Adopted Budget and Resource Allocation Plan

City of Sunnyvale, California – Fiscal Year 2015/16

Volume I

Summary

City of Sunnyvale

DIRECTORY OF CITY OFFICIALS

July 1, 2015

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Mayor

Tara Martin-Milius
Vice Mayor

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Councilmember

Glenn Hendricks
Councilmember

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Councilmember

Jim Davis
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Director of Environmental Services

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Fiscal Year 2015/16

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CITY OF SUNNYVALE

The Heart of Silicon Valley

456 West Olive Avenue Sunnyvale, California 94086

Office of the City Manager

CITY MANAGER'S ADOPTED BUDGET MESSAGE

I am pleased to present the FY 2015/16 Budget and accompanying Twenty-Year Resource Allocation Plan. In adopting this budget, the City Council maintained a balance of meeting additional demands for service, funding core operations, and remaining focused on the City's strategic goals. The FY 2015/16 Budget focused on project budgets, and as such it makes significant investments in the City's infrastructure including parks, streets, sidewalks, water and wastewater systems, and more. This budget keeps the City on a sustainable path forward and continues to provide funding for important services such as public safety, library, recreation, and utility services.

The Sunnyvale City Council made two formal amendments to the Recommended Budget and adopted the amended budget on June 23, 2015. The specifics of the budget as recommended to Council are discussed in detail beginning with the Letter of Transmittal, which follows this Adopted Budget Message. This addendum addresses the adoption of amendments to the Recommended Budget, as well as one significant change to the budget that were made between the delivery of the Recommended Budget to Council on May 1, 2015 and the approval of the Adopted Budget on June 23, 2015.

At the Budget Workshop, Council provided direction to add $75,000 annually to the budget for materials at the Library and $6,000 per year to provide ongoing funding for Leadership Sunnyvale. Council took action in May to add an Administrative Analyst position to administer prevailing wage reporting requirements. Additionally, the FY 2015/16 Recommended Budget contains eight budget supplements, all of which were recommended for funding by the City Manager and approved by Council.

In closing, this budget presents a balanced allocation of resources that provides significant investment in infrastructure, maintains a strong long-term position with sufficient reserves, and begins to rebuild capacity to meet strategic priorities. With the FY 2015/16 Budget, I am confident that Sunnyvale is in a solid fiscal position, and will continue to provide high-quality and diverse services to the community.

Sincerely,

Deanna J. Santana
City Manager

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CITY OF SUNNYVALE *Memorandum*

DATE: May 1, 2015

TO: Mayor, Councilmembers and Residents of Sunnyvale

FROM: Deanna J. Santana, City Manager

SUBJECT: **Fiscal Year 2015/16 Recommended Budget for the City of Sunnyvale**

I am pleased to present for your review and consideration the FY 2015/16 Recommended Budget and 20-Year Resource Allocation Plan. This recommended budget balances sustainable funding for core operations with additional resources to address City Council's strategic areas of focus and the increasing demands for services from the community.

With strong leadership from the Council, the good work of City staff, and the long-term fiscal planning framework, Sunnyvale has emerged from recession and is at the forefront of a strong state-wide economic recovery led by the Bay Area region. We believe the City is on solid financial footing, with a growing real estate market positively impacting property tax revenue, and active development throughout the city creating jobs and increasing economic activity. This budget carefully reflects the benefits of economic recovery with revenue growth projections and an improved fiscal outlook for the City's General Fund. While we are both optimistic and cautious, the City's improved fiscal standing presents opportunity for investment in key service areas.

The combination of deferred "mission critical" projects during the recession and increased economic growth naturally brings additional demands for investment in City services and infrastructure. Past economic cycles have shown the volatility of our key revenues and the need to prepare for the inevitable downturns. This FY 2015/16 Recommended Budget and 20-Year Resource Allocation Plan proposes investment in key areas that likely can no longer be deferred and/or are strategic areas where the City stands to improve its service delivery to the community. Therefore, in this time of economic prosperity, Council has many choices to make to invest our resources wisely and for the long term. This recommended budget and long-term financial plan lays down the framework to do so and continues with the City's practice of fiscal prudence.

Strengthening the City's Financial Position for the Long Term

Our current positive fiscal position allows us to continue to address many of the growing expenses and long-term liabilities. Working collaboratively with our labor associations, and in recognition that our workforce is our largest asset, we have made considerable progress to contain compensation costs in the short and long term, with actions that included: moderating salary increases, implementing second- and third-tier reduced benefit retirement plans, modifying leave programs, and increasing employee contributions for

retirement costs. These significant concessions made by our employees have been critical to stabilize the City's finances and maintain service levels. Similarly, we are also working to pay down our unfunded liability with CalPERS, propose to increase reserves to hedge against increasing retirement contribution rate volatility, and continue to contribute to our Other Post Employment Benefit Trust to mitigate our long term healthcare liabilities.

