3,820 | 3,820 | 5,140 | 5,140 | 6,460 | 6,460 | 7,780 | 7,780 | 7,780 | 59,180 |
| 2407 | Senior Adult Programs | 85,396 | 93,500 | 87,750 | 96,730 | 99,632 | 102,621 | 105,699 | 108,870 | 112,137 | 115,501 | 118,966 | 122,535 | 1,163,940 |
| 2408 | Senior Adult Trips | 134,822 | 90,000 | 100,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 130,000 | 1,360,000 |
| 2409 | Senior Adult Special Events | 11,316 | 10,000 | 10,000 | 10,360 | 10,360 | 10,720 | 10,720 | 11,080 | 11,080 | 11,440 | 11,440 | 11,800 | 119,000 |
| 2410 | Therapeutic Services Program | 13,040 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 154,000 |
| 2411 | Senior Center Membership | 64,497 | 68,000 | 68,000 | 68,000 | 68,000 | 74,800 | 74,800 | 74,800 | 74,800 | 82,280 | 82,280 | 82,280 | 818,040 |
| 2412 | Senior Adult Lunch Program | 18,451 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 209,000 |
| 2413 | Teen Programs Co-OP | 41,529 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 517,000 |
| 2417 | Registration Service Fees | 7,022 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 66,000 |
| 2418 | Fremont Pool User Fees | 51,042 | 52,531 | 53,844 | 55,190 | 56,570 | 57,984 | 59,144 | 60,327 | 61,533 | 62,764 | 64,019 | 65,299 | 649,204 |
| 2422-01 | Elementary After School and Summer Program: | 42,222 | 38,466 | 38,466 | 39,235 | 39,235 | 40,020 | 40,020 | 40,020 | 40,820 | 40,820 | 40,820 | 41,636 | 439,558 |
| 2422-02 | After School Programs - Summer Drop In | 15,865 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 31,042 |
| 2422-04 | After School Programs - Intersessions Classes | 0 | 12,600 | 12,852 | 13,109 | 13,371 | 13,639 | 13,911 | 14,190 | 14,473 | 14,763 | 15,058 | 15,359 | 153,325 |
| 2422-05 | After School Programs - Contract Classes | 0 | 20,000 | 20,400 | 20,808 | 21,224 | 21,649 | 22,082 | 22,523 | 22,974 | 23,433 | 23,902 | 24,380 | 243,374 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | PLAN | FY 2025/2026 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL | |
|---------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|---|------------|
| | | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 | 2035/2036 | | |
| 2381 | Swim Pool Rentals | 48,121 | 48,121 | 48,121 | 48,121 | 48,121 | 50,527 | 50,527 | 50,527 | 50,527 | 50,527 | 493,238 | 992,779 |
| 2383 | Washington Pool Adult Swim Lessons | 15,390 | 15,544 | 15,699 | 15,856 | 16,015 | 16,175 | 16,337 | 16,500 | 16,665 | 16,832 | 161,011 | 313,120 |
| 2385 | Special Interest - Youth | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2388 | Visual Arts - Youth | 31,530 | 32,476 | 33,450 | 34,454 | 35,488 | 36,552 | 37,649 | 38,778 | 39,942 | 41,140 | 361,460 | 679,045 |
| 2391 | Visual Arts - Adult | 12,309 | 12,679 | 13,059 | 13,451 | 13,854 | 14,270 | 14,698 | 15,139 | 15,593 | 16,061 | 141,114 | 257,540 |
| 2392 | Dance Classes - Child | 99,639 | 102,628 | 105,707 | 108,878 | 112,145 | 115,509 | 118,974 | 122,543 | 126,220 | 130,006 | 1,142,249 | 2,107,934 |
| 2393 | Dance Classes - Adult | 74,333 | 76,563 | 78,860 | 81,226 | 83,663 | 86,173 | 88,758 | 91,421 | 94,163 | 96,988 | 852,149 | 1,572,576 |
| 2394 | Drama - Youth | 36,435 | 37,528 | 38,654 | 39,813 | 41,008 | 42,238 | 43,505 | 44,810 | 46,154 | 47,539 | 417,684 | 770,804 |
| 2396 | Cultural Arts Theater Tickets | 33,627 | 33,627 | 35,644 | 35,644 | 35,644 | 35,644 | 37,783 | 37,783 | 37,783 | 37,783 | 360,962 | 687,264 |
| 2397 | Preschool Programs | 299,565 | 308,552 | 317,809 | 327,343 | 337,163 | 347,278 | 357,697 | 368,428 | 379,480 | 390,865 | 3,434,181 | 6,479,658 |
| 2401 | Neighborhood Recreation | 483,795 | 498,309 | 513,258 | 528,656 | 544,516 | 560,851 | 577,677 | 595,007 | 612,857 | 631,243 | 5,546,171 | 10,235,035 |
| 2406 | Senior Adults Dances | 9,100 | 9,100 | 10,420 | 10,420 | 11,740 | 11,740 | 13,060 | 13,060 | 14,380 | 14,380 | 117,400 | 176,580 |
| 2407 | Senior Adult Programs | 126,211 | 129,997 | 133,897 | 137,914 | 142,051 | 146,313 | 150,702 | 155,223 | 159,880 | 164,676 | 1,446,864 | 2,610,805 |
| 2408 | Senior Adult Trips | 130,000 | 131,300 | 130,000 | 131,300 | 130,000 | 131,300 | 130,000 | 131,300 | 130,000 | 131,300 | 1,306,500 | 2,666,500 |
| 2409 | Senior Adult Special Events | 11,800 | 12,160 | 12,160 | 12,520 | 12,520 | 12,880 | 12,880 | 13,240 | 13,240 | 13,600 | 127,000 | 246,000 |
| 2410 | Therapeutic Services Program | 14,280 | 14,566 | 14,857 | 15,154 | 15,457 | 15,766 | 16,082 | 16,403 | 16,731 | 17,066 | 156,362 | 310,362 |
| 2411 | Senior Center Membership | 82,280 | 90,508 | 90,508 | 90,508 | 90,508 | 99,559 | 99,559 | 99,559 | 99,559 | 99,559 | 942,106 | 1,760,146 |
| 2412 | Senior Adult Lunch Program | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 19,000 | 190,000 | 399,000 |
| 2413 | Teen Programs Co-OP | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 47,000 | 470,000 | 987,000 |
| 2417 | Registration Service Fees | 6,180 | 6,365 | 6,556 | 6,753 | 6,956 | 7,164 | 7,379 | 7,601 | 7,829 | 8,063 | 70,847 | 136,847 |
| 2418 | Fremont Pool User Fees | 66,605 | 67,937 | 69,296 | 70,682 | 72,096 | 73,538 | 75,008 | 76,509 | 78,039 | 79,600 | 729,310 | 1,378,515 |
| 2422-01 | Elementary After School and Summer Program: | 41,636 | 41,636 | 42,469 | 42,469 | 42,469 | 43,319 | 43,319 | 43,319 | 44,618 | 44,618 | 429,873 | 869,431 |
| 2422-02 | After School Programs - Summer Drop In | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 2,822 | 28,220 | 59,262 |
| 2422-04 | After School Programs - Intersessions Classes | 15,666 | 15,980 | 16,299 | 16,625 | 16,958 | 17,297 | 17,643 | 17,996 | 18,356 | 18,723 | 171,543 | 324,869 |
| 2422-05 | After School Programs - Contract Classes | 24,867 | 25,365 | 25,872 | 26,390 | 26,917 | 27,456 | 28,005 | 28,565 | 29,136 | 29,719 | 272,292 | 515,666 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | | | | | | | | | | | | FY 2015/2016 TO FY 2025/2026 TOTAL | |
|------------------------------|---|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|-------------------|
| | | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | |
| 2423 | Pottery - Adult | 148,714 | 177,715 | 193,269 | 197,134 | 201,077 | 205,098 | 209,200 | 213,384 | 217,652 | 222,005 | 226,445 | 230,974 | 2,293,953 |
| 2424 | Music - Child | 120,260 | 116,247 | 118,572 | 125,000 | 127,500 | 130,050 | 132,651 | 135,304 | 138,010 | 140,770 | 143,586 | 146,457 | 1,454,148 |
| 2425 | Music - Adult | 4,305 | 2,381 | 3,500 | 5,500 | 5,610 | 5,722 | 5,837 | 5,953 | 6,072 | 6,194 | 6,318 | 6,444 | 59,531 |
| 2455 | Teen Programs | 31,853 | 33,480 | 34,149 | 34,831 | 35,528 | 36,238 | 36,963 | 37,702 | 38,456 | 39,225 | 40,010 | 40,810 | 407,392 |
| 2465 | Columbia Co-Op Sports | 34,374 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 385,000 |
| 2484 | Washington Pool Swim Lessons | 100,077 | 109,758 | 111,953 | 114,192 | 116,476 | 118,805 | 121,181 | 123,605 | 126,077 | 128,599 | 131,171 | 133,794 | 1,335,612 |
| 2485 | SMS Pool Swim Lessons | 29,803 | 30,855 | 31,472 | 32,101 | 32,743 | 33,398 | 34,066 | 34,747 | 35,442 | 36,151 | 36,874 | 37,611 | 375,460 |
| 2486 | Columbia Pool Swim Lessons | 15,577 | 14,660 | 14,953 | 15,252 | 15,557 | 15,868 | 16,186 | 16,509 | 16,839 | 17,176 | 17,520 | 17,870 | 178,391 |
| 2490 | Washington Pool Drop-In Swim | 22,863 | 18,975 | 19,355 | 19,742 | 20,137 | 20,540 | 20,950 | 21,369 | 21,797 | 22,233 | 22,677 | 23,131 | 230,906 |
| xxxx | Washington Pool Expansion - Add'l Revenue | 0 | 0 | 0 | 0 | 0 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 443,800 |
| 2491 | SMS Pool Drop-In Swim | 1,572 | 1,631 | 1,663 | 1,696 | 1,730 | 1,765 | 1,800 | 1,836 | 1,873 | 1,910 | 1,948 | 1,987 | 19,838 |
| 2492 | Columbia Pool Drop-In Swim | 6,206 | 5,959 | 6,078 | 6,199 | 6,323 | 6,449 | 6,578 | 6,710 | 6,844 | 6,981 | 7,121 | 7,263 | 72,506 |
| TOTAL RECREATION FEES | | 3,193,756 | 3,188,384 | 3,249,267 | 3,363,554 | 3,424,090 | 3,558,632 | 3,621,591 | 3,689,803 | 3,756,376 | 3,832,766 | 3,901,485 | 3,972,906 | 39,558,854 |
| 2750 | Abandoned Vehicles | 142,676 | 168,757 | 173,000 | 170,300 | 173,706 | 177,180 | 180,724 | 184,338 | 188,025 | 191,785 | 195,621 | 199,534 | 2,002,970 |
| 2751 | Animal Control Fees | 75,467 | 70,000 | 90,000 | 90,000 | 91,800 | 93,636 | 95,509 | 97,419 | 99,367 | 101,355 | 103,382 | 105,449 | 1,037,917 |
| 2754 | Emergency Response | 75,626 | 30,951 | 31,879 | 32,835 | 33,492 | 34,162 | 34,845 | 35,542 | 36,252 | 36,978 | 37,717 | 38,471 | 383,123 |
| 2756 | False Burglar Alarm Fees | 227,531 | 174,606 | 179,844 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 2,012,601 |
| 2760 | Police Contract Overtime | 104,711 | 50,000 | 37,200 | 37,200 | 37,944 | 38,703 | 39,477 | 40,266 | 41,072 | 41,893 | 42,731 | 43,586 | 450,072 |
| 2763 | Vehicle Release Fee | 102,969 | 66,000 | 75,000 | 75,000 | 76,500 | 78,030 | 79,591 | 81,182 | 82,806 | 84,462 | 86,151 | 87,874 | 872,597 |
| 2765 | Other DPS | 27,081 | 25,000 | 25,000 | 25,000 | 25,500 | 26,010 | 26,530 | 27,061 | 27,602 | 28,154 | 28,717 | 29,291 | 293,866 |
| 2766 | False Alarm Fee - Fire Alarm | 51,700 | 21,369 | 22,010 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 247,409 |
| 2767 | Fire Contract Reimbursement | 264,774 | 366,524 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 366,524 |
| 2769 | Civil Subpoena Fees | 4,703 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 13,200 |
| 2770 | DPS Alarm Permit Fees | 187,191 | 181,359 | 190,427 | 199,948 | 203,947 | 208,026 | 212,186 | 216,430 | 220,759 | 225,174 | 229,677 | 234,271 | 2,322,204 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | PLAN | FY 2025/2026 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL |
|------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---|---|
| | | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 | 2035/2036 | | |
| 2423 | Pottery - Adult | 237,903 | 245,040 | 252,391 | 259,963 | 267,762 | 275,795 | 284,069 | 292,591 | 301,369 | 310,410 | 2,727,293 | 5,021,246 |
| 2424 | Music - Child | 150,851 | 155,377 | 160,038 | 164,839 | 169,784 | 174,878 | 180,124 | 185,528 | 191,094 | 196,827 | 1,729,339 | 3,183,487 |
| 2425 | Music - Adult | 6,637 | 6,837 | 7,042 | 7,253 | 7,471 | 7,695 | 7,925 | 8,163 | 8,408 | 8,660 | 76,091 | 135,622 |
| 2455 | Teen Programs | 42,034 | 43,295 | 44,594 | 45,932 | 47,310 | 48,729 | 50,191 | 51,697 | 53,248 | 54,845 | 481,877 | 889,269 |
| 2465 | Columbia Co-Op Sports | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 350,000 | 735,000 |
| 2484 | Washington Pool Swim Lessons | 137,808 | 141,942 | 146,200 | 150,586 | 155,104 | 159,757 | 164,550 | 169,486 | 174,571 | 179,808 | 1,579,814 | 2,915,425 |
| 2485 | SMS Pool Swim Lessons | 38,740 | 39,902 | 41,099 | 42,332 | 43,602 | 44,910 | 46,257 | 47,645 | 49,074 | 50,547 | 444,108 | 819,569 |
| 2486 | Columbia Pool Swim Lessons | 18,406 | 18,958 | 19,527 | 20,113 | 20,716 | 21,338 | 21,978 | 22,637 | 23,316 | 24,016 | 211,007 | 389,398 |
| 2490 | Washington Pool Drop-In Swim | 23,131 | 23,131 | 23,131 | 28,914 | 28,914 | 28,914 | 28,914 | 28,914 | 36,142 | 36,142 | 286,245 | 517,151 |
| xxxx | Washington Pool Expansion - Add'l Revenue | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 63,400 | 634,000 | 1,077,800 |
| 2491 | SMS Pool Drop-In Swim | 1,987 | 1,987 | 1,987 | 2,484 | 2,484 | 2,484 | 2,484 | 2,484 | 3,105 | 3,105 | 24,591 | 44,429 |
| 2492 | Columbia Pool Drop-In Swim | 7,263 | 7,263 | 7,263 | 9,079 | 9,079 | 9,079 | 9,079 | 9,079 | 11,349 | 11,349 | 89,881 | 162,387 |
| TOTAL RECREATION FEES | | 4,073,289 | 4,178,160 | 4,283,430 | 4,393,250 | 4,511,036 | 4,631,742 | 4,748,589 | 4,862,751 | 4,995,578 | 5,125,679 | 45,803,502 | 85,362,357 |
| 2750 | Abandoned Vehicles | 205,520 | 211,685 | 218,036 | 224,577 | 231,314 | 238,254 | 245,401 | 252,763 | 260,346 | 268,156 | 2,356,052 | 4,359,022 |
| 2751 | Animal Control Fees | 108,613 | 111,871 | 115,227 | 118,684 | 122,245 | 125,912 | 129,689 | 133,580 | 137,587 | 141,715 | 1,245,124 | 2,283,041 |
| 2754 | Emergency Response | 39,626 | 40,814 | 42,039 | 43,300 | 44,599 | 45,937 | 47,315 | 48,734 | 50,196 | 51,702 | 454,263 | 837,386 |
| 2756 | False Burglar Alarm Fees | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 184,239 | 1,842,390 | 3,854,991 |
| 2760 | Police Contract Overtime | 44,893 | 46,240 | 47,627 | 49,056 | 50,528 | 52,044 | 53,605 | 55,213 | 56,869 | 58,576 | 514,651 | 964,724 |
| 2763 | Vehicle Release Fee | 90,511 | 93,226 | 96,023 | 98,903 | 101,871 | 104,927 | 108,074 | 111,317 | 114,656 | 118,096 | 1,037,604 | 1,910,201 |
| 2765 | Other DPS | 30,170 | 31,075 | 32,008 | 32,968 | 33,957 | 34,976 | 36,025 | 37,106 | 38,219 | 39,365 | 345,868 | 639,734 |
| 2766 | False Alarm Fee - Fire Alarm | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 22,670 | 226,700 | 474,109 |
| 2767 | Fire Contract Reimbursement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 366,524 |
| 2769 | Civil Subpoena Fees | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 12,000 | 25,200 |
| 2770 | DPS Alarm Permit Fees | 241,299 | 248,538 | 255,994 | 263,674 | 271,584 | 279,732 | 288,124 | 296,767 | 305,670 | 314,841 | 2,766,224 | 5,088,428 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | ACTUAL | CURRENT | BUDGET | PLAN | FY 2015/2016 TO FY 2025/2026 TOTAL | |
|-------------------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|----------------------|
| | | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | |
| 3801-01 | Personal Property Sale | 0 | 9,445 | 9,634 | 9,827 | 10,023 | 10,224 | 10,428 | 10,637 | 10,849 | 10,849 | 11,175 | 11,510 | 114,600 |
| 2764 | Unclaimed Property | 1,820 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2774 | DPS Property Revenue | 10,886 | 5,000 | 5,000 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,000 |
| 4100 | Miscellaneous Revenues | 4,403 | 5,412 | 5,520 | 5,631 | 5,743 | 5,858 | 5,975 | 6,095 | 6,217 | 6,341 | 6,531 | 6,727 | 66,050 |
| 4102 | Damage to City Property | 312,427 | 108,243 | 110,408 | 112,616 | 114,868 | 117,166 | 119,509 | 121,899 | 124,337 | 126,824 | 130,629 | 134,548 | 1,321,046 |
| 4104 | Jury Duty Reimbursement | 160 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4114 | Cash Overage & Shortage | (62) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4116-02 | Photocopies - Public Safety | 139 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 11,000 |
| 4116-01 | Photocopies - Other Departments | 113 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 22,000 |
| 4117-01 | Printed Material Sales | 750 | 646 | 659 | 672 | 686 | 699 | 713 | 728 | 742 | 757 | 780 | 803 | 7,884 |
| 4117-05 | Printed Material Sale - PW/Plans & Specs | 1,488 | 6,227 | 6,352 | 6,479 | 6,608 | 6,740 | 6,875 | 7,013 | 7,153 | 7,296 | 7,515 | 7,740 | 75,997 |
| 4120 | Litigation Settlement Proceeds | 26,376 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4121 | Miscellaneous Reimbursement | 20,149 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4460-02 | Repayments - Conway Property Owners | 5,723 | 15,490 | 15,490 | 15,490 | 8,674 | 8,674 | 8,674 | 8,674 | 8,674 | 8,674 | 8,674 | 8,674 | 115,862 |
| TOTAL MISCELLANEOUS | | 548,777 | 626,555 | 596,062 | 598,714 | 149,602 | 152,361 | 155,175 | 158,045 | 160,972 | 163,741 | 168,303 | 173,002 | 3,102,532 |
| 3800 | Real Property Sale | 14,069 | 0 | 10,910,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,910,000 |
| xxxx | Raynor Activity Center Sale | 0 | 14,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,000,000 |
| TOTAL SALE OF PROPERTY | | 14,069 | 14,000,000 | 10,910,000 | 0 | 24,910,000 |
| 4400 | Transfers In | 9,267,775 | 11,239,214 | 11,351,844 | 11,484,905 | 11,729,647 | 12,233,567 | 12,476,958 | 12,522,654 | 12,691,568 | 12,944,275 | 13,330,683 | 13,728,189 | 135,733,503 |
| TOTAL TRANSFERS IN | | 9,267,775 | 11,239,214 | 11,351,844 | 11,484,905 | 11,729,647 | 12,233,567 | 12,476,958 | 12,522,654 | 12,691,568 | 12,944,275 | 13,330,683 | 13,728,189 | 135,733,503 |
| FUND TOTAL | | 150,229,139 | 175,952,175 | 171,059,287 | 159,944,311 | 165,358,882 | 171,890,287 | 176,851,400 | 181,985,832 | 187,398,467 | 193,160,055 | 194,986,494 | 200,991,449 | 1,979,578,640 |

**035. GENERAL FUND
REVENUES BY SOURCE**

| | | PLAN | FY 2025/2026 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL | |
|-------------------------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|---|----------------------|
| | | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 | 2031/2032 | 2032/2033 | 2033/2034 | 2034/2035 | 2035/2036 | | |
| 3801-01 | Personal Property Sale | 11,855 | 12,211 | 12,577 | 12,955 | 13,343 | 13,744 | 14,156 | 14,581 | 15,018 | 15,469 | 135,908 | 250,509 |
| 2764 | Unclaimed Property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2774 | DPS Property Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,000 |
| 4100 | Miscellaneous Revenues | 6,929 | 7,137 | 7,351 | 7,572 | 7,799 | 8,033 | 8,274 | 8,522 | 8,777 | 9,041 | 79,433 | 145,484 |
| 4102 | Damage to City Property | 138,584 | 142,741 | 147,024 | 151,434 | 155,977 | 160,657 | 165,476 | 170,441 | 175,554 | 180,821 | 1,588,709 | 2,909,756 |
| 4104 | Jury Duty Reimbursement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4114 | Cash Overage & Shortage | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4116-02 | Photocopies - Public Safety | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 10,000 | 21,000 |
| 4116-01, | Photocopies - Other Departments | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 20,000 | 42,000 |
| 4117-01, | Printed Material Sales | 827 | 852 | 877 | 904 | 931 | 959 | 988 | 1,017 | 1,048 | 1,079 | 9,482 | 17,366 |
| 4117-05 | Printed Material Sale - PW/Plans & Specs | 7,972 | 8,212 | 8,458 | 8,712 | 8,973 | 9,242 | 9,520 | 9,805 | 10,099 | 10,402 | 91,395 | 167,392 |
| 4120 | Litigation Settlement Proceeds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4121 | Miscellaneous Reimbursement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4460-02 | Repayments - Conway Property Owners | 8,674 | 8,674 | 1,313 | 1,313 | 1,313 | 1,313 | 1,313 | 1,313 | 1,313 | 1,313 | 27,852 | 143,714 |
| TOTAL MISCELLANEOUS | | 177,842 | 182,827 | 180,600 | 185,889 | 191,336 | 196,947 | 202,726 | 208,678 | 214,809 | 221,124 | 1,962,780 | 5,065,312 |
| 3800 | Real Property Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,910,000 |
| xxxx | Raynor Activity Center Sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,000,000 |
| TOTAL SALE OF PROPERTY | | 0 | 0 | 24,910,000 |
| 4400 | Transfers In | 14,154,027 | 14,576,247 | 15,011,133 | 15,459,067 | 16,363,779 | 16,752,401 | 16,885,119 | 17,389,272 | 17,908,550 | 18,443,406 | 162,943,002 | 298,676,505 |
| TOTAL TRANSFERS IN | | 14,154,027 | 14,576,247 | 15,011,133 | 15,459,067 | 16,363,779 | 16,752,401 | 16,885,119 | 17,389,272 | 17,908,550 | 18,443,406 | 162,943,002 | 298,676,505 |
| FUND TOTAL | | 208,168,233 | 215,007,228 | 221,853,930 | 228,900,362 | 236,636,865 | 244,165,393 | 251,780,424 | 260,127,362 | 268,927,863 | 278,027,367 | 2,413,595,025 | 4,393,173,665 |

**Financial Plans -
Special Revenue Funds**

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 Housing Mitigation Fees and Below-Market-Rate Housing (“BMR”) fees. Expenditures are for operations related to developing affordable housing, managing the City’s below-market-rate housing program, and for capital and special projects that produce new affordable housing.

Housing Mitigation

Housing Mitigation Fees are development impact fees paid by developers of large new employment-generating developments, pursuant to S.M.C. 19.22.035, in order to maintain or improve the City’s jobs/housing balance. These fees are used to provide additional affordable housing in the City. Housing Mitigation Fees and accrued interest are maintained in this sub-fund of the Housing Fund.

Revenue projections are based on a number of factors, including: projects currently underway or in the development process, historical collections, total development square footage eligible to pay this fee, and the current and projected per square foot Housing Mitigation Fee. Due to the recent surge of development activity in the City, revenue of \$8.4 million in FY 2016/17, \$18.7 million in FY 2017/18, and \$8 in FY 2018/19 is projected based on 14 large, commercial development projects and one mixed-use project. Beginning in FY 2019/20 the revenue projection uses an inflation rate with the baseline year of FY 2018/19. The historical average is notably lower than the baseline used and will be reviewed and adjusted each year. Over the twenty year plan, total revenue from Housing Mitigation Fees is estimated to be up by \$33 million over the prior year’s plan.

Assistance to affordable housing developments is provided in the form of a loan, with payments amortized, deferred, or based on residual receipts of the project’s anticipated operating cash flow. Interest rates vary and are set forth in each loan agreement. Payments received on these loans are consistent with City policy for the use of Housing Mitigation funds, and are deposited into this fund and re-used for additional housing activities.

The Housing Mitigation Program loan repayment revenue projection is based on a historical average and will be reviewed and adjusted each year. During the first ten years of the planning period, staff projects the program will receive \$4.6 million in loan repayments.

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

Project expenditures for FY 2015/16, consist primarily of the Persian Drive Affordable Apartments project, the Morse Court Rental Rehabilitation project, and the 1st Time Homebuyer Loans Program. The other notable project includes a \$200,000 contribution to the Housing Trust Fund of Santa Clara County. In FY 2016/17, there is \$6 million budgeted for the Orchard Gardens Apartments Redevelopment project that will consist of 86 units for extremely low to low-income tenants.

By the end of FY 2016/17 the Housing Mitigation Reserve is expected to have balance of approximately \$14.9 million. These funds are available for future affordable housing projects in the City when they are identified. A placeholder entitled Future Housing Projects is included in the long-term financial plan for such projects.

Below Market Rate (BMR) Housing

The BMR Program, as set forth in SMC Chapter 19.67, is primarily intended to generate affordable housing directly, through mandatory development requirements applied to most new housing developments. This is a land use/zoning tool used nationally to guarantee a minimum level of affordable housing even in higher cost areas, known as “inclusionary zoning.”

The Municipal Code requires that developers sell 12.5% of all new homes in subdivision and condominium developments to lower and moderate income households at affordable prices established by the BMR program guidelines and SMC Chapter 19.67. The BMR Program has specific eligibility requirements and income limits for prospective buyers of BMR homes.

Revenues in the BMR Program include BMR In-Lieu fees, BMR application fees, revenues from BMR compliance and enforcement actions, payments on home buyer loans funded from the BMR program, and interest earnings. Expenditures include operating costs for administering and monitoring the BMR program, and a special project for BMR compliance enforcement.

The BMR Housing Program has a BMR Reserve for the deposit of BMR In-Lieu Fees which are paid by developers in accordance with project-specific developer agreements, in lieu of providing actual BMR homes for sale, and/ or to fulfill fractional BMR unit requirements. The fee revenues are intended to be used by the City to provide a comparable or greater number of affordable housing units elsewhere in the City. The Municipal Code was amended in 2012 to allow greater application of the in-lieu fee option, and FY 2013/14 was the first year in which the City began collecting substantial revenue from developers for fractional in-lieu fees for BMR obligations.

Once a substantial amount of funds have accumulated in the BMR reserve, staff will issue an RFP to solicit affordable housing proposals to utilize these funds for developing additional affordable units, based on the priorities established by the City in the Housing Element, Consolidated Plan, and/or various adopted land use plans such as station area plans and/or specific plans.

Redevelopment Housing

The Redevelopment Housing Sub-fund was established to account for funds received from the former Redevelopment Agency / Housing Successor Agencies which are used on Low-Moderate Income Housing programs. This sub-fund closes at the end of FY 2015/16. A new Fund is established the FY 2016/17 Budget to separate Redevelopment Housing revenues and related costs from the Housing Fund.

HOME Grant Fund

HOME Investment Partnership Program grants from the federal government may be used to provide affordable housing to lower-income households. Eligible uses of HOME grant funds include acquisition, new construction, rehabilitation, tenant-based rental assistance, and down payment assistance. The activities must benefit low-income households with incomes at or below 80% of area median income. According to federal statutes, HOME grants must be committed to a specific project within two years and fully expended within five years of the grant award.

The recommended long-term financial plan for the HOME Grant Fund includes an estimated grant allocation for FY 2016/17 of \$307,196, and shows ongoing estimated HOME grant revenues of the same amount as a placeholder for future allocations. This is an increase of 9% from the FY 2015/16 allocation.

The City also receives loan repayments on loans that had been made with HOME grant funds for affordable housing. Approximately \$6.7 million in loan payments are expected throughout the twenty-year plan. These repayments will be utilized for future HOME projects, to be identified and approved by Council.

Funds in FY 2016/17 are allocated to one special project. \$600,000 is budgeted for the Benner Plaza project for new affordable apartments. Also included in the long-term financial plan is a line item for Future HOME/ Housing Projects beginning in FY 2017/18. As specific projects are identified, they will be brought to Council for approval.

Redevelopment Housing Fund

The Redevelopment Housing Fund is a new fund in FY 2016/17, established to account for funds received from the former Redevelopment Agency / Housing Successor Agencies which are based on a percentage of the property tax increment from the former redevelopment project area. These funds can be used on Low-Moderate Income Housing programs. Future year revenue forecasts are sporadic due to the varied timing of the enforceable obligation payments, however staff expects to collect \$11 million in the first 10 years.

A limited percentage of these funds can be applied to operating activities. A new activity was created, effective in FY 2015/16, to budget for the work hours required to administer this new revenue source. The sub-fund will also fund one special project for Homeless Prevention and Rapid Re-Housing in FY 2016/17. The Future Projects line sets funding aside for low-moderate income housing projects in future years as the sub-fund accumulates sufficient reserves to fund a capital project.

Community Development Block Grant (CDBG) Fund

The Community Development Block Grant (CDBG) program is a federal program that allocates annual grants to larger cities and urban counties for various community development and housing programs designed to primarily benefit lower-income households. The City receives an annual appropriation from the U.S. Department of Housing and Urban Development (HUD) based on a formula using factors such as population, poverty rate, and certain economic indicators.

Revenues for the Community Development Block Grant Fund come from grants and repayments (program income) on prior loans made with the grant funds for housing rehabilitation and/or public facilities. Major CDBG expenditure categories include housing rehabilitation and home improvement programs, accessibility retrofits, workforce development for homeless people, human services, and program administration.

Community Development Block Grant (CDBG)

The CDBG Program is funded by Community Development Block Grants from the federal government and CDBG program income. HUD has notified the City that the FY 2016/17 entitlement amount will be \$1,037,051. Since the City has received CDBG funds annually over a number of years, we are showing future grant receipts at the FY 2016/17 entitlement level throughout the twenty-year financial plan. The estimated allocation is 4.8% higher than the allocation from prior year.

The CDBG and HOME grants must be spent in accordance with a five-year "Consolidated Plan," a strategic plan and budget for use of these grants, submitted to HUD for approval every five years. The plan identifies a jurisdiction's priority needs for affordable housing and other community development activities. HUD requires the City to submit annual updates, called Action Plans, during the intervening years of the Consolidated Plan, in May of each year.

CDBG funds may be used for acquisition, rehabilitation, and preservation of existing affordable housing, certain types of public services, infrastructure, and facilities, economic development, and elimination of blight. Capital and special projects funded with CDBG must implement the goals of the City's 2010-2015 Consolidated Plan. The City submits a performance report (the "CAPER") to HUD annually to report on its uses of the CDBG and HOME funds, and how these activities contribute toward achieving the goals of the Consolidated Plan.

Additionally, HUD regulations limit the amount of CDBG funds that can be spent on public (human) services to no more than 15% of the annual CDBG allocation plus prior year program income. The FY 2016/17 Recommended Budget includes \$198,000 in CDBG funds for the City's human services programs, which are selected every other year on a competitive basis for two-year funding allocations. FY 2016/17 is the second year of the current cycle.

CDBG funds may also be used for projects that benefit groups with special needs, such as senior or handicapped citizens, or for targeted geographical areas that meet certain income requirements. Projects budgeted for the FY 2016/17 CDBG grant include \$50,000 for the Home Improvement Program (HIP), which provides small grants and/or loans for accessibility improvements, paint, and other minor improvements, \$404,225 for the Sunnyvale Workforce Development Program, \$200,000 for the Persian Drive Sidewalk Extension, \$150,000 for ADA Curb Retrofits, and \$198,000 for human services grants.

