FY 2014/15 Budget Workshop
Staying on the Path of Sustainability
May 22, 2014
A Sustainable Path Forward

- Adherence to the five key commitments forms the base
- FY 2014/15 budget builds on that base
- General Fund balanced
- Must continue to be vigilant
Economic Context

- Property Tax, TOT, and Development – Related revenues are up
- Sales Tax revenue is down
- Expenditure pressures
  - Retirement, Infrastructure, Regulatory Requirements
- Budget development – clear message from the City Manager to “hold the line”
Budget Process

- Two year budget cycle
- Alternate between operating and projects budgets
- FY 2014/15 budget - first year of the operating budget cycle
- Limited adjustments to projects budget
Five Key Commitments

- Manage our personnel costs
- Fund retirement costs for long-term sustainability
- Get to optimum service levels
- Establish long-term funding for the City’s infrastructure needs
- Commit to a long-term comprehensive solution and stay the course
Progress to Date

- Salary and benefit growth contained
- Service levels increased in some areas
- Strategic additions to staff
- Improved and invested in infrastructure
- Continued commitment to the plan
Pressures Going Forward

- Increasing demand for service
- Addressing the City’s Infrastructure
- Rising cost of utility operations
- Containment of personnel costs
- Strengthening our revenue base
Increasing Demand for Service

- Growing population, smaller City staff
- Increases in demand
  - Traffic/congestion management
  - Sustainability initiatives
  - Use of technology
- Determining appropriate service levels
  - Sidewalk repair / replacement
  - Sewer lateral repair
- Pressure to do more, in core services and non-core areas
Aging Infrastructure

- Significant Progress
  - WPCP rebuild underway
  - PCI improved to 79
  - Water and sewer main replacements

- To be Addressed
  - City administrative facilities
    - Funding has begun - $30M over 20 years
    - Next step will be to confirm Council’s decisions regarding administrative facilities
Utility Operations

- Regulatory requirements tightening
  - Wastewater and storm water discharge
  - Water and air quality
  - Trash control and Zero Waste
- Maintenance costs, especially at WPCP
- Operating WPCP while building new one
- Wholesale water infrastructure and drought management
Personnel Cost Containment

- Salaries and benefits are about 60% of Citywide budget
- Containing growth critical to maintain structural balance
- All labor agreements up in 2014 or 2015
- Pension and health care costs escalating
Long-Term Revenue Stability

- Strengthen our revenue base to reduce impact of volatility and eroding base
- TOT from 9.5% to 10.5%
- Study issue to evaluate UUT modernization and rate increase
- Hold adequate reserves to absorb economic cycles
Budget Overview
FY 2014/15 Revenues by Source *

- **Service Fees**: $146.4M (46%)
- **Taxes**: $109.3M (34%)
- **Bond Proceeds**: $11.5M (4%)
- **Federal / State**: $21.8M (7%)
- **Franchises / Rents**: $9.6M (3%)
- **Other Revenues**: $8.1M (2%)
- **Sale of Property**: $14.4M (4%)

* Excludes internal service fund charges and inter-fund transfers

**Total Revenues**: $321.1 Million
FY 2014/15 Revenues by Fund*

- **General Fund**: $137.8M (43%)
- **Solid Waste Management**: $43.1M (13%)
- **Water Supply & Distribution**: $34.7M (11%)
- **Wastewater Management**: $42.0M (13%)
- **Development Enterprise**: $8.7M (3%)
- **Other Funds**: $38.6M (12%)
- **Capital Projects**: $16.2M (5%)

*Excludes internal service fund charges and inter-fund transfers

**Total Revenues**: $321.1 Million
FY 2014/15 Expenditures by Type*

- **Operating**: $235.3M (75%)
- **Projects & Equipment**: $69.2M (22%)
- **Debt Service & Other Exp.**: $10.1M (3%)

* Excludes internal service fund charges and inter-fund transfers

**Total Expenditures**: $314.6 Million
FY 2014/15 Expenditures by Fund *

Total Expenditures $314.6 Million

General Fund $138.9M 44%
Utility Funds $118.5M 38%
Capital & Infrastructure Project Funds $28.7M 9%
Other Funds $17.4M 6%
Golf and Tennis Fund $3.4M 1%
Development Enterprise Fund $7.7M 2%