While many of our revenues are strong, the recommended budget also seeks to moderate the impact of the revenue volatility inherent in some of our largest revenue sources, specifically sales tax and development-related fees, and incorporates and absorbs the reality of declining revenue sources like utility users tax. It does so through the effective use of reserves, and a cautious approach to projecting the long-term revenue base. Through these actions, the FY 2015/16 Recommended Budget and 20-Year Resource Allocation Plan generally preserves the amount of the Budget Stabilization Fund, as adopted in FY 2014/15, funds all of the proposed projects identified by staff, and allows for additional investment on the part of the City Council to address long-term, ongoing needs.

Investing in Sunnyvale's Infrastructure

The FY 2015/16 Recommended Budget is focused on the projects budget, as we alternate between a detailed review of operations and projects each year. The proposed projects budget, totaling $879 million over 20 years, reflects rising construction costs and the significant needs of our aging infrastructure.

One of Council's strategic priorities, the ability of transportation and other infrastructure to support development, is a major focus with projects to rehabilitate the Fair Oaks and Calabazas Creek bridges, reconfigure the Mathilda/237/101 intersection and additional funding for sidewalks, curbs and gutter replacement among other projects to improve our transportation network. The City's utilities infrastructure is also addressed with the replacement of the Water Pollution Control Plant and increased funding for water line replacement.

Open space is another high priority for the Council and the community. With funding through park dedication fees, all of the City's 21 parks are budgeted for renovation over the 20-year planning period. Renovations in the near term include Fair Oaks Park, Lakewood Park and the Washington Community Swim Center. A fully funded plan to maintain all of the City's existing parks is a significant achievement, and allows Council to focus on expansion of our open space.

Rebuilding Capacity to Meet Strategic Priorities

With the City in a stronger fiscal position and the demand for increased service or project implementation, we are constrained by a workforce that is nearly 20 percent smaller than it was 15 years ago. This presents significant challenges because our resources are not able to keep pace with operational demands, while there is also interest and need to implement key initiatives that require additional resources.

We have begun to conservatively address these needs with additional funding for resources in the Community Development Department and this recommended budget

adds resources for the Departments of Public Safety, Public Works and the Office of the City Manager. However, the additional resources are modest and only begin to address the gap between workload and staff capacity in these departments as well as in several other areas of the City. As demands continue to pressure our existing assets, we'll continue to look to strategically add resources where appropriate.

In the following pages, the overview of the FY 2015/16 Recommended Budget provides greater detail by the key components: revenues, expenditures, and reserves. 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 2015/16 Recommended Budget presents a balanced allocation of resources designed to begin meeting the increasing demands of a growing economy while maintaining a sustainable financial position for the long term. This budget maintains sufficient reserves to manage the volatility of the modern economy, and holds Sunnyvale's reputation for being strategic and thoughtful in budgeting. While we will continue to be faced with challenges such as our long-term liabilities and aging infrastructure, we are in a positive and stable fiscal position and are well situated to meet the future head on. Overall, I believe that our challenges translate to opportunities and that the wisdom of our City Council, workforce, and community are well poised to resolve them in the best interest of Sunnyvale.

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FY 2015/16 Recommended Budget Highlights

The FY 2015/16 Recommended Budget totals $356 million and includes all City operations and project expenditures, as well as contributions to reserves. Citywide budgeted expenditures are funded from multiple sources that include 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. These restricted funds make up over half of the budget.

The City's General Fund, which accounts for 42% of the citywide budget, has proposed expenditures of $153 million. The General Fund is balanced over the twenty-year financial plan with a Budget Stabilization Fund Reserve that ends with $13.5 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.

Primarily due to an increase in the property tax revenue base (discussed in detail below), the General Fund includes an expenditure line item, entitled "service level set aside," budgeted at $950,000 and growing by a general inflation factor over the twenty-year plan. This line item represents the amount that can be added to the budget while maintaining a structural balance over the twenty years.

The service level set aside and the Budget Stabilization Fund 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. While we have taken care to budget to historical averages over the long-term plan, the City has experienced severe drops from peak levels in the recent past. Additionally, we are also budgeting at a time when several revenues appear to be at peak levels.