CDBG Revolving Loan

The CDBG Revolving Loan Fund allows the City to account for program income from housing loans made with CDBG funds and to reuse those funds for the same purpose (housing rehabilitation), pursuant to HUD regulations. This Fund has two sources of revenue: loan payments on prior CDBG housing loans and transfers in from the CDBG Fund. Staff projects \$150,000 in CDBG loan repayment revenue for FY 2016/17. Expenditures for FY 2016/17 include one project in the amount of \$150,000 to provide rehabilitation loans to low-income home owners and funding for operations of the Home Improvement Program.

Park Dedication Fund

State law allows local communities to require developers of housing units to offset the impact of the demand from those units on the City's open space by providing additional open space or paying a comparable fee. The Park Dedication Fund was established to meet statutory requirements regarding the accounting for Park Dedication Fees paid by developers. In general, the City collects park in-lieu fees for housing projects that do not dedicate land for use as parks or open space. This fee is calculated on an average fair market value per square foot as determined by the Community Development Department annually. In April 2011, Council raised the standard to 5.0 acres per 1,000 population, to be phased in over three years. In FY 2014/15, after completion of a land valuation study, the land value used in the fee calculation was set to \$96 per square foot, effective December 29th of 2014. For the FY 2016/17 Recommended Budget, the Park Dedication Fee is held flat with land value at the current rate of \$96 per square foot.

Park Dedication Fee revenues are accounted for in the Park Dedication Fund as legally required, and then available resources are appropriated directly to projects in the fund or transferred to the Capital Projects Fund or the Infrastructure Fund for park-related projects.

Authorizing language in the State Quimby Act, which governs park dedication fees, requires that fees 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. For the last several years, Park Dedication Fees were also used to pay for golf course rehabilitation projects. In April 2011, Council acted to cease that practice for projects that were not already programmed, determining instead that golf course revenues associated with the Golf and Tennis Enterprise Fund would pay for these improvements.

Park in-lieu fees must be committed within a five-year period. This revenue source is subject to the Fee Mitigation Act, which requires specific review and findings every five years. The City conforms to both of these requirements.

It is estimated that \$23 million in Park Dedication Fees will be received during FY 2015/16. Based on current development projects in process, revenues for FY 2016/17 and FY 2017/18 are expected to be \$22.3 million and 25.5 million respectively. For FY 2018/19 through the end of the first ten years of the plan, revenues are held flat at \$7.5 million. This is based on the historical average of 200 fee eligible dwelling units per year at the current fee of \$96 per square foot. For the second ten years of the plan, fee revenue is escalated by 2% per year, reflecting estimated growth. These projections yield approximately \$130 million in revenue over the first ten years, and an additional \$84 million during the second ten years of the long-term plan.

The Park Dedication Fund provides funding for capital and infrastructure projects at community parks and recreational facilities. A total of \$138 million in transfers to the Capital and Infrastructure Funds are programmed throughout the long-term financial plan to ensure that park and recreational facilities are in good working condition and able to meet the demands of increased public use. During the last projects budget cycle costs for all projects, and especially park renovation projects were updated to reflect the latest cost estimates for construction and materials.

In FY 2016/17, \$8.8 million is programmed for transfers to projects. The largest of funded projects include \$4.8 million for Fair Oaks Park renovation, \$820,000 for parks parking lot drainage and resurfacing, \$612,000 for general

park building rehabilitation, and \$831,000 to start the Lakewood Park renovation. The Community Center Infrastructure Upgrade totals \$5 million and is currently underway and planned to be completed in FY 2016/17. Other notable projects in the near term of the plan include an additional \$5.5 million for the Lakewood Park Renovation scheduled to be completed in FY 2017/18, \$1.9 million over the next two years for golf irrigation replacement, an additional \$2.4 million to complete the Fair Oaks Park Renovation, and \$7.2 million over the next three years for the Washington Community Swim Center.

The Capital Projects Reserve includes funds that have not yet been appropriated to projects. Significantly more Park Dedication Fee revenue is projected in this financial plan as compared to last year. In addition to the Capital Projects Reserve, the twenty-year plan includes a second reserve fund that is specifically designated for Land Acquisition funds. This reserve collects twenty percent of the annual revenue from Park Dedication Fees and allocates the funds to acquire and develop new land for the purpose of parks, open space, trails and other recreational facilities.

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. For the FY 2016/17 Recommended Budget, current projected revenues have been adjusted to assume no additional revenues will be received. These revenues were for the Department of Public Safety's participation in a regional task force operated by the Drug Enforcement Agency (DEA), and the original estimates were preliminary figures that have not come to fruition due to changes in the revenue distribution methodology. 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 these funds are projected to discontinue adjustments to expenses have been made.

The FY 2016/17 Recommended Budget includes a continuing transfer to the General Fund to support juvenile diversion activities within the Police Services program. The City currently has an agreement with the County of Santa Clara to pay for the direct salary, excluding benefits, of one Deputy

Probation Officer. For FY 2016/17, this amount is \$105,154. This transfer is budgeted through FY 2017/18, at which point there are not enough funds to support this expenditure along with other priorities. At that time, the funding for the program will be provided by the City's General Fund.

The FY 2016/17 Recommended Budget also includes \$44,639 for the Police Services Equipment - Cell Phones project, which supports the cost of specialized cellular phones used for police services. This project has been programmed to end in FY 2018/19, at which point the ending twenty-year reserve is unable to fund the project.

Previously, this fund also reflected funding for replacement of Tasers every five years. Due to limitations in Asset Forfeiture funding, the next replacement of Tasers in FY 2017/18 reflects only a partial amount (\$136,796) for the replacement in that year. The remaining budget for the replacement of Tasers every five years thereafter throughout the twenty-year plan is funded from the General Fund.

Police Services Augmentation Fund

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

The State SLES monies constitute the major portion of revenue. However, over the years, the amounts of both grants have decreased or varied significantly. BJA decreased from a high of \$70,158 to a low of \$0 in FY 2011/12. SLES funding has also fluctuated over the years, with a high of nearly \$300,000 in FY 1996/97 and a low of \$100,000 in FY 2008/09. After initially being eliminated, funding for FY 2011/12 was restored to a level of nearly \$230,000, which was the result of the State shifting Motor Vehicle License funds away from local agency general funds into the grants that provide SLES funding. This was a permanent shift, and as such, funding in the amount of \$231,382 has been programmed for the entire twenty-year plan. Because of the stable funding, SLES monies will fund nearly one full-time lieutenant for the Department of Public Safety, with the remaining

cost being funded by the General Fund. This is in keeping with past use of these funds, which has been for staffing for most of the years. Because BJA funds are uncertain, they are not projected in the long-term plan and instead will be appropriated as they become available.

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 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. As of July 1, 2015, at the request of the San Mateo County Board of Supervisors and with the approval of the seven cities of the consortium and the State of California, San Mateo County joined the NOVA Consortium.

The City of Sunnyvale, through its NOVA Workforce Services Department, administers NOVA's programs on behalf of the consortium. 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 NOVA Workforce Services Department has been federal Workforce Investment Act (WIA) appropriations and competitive grants.

WIA was replaced as of July 1, 2015 with the federal Workforce Innovation and Opportunity Act (WIOA). The City of Sunnyvale's City Council took action on February 10, 2015, to remain the Chief Local Elected Official (CLEO) for the NOVA consortium, with the City assuming financial liability for the program and functioning as the administrative entity for NOVA's services. Council also reaffirmed the NOVA Workforce Board as the governing board for NOVA and approved the revised Agreement on Roles and Responsibilities Between the NOVA Workforce Board and the Sunnyvale City

Council. Other than incorporating the new WIOA terminology, the Joint Exercise of Power Agreement (JPA) for Council serving as the CLEO for the NOVA consortium maintains many of the same agreements.

The WIOA dictates funding formulas whereby the allocation of funds provided by Congress to support the Act is distributed to the states. A primary factor of these formulas is the unemployment rate. These funds come in three targeted categories: Youth, Adult, and Dislocated Worker. Each of these categories serves a defined population.

The FY 2016/17 Recommended 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 additional funding for the excess demand for services from the dislocated worker population. 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 cumulative budget modification submitted each fiscal year. For the purposes of the City's FY 2016/17 Recommended Budget, NOVA has taken the total funding estimates as described and used these as the basis for NOVA's FY 2016/17 program and service levels. This budget incorporates guidance received from the state, which provided specific planning goals.

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 the budget document. Rather, a base funding level will be carried into the new fiscal year and the 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.

To recognize NOVA's long tenure in the City, grant funding of \$10.5 million has been projected for FY 2016/17 and as an average resource level per year for the remaining 19 years of 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 through assessments on property owners within the district. The Downtown Parking District includes all public parking in the downtown area, with the exception of the parking provided by the Sunnyvale Town Center.

For a number of years, the Parking District assessment was set by an election held every one or two years. In June 2009, the District property owners approved a long-term assessment methodology whereby the FY 2009/10 assessment rate was set as the base rate that would be adjusted annually by the previous year's change in the Consumer Price Index going forward. The special assessment is projected based on preliminary estimates from the assessment and administration engineer for the District. Total project costs of \$1.2 million are planned over the twenty-year plan to install gutters and rehabilitate existing pavement in the downtown lots, and for various maintenance activities, including periodic asphalt patching, slurry seals, curb painting, sign replacement, and re-striping as necessary.

Annual operations costs represent the ongoing maintenance of the Parking District by the City for personnel, utilities, materials, contractual services and other items necessary or appropriate for the parking facilities and administration of the district and assessment.

It is anticipated the Parking District and assessment methodology will be reviewed after the redevelopment of the adjacent Town Center and Town and Country sites.

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 per gallon levied on gasoline and other motor fuels. Gas Tax is distributed to the State, cities, and counties on a formula based on population and the proportion of registered vehicles.

In March 2010 the legislature passed a bill that repealed a portion of the State Sales Tax on gasoline, which had been the funding source for Proposition 42, and replaced it with a variable rate excise tax on gasoline. The intention was for the repeal and replacement to be revenue neutral. As such, the excise tax is adjusted annually to ensure that revenue will keep pace with the repealed sales tax. It should be noted that only the State Sales Tax on gasoline was repealed; the local 1% rate remains intact. Starting with the FY 2011/12 Adopted Budget, revenues and expenditures that were formerly in the Traffic Congestion Relief Fund (Proposition 42) were incorporated into the Gas Tax Fund to reflect this legislation.

Since FY 2014/15, combined Gas Tax revenues have been on the decline. This decline is the result of a decline in gas prices and a true-up from the State for the excise tax portion of gas tax revenue. After two years of decline, the FY 2016/17 excise tax index was adjusted down again by the State for having over-allocated in the prior year. Starting in FY 2016/17 through the end of the twenty-year plan, Gas Tax revenues are forecasted to be approximately \$3 million each year. This totals a decrease of \$1.6 million over the twenty-year plan, compared to prior fiscal year's projections. As a portion of Gas Tax revenues offset the cost of the Street Operations Program, this loss of resources will directly impact the General Fund. As the majority of gas tax revenue is based on the number of gallons sold and not on the price of gasoline, no growth in revenue is projected due to continued expected advancements in vehicle fuel economy.

Governor Brown is proposing a new transportation funding package in his FY 2016-17 Budget to address critical needs at various local agencies to rehabilitate streets and roads. Should this proposal be adopted, Sunnyvale will receive an additional allocated amount of approximately \$785,000.

Gas Tax funds are also used for street renovation projects. The Recommended Budget for the Gas Tax Fund has transfers to the Capital and Infrastructure Funds of \$454,242, earmarked for design and contrasted against the prior fiscal year's high amount, when it was a construction year. The majority of this funding will be used to replace the controls, LED arrays, and backup battery systems of traffic signals, as well as the replacement of street light conduit and the repainting of street light poles.

In accordance with State law, the Gas Tax Fund receives interest earnings on any unspent cash balances. Gas Tax funds must be spent on maintenance and capital related to public streets and highways. 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.

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

Transportation Development Act (TDA) Fund

In FY 2003/04 a small special revenue fund was established to account for activities related to Transportation Development Act (TDA) funds. These funds were created by State legislation that 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 FY 2016/17 Recommended Budget does not include any new appropriations; however, as TDA-eligible projects are identified, revenues will be recognized and appropriated to those projects. FY 2015/16 appropriations which total approximately \$885,000 are primarily for various bicycle lane projects.

Vehicle Registration Fee Fund

In 2010, voters approved Measure B, which collects vehicle registration fees to pay for programs and projects that provide local transportation improvements. In FY 2012/13 the City of Sunnyvale established a special revenue fund to account for revenues received through the \$10 annual Vehicle Registration Fee (VRF) assessed to automobiles owned by residents of Santa Clara County.

In 2012, the VRF provided \$14.8 million to the County, and 80 percent of this amount was distributed to the cities based on population. In August 2012, the City of Sunnyvale received its first allocation of VRF funds in

the amount of \$797,394. For FY 2015/16, the City has received \$897,964 in VRF funds, and it is expected that the City's share will remain constant throughout the twenty-year planning period. In general, VRF funds are distributed based on each jurisdiction's population in the county, and a small percentage is available based on a competitive County-wide program. The remainder is reserved for Program Administration.

All VRF funds received from the County are programmed to be transferred to the Infrastructure Fund to provide funding for the Pavement Rehabilitation project throughout the twenty-year plan.

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 income which is used to offset ongoing operating program expenditures.

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 2016/17 this reimbursement is projected to be \$194,570. 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. For FY 2016/17, this subsidy is expected to be \$582,886.

Expenses included in this Fund are for the direct services provided at the CNC, including CNC operations, which is overseen by the Library and Community Services Department.

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**Financial Plans –
Capital and Infrastructure
Funds**

Capital And Infrastructure Projects Funds

Capital and Infrastructure Projects Funds are used for major capital acquisition, construction activities, and renovation or replacement of general City fixed assets. The City currently accounts for these activities in two 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.

Capital Projects Fund

The Capital Projects Fund was established in FY 1997/98 to account for financial resources to be used for new or substantially enhanced assets or for major rehabilitation of capital facilities. These projects are funded by the General Fund, other governmental funds, or outside sources. Outside revenues into the Capital Projects Fund include federal and state grants, intergovernmental revenues, developer contributions, Traffic Impact and Mitigation Fees, and Sense of Place Fees.

The Capital Projects Fund is divided into distinct sub-funds that receive direct transfers from the funds that are responsible for particular projects. Each sub-fund records revenues, interest earnings, transfers and expenses separately.

General Assets Sub-Fund

The General Assets Sub-Fund is the largest Capital Projects sub-fund. In FY 2016/17 it accounts for \$8.3 million in appropriations to projects, \$6.2million of which comes from federal grant funding. Of this amount, \$7 million is planned for the completion of the Fair Oaks Ave Overhead Bridge renovation project. The Lakewood Branch Library Facility is also accounted for in this Fund. A total of \$11.5 million is budgeted for the design and construction. This project is contingent on the final sale of the Raynor Activity Center, and the recommended project budget has been adjusted to accommodate the sale timeline accordingly. This Sub-fund also includes funding for the Washington Community Swim Center renovation, which originated in FY 2015/16 with a total \$8 million over four years.

There are also a significant number of currently funded projects that will not fully expend their appropriations in FY 2015/16, and these unspent funds will be carried over into FY 2016/17. Projects that are currently underway include the East and West Channel Trails project for \$4.4 million, the Orchard Gardens Park Expansion project, which is funded by a \$1 million transfer from the Park Dedication Fund, the Safe routes to School, and the Neighborhood Guided Bike Routes project which is funded by a federal grant. Beyond FY 2016/17, significant projects in this Sub-Fund include Downtown Wayfinding and Gateways, the Plaza Del Sol Phase II project, and GIS support for the mapping of utilities.

Gas Tax Sub-Fund

The Gas Tax Sub-Fund accounts for capital projects funded partially or fully by Gas Tax revenues. There are no new appropriations in FY 2016/17; however, carryover from FY 2015/16 is expected for the design phase of the Calabazas Creek Bridge project.

Calabazas Creek Bridge Sub-Fund

A new sub-Fund was established in the Capital Projects Fund in FY 2013/14 to account for \$565,000 from the City of Santa Clara to fund its share of the Calabazas Creek Bridge renovation. The purpose of this Sub-Fund is to account for the interest allocation from the City of Santa Clara contribution that the City will be managing and administering.

Traffic Mitigation and Traffic Impact Fees Sub-Funds

The Cumulative Traffic Mitigation Fees and Traffic Impact Fees are accounted for in individual sub-funds of the Capital Projects Fund. Prior to the adoption of the Transportation Strategic Program in November 2003, an interim funding mechanism was implemented for transportation mitigation of major land development. This mechanism was known as Cumulative Traffic Mitigation Fees. The Traffic Mitigation Sub-Fund was created in order to use Cumulative Traffic Mitigation Fees for 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. The adoption of the Transportation Strategic Program in November 2003 replaced the interim Cumulative Traffic Mitigation Fees.

The Traffic Mitigation Sub-Fund contains one capital project, Future Traffic Signal Construction/Modification, which is expected to be complete in FY 2016/17. Additionally, the fund is providing grant matching funds to fund a variety of projects including Safe Routes to Schools, several intersection safety improvement projects, and the bike lane projects. All of these projects are currently underway and expected to be complete in FY 2016/17. With these funds being available as a local match for grant funding, the City has been able to leverage significant grant dollars for these projects, although it is largely drawn down at this time. The Traffic Impact Sub-Fund was created to account for the Traffic Impact Fee that was adopted in November 2003 to be applied to traffic-generating development Citywide. As noted above, this Traffic Impact Fee replaced the interim Cumulative Traffic Mitigation Fee. 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 11 projects totaling \$290 million. These projects are largely unfunded and will move into the City's twenty-year Projects Budget as funds are received and improvements are needed. A comprehensive listing of these projects can be found under Traffic and Transportation in Volume II – Projects Budget of the FY 2016/17 Recommended Budget.

As the local economy continues to recover, the City is seeing larger development projects that are generating significant Traffic Impact Fee revenue. \$1.9 million is anticipated in FY 2015/16 and \$5.8 million in FY 2016/17. Beginning in FY 2018/19, revenues are budgeted at the six year historical average of approximately \$1.9 million annually, adjusted for inflation. For the twenty-year planning period, a total of approximately \$57 million in Traffic Impact Fee revenue is expected.

There are no new projects in the Traffic Impact Sub-Fund in FY 2016/17. Funds are currently appropriated to the design and construction of Interchange Improvements at Mathilda/237/101. The design phase is

50 percent funded by a grant from the VTA. Beginning in FY 2017/18, 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 2008/09 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 three land use areas subject to Sense of Place Fees. These are the Tasman/Fair Oaks Area, the Duane/Lawrence Expressway Industrial-to-Residential area, and the Fair Oaks Junction area. Dwelling units constructed in these areas are each subject to a Sense of Place Fee as a condition of approval.

Sense of Place Fee revenues are projected to be approximately \$1.0 million over the next two years, and then decreases to \$250,000 annually, adjusted for inflation, throughout the long-term plan. Approximately \$6.5 million is expected over the entire twenty-year planning period.

Staff believes that Sense of Place Fees could 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, and 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.). Specific projects for future fee revenues have not yet been identified. Anticipated future expenditures are shown as Future Sense of Place Projects in the long-term plan.

VTA Local Program Reserve Sub-Fund

A new sub-Fund was established in the Capital Projects Fund in FY 2012/13 to account for a \$2 million VTA Local Program Reserve funds grant. This grant was awarded to provide 50% of the funds for the design costs of the Mathilda/237/101 Interchange Improvement project. The entire project

design budget, as well as the City's 50% share of the cost, is included in the Traffic Impact Fee Sub-Fund. The purpose of this Sub-Fund is to account for the interest allocation from the VTA grant funds that the City will be managing and administering.

Infrastructure Renovation and Replacement Fund

The Infrastructure Renovation and Replacement Fund was introduced with the FY 1996/97 budget. Its purpose is to account for revenues and expenditures associated with the rehabilitation of the City's extensive physical infrastructure, except for utility assets, which are funded separately in the utility funds.

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, there are two sub-funds: General and Golf and Tennis. The General Sub-Fund accounts for the majority of City infrastructure projects. The Golf and Tennis Sub-Fund is specifically for golf and tennis projects, with funding predominantly from the Park Dedication Fund.

General Sub-Fund

There are 24 projects in the General Sub-Fund recommended for funding in FY 2016/17 totaling \$11.1 million. Approximately \$8.1 million is funded by a transfer from the Park Dedication Fund with the majority going to fund five park or recreation facility related renovation projects. The fund also contains an additional \$1.4 million over two years starting in FY 2016/17 for concrete and sidewalk replacement. The funding is provided by one time excess property tax revenue and will help to address the current backlog of repairs. Strategies and funding to address the backlog of side walk repairs will continue to be evaluated over the next several years.

A project is also funded for pavement rehabilitation, which provides the funding to return the City's Pavement Condition Index (PCI) to a level of 80. The City accelerated investment in its pavement over the last several years, with the intent of providing sufficient funding to maintain that level going

forward. In FY 2015/16, \$6.8 million is budgeted for pavement rehabilitation, which will conclude the increased funding. Funding then returns to an average of \$1.9 million per year

Ongoing funding to address the City's infrastructure needs remains a particular area of concern. The City has a vast and wide array of infrastructure assets to maintain, including buildings, streets, parks, sidewalks, and utility-related infrastructure. These assets are an important part of the foundation of our service provision to the community. The City has long recognized the importance of maintaining these assets, as evidenced by the City policy of prioritizing the repair and replacement of existing infrastructure before the provision of new or expanded facilities. To this end, starting with the adopted FY 2011/12 Budget, the City has been setting aside funding for investment in its infrastructure. A total of \$48.9 million is currently earmarked for pavement rehabilitation. All of the City's parks have funding planned to renovate them over the next twenty years. Additional funding is being allocated to sidewalk, curb, and gutter replacement. As of FY 2015/16, the General Fund has contributed \$9 million for future infrastructure projects, and has a planned appropriation of \$1.5 million per year going forward. Out of this fund, \$550,000 has been allocated to a project for current and future costs the Civic Center project.

Through these actions, the FY 2016/17 budget maintains this commitment to infrastructure rehabilitation.

Golf and Tennis Sub-Fund

In the Golf and Tennis Sub-Fund, funds are budgeted in FY 2016/17 for minor renovation of golf buildings and replacement of the irrigation system. This fund provides for projects related to golf and tennis through FY 2032/33. It is then expected that the Golf and Tennis Enterprise Fund will fund its own infrastructure and capital projects.

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CITY OF SUNNYVALE
385/950. CAPITAL PROJECTS FUND/TRAFFIC MITIGATION SUB-FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2015 TO JUNE 30, 2026

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|---|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| RESERVE/FUND BALANCE, JULY 1 | 1,761,937 | 1,589,921 | 44,188 | 44,630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,589,921 |
| ----- | | | | | | | | | | | | | |
| CURRENT RESOURCES: | | | | | | | | | | | | | |
| Interest Income | 11,449 | 11,993 | 442 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,435 |
| TOTAL CURRENT RESOURCES | 11,449 | 11,993 | 442 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,435 |
| ----- | | | | | | | | | | | | | |
| TOTAL AVAILABLE RESOURCES | 1,773,385 | 1,601,915 | 44,630 | 44,630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,602,357 |
| ----- | | | | | | | | | | | | | |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | | |
| Capital Projects | 27,105 | 547,769 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 547,769 |
| Transfer To Cap. Proj./General Assets | 156,358 | 1,009,958 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,009,958 |
| Future Projects - Grant Matching Funds | 0 | 0 | 0 | 44,630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44,630 |
| TOTAL CURRENT REQUIREMENTS | 183,464 | 1,557,727 | 0 | 44,630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,602,356 |
| ----- | | | | | | | | | | | | | |
| RESERVES: | | | | | | | | | | | | | |
| Future Land Use and Transportation Projects | 1,589,921 | 44,188 | 44,630 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL RESERVES | 1,589,921 | 44,188 | 44,630 | 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 |
| ===== | | | | | | | | | | | | | |

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**Financial Plans -
Enterprise Funds**

Enterprise Funds

Utility Enterprise Funds and Utility Rate Process

The following across-the-board changes to current rates for the Water, Wastewater, and Solid Waste Utility enterprises are recommended for Council approval for FY 2016/17:

| Utility | Rate Change |
|-------------|-------------|
| Water | Varies* |
| Wastewater | 8.0% |
| Solid Waste | 3.5% |

*Percentages vary by customer group as a result of cost of service adjustments

Each increase and the contributing factors are discussed below. The major reasons for the required increases in rates are the substantial rise in costs of purchased water due to ongoing drought conditions, major wastewater infrastructure needs, particularly at the City’s Water Pollution Control Plant, and the City’s Zero Waste project to increase landfill diversion rates.

Monthly costs associated with water, solid waste, and wastewater services for an average residential customer will increase by \$8.14 per month. It is important to note that even with these increases, Sunnyvale utility rates and services are competitive with our surrounding communities.

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, water rates are set to collect enough revenue to maintain a sustainable financial position.

The annual review and use of long-range financial planning and projections help minimize utility rate swings.

The largest expense of the Water Fund is the cost of purchasing water. Sunnyvale currently receives water from four different sources, the San Francisco Public Utilities Commission (SFPUC), the Santa Clara Valley Water District (SCVWD), City-owned wells, and recycled water. The majority of supply is provided by the SFPUC and SCVWD, set by contracts. Approximately half a percent will come from well water, which is adequate to keep the wells fresh and operating.

The City’s water demand is extremely volatile, largely due to the ongoing drought. The drought, which is in its fifth year statewide, is generating concern related to water supply. As a result, both water agencies have requested that water utilities (and their customers) cut back on the amount of water consumed by as much as 30%. In addition, the State is planning to continue at least some of the sweeping restrictions aimed at reducing overall water consumption throughout California. Residents and businesses in Sunnyvale have been cutting back on their water consumption. Throughout the twenty year financial plan, it is assumed that water conservation efforts will continue, and that sales will not return to the levels seen in FY 2013/14. This anticipated reduction affects both the revenue and expenses of the Fund. To the extent that the City’s suppliers reduce their contractual minimums to accommodate decreased demand, the City is projecting savings from water purchases. So far, the SFPUC and SCVWD have indicated that they will reduce contractual minimums for FY 2015/16 and FY 2016/17. However, buying less also translates to selling less, and therefore the financial plan includes revenue projections based on a lower volume of water sold.

The City is currently paying the SFPUC approximately \$1,634 per acre foot of water, and paying SCVWD \$994 per acre foot, including a treated water charge. The City is also paying approximately \$1.3 million in FY 2015/16 to the SFPUC for the Bay Area Water Supply and Conservation Agency (BAWSCA) Surcharge which makes up Sunnyvale’s share of the debt

service on bonds issued by BAWSCA in FY 2012/13. BAWSCA issued the bonds on behalf of its 26 member agencies in its effort to restructure capital debt owed to the SFPUC for facilities constructed by the SFPUC that benefit the regional customers.

Both the SFPUC and the SCVWD provided wholesale rate projections for the next ten years. Their projections have changed significantly over the previous year, as they expect to need additional revenue to make up for lost sales due to water conservation. These projections are in the base rate for the long term rate projections in the twenty-year financial plan.

The table below reflects the projections included in the financial plan for both agencies. The projected increases in the table do not reflect changes in the BAWSCA Surcharge or any other costs related to purchasing water. Additionally, the SFPUC is projecting a rate decrease in three of the next ten years. It is the City’s practice not to recognize decreases, as they are unlikely to actually occur, and instead hold the rate flat for that year.

Projected Increases in Base Wholesale Rates

| Fiscal Year | SFPUC | SCVWD |
|-------------|-------|-------|
| 2016/17 | 8.0% | 19.9% |
| 2017/18 | 5.7% | 17.8% |
| 2018/19 | 9.3% | 14.2% |
| 2019/20 | 13.9% | 14.1% |
| 2020/21 | 0.2% | 10.6% |
| 2021/22 | 2.8% | 9.2% |
| 2022/23 | 7.3% | 6.6% |
| 2023/24 | 3.7% | 3.5% |
| 2024/25 | 3.1% | 3.0% |
| 2025/26 | 4.8% | 2.8% |

The projected well water total unit cost for FY 2016/17 is \$1,189 per acre foot, an increase of 17.9% over the current year unit cost of \$1,008. This cost includes a charge from SCVWD for pumping ground water from City wells, as well as the power costs associated with running the pumps.

The City attempts to purchase water at the lowest possible cost. The City’s water system allows the movement of water from one portion of the City to another, and this allows staff to monitor and adjust water purchases to utilize the most cost effective source, while still meeting our minimum contractual requirements for purchases. The ongoing drought has caused wholesale water rates to increase significantly. For FY 2016/17, SFPUC indicated that their rate would increase to \$1,764 per acre foot, an 8% increase, while SCVWD is proposing to increase rates 19.9% to \$1,172 per acre foot. The magnitude of these rate increases coupled with the reduced revenues from the drought, cannot be absorbed in the rate assumptions included in the previous financial plan. Therefore, the rate increase for FY 2016/17 has increased significantly over the previous financial plan.

Lastly, the City’s Water Pollution Control Plant (WPCP) 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. Due to production limitations and increased chemical requirements, the City has scaled back its recycled water production. Plans are under way to improve production reliability and construction is scheduled to be completed in the summer of 2016. Additionally, staff and SCVWD have ongoing discussions to partner in significant capital improvement projects that may bring recycled water to more areas of the City.

Operations and Capital Expenses

The FY 2016/17 budget for the Water Fund includes approximately \$6.2 million for personnel and other costs related to operating and maintaining the water supply and distribution system. The Water Fund contains annual debt service of approximately \$2.0 million in FY 2016/17. This consists of two components, the majority of which is for debt service on the City’s 2010 Water Revenue Bonds. The remainder of the debt service is the Water Fund’s portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property. This latter debt service ends in FY 2029/30.

Like many municipalities in the state and the country, Sunnyvale's water storage and distribution systems are over fifty years old and in need of significant rehabilitation. The Environmental Services Department prioritizes projects to address this aging water utility infrastructure. The highest priority is being placed on water pipe replacements. The FY 2016/17 financial plan includes significant funding for infrastructure projects including pipe replacements, the refurbishments of water tanks across the City, starting with the Mary- Carson tank in FY 2015/16, as well as the reconstruction of the Central Water Plant, which has been out of working order since 2007.

Additionally, an emphasis has been placed on the City's recycled water production and distribution system. Funding for this effort crosses both the water utility and the wastewater utility. \$2.1 million has been budgeted for Sunnyvale's share of a regional project that includes upgrades to the San Lucar Pump Station and extension of the recycled water system along Wolfe Road to Homestead Road. Sunnyvale has entered into a partnership agreement with SCVWD to fund this significant expansion of the recycled water system.

By City policy, the Water Fund maintains a Contingency Reserve of 25% of operations and a Rate Stabilization Reserve to normalize rates and provide for the effect of economic cycles. This Fund also contains reserves for revenue and debt funded projects to manage the naturally uneven flow of these funds against project expenditures.

Wastewater Management Fund

The Wastewater Management Fund (Wastewater Fund) accounts for revenues and expenses related to the provision of the safe and reliable removal of wastewater from all residences and businesses in Sunnyvale. Wastewater rates also pay for half of the City's street sweeping services, plus stormwater management, non-point source pollution prevention and other critical public services.

The City owns and operates an extensive system for management of wastewater within City limits and in a small area in the northern portions of Cupertino and San Jose. The system includes approximately 283 miles of sewer pipes, a storm drainage system consisting of 330 miles of storm drainage pipes, and a 29.5 million gallon per day (MGD design capacity) 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, stormwater management, and many other services related to wastewater.

Operations and Capital Expenses

The proposed FY 2016/17 operations expenses in the Wastewater Fund reflect personnel, chemicals, and other costs. Additionally, the City's street sweeping program is funded equally by the Wastewater and Solid Waste Funds to reflect the benefits that street sweeping provides in clearing litter and debris off the streets and preventing that debris from entering the storm drainage system.

The Wastewater Utility recently began a major project to renovate and expand the City's Water Pollution Control Plant (WPCP). The FY 2016/17 Recommended Budget includes planned infrastructure expenditures of approximately \$431 million over twenty years, with 75% (or \$325 million) allocated to the WPCP renovation project.

The most significant of the WPCP renovation projects, totaling approximately \$117 million, is to design and construct new primary treatment facilities. This includes a new head works facility, which removes large debris from incoming sewage and pumps the sewage into new primary treatment tanks which, in turn, slow down the wastewater to settle out large solids. The current influent sewage pump station has reached the end of its useful life and the gas-powered influent engines are in need of replacement. The City is in the initial stages of building the new head works and primary facilities at the current bio-solids drying operation location, adjacent to the current influent pump station. As a result, this project will displace the current bio-solids drying operations and will likely require alternate operation (such as vendor contracted drying operations) until new bio-solids facilities are constructed.