* Excludes internal service fund charges
General Fund
## Top General Fund Revenues

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>2012/13 Actual ($)</th>
<th>2013/14 Projection ($)</th>
<th>2014/15 Projection ($)</th>
<th>% Change 2014/15 over 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>47,555,857</td>
<td>49,778,401</td>
<td>51,931,017</td>
<td>4.32%</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>30,028,067</td>
<td>29,755,382</td>
<td>30,184,219</td>
<td>1.44%</td>
</tr>
<tr>
<td>Transient Occupancy Tax</td>
<td>9,016,052</td>
<td>10,136,188</td>
<td>10,674,737</td>
<td>5.31%</td>
</tr>
<tr>
<td>Utility Users Tax &amp; Franchise</td>
<td>13,010,712</td>
<td>13,426,835</td>
<td>13,761,564</td>
<td>2.49%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>99,610,688</strong></td>
<td><strong>103,096,806</strong></td>
<td><strong>106,551,537</strong></td>
<td><strong>3.35%</strong></td>
</tr>
<tr>
<td>Total General Fund Revenue</td>
<td>153,192,473</td>
<td>158,379,481</td>
<td>153,900,487</td>
<td>-2.83%</td>
</tr>
<tr>
<td>Total General Fund (adjusted*)</td>
<td>134,506,963</td>
<td>130,056,288</td>
<td>130,690,049</td>
<td>0.49%</td>
</tr>
</tbody>
</table>

* Excludes: Sale of Property, Development Related revenues, and Transfers
Property Taxes

- Stable and Growing
  - Median home prices – all time high
  - Commercial vacancy rate 9.88%
- 37% of all General Fund revenue
- FY 2014/15 up 4.3%
- Continued strong growth for next two years
- FY 2016/17 forward - historical average
Sunnyvale - Assessed Values

- Residential: 9.6% in '10, 8.9% in '13, 8.0% in '14, 7.0% in '18
- Commercial / Industrial / Other: 3.0% in '10, 4.0% in '15, 4.3% in '19

Assessed Values:
- $7.5 B
- $10.0 B
- $12.5 B
- $15.0 B
- $17.5 B
- $20.0 B
Property Tax - $1 Breakdown

- City of Sunnyvale $0.13
- Sunnyvale Elementary $0.22
- Fremont Union High $0.19
- Santa Clara County General $0.15
- ERAF $0.15
- Foothill-DeAnza CC $0.07
- County School Service $0.03
- Others $0.06
Sales Tax

- 22% of General Fund revenue
- Challenge is managing volatility
- Business to Business 40% of sales tax
- Increases in County Pool
- Current year estimate revised down $1.7M
- Reduced base - long-term projection down $42M over twenty years
Sales Tax History
Major Industry Groups – 13 Year History

[Graph showing sales tax history with years from '01 to '13 and values from $0.0 M to $14.0 M]
Sales Tax Distribution

State of California 6.25 cents

City of Sunnyvale 1 cent

County Funds 0.375 cents

VTA 0.5 cents

BART 0.125 cents

County Transit 0.5 cents

Santa Clara County - 8.75 cents per Dollar

Source: CA Board of Equalization
Transient Occupancy Tax (TOT)

- Significant growth
- 7% of all General Fund revenue
- Increase in TOT rate from 9.5% to 10.5%
- Three new hotels in the long-term plan
- Continue at elevated levels for two years
- FY 2016/17 forward use historical average
Utility Users Tax (UUT)

- UUT base is shifting
- Growth from new construction moderated by energy efficiency gains
- Telecom base deteriorating – new forms of communication not subject to UUT
- 2015 Study Issue to explore:
  - Modernizing the City’s UUT ordinance
  - Increasing UUT rate
  - Broadening the tax base
Franchise Fees

- City issues franchises to companies that use the City’s right-of-way
- Key agreements
  - Utilities - PG&E
  - Cable TV providers
  - Specialty Solid Waste
- $6.8M revenue forecasted for FY 2014/15 (2% growth)
Development Related Revenue