Second, the budgeted salary assumptions may be challenging to hold to given the salary surveys in place that affect three bargaining groups and the need to make investments in our employees to maintain competitiveness in an improving economy. Fiscal sustainability will have to be balanced with that competitiveness, particularly with the concessions made by employees over the past several years, and the reduced retirement formulas in place for new employees. With these vulnerabilities in mind, these funds should be used thoughtfully and strategically.

As part of the development of the budget, the City performs a detailed review of operations and projects in alternating years. For the FY 2015/16 Recommended Budget, the focus is on the twenty-year projects budget. All projects were updated and reviewed in detail. Many existing project budgets have increased due to the rising costs of construction. In addition, due to the numerous capital and infrastructure needs across many categories such as transportation, parks, and utilities, careful attention was paid to the pacing of projects and what can be realistically delivered with the current staffing levels. Some staffing has been added to manage through the current workload, but resource levels will continue to need to be managed, particularly as the City progresses further into its largest infrastructure project to date, the water pollution control plant reconstruction. The twenty-year projects budget totals $879.7 million over twenty years, up $101.6 million or 13% from the FY 2013/14 Adopted Budget, the last projects budget cycle. Highlights are included below under "Major Project Highlights."

As FY 2015/16 is the second year of the two-year operating budget, the operating budget is largely the same as presented in the FY 2014/15 Adopted Budget and Long-Term Financial Plan. The recommended budget includes a few changes based on Council actions during FY 2014/15 and to provide resources

for increasing service demands and Council strategic priorities which are discussed in detail in the "Operating Budget" section.

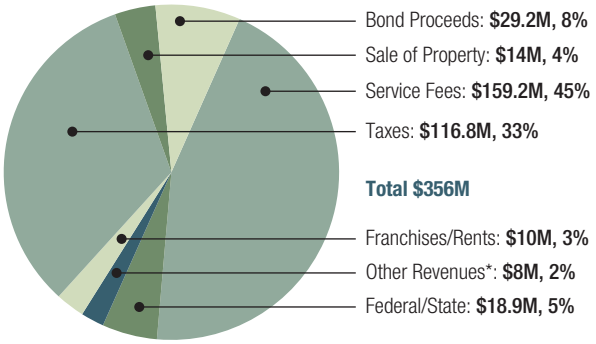
The FY 2015/16 Recommended Budget also includes eight Budget Supplements, which provide funding to complete study issues or contribute funds to external agencies who serve City residents and have been traditionally funded by the City. Seven of the supplements provide funding for one year only. The eighth budget supplement proposes funding for five years to the Downtown Association during a critical time in the revitalization of the City's downtown.

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 27 funds. Detailed discussions about revenues, expenditures, and reserves by specific fund are included with the financial plans.

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 2015/16 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 revenues, 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

Figure 2
Top Tax Revenues

Revenue Source	2012/13 Actual	2013/14 Actual	2014/15 Revised Projection	2015/16 Proposed Projection
Property Tax	$47,555,857	$50,293,385	$53,511,242	$56,486,757
Sales Tax	30,028,067	30,194,827	29,849,173	31,947,169
Transient Occupancy Tax	9,016,052	10,858,671	12,436,990	11,397,216
Utility Users Tax	6,549,144	6,754,263	6,720,489	6,809,616
Gas Tax	3,246,768	4,568,727	4,170,352	3,102,861
Construction Tax	2,724,864	2,983,677	3,067,503	2,599,579
Total Top Revenues	**$99,120,752**	**$105,653,550**	**$109,755,749**	**$112,343,198**

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.

The proposed revenues present an overall positive outlook in the short term, but also reflect the volatility in key tax revenue sources. 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 2014/15 revenues for property tax, transient occupancy tax and construction tax to exceed actual returns in the prior year. Revised FY 2014/15 estimates for sales tax, utility users' tax and gas tax project that these revenues will decrease from FY 2013/14. These revenue declines are a strong reminder that strengthening the City's revenue base must be a priority. We are currently working on a Council Study Issue to analyze the utility users' tax ordinance for modernization and potential tax increase for the 2016 ballot. This work will also be done in conjunction with a revenue strategy team to review all City revenues and areas to further pursue with Council and the community.

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 $860,000. Revenues from the residential sector increased 6.3% in FY 2014/15 while the commercial/industrial sector experienced 8.0% growth. While growth was forecast in the FY 2014/15 Adopted Budget, actual growth is higher than these estimates and therefore, the City's property tax revenue base was adjusted up. In addition, we anticipate continued strong growth in property tax revenue for the next two years. The residential growth projection is adjusted up 0.5% to 4.5% for FY 2015/16. 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 2018/19, we forecast property tax growth at a long-term historical average. 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 $67.5 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 three 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 is impacting revenues for FY 2013/14 through FY 2015/16. With weak business-to-business revenues year to date and the impact of the negative adjustment, FY 2014/15 sales tax revenue is anticipated to be less than FY 2013/14 actuals by approximately $350,000. Non business-to-business activity has trended positive, which we anticipate continuing in FY 2015/16. Without the effect of the negative audit adjustment, we forecast FY 2015/16 revenue to be up 4.5% over the revised FY 2014/15 projection. 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 $3 million decrease over twenty years.