The WPCP renovation project also includes \$25.6 million for Program Management Services. The project funds the identification of future secondary and tertiary treatment processes, the development of conceptual designs for future projects within the reconstruction program, the preparation of the programmatic environmental impact report, and oversight of the implementation of the reconstruction program over the next 12 years.

The City's wastewater collection systems are also in need of significant rehabilitation due to their age. The FY 2016/17 Recommended Budget includes approximately \$39 million in projects related to sewer and stormwater collection. The wastewater collection system consists of approximately 613 miles of sewer and storm mains, and seven pump or lift stations. The system has five major sewer trunk lines that terminate at the WPCP, where sewage is treated. Major projects include \$22 million for sewer and storm pipe improvements, \$7 million for rehabilitation of the Lawrence Expressway trunk line, and \$5.3 million for sewer and storm pump and lift station rebuilds.

There is over \$10 million in the long term plan for projects to address stormwater concerns. The City stormwater system operates under the terms of a Municipal Stormwater National Pollutant Discharge Elimination System (NPDES) permit. These projects would implement trash reduction programs and other maintenance activities in order to meet permit requirements. The funds will provide additional street sweeping in the City, provide outreach and enforcement efforts, and fund retrofit projects that would redirect stormwater to biotreatment areas.

The Wastewater Fund has two inter-fund loans advanced from the General Fund. The first loan was to finance the remodel of the primary facilities of the WPCP, 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 1980/81 for a total of \$10.7 million at 7% interest. The original term was for 20 years; however payments were periodically deferred or delayed to help balance cash needs in the Wastewater Fund. Regular payments have been made as scheduled since FY 2004/05. The second loan was made to assist the Wastewater Fund with cash flow issues by providing needed cash to stabilize rates. The loan was advanced in FY 1995/96 for a total of \$2.4 million at 7% interest. The term was for 20 years with ongoing payments also periodically deferred until FY 2004/05. No changes have been made to the loan payoff schedule as part of the FY 2016/17 Recommended Budget.

Approximately \$3 million annual debt service payments are largely for the Wastewater Revenue Bonds, issued in 2010 for \$35 million, to refund the existing bonds and provide \$22.5 million in new funds for capital and infrastructure projects. These new funds have been spent, with some of the

proceeds funding the initial efforts for the renovation of the WPCP. Future debt is reflected in the New WPCP Debt Service line item; the actual amount and structure of the financing will be determined as the plan is further defined. However, it is important to note that over time, the City will be issuing bonds to fund the WPCP renovation. At its completion, the City will be paying significant annual debt service, anticipated to be approximately \$22.3 million each year, accounting for approximately one third of the Fund's total resource requirements. This level of debt service will require multiple years of high single digit rate increases to fund in the immediate fiscal years. However, mid and long term rate assumptions are forecast to decline to low single digits, reaching as low as 2%, starting from FY 2030/31.

Debt service is also included for the Wastewater Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property.

In order to help the Solid Waste Management Fund with cash flow issues, the Wastewater Fund loaned the Solid Waste Fund \$2 million in FY 2011/12 at 4.5% interest. Payment is deferred to FY 2016/17 and then repaid over a seven-year period. This helped the Solid Waste Fund with cash it needed and helps the Wastewater Fund in the future as its cash needs increase to fund the new WPCP.

By City policy, the Wastewater Fund maintains a Contingency Reserve of 25% of operations and a Rate Stabilization Reserve to normalize rates and provide for the effect of economic cycles. This Fund also contains reserves for revenue and debt funded projects to manage the naturally uneven flow of these funds against project expenditures.

Solid Waste Management Fund

The Solid Waste Management Fund (Solid Waste 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 an exclusive franchise for collection of solid waste and recyclable materials through 2021, and these contract costs are reflected here. Operation of the Sunnyvale Materials Recovery and Transfer (SMAR[®]) Station and disposal of refuse at the Kirby Canyon

Landfill are captured in their own fund, but the City's share of these activities is reflected in the Solid Waste Fund.

The City's franchise with Specialty is the largest single expense within the Solid Waste Fund and makes up 43% of the total expenses in the FY 2016/17 Recommended Budget for the solid waste system. The City's 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 2016/17 contractor payment is \$20 million, which is essentially unchanged from the current FY 2015/16 contractor payment.

The Solid Waste Fund has two inter-fund loans from the General Fund. The first loan provided a total of \$3.68 million during 1985, 1988 and 1989 for construction of a system to convert methane gas to a marketable form of energy. The second loan, for \$10.5 million, was to stabilize solid waste rates between FY 1994/95 and FY 1998/99. Both loans bear interest of 7%. No changes have been made to the loan payoff schedule as part of the FY 2016/17 Recommended Budget.

Additionally, in order to help with cash flow purposes, the Solid Waste Fund reflects a \$2 million loan made in FY 2011/12 from the Wastewater Fund at 4.5% interest. Payment was deferred to FY 2015/16 and then repaid over a seven year period. This helps the Solid Waste Fund with short term cash flow, and the Wastewater Fund with cash it needs in the future to fund the new WPCP.

Debt service expenditures reflect Sunnyvale's portion of the debt service for the original cost of the SMaRT Station facility and replacement equipment, as well as the estimated portion of debt which will be issued in FY 2021/22 for a new materials recovery system. Debt service also includes the Solid Waste Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property.

The Fund also includes a project to implement the City's Zero Waste policy. The project includes \$30 million to fund new practices aimed at meeting the Zero Waste Strategic Plan goals of 75% diversion by 2020. This project does not incorporate the costs necessary to reach the goal of 90% diversion by 2030 due to uncertainty regarding legal and technical barriers to meeting the 90% goal. Methods planned to increase the diversion rate include implementation of new

SMaRT equipment, pilot programs related to food scraps and commercial yard trimmings, and the implementation of City-wide multi-family recycling. The additional diversion is expected to generate approximately 460,000 per year in operating savings due to a reduction in landfill expenditures.

By fiscal policy, the Solid Waste Fund maintains a Contingency Reserve of 10% of operations. This is less than the 25% required for the Water and Wastewater Funds to reflect the fact that this operation has less City-owned infrastructure at risk for damage or disaster. The Fund also maintains a Rate Stabilization Reserve similar to the other utilities.

Sunnyvale Materials Recovery and Transfer (SMaRT) Station Fund

The Sunnyvale Materials Recovery and Transfer (SMaRT) Station began operations in October 1993. The costs of building, maintaining, 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. Operating costs and revenues from the sale of recyclables are charged to or distributed to the cities based on the total tons of solid waste each community brings to the SMaRT Station for materials recovery, transfer, and disposal. 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. Those bonds were refinanced in FY 2014/15 to take advantage of the lower interest rates available today, generating a savings to the City's debt service obligations of approximately \$956,000. The debt service on the bonds is shared among the three cities as specified in the MOU. The SMaRT Station MOU expires in FY 2021/22.

The SMaRT Station Operations Fund was established to account for operations at the facility. It receives revenue from charges to the cities of Sunnyvale (Solid Waste Fund), Mountain View, and Palo Alto, and from the sale of recyclables. Major operating cost components include the SMaRT Station operator contract and disposal fees and taxes collected by the Kirby Canyon Landfill. The Fund is managed so that annual revenues and expenditures are in balance and that no fund balance is carried forward to the next year.

The SMaRT Station is operated by a private company under contract with the City. A Request for Proposals (RFP) process was completed in 2014 for the operation of the SMaRT Station. The City Council awarded the contract to Bay Counties Waste Services on June 24, 2014. Bay Counties Waste Services held the previous agreement as well, and began operations on January 1, 2008. The FY 2016/17 Recommended Budget incorporates the changes in SMaRT Station expenses based on the new contractual terms. Since the previous year financial plan had estimated additional funding requirements in anticipation of the new contract, the impact to the twenty year financial plan was minimal.

The SMaRT Station Replacement Fund provides for the replacement of City-owned SMaRT Station equipment. The three participating cities contribute to these efforts and to payment of debt service based on fixed percentages established by the SMaRT Station MOU. Debt service reflects payment through FY 2017/18 for debt issued for the original cost of the facility, and through FY 2020/21 for replacement of materials recovery facility equipment.

Staff anticipates that while most of the facility's 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, funding is projected for a new materials recovery system and any other improvements needed to the SMaRT Station Facility in FY 2021/22, with annual debt service of \$2 million. Funding is provided for planning and inter-jurisdictional coordination in FY 2016/17 through FY 2019/20, with design and construction following in FY 2020/21 through FY 2022/23. This project could replace the SMaRT station, or it could implement some other solution for the management of solid waste and recyclables in the City. The recommended budget is based on the initial construction cost of the SMaRT Station. It is anticipated that the cost for the ultimate replacement will be refined during the planning phase of the project.

Development Enterprise Fund

This fund was established with the FY 2014/15 Adopted Budget. Prior to the creation of this fund, development-related activities and associated revenues were included in the General Fund across a range of operating activities, focused primarily within the Building and Planning divisions of the Community Development Department. In order to better align development-related revenues and expenses, which tend to increase and decrease with development cycles, the City created this new fund.

In the FY 2014/15 Adopted Budget the Development Enterprise Fund was programmed to receive seed funding in the form of a transfer from the General Fund. The Development Enterprise Reserve was established in the General Fund to account for unplanned development-related revenue in FY 2012/13 and FY 2013/14. At the close of FY 2013/14 \$8.3 million had been collected in this reserve. At the beginning of FY 2014/15, the General Fund transferred the full amount to the Development Enterprise Fund.

Development-related revenue includes the major fees for permits and licenses that the City collects, as well as from Plan Check Fees and Engineering Fees. Over the past seven years (five in the General Fund and two in the Development Enterprise Fund), the City has seen significant fluctuations in the amount of development-related revenue received. When the recession hit in FY 2008/09, activity slowed considerably with revenues declining to \$5.2 million in FY 2009/10. The rebound, however, began the following year and continued to accelerate through FY 2014/15. FY 2015/16 total development-related revenues are estimated to end the year at \$13.2 million, and staff is projecting that the anticipated level of development activity will remain high in FY 2016/17 with revenues of \$11.3 million before returning to the historical average of \$7.9 million. It should be noted that this historical average has increased, with five consecutive years of record high development activity.

Operating expenditures support the administration and regulation of development related activity in the City. This includes activities and services across multiple departments. Building Safety and Planning activities in the Community Development Department comprise approximately 60% of the total operating costs in this fund. Operations are also budgeted for fire prevention and hazardous material service program activities in the

Department of Public Safety, development-related transportation and traffic services and land development-engineering services in the Department of Public Works; as well as very specific operating activities in the Environmental Services Department, Department of Library and Community Services, and the Office of the City Attorney that relate to development in the City. Additionally, the operation budget includes resources for limited term staffing to address peak workloads. Staffing is planned through FY 2018/19 with the need to extend being regularly reviewed.

The FY 2016/17 Recommended Budget includes a revised payment schedule for indirect costs charged to the fund. FY 2015/16 was the first year that the fund contributed the full indirect cost after one year of partial funding. The Projects budget funds temporary staffing projects for the five divisions (Planning, Building, Traffic & Transportation, Fire Prevention, and Engineering) to address the peak demand which these divisions continue to experience. Additionally, \$50,000 was budgeted in FY 2015/16 to repair the City's aging One Stop Permit Center, and \$30,000 was budgeted for consulting services to consider a Transportation Demand Management program for multi-family residential development projects.

The direct and indirect costs in this Fund exceed the historical average level of development revenues collected, creating a financial challenge for the Fund. The operating expenses are predominantly fixed. However, some of the costs are variable and will fluctuate with the level of development activity. Fund balance will be drawn down, as intended, in years where the development revenue declines to the historical average or lower. Given that this fund will enable visibility toward the actual revenue and expenses over time, fee levels will need to be reviewed and adjusted on an ongoing basis to ensure full cost recovery over the long term and fiscal stability for the fund.

Golf and Tennis Operations Fund

Golf and tennis operations have been operating as a stand-alone enterprise fund since FY 2012/13, following the dissolution of the Community Recreation Fund, with all activities intended to be self-supporting. However, the Golf and Tennis Operations Fund has struggled to operate as a true enterprise fund. Although the restaurant re-opened under a new operator, revenue did not rebound as strongly as anticipated and the new operator went out of business in early FY 2014/15. As a result,

additional General Fund transfers were made in FY 2014/15 (\$140,000), FY 2015/16 (\$450,000) and projected for FY 2016/17 (\$550,000). This has kept the Golf and Tennis Operations Fund in a positive cash position, allow for the establishment of a new restaurant operator, and time for further analysis, study and discussion with Council.

Over the long term, revenues are projected to grow at a modest rate of 2% per year, impacted by the general decline in golf play nationally and locally. However, staff is cautiously optimistic with potential revenue increases in FY 2016/17, in anticipation of neighboring local golf course closures and a new restaurant opening in Spring 2016 at Sunken Gardens. Cost reduction efforts will continue through operational efficiencies, including water conservation and a restructure plan that will reduce labor costs through personnel attrition. Although positive strides in reducing operating costs are being made, expenses are projected to grow faster than 2% per year due to the rising costs of personnel and other expenses including water costs. As a result, closing the ongoing gap between revenues and expenditures, identified as Fiscal Strategies in the twenty-year financial plan, will be a challenge.

An additional concern over the longer term is that existing capital improvement projects at the golf courses will only be funded by Park Dedication Fees until FY 2032/33. After this, golf and tennis revenues are expected to fund any new capital or infrastructure projects. Given the many challenges, discussion of the short- and long-term future of the fund, including the current funding model will continue.

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CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2015 TO JUNE 30, 2026

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|--|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|---|
| RESERVE/FUND BALANCE, JULY 1 | 23,182,508 | 22,982,779 | 15,707,590 | 17,554,866 | 19,684,143 | 21,606,862 | 23,638,079 | 26,208,490 | 28,103,680 | 29,512,431 | 29,819,971 | 27,527,377 | 22,982,779 |
| CURRENT RESOURCES: | | | | | | | | | | | | | |
| Water Sales and Water Service Fees | 32,654,331 | 35,983,778 | 44,979,722 | 51,726,681 | 56,899,349 | 60,882,303 | 63,317,595 | 65,533,711 | 67,827,391 | 69,183,939 | 71,194,849 | 73,265,387 | 660,794,704 |
| Public Works Fees | 595,955 | 510,792 | 521,007 | 318,836 | 325,213 | 331,717 | 338,351 | 345,118 | 352,021 | 359,061 | 366,242 | 373,567 | 4,141,926 |
| Miscellaneous Revenues | 317,816 | 252,610 | 277,309 | 296,736 | 312,493 | 325,497 | 334,898 | 343,850 | 353,061 | 360,122 | 368,805 | 377,709 | 3,603,089 |
| Interest Income | 128,776 | 93,683 | 104,701 | 117,400 | 128,868 | 140,983 | 156,313 | 167,616 | 176,018 | 177,853 | 164,179 | 153,928 | 1,581,542 |
| Transfer From Other Funds | 244,321 | 503,897 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 503,897 |
| TOTAL CURRENT RESOURCES | 33,941,200 | 37,344,760 | 45,882,740 | 52,459,652 | 57,665,923 | 61,680,500 | 64,147,158 | 66,390,295 | 68,708,490 | 70,080,975 | 72,094,076 | 74,170,590 | 670,625,159 |
| TOTAL AVAILABLE RESOURCES | 57,123,708 | 60,327,538 | 61,590,329 | 70,014,518 | 77,350,066 | 83,287,362 | 87,785,236 | 92,598,786 | 96,812,170 | 99,593,405 | 101,914,047 | 101,697,967 | 693,607,937 |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | | |
| OPERATING REQUIREMENTS: | | | | | | | | | | | | | |
| Operations | 6,020,898 | 11,309,142 | 6,168,911 | 6,297,525 | 6,436,700 | 6,589,233 | 6,733,032 | 6,881,441 | 7,033,287 | 7,187,485 | 7,225,646 | 7,381,790 | 79,244,193 |
| Severice Level Adjustments | 0 | 0 | 163,397 | 116,799 | 120,303 | 123,912 | 127,629 | 131,458 | 135,402 | 139,464 | 143,648 | 147,957 | 1,349,967 |
| Purchased Water | 19,610,426 | 20,427,446 | 25,795,968 | 32,519,345 | 37,442,914 | 43,141,651 | 45,033,455 | 47,447,023 | 50,597,541 | 52,421,896 | 54,502,421 | 55,488,107 | 464,817,767 |
| Project Operating Costs | 0 | 0 | (58,634) | (59,807) | (61,003) | (62,223) | (63,467) | (64,737) | (66,031) | (67,352) | (68,699) | (70,760) | (642,714) |
| In-Lieu Charges | 3,153,154 | 3,654,205 | 3,769,477 | 3,638,538 | 4,562,119 | 4,104,369 | 4,117,886 | 4,028,851 | 4,360,305 | 4,258,415 | 4,475,853 | 4,832,099 | 45,802,118 |
| TOTAL OPERATING REQUIREMENTS | 28,784,478 | 35,390,793 | 35,839,119 | 42,512,400 | 48,501,033 | 53,896,943 | 55,948,534 | 58,424,037 | 62,060,503 | 63,939,908 | 66,278,869 | 67,779,194 | 590,571,330 |
| NON-OPERATING REQUIREMENTS: | | | | | | | | | | | | | |
| Interfund Loan Repayment | 351,756 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service | 1,937,300 | 1,956,938 | 1,936,286 | 1,937,426 | 1,435,580 | 1,437,018 | 1,442,984 | 1,447,115 | 1,446,346 | 1,449,246 | 1,449,498 | 1,449,843 | 17,388,280 |
| Transfer To Capital Projects Fund | 0 | 0 | 0 | 0 | 0 | 541,216 | 0 | 0 | 0 | 0 | 0 | 0 | 541,216 |
| Transfer To General Fund | 0 | 130,000 | 0 | 0 | 0 | 92,819 | 94,675 | 0 | 0 | 0 | 0 | 0 | 317,494 |
| Transfer To General Services Fund | 184,725 | 0 | 0 | 0 | 0 | 0 | 5,521 | 0 | 0 | 0 | 0 | 0 | 5,521 |
| Transfer To Infrastructure Fund | 6,040 | 5,940 | 6,059 | 6,180 | 18,243 | 6,430 | 6,558 | 6,689 | 6,823 | 6,960 | 7,099 | 7,312 | 84,293 |
| Transfer To Solid Waste Fund | 0 | 513,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 513,000 |
| Transfer To Wastewater Fund | 250,641 | 1,459,482 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,459,482 |
| TOTAL NON-OPERATING REQUIREMENTS | 2,730,462 | 4,065,360 | 1,942,345 | 1,943,606 | 1,453,823 | 2,077,483 | 1,549,738 | 1,453,804 | 1,453,169 | 1,456,206 | 1,456,597 | 1,457,155 | 20,309,286 |
| CAPITAL AND INFRASTRUCTURE REQ.: | | | | | | | | | | | | | |
| Projects - Debt Funded | 2,311,340 | 409,394 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 409,394 |
| Projects - Revenue Funded | 314,649 | 4,754,402 | 6,254,000 | 5,874,368 | 5,788,348 | 3,674,858 | 4,078,474 | 4,617,265 | 3,786,068 | 4,377,320 | 6,651,205 | 6,653,079 | 56,509,388 |
| TOTAL CAPITAL AND INFRASTRUCTURE REQ. | 2,625,989 | 5,163,796 | 6,254,000 | 5,874,368 | 5,788,348 | 3,674,858 | 4,078,474 | 4,617,265 | 3,786,068 | 4,377,320 | 6,651,205 | 6,653,079 | 56,918,782 |
| TOTAL CURRENT REQUIREMENTS | 34,140,929 | 44,619,949 | 44,035,464 | 50,330,375 | 55,743,204 | 59,649,283 | 61,576,746 | 64,495,106 | 67,299,740 | 69,773,434 | 74,386,670 | 75,889,429 | 667,799,398 |
| RESERVES: | | | | | | | | | | | | | |
| Debt Service | 1,010,419 | 1,008,651 | 1,009,552 | 1,007,764 | 754,819 | 755,166 | 755,827 | 756,418 | 756,940 | 757,394 | 758,149 | 758,149 | 758,149 |
| Contingencies | 6,407,831 | 7,934,147 | 7,991,220 | 9,704,217 | 10,969,904 | 12,432,721 | 12,941,622 | 13,582,116 | 14,407,707 | 14,902,345 | 15,432,017 | 15,717,474 | 15,717,474 |
| Capital and Infrastructure Reserve | 4,754,402 | 5,254,000 | 5,874,368 | 5,788,348 | 3,674,858 | 4,078,474 | 4,617,265 | 3,786,068 | 4,377,320 | 6,651,205 | 6,653,079 | 7,567,852 | 7,567,852 |
| Bond Proceeds | 409,394 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rate Stabilization Reserve | 10,400,732 | 1,510,792 | 2,679,726 | 3,183,813 | 6,207,281 | 6,371,717 | 7,893,777 | 9,979,078 | 9,970,464 | 7,509,028 | 4,684,132 | 1,765,064 | 1,765,064 |
| TOTAL RESERVES | 22,982,779 | 15,707,590 | 17,554,866 | 19,684,143 | 21,606,862 | 23,638,079 | 26,208,490 | 28,103,680 | 29,512,431 | 29,819,971 | 27,527,377 | 25,808,539 | 25,808,539 |
| FUND BALANCE, JUNE 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| STATISTICS: | | | | | | | | | | | | | |
| Recommended Water Rate Increase | 5.0% | 20.0% | 25.0% | 15.0% | 10.0% | 7.0% | 4.0% | 3.5% | 3.5% | 2.0% | 2.0% | 2.0% | |
| Prior Year Water Rate Increase | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% | 4.0% | 4.0% | 4.0% | 3.0% | 3.0% | 3.0% | 3.0% | |

CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2026 TO JUNE 30, 2036

| | PLAN 2026/2027 | PLAN 2027/2028 | PLAN 2028/2029 | PLAN 2029/2030 | PLAN 2030/2031 | PLAN 2031/2032 | PLAN 2032/2033 | PLAN 2033/2034 | PLAN 2034/2035 | PLAN 2035/2036 | FY 2026/2027 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---|---|
| RESERVE/FUND BALANCE, JULY 1 | 25,808,539 | 22,985,456 | 23,863,562 | 24,768,178 | 25,126,935 | 25,420,484 | 25,332,124 | 24,968,059 | 25,232,520 | 26,102,559 | 25,808,539 | 22,982,779 |
| CURRENT RESOURCES: | | | | | | | | | | | | |
| Water Sales and Water Service Fees | 74,787,932 | 76,342,131 | 77,868,974 | 79,426,353 | 81,014,880 | 82,635,178 | 84,287,881 | 86,395,078 | 88,554,955 | 90,768,829 | 822,082,191 | 1,482,876,896 |
| Public Works Fees | 384,774 | 396,317 | 408,207 | 420,453 | 433,067 | 446,059 | 459,441 | 472,542 | 486,718 | 500,617 | 4,408,195 | 8,550,122 |
| Miscellaneous Revenues | 387,444 | 397,437 | 407,549 | 417,927 | 428,579 | 439,513 | 450,736 | 463,259 | 476,131 | 489,364 | 4,357,938 | 7,961,027 |
| Interest Income | 137,090 | 142,327 | 147,723 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 427,140 | 2,008,682 |
| Transfer From Other Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 503,897 |
| TOTAL CURRENT RESOURCES | 75,697,240 | 77,278,213 | 78,832,452 | 80,264,733 | 81,876,526 | 83,520,749 | 85,198,058 | 87,330,879 | 89,517,804 | 91,758,810 | 831,275,464 | 1,501,900,623 |
| TOTAL AVAILABLE RESOURCES | 101,505,779 | 100,263,669 | 102,696,014 | 105,032,910 | 107,003,461 | 108,941,234 | 110,530,182 | 112,298,938 | 114,750,324 | 117,861,369 | 857,084,003 | 1,524,883,402 |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | |
| OPERATING REQUIREMENTS: | | | | | | | | | | | | |
| Operations | 7,494,687 | 7,795,711 | 8,030,482 | 8,272,323 | 8,521,449 | 8,778,079 | 9,042,438 | 9,314,760 | 9,595,283 | 9,814,558 | 86,659,770 | 165,903,963 |
| Severice Level Adjustments | 152,396 | 156,968 | 161,677 | 166,527 | 171,523 | 176,668 | 181,969 | 187,428 | 193,050 | 198,842 | 1,747,047 | 3,097,014 |
| Purchased Water | 57,073,538 | 58,125,390 | 59,203,395 | 60,358,287 | 61,504,723 | 62,672,866 | 63,918,935 | 65,151,509 | 66,411,904 | 67,709,997 | 622,130,545 | 1,086,948,312 |
| Project Operating Costs | (72,883) | (75,069) | (77,321) | (79,641) | (82,030) | (84,491) | (87,026) | (89,637) | (92,326) | (92,326) | (832,751) | (1,475,465) |
| In-Lieu Charges | 4,842,715 | 4,732,538 | 4,971,937 | 5,230,523 | 5,297,143 | 5,355,901 | 5,473,508 | 6,116,590 | 6,102,429 | 6,419,502 | 54,542,787 | 100,344,904 |
| TOTAL OPERATING REQUIREMENTS | 69,490,453 | 70,735,538 | 72,290,168 | 73,948,019 | 75,412,809 | 76,899,023 | 78,529,824 | 80,680,649 | 82,210,341 | 84,050,574 | 764,247,397 | 1,354,818,727 |
| NON-OPERATING REQUIREMENTS: | | | | | | | | | | | | |
| Interfund Loan Repayment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Debt Service | 1,448,332 | 1,450,521 | 1,450,766 | 1,449,066 | 1,450,420 | 1,367,575 | 1,364,525 | 1,369,375 | 1,369,375 | 1,369,375 | 14,089,330 | 31,477,610 |
| Transfer To Capital Projects Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 541,216 |
| Transfer To General Fund | 0 | 0 | 0 | 0 | 70,048 | 122,366 | 0 | 0 | 0 | 0 | 192,414 | 509,908 |
| Transfer To General Services Fund | 6,155 | 0 | 0 | 0 | 0 | 7,135 | 0 | 0 | 0 | 0 | 13,290 | 18,811 |
| Transfer To Infrastructure Fund | 7,531 | 55,422 | 7,990 | 8,229 | 8,476 | 8,731 | 8,993 | 8,993 | 22,075 | 9,540 | 145,980 | 230,273 |
| Transfer To Solid Waste Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 513,000 |
| Transfer To Wastewater Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,459,482 |
| TOTAL NON-OPERATING REQUIREMENTS | 1,462,018 | 1,505,943 | 1,458,756 | 1,457,295 | 1,528,944 | 1,505,807 | 1,373,518 | 1,378,368 | 1,391,450 | 1,378,915 | 14,441,014 | 34,750,300 |
| CAPITAL AND INFRASTRUCTURE REQ.: | | | | | | | | | | | | |
| Projects - Debt Funded | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 409,394 |
| Projects - Revenue Funded | 7,567,852 | 4,158,626 | 4,178,912 | 4,500,662 | 4,641,224 | 5,204,279 | 5,658,781 | 5,007,401 | 5,045,975 | 5,139,535 | 51,103,247 | 107,612,635 |
| TOTAL CAPITAL AND INFRASTRUCTURE REQ. | 7,567,852 | 4,158,626 | 4,178,912 | 4,500,662 | 4,641,224 | 5,204,279 | 5,658,781 | 5,007,401 | 5,045,975 | 5,139,535 | 51,103,247 | 108,022,029 |
| TOTAL CURRENT REQUIREMENTS | 78,520,323 | 76,400,107 | 77,927,836 | 79,905,975 | 81,582,977 | 83,609,110 | 85,562,123 | 87,066,418 | 88,647,766 | 90,569,024 | 829,791,658 | 1,497,591,056 |
| RESERVES: | | | | | | | | | | | | |
| Debt Service | 758,679 | 759,274 | 760,070 | 761,458 | 762,059 | 762,059 | 762,059 | 762,059 | 762,059 | 762,059 | 762,059 | 762,059 |
| Contingencies | 16,142,056 | 16,480,275 | 16,808,469 | 17,157,653 | 17,506,543 | 17,862,736 | 18,240,343 | 18,616,567 | 19,001,797 | 19,381,139 | 19,381,139 | 19,381,139 |
| Capital and Infrastructure Reserve | 4,158,626 | 4,178,912 | 4,500,662 | 4,641,224 | 5,204,279 | 5,658,781 | 5,007,401 | 5,045,975 | 5,139,535 | 4,000,000 | 4,000,000 | 4,000,000 |
| Bond Proceeds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rate Stabilization Reserve | 1,926,095 | 2,445,101 | 2,698,977 | 2,566,601 | 1,947,603 | 1,048,548 | 958,256 | 807,919 | 1,199,168 | 3,149,148 | 3,149,148 | 3,149,148 |
| TOTAL RESERVES | 22,985,456 | 23,863,562 | 24,768,178 | 25,126,935 | 25,420,484 | 25,332,124 | 24,968,059 | 25,232,520 | 26,102,559 | 27,292,345 | 27,292,345 | 27,292,345 |
| FUND BALANCE, JUNE 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| STATISTICS: | | | | | | | | | | | | |
| Recommended Water Rate Increase | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.5% | 2.5% | 2.5% | | |
| Prior Year Water Rate Increase | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 2.0% | 2.0% | 2.0% | n/a | | |

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

| | | ACTUAL | CURRENT | BUDGET | PLAN | FY 2015/2016 TO FY 2025/2026 TOTAL | |
|-------------------|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|--------------------|
| | | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | |
| 1507 | Late Payment Penalties | 89,432 | 85,421 | 106,776 | 122,792 | 135,071 | 144,526 | 150,308 | 155,568 | 161,013 | 164,233 | 168,999 | 173,906 | 1,568,613 |
| 3050 | Water Connection Fees | 272,978 | 235,619 | 240,331 | 179,419 | 183,007 | 186,668 | 190,401 | 194,209 | 198,093 | 202,055 | 206,096 | 210,218 | 2,226,116 |
| 3052 | Water Hydrant Fees | 24,776 | 2,550 | 2,601 | 2,653 | 2,706 | 2,760 | 2,815 | 2,872 | 2,929 | 2,988 | 3,047 | 3,108 | 31,030 |
| 3054 | Water Meter Sales | 247,895 | 252,223 | 257,267 | 120,990 | 123,410 | 125,878 | 128,396 | 130,963 | 133,583 | 136,254 | 138,979 | 141,759 | 1,689,703 |
| 3055 | Water Meter Use Fees | 5,134,320 | 6,161,184 | 7,701,480 | 8,856,702 | 9,742,372 | 10,424,338 | 10,841,311 | 11,220,757 | 11,613,484 | 11,845,754 | 12,082,670 | 12,324,324 | 112,814,375 |
| 3056 | Water Sales - Metered | 26,007,096 | 28,007,096 | 35,008,870 | 40,260,201 | 44,286,221 | 47,386,256 | 49,281,706 | 51,006,566 | 52,791,796 | 53,847,632 | 55,516,909 | 57,237,934 | 514,631,186 |
| 3057 | Water Tapping Fees | 50,307 | 20,400 | 20,808 | 15,774 | 16,089 | 16,411 | 16,739 | 17,074 | 17,416 | 17,764 | 18,119 | 18,482 | 195,078 |
| 3058 | Water Turn On Fees | 162,319 | 167,189 | 170,533 | 173,944 | 177,422 | 180,971 | 184,590 | 188,282 | 192,048 | 195,889 | 199,806 | 203,803 | 2,034,476 |
| 3060 | Water Recycled | 1,512,915 | 1,815,498 | 2,269,373 | 2,609,778 | 2,870,756 | 3,071,709 | 3,194,578 | 3,306,388 | 3,422,111 | 3,490,554 | 3,595,270 | 3,703,128 | 33,349,143 |
| 3089 | Hydrant Meter Deposits Forfeited | 2,262 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3355 | Interest Income | 128,776 | 93,683 | 104,701 | 117,400 | 128,868 | 140,983 | 156,313 | 167,616 | 176,018 | 177,853 | 164,179 | 153,928 | 1,581,542 |
| 4100 | Miscellaneous Revenues | 63,803 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4400 | Transfer From Other Funds | 244,321 | 503,897 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 503,897 |
| FUND TOTAL | | 33,941,200 | 37,344,760 | 45,882,740 | 52,459,652 | 57,665,923 | 61,680,500 | 64,147,158 | 66,390,295 | 68,708,490 | 70,080,975 | 72,094,076 | 74,170,590 | 670,625,159 |

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**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2015 TO JUNE 30, 2026**