- Effective FY 2014/15 – fee revenues segregated into new Development Enterprise Fund
- A major component of General Fund revenue until this year
- Construction tax to remain in the General Fund
Other Revenues

- Sale of Property - Reserved for one time capital needs
  - Reflects updated sale amount for Raynor Activity Center - $14.0M in FY 2014/15
- Service Fees - $5.5 M
  - Includes recreation and public safety fees
- Rents & Concessions - $2.3 M
  - Utility facilities, Park and Building Rentals
- Business License Tax - $1.5 M
General Fund Expenditures
General Fund Expenditures by Type

- Operating: $131.6M (95%)
- Projects & Equipment: $5.7M (4%)
- Lease Payments & Other Exp.: $1.6M (1%)

Total Expenditures: $138.9 Million
<table>
<thead>
<tr>
<th>Department</th>
<th>FY 2013/14 Budget ($)</th>
<th>FY 2014/15 Budget ($)</th>
<th>% Change FY 2013/14 – FY 2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development</td>
<td>5,847,011</td>
<td>5,965,990</td>
<td>2.0%</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>0</td>
<td>180,366</td>
<td>n/a</td>
</tr>
<tr>
<td>Finance</td>
<td>7,856,214</td>
<td>8,224,058</td>
<td>4.7%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>3,576,685</td>
<td>3,732,817</td>
<td>4.4%</td>
</tr>
<tr>
<td>Library and Community Services</td>
<td>16,653,456</td>
<td>16,619,156</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Office of the City Attorney</td>
<td>1,839,243</td>
<td>1,731,895</td>
<td>-5.8%</td>
</tr>
<tr>
<td>Office of the City Manager</td>
<td>4,153,145</td>
<td>3,730,546</td>
<td>-10.2%</td>
</tr>
<tr>
<td>Public Safety</td>
<td>76,515,918</td>
<td>79,548,911</td>
<td>4.0%</td>
</tr>
<tr>
<td>Public Works</td>
<td>18,859,115</td>
<td>19,549,280</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>135,300,787</strong></td>
<td><strong>139,283,019</strong></td>
<td><strong>2.9%</strong></td>
</tr>
</tbody>
</table>
Salaries and Benefits

- Personnel costs account for 82% of General Fund budget
- Miscellaneous employees salary increase assumptions - 2% and 3%
- Sworn employees salary increase assumptions – 4%, 3% and 4%
- Benefit costs - average increase of 3.4% annually over long term plan
FY 2014/15 Operating Budget Highlights

- Overall increases driven primarily by increases in personnel costs
- New PS dispatcher and additional PSO
- Office of the City Manager – decrease reflects shift to even year elections
- Office of the City Attorney - budget for legal services shifted to the liability fund
FY 2014/15 Operating Budget Highlights

- Graphic Artist position converted to Library Specialist III to improve Thursday evening service at Library
- Additional Parks Worker for Seven Seas Park
- Funds added for red curb painting
- Eight General Fund Budget Supplements totaling approximately $500,000
FY 2014/15 Project Highlights

- DPS recruitment budget accelerated
- Additional $1M over two years for sidewalks
- New traffic services staff augmentation project - $250k over next two years
- $30M for administrative facilities infrastructure over twenty years
- Council set aside set at $100,000/year
Reserves

- Contingency Reserve
  - Council policy to be 15% of operating budget in the first year of the long-term plan

- Budget Stabilization Reserve
  - Functions to normalize service levels
  - Council policy to be at least 15% of total projected revenues for years 1 & 2

- Reserve for Capital Improvement Projects

- Reserve for RDA payment
Budget Stabilization Fund

- Reserve for revenue or expense uncertainty
- $38.4M projected for FY 2014/15
- Draws down to $14M in twentieth year
- Helps to maintain sustainable level of services through economic cycles
Enterprise Funds
Utility Funds

- Segregated into four self supporting enterprise funds
  - Water Supply and Distribution
  - Wastewater Management
  - Solid Waste Management
  - SMaRT Station (pass through)
- Revenues derived from service fees (commonly called utility rates)
## Utility Rates

<table>
<thead>
<tr>
<th>Utility</th>
<th>Original Projection</th>
<th>Recommended FY 2014/15</th>
<th>Change in Percentage Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>5.0%</td>
<td>5.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Wastewater</td>
<td>7.0%</td>
<td>9.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>4.0%</td>
<td>6.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