Transient occupancy tax (TOT) has shown significant growth over recent years, coming in above estimates for FY 2013/14 and anticipated to be above estimates again for FY 2014/15. Historically, this revenue source has correlated with the economy and followed

sales tax trends, because business related travel is the core business for Sunnyvale's hotels. Currently, TOT growth is outpacing sales tax growth as TOT revenue continues to remain strong and is anticipated to stay strong through FY 2015/16. Growth has also come from the 1% increase in TOT rate to 10.5%, effective January 1, 2014. In the update of revenue projections for the FY 2015/16 Recommended Budget, we have adjusted the timing of the three 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 2016/17.

Utility users tax (UUT) revenue, generated from the sale of electricity, telecom services, and the sale of gas, is forecasted to decline over the long term. The decline is being driven by two factors, energy efficiency and how the City's outdated ordinance applies to telecom. 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. The telecom tax base has been deteriorating as the majority of telecom utility user tax revenue is based on landlines, while services such as data transmission are not included in the tax calculation of our outdated 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. We have revised projections accordingly, which results in a reduction of $23 million over the twenty-year financial plan.

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, 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 historically high level will cool off, with an elevated amount estimated for FY 2015/16 and the historical average level planned beginning in FY 2016/17.

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, several 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 refuse 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 2015/16 is shown below, in Figure 3, with a comparison to the original projection made in the FY 2014/15 Adopted Budget:

Figure 3
Proposed Utility Rate Increases

Utility	Original Projection	Recommended FY 2015/16	Change in Percentage Points
Water	5.0%	20.0%	15.0%
Wastewater	8.0%	8.0%	0.0%
Solid Waste	5.0%	5.0%	0.0%

Each of the utility enterprises has its own unique pressures that are driving rate adjustments. The FY 2015/16 Recommended Budget is the first year in the two year project budget cycle. As such, each utility submitted updated project budgets that included revised current projects as well as proposed new projects. Because the capital program for the utilities is substantial, the project budgets are significant enough that adjustments are typically made based on the changing priorities in each of the utilities every year and workload to administer these projects must be taken into consideration.

In the water utility, the two drivers affecting rates are the extended drought being experienced across the State for four consecutive years, and the increased infrastructure needs in the water utility. The drought adds a layer of financial uncertainty to the Fund. The State recently called for a mandatory 25% reduction in water use. 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 2014/15, both wholesalers 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 30% 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.

Furthermore, 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 $103.6 million in projects over 20 years, the most significant of which is $70 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.

Wastewater rates are rising as planned and being 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 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 – it will eventually make up more than a third of the Fund's total expenditure requirements.

The Fund also has several new projects that address regulatory needs as ongoing infrastructure needs, and support the Council's adopted Climate Action Plan. Tightening regulations on storm water management are the primary driver of new projects. The plan includes $6.4 million to make improvements and implement programs to capture trash and keep it from the storm water system. Also included is $500,000 to pilot infrastructure improvements such as green streets to better manage storm water in the City.

Solid waste rates are rising as planned, driven

primarily by the implementation of the City's Zero Waste Strategic Plan. This project, which is working to increase the City's waste diversion rate to 75% by 2020 and 90% by 2030, is achieving 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 less waste being landfilled.

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. This year, approximately $1.3 million in new costs are added (half of which are Sunnyvale's) to comply with a settlement agreement with Baykeeper on storm water pollution prevention. These costs include preliminary estimates of new capital improvements and ongoing costs to better manage storm water at the site.

Overall, the utility funds remain on solid footing and are performing well despite facing many unforeseen challenges. As the City continues its disciplined approach in reviewing the financial condition of each of these critical funds every year, time is provided to make adjustments and minimize the fiscal impact on each utility's customers.

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, because these fee revenues are highly volatile and expenditures related to specific fees can occur later than when the revenue is collected; a separate fund allows us to build and draw down on a separate reserve. Prior to establishing the Fund, in preparation a separate Development Enterprise Reserve was created in the General Fund to hold revenues collected in excess of what was budgeted for development-related revenue for FY 2012/13 and FY 2013/14. It should be noted that construction tax, while tied to development activity, is a tax and therefore remains in the General Fund.