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | PLAN 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|--|---------------------|----------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|---|
| RESERVE/FUND BALANCE, JULY 1 | 36,491,505 | 26,537,989 | 14,035,214 | 13,973,854 | 14,051,241 | 14,646,327 | 16,004,620 | 16,873,587 | 18,648,782 | 20,434,596 | 18,150,501 | 19,475,141 | 26,537,989 |
| CURRENT RESOURCES: | | | | | | | | | | | | | |
| Service Fees | 29,208,375 | 31,555,409 | 34,079,842 | 36,806,229 | 39,566,696 | 42,534,198 | 45,511,592 | 47,559,614 | 48,986,402 | 50,455,994 | 51,969,674 | 53,528,764 | 482,554,415 |
| Connection and Development Fees | 1,806,865 | 4,563,656 | 772,506 | 787,956 | 803,716 | 819,790 | 836,186 | 852,909 | 869,968 | 887,367 | 905,114 | 932,268 | 13,031,436 |
| Other Revenues | 471,449 | 182,745 | 190,048 | 197,347 | 204,748 | 212,630 | 220,562 | 226,476 | 231,052 | 235,751 | 240,576 | 246,293 | 2,388,228 |
| Interest Income | 190,531 | 114,882 | 138,355 | 203,234 | 426,592 | 495,086 | 648,984 | 717,261 | 655,806 | 698,096 | 749,044 | 972,937 | 5,820,277 |
| Transfer From Solid Waste Management Fund | 15,354 | 404,744 | 404,744 | 404,744 | 404,744 | 404,744 | 404,744 | 0 | 0 | 0 | 0 | 0 | 2,428,464 |
| Transfer From Water Fund | 245,300 | 1,459,482 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,459,482 |
| New WPCP Bond Proceeds | 0 | 37,526,973 | 38,444,864 | 49,863,714 | 43,386,382 | 37,504,102 | 39,863,393 | 40,741,473 | 27,148,752 | 16,131,254 | 0 | 0 | 330,610,907 |
| TOTAL CURRENT RESOURCES | 31,937,874 | 75,807,890 | 74,030,359 | 88,263,225 | 84,792,878 | 81,970,551 | 87,485,461 | 90,097,733 | 77,891,980 | 68,408,462 | 53,864,408 | 55,680,262 | 838,293,209 |
| TOTAL AVAILABLE RESOURCES | 68,429,378 | 102,345,879 | 88,065,572 | 102,237,079 | 98,844,118 | 96,616,878 | 103,490,081 | 106,971,320 | 96,540,762 | 88,843,058 | 72,014,909 | 75,155,403 | 864,831,197 |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | | |
| OPERATING REQUIREMENTS: | | | | | | | | | | | | | |
| Operations | 15,548,719 | 16,457,935 | 17,283,958 | 17,558,206 | 17,885,919 | 18,311,847 | 18,716,453 | 19,128,877 | 19,550,690 | 19,980,485 | 20,508,382 | 21,028,000 | 206,410,750 |
| Limited Term Staffing / Service Level Adjustments | 0 | 0 | 485,251 | 310,666 | 116,799 | 120,303 | 123,912 | 127,629 | 131,458 | 135,402 | 139,464 | 143,648 | 1,834,530 |
| In-Lieu Charges and Fund Transfers | 3,876,522 | 3,812,104 | 3,978,190 | 3,505,394 | 3,790,835 | 4,231,699 | 3,712,747 | 3,661,185 | 3,618,207 | 3,842,068 | 3,749,730 | 4,007,079 | 41,909,238 |
| Project Operating | 0 | 0 | 50,700 | 61,818 | 94,590 | 96,183 | 97,806 | 223,340 | 43,717 | 44,291 | 44,877 | 45,774 | 803,096 |
| TOTAL CURRENT OPERATING REQUIREMENTS | 19,425,241 | 20,270,038 | 21,798,099 | 21,436,083 | 21,888,142 | 22,760,032 | 22,650,918 | 23,141,031 | 23,344,072 | 24,002,245 | 24,442,453 | 25,224,501 | 250,957,615 |
| NON-OPERATING REQUIREMENTS: | | | | | | | | | | | | | |
| Interfund Loan Repayment | 1,264,380 | 1,264,380 | 1,264,380 | 1,264,380 | 1,264,380 | 850,216 | 850,216 | 850,216 | 850,216 | 850,216 | 850,216 | 850,216 | 11,009,030 |
| Debt Service | 2,899,628 | 2,900,001 | 2,897,444 | 2,904,316 | 2,327,103 | 2,329,788 | 2,334,853 | 2,331,768 | 2,338,676 | 2,337,279 | 2,334,856 | 2,338,955 | 27,375,040 |
| New WPCP Debt Service | 0 | 0 | 1,945,363 | 9,317,967 | 9,317,967 | 15,582,745 | 15,582,745 | 15,582,745 | 22,350,046 | 22,350,046 | 22,350,046 | 22,350,046 | 156,729,716 |
| Water Pollution Control Plant Rent | 358,014 | 365,174 | 372,478 | 379,927 | 387,526 | 395,276 | 403,182 | 411,245 | 419,470 | 427,860 | 440,696 | 453,916 | 4,456,750 |
| Transfer To Water Supply and Distribution Fund | 244,321 | 503,897 | 0 | 0 | 0 | 81,183 | 0 | 0 | 0 | 0 | 0 | 81,183 | 666,263 |
| Wastewater Equipment Replacement | 330,214 | 746,075 | 411,755 | 1,191,317 | 609,006 | 549,364 | 1,007,647 | 477,207 | 697,108 | 668,330 | 526,174 | 688,948 | 7,572,933 |
| Transfer To General Fund (Power Generation Facility) | 890,275 | 908,081 | 926,242 | 944,767 | 963,662 | 982,936 | 1,002,594 | 1,022,646 | 1,043,099 | 1,063,961 | 1,095,880 | 1,128,756 | 11,082,624 |
| Transfer To Solid Waste Management Fund | 0 | 198,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 198,000 |
| TOTAL NON-OPERATING REQUIREMENTS | 5,986,833 | 6,885,608 | 7,817,662 | 16,002,674 | 14,869,645 | 20,771,507 | 21,181,237 | 20,675,827 | 27,698,615 | 27,697,692 | 27,597,867 | 27,892,021 | 219,090,355 |
| CAPITAL AND INFRASTRUCTURE REQ.: | | | | | | | | | | | | | |
| Projects - Revenue Funded | 7,962,742 | 24,013,074 | 5,431,686 | 3,958,274 | 3,429,999 | 2,072,910 | 2,272,129 | 3,102,414 | 623,348 | 2,172,836 | 499,449 | 1,607,205 | 49,183,324 |
| Replacement of WPCP | 8,408,138 | 36,554,291 | 38,444,864 | 46,177,412 | 43,386,382 | 34,371,713 | 39,863,393 | 40,741,473 | 23,765,102 | 16,131,254 | 0 | 0 | 319,435,884 |
| Replacement of WPCP - Revenue Funded | 108,435 | 587,654 | 599,407 | 611,395 | 623,623 | 636,095 | 648,817 | 661,793 | 675,029 | 688,530 | 0 | 0 | 5,732,343 |
| TOTAL CAPITAL AND INFRASTRUCTURE REQ. | 16,479,315 | 61,155,019 | 44,475,957 | 50,747,081 | 47,440,004 | 37,080,718 | 42,784,339 | 44,505,680 | 25,063,479 | 18,992,620 | 499,449 | 1,607,205 | 374,351,551 |
| TOTAL CURRENT REQUIREMENTS | 41,891,390 | 88,310,665 | 74,091,718 | 88,185,838 | 84,197,791 | 80,612,258 | 86,616,494 | 88,322,538 | 76,106,166 | 70,692,557 | 52,539,769 | 54,723,726 | 844,399,521 |
| RESERVES: | | | | | | | | | | | | | |
| Debt Service | 1,452,158 | 2,424,840 | 2,424,840 | 6,111,142 | 5,831,010 | 8,963,399 | 8,963,399 | 8,963,399 | 12,347,049 | 12,347,049 | 12,347,049 | 12,347,049 | 12,347,049 |
| Contingencies | 3,887,180 | 4,114,484 | 4,320,990 | 4,389,551 | 4,471,480 | 4,577,962 | 4,679,113 | 4,782,219 | 4,887,672 | 4,995,121 | 5,127,095 | 5,257,000 | 5,257,000 |
| Capital and Infrastructure Reserve | 20,000,000 | 2,715,843 | 3,958,274 | 3,429,999 | 2,072,910 | 2,272,129 | 3,102,414 | 623,348 | 2,172,836 | 499,449 | 1,607,205 | 1,031,556 | 1,031,556 |
| Rate Stabilization Reserve | 1,198,652 | 4,780,047 | 3,269,751 | 120,548 | 2,270,927 | 191,130 | 128,660 | 4,279,815 | 1,027,038 | 308,881 | 393,791 | 1,796,071 | 1,796,071 |
| TOTAL RESERVES | 26,537,989 | 14,035,214 | 13,973,854 | 14,051,241 | 14,646,327 | 16,004,620 | 16,873,587 | 18,648,782 | 20,434,596 | 18,150,501 | 19,475,141 | 20,431,677 | 20,431,677 |
| FUND BALANCE, JUNE 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| STATISTICS: | | | | | | | | | | | | | |
| Sewer Rate Increase | | | 8.0% | 8.0% | 7.5% | 7.5% | 7.0% | 4.5% | 3.0% | 3.0% | 3.0% | 3.0% | |
| Prior Year Sewer Rate Increase | | 8.0% | 8.0% | 8.0% | 7.5% | 7.5% | 7.0% | 4.5% | 4.5% | 4.5% | 4.5% | 1.5% | |

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

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | PLAN 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|--|---------------------|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| 1114 Other Agencies - Reimbursement | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 550,000 |
| 1367 Permit - Waste Discharge | 8,260 | 15,000 | 15,300 | 15,606 | 15,918 | 16,236 | 16,561 | 16,892 | 17,230 | 17,575 | 17,926 | 18,464 | 182,710 |
| 1507 Late Payment Penalties | 67,555 | 69,422 | 74,976 | 80,974 | 87,047 | 93,575 | 100,126 | 104,631 | 107,770 | 111,003 | 114,333 | 117,763 | 1,061,620 |
| 3066 Sewer Fees - City | 28,330,618 | 30,607,432 | 33,056,026 | 35,700,508 | 38,378,046 | 41,256,400 | 44,144,348 | 46,130,844 | 47,514,769 | 48,940,212 | 50,408,418 | 51,920,671 | 468,057,674 |
| 3067 Sewer Fees - Non-City | 877,757 | 947,977 | 1,023,815 | 1,105,721 | 1,188,650 | 1,277,798 | 1,367,244 | 1,428,770 | 1,471,633 | 1,515,782 | 1,561,256 | 1,608,093 | 14,496,740 |
| 3068 Sewer Connection Fees | 1,751,177 | 4,506,297 | 714,000 | 728,280 | 742,846 | 757,703 | 772,857 | 788,314 | 804,080 | 820,162 | 836,565 | 861,662 | 12,332,763 |
| 3090 Sales from PGF Electricity | 46,915 | 48,323 | 49,772 | 50,768 | 51,783 | 52,819 | 53,875 | 54,953 | 56,052 | 57,173 | 58,316 | 60,066 | 593,899 |
| 3355 Interest Income | 190,531 | 114,882 | 138,355 | 203,234 | 426,592 | 495,086 | 648,984 | 717,261 | 655,806 | 698,096 | 749,044 | 972,937 | 5,820,277 |
| 4121 Miscellaneous Remibursement | 298,718 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4400 Transfer From Water Fund | 245,300 | 1,459,482 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,459,482 |
| 4400 Transfer From Solid Waste Mgmt Fund | 15,354 | 404,744 | 404,744 | 404,744 | 404,744 | 404,744 | 404,744 | 0 | 0 | 0 | 0 | 0 | 2,428,464 |
| 4490 Bond Proceeds | 0 | 37,526,973 | 38,444,864 | 49,863,714 | 43,386,382 | 37,504,102 | 39,863,393 | 40,741,473 | 27,148,752 | 16,131,254 | 0 | 0 | 330,610,907 |
| FUND TOTAL | 31,937,874 | 75,807,890 | 74,030,359 | 88,263,225 | 84,792,878 | 81,970,551 | 87,485,461 | 90,097,733 | 77,891,980 | 68,408,462 | 53,864,408 | 55,680,262 | 838,293,209 |

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**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2026 TO JUNE 30, 2036**

| | PLAN 2026/2027 | PLAN 2027/2028 | PLAN 2028/2029 | PLAN 2029/2030 | PLAN 2030/2031 | PLAN 2031/2032 | PLAN 2032/2033 | PLAN 2033/2034 | PLAN 2034/2035 | PLAN 2035/2036 | FY 2026/2027 TO FY 2035/2036 TOTAL | FY 2015/2016 TO FY 2035/2036 TOTAL |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|---|
| RESERVE/FUND BALANCE, JULY 1 | 10,506,316 | 12,499,822 | 13,910,265 | 15,355,719 | 16,740,354 | 17,719,448 | 18,321,058 | 18,538,171 | 18,365,213 | 18,091,536 | 10,506,316 | 7,370,894 |
| CURRENT RESOURCES: | | | | | | | | | | | | |
| Rental Income | 261,927 | 269,785 | 277,878 | 286,215 | 294,801 | 303,645 | 312,754 | 322,137 | 331,801 | 341,755 | 3,002,698 | 5,470,520 |
| Service Fees | 51,681,330 | 52,198,143 | 53,242,106 | 54,306,948 | 55,393,087 | 56,500,949 | 57,630,968 | 59,071,742 | 60,548,536 | 62,062,249 | 562,636,059 | 1,087,932,048 |
| Miscellaneous Revenues | 259,236 | 262,267 | 266,531 | 270,877 | 275,309 | 279,827 | 284,434 | 289,786 | 295,261 | 300,861 | 2,784,389 | 5,435,055 |
| Transfers In | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 801,780 |
| SMaRT Station Revenues | 765,552 | 782,473 | 799,841 | 817,668 | 835,969 | 854,757 | 874,045 | 893,848 | 911,725 | 929,960 | 8,465,838 | 16,046,194 |
| County Wide AB939 Fee | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 1,238,203 | 2,607,629 |
| Interest Income | 595,230 | 662,394 | 731,225 | 797,160 | 843,783 | 872,431 | 882,770 | 874,534 | 861,502 | 836,458 | 7,957,487 | 9,911,771 |
| TOTAL CURRENT RESOURCES | 53,687,096 | 54,298,882 | 55,441,401 | 56,602,689 | 57,766,770 | 58,935,429 | 60,108,792 | 61,575,868 | 63,072,645 | 64,595,105 | 586,084,675 | 1,128,204,998 |
| TOTAL AVAILABLE RESOURCES | 64,193,412 | 66,798,704 | 69,351,666 | 71,958,407 | 74,507,124 | 76,654,878 | 78,429,850 | 80,114,039 | 81,437,858 | 82,686,641 | 596,590,991 | 1,135,575,893 |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | |
| Interfund Loan Repayment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39,729,214 |
| Debt Service | 1,187,336 | 1,187,872 | 1,188,298 | 1,188,615 | 1,188,823 | 1,105,600 | 1,105,600 | 1,105,600 | 1,105,600 | 1,105,601 | 11,468,946 | 22,660,066 |
| Operations | 3,295,308 | 3,394,350 | 3,496,369 | 3,601,454 | 3,709,699 | 3,821,196 | 3,936,045 | 4,054,346 | 4,155,655 | 4,259,607 | 37,724,029 | 69,013,283 |
| Solid Waste Collection Contract | 26,679,395 | 27,479,777 | 28,304,170 | 29,153,295 | 30,027,894 | 30,928,731 | 31,856,593 | 32,812,291 | 33,796,659 | 34,810,559 | 305,849,364 | 553,615,332 |
| Special Projects | 1,607,386 | 1,514,118 | 1,587,547 | 1,567,787 | 1,527,018 | 1,514,118 | 1,527,018 | 1,688,131 | 1,559,258 | 1,559,258 | 15,651,639 | 32,038,607 |
| Infrastructure Projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,437,083 |
| Project Operating | (563,441) | (566,526) | (569,705) | (572,979) | (576,350) | (579,824) | (583,401) | (587,086) | (590,881) | (594,790) | (5,784,981) | (10,661,262) |
| Project Administration | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 119,294 |
| SMaRT Capital Replacement | 68,125 | 70,168 | 72,273 | 74,442 | 76,675 | 78,975 | 81,344 | 83,785 | 86,298 | 88,887 | 780,971 | 1,887,643 |
| In-Lieu Charges | 3,525,027 | 3,634,320 | 3,746,887 | 3,862,826 | 3,982,019 | 4,104,783 | 4,231,225 | 4,361,456 | 4,495,590 | 4,633,743 | 40,577,876 | 73,836,713 |
| SMaRT Expense Share (Sunnyvale) | 15,032,898 | 15,286,959 | 15,256,084 | 15,401,166 | 15,824,132 | 16,259,787 | 16,708,512 | 17,170,698 | 17,646,750 | 18,134,028 | 162,721,014 | 315,900,251 |
| Long Term Rent - SMaRT and Landfill | 861,556 | 887,402 | 914,024 | 941,445 | 969,688 | 998,779 | 1,028,742 | 1,059,605 | 1,091,393 | 1,124,135 | 9,876,770 | 18,089,519 |
| Transfer To General Fund | 0 | 0 | 0 | 0 | 58,078 | 101,674 | 0 | 0 | 0 | 0 | 159,752 | 315,541 |
| Transfer To Infrastructure Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,997 |
| Transfer To Water Supply & Dist. Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL CURRENT REQUIREMENTS | 51,693,590 | 52,888,439 | 53,995,948 | 55,218,053 | 56,787,676 | 58,333,820 | 59,891,679 | 61,748,826 | 63,346,323 | 65,121,029 | 579,025,380 | 1,118,010,281 |
| RESERVES: | | | | | | | | | | | | |
| Contingencies | 4,500,760 | 4,616,109 | 4,705,662 | 4,815,592 | 4,956,172 | 5,100,971 | 5,250,115 | 5,403,733 | 5,559,906 | 5,720,419 | 5,720,419 | 5,720,419 |
| Rate Stabilization Reserve | 7,999,062 | 9,294,157 | 10,650,056 | 11,924,763 | 12,763,276 | 13,220,087 | 13,288,056 | 12,961,480 | 12,531,629 | 11,845,192 | 11,845,192 | 11,845,192 |
| TOTAL RESERVES | 12,499,822 | 13,910,265 | 15,355,719 | 16,740,354 | 17,719,448 | 18,321,058 | 18,538,171 | 18,365,213 | 18,091,536 | 17,565,612 | 17,565,612 | 17,565,612 |
| FUND BALANCE, JUNE 30 | 0 | 0 |
| STATISTICS: | | | | | | | | | | | | |
| Refuse Rate Increase | 1.0% | 1.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.5% | 2.5% | 2.5% | | |
| Prior Year Refuse Rate Increase | 1.0% | 1.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.5% | 2.5% | 0.0% | | |

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

| | | ACTUAL | CURRENT | BUDGET | PLAN | FY 2015/2016 TO FY 2025/2026 TOTAL |
|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| | | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | TOTAL |
| 0751-06 | Long Term Rent | 180,051 | 196,390 | 202,635 | 207,701 | 212,893 | 218,216 | 223,671 | 229,263 | 234,995 | 240,869 | 246,891 | 254,298 | 2,467,823 |
| 0955 | 0955 Alternative Fuel User Tax Credit | 94,175 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1004 | County Wide AB939 Fee | 160,638 | 131,222 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 123,820 | 1,369,426 |
| 1027 | Misc. State Grants/Reimbursements | 23,737 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1507 | Late Payment Penalties | 103,553 | 97,335 | 100,255 | 103,262 | 105,328 | 107,434 | 109,583 | 111,227 | 112,895 | 114,024 | 115,164 | 116,316 | 1,192,823 |
| 1519 | Code Violations | 4,945 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2906 | Battery/Oil/Paint Drop Off Fee | 12,362 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3061 | Refuse Service Fees - City | 39,959,613 | 42,319,455 | 43,589,039 | 44,896,710 | 45,794,644 | 46,710,537 | 47,644,748 | 48,359,419 | 49,084,810 | 49,575,658 | 50,071,415 | 50,572,129 | 518,618,565 |
| 3062 | Refuse Service Fees - Specialty | 1,304,095 | 1,050,000 | 515,000 | 530,450 | 541,059 | 551,880 | 562,918 | 571,362 | 579,932 | 585,731 | 591,589 | 597,504 | 6,677,425 |
| 3071 | MRF Revenues - SMaRT | 96,186 | (73,697) | (170,661) | (172,367) | (174,091) | (175,832) | (177,590) | (179,366) | (181,160) | (182,971) | (184,801) | (186,649) | (1,859,185) |
| 3080 | Kirby Canyon SMaRT Operator | 398,058 | 410,722 | 466,057 | 477,709 | 489,652 | 501,893 | 514,440 | 527,301 | 540,484 | 553,996 | 567,846 | 582,042 | 5,632,141 |
| 3083 | Curbside | 774,644 | 447,576 | 444,330 | 448,774 | 453,261 | 457,794 | 462,372 | 466,996 | 471,666 | 476,382 | 481,146 | 485,958 | 5,096,255 |
| 3084 | Curbside Sales - General | 105,825 | 93,871 | 94,810 | 95,758 | 96,715 | 97,682 | 98,659 | 99,646 | 100,642 | 101,649 | 102,665 | 103,692 | 1,085,789 |
| 3086 | Yardwaste Sales - SMaRT | (193,190) | (102,155) | (105,923) | (108,571) | (111,286) | (114,068) | (116,920) | (119,843) | (122,839) | (125,910) | (129,057) | (132,284) | (1,288,855) |
| 3091 | Green Ticket Revenue | (2,211) | 2,575 | 2,575 | 2,575 | 2,575 | 2,575 | 2,575 | 2,575 | 2,575 | 2,575 | 2,575 | 2,575 | 28,325 |
| 3355 | Interest Income | 47,971 | 61,867 | 43,422 | 95,699 | 146,563 | 184,427 | 187,251 | 166,716 | 186,240 | 176,536 | 301,474 | 404,089 | 1,954,284 |
| 3073-01 | Sale of Garbage Tags - Retailer | 9,500 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 77,000 |
| 3073-02 | Sale of Garbage Tags - In House | 2,200 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 5,500 |
| 4105 | Misc. Revenues - Special Events | 1,009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4190 | Third Party Compressed Natural Gas Sales | 1,814 | 21,467 | 21,897 | 22,335 | 22,781 | 23,237 | 23,702 | 24,176 | 24,659 | 25,152 | 25,655 | 26,168 | 261,229 |
| xxxx | Accrued Franchise Depreciation Savings | 0 | 801,780 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 801,780 |
| xxxx | CAFR Adjustment | 198,625 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FUND TOTAL | | 43,283,602 | 45,465,909 | 45,334,756 | 46,731,354 | 47,711,415 | 48,697,096 | 49,666,729 | 50,390,791 | 51,166,220 | 51,675,013 | 52,323,882 | 52,957,159 | 542,120,323 |

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**525/100 GOLF AND TENNIS OPERATIONS FUND
REVENUES BY SOURCE**

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|---|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| 0750-01 License Fee Tennis Center | 116,255 | 121,256 | 126,256 | 126,273 | 131,273 | 136,273 | 141,273 | 146,273 | 151,273 | 156,273 | 161,273 | 166,273 | 1,563,969 |
| 0750-04 Lookout Rental | 8,976 | 4,000 | 24,000 | 28,000 | 28,560 | 29,131 | 29,714 | 30,308 | 30,914 | 31,533 | 32,163 | 32,806 | 301,130 |
| 0752-08 Facilities Rent - Rec Tennis Co | 7,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0754-09 Tower/Antenna Rental - Verizon | 28,070 | 28,840 | 30,374 | 31,285 | 32,224 | 33,190 | 34,186 | 35,212 | 36,268 | 37,356 | 38,477 | 39,631 | 377,044 |
| TOTAL RENTS AND CONCESSIONS | 160,301 | 154,096 | 180,630 | 185,558 | 192,057 | 198,595 | 205,173 | 211,793 | 218,455 | 225,162 | 231,913 | 238,711 | 2,242,142 |
| 1950-11 Sunnyvale Weekday | 589,495 | 482,255 | 526,709 | 589,495 | 601,285 | 613,311 | 625,577 | 638,088 | 650,850 | 663,867 | 677,144 | 690,687 | 6,759,269 |
| 1950-12 Sunnyvale Weekday Twilight | 214,893 | 255,001 | 214,893 | 244,893 | 249,791 | 254,787 | 259,882 | 265,080 | 270,382 | 275,789 | 281,305 | 286,931 | 2,858,734 |
| 1950-13 Sunnyvale Weekend/Holiday | 611,396 | 539,763 | 574,763 | 615,763 | 628,078 | 640,640 | 653,453 | 666,522 | 679,852 | 693,449 | 707,318 | 721,464 | 7,121,065 |
| 1950-14 Sunnyvale W/E Holiday Twilight | 215,147 | 169,214 | 189,214 | 215,083 | 219,385 | 223,772 | 228,248 | 232,813 | 237,469 | 242,218 | 247,063 | 252,004 | 2,456,483 |
| 1950-15 Sunnyvale S.A.C. | 17,658 | 16,098 | 17,411 | 18,055 | 18,416 | 18,784 | 19,160 | 19,543 | 19,934 | 20,333 | 20,740 | 21,154 | 209,629 |
| 1950-16 Sunnyvale Golf Discount | 128,660 | 104,195 | 114,195 | 125,156 | 127,659 | 130,212 | 132,817 | 135,473 | 138,182 | 140,946 | 143,765 | 146,640 | 1,439,240 |
| 1950-17 Sunnyvale 10-Play Card | 3,997 | 3,246 | 3,846 | 4,643 | 4,736 | 4,831 | 4,927 | 5,026 | 5,126 | 5,229 | 5,333 | 5,440 | 52,383 |
| 1950-18 Smart Card Fee Sunnyvale | 815 | 428 | 628 | 828 | 845 | 861 | 879 | 896 | 914 | 932 | 951 | 970 | 9,133 |
| 1950-19 Weekday Super Twilight | 101,680 | 83,993 | 87,993 | 94,993 | 96,893 | 98,831 | 100,807 | 102,823 | 104,880 | 106,978 | 109,117 | 111,299 | 1,098,607 |
| 1950-20 Weekend Super Twilight | 37,471 | 28,493 | 30,493 | 31,193 | 31,817 | 32,453 | 33,102 | 33,764 | 34,440 | 35,128 | 35,831 | 36,548 | 363,262 |
| 1951 SM Gift Certificates | 2,999 | 3,557 | 3,557 | 3,557 | 3,557 | 3,557 | 3,557 | 3,557 | 3,557 | 3,557 | 3,557 | 3,557 | 39,127 |
| 1952 School Group Play | 2,000 | 2,550 | 2,550 | 2,550 | 2,601 | 2,653 | 2,706 | 2,760 | 2,815 | 2,872 | 2,929 | 2,988 | 29,974 |
| 1954-01 Tournament Fee - Sunnyvale | 3,006 | 2,637 | 2,282 | 3,200 | 3,264 | 3,329 | 3,396 | 3,464 | 3,533 | 3,604 | 3,676 | 3,749 | 36,134 |
| 1954-02 Tournament Fee - Sunken Gardens | 513 | 631 | 651 | 701 | 715 | 729 | 744 | 759 | 774 | 789 | 805 | 821 | 8,120 |
| 1963-11 Sunken Garden Weekday | 274,056 | 261,187 | 271,364 | 267,365 | 272,712 | 278,167 | 283,730 | 289,404 | 295,193 | 301,096 | 307,118 | 313,261 | 3,140,597 |
| 1963-13 Sunken Garden Weekend/Holiday | 262,295 | 262,113 | 232,906 | 242,906 | 247,764 | 252,719 | 257,774 | 262,929 | 268,188 | 273,552 | 279,023 | 284,603 | 2,864,477 |
| 1963-14 Sunken Garden Weekend Twilight Replay | 36 | 211 | 211 | 211 | 215 | 220 | 224 | 228 | 233 | 238 | 242 | 247 | 2,480 |
| 1963-15 Sunken Garden 10 Play | 22,185 | 16,629 | 17,629 | 18,629 | 19,002 | 19,382 | 19,769 | 20,165 | 20,568 | 20,979 | 21,399 | 21,827 | 215,977 |
| 1963-16 Sunken Garden Golf Discount | 67,408 | 54,626 | 60,626 | 66,626 | 67,959 | 69,318 | 70,704 | 72,118 | 73,560 | 75,032 | 76,532 | 78,063 | 765,164 |
| 1963-17 Sunken Garden Advantage Card | 8,740 | 6,947 | 7,500 | 8,200 | 8,364 | 8,531 | 8,702 | 8,876 | 9,053 | 9,235 | 9,419 | 9,608 | 94,435 |

**525/100 GOLF AND TENNIS OPERATIONS FUND
REVENUES BY SOURCE**

| | ACTUAL 2014/2015 | CURRENT 2015/2016 | BUDGET 2016/2017 | PLAN 2017/2018 | PLAN 2018/2019 | PLAN 2019/2020 | PLAN 2020/2021 | PLAN 2021/2022 | PLAN 2022/2023 | PLAN 2023/2024 | PLAN 2024/2025 | PLAN 2025/2026 | FY 2015/2016 TO FY 2025/2026 TOTAL |
|---|---------------------|----------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| 1963-18 Sunken Garden Smart Card Fee | 985 | 553 | 553 | 985 | 1,005 | 1,025 | 1,045 | 1,066 | 1,088 | 1,109 | 1,131 | 1,154 | 10,714 |
| 1964 Sunken Gardens Gift Certificates | 1,298 | 2,798 | 3,100 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 36,498 |
| TOTAL GOLF FEES | 2,566,733 | 2,297,125 | 2,363,074 | 2,558,432 | 2,609,462 | 2,661,512 | 2,714,603 | 2,768,756 | 2,823,992 | 2,880,332 | 2,937,800 | 2,996,417 | 29,611,503 |
| 1955 Golf Cart Rental | 372,143 | 336,608 | 341,608 | 351,608 | 358,640 | 365,813 | 373,129 | 380,592 | 388,204 | 395,968 | 403,887 | 411,965 | 4,108,021 |
| 1956 Driving Range Fees | 221,353 | 204,564 | 210,548 | 212,548 | 216,799 | 221,135 | 225,558 | 230,069 | 234,670 | 239,364 | 244,151 | 249,034 | 2,488,439 |
| 1957 Golf Miscellaneous Rentals | 36,363 | 32,268 | 34,268 | 39,268 | 40,053 | 40,854 | 41,672 | 42,505 | 43,355 | 44,222 | 45,107 | 46,009 | 449,581 |
| 4100 Miscellaneous Golf Revenues | 553 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4114 Miscellaneous Golf Revenues | (2,463) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4175 Golf Merchandise Sales | 154,643 | 129,930 | 153,366 | 165,000 | 168,300 | 171,666 | 175,099 | 178,601 | 182,173 | 185,817 | 189,533 | 193,324 | 1,892,810 |
| 4180 Golf Instruction | 18,450 | 13,569 | 24,000 | 24,000 | 24,480 | 24,970 | 25,469 | 25,978 | 26,498 | 27,028 | 27,568 | 28,120 | 271,680 |
| TOTAL GOLF AND TENNIS SHOP REVENUE | 801,042 | 716,939 | 763,790 | 792,424 | 808,272 | 824,438 | 840,927 | 857,745 | 874,900 | 892,398 | 910,246 | 928,451 | 9,210,531 |
| 4100 Miscellaneous Revenue | (94) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL MISCELLANEOUS REVENUE | (94) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3355 Interest Income | 13 | 57 | 0 | 324 | 1,200 | 2,221 | 2,697 | 3,316 | 3,736 | 3,958 | 4,804 | 2,941 | 25,254 |
| TOTAL INTEREST INCOME | 13 | 57 | 0 | 324 | 1,200 | 2,221 | 2,697 | 3,316 | 3,736 | 3,958 | 4,804 | 2,941 | 25,254 |
| 4400-03 Transfer From General Fund | 140,000 | 450,000 | 550,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,000,000 |
| TOTAL TRANSFERS IN | 140,000 | 450,000 | 550,000 | 0 | 1,000,000 |
| FUND TOTAL | 3,667,996 | 3,618,217 | 3,857,494 | 3,536,738 | 3,610,991 | 3,686,765 | 3,763,399 | 3,841,610 | 3,921,083 | 4,001,850 | 4,084,763 | 4,166,519 | 42,089,430 |

**Financial Plans –
Internal Services
and Other Funds**

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 three such funds that operate on a cost reimbursement basis: the General Services Fund, the Employee Benefits and Insurance Fund, and the Liability and Property Insurance Fund. These funds play an important role in the overall ability of the City to conduct business. The General Services Fund includes the City's Fleet Services, Facilities Management Services, Technology and Communication Services, Sunnyvale Office Center, and Project Management Services. The Employee Benefits Fund serves to capture the costs associated with employer provided benefits including pension costs, employee insurance plans, workers' compensation, and paid leave time. The Property and Liability Insurance Fund accounts for the costs related to the City's liability and property insurance.

Sunnyvale's full cost accounting methodology results in all the costs of these funds being charged back to user activities on a rental rate basis for general services, an additive rate basis for employee benefits, and a usage basis for liability and property insurance. Therefore, the total expenditures of these funds are not added to the overall budget, as they are already captured within the City's programs and funds.