- Council reviews and adjusts fees annually – this year on June 10th
# Utility Fund Operating Costs

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY 2013/14 Budget ($)</th>
<th>FY 2014/15 Budget ($)</th>
<th>% Change FY 2013/14 – FY 2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply and Distribution Fund</td>
<td>27,269,924</td>
<td>28,450,470</td>
<td>4.3%</td>
</tr>
<tr>
<td>Wastewater Management Fund</td>
<td>14,770,465</td>
<td>16,098,993</td>
<td>9.0%</td>
</tr>
<tr>
<td>Solid Waste Management Fund</td>
<td>33,333,382</td>
<td>34,739,221</td>
<td>4.2%</td>
</tr>
</tbody>
</table>
Utility Expenditure Highlights

- $1.4 M increase in cost for water
- Two new positions for operating WPCP through construction - $347,000
- $300,000 increase in chemicals for sewage treatment
Utility Expenditure Highlights

- $106,000 in increased costs for keeping trash out of the storm system
- $500,000 over two years to begin work on Zero Waste policy
- Anticipated $12M in WPCP renovation work – bond funded
Development Enterprise Fund

- Established in FY 2014/15 to better align development-related revenues and operating activities
- Identified direct development-related costs for FY 2014/15 Budget
- This separate fund will assist us in ensuring full cost recovery
Development Enterprise Fund

- Starting balance of $6M from development revenues
- Development revenues at all time high – expect $8.6M in FY 2014/15
- Historical average of $7.4M over long term
- Expenses exceed revenues over the long term
- With additional experience, will evaluate fee structure in the future
# Development Enterprise Fund Operating Costs

<table>
<thead>
<tr>
<th>Department</th>
<th>FY 2013/14 Budget ($)</th>
<th>FY 2014/15 Budget ($)</th>
<th>% Change FY 2013/14 – FY 2014/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development</td>
<td>0</td>
<td>4,966,098</td>
<td>N/A</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>0</td>
<td>180,366</td>
<td>N/A</td>
</tr>
<tr>
<td>Library and Community Services</td>
<td>0</td>
<td>29,383</td>
<td>N/A</td>
</tr>
<tr>
<td>Office of the City Attorney</td>
<td>0</td>
<td>327,210</td>
<td>N/A</td>
</tr>
<tr>
<td>Office of the City Manager</td>
<td>0</td>
<td>99,756</td>
<td>N/A</td>
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<tr>
<td>Public Safety</td>
<td>0</td>
<td>692,219</td>
<td>N/A</td>
</tr>
<tr>
<td>Public Works</td>
<td>0</td>
<td>1,387,197</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>0</strong></td>
<td><strong>7,682,229</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>
Development Revenue History

*Includes Construction Tax
Golf and Tennis Fund

- Segregated as a stand alone enterprise fund in FY 2012/13
- FY 2013/14 anticipated to break even; however only $30,000 in reserve remaining
- Revenue growth projected for FY 2014/15 but long term growth a concern
- Good progress toward restructuring staffing to reduce expenditures
- Operating Budget decreased 2.7% from FY 2013/14
Golf and Tennis Fund

- Additional $100,000 per year in savings or new revenue needed starting FY 2016/17
- Other long-term challenges include:
  - Stabilizing and growing revenue base
  - Addressing long-term capital funding needs – funded by Park Dedication through FY 2032/33
Capital and Infrastructure Funds
Capital Projects Fund

- Used to account for new or enhanced non-utility assets or major rehabilitation of capital facilities

- Distinct Subfunds
  - General Assets
  - Gas Tax
  - Traffic Mitigation
  - Traffic Impact Fee
General Assets Subfund

- FY 2014/15 projects budget - $8.4M
- Lakewood Branch Library - $11.5M over four years
- Fair Oaks overhead bridge renovation – $17M over two years
- Washington Pool expansion - $6.6M accelerated to FY 2015/16
Gas Tax Subfund

- FY 2014/15 projects budget - $5.2M for Calabazas Creek Bridge project
- Revenue sources:
  - 85% - Federal grants
  - 9% - contribution from City of Santa Clara
  - 6% - Gas Tax
### Traffic Impact and Sense of Place Subfunds