With several large scale development projects in the Moffett Park and Peery Park areas, staff estimates an elevated level of revenue to continue for FY 2015/16. However, this will be the fifth consecutive year of high activity, and 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 2016/17. On the expenditure side, a detailed analysis was conducted to ensure all direct and indirect costs are reflected in the new Fund. The long-term financial plan for the Development Enterprise Fund includes indirect costs that were not captured in the FY 2014/15 Adopted Budget. With these costs included, the long-term financial plan indicates the historical level of revenues will not fully cover expenditures over the long term. As a result, fees will need to be increased over the long term. As we develop more actual history, this separate Fund will assist us in ensuring full cost recovery.

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 $18.8 million in revenue from these four fees in FY 2013/14. Based on year-to-date figures and approved projects, we estimate collecting $21.8 million in FY 2014/15. With the known development projects in the permitting process currently, a high level of revenue is anticipated for FY 2015/16 and FY 2016/17. Because of the volatile nature of development projects, it is challenging to forecast impact fee revenue beyond the most immediate years. As Figure 4 shows, Park Dedication Fee revenue is expected to remain high through FY 2016/17, based on several large projects triggering these fees, and then a historical average is used. We use the historical average starting in FY 2016/17 for Transportation Impact fees, and FY 2017/18 for Park Dedication, Housing Mitigation and Sense of Place fee revenue. The revenue projected above last year's budget is primarily appropriated in projects, or reflected as increases to fund reserves that will go to projects in the future.

Figure 4
Impact Fee Revenue

Revenue Source	2014/15 Projection	2015/16 Budget	2016/17 Plan	2017/18 Plan	2018/19 Plan	2019/20 Plan
Park Dedication Fee	$8,926,823	$13,120,105	$10,982,138	$7,527,168	$7,527,168	$7,527,168
Housing Mitigation Fee	7,190,529	4,833,550	7,530,760	2,895,693	2,895,693	2,895,693
Transportation Impact Fee	5,396,302	2,276,568	1,776,803	1,812,339	1,848,585	1,885,557
Sense of Place Fee	294,953	539,815	569,081	238,177	242,940	247,799
IMPACT FEES - TOTAL	$21,808,607	$20,770,039	$20,858,782	$12,473,376	$12,514,386	$12,556,217

Golf Fees. Newly configured in FY 2012/13, the Golf and Tennis Fund has struggled over the last two years to operate as a true enterprise fund, with all activities attempting to be self-supporting. Due to the sudden departure of the restaurant operator for the two golf courses in 2012, golf revenues suffered greatly and the General Fund provided a $300,000 subsidy to cover anticipated deficits for FY 2012/13 and FY 2013/14. During this time period, staff has made good progress in restructuring staffing to reduce expenditures; however growing revenues has been a challenge. Although the restaurants re-opened under a new operator, revenues did not rebound as strongly as anticipated and the new operator went out of business in early FY 2014/15. The Fund remains in a precarious position and staff is recommending action to provide General Fund monies to the Golf and Tennis Operations Fund due to projected shortfalls in FY 2014/15 and 2015/16.

Over the longer term, a combination of greater revenue growth and further expenditure reduction is required for this Fund to be structurally balanced. 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, a discussion of the long-term viability of the golf course operations and the current funding model will begin in the next year.

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 allows us to manage 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. 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).

The recommended budget includes the assumption that we will issue a significant amount of debt to finance the Water Pollution Control Plant (WPCP) renovation. It is anticipated that the first series of bonds may be issued as soon as FY 2015/16, with a financing program to continue for about 10 years. Financing for the WPCP will be secured by revenues from the Wastewater System (sewer rates). We are currently exploring a mix of

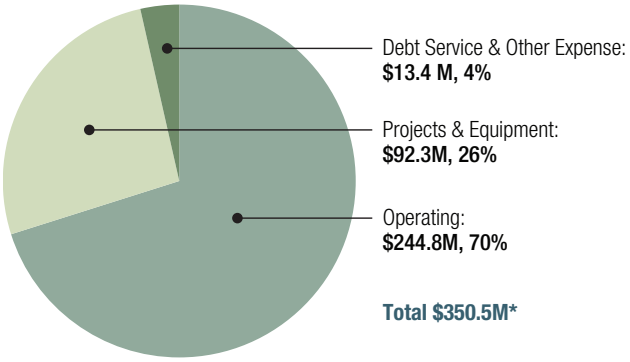
financing options including the use of State Revolving funds, traditional revenue bonds and short term cash borrowing rolled into a long-term financing option.