The four other funds presented in this section include the DoroLou P. Swirsky Youth Opportunity Fund, the Fremont Pool Endowment (Trust) Fund, the Redevelopment Successor Agency Fund, and the Community Facilities District No. 3 Fund. While these funds are not internal service funds, they are grouped with the internal service funds just for presentation purposes in the budget document. These are funds that separately account for assets that the City holds in a trustee or agency capacity and uses to benefit a specified purpose.

General Services Fund

Fleet, Facilities, and Technology Services

The combined General Services Fund financial plan has three sub-funds that provide a wide range of important support services to programs within the City. The sub-funds are: Fleet Services, Facilities Management, and Technology Services. Funding for these services is provided by charging rental rates to benefiting program operating budgets. The rental rates include not only the cost of operations, but are also set to recover 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 the combined General Services Fund activities in FY 2016/17 are 3.7%, which is up 0.6% from what had been projected for FY 2016/17 during last year's budget cycle. For the remainder of the front ten years of the plan, the average annual rental rate increase is 2.9%, which is up from the 2.5% average increase in the prior budget. These increases are primarily due to Information Technology investments. In the final ten years of the long-term plan rates are scheduled to increase 3.1% annually which is unchanged from the prior year. A more detailed narrative on changes in rental rates is provided in the sections below that cover the individual sub-funds.

Fleet Services Sub-Fund

The Fleet Services Program reflects the cost of ownership of City vehicles and equipment. The main source of funding within this sub-fund is rental rate revenue for Fleet Services provided to other programs, which is primarily based on specific vehicle usage. Fleet Services rental rates are scheduled to increase by 4.3% for FY 2016/17, equal with prior year budget estimates for FY 2016/17 and a projected average annual increase of 2.9% for the remainder of the first ten years in the long-term plan, a slight reduction from prior year budget estimates. Rate increases in the second ten years are set at 3.0% annually, slightly reduced compared to the same period in the prior year.

The Restricted Cash Donation revenue is a portion of the funding that the City received from a developer which was utilized for the acquisition of a new fire truck. The Sale of Property line item of the Financial Plan represents the sale of surplus or replaced vehicles or pieces of equipment. The projection for FY 2016/17 is based on historical averages for the surplus sales of vehicles and equipment, plus an additional amount to reflect the resale of one of two fire trucks that is scheduled for replacement. For future years, the historical average revenue from surplus sales is used.

The Intrafund Loan Repayment line item represents scheduled payments from the Facilities Services Sub-Fund. This loan was initially made in FY 1999/00 to alleviate cash flow issues experienced by the Facilities 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 2015/16. In FY 2005/06, a large payment was made against the principal. Payments were then deferred several years due to insufficient reserves in the Facilities Sub-Fund. The current schedule restarted repayments in FY 2012/13 and concludes with the final payment scheduled in FY 2016/17.

The multiple transfer line items found within the Current Resources section of the financial plan for FY 2014/15 account for the funding sources of recent additions to the Fleet. The Funds budgeted as a Transfer from the General Fund in FY 2015/16 were the original funding mechanism for the City's Upgrading of the Fuel Stations capital project. This transfer will not be made because the project was revised to be financed via the collection of rental rates.

The two major current requirements deal with equipment replacement and operation of the Fleet Services program. The Equipment Replacement line item fluctuates each year, as various items of equipment reach the end of their useful life and must be replaced. Overall equipment replacement expenditures are up approximately \$521 thousand in the first ten years of the twenty-year plan in comparison to the prior twenty-year plan. This is predominantly the result of replacing two special purpose trucks (new fire apparatus), as well as increased costs for the replacements of assets that were deferred in prior years.

Operations expenditures in FY 2016/17 are approximately \$100,000 lower than the amount planned for this year in the FY 2015/16 Adopted Budget, due to reduced fuel costs.

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 funds are used to purchase the vehicle or apparatus. In this manner, operating programs do not experience large swings in expenditures due to fleet replacement.

Facilities Management Services Sub-Fund

The Facilities Management Program reflects the cost of maintaining City facilities, including costs for janitorial service, building maintenance, utilities, carpets and blinds, modular furniture, and building equipment.

The Facilities Management Sub-Fund has two rental rate revenue items, one relating to space rental and the other relating to equipment. Space rental charges are based upon the total square footage of building space throughout the City. This square footage is then divided amongst the various City programs, and operating charges are allocated out based on a program's proportion of the total square footage. The equipment rental accounts for replacement costs associated with modular furniture, carpet and blinds, and building maintenance equipment.

The aggregate rental rate for Facilities Management is scheduled to increase 3.0% for FY 2016/17, with annual increases declining to 2.5% starting in FY 2023/24 for three years before returning to an average of increase of 3.3% in the last 10 years of the plan. It should be noted that in FY 2017/18 of the plan, facility rental rates are expected decrease by 6.4%, as Facilities Services will have paid off its loan to Fleet Services and 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 plan years. Rental rate increases in the FY 2016/17 Recommended Budget are flat in comparison with what was programmed in the FY 2015/16 Adopted Budget through FY 2025/26. While there is uncertainty on a plan for rehabilitation or replacement of the City's large administrative facilities, limited funds have been expended on these facilities. This is not a realistic long-term plan and

therefore rental rate increases have been set at a moderate level. The City has begun work on a project to address the aging Civic Center. However, as of the drafting of this budget, the project has not yet resulted in a plan for the Civic Center. Until plans are determined, the rental rate collection in the financial plan will reflect only the existing planned requirements. Over the twenty years, a total of \$10.1 million in additional facility rental collections will be transferred to the Infrastructure Fund to increase funding for the future infrastructure needs of the City; this additional collection is shown as Additional Transfer to Infrastructure in the long-term plan.

The major current requirements deal with operation of the Facilities Services Program. The Operations line item increased slightly for FY 2016/17 in comparison to the FY 2015/16 Adopted Budget. This change was due to an increase in the cost of electricity.

Equipment Replacement costs have been established based on the asset depreciation schedules for carpets and blinds, large equipment, and modular furniture. The FY 2016/17 long-term plan reflects a very slight decrease over the 20-year plan for facilities-related equipment in comparison to the long-term plan from FY 2015/16. Overall, the schedule reflects a continuing effort to replace only what is necessary as the future of all City facilities, including the Civic Center and Library, is being determined.

The Interfund Loan Repayment line item in the financial plan represents loan payments to the Fleet Services Sub-Fund, which are projected to be fully repaid in FY 2016/17. 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 1999/00.

The Transfer to Sunnyvale Office Center line item in the long-term 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 are also made to the General Fund to cover the cost of management and administrative support services for the Facilities program. Lastly, transfers to the Infrastructure Fund have been programmed for the Facilities Services' contribution to various capital projects, such as improvements at the Corporation Yard.

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 modular furniture, carpets and blinds, and building maintenance equipment.

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. Information technology services, radio communications, and satellite copiers are provided by the Information Technology Department, while Print Shop and Mail Services are provided by the Office of the City Manager.

The aggregate rental rate increase for Technology and Communications Services is scheduled to be 2.8% in FY 2016/17 and increasing to 3.5% for the remaining first ten years of the plan. These rates are up from rates planned in the first ten years of last year's plan. Rental rates in the second ten years of the plan were held at the prior year level of 3% in order to finance some expensive replacements on the schedule. The revised rental rate schedule enables the fund to afford increases to the operating budget as well as to maintain a stable fiscal position during years such as FY 2032/33, FY 2033/34 and FY 2035/36 when several major replacements are scheduled.

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 are collected in a restricted reserve titled Restricted KSUN Equipment Reserve. These revenues are allocated to the City based on the City's share of one percent of Comcast gross revenues.

A surcharge on development fees to pay for the costs of the technology needed to support the one-stop permit system was implemented in FY 2010/11. This surcharge recovers approximately \$95,000 annually, which is placed in a Restricted Technology Surcharge Reserve in this sub-fund. The funds are used to cover the cost of annual system maintenance on the City's permitting system, as well as to cover periodic major upgrades or replacement of the system.

The Transfer from the General Fund line item represents the General Fund support to cover the costs of the City's participation in the Silicon Valley Regional Interoperability Authority (SVRIA) as well as the Customer Relationship Management (CRM) System Replacement project. The Transfer from the Development Enterprise Fund shows the funding provided for the Permitting System Replacement project.

The major current requirements of the Technology and Communications Services Sub-Fund deal with equipment replacement and operation of the programs in the Information Technology Department and the Office of the City Manager. Equipment replacement for technology, communications, and office assets reflect the equipment replacement schedules for each type of equipment, and equipment replacement costs will fluctuate year-over-year based on the useful lives of the individual pieces of equipment on the replacement schedules. Overall, equipment replacement costs over the 20-year plan are up \$2.0 million in comparison to last year's long-term plan due to updated cost assumptions for future replacements.

Total operating costs for the Technology and Communications programs are up 8.0% in the FY 2016/17 long-term plan in comparison to the prior long-term plan. This is predominantly the result of adding an Information Technology Manager to focus on project management of the planned technology upgrades and the movement of the Silicon Valley Radio Interoperability Authority funding from the General Fund into the Technology and Communications program operating budget. In previous years, this was handled through a transfer from the General Fund.

The Transfer to General Fund line shows the transfers made to the General Fund to cover the cost of management and administrative support services for the Print Shop. Transfers to the Infrastructure Fund have been programmed throughout the long-term plan for the Technology and Communications Services' contribution to various capital projects, such as the emergency generator installation project for City Hall Annex.

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 and desktop computers, communication equipment, software applications, office equipment, and mail and print shop equipment.

The Restricted KSUN Equipment Reserve reflects PEG Grant revenues that have been collected but not appropriated for specific expenditures. PEG Grant funds can only be utilized for the purchase of KSUN equipment.

The Restricted Tech Surcharge Reserve reflects funds collected from the Technology Surcharge that is added to development. Funds are collected in this reserve to cover the cost of ongoing maintenance and replacement of the permit system.

Sunnyvale Office Center Sub-Fund

This sub-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, infrastructure projects, and debt service. Revenues to this sub-fund consist of rental from outside tenants and City operations, and interest on reserves.

When the sub-fund was established, it was projected that the existing office buildings would be operated and leased through FY 2005/06, when a long-term solution to the City's office space problem would be in place. Subsequently, plans for a new civic center complex were put on hold because of the City's financial situation. Currently, options for the development and implementation of a long-term solution to the City's office space issues are continuing to be explored. As such, the FY 2016/17 long-term financial plan continues to reflect the complex being operated for the entire twenty-year planning period. Increasing the length of operation causes the office complex to generate more net income than originally anticipated, and this allows the Sunnyvale Office Center Fund to contribute to the Capital Projects Reserve an average of \$328,000 annually over the entire planning period.

The age and general condition of the office buildings, coupled with the extended life of the building due to the delay in the Civic Center Complex planning, has required some infrastructure improvements be programmed over the twenty-year planning period. While the Civic Center Complex planning is again underway, these projects are necessary in order to keep the facility in working order in the interim.

The interest paid on our COPs is variable and based on market conditions, but since their issuance has averaged 3% annually. More recently, interest rates have been extremely low, resulting in lower than projected debt service payments. The assumption for FY 2016/17 is that interest rates will increase but remain low at 0.5%, increasing to 1% in FY 2017/18. For future years, incremental 0.5% increases are projected until returning to 3% in FY 2021/22 and remaining at that level until the debt is paid off. The remaining principal amount is \$12.8 million as of the end of FY 2015/16, with the balance scheduled to be fully repaid by 2031.

This Sunnyvale Office Center Sub-Fund has two reserves. The first is the required Debt Service Reserve, which maintains a balance of approximately \$1.1 million. The second reserve is the Capital Projects Reserve. This reserve was funded by an \$11 million transfer of surplus revenues from the General Fund in 2002. These funds were originally to be used to purchase the Office Center before the City decided to finance the purchase. The purpose of this reserve is to generate interest to offset debt service, as well as to fund ongoing capital improvements. The Capital Projects reserve balance at the end of FY 2015/16 is projected to be \$9.2 million. When the debt service payments end in 2031, the reserve is projected to be approximately \$12 million.

Project Management Sub-Fund

The Project Management Sub-Fund represents project management services provided by staff within the Department of Public Works Capital Project Management 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 a fund's proportionate share based on the current schedule of projects budgeted for a given year in that fund.

The Capital Project Management Program is responsible for administrative oversight efforts on all City projects that involve the development and management of construction contracts. Budgeting for project management administration is based upon the timing of projects by funding source over the twenty-year long-term plan. Major projects, such as the reconstruction of the Water Pollution Control Plant, and larger, grant-funded projects are excluded because program staff charge their time directly to these projects, which allows staff to take advantage of eligible grant

reimbursement opportunities for project administration charges.

Operations for the Project Administration Sub-Fund are budgeted to increase by approximately 21% in FY 2016/17. The Program has added positions for the past four years to help address the backlog of projects that require the services of the capital project administration group. One additional Senior Planner position was approved for FY 2016/17 with 50% being allocated to this fund to provide project management support and CEQA review the remainder of the position is budgeted in the Development Enterprise and General Funds. Additionally, with the implementation of the project management software, budgeted costs have increased to fund software licenses.

Employee Benefits and Insurance Fund

The Employee Benefits and Insurance Fund provides a mechanism to cover expenditures related to pension costs, 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, Retirement Benefits, Workers' Compensation, and Insurance and Other Benefits.

In general, the additive rate that is charged to cover the costs of employee benefits is calculated by determining the amount of the benefit to be accrued, and dividing that amount into total budgeted salaries. Depending on total hours worked over the course of the fiscal year, the Employee Benefits Fund may over-collect in some years and under-collect in other years in comparison to budgeted amounts. Annual rate adjustments take this into account, and reserves in this Fund are set to factor in year-over-year fluctuations. The overall additive rate for both Miscellaneous (non-sworn) and Safety employees is higher than the current budget. This is primarily due to an increase in the long term retirement employer contribution rates, which is discussed in further detail below.

Leaves Benefits

The Leaves program accounts for all City employees' leave time, including accrual of leave benefits earned but not taken. This method of accruing for leave benefits as they are earned and recognizing the liability upfront is fiscally prudent, as it provides the City with adequate funding to pay off significant earned leave amounts at employee separations.

Beginning in 2015/16, the Leaves budget was increased by approximately \$114,000 per year for sick leave benefits for temporary employees. This was a new benefit, required by the State which took effect July 1, 2015 and impacts the City's casual/seasonal employees. Other adjustments included bringing the salary base for leaves current and updating the anticipated leaves based on actual experience. No other significant changes were made to Leaves.

Retirement Benefits

Retirement Benefits consist of the costs for the City's retirement plans. By City Charter, Sunnyvale has contracted with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for its employees. With the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, the City now has three pension tiers for Miscellaneous and Safety employees. The first tier consists of existing employees who were employed with the City prior to December 23, 2012. These employees remain on the Miscellaneous 2.7% @ 55 plan, or the Safety 3% @ 50 plan. The second tier consists of new employees that are existing CalPERS members who were hired after December 23, 2012 (Miscellaneous) and July 1, 2012 (Safety). These employees are on the Miscellaneous 2% @ 60 plan, or the Safety 3% @ 55 plan. Finally, the third tier consists of new members to CalPERS as of January 1, 2013. These employees are on the Miscellaneous 2% @ 62 plan, or the Safety 2% @ 50 plan.

The cost to fund the CalPERS retirement benefit is broken down into two contributions, the employer contribution and the employee contribution. For current Miscellaneous and Safety employees (tiers one and two), the employee contribution rate is set by law: 8% of pay for the Miscellaneous 2.7% @ 55 plan, 7% for the Miscellaneous 2% @ 60 plan, and 9% for the Safety 3% at 50 and 3% @ 55 plans. For many years, the City has paid the employee contribution but employees have begun to pick up a part of

their contribution in the last several years. It had been anticipated that for FY 2015/16, the City's contribution for the employee share would be 3% (Miscellaneous) and 6.25% (Safety) of pay. Due to extended negotiations with some of the bargaining units, this contribution level remained at 4% (Miscellaneous) and 8.25% (Safety) for a portion of the employees. The FY 2016/17 Budget, consistent with the prior year budget, assumes tier one and two employees will contribute their full employee share by FY 2018/19 (Miscellaneous) and FY 2019/20 (Safety, excluding a 2.25% employee cost share paid by the City). It should be noted that these increases still need to be negotiated with the bargaining units. Memorandums of Understanding (MOUs) for three of the six employee bargaining groups are currently being negotiated, as all expired on 6/30/2015. Additional language is needed in the fourth agreement, expiring December 31, 2017, to attain the full contribution level desired. However, beginning on January 1, 2018, PEPRA allows a public agency to unilaterally require all members to pay up to 50% of the normal cost of their pension benefits, after bargaining in good faith and impasse procedures have completed. The employee contribution rate can be increased up to 8% for miscellaneous members and 12% for Safety members. Tier three employees, under PEPRA, must pay half their normal cost at the end of any existing contracts, or by January 1, 2018.

While the employee contribution rate is set by law, the employer contribution rate is adjusted annually by CalPERS through an actuarial analysis which considers demographic information and investment earnings. The contribution rates are applied against employee salaries (PERSable earnings) in order to calculate the dollar amounts the City must contribute.

Over the past decade, employer contribution rates have increased significantly, predominantly due to the significant market losses experienced in the early 2000s and in FY 2008/09. Other factors contributing to the sharp increase in contribution rates have been enhanced pension benefits for employees, applied retroactively, and changes in actuarial experience (i.e. employees retiring earlier at higher salaries and living longer in retirement). In March 2012, CalPERS lowered the long-term rate of return from 7.75% to 7.5%. Prior to FY 2014/15, CalPERS' actuarial methodology phased in investment gains and losses over a rolling thirty-year period, that did not pay off the unfunded liability. As such, the City worked with our consulting actuary to minimize rate volatility and pay down our unfunded liability

over a fixed period. From FY 2011/12 through FY 2013/14, the City paid CalPERS more than the required contribution with rates developed with the City’s consulting actuary. For FY 2013/14, staff requested a “fresh start” with CalPERS that took all the unfunded liability to date and amortized it over a fixed number of years. For the City’s Miscellaneous Plan it was 18 years and for the Safety Plan it was 28 years.

CalPERS also had concerns with their amortization and rate smoothing policies and in April 2013, changed its policies to employ a fixed thirty-year amortization period with increases and decreases in the rate spread directly over a five-year period. These policy changes went into effect with the FY 2015/16 rates. Because of the fresh start and CalPERS’ new amortization and rate smoothing policies, which now mirror what the City had implemented early with its consulting actuary, the City set its retirement contribution rates equal to the CalPERS required contribution rate starting FY 2014/15.

For the FY 2016/17 budget, the employer contribution rate has been set at 45.3% for Safety Plans and 26.3% for Miscellaneous Plans. For the Miscellaneous Plans, the rate is slightly lower than the 27% we had set for FY 2016/17 in the current budget. For Safety, the rate is slightly higher than the 41.6% we have in the current budget for FY 2016/17.

The City’s consulting actuary updated the contribution rate projections for the twenty-year plan, revising the rates upward primarily due to recent poor market returns for CalPERS, their efforts on risk mitigation strategies, assumption changes and contribution policy changes. In addition to anticipation of improvements in future mortality rates, rates are impacted by the steps CalPERS is taking steps to “de-risk” the plan. This includes moving toward more conservative investments and lowering the expected investment return. The move is being made slowly over time, however results in higher employer costs. Rates continue to be volatile and are expected to climb significantly in the coming years before leveling off in 2030/31 due in part, to the pay-off of the unfunded liability as part of the “fresh start” noted above. Additionally at that time, the effects of PEPPRA should begin to show as the number of Classic Members declines.

In order to fund the increased contribution rates that are required due to the risk mitigation strategies, the retirement additive rates have been reset to provide enough funding into the retirement sub-fund. For the fund to absorb

this rate change, the set aside that was established in FY 2015/16 has been removed. This funding source, which totalled approximately \$33 million over the twenty-year plan, was used to address sharp rate increases in the short term.

As of 6/30/2014, the City’s unfunded liability is at \$251 million (\$125 million for the Miscellaneous Plan and \$126 million for the Safety Plan), and the plan is 74% funded.

As the chart below shows, over the next five years (by FY 2020/21), this budget includes employer contribution rates that are estimated to increase 7.3 points for Miscellaneous plans and 12.7 points for Safety plans.

Projected City Paid Retirement Contribution Rates

| Fiscal Year | Employer Contribution Rate | Employee Contribution Rate Paid by City | Total City Paid |
|----------------------|----------------------------|---|-----------------|
| Miscellaneous | | | |
| FY 2016/17 | 26.3% | 2% | 28.3% |
| FY 2017/18 | 27.5% | 1% | 28.5% |
| FY 2018/19 | 29.8% | 0% | 29.8% |
| FY 2019/20 | 32.2% | 0% | 32.2% |
| FY 2020/21 | 33.3% | 0% | 33.3% |
| Safety | | | |
| FY 2016/17 | 45.3% | 5.25% | 50.55% |
| FY 2017/18 | 48.2% | 4.25% | 52.45% |
| FY 2018/19 | 51.8% | 3.25% | 55.05% |
| FY 2019/20 | 56.1% | 2.25% | 58.35% |
| FY 2020/21 | 58.0% | 2.25% | 60.25% |

The PERS Rate Uncertainty Reserve is budgeted to end with \$4.1 million over the twenty-year plan to mitigate for any further unanticipated increases to the contribution rates. While these are one-time funds that are gone once drawn down, they do allow large rate increases to be smoothed in over several years, which helps maintain stable operating costs.

Workers' Compensation

Workers' Compensation benefits are 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, high-risk positions, such as a Public Safety Officer, are charged a higher rate than administrative employees.

After a long trend of decreasing claims, the number of claims has increased sharply from FY 2011/12 to FY 2013/14 and projections were increased in response to this trend. For FY 2016/17, projections have been revised back down as leaves and claims have leveled off.

The cost per claim has risen due to rising medical costs and severity of the claims. The FY 2016/17 Recommended Budget project the total cost of claims will be approximately \$1.8million in FY 2016/17. The total budget in FY 2016/17 for claims and workers' compensation leaves is based upon the City's most recent actuarial analysis. Going forward, the long-term plan reflects a 2.5% annual increase in the cost of claims, which aligns with current actuarial assumptions.

Workers' compensation leave costs are projected throughout the long-term financial plan based on historical actual usage. Leave hours have fluctuated historically and underscore the importance of managing these leaves closely to minimize time off and ensure timely resolution of issues. The expense related to leave hours increases with projected salary increases, weighted by employee group, 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 approximately 3% annually based on the contract.

Due to the continuing trend of increasing average claim costs, FY 2016/17 reserve requirements continue to remain relatively flat to the level budgeted for in FY 2015/16. The Worker's Compensation reserve requirement is based on the most recent actuarial analysis. Similar to prior year budgets, this reserve is gradually increased to the actuarially determined amount of \$14.8 million by FY 2017/18 to avoid a significant increase to additive rates in any one year. 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 appropriate.

Insurance and Other Benefits

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 employee benefits programs, costs for their administration are contained in a Human Resources program in the General Fund and supported by indirect general administration overhead charges to the other funds.

The largest cost in this program is medical insurance for City employees, which is provided by CalPERS. Over the twenty-year plan, the cost for medical insurance is relatively flat compared to the current budget. Although the 2016 premium increase of 7.5% over the 2015 premium was less than the 10% we budgeted, additional enrollees offset the cost savings. Starting in FY 2014/15, the City started filling staff vacancies at a higher pace, with overall headcount gradually increasing from historical lows. We have updated our projections based on these increases as well as utilizing average historical turnover data. Medical premium increases are budgeted based on the assumptions in our latest actuarial valuation report for the City's Retiree Healthcare Plan, completed February 2015. Budgeted medical premium increases are, 7% in FY 2016/17, 6.5% in FY 2017/18, and decrease by 0.5% each year until it reaches 5% in FY 2020/21; increases are flat at 5% for the remainder of the twenty-year plan starting FY 2020/21.

Retiree medical premiums are projected to be flat over the twenty-year plan in the FY 2016/17 budget compared to the FY 2015/16 budget. The FY 2015/16 budget reset the cost base for the long term plan and particularly

for retiree medical costs for management employees. It should also be noted that steps have been taken to contain medical costs for both active and retired employees. Caps on City contributions were placed on both active and retired management employees beginning in FY 2007/08, and a 5% cap on increases to medical premiums is in effect for Sunnyvale Employees Association (SEA) retirees.

The latest actuarial valuation for the City's retiree medical costs, also referred to as "other post-employment benefits" (OPEB) for data as of June 30, 2014, reflected an unfunded liability of \$92.3 million, which is an increase of \$28.7 million over the current unfunded liability of \$63.6 million. This increase is due to a change in governmental accounting standards, which requires us to recognize the cost of medical premiums in a different manner. Because CalPERS charges the same premium for pre-Medicare retirees and actives, younger employees, who utilize less medical services on average, are essentially subsidizing older employees who, on average, have higher medical expenditures. This amount of subsidy is referred to as the "implied subsidy." The Governmental Accounting Standards Board (GASB) is requiring cities to recognize the implied subsidy as a retiree medical cost on our financial statements starting FY 2016/17. We are recognizing the implied subsidy in this latest OPEB valuation. To address the growing long-term medical costs seen in our actuarial valuations for our retiree medical liability and to pay down our unfunded liability, the City began funding a retiree medical trust fund in FY 2010/11 with an initial \$32.6 million contribution. At the end of FY 2014/15, the City will have contributed a total of \$50.9 million to the trust, with an additional \$40.7 million budgeted for contributions through FY 2029/30. The FY 2016/17 budget maintains the current annual contributions to the OPEB trust. As of March 2016, the trust has a market value of \$68.7 million.

By contributing to a retiree medical trust fund, the City will derive many benefits, including the reduction of future employer OPEB costs, as the earnings generated from trust fund investments will eventually be utilized to offset ongoing costs for the retiree medical insurance. Additionally, it will prevent OPEB obligations from being a significant liability on our balance sheets. It is also fiscally prudent in the City's current aging demographic situation, where the number of retirees is almost the same as the number of active employees.

There is also an Insurance Rate Uncertainty Reserve that provides funds for several uncertainties, including unanticipated changes in premium costs and adjustments to the City's contribution costs. This assists in leveling additive rates over the long term.

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.

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 property valuations for property insurance related costs. The property valuations have been updated to reflect the latest valuation, which was used to determine the premium for the FY 2015/16 policy year. 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. City staff also currently participates on its Board of Directors. The total amount paid for liability claims under \$500,000 can vary significantly from year-to-year.

In the FY 2016/17 budget, \$312,120 is budgeted for claims litigation; this amount is inflated and budgeted as an ongoing annual legal expense. In addition, a legal contingency is budgeted for \$140,000. While actual expenditures on claims litigation in the past five years have averaged \$253,200 a year, there can be significant variances in any single year. As such, this legal contingency serves to absorb cost overages in any given year. This is intended to be a lump sum appropriation to be used when legal costs exceed the \$312,120 annual budget, with the remaining amount to be carried over annually until it is completely expended.

It should be noted that, starting in the FY 2016/17 budget, a liability insurance rebate has been budgeted at \$100,000 a year. The City has

consistently received this annual rebate in the past, which varies every year depending on the equity balance in the program. CJPRMA's actuary determines the liabilities and the equity, and also determines the amount of "excess equity" to be distributed to members.

The reserve in this fund meets the recommended actuarially acceptable funding level as provided in an actuarial review of the program completed in December 2015.

Community Facilities District No. 3 Fund

In FY 2012/13, a new community facilities district (CFD) was formed. This new CFD (City of Sunnyvale Community Facilities District No. 3, Estates at Sunnyvale) will finance the maintenance and replacement of publicly-owned infrastructure and other improvements planned for in a 10-acre residential subdivision located at 770 Timberpine Avenue.

The developer contribution in FY 2012/13 totaled \$49,455. These were appropriated to a new project, Formation of Community Facilities District No. 3 to cover any non-contingent startup costs of forming the CFD, as well as the first six months of the annual operations, maintenance, and servicing costs of the bio-retention basins and associated facilities.

Ongoing annual operating costs of \$21,991 are included in the operating budget for FY 2016/17. These are funded by annual assessment revenues, which cover the annual operating cost and also provide for replacement costs scheduled in ten, thirty, and sixty year intervals. For the FY 2016/17 twenty-year plan, the reserves are strategically increased to cover two ten-year infrastructure replacement improvements, the first of which is planned for FY 2022/23 and the second in FY 2032/33.

Redevelopment Successor Agency Fund

In an effort to balance its budget in 2011, the State of California adopted legislation to dissolve all redevelopment agencies. As a result, all redevelopment agencies, including the Sunnyvale Redevelopment Agency (RDA), were legally dissolved on February 1, 2012.

The City elected to serve as the Successor Agency to the former RDA, overseeing the wind down process, subject to the control of a newly established Sunnyvale Oversight Board. The Oversight Board consists of

seven representatives made up of members from the City of Sunnyvale, the County of Santa Clara and local education and special districts within the Redevelopment Project Area. The actions of the Oversight Board are overseen by the State Department of Finance (DOF) and are subject to disapproval or modification.

A critical piece of the wind down process is the determination of enforceable obligations for payment from the former property tax increment allocation. While Debt service obligations for the Central Core Redevelopment Project Tax Allocation Bonds (TABs) and the reimbursement of lease payments for the Parking Facility Certificates of Participation (COPs) are recognized as enforceable obligations in the Dissolution Law, DOF has denied the COPs payments because the payments are pledged by lease rental payments required by the City. The lease arrangement with the City is a typical financing arrangement for COPs where a repayment agreement provides the funds for the lease payments, which in turn are used for debt service payments. At this time, DOF has not recognized the RDA's repayment contract with the City as eligible for payment from property tax increment.

Obligations of the 2010 Amended Disposition and Development and Owner Participation Agreement (ADDOPA), the current development agreement for the Town Center project, are enforceable obligations. This includes cost sharing for the environmental remediation of the site and the property tax sharing agreement. As part of the ADDOPA, the RDA agreed to return to the developer up to \$4.5 million per year of property tax increment generated by the project plus 50% of any receipts above this amount, in return for construction of the public infrastructure (streets and parking structures), through FY 2025/26.

A final determination has not been made on the loan repayments to the General Fund. The Dissolution Law specifically excludes most types of agreements between a redevelopment agency and its sponsoring community as an enforceable obligation after it is dissolved. However, follow-up dissolution legislation adopted in June of 2012, may allow the City to recover some of the loan repayments. Because a determination has not been made at the time the budget was being prepared, the FY 2016/17 Recommended Budget does not include loan repayments.

On May 23, 2013, the Successor Agency filed suit challenging DOF's interpretation that the City is not entitled to reimbursement of loan payments related to the financing of the original Town Center parking facilities. In response, Santa Clara County Counsel on behalf of two school districts filed a counter lawsuit against the Successor Agency. As a result, \$14 million in repayments that were made to the City prior to dissolution of the RDA are at risk in addition to future repayments. On July 8, 2014, the Sacramento County Superior Court issued its ruling on the two related cases which retroactively invalidated \$14.0 million in repayments legally made to the City. The Court's decision is pending on appeal by the Redevelopment Successor Agency.

Under the dissolution law, the Successor Agency cannot obtain a "finding of completion" until the funds owed are paid. The finding of completion allows the Successor Agency to receive certain benefits including the opportunity to obtain approval of repayment of loans made by the City to the former RDA. SB 107, signed into law September 22, 2015, provided that if a successor agency did not receive a finding of completion by December 31, 2015, it would never be eligible for a finding of completion. In order to obtain a finding of completion, the Successor Agency paid all amounts due prior to the deadline. The City's General Fund had included a set-aside which covered the full amount. If the Successor Agency subsequently receives a final judicial determination that reduces or eliminates the amount determined to be owed, the City will be reimbursed.

The FY 2016/17 Recommended Budget presents a financial plan for the Redevelopment Successor Agency's approved enforceable obligations. The plan includes debt service payments for the TABs, amounts owing to the Housing Fund, funding for special projects related to the wind down process, environmental remediation payments and projected property tax sharing payments (past accrued tax sharing payments and on-going) under the terms of the ADDOPA. The developer is not eligible to receive tax sharing payments until a milestone is met, projected in FY 2017/18.

The financial plan also includes administrative expenses. The Dissolution Law allows for reimbursement of administrative expenses, up to a cap. It should also be noted that administrative expenses are the last in line to be reimbursed from the former property tax increment allocation. Therefore, if

there are not enough funds to cover the administrative expenses, the General Fund would have to absorb these costs. Further, once the Redevelopment Successor Agency is fully wound down, all administrative costs that had previously been paid by tax increment will revert to the General Fund. These additional costs have been reflected in the General Fund long-term financial plan.