<table>
<thead>
<tr>
<th>Revenue</th>
<th>FY 2013/14 Budget ($)</th>
<th>FY 2014/15 Budget ($)</th>
<th>FY 2015/16 Budget ($)</th>
<th>20 Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traffic Impact Fee</td>
<td>3,500,715</td>
<td>5,552,448</td>
<td>1,818,113</td>
<td>51,941,258</td>
</tr>
<tr>
<td>Sense of Place Fee</td>
<td>156,128</td>
<td>213,200</td>
<td>362,500</td>
<td>4,114,223</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>3,656,843</strong></td>
<td><strong>5,765,648</strong></td>
<td><strong>2,180,613</strong></td>
<td><strong>56,055,480</strong></td>
</tr>
</tbody>
</table>

- Large development projects generating significant impact fee revenue
- Additional revenue to be addressed in CIP budget cycle
Infrastructure Renovation and Replacement Fund

- To account for long-term renovation and replacement of the City’s non-utility, existing physical assets
- Majority of projects funded by transfers from other funds
- Subfunds
  - General Assets
  - Community Recreation
Key Projects in FY 2014/15

- Street Reconstruction & Resurfacing - $7.7M funded by transfer from the General Fund
- Lakewood Park – $4.3M funded by the Park Dedication Fund
- Golf Buildings Renovation - $408k
Special Revenue Funds
Housing Mitigation Fund

- FY 2014/15 Mitigation Fee revenue $6.8M based on three large commercial developments
- $1M for Morse Court rental rehabilitation
- $18.9M reserve balance anticipated for FY 2014/15
- Housing Mitigation Fee ordinance coming to Council for update later this year
Park Dedication Fund

- $9.5M in revenue for FY 2014/15 based on current development projects
- $172M in revenue projected over the twenty year plan
- Land valuation study currently being conducted, may result in rate increase
- $4.3M for Lakewood Park Renovation (Infrastructure Fund)
- Budget supplement for Las Palmas Park auxiliary restroom - $300,000
Police Services Augmentation Fund

- Revenue of $230k annually in State Supplemental Law Enforcement Services (SLES) program
- Funding in FY 2014/15 through twenty-year plan for nearly one full-time officer for the Department of Public Safety
Gas Tax Fund

- Funds street maintenance operating expenses
- $3.5M annually in Gas Tax revenue
  - Based on gallons, not price of gasoline
  - No growth projected
- $1.3M - Pavement Rehab project
Internal Service Funds
General Services Fund

- Fleet, Facilities, Technology Services
- Rental rates charged to operating programs for operations and replacement costs
- Rental rates held flat for the FY 2014/15 budget
- One new budgeted position in ITD: Programmer Analyst
Employee Benefits Fund

- Accounts for personnel benefit expenses
  - Pension costs
  - Leave costs
  - Insurance costs
  - Worker’s compensation costs
- Provides for full-cost accounting by charging additive rate to salaries wherever personnel hours are charged
Pension Costs

- Pension costs rising due to actuarial methodology and assumption changes
- Greater rate volatility year to year
- Retirement additive rate increased
- All employees pay entire employee contribution rate by FY 2019/20
## PERS Contribution Rates

**MISCELLANEOUS**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Employer Contribution Rate</th>
<th>Employee Contribution Rate Paid by City</th>
<th>Total City Paid (%)</th>
<th>Total City Paid ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014/15</td>
<td>23.0%</td>
<td>4%</td>
<td>27.0%</td>
<td>$15.4 M</td>
</tr>
<tr>
<td>FY 2015/16</td>
<td>24.2%</td>
<td>3%</td>
<td>27.2%</td>
<td>$15.8 M</td>
</tr>
<tr>
<td>FY 2016/17</td>
<td>27.3%</td>
<td>2%</td>
<td>29.3%</td>
<td>$16.7 M</td>
</tr>
<tr>
<td>FY 2017/18</td>
<td>28.8%</td>
<td>1%</td>
<td>29.8%</td>
<td>$17.4 M</td>
</tr>
<tr>
<td>FY 2018/19</td>
<td>30.2%</td>
<td>0%</td>
<td>30.2%</td>
<td>$18.1 M</td>
</tr>
<tr>
<td>FY 2019/20</td>
<td>31.6%</td>
<td>0%</td>
<td>31.6%</td>
<td>$19.4 M</td>
</tr>
</tbody>
</table>
## PERS Contribution Rates