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, moving the sale forward one year to FY 2016/17 and increasing the estimated value from $11 million to $18 million. Based on recent discussions with Unilever, they are planning exiting the site in FY 2015/16, at which point evaluation of the disposition of the property will begin.

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 2015/16 Recommended Budget Citywide Expenditures by Type



*The difference between total Citywide revenues and expenditures is reflected as an increase to reserves of $5.5 million.

Capital Projects and Infrastructure

The City operates on a two-year budget cycle. While Council approves a budget annually, the first year of the two-year cycle focuses on the City's operations budget, while the second year focuses on the City's projects budget. The FY 2015/16 Recommended Budget is in the second year of the two-year budget cycle, and as such, this budget focuses on the City's projects. During the development of this budget, there was a detailed review of all City projects for the entire 20-year planning period. Detailed information on all of the projects is included in Volume II: Projects Budget.

Figure 6
Total Projects Budget by Fund

Fund	Fund Title	2015/16	2016/17	2017/18	20-Yr Total
35	General	$10,300,391	$5,308,574	$3,727,432	$73,882,819
70	Housing Mitigation	5,466,610	26,183	10,000	5,780,801
71	HOME	1,320,000	—	—	1,320,000
110	CDBG	760,000	248,000	548,000	7,272,000
141	Park Dedication	—	—	—	—
175	Asset Forfeiture	44,500	44,500	44,500	311,500
245	Downtown Parking District	202,595	61,200	—	1,037,566
255	Sunnyvale Community Facilities District No. 3	—	—	—	104,752
280	Gas Tax	105,000	81,600	265,302	561,905
315	RDA Successor	163,000	163,000	148,000	554,000
385	Capital Projects	6,882,200	16,555,696	13,261,129	45,036,554
460	Water	5,816,288	3,575,500	3,374,368	96,844,815
465	Wastewater	42,964,054	42,666,133	47,756,549	369,013,968
485	Solid Waste	2,317,256	2,092,035	1,579,278	33,660,932
490	SMaRT Station	600,855	1,146,238	276,618	39,537,960
510	Development Enterprise	50,000	—	—	50,000
595	General Services	75,000	188,700	541,008	1,391,429
610	Infrastructure Replacement	13,056,824	11,210,643	17,097,983	203,291,296
Grand Total		$90,124,573	$83,368,002	$88,630,167	$879,652,297

The FY 2015/16 Recommended Budget includes 293 projects. We categorize our projects into four broad types: Capital, Infrastructure, Special and Outside Group Funding. 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. Projects also fall into thirteen categories based on the type of project or the need that they are addressing. Projects that are marked as "unfunded" are typically dependent on grant funding or other outside funding sources that have not been identified or awarded at this time. In addition, there are many unfunded projects identified in the long-range plans for traffic and transportation that guide the development of the capital projects budget in the short and long term. The list of specific projects related to the traffic and transportation plans are included in the Traffic and Transportation section of Volume II: Projects Budget.

Major Project Highlights

Park and Recreational Facilities Renovation and Improvement

Parks projects, which are funded through park dedication fees, underwent a significant review and update through this budget process. Each project received a detailed review and costs for design and construction were updated to reflect the City's most recent experience in constructing Seven Seas Park. The FY 2015/16 Recommended Budget reflects projects throughout the twenty-year plan that renovate and update all the City's existing parks. Several major park projects are in the near term.

Fair Oaks and Lakewood Park Renovations

A total of $14.5 million in park dedication fees over the next three years is planned for the significant renovation of two of the City's community parks, Lakewood Park and Fair Oaks Park. Both projects will include replacement of the athletic fields with synthetic turf, new bleachers and fencing, updated buildings, energy efficient fixtures and more.

Other Park Renovation Projects

Renovation of parks throughout the City other than Lakewood and Fair Oaks are spaced over the twenty-year planning period to allow for workload considerations, as well as timing them when renovation is appropriate. Some of the major highlights include the renovation of Ortega Park starting in FY 2020/21, Baylands Park starting in FY 2022/23, Las Palmas and Serra Parks starting in FY 2023/24. The budget also includes funding every three years for the replacement of playground equipment at various parks. As the project budget is reviewed in detail every two years, adjustments may be made to the current schedules based on need or other considerations.

Recreational Facilities

The City also maintains numerous recreational facilities, the renovations of which are also funded largely by park dedication fees. The Washington Community Swim Center is a highlight of proposed projects. Funded at $8 million over the next four years, this facility will be fully rebuilt, completely replacing the pool complex. Included will be a new family observation area, zero depth entry pools, water play equipment, slides and wading areas. This will increase the footprint of the facility, and the surrounding areas will also be improved as appropriate.