Fremont Pool Endowment (Trust) Fund

The Fremont Pool Trust Fund was established by the City in FY 2002/03 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 has an Endowment Reserve balance of \$1,048,435 as of the fiscal year ending June 30, 2016. The basic premise of this fund is that the corpus, or principal, is never expended, but invested with the interest generated each year used 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 contracted with California Sports Center (CSC), which has operated the Fremont Pool under a license agreement since 2002. City staff conducted a competitive Request for Proposals (RFP) to select a provider for pool operations beginning September 2013 and found CSC to be the most qualified operator for continuing pool operations.

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 2016/17 is \$213,606. Interest earnings on the Fremont Pool Trust Fund are projected to be \$10,484 and reflect a rising interest environment from near-zero interest. The Trust earnings pay approximately 4.9% of the City's annual costs. Revenues from operation of the Fremont Pool are projected to be \$53,844 for FY 2016/17 or 25.21% of total cost. The General Fund makes up the difference. In addition to operations and maintenance costs, the City also funds a project for the City's share of Fremont Pool infrastructure improvements.

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, it is critical to note the importance of allowing the pool's operator to charge market rates for use of the pool. It is also important to allow the operator to determine effective revenue-producing programming. The net revenue received by the City and the interest generated by the Fremont Pool Trust Fund are critical factors in allowing the pool to partially support itself financially.

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. The fund has gained interest which, in some years, exceeded the current year requirement resulting in an increased current fund balance of \$552,016. For FY 2016/17, it is recommended that the full amount of interest earned from the Swirsky Trust (approximately \$5,520) be used toward youth-at-risk programming in the Columbia Neighborhood service area, operated by the Department of Library and Community Services.

CITY OF SUNNYVALE
595. COMBINED GENERAL SERVICES FUND
FLEET/FACILITIES/TECHNOLOGY AND COMMUNICATIONS
LONG TERM FINANCIAL PLAN
JULY 1, 2015 TO JUNE 30, 2026

| | ACTUAL | CURRENT | BUDGET | PLAN | FY 2015/2016 TO FY 2025/2026 TOTAL |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | TOTAL |
| RESERVES/FUND BALANCE, JULY 1 | 13,975,499 | 14,521,074 | 9,895,141 | 7,471,451 | 4,931,950 | 5,240,610 | 4,026,087 | 5,392,976 | 7,496,284 | 5,746,627 | 6,682,726 | 6,282,855 | 14,521,074 |
| CURRENT RESOURCES: | | | | | | | | | | | | | |
| Equipment Rental | 13,793,755 | 14,231,073 | 14,768,173 | 15,336,111 | 15,765,171 | 16,190,272 | 16,614,554 | 17,181,671 | 17,769,535 | 18,378,834 | 18,989,754 | 19,621,137 | 184,846,286 |
| Facilities Rental | 4,608,005 | 4,781,977 | 4,946,955 | 4,625,403 | 4,784,054 | 4,946,712 | 5,112,922 | 5,283,693 | 5,459,112 | 5,606,508 | 5,746,670 | 5,890,337 | 57,184,342 |
| SUNGIS - Equipment and Maintenance | 99,780 | 94,010 | 96,360 | 98,769 | 101,238 | 103,769 | 106,363 | 109,022 | 111,748 | 114,541 | 115,100 | 117,978 | 1,168,897 |
| Comcast PEG Channel Grant | 242,443 | 236,848 | 242,779 | 251,276 | 260,071 | 269,174 | 278,595 | 288,345 | 298,438 | 308,883 | 319,694 | 330,883 | 3,084,986 |
| Sale of Property | 178,348 | 134,011 | 136,691 | 78,225 | 80,181 | 82,185 | 84,240 | 86,346 | 88,504 | 90,717 | 92,985 | 95,310 | 1,049,395 |
| Miscellaneous Revenues | 637,213 | 15,093 | 7,452 | 7,676 | 7,906 | 8,143 | 8,387 | 8,639 | 8,898 | 9,165 | 9,532 | 9,913 | 100,803 |
| Interest Income | 97,972 | 197,591 | 210,902 | 93,223 | 161,836 | 180,782 | 213,968 | 289,015 | 255,714 | 268,876 | 270,626 | 363,982 | 2,506,515 |
| Intrafund Loan Repayment | 500,000 | 500,000 | 444,292 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 944,292 |
| Transfer From Other Funds | 250,308 | 199,473 | 460,000 | 1,040,000 | 120,000 | 123,600 | 127,308 | 131,127 | 135,061 | 139,113 | 143,286 | 147,585 | 2,766,553 |
| TOTAL CURRENT RESOURCES | 20,407,826 | 20,390,075 | 21,313,604 | 21,530,682 | 21,280,457 | 21,904,637 | 22,546,337 | 23,377,859 | 24,127,010 | 24,916,637 | 25,687,648 | 26,577,124 | 253,652,069 |
| TOTAL AVAILABLE RESOURCES | 34,383,324 | 34,911,149 | 31,208,745 | 29,002,134 | 26,212,407 | 27,145,246 | 26,572,424 | 28,770,835 | 31,623,294 | 30,663,264 | 32,370,374 | 32,859,978 | 268,173,143 |
| CURRENT REQUIREMENTS: | | | | | | | | | | | | | |
| Equipment Replacement | 4,224,482 | 8,727,063 | 5,781,624 | 5,313,452 | 3,300,200 | 4,883,409 | 2,860,836 | 2,524,430 | 6,685,103 | 4,361,421 | 6,019,297 | 2,943,064 | 53,399,899 |
| SUNGIS - Equipment and Maintenance | 0 | 281,529 | 260,000 | 1,040,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,581,529 |
| Operations | 14,361,863 | 14,811,497 | 16,127,339 | 16,384,727 | 16,675,148 | 17,075,449 | 17,455,575 | 17,836,779 | 18,226,744 | 18,632,450 | 19,056,562 | 19,545,949 | 191,828,220 |
| Capital Projects | 0 | 78,752 | 281,600 | 514,998 | 63,672 | 346,378 | 0 | 0 | 0 | 0 | 0 | 0 | 1,285,400 |
| Special Projects | 0 | 0 | 121,600 | 41,000 | 42,025 | 43,076 | 44,153 | 45,256 | 46,388 | 47,547 | 48,736 | 49,955 | 529,735 |
| Project Operating | 0 | 0 | 0 | 20,808 | 21,224 | 21,649 | 22,082 | 22,523 | 22,974 | 23,433 | 23,902 | 24,619 | 203,214 |
| Transfer To SV Office Center Sub-Fund | 106,886 | 106,886 | 110,573 | 103,386 | 106,932 | 110,568 | 114,283 | 118,100 | 122,021 | 125,315 | 128,448 | 131,659 | 1,278,171 |
| Intrafund Loan Repayment | 500,000 | 500,000 | 444,292 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 944,292 |
| Transfer To Other Funds | 406,705 | 216,176 | 282,442 | 280,903 | 354,238 | 292,251 | 298,095 | 304,059 | 310,138 | 316,342 | 325,569 | 335,337 | 3,315,549 |
| Additional Transfer To Infrastructure | 262,315 | 294,106 | 327,824 | 370,909 | 408,359 | 346,380 | 384,425 | 423,403 | 463,300 | 474,028 | 485,004 | 496,234 | 4,473,972 |
| TOTAL CURRENT REQUIREMENTS | 19,862,250 | 25,016,008 | 23,737,294 | 24,070,184 | 20,971,798 | 23,119,159 | 21,179,448 | 21,274,550 | 25,876,667 | 23,980,537 | 26,087,519 | 23,526,817 | 258,839,981 |
| RESERVES: | | | | | | | | | | | | | |
| Equipment Replacement | 13,117,922 | 8,486,306 | 5,788,188 | 2,901,609 | 2,852,001 | 1,273,228 | 2,258,354 | 4,237,795 | 2,081,309 | 2,597,425 | 2,192,337 | 4,802,527 | 4,802,527 |
| Restricted KSUN Equipment Reserve | 1,000,562 | 1,193,764 | 1,371,832 | 1,620,142 | 1,877,171 | 2,137,653 | 2,413,052 | 2,427,898 | 2,722,978 | 3,028,420 | 3,033,078 | 3,355,776 | 3,355,776 |
| Restricted Tech Surcharge Reserve | 402,590 | 215,071 | 311,431 | 410,199 | 511,437 | 615,206 | 721,569 | 830,592 | 942,339 | 1,056,881 | 1,057,439 | 1,174,858 | 1,174,858 |
| TOTAL RESERVES | 14,521,074 | 9,895,141 | 7,471,451 | 4,931,950 | 5,240,610 | 4,026,087 | 5,392,976 | 7,496,284 | 5,746,627 | 6,682,726 | 6,282,855 | 9,333,162 | 9,333,162 |
| FUND BALANCE, JUNE 30 | 0 |
| FY 2016/17 Rental Rate Increase | | | 3.7% | 1.2% | 2.9% | 2.9% | 2.8% | 3.4% | 3.4% | 3.3% | 3.1% | 3.1% | |

**Community Condition
Indicators**



COMMUNITY CONDITION INDICATORS AND BALANCED GROWTH PROFILE

COMMUNITY CONDITION INDICATORS

The Community Condition Indicators (CCIs) have been presented as an integral part of the City’s budget for many years. The CCIs have traditionally been used as a measurement tool to evaluate and implement General Plan goals and policies. The CCIs today reflect the changes adopted by City Council at the May 8, 2007 Council meeting as part of the “Transitioning from a Growth to a Steady-State City” RTC #07-154. These indicators are the key demographic, economic, and physical data which describe the state of the City at a given point in time. The importance of reporting community condition indicators is that their numerical values change over time as the community changes, providing both a snapshot of current conditions and an indication of change over a longer time period.

BALANCED GROWTH PROFILE

The Balanced Growth (BGP) is a planning tool developed in 2007 (RTC #07-154), which can be used to monitor the City’s growth and determine the relative balance among the indicators of growth and infrastructure. The BGP assumes that Sunnyvale was in a reasonably balanced state in 2005 as indicated by the high level of satisfaction expressed by the population in the 2005 Resident Satisfaction Survey. The profile is extended one year each year, adding on the incremental growth and improvements from the preceding year. Currently, the BGP presents the first eight years, or 40 percent, of the 20-year planning horizon.

The first two rows in the BGP are the major indicators of growth: population and jobs. While there is a relationship between population and housing and between jobs and industrial/office/commercial (I/O/C) square footage, the City only has direct influence over housing units and I/O/C square footage. The projected growth in both indicators from 2005-2025 is based on the historic patterns of growth. These profiles do not reflect the full build-out of the General Plan as they account for only 60 percent of net new housing units and 73 percent of net new I/O/C square feet.

Projected population growth over 20 years is based on an average household size as applied to the number of new housing units and projected job growth is based on historic average employees per square foot. The final four bars (public school capacity, transportation capacity, utility capacity, and park capacity) represent the infrastructure needed to support the projected growth in population and jobs. The Community Vision Chapter of the General Plan explains that transportation, parks and utility bars may lag behind and then make large leaps due to the high cost of some of the improvements. The original profile did not include projections for parks and utilities, anticipating the completion of long-range plans for these items within the first few years of the profile when adopted in 2007.

GROWTH INDICATORS

POPULATION – HOUSING UNITS

JOBS – INDUSTRIAL/OFFICE/COMMERCIAL

INFRASTRUCTURE

With regard to supporting infrastructure and facilities (except for school capacity), capacity improvements necessary to support the expected growth will be determined based on several City of Sunnyvale infrastructure plans. These infrastructure improvement plans include (or will include) the estimated cost for capacity improvements. The cost for each improvement will be compared to the total program to determine the proportion (percent) of the total program that the improvement represents. The bar on the chart will be extended by an increment percentage as each improvement is completed. Only the transportation capacity improvements funded in whole or in part by the City of Sunnyvale are included in the BGP. Projects initiated and funded by the state, regional, and county agencies are not included. The Profile assumes that other jurisdictions are proceeding with planned capacity improvements at a reasonable pace in accordance with their plans.

SCHOOLS – As a proxy, school capacity is represented by the Sunnyvale School District capacity needs analysis (based on the Sunnyvale General Plan) prepared in 2003 and the required increase in classroom space.

TRANSPORTATION – Transportation improvements are based on the Transportation Strategic Plan (TSP) originally prepared in 2003 (updated in 2013) and the percent of projects completed.

PARKS– Council examined the desired amount of parks several times since 2007. Staff is currently in the process of identifying a tool for measuring park capacity improvements. The parks and open space capacity improvements plan is pending.

UTILITIES – The Water Utility Master Plan was adopted in 2010; the companion Wastewater Master Plan was adopted in 2015. Staff is currently in the process of identifying a tool for measuring utility capacity improvements.

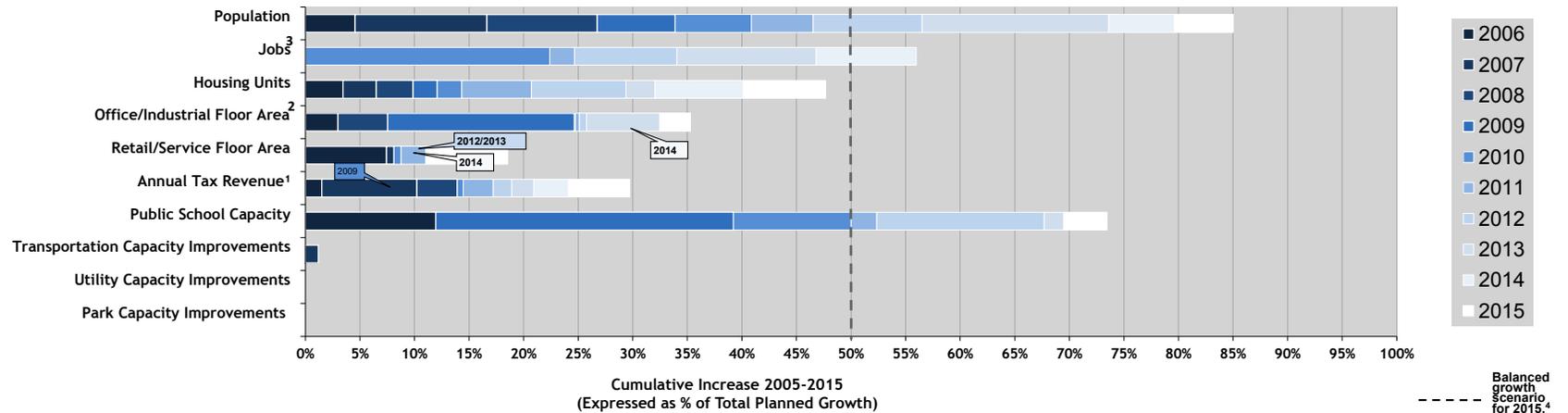
READING THE PROFILE

The profile is divided into 20 segments, each representing one year (five percent) of the 20-year timeline. The current year, 2015, is 50 percent of the profile. Each year the profile is updated to reflect the growth in population, housing, I/O/C square footage, and jobs from the prior calendar year, along with the completed capacity improvements. If all elements were growing in a balanced manner, all of the bars in the profile would be of equal length every year, extending exactly to the then current year. This will not always be the case. An imbalance in a single year does not signify a problem. An imbalance over multiple years, however, could be a concern to decision-makers, who may want to consider modifications of development policy or priorities to infrastructure improvements to respond to the rate of growth. As the Sunnyvale Community Vision is updated in the future, or as General Plan element updates result in different projected goals for 2025, the BGP must be recalibrated to reflect revised projected increases.

Readers may want to compare the physical changes (housing units and I/O/C square footage) to the occupancy of these structures (population and jobs) to aid in understanding growth in the community. For example, the housing units are below the current year mark yet the population bar exceeds the same mark; note too that the public school capacity improvements are also above the current year mark. Because all of the data is not available regarding other infrastructure it is premature to gauge whether there is a lack of balance relative to this infrastructure.

CURRENT BALANCED GROWTH PROFILE (January 1 to December 31, 2015)

| Balanced Growth Indices | Base Year 2005 | GOAL FOR 2025 | Total Planned Growth Net Increase 2005 to 2025 | 2007 Actual | 2008 Actual | 2009 Actual | 2010 Actual | 2011 Actual | 2012 Actual | 2013 Actual | 2014 Actual | 2015 Actual | 2015 Increment Increase (actual since 2014) | 2015 Increment (% of Total Planned Growth) |
|--|----------------|---------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---|--|
| Park Capacity Improvements | | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Utility Capacity Improvements | | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Transportation Capacity Improvements | | \$46,884,000 | \$46,884,000 | \$547,970 | \$547,970 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Public School Capacity | 5,373 | 6,729 | 1,356 | 5,535 | 5,535 | 5,905 | 6,051 | 6,083 | 6,291 | 6,315 | 6,315 | 6,369 | 54 | 4% |
| Annual Tax Revenue ¹ | \$72,271,030 | \$174,748,212 | \$102,477,182 | \$82,731,078 | \$86,536,989 | \$80,080,423 | \$80,640,616 | \$83,447,216 | \$85,189,946 | \$87,277,140 | \$90,536,760 | \$96,255,557 | \$5,718,797 | 6% |
| Retail/Service Floor Area ² | 5,784,000 | 7,500,000 | 2,200,000 | 5,962,662 | 5,962,662 | 5,962,662 | 5,976,840 | 6,027,052 | 6,005,338 | 6,000,788 | 5,978,104 | 6,142,624 | 164,520 | 7% |
| Office/Industrial Floor Area | 30,100,000 | 37,700,000 | 7,600,000 | 30,327,927 | 30,673,881 | 31,973,881 | 31,979,928 | 32,009,556 | 32,058,721 | 32,568,435 | 32,368,012 | 32,580,601 | 212,589 | 3% |
| Housing Units | 54,800 | 61,900 | 7,100 | 55,261 | 55,501 | 55,658 | 55,818 | 56,271 | 56,886 | 57,075 | 57,650 | 58,184 | 534 | 8% |
| Jobs ³ | 73,630 | 92,650 | 19,020 | n/a | n/a | n/a | 77,890 | 78,322 | 80,104 | 82,532 | 84,276 | n/a | n/a | n/a |
| Population | 132,725 | 150,725 | 18,000 | 135,721 | 137,538 | 138,826 | 140,081 | 141,099 | 142,896 | 145,973 | 147,055 | 148,028 | 973 | 5% |



Notes

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

2. This index only represents net new floor area, and does not reflect tenant improvements to existing floor area.

3. Data has been modified resulting in a decrease in base year, projections, and current year estimates. Association of Bay Area Governments (ABAG) data from 2010 and earlier. US Census data from 2011 to present. 2015 data not yet available.

4. In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2015 would be 50%.

COMMUNITY CONDITION INDICATORS 2015

| # | INDICATOR | 1990 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | SOURCE/NOTES |
|----|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|
| | POPULATION | | | | | | | | | | | | | | |
| | Number | | | | | | | | | | | | | | |
| 1 | • Total | 117,229 | 131,760 | 132,725 | 133,544 | 135,721 | 136,352 | 138,826 | 140,081 | 141,099 | 142,896 | 145,973 | 147,055 | 148,028 | CA Dept of Finance (Decennial Census used every 10 years, CA Dept of Finance estimate used in the interim) |
| 2 | ▫ Under 18 years (%) | 19.2 | 20.4 | 22.6 | 16.5 | 21.1 | 22.1 | 23.6 | 22.4 | 22.4 | 22 | 20.5 | 25.8 | n/a | 2014 updated with 2014 American Community Survey 1-Year Estimates; 2015 American Community Survey 1-Year Estimates not yet available |
| 3 | ▫ 19 – 64 years (%) | 70.4 | 69 | 61 | 72.7 | 68.9 | 66.8 | 66.1 | 66.4 | 66.9 | 67 | 65.4 | 63.1 | n/a | |
| 4 | ▫ 65 years and older (%) | 10.4 | 10.6 | 16.4 | 10.8 | 10 | 11.1 | 10.3 | 11.2 | 10.7 | 11 | 14.1 | 11.1 | n/a | |
| 5 | • Average household size | 2.42 | 2.49 | 2.42 | 2.43 | 2.63 | 2.54 | 2.72 | 2.61 | 2.68 | 2.6 | 2.6 | 2.74 | n/a | |
| 6 | • Sunnyvale public school enrollment | n/a | n/a | n/a | 12,128 | 12,725 | 12,320 | 13,404 | 13,700 | 14,031 | 14,343 | 15,129 | 14,721 | 15,176 | CA Dept of Education |
| 7 | • Sunnyvale private school enrollment | n/a | n/a | n/a | 4,079 | 4,025 | 3,811 | 3,802 | 3,726 | n/a | 3,858 | 4,011 | 4,118 | n/a | The City did not have the resources to collect data in 2015 |
| | Ethnicity/Origin | | | | | | | | | | | | | | |
| 8 | • Caucasian (%) | 71.6 | 53.3 | 45.9 | 45.8 | 45.8 | 43.0 | 40.8 | 43.0 | 47.3 | 45.0 | 46.7 | 50.1 | n/a | 2014 updated with 2014 American Community Survey 1-Year Estimates; 2015 American Community Survey 1-Year Estimates not yet available |
| 9 | • Asian / Pacific Islander (%) | 19.3 | 32.6 | 40.1 | 36.5 | 39.9 | 39.1 | 42.0 | 41.4 | 41.7 | 41.1 | 42.2 | 42.2 | n/a | |
| 10 | • African-American (%) | 3.4 | 2.2 | 3.8 | 3.9 | 2.8 | 1.8 | 1.4 | 2.0 | 1.3 | 2.0 | 2.6 | 1.6 | n/a | |
| 11 | • Other (%) | 5.7 | 11.9 | 10.2 | 13.8 | 11.5 | 16.1 | 15.7 | 13.6 | 9.7 | 11.9 | 8.5 | 6.1 | n/a | |
| 12 | • Foreign Born (%) | 22.5 | 39.4 | 43.7 | 41.8 | 46.3 | 43.7 | 42.9 | 42.2 | 45.5 | 44.5 | 44.2 | 44.5 | n/a | |
| 13 | • Hispanic Origin (%) | 13.2 | 15.5 | 16.6 | 18.1 | 13.8 | 16.1 | 18.8 | 18.9 | 20.4 | 18.3 | 13.7 | 18.3 | n/a | |
| | Education | | | | | | | | | | | | | | |
| 14 | • High school graduate or higher (%) | 87.1 | 89.4 | 90.2 | 90 | 90.7 | 90.4 | 89.5 | 92.7 | 91.6 | 89.4 | 92.1 | 92.3 | n/a | 2014 updated with 2014 American Community Survey 1-Year Estimates; 2015 American Community Survey 1-Year Estimates not yet available |
| 15 | • Bachelor degree or higher (%) | 37.1 | 50.8 | 54.4 | 52.2 | 58.3 | 55.1 | 55.5 | 56.7 | 58.9 | 50.8 | 59.6 | 62.5 | n/a | |
| 16 | • Graduate degree (%) | n/a | 21.9 | 24.3 | 24.4 | 27 | 26.3 | 25.9 | 26.5 | 30.1 | 21.9 | 27.6 | 32.9 | n/a | |
| | Income | | | | | | | | | | | | | | |
| 17 | • Median household income (\$) | 46,403 | 74,409 | 74,449 | 79,926 | 87,417 | 89,543 | 88,364 | 95,582 | 93,836 | 101,611 | 100,043 | 104,681 | n/a | 2014 updated with 2014 American Community Survey 1-Year Estimates; 2015 American Community Survey 1-Year Estimates not yet available |
| 18 | ▫ Population below poverty (%) | 2.5 | 3.8 | 5.4 | 8.2 | 5.0 | 4.3 | 6.8 | 8.0 | 8.5 | 7.8 | 8.1 | 7.1 | n/a | |

COMMUNITY CONDITION INDICATORS 2015

| # | INDICATOR | 1990 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | SOURCE/NOTES |
|----|--|------|--------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--|
| | Community | | | | | | | | | | | | | | |
| 19 | • Active neighborhood and business associations | n/a | n/a | n/a | 28 | 30 | 30 | 29 | 28 | 28 | 30 | 29 | 30 | 28 | LCS; 25 active neighborhood associations; 3 active business associations (Sunnyvale Downtown Association, Auto Dealers Association and Moffett Park Business Group). |
| 20 | • Residents rating city good place to live (%) | n/a | 92 | 94 | n/a | 93 | 92 | 87 | n/a | 92 | n/a | 94.0 | 94.0 | 90.0 | National Citizen Survey; Available every 2 years from 2009 |
| 21 | • Residents rating public services good to excellent (%) | n/a | 92 | 89 | n/a | 82 | 85 | 83 | n/a | 85 | n/a | 86.0 | 86.0 | 78.0 | |
| 22 | • Part I crimes | n/a | n/a | 2,220 | 2,170 | 2,070 | 2,040 | 2,130 | 2,444 | 2,150 | 2,752 | 2,953* | 2,871 | 2,530 | DPS; Calendar Year as reported to DOJ *Correction to total reported for 2013 |
| 23 | • Average emergency police response time (minutes) | n/a | n/a | 4:19 | 4:06 | 4:17 | 4:38 | 4:41 | 4:35 | 4:57 | 4:47 | 5:06 | 4:40 | 4:40 | DPS; Calendar Year |
| | ECONOMY | | | | | | | | | | | | | | |
| | Jobs | | | | | | | | | | | | | | |
| 24 | • Total number | n/a | 99,290 | 73,630 | n/a | n/a | n/a | n/a | 77,890 | 78,322 | 80,104 | 82,532 | 84,276 | n/a | US Census Longitudinal Employer-Household Dynamics from 2011 to present. 2015 data not yet available. Association of Bay Area Governments (ABAG) data from 2010 and earlier. |
| | Employment | | | | | | | | | | | | | | |
| 25 | • Labor Force | n/a | n/a | n/a | n/a | n/a | 75,700 | 74,900 | 74,600 | 76,600 | 78,600 | 79,300 | 83,100 | 85,200 | Annual average; Source: EDD Labor Market Info Div |
| | • Employed Residents | n/a | n/a | n/a | n/a | n/a | 71,800 | 67,800 | 67,400 | 70,200 | 73,000 | 74,600 | 79,200 | 82,000 | |
| | • Unemployed (% of labor force) | 2.6 | 4.3 | 4.1 | 3.9 | 4.3 | 5.1 | 9.4 | 9.6 | 8 | 7.1 | 5.8 | 4.7 | 3.7 | |
| 26 | • Jobs/employed resident | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 1.2 | 1.1 | 1 | 1.1 | 1 | n/a | #24 divided by #25 Employed Residents |
| 27 | • Employed residents working in Sunnyvale (%) | n/a | 23 | n/a | n/a | n/a | n/a | n/a | 25.8 | 26.6 | 19.6 | n/a | 22.9 | n/a | 2014 updated with 2014 American Community Survey 1-Year Estimates; 2015 American Community Survey 1-Year Estimates not yet available |
| 28 | • Employed residents in service jobs (%) | n/a | 8.9 | 13.5 | n/a | n/a | 7.8 | 10.9 | 10.6 | 12.2 | 11.8 | 12 | 9.4 | n/a | |
| 29 | • Employed residents in management/professional jobs (%) | n/a | 59.5 | 56.4 | n/a | n/a | 60.1 | 59.6 | 57.1 | 59.4 | 59.7 | 61 | 66 | n/a | |
| | Retail | | | | | | | | | | | | | | |
| 30 | • Retail & restaurant sales volume (\$ in millions) | n/a | 158.6 | 137.9 | 153.7 | 163.9 | 152.6 | 129.2 | 137.6 | 147.7 | 149.4 | 152.8 | 162 | 163 | HDL Business License Database |
| 31 | • Sales/sq. ft. (\$) | n/a | 51.2 | 23.9 | 25.8 | 27.5 | 25.6 | 21.7 | 23.0 | 24.5 | 24.9 | 25.5 | 27.1 | 26.6 | |

COMMUNITY CONDITION INDICATORS 2015

| # | INDICATOR | 1990 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | SOURCE/NOTES |
|----|---|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|--|
| | Hospitality | | | | | | | | | | | | | | |
| 32 | • Total Number of Hotel Rooms | n/a | 3,835 | 3,851 | 3,930 | 3,923 | 3,378 | 3,394 | 3,290 | 3,290 | 3,290 | 3,217 | 3,256 | 3,525 | Econ Dev; Calendar Year. Comfort Inn (Mathilda Ave), Ryan Hotel (Evelyn Ave) demolished |
| 33 | • Average hotel occupancy (%) | n/a | n/a | n/a | 72 | 63.27 | 64 | 57.6 | 62.2 | 71.2 | 72.1 | 77.1 | 78.7 | 79.8 | Econ Dev; Calendar Year. Average from major hotels: Grand Hotel, Sheraton, Wild Palms, Domain, Larkspur Landing |
| | | | | | | | | | | | | | | | |
| | Real Estate | | | | | | | | | | | | | | |
| 34 | • Total assessed value (\$ in billions) | n/a | n/a | 19.23 | 20.71 | 22.67 | 24.73 | 25.90 | 25.62 | 25.93 | 26.90 | 29.25 | 31.43 | 34.80 | SCC Assessor's Annual Report |
| 35 | • Vacant office, industrial, R&D (%) | 11.7 | 2 | 15.4 | 12.2 | 13.6 | 17.1 | 20.6 | 18.8 | n/a | 8.8 | 8.3 | 6.6 | 6 | CoStar Real Estate Web |
| | ▫ Vacant office (%) | n/a | n/a | n/a | n/a | 9.7 | 13 | 19 | 18.6 | 16.4 | 7.0 | 9.3 | 5.6 | 6.8 | CoStar Real Estate Web |
| | ▫ Vacant industrial/R&D (%) | n/a | n/a | n/a | 12.2 | 11.1 | 13.8 | 15.3 | 13 | 12.8 | 9.8 | 7.8 | 7.1 | 5.2 | CoStar Real Estate Web |
| 36 | • Average office/industrial rent (\$/sq. ft.) | 0.71 | 3.47 | 1.34 | 1.48 | 2.09 | 2.77 | 1.93 | 1.76 | n/a | 2.03 | 2.30 | 2.55 | 3.39 | CoStar Real Estate Web |
| | ▫ Average office rent (\$/sq. ft.) | n/a | n/a | n/a | n/a | 2.89 | 2.87 | 2.52 | 2.57 | 2.51 | 3.54 | 3.70 | 4.11 | 4.22 | CoStar Real Estate Web |
| | ▫ Average industrial/R&D rent (\$/sq. ft.) | n/a | n/a | n/a | 1.48 | 1.32 | 1.32 | 1.10 | 1.08 | 1.17 | 0.51 | 1.41 | 1.59 | 2.55 | CoStar Real Estate Web |
| 37 | • Average apartment rent (3 bedroom) (\$) | n/a | 2,600 | 2,200 | 1,822 | 2,138 | 2,380 | 2,093 | 2,209 | 2,456 | 2,662 | 3,092 | 3,370 | 3,448 | RealFacts V/R-2013 Survey, 4th quarter Data |
| 38 | • Housing rental vacancy rate (%) | n/a | n/a | 2.99 | 2.37 | 2.72 | 4.7 | 5.1 | 3.4 | 3.5 | 3.9 | 5.4 | 3.9 | 3.6 | RealFacts V/R-2013 Survey, 4th quarter Data |
| 39 | • Median single-family detached home price (\$) | n/a | 618,000 | 790,000 | 835,000 | 850,538 | 901,000 | 750,000 | 795,000 | 785,000 | 865,000 | 1,012,500 | 1,218,000 | 1,365,280 | ReReport.com (2009 to 2012 corrected)(Closed sales per MLS for Sunnyvale only, annual report for each calendar year) |
| 40 | • Median single-family attached home (townhouse/condo) price (\$) | n/a | 390,000 | 545,000 | 555,000 | 565,468 | 562,000 | 496,250 | 472,000 | 460,000 | 519,000 | 643,500 | 793,300 | 966,000 | ReReport.com (2009 to 2012 corrected)(Closed sales per MLS for Sunnyvale only, annual report for each calendar year) |
| 41 | • Valuation of new construction permitted (\$ in millions) | 16.3 | 235.9 | 115.1 | 101.4 | 335.7 | 280.3 | 66.7 | 121.3 | 190.4 | 224.6 | 202.2 | 321.6 | 302.5 | CDD SunGIS |
| | | | | | | | | | | | | | | | |
| | Tax Base | | | | | | | | | | | | | | |
| 42 | • Property tax revenue (\$ in millions) | 15.8 | 18.7 | 29.5 | 32 | 35.8 | 39.95 | 42.26 | 43.7 | 42.4 | 43.4 | 47.6 | 50.3 | 54.9 | FIN; FY 14/15 |
| 43 | • Sales tax revenue (\$ in millions) | 21.5 | 30 | 24.9 | 28.4 | 30.8 | 29.71 | 25.07 | 25.43 | 29.2 | 30.3 | 30.0 | 30.2 | 29.7 | |
| 44 | • Transient occupancy tax revenue (\$ in millions) | 3.6 | 9.8 | 5.1 | 5.6 | 6.4 | 7.35 | 5.69 | 5.58 | 6.6 | 7.8 | 9.0 | 10.9 | 14.1 | |