### PUBLIC SAFETY

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Employer Contribution Rate</th>
<th>Employee Contribution Rate Paid by City</th>
<th>Total City Paid (%)</th>
<th>Total City Paid ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2014/15</td>
<td>35.21%</td>
<td>8.25%</td>
<td>43.46%</td>
<td>$14.2 M</td>
</tr>
<tr>
<td>FY 2015/16</td>
<td>37.25%</td>
<td>6.25%</td>
<td>43.50%</td>
<td>$14.8 M</td>
</tr>
<tr>
<td>FY 2016/17</td>
<td>42.35%</td>
<td>5.25%</td>
<td>47.60%</td>
<td>$16.3 M</td>
</tr>
<tr>
<td>FY 2017/18</td>
<td>44.90%</td>
<td>4.25%</td>
<td>49.15%</td>
<td>$17.3 M</td>
</tr>
<tr>
<td>FY 2018/19</td>
<td>47.39%</td>
<td>3.25%</td>
<td>50.64%</td>
<td>$18.4 M</td>
</tr>
<tr>
<td>FY 2019/20</td>
<td>49.71%</td>
<td>2.25%</td>
<td>51.96%</td>
<td>$19.5 M</td>
</tr>
</tbody>
</table>
Medical Insurance Costs

- 10% increase budgeted for FY 2014/15
- Several drivers to cost increases
  - Impact of the Affordable Care Act
  - Potential changes to PERS calculation of premiums to a regional approach
  - Workforce currently at low headcount; anticipated to grow as vacancies filled
- Retiree medical premiums down 35% due to adjustments made by PERS
Budget Supplements
Budget Supplements

- Budget Supplements are additions or reductions in service levels
- Result from Study Issues or Budget Issues that have a fiscal impact
- Some also included by City Manager
- Nine total Budget Supplements totaling $792,000 in one time costs and $76,000 in ongoing costs
Budget Supplements

• #1 – Dispute Resolution Services
  • $20,000 in one-time costs
  • Recommended by City Manager
• #2 – El Camino Precise Plan Update
  • $80,000 in one-time costs
  • Recommended by City Manager
• #3 – Las Palmas Auxiliary Restroom
  • $300,000 in one-time costs
  • Funded by Park Dedication Fees
  • Recommended by City Manager
Budget Supplements

- #4 – Wolfe Rd Corridor Traffic Improvement
  - $250,000 in one-time costs
  - Recommended by City Manager
  - Additional $100,000 to study grade separations at El Camino and Wolfe not recommended

- #5 – Captioning for Council Meeting Broadcasts
  - $10,200 in ongoing costs, 20-year total: $255,000
  - Recommended by City Manager
Budget Supplements

- **#6 – Public Access Programming for KSUN2**
  - $65,800 in ongoing costs, 20-year total: $1.6M
  - Not recommended by City Manager

- **#7 – Funding for Leadership Sunnyvale**
  - $6,000 in one-time costs
  - Recommended by City Manager

- **#8 – Community Choice Aggregation**
  - $30,000 in one-time costs
  - Recommended by City Manager
Budget Supplements

- #9 – Business Improvement District Funding Request
  - $30,000 in one-time costs
  - Not recommended by City Manager
- Care Management
  - Two year Supplement FY 2012/13 & FY 2013/14
What’s coming up next?

June 10th Public Hearings
- Public Hearing on FY 2014/15 Budget
- Annual Review of Fees and Charges for Fiscal Year 2014/15
- Proposed FY 2014/15 Rates for Water, Wastewater, and Solid Waste Utilities

June 24th
- Adoption of the FY 2014/15 Budget, Fee Schedule, and Appropriations Limit
Staying on the Path of Sustainability

- Managing revenue volatility
- Maintaining focus on core services
- Mitigating long term increases in expenses
- Utilizing the long term plan strategically
- Stay the course
Thank you