At the Community Center, progress is being made on a $5 million project to upgrade the infrastructure at the site. Work includes roof repair, heating and air conditioning replacement, theatre house lighting, and miscellaneous finishes and upgrades in the various rooms throughout the facility.

Projects currently funded by park dedication fees involving facilities in the Golf and Tennis Operations Fund continue to be funded at the same level. Although there are no new golf and tennis facilities projects planned in this budget, any future new projects will be funded by the Golf and Tennis Operations Fund and not the Park Dedication Fund.

Civic Center and Library Facility Modernization

The City provides an array of services from six different buildings located at the Civic Center. These include buildings that were built from 1958 to 1985, with one additional small modular building purchased in 2001. The City is engaged in an effort to modernize its civic center and library facilities. In fall 2014, the City Council gave direction to prepare a robust Community Engagement Plan for the project and include a $400,000 appropriation into the FY 2014/15 Adopted Budget. The City is still very early in the planning process and a full range of options are being explored. Efforts are being taken to insure that there are many opportunities for community participation and input as the City evaluates alternatives and before decisions are made on next steps.

Funding for the construction of a new or renovated Civic Center and Library is not included in the FY 2015/16 Recommended Budget. Funding strategies are being evaluated as part of the Community Engagement Plan and options will be presented to the City Council later in 2015.

Branch Library in North Sunnyvale

In order to increase access to library services for residents in north Sunnyvale, Council directed staff in 2012 to explore a branch library at the Lakewood School and Park site in partnership with the Sunnyvale School District. In line with the City's policy to utilize one-time funds for one-time expenditures, the proceeds from the sale of the Raynor Activity Center are planned to provide funding for the construction of the branch library. The process to sell the Raynor Activity Center is currently underway but has been delayed by litigation. Consequently, the design for the library is now estimated to begin in FY 2016/17, with construction to follow over the subsequent two years. The annual operating costs for the branch library are estimated to be approximately $439,000. Of this amount, $197,000 will be reallocated funding from the Library's existing operating budget and will not constitute new funding. The remaining $242,000 will be the net new annual funding requirement. This amount has been reflected in the General Fund twenty-year financial plan beginning in FY 2019/20.

Utility Infrastructure

The City has been addressing its aging water and wastewater utility infrastructure for many years now and will continue to for the foreseeable future. Like many municipalities in the state and the country, Sunnyvale's water storage and distribution systems and wastewater collection and treatment systems are over fifty years old and in need of significant rehabilitation. Due to the physical location of the infrastructure, the need to make investments that will benefit the City over a very long time, and the ever-changing policy and regulatory environment, there is no cheap, easy, or simple solution.

The Water Supply and Distribution System

The Sunnyvale water system is a comprehensive water storage and delivery system. The City is divided into three zones. Zone 1 comprises the northerly two-thirds of the City and is supplied by six San Francisco Public Utilities Commission (SFPUC) turnouts. Zones 2 and 3 comprise the southerly one-third of the City and

are supplied by two Santa Clara Valley Water District (SCVWD) turnouts, and by seven wells. The distribution system also consists of three booster pump plants and ten storage tanks with a capacity of 26 million gallons. There is also one recycled water reservoir with a storage capacity of two million gallons. The system also serves an important role in providing fire protection for the City, featuring approximately 3,400 public fire hydrants and many private fire service connections. The system is managed by an automated Supervisory Control and Data Acquisition (SCADA) system that controls distribution of water throughout the system.

Over the past few years, staff has been working to identify and scope projects to replace the aging infrastructure and improve the system's reliability. The FY 2015/16 Recommended Budget includes $103.6 million over 31 projects. While the main focus on water line replacements will continue, comprising $70 million of the total, emphasis is also being placed on rehabilitation and maintenance of potable water tanks and wells and extending the recycled water system. Approximately $15 million has been budgeted for the renovation of water plants, wells, and tanks.

An additional $2.4 million in funding is provided to install the Wolfe Road recycled water pipeline and provide for continuous recycled water production at the water pollution control plant. This renewed focus on expansion of the recycled water system is in partnership with the Santa Clara Valley Water District, who is participating in a regional effort that will expand Sunnyvale's recycled water system and bring recycled water to southern Sunnyvale. Regional benefits include the delivery of recycled water to northern Cupertino, including the future Apple campus, and the potential to extend the system to serve groundwater recharge facilities in other areas of the valley.