COMMUNITY CONDITION INDICATORS 2015

| # | INDICATOR | 1990 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | SOURCE/NOTES |
|----|---|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---|
| | PHYSICAL CITY | | | | | | | | | | | | | | |
| | Land Use | | | | | | | | | | | | | | |
| 45 | • Land area (sq. mi.) | 22.81 | 22.82 | 22.86 | 22.86 | 22.86 | 22.86 | 22.86 | 22.86 | 22.86 | 22.86 | 22.86 | 22.86 | 22.86 | |
| 46 | ▫ 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 | 15.46 | 15.46 | 15.46 | CDD SunGIS. Vacant includes sites Under Construction (i.e. Downtown, Moffett Place, Moffett Gateway, 520 and 620 E. Weddell and other industrial to residential sites). Seven Seas Park added. Butcher's Corner land area will be added in 2016 report. |
| 47 | • Vacant land area (%) | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 1 | 0.6 | 0.7 | 0.9 | 1.6 | 2.0 | |
| 48 | • Residential area (%) | n/a | 52.7 | n/a | 52.4 | 52.6 | 55 | 55 | 52.8 | 53.7 | 53.7 | 53.7 | 54.0 | 54.1 | |
| 49 | • Office/industrial land area (%) | n/a | 24.2 | n/a | 26.2 | 26 | 25.2 | 25.2 | 25.1 | 25.2 | 25.2 | 25.0 | 24.2 | 23.9 | |
| 50 | • Retail/service land area (%) | n/a | 7.5 | n/a | 6.8 | 6.8 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.4 | 6.4 | |
| 51 | • City parks and open space (%) | n/a | 7.4 | n/a | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | 7.4 | |
| 52 | • Other (%) | n/a | 7.4 | n/a | 7 | 7 | 5.7 | 5.7 | 7.4 | 6.7 | 6.6 | 6.6 | 6.4 | 6.2 | |
| | Transportation | | | | | | | | | | | | | | |
| 53 | • Vehicle miles traveled in weekday (millions of miles) | n/a | 2.31 | 2.23 | 2.25 | 2.28 | 2.21 | 1.83 | 1.97 | 2.28 | 1.86 | 2.05 | 2.06 | 2.01 | DPW Traffic |
| 54 | • Intersections not meeting LOS standards | 1 | 1 | 0 | 0 | n/a | 0 | n/a | 0 | n/a | 0 | n/a | n/a | n/a | DPW Traffic; CMP intersections monitoring conducted every 2 years by VTA (pending) |
| 55 | • Transit boardings/de-boardings per day | n/a | 25,122 | 19,451 | 19,824 | 22,428 | 24,580 | 21,647 | 22,405 | 22,158 | 25,426 | 30,698 | n/a | 24,931 | VTA & Caltrain (Caltrain: 5272; VTA pending) |
| 56 | • Miles of streets | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300.8 | 300.8 | 300.8 | DPW Traffic |
| 57 | • Miles of bikeways | n/a | 65 | 79 | 79 | 82.9 | 83.1 | 83.8 | 84.2 | 85.2 | 87.9 | 88.2 | 88.2 | 88.2 | DPW Traffic |
| | Housing | | | | | | | | | | | | | | |
| 58 | • Total housing units | n/a | 53,474 | 54,802 | 55,045 | 55,261 | 55,501 | 55,658 | 55,818 | 56,271 | 56,886 | 57,075 | 57,650 | 58,184 | CDD SunGIS ; Includes redeveloped sites in Morse Ave Fair Oaks and E Evelyn ITR area, Townhomes on El Camino Real (former Chevy dealership) Condos ITR west of Lawrence, Parkside Studios is added to Specialty units |
| 59 | ▫ Single-family detached (includes accessory living units) | n/a | 21,091 | 21,228 | 21,265 | 21,276 | 21,299 | 21,324 | 21,351 | 21,360 | 21,375 | 21,424 | 21,446 | 21,456 | |
| 60 | ▫ Townhomes and Condos (ownership) | n/a | 4,755 | 5,123 | 5,240 | 5,701 | 5,918 | 6,050 | 6,183 | 6,311 | 6,483 | 6,623 | 6,693 | 6,880 | |
| 61 | ▫ Mobile Homes | n/a | 4,056 | 3,989 | 3,989 | 3,960 | 3,960 | 3,960 | 3,960 | 3,960 | 3,960 | 3,960 | 3,960 | 3,960 | |
| 62 | ▫ Duplexes | n/a | 1,598 | 1,598 | 1,598 | 1,598 | 1,598 | 1,598 | 1,598 | 1,598 | 1,598 | 1,598 | 1,600 | 1,600 | |
| 63 | ▫ Three or more attached units (rental) | n/a | 20,949 | 21,681 | 21,704 | 21,477 | 21,477 | 21,477 | 21,477 | 21,669 | 22,097 | 22,097 | 22,578 | 22,856 | |
| 64 | ▫ Specialty units (i.e. senior/affordable housing developments) | n/a | 1,025 | 1,183 | 1,249 | 1,249 | 1,249 | 1,249 | 1,249 | 1,373 | 1,373 | 1,373 | 1,373 | 1,432 | |
| 65 | • Owner occupied (%) | 48.9 | 47.6 | 49.1 | 50.2 | 48.9 | 52.3 | 49.6 | 48.0 | 47.0 | 47.4 | 46.9 | 46.5 | n/a | 2014 updated with 2014 American Community Survey 1-Year Estimates; 2015 American Community Survey 1-Year Estimates not yet available |

COMMUNITY CONDITION INDICATORS 2015

| # | INDICATOR | 1990 | 2000 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | SOURCE/NOTES |
|----|--|------|---------|---------|---------|-----------|---------|---------|---------|---------|-----------|---------|-----------|---------|---|
| 66 | • Over 20 years old (%) | n/a | 83 | 88 | 88 | 88 | 90 | 90 | 90 | 92 | 92 | 90 | 90 | 91 | CDD SunGIS |
| 67 | • Total affordable units | n/a | n/a | 1,465 | 1,452 | 1,452 | 1,412 | 1,688 | 1,774 | 1,753 | 1,845 | 1,860 | 1,879 | 1,950 | CDD Housing Div (pre-2009 data did not include BMR homeowner units. Data for 2015 is total as of Dec. 2015) |
| 68 | • New units receiving building permits | n/a | 504 | 199 | 276 | 305 | 360 | 118 | 853 | 490 | 217 | 661 | 790 | 862 | CDD SunGIS |
| 69 | ▫ Intended for ownership | n/a | 57 | 199 | 276 | 305 | 360 | 118 | 109 | 211 | 217 | 145 | 271 | 192 | |
| 70 | ▫ Rental | n/a | 447 | 0 | 0 | 0 | 0 | 0 | 744 | 279 | 0 | 516 | 519 | 671 | |
| | Office/Industrial | | | | | | | | | | | | | | |
| 71 | • Total floor area (sq. ft. in millions) | n/a | 27.8 | 30.1 | 30.3 | 30.3 | 30.7 | 32.0 | 32.0 | 32.0 | 32.0 | 32.6 | 32.4 | 32.6 | CDD SunGIS; Moffett Place |
| 72 | ▫ Class A (%) | n/a | n/a | n/a | 17.2 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | Econ Dev |
| 73 | • New floor area permitted (sq. ft.) | n/a | 660,975 | 151,200 | 146,368 | 2,780,657 | 831,705 | 675 | 29,278 | 774,098 | 1,070,523 | 671,402 | 1,398,987 | 829,323 | Building permits; CDD SunGIS |
| 74 | • No. of patents received | 413 | 3,034 | 2,899 | 3,626 | 3,177 | 3,177 | 3,556 | 4,795 | 5,017 | 5,448 | 6,199 | 6,973 | 6,686 | U.S. Patent and Trademark Office; Calendar Year |
| | Retail/Services | | | | | | | | | | | | | | |
| 75 | • Total floor area (sq. ft. in millions) | n/a | 3.1 | 5.78 | 5.95 | 5.96 | 5.96 | 5.96 | 5.98 | 6.03 | 6.01 | 6.00 | 5.97 | 6.13 | CDD SunGIS; City Sports Club and Public Storage bldg |
| 76 | • Floor area/capita (sq. ft.) | n/a | n/a | 43.5 | 44.6 | 43.9 | 43.7 | 42.9 | 42.7 | 42.7 | 42.0 | 41.1 | 40.6 | 41.4 | #75 divided by #1 |
| 77 | • New floor area permitted (sq. ft.) | n/a | 0 | 240,000 | 8,000 | 5,000 | 293,000 | 229,494 | 127,838 | 0 | 12,000 | 49,496 | 0 | 0 | Building permits; CDD SunGIS |
| | Environment | | | | | | | | | | | | | | |
| 78 | • Sunny days | n/a | n/a | 300 | 300 | 292 | 293 | 293 | 272 | 286 | 293 | 327 | 293 | 316 | www.wunderground.com |
| 79 | • Rainfall (in.) | n/a | 13.12 | 13.06 | 8.15 | 6.42 | 9.42 | 10.25 | 11.12 | 10.75 | 17.36 | 12.28 | 11.85 | 6.42 | ESD/SCVWD |
| 80 | • Days ozone standard exceeded | n/a | n/a | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | BAAQMD |
| 81 | • Recycled solid waste (%) | 18 | 56 | 61 | 63 | 63 | 63 | 65 | 67 | 66 | 65 | 65 | 64 | n/a | Calrecycle: data available in September of each year; 2014 updated |
| | • Disposal per resident (lbs/day) | n/a | n/a | n/a | n/a | 4 | 4 | 3.5 | 3.3 | 3.4 | 3.5 | 3.5 | 3.6 | n/a | |
| | • Disposal per person employed within the city (lbs/day) | n/a | n/a | n/a | n/a | 6.3 | 6.5 | 6.5 | 6.3 | 5.8 | 6 | 6.3 | 6.1 | n/a | |
| 82 | • Number of street trees | n/a | 36,341 | 37,000 | 37,000 | 37,000 | 36,935 | 36,889 | 36,889 | 37,000 | 37,000 | 37,000 | 37,000 | 37,000 | Approximate; DPW Trees |
| 83 | • Average daily water consumption/capita (gal.) | n/a | 161 | 180 | 139 | 153.18 | 153.7 | 145.42 | 130.71 | 127.15 | 128.60 | 130.95 | 115.39 | 94.21 | ESD |
| 84 | • Average daily electric energy use/capita (kwh) | n/a | n/a | n/a | 33.16 | 71.6 | 81.1 | 79.7 | 78.6 | 80.2 | 78.3 | 77.5 | 74.5 | 72.2 | ESD/PG&E; Whole City. |
| 85 | • Average daily gas use/capita (therms) | n/a | n/a | n/a | n/a | 1.9 | 2.9 | 2.8 | 2.8 | 2.9 | 2.9 | 2.9 | 2.6 | 2.6 | ESD/PG&E; Whole City. |
| 86 | • Average daily landings at Moffett Federal Airfield | n/a | 33 | 25 | 25 | 26 | 23 | 19 | 15 | 17 | n/a | n/a | n/a | 12 | Planetary Ventures as of April 2015. Data is from April-December 2015 |

**Budget
Supplements**

FY 2016/17 Budget Supplements

| No. | Title | Cost | Fund | Recommendation |
|-----|---|--|--------------|---|
| 1 | Silicon Valley Talent Partnership | \$3,000 annually for 3 years \$9,000 total | General Fund | Recommended for Limited Duration Funding |
| 2 | Implementation of Green Bike Lanes | \$250,000 one-time | General Fund | Recommend partial funding/Defer to Projects Budget Cycle for further review |
| 3 | Tenant-Landlord and Community Mediation Services | \$45,000 one-time | General Fund | Recommended for Funding |
| 4 | Safe Routes to School | \$176,279 one-time + \$453,637 over 3 years | General Fund | Recommended for Limited Duration Funding |
| 5 | Care Management | \$81,264 annually \$2,108,776 over 20 years | General Fund | Recommended for Funding |
| 6 | Inflation Adjustment to Planned Supplemental Human Services Funding | \$478,332 over 20 years | General Fund | No action as Council has the discretion to fund above or below average rate of expenditure based on its assessment of need. |
| 7 | Sustainability Speaker Series | \$25,000 annually \$131,408 over 5 years | General Fund | Recommended for Limited Duration Funding, Limited to Five Years |
| 8 | Scoping of Grade Separation for Caltrain Crossings at Mary Avenue and Sunnyvale | \$500,000 one-time | General Fund | Recommended for Funding |
| 9 | Vision Zero | \$150,000 one-time | General Fund | Recommended for Funding |
| 10 | Update to the Murphy Avenue Design Guidelines | \$25,000 one-time | General Fund | Recommended for Funding |

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BUDGET SUPPLEMENT NO: 1

May 5, 2016

SUBJECT: Silicon Valley Talent Partnership Funding Request

BUDGET SUPPLEMENT REQUEST SUMMARY

Silicon Valley Talent Partnership (SVTP) requests funding to continue to provide support in coordinating small business workshops and other services that may include specialized applications in support of City services. Staff supports annual funding in the amount of \$3,000 for a period of three years.

BACKGROUND

SVTP partnered with the City of Sunnyvale to develop the Small Business Ignite: Sunnyvale (SBI) business workshop series and the IGreenSunnyvale app. SVTP is a nonprofit 501(c)3 organization, which creates, sources, and manages innovative and meaningful pro-bono partnerships between private sector volunteers and civic agencies. SVTP serves as a bridge that brings talent from the private sector to make an impact in different communities, including San Jose, Santa Clara, Palo Alto and Sunnyvale. They have completed 23 projects with over 427 volunteers.

The SBI program, a series of business workshops created by City staff and SVTP in 2015, targeted Sunnyvale businesses with less than 50 employees. The first session focused on marketing tools for small businesses and was held in May 2015. Two additional sessions focusing on the social media aspects of marketing were held in September and November 2015. These sessions, which were attended by about 100 small business owners, were developed through outreach and surveys and coordinated by City staff, SVTP staff and volunteers. Some of the retailers, hoteliers, chiropractors, and veterinarians that attended the sessions found the information very beneficial and asked that the City continue to provide the workshops. Trainers recruited by SVTP included Zeal Mark's CEO and ZingPop Social Media's Founder.

SVTP staff developed outreach tools and materials as well as an online registration page for the SBI workshops. Staff used flyers, social media and visits to Sunnyvale small businesses to promote the SBI workshops.

SVTP also supported the Environmental Services Department's efforts to engage the community around energy efficiency as a part of the department's participation in the Georgetown University Energy Prize (GUEP) competition. SVTP assisted staff in researching and identifying suitable mobile apps that would meet the City's objective to create a platform that would "gamify" sustainability actions and allow community members to track their sustainable behaviors and compete with friends (an idea that originated from a community brainstorm). This resulted in connecting the City with JouleBug, an app

developer that developed the IGreenSunnyvale app for the City. IGreenSunnyvale was launched on January 30, 2016 and is competing for GUEP's award that will recognize the community that develops the most effective, innovative and scalable projects.

EXISTING POLICY

Policy 7.1.5 Grants, Donations, Contributions and Sponsorships:

Allow the solicitation of donations, contributions and sponsorships, as well as the submittal of applications for grant monies, to support City programs, events and services.

General Plan, Chapter 2, Community Vision, Policy CV-1.3c:

Facilitate the development of relationships and partnerships among community organizations, the business community and the City to achieve common goals.

DISCUSSION

SVTP works with different organizations in support of services to the community. The City began a partnership with them in early 2015. The first project developed was the Small Business Ignite: Sunnyvale program. Small Business Ignite is a year-long series of in-person trainings, networking sessions, and mentoring sessions for small business owners to accelerate the success of their small businesses in Sunnyvale. This program attracted about 100 participants during three business workshops held in May, September and November 2015. Currently, Sunnyvale has about 7,800 active businesses (including home based businesses) and about 7,600 of those businesses have less than 50 employees. Based on feedback from past workshops attendees, a business finance series of workshops would be most desirable as past attendees wanted to learn more about business financials, budgeting, accounting, and taxes. Staff believes about four sessions could be planned for FY 2016/17. SVTP would provide staff to assist in coordinating presenters, marketing, registration, and would work with City staff to find the appropriate location for each workshop. However, SVTP needs to have funding confirmation prior to committing to the workshops.

Economic Development staff is proposing to continue this partnership to develop additional community events that include business expos focusing on Sunnyvale businesses. The expos would be coordinated to promote different types of business clusters. This may include a technology expo and biotechnology expo in order to show the community what lesser known Sunnyvale businesses have to offer.

SVTP continues to support the City's IGreenSunnyvale app. Since SVTP connected the City with marketing students at Santa Clara University, they will work on facilitating a second session with the students to identify strategies to

continue to promote the IGreenSunnyvale app. They will also work with the City's Environmental Services Department to identify additional opportunities to promote IGreenSunnyvale to the community and local businesses.

SERVICE LEVEL IMPACT

Funding of this budget supplement would increase service levels by increasing the number of events and workshops promoting the Sunnyvale business community.

FISCAL IMPACT

This budget supplement would appropriate \$3,000 from the General Fund to SVTP on an annual basis for a total of \$9,000 at the end of the project life. The annual funding would be disbursed in July of each year.

ALTERNATIVES

1. Approve the \$3,000 annual funding for three fiscal years and direct staff to create a project budget account to distribute in July of each fiscal year.
2. Do not approve the \$3,000 annual funding request.
3. Other direction as provided by Council.

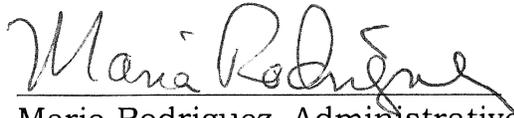
STAFF RECOMMENDATION

Staff recommends Alternative 1: Approve the \$3,000 annual funding for three fiscal years and direct staff to create a project budget account to distribute annually in July of each fiscal year.

Staff recommends approval of the annual funding for the next three years. SVTP provided support to staff to enhance current City programs and services. Supporting the small business community is an integral part of Economic Development. The workshops connect participating businesses with industry experts to develop business plans, marketing strategies and expand customer bases through social media and sharing best practices. Providing these workshops is a way for the City to support the small business community and to help them acquire the latest tools to help them succeed. Through partnerships developed by SVTP with current business owners and entrepreneurs, staff is able to increase outreach and attract a larger and diverse group of business owners. Staff plans to expand the partnership to develop business expos. SVTP has the tools and staff in place to support coordination and marketing for these types of events.

SVTP's partnership with Environmental Services enabled them to partner with JouleBug to develop the IGreenSunnyvale app. This app will provide the tools necessary for the City to compete in the Georgetown University Energy Prize competition. SVTP will continue to work with staff in promoting the app and to coordinate a second outreach session to identify opportunities to expand outreach and promotion to the community.

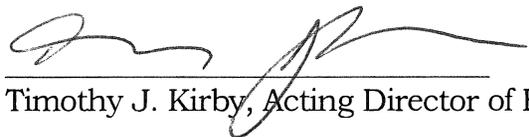
Prepared by:


Maria Rodriguez, Administrative Analyst

Reviewed by:


Connie Vercelles, Economic Development Manager

Reviewed by:


Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding


Deanna J. Santana, City Manager

BUDGET SUPPLEMENT NO: 2

May 5, 2016

SUBJECT: Funding for the Implementation of Green Bike Lanes at Three to Five Intersections

BUDGET SUPPLEMENT REQUEST SUMMARY

Green bike lanes are a new standard for the City to help increase bike ridership. This budget supplement will allow for the installation of green bike lanes at 3-5 intersections in FY 2017/18. Funding for the on-going maintenance will be addressed during the project budget cycle in FY 2017/18.

BACKGROUND

On March 15, 2016, the City Council held a Study Session to discuss the City's bicycle program. A key item in the study session was green bike lanes, the City's new green bike lane standards, and their cost and implementation. As part of the Study Session, City Council requested consideration for a new project that would fund a green bike lane project at 3-5 new locations per the City's new green bike lane standards.

EXISTING POLICY

General Plan, Chapter 3, Land Use and Transportation, Policy LT-1.9b: Promote modes of travel and actions that reduce single-occupant vehicle trips and trip lengths.

General Plan, Chapter 3, Land Use and Transportation, Policy LT-5.5: Support a variety of transportation modes.

General Plan, Chapter 3, Land Use and Transportation, Policy LT-5.8: Provide a safe and comfortable system of pedestrian and bicycle pathways.

General Plan, Chapter 5, Housing, Policy HE-6.3: Continue a high quality of maintenance for public streets, rights-of-way, and recreational areas, and provide safe pedestrian, bike, and transit linkages (accessibility) between jobs, residences, transportation hubs, and goods and services.

DISCUSSION

The City has goals to increase bike ridership, and new bicycle standards are being introduced to make riders more comfortable. Many Cities have implemented green bike lanes, and the City has developed its own standards for implementation. Based on the new City standards, staff anticipates that 25-50 locations could initially qualify for green color treatment. The estimated cost for initial installation will vary on the number of approaches and length of green lanes and is estimated to range between \$18,000- \$72,000 for each location. The proposed funding of \$250,000 will implement 3-5 locations.

The green lanes will require maintenance within 3-5 years, and the maintenance cost is expected to be approximately 50% of the initial installation cost. The funding for the on-going maintenance will be addressed during the project budget cycle next year.

SERVICE LEVEL IMPACT

There is no impact to service levels.

FISCAL IMPACT

The initial cost is \$250,000. After initial implementation, staff will review maintenance levels and propose funding for consideration in the project budget cycle next year. This project is funded by the General Fund.

ALTERNATIVES

1. Approve the supplement as proposed.
2. Do not approve the budget supplement and direct the City Manager to bring the project back during the FY 2017/18 project budget cycle.
3. Do not approve the budget supplement and do not proceed with green bike lane installation.

STAFF RECOMMENDATION

Staff recommends approval of the budget supplement as proposed. Green bike lanes align with the City's General Plan and bicycle goals.

Prepared and Reviewed by:



Manuel Pineda, Director of Public Works

Reviewed by:

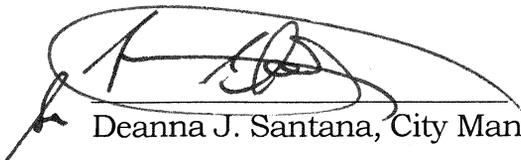


Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

BUDGET SUPPLEMENT NO: 3

May 5, 2016

SUBJECT: Funding for Tenant-Landlord and Community Mediation Services

BUDGET SUPPLEMENT REQUEST SUMMARY

This supplement would provide one-time funding in FY 2016/17 for tenant-landlord and community mediation services by the contractor currently providing these services, Project Sentinel. The focus of this service is on tenant/landlord disputes, but other types of community disputes can also be accommodated to the extent possible. Approval of this request would allocate \$45,000 from the General Fund for this purpose.

BACKGROUND

Sharply increasing rents and fierce competition for available rental units have been a topic of much local and regional concern and media coverage in the last several years. Average asking rents for apartments in Santa Clara County increased by nearly 9% at the end of 2015, reaching an average of \$2,575, according to RealFacts. The average one-bedroom apartment rent in Sunnyvale was \$2,391 in the last quarter of 2015.

Another trend that has been generating continued requests for assistance, according to local service providers, is the increased incidence of habitability problems, such as pests, mold, and other hazards or code compliance issues. These arise as lower-income renters have been driven to rent more marginal or poorly maintained units, because the rents for higher-quality units have increased beyond what they can afford. Many renters are afraid to complain to their landlords until the problem becomes very severe for fear they will be evicted. In such situations, tenant-landlord mediation can help tenants and landlords work amicably to get such problems corrected, reducing the burden on city code enforcement staff to mediate between two parties that are often at odds over such situations. One way to respond to resident concerns about rent increases and related concerns is to provide landlord-tenant mediation services to mediate between the tenant and landlord in such situations. The City has funded dispute resolution services provided by an outside agency for several years. Most of the disputes handled were related to housing issues, primarily tenant/landlord disputes; however other types of cases were also handled, many of which were referred by Department of Public Safety staff, particularly from the Neighborhood Preservation Division, such as disputes between neighbors, or between residents and adjacent businesses. In 2009, a three-year services contract for these services ended.

In FY 2013/14 the City Council allocated \$20,000 from the General Fund for this service. A contract for this service was subsequently awarded to Project Sentinel. In FY 2014/15, Council approved a budget supplement of \$30,000 for this program. So far this fiscal year, Project Sentinel is on track to meet its annual performance objectives goals under its current contract with the City.

Services primarily benefit low income Sunnyvale tenants to maintain and stabilize their housing. Most of the Sunnyvale cases relate to Tenant/landlord disputes, due mainly to eviction and/or termination of tenancy, concerns about repairs or habitability, while some cases relate to disputes between other community members, such as between neighbors, resident/business conflicts, HOA matters, or issues with mobile home park managers and tenants.

Although the County of Santa Clara also provides a community mediation program to all county residents, County staff have reported to City staff that they do not have the capacity to handle the volume of calls they have been receiving from community members throughout the County. Some Sunnyvale residents also reported not getting timely service through the County program when the City's program was suspended for several years. In addition, the County does not typically fund this type of service on a county-wide basis, as it is not one of the state or federally mandated social services programs provided by counties in California (such as CalWorks or MediCal).

In an attempt to secure other funding for this program Project Sentinel applied for a CDBG Human Services grant of \$50,000 in response to the CDBG biennial request for proposals issued by Housing staff in January 2015. However, its proposal was the lowest-ranked of those received in this category, and there was not enough funding for all of the proposals received, therefore this program was not recommended for funding.

EXISTING POLICY

General Plan, Housing Sub-Element, Goal HE-5:

Promote equal housing opportunities for all residents, including Sunnyvale's special needs populations, so that residents can reside in the housing of their choice.

General Plan, Housing Sub-Element, Goal HE-5.1:

Support the provision of fair housing services and tenant/landlord mediation to residents.

DISCUSSION

Sunnyvale has a long tradition of supporting tenant/landlord mediation and dispute resolution services to help local renters and landlords, as well as other community members, resolve disputes in an amicable manner, as much as possible. Some cases require the services of a professional attorney-mediator, which is provided under the current contract. Administrative tasks, including: contract renewal, invoice processing, performance monitoring, and referring residents to the agency, would be performed by staff in the Department of Community Development, Housing Division.

A professional dispute resolution agency or firm has the capacity and expertise to provide specialized dispute resolution and mediation services that City staff

does not have the ability to provide directly. City staff can continue to provide general referrals to affordable housing resources and various informational resources available online. The requested supplement would pay for specialized, professional dispute resolution and mediation services provided by trained professionals, such as attorney mediators and/or conflict resolution specialists with expertise in tenant/landlord law and in general conflict resolution.

With housing costs increasing faster than household incomes for a large segment of the local population, the demand for dispute resolution services has also increased, particularly in languages other than English.

SERVICE LEVEL IMPACT

The proposed budget supplement of \$45,000 would be an increase in service level compared to that provided in FY 2015/16, primarily due to the need to provide more outreach activities. Project Sentinel would like to reach more residents to make them aware of their services, including education, counseling, and dispute resolution. In addition, more calls are coming from seniors and disabled persons, which require more resources to assist them. With the additional funding, Project Sentinel can present more workshops for both tenants and landlords in the community, which would include Spanish speaking case managers who are available to reach out to the Hispanic community who tend to need tenant/landlord assistance.

Council approval of this supplement would fund this program for FY 2016/17 only. Renewal may be considered by Council in subsequent years if the need for this service continues to exist.

Approval of this budget supplement would result in increasing the current level of service objectives and goals through next fiscal year by providing enough funding for dispute resolution services, (approximately 125 dispute resolution cases and 25 mediation cases) which are frequently requested by many residents, as well as some property owners and related agencies, such as Sunnyvale Community Services and Tri-Counties Apartment Association, and, on occasion, the City's Neighborhood Preservation staff or other City staff. To support this program, staff activities include: maintaining the service provider's current contact information on the City's website, making printed referral materials available to the public and staff, updating the scope of work and contract, and processing contract invoices.

FISCAL IMPACT

This supplement proposes \$45,000 from the General Fund for FY 2016/17 only. Associated administrative costs would be absorbed by the Department of Community Development, Housing Division. This funding request may be brought to Council annually, or not, depending on the perceived level of need for this service, measured by the number of requests for service received by

staff throughout the year. This annual process enables Council to allocate funding for the upcoming year's budget based on the current economic and financial environment, and the level of community need for this service.

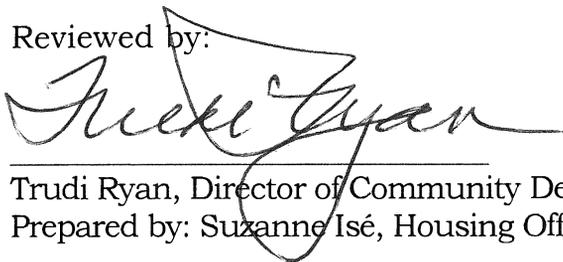
ALTERNATIVES

1. Approve the budget supplement for \$45,000 to fund dispute resolution and mediation services, to be reviewed on an annual basis.
2. Approve a budget supplement for a different amount to fund dispute resolution services and identify a funding source.
3. Do not approve a budget supplement to fund these services.
4. Other direction as provided by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 1. Approve the budget supplement for \$45,000 to fund dispute resolution services, to be reviewed on an annual basis. Reducing this service further, beyond staff's recommended level, could present other problems, such as leaving code enforcement staff to handle difficult habitability enforcement cases without the assistance of experienced mediators and experts in tenant-landlord law, or generating complaints from residents who would like to receive services but cannot be served within the budgetary constraints of a more limited City contract.

Reviewed by:



Trudi Ryan, Director of Community Development
Prepared by: Suzanne Isé, Housing Officer

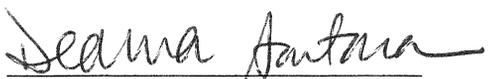
Reviewed by:



Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

- Approve Budget Supplement for funding
 Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

BUDGET SUPPLEMENT NO: 4

May 5, 2016

SUBJECT: Safe Routes to School (SRTS) Program Coordinator

BUDGET SUPPLEMENT REQUEST SUMMARY

Safe Routes to School (SRTS) is staffed by the Santa Clara County Public Health Department and has been successfully introduced and implemented in several Sunnyvale schools. The continuation of SRTS in Sunnyvale is at risk as grant funds supporting the SRTS Program Coordinator position are due to expire at the end of the 2016-2017 School Year. To ensure long term continuity of SRTS, the Department of Public Safety recommends the addition of a limited-term Community Services Officer (CSO) to staff the SRTS Program Coordinator position for three years.

BACKGROUND

Safe Routes to School in Sunnyvale first developed programming in 2008 with a partnership with the Santa Clara County Public Health Department. In 2011, grant funding from the Valley Transportation Authority (VTA), the Metropolitan Transportation Commission for Vehicle Emissions Reductions Based at Schools (VERBS), and Caltrans allowed the SRTS Program to expand services to a majority of the elementary schools in Sunnyvale. Outreach expanded to Fremont High School during the 2012-2013 School Year, and today, SRTS is reaching over 13,600 students. Schools participating in SRTS in the 2015-2016 School Year include: Fremont High School (Fremont Union High School District); Bishop, Cherry Chase, Ellis, Fairwood, San Miguel and Vargas Elementary Schools (Sunnyvale School District); Braly and Ponderosa Elementary and Peterson Middle Schools (Santa Clara Unified School District); and Cupertino Middle School (Cupertino Union School District).

The grant funding, which supports a full-time SRTS Program Coordinator for Sunnyvale schools, is administered by the Santa Clara County Public Health Department and will end in approximately 18 months. In preparation, the County has been working diligently on program sustainability options. On November 19, 2015, the County hosted a workshop to propose next steps for a stronger and sustainable future for Safe Routes to Schools. According to a representative from the Santa Clara County Public Health Department, the key component of program sustainability was the allocation of unrestricted resources, such as a city employee, to act as the local program coordinator. For effective succession planning, it was proposed that the position be created and filled as soon as possible.

Council received and responded to inquiries from community members concerned about the future dissolution of the county-staffed Safe Routes to School Program Coordinator position. On January 5, 2016, Councilmembers Jim Griffith, Tara Martin-Milius, and Jim Davis sponsored the Budget Issue-

Safe Routes to School Program Coordinator and the Department of Public Safety was tasked to evaluate resource options for the continuation of the position. On January 29, 2106 City Council approved the Budget Issue for inclusion in the FY 2016/17 Recommended Operating Budget.

EXISTING POLICY

General Plan Goal SN-3: Safe and Secure City:

Ensure a safe and secure environment for people and property in the community by providing effective public safety response and prevention and education services.

DISCUSSION

Staff is recommending that Council take two separate but related actions to ensure the successful continuation of the Safe Routes to School Program in Sunnyvale. This includes increasing the authorized number of Community Safety Officers (CSO) from six to seven, and allocating funding to support the start-up and on-going costs to sustain the program and position for three years.

Safe Routes to School (SRTS) is a local and national program designed to improve the health and well-being of children by enabling and encouraging them to walk or bicycle to school. Based on five core strategies, otherwise known as the “Five E’s”: Encouragement, Education, Evaluation, Enforcement, and Engineering; SRTS provides direct support and coordination around student and parent barriers to walking and biking, environmental/infrastructure issues that make walking and biking easy or difficult, and education, supports and incentives to encourage walking.

VTA, VERBS, and Caltrans grant monies funds the full-time SRTS Coordinator for Sunnyvale. Staffed by the Santa Clara County Public Health Department, the SRTS Program Coordinator works with 15-17 public schools (is only required to work with 11 per grant requirements). The Coordinator develops, coordinates and implements SRTS in each school and works with several school districts, not only providing and coordinating direct services, but also initiating, organizing and facilitating various collaborative meetings. Activities include, but are not limited to:

- Engaging and developing relationships with leadership and staff of school districts, schools and other youth-related stakeholders;
- Assessing existing and past SRTS activities, identifying barriers to walking and biking to school, establishing current rates of walking and biking and developing a system for ongoing tracking;
- Coordinating activities related to youth bicycle and pedestrian safety education and training;
- Coordinating the assessment and prioritization of both infrastructure and non-infrastructure needs of schools throughout the city;

- Identifying, recruiting, engaging and maintaining volunteers, members and partners;
- Documenting and tracking SRTS meetings, activities, updates and tasks;
- Representing local SRTS efforts at Countywide or general meetings of funding partners and other stakeholders; and
- Encouraging school community through ongoing programs such as “Walking School Bus”, and large events such as National Walk and Bike to School Day and bicycle rodeos.

Funding for the current SRTS Program Coordinator position will end at the close of the 2016-2017 School Year. The Department of Public Safety feels it is imperative to sustain a program that has historically added value to the community and improved the safety and quality of life for Sunnyvale residents. In researching SRTS programs in other cities, staff has found that there is no standard staffing model for SRTS and that staffing varies from city to city. As noted previously, the current Sunnyvale SRTS Program Coordinator is a full-time staff of the County of Santa Clara Public Health Department. Her counterpart is a part-time staff working with the City of Cupertino, and the City of Palo Alto staffs SRTS with three part-time coordinators, or 1.50 FTEs, who are housed within Palo Alto’s Department of Planning & Community Environment’s Transportation Division.

Staff recommends the addition of one full-time, limited-term Community Services Officer (CSO) to continue in the role of SRTS Program Coordinator for three years. Safe Routes to School currently aligns with the Department of Public Safety’s existing goal to reduce the incidence of injuries to bicyclists and pedestrians in Sunnyvale. SRTS also supplements, and mutually supports DPS activities that further educate and encourage the community to utilize safe transportation alternatives. For example, a Neighborhood Resource Officer attends school assemblies to provide Bicycle and Pedestrian Safety Presentations, or the Public Safety Specialist attends bicycle rodeos and assists with helmet fittings. The position would be housed in the Crime Prevention Unit (CPU) and report to the CPU Lieutenant.

Recruitment, hiring, and training of a Community Services Officer can take six to nine months. Ideally, the new CSO would work in partnership with the County’s SRTS Program Coordinator during the 2016-2017 School Year to ensure seamless program continuity once the County’s grant funds officially end in June 2017. During the initial three year period funded by the general fund, staff will seek alternative grant funding to extend the program into future years.

SERVICE LEVEL IMPACT

Adding a Community Services Officer will provide a new level of service by the City. Adding a full-time, limited-term Community Safety Officer is based upon the assessment that the Department of Public Safety’s current staffing is not

able to absorb any additional duties and responsibilities. The addition of a full-time CSO is necessary to maintain the integrity and level of service of the existing SRTS program. Additionally, there is potential for continued growth of the program citywide as DPS would not be limited by any grant restrictions (i.e. identified public schools only). This service level impact will be evaluated as part of the next operating budget cycle.

FISCAL IMPACT

The addition of a Community Services Officer requires one-time and on-going funds for the three year period. Safe Routes to School first year cost is \$176,279 with on-going costs of \$138,679 annually for three years. Staff will continue to seek alternative grant funding to off-set future year costs and to continue to sustain the program beyond FY 2018/19.

| Budget Summary | First Year (FY 2016/17) | Three Year Total |
|--|------------------------------------|-----------------------------|
| Community Services Officer | \$130,658 | \$391,974 |
| Undercover Class IAE3 CSO Vehicle | \$34,251 | \$49,753 |
| Vehicle Accessories & install/Mobile Radio | \$9,700 | \$9,700 |
| Computer | \$1,670 | \$2,210 |
| Total | \$176,279 | \$453,637 |

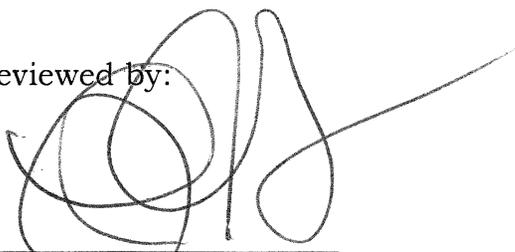
ALTERNATIVES

1. Approve Budget Supplement No. 4 and appropriate funds for a Safe Routes to School (SRTS) Program Coordinator for three years.
2. Approve the addition of one full-time, limited-term Community Safety Officer in the Department of Public Safety.
3. Do not approve the budget supplement or the addition of a full-time, limited-term Community Safety Officer position.

STAFF RECOMMENDATION

Alternatives 1 and 2: 1) Approve Budget Supplement No. 4 and appropriate funds for a Safe Routes to School (SRTS) Program Coordinator; 2) Approve the addition of one full-time Community Safety Officer in the Department of Public Safety.

Reviewed by:



Chief Frank J. Grgurina, Director of Public Safety

Reviewed by:

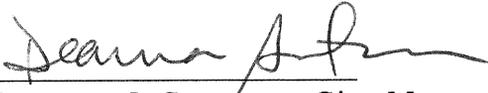


Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

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BUDGET SUPPLEMENT NO: 5

May 5, 2016

SUBJECT: Increase of \$81,264 in Permanent Funding for the City's Care Management Program

BUDGET SUPPLEMENT REQUEST SUMMARY

This budget supplement shifts \$81,264 from special project funding (829640) to permanent funding in operating budget 626 in order to maintain the City's Care Management Program at a 68 hour per week service level. This budget supplement has been prepared in response to Council direction (RTC 14-1072 – March 24, 2015).

BACKGROUND

As part of the FY 2006/07 Budget, the City Council authorized funding to establish a Care Management Program at the Senior Center at a service level of 20 hours per week. The primary role of the Care Management Program is to work with older adults and their caretakers to find viable and acceptable interventions so that the older adult has the tools necessary to keep their situation stable and remain living independently in their own home for as long as possible.

In FY 2012/13, the City Council authorized supplemental, but temporary, special project funding to increase the hours of service by 48 hours per week for a total of 68 hours per week. The question of permanent funding was referred to the next two-year operating budget process (RTC 14-1072 – Consider Change in Service Level for Care Management Program at the Senior Center).

EXISTING POLICY

General Plan, Chapter 4, *Community Character*, Policy CC-10.5 –

Develop and implement programs in order to meet the developmental needs and social needs of specific targeted populations (e.g. youth, teens, seniors, disabled).

General Plan, Chapter 4, *Community Character*, Policy CC-10.6 –

Leverage available resources by pursuing co-funded and/or cooperative agreements for provision and maintenance of programs, facilities and services, in order to maximize benefits to the community.

Council Policy, Chapter 5, *Socio-Economic*, Policy 5.1H.3 –

Encourage the provision of services for older adults in Sunnyvale.

Council Policy, Chapter 5, *Socio-Economic*, Policy 5.1.H.10 –

Encourage the adequate provision of health care to Sunnyvale residents.

Council Policy, Chapter 5, Socio-Economic, Policy 5.1.H.11 –

Encourage the adequate provision of social services to Sunnyvale residents.

Council Policy, Chapter 7, Planning and Management, Policy A.1.13 –

All competing requests for City resources should be weighed within the formal annual budget process.

DISCUSSION

There is a continued and growing need for care management services in Sunnyvale. According to the American Community Survey, Census 2014, 15.5% (21,771) of Sunnyvale residents are age 60 and older. These individuals are at risk to experience health issues related to normal aging, mental and physical disabilities, fraud/abuse and poverty.

A few key considerations related to the need for permanent funding for the Care Management Program include:

- In Sunnyvale, there are 4,908 individuals 65 and older who have a disability.¹
- In 2012, 65% of all injury deaths among adults 65 and older were due to falls and 7,919 seniors in Santa Clara County visited an emergency room as a result of a fall.²
- One in four seniors in Santa Clara County live in poverty.³
- At the 68 hour per week level of service, the City of Sunnyvale maintains a case manager workload of 1 manager for every 12,806 residents. The neighboring cities of Cupertino, Santa Clara, Milpitas provide a ratio of 1 per 6,499, 1 per 16,396 and 1 per 9,568 respectively.
- The City of Sunnyvale utilizes part-time casual staff to provide case management services. This allows the City the flexibility to adjust hours in response to community needs. An example of this was the recent Twin Pine Apartment Fire in which families from 75 units were displaced and required immediate care management services. While Sunnyvale Community Services handled (and will continue to handle) the vast majority of case management services, the City of Sunnyvale staff was called in to assist. Their knowledge of the community and local resources was invaluable to this emergency response. The conversion of special project funding to permanent funding will ensure that this type of response is readily available to the City as needed.
- The temporary allocation of an additional 48 hours of service has been in

¹ Source: American Community Survey, 2008-2012.

² Santa Clara County Department of Aging and Adult Services

³ Source: Sourcewise Silicon Valley, 2011

place since FY 2012/13. The proposed shift to permanent funding would recognize the importance of this service and ensure that the City does not fall further behind in terms of its level of service commensurate with surrounding agencies.

SERVICE LEVEL IMPACT

Funding of this budget supplement will continue current service levels of 68 hours/week for care management.

If this budget supplement is not approved, the service level will be reduced from 68 to 20 hours per week; time spent by staff on caseloads will be reduced by up to 40%; the number of home visits will be reduced by 45%; and the number of information and referral contacts will be reduced by 30%.

FISCAL IMPACT

Annual funding in the amount of \$81,264 would continue the additional 48 hours week level of service currently made possible through the special project funding and augment the existing 20 hours per week staffing level (and associated costs) programmed in the FY 2016/17 Recommended Operating Budget. This includes a small amount for associated costs such as mileage. Subsequent years would be increased by inflation. It should be noted that these costs are based on the continued use of casual staffing. While benefitted staff could also be used, costs would be substantially higher. The funding source would be the General Fund with some potential for off-set through grants.

Sunnyvale has received grant funds from Sourcewise since FY 2006/07 (\$18,000 in FY 2015/16). Continuation of this funding is not guaranteed and has been directly tied to the level of service provided by the receiving agency. Funding criteria appears to be changing for FY 2016/17 and Sunnyvale may no longer be eligible to receive funds. Since FY 2014/15, Council has directed staff to utilize available Sourcewise grant funding to augment the budgeted service level.

ALTERNATIVES

1. Approve the supplement as proposed.
2. Do not approve the budget supplement and reduce the current service level for care management services achieved with special project funding of 68 hours to 20 hours per week, the amount funded in operating budget 626.

STAFF RECOMMENDATION

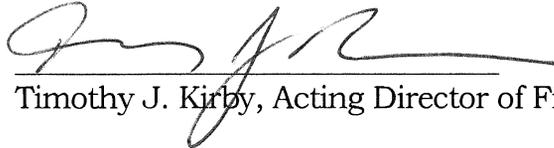
Staff recommends approval of Alternative 1.

Prepared and Reviewed by:



Cynthia E. Bojorquez, Director of Library and Community Services

Reviewed by:

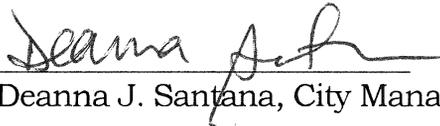


Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

BUDGET SUPPLEMENT NO: 6

May 5, 2016

SUBJECT: Inflation Adjustment for Planned Supplemental Human Services Funding

BUDGET SUPPLEMENT REQUEST SUMMARY

This supplement would index the City's General Fund planned amount for human services grants to Consumer Price Index (CPI) to adjust for inflation in the 20-year RAP. The issue relates to the planned General Fund expenditure listed in the Long Term Financial Plan for supplemental human services, i.e., funding above and beyond what is available for human services from the CDBG fund. Historically, a flat dollar amount has been budgeted for current and all future years. In the past several years, members of the Housing and Human Services Commission and certain Council members have asked if this planned amount should be indexed to the CPI to adjust for inflation. The proposed change would relate only to the dollar amount that is used for long-range planning purposes, not the amount appropriated in any given current year's budget. Council adjusts the actual appropriation for this line item annually when adopting the Projects Budget, and it may be higher or lower than the planned amount shown for that year.

BACKGROUND

The City provides grants to eligible human services agencies on a competitive basis pursuant to Council Policy 5.1.3: Human Services, originally adopted in 1981, and amended in 1999 and 2006. Eligible human service agencies are those providing assistance programs for lower-income clients (those with a household income of less than 80% of area median income), such as food, legal services, health care, literacy classes, child care, and so on. Most of the clients served by these programs are seniors, people with disabilities, very low income families with children, and homeless people. Historically the City has used a portion of its annual Community Development Block Grant (CDBG) from the federal government to fund these grants, although in more recent years, City General funds have also been used to supplement the grant funding.

Approximately one-third of the funding for the grants has come from the City's General fund in recent years a result of Council direction to include a planned expenditure of \$100,000 annually for human services grants for each of the next twenty years in the City's twenty-year Plan. Council confirms this appropriation annually when adopting the City budget each June, and has an opportunity to affirm or modify the amount planned for the coming year during the biennial priority needs hearings.

Applications for the human services grants are solicited every other year and are

awarded conditionally for a two-year period, with the second-year grants conditioned on several factors, such as successful completion of the grant activity in the first year and availability of funding for the second year. After proposals are reviewed by staff for eligibility, the Housing and Human Services Commission (HHSC) will hold several public hearings to evaluate proposals and recommend grant awards to Council. Council has also established a policy of determining the amount of General funds to be provided for human services grants to supplement the CDBG funds.

EXISTING POLICY

Council Policy, Chapter 5, Socio-Economic, 5.1.3 – Human Services:

The City shall make its best efforts to provide supplemental human services, which include but are not limited to emergency services, senior services, disabled services, family services, and youth services.

DISCUSSION

This topic has arisen in the past several cycles of human services funding hearings, which occur every second year, and has been an issue of concern to the HHSC as well as Council for several years. A Budget Issue was sponsored by the HHSC as part of the 2016 Study Budget Issue Workshop. Because this issue relates to the City's General Fund Long Term Financial Plan, and not to actual expenditures for the current budget cycle, Council asked to consider this along with the City's FY 2016/17 Recommended Budget as a budget supplement.

While the services provided by this funding are important, it is also entirely discretionary and sets an increase into the 20 year plan with an effect over the long term while competing with other demands in the City. As Council has the ability to adjust the funding above or below the planned amount each year, a decision to defer this item for future consideration would not restrict Council from adding an inflation factor if desired at the time of appropriation. Staff is recommending that Council defer this item for consideration to the FY 2017/18 Budget.

SERVICE LEVEL IMPACT

The demand for human services and the level of community need for this service continues to rise. This annual process enables Council to allocate funding for the upcoming year's budget based on the current economic and financial environment. The change is not anticipated to have a service level impact.

FISCAL IMPACT

In the FY 2015/16 Budget, the City has planned an amount of \$100,000 annually from the General Fund for human services funding. CPI can vary during extreme economic cycles, but typically ranges from a slight negative percentage to a slight positive

percentage (i.e., -2.0% to +5.0%), most often between 1%-3% per year based on long-term historical averages and federal monetary policy. If, for estimating purposes, staff were to assume the CPI would average 2% annually, that would amount to an annual increase of \$2,000 initially, compounding over time. Over twenty years, it would amount to a total increase of nearly \$430,000 compared to keeping the amount flat at \$100,000 every year. However, this amount only refers to the planned budget. There is no way to predict whether Council would consistently appropriate the planned budget each year, or if it would appropriate a different amount (more or less) based on budgetary conditions at that time. Therefore it is difficult to predict the precise cost implications of this budget issue since it only suggests a change to the City's long-range plan and not a change to actual expenditures at this time.

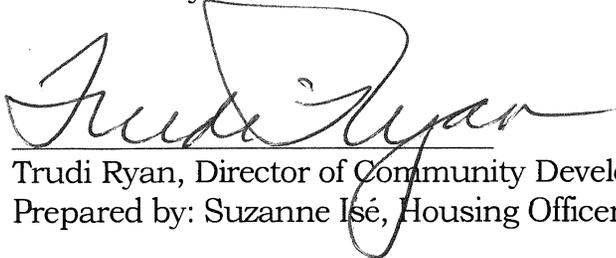
ALTERNATIVES

1. Approve the budget supplement to base future adjustments for planned supplemental Human Services Funding annual change in the Consumer Price Index (CPI).
2. Do not approve a budget supplement to provide for an inflation adjustment for planned supplemental Human Services Funding and defer consideration to the FY 2017/18 Budget.
3. Other direction as provided by Council.

STAFF RECOMMENDATION

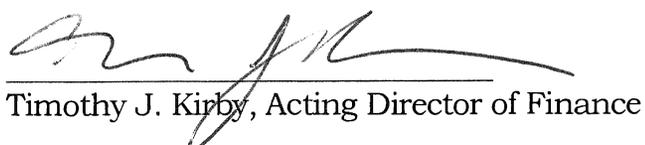
Staff recommends Alternative 2. Do not approve a budget supplement to provide for an inflation adjustment for planned supplemental Human Services Funding and defer consideration to the FY 2017/18 Budget.

Reviewed by:



Trudi Ryan, Director of Community Development
Prepared by: Suzanne Isé, Housing Officer

Reviewed by:



Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding

A handwritten signature in black ink, appearing to read "Deanna J. Santana". The signature is fluid and cursive, with a long horizontal stroke at the end.

Deanna J. Santana, City Manager

BUDGET SUPPLEMENT NO: 7

May 5, 2016

SUBJECT: Sustainability Speaker Series

BUDGET SUPPLEMENT REQUEST SUMMARY

Staff recommends a budget supplement in the amount of \$25,000 annually for five years to create and conduct a Sustainability Speaker Series designed to engage and educate Sunnyvale residents and businesses on key issues related to sustainability and climate change.

BACKGROUND

The City has adopted a Climate Action Plan which includes a strategy to “increase and retain awareness of sustainability issues” with the goal that “community members are knowledgeable about GHG emissions and are all taking actions to reduce them.” Council had expressed an interest in engaging the Sustainability Commission in ways to enhance the quality of climate action-related communications to the community. The Sustainability Speaker Series will facilitate a key element of the Sustainability Commission’s duties which include advising the Council on ways to drive community awareness, education, and participation in best practices.

EXISTING POLICY

General Plan, Chapter 7, *Environmental Management*, Goal 11-M:

Improve Sunnyvale’s air quality and reduce the exposure of its citizens to air pollutants.

DISCUSSION

A Sustainability Speaker Series would engage and educate Sunnyvale residents and businesses on key issues related to sustainability and climate change. The proposed funding would support up to four events per year of varying topics identified by the Sustainability Commission. Preliminary research indicates that cost of paid speakers can range from \$5,000 - \$200,000 depending on the notability of the speaker with non-speaker related expenses estimated at approximately \$6,000 per event. Two to four events would be planned allowing for flexibility in allocation of funds for potential paid speakers. Staff would be responsible for logistical support for the events including speaker coordination, venue, oversight and event promotions.

SERVICE LEVEL IMPACT

These events would enhance the quality of climate action-related communications to the community.

FISCAL IMPACT

Additional funding in the amount of \$25,000 would be required annually for five years to conduct the Sustainability Speaker's Series. These funds would come from the general fund and utility funds.

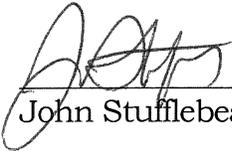
ALTERNATIVES

1. Approve the budget supplement for \$25,000 per year for five years to fund the Sustainability Speaker's Series.
2. Approve a budget supplement for a different amount to fund the Sustainability Speaker's Series.
3. Do not approve a budget supplement

STAFF RECOMMENDATION

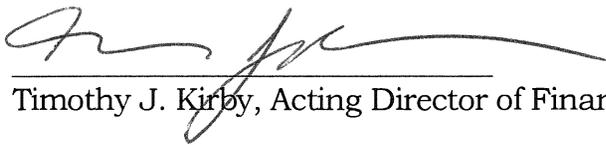
Staff recommends Council approve Alternative 1.

Reviewed by:



John Stufflebean, Director of Environmental Services

Reviewed by:

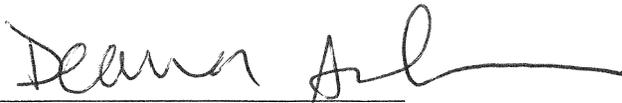


Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

BUDGET SUPPLEMENT NO: 8

May 5, 2016

SUBJECT: Scoping of Grade Separation for Caltrain Crossings at Mary Avenue and Sunnyvale Avenue

BUDGET SUPPLEMENT REQUEST SUMMARY

Staff is recommending a budget supplement in the amount of \$500,000 to provide for consultant services to develop conceptual options and cost estimates for the proposed grade separations for the Caltrain crossings at Mary and Sunnyvale Avenues. The Consultant services will include coordination with Caltrain, conceptual designs, cost estimating, environmental evaluation, and public outreach.

BACKGROUND

Currently Mary Avenue and Sunnyvale Avenue have at-grade crossings with the railroad tracks. There is concern that congestion and queuing on these two arterials is the result of commute hour railroad crossing-gate downtime. The issues will be exacerbated in the future with the expected increase in train frequency associated with the Caltrain modernization project and High Speed Rail. Grade separations have the potential to reduce delay and increase safety for all travel modes at rail crossings.

EXISTING POLICY

General Plan, Chapter 3, *Land Use and Transportation*, Policy LT-1.3a:
Participate in intergovernmental activities related to regional and subregional land use and transportation planning in order to advance the City's interests.

General Plan, Chapter 3, *Land Use and Transportation*, Policy LT -1.2:
Support coordinated regional transportation system planning and improvements.

DISCUSSION

Staff had previously expected that many of the issues proposed to be studied would be further evaluated by Caltrain as part of the modernization project or by the California High Speed Rail Authority. Staff has met with both High Speed Rail and Caltrain staff and determined that, at this time, the City must proceed with a separate study. Although some analysis has already occurred regarding the impacts of gate downtime, grade separation configurations, and right of way impacts, additional work is still required to better understand feasibility and costs. Caltrain has expressed interest in working with the City to further develop these plans. There is a possibility that

if the proposed 2016 transportation tax measure passes, funding for Caltrain grade separations may be available.

SERVICE LEVEL IMPACT

The Study does not impact current service levels.

FISCAL IMPACT

Completing the Study is estimated to cost \$500,000 for consulting services with an engineering firm to develop conceptual options and cost estimates for the proposed grade separations. This project would be funded by the General Fund. Future design and construction of each grade separation is expected to be in the \$100 million range and would require multiple funding sources that have not been identified.

ALTERNATIVES

1. Approve the supplement as proposed
2. Do not Approve the supplement
3. Other direction as council deems appropriate.

STAFF RECOMMENDATION

Staff recommends approval of the budget supplement as proposed. With the upcoming Caltrain modernization project, High Speed Rail, and possible transportation ballot measure, it is important for the City to develop options and costs for the grade separations within a near-term timeframe.

Reviewed by:



Manuel Pineda, Director of Public Works

Reviewed by:



Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

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BUDGET SUPPLEMENT NO: 9

May 5, 2016

SUBJECT: Development of a Vision Zero Plan

BUDGET SUPPLEMENT REQUEST SUMMARY

Staff is recommending a budget supplement request of \$150,000 for consultant services to develop a Vision Zero Plan that includes education, enforcement, engineering, encouragement, and evaluation.

BACKGROUND

As a result of a number of recent fatalities within the City of Sunnyvale, the Bicycle and Pedestrian Advisory Commission suggested a Vision Zero Plan be implemented with the goal of reducing fatalities. Vision Zero is a multi-national road traffic safety project that aims to achieve a highway system with no fatalities or serious injuries in road traffic. A core principle of the vision is that 'Life and health can never be exchanged for other benefits within the society' rather than the more conventional comparison between costs and benefits, where a monetary value is placed on life and health, and then that value is used to decide how much money to spend on a road network towards the benefit of decreasing how much risk.

The proposal was brought to Council as a Study Issue DPW-16-01 as part of the FY 2016/17 budget process. Council directed staff to include the study for consideration with the FY 2016/17 Operating Budget as a budget supplement.

EXISTING POLICY

General Plan, Chapter 3, *Land Use Transportation*, Policy LT-5:

Attain a transportation system that is effective, safe, pleasant and convenient.

General Plan, Chapter 3, *Land Use Transportation*, Policy LT-5.8:

Provide a safe and comfortable system of pedestrian and bicycle pathways.

General Plan, Chapter 3, *Land Use Transportation*, Policy LT-5.10:

All modes of transportation shall have safe access to City streets.

DISCUSSION

The primary goal of a Vision Zero plan is to reduce traffic injuries and fatalities. Creation of such a plan takes a holistic view of traffic safety and traffic safety solutions. This type of plan assumes that traffic fatalities are preventable, that people make mistakes and the transportation system should be designed so those mistakes aren't fatal.

The Vision Zero Study will summarize the City's current traffic safety data, identify causes and possible mitigation measures for pedestrian, bike, and vehicular crashes. Input from community stakeholders, including the Department of Public Safety and Sunnyvale Schools, will be sought to ensure development of a comprehensive plan. Additionally, during this time the City will be working on its Bicycle Plan, a Pedestrian Safety and Opportunities Study, and the Safe Routes to School Study. The Consultant will be required to incorporate the results of these studies as part of the process. Ultimately, the study will prioritize these measures and develop conceptual costs for their deployment. The study will also develop specific action items that help guide a formal safety review program on regular basis. A Vision Zero Plan should facilitate pursuing funding opportunities for future improvements.

SERVICE LEVEL IMPACT

The Study does not impact current service levels

FISCAL IMPACT

Completing the Plan is estimated to cost \$150,000 for consulting services with a transportation engineering/planning firm to develop the plan, identify possible improvements, and facilitate prioritization of future projects. Future projects/programs will vary in cost, and it is expected that they will be funded with City and outside funding sources. Funds will be provided by the General Fund.

ALTERNATIVES

1. Approve the supplement as proposed
2. Do not Approve the supplement
3. Other direction as council deems appropriate.

STAFF RECOMMENDATION

Staff recommends approval of the budget supplement as proposed. The development of a Vision Zero Plan will provide the City with a comprehensive document of the City's safety programs and projects, develop new recommendations, and facilitate future funding opportunities.

Reviewed by:



Manuel Pineda, Director of Public Works

Reviewed by:

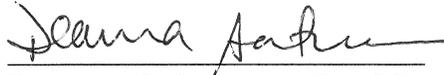


Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

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BUDGET SUPPLEMENT NO: 10

May 5, 2016

SUBJECT: Comprehensive Update to the Murphy Avenue Design Guidelines

BUDGET SUPPLEMENT REQUEST SUMMARY

Staff is recommending a budget supplement request of \$25,000 to hire a consultant with specialized knowledge to update the existing version of the Murphy Avenue Design Guidelines.

BACKGROUND

The Murphy Avenue Design Guidelines were originally published in 1980 and updated to their current version in 1994. During recent public hearing discussions, the Heritage Preservation Commission (HPC) raised concerns that the current Murphy Avenue Design Guidelines do not provide enough direction, are outdated in certain areas, and are difficult to use to for project review.

The HPC originally sponsored this Study Issue in 2013 to create updated design guidelines which would provide more objective design criteria and improve the overall review process for staff and the Commissioners for projects on Murphy Avenue.

EXISTING POLICY

General Plan, Chapter 3, *Land Use and Transportation*, Goal LT-2:

Preserve and enhance an attractive community with a positive image and a sense of place that consists of distinctive neighborhoods, pockets of interest and human-scale development.

General Plan, Chapter 3, *Land Use and Transportation*, Policy LT-2.1a:

Prepare and update land use and transportation policies, design guidelines, regulations and engineering specifications to reflect community and neighborhood values.

General Plan, Chapter 3, *Land Use and Transportation*, Policy LT-2.2a:

Promote downtown as a unique place that is interesting and accessible to the whole City and the region.

General Plan, Chapter 4, *Community Character-Design*, Goal CC-1:

Promote Sunnyvale's image by maintaining, enhancing and creating physical features, including functional and decorative art, which distinguish Sunnyvale from surrounding communities and by preserving historic buildings, special districts and residential neighborhoods which make the City unique.

General Plan, Chapter 4, *Community Character-Design*, Policy CC-1.4a:

Encourage diversity and develop programs to emphasize the unique features of special districts and neighborhoods.

General Plan, Chapter 4, Community Character-Design, Policy CC-3.1a:

Continue to improve the design review process by using design professionals on staff and developing design guidelines to direct developers and assist the City in architectural and site review.

General Plan, Chapter 4, Community Character- Heritage Preservation, Policy CC-5.1:

Preserve existing landmarks and cultural resources and their environmental settings.

General Plan, Chapter 4, Community Character- Heritage Preservation, Policy CC-5.2:

Enhance the visual character of the City by preserving diverse as well as harmonious architectural styles, reflecting various phases of the City's historical development and the cultural traditions of past and present residents.

General Plan, Chapter 4, Community Character- Heritage Preservation, Policy CC-5.5:

Encourage a commercially strategic mix of uses on Murphy Avenue.

DISCUSSION

The Murphy Avenue Design Guidelines were originally published in 1980 and included a development plan that incorporated significant public improvements to the street, as well as design guidelines to encourage renovations by private business owners.

The Guidelines were updated in 1994, after many of the buildings had been renovated subsequent to the 1980 guidelines. The 1994 update included removal of the development implementation measures of the plan, which had largely been completed, and included minor modifications to the text, illustrations and graphics. In the 1994 update, the substance of the guidelines was not changed and no changes to the policies were made. In 2005, streetscape standards for Murphy Avenue were adopted as a separate document.

The proposed update would provide an opportunity to ensure the Guidelines cover the issues necessary to protect the historic nature of the area. An update would also assist the HPC when making project decisions.

The new study of Murphy Avenue would re-examine the importance of maintaining its historical integrity and unique architectural characteristics while also taking into consideration the changes that are occurring in the surrounding neighborhood. Updated guidelines could provide further design specificity, color preferences and information on architectural techniques to Murphy Avenue property owners, as well as provide further direction to the Heritage Preservation Commission, property owners, staff and other decision makers when considering renovation or redevelopment applications.

SERVICE LEVEL IMPACT

There would be no impact to service levels with this budget supplement. Project funds would be used to hire an outside consultant with specialized knowledge in design guidelines and preservation.

FISCAL IMPACT

The \$25,000 requested as a budget supplement will be used to hire an outside consultant experienced in writing design guidelines. It is not anticipated that any additional funds would be required to complete this study issue beyond the requested \$25,000 and existing budget allocations.

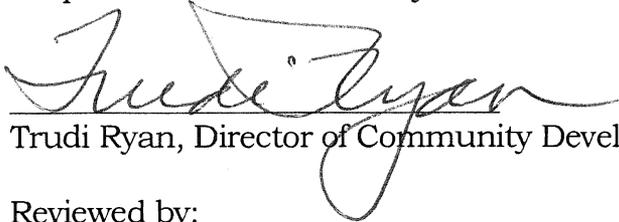
ALTERNATIVES

1. Approve the budget supplement request for \$25,000 to update the Murphy Avenue Design Guidelines.
2. Approve a budget supplement request for a different dollar amount.
3. Deny the budget supplement request for \$25,000.

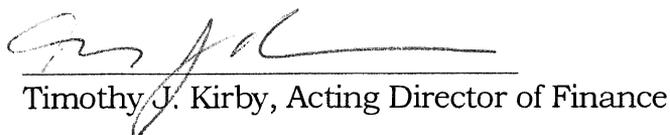
STAFF RECOMMENDATION

Staff recommends approval of the budget supplement request of \$25,000 to update the Murphy Avenue Design Guidelines.

Prepared and Reviewed by:

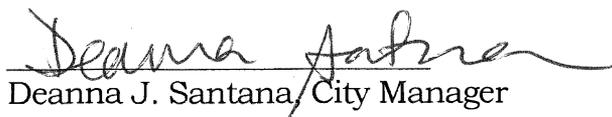

Trudi Ryan, Director of Community Development

Reviewed by:


Timothy J. Kirby, Acting Director of Finance

City Manager's Recommendation

- Approve Budget Supplement for funding
 Do Not Approve Budget Supplement for funding


Deanna J. Santana, City Manager

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