The Wastewater Collection and Treatment System

The Wastewater Utility continues to face large infrastructure challenges. The most significant is the renovation of the City's Water Pollution Control Plant (WPCP). The FY 2015/16 Recommended Budget includes planned infrastructure expenditures of $328 million over the first ten years solely for the replacement of the WPCP. In addition, funds are budgeted for projects to manage the gap between the old and new plant, and infrastructure work on the sewer and storm collection systems.

Replacement of the Water Pollution Control Plant

Rehabilitation and replacement of the WPCP continues to be the highest priority for the City's wastewater treatment system. Projects in the FY 2015/16 Recommended Budget include a $117 million project for the design and construction of new primary treatment facilities over the next five years, $28.5 million over the next ten years for program management, $19 million to dredge the oxidation ponds, $5.9 million for the master planning efforts, and a project for $154 million as an estimated placeholder to provide funding for the remaining phases to complete the full replacement of the WPCP. Once the master planning effort is complete, which is anticipated the end of FY 2015/16, more refined cost estimates and cash flows will be available for the full project.

Work also continues on certain critical projects that were previously identified as necessary in the short term to address the most advanced areas of deterioration. Several such projects were recently completed or are currently in progress. These include a project to replace the gaseous chlorine disinfection system with a much safer liquid hypochlorite system and the rehabilitation of the digesters.

It is important to note that over time, the City will be issuing bonds or applying for State Revolving Fund Loans to fund the renovation program. At its completion, the City will be paying significant annual debt service, anticipated to be around $22 million per year, approximately 40% of the Fund's total expenses. This level of debt service is estimated to remain for 21 years.

Wastewater Collection System

The wastewater collection system consists of approximately 610 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.

The City's wastewater collection systems are in need of significant rehabilitation due to their age. The FY 2015/16 Recommended Budget includes approximately $25.2 million over the twenty-year plan to fund sewer collection pipe replacements. This includes rehabilitation of the Lawrence Expressway trunk line for $6.8 million.

Additionally, $6.4 million is budgeted for storm system trash capture devices and programs. To meet new permit requirements, trash capture devices need to be installed throughout the storm water collection system. The project funds the design and installation of two devices every other year over ten years.

Solid Waste Management System

In 2013, the City Council approved the Zero Waste Strategic Plan, a policy which seeks to increase the City's waste diversion rate to 75% by 2020 and 90% by 2030. The FY 2015/16 Recommended Budget includes a project to implement public education and new collection programs to help the City meet this goal. Examples include multi-family yard trimmings collection, and a residential food waste collection pilot. Programs will be piloted and paid for out of the Zero Waste Strategic Plan project, eventually getting rolled into the ongoing operating costs of the solid waste system.

Another significant project in the Solid Waste Utility is a $30.4 million project for the replacement of the SMaRT Station. The current agreement among the cities of Sunnyvale, Mountain View, and Palo Alto for the use of the SMaRT Station expires in 2021. This coincides with the end dates of the estimated useful life of the SMaRT Station, the refuse collection franchise, and the three cities' landfill disposal agreements. The year 2021 therefore provides an opportunity to consider changes in how Sunnyvale manages its waste and recyclables. The project provides funding for planning and inter-jurisdictional coordination in fiscal years 2016/17 through 2019/20. Funds for design and construction are scheduled for FY 2020/21, either to replace the SMaRT Station or to 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.

Traffic and Transportation Projects

The City's transportation infrastructure is a critical component for ensuring livable local communities while supporting economic development. While in general the transportation infrastructure in Sunnyvale is in good condition, and major improvements such as the renovation of the Mathilda Avenue Bridge Overpass and the Hendy Complete Streets project have been completed, there is much left to do. Regional and local growth, along with the age of the infrastructure, place a continual strain on the capacity and maintenance needs of the City's transportation infrastructure. As such, the City is engaged in several large projects to improve the system.

Mathilda/237/101Interchange Project

Work has begun on a project to reconstruct the Mathilda/237/101 interchange. This project will improve traffic operations and capacity in the area and provide for safe and efficient movement of traffic at one of the busiest and most complex roadway systems in the region. Design has been funded by a $2 million grant from the Santa Clara Valley Transportation Authority (VTA) that will be matched by the City. Estimated construction costs for the project are $16.5 million for a total project cost of $20.5M. The City expects VTA to pay for 50% of this cost with the remainder to come from the City's Traffic Impact Fees.

Streets and Roadway Infrastructure Maintenance

Over the past several years, the City has made great strides to bringing its Pavement Condition Index (PCI) back to an acceptable level through investment in its streets. Since FY 2012/13, over $14 million has been invested in pavement rehabilitation. The FY 2015/16 Recommended Budget includes an average of approximately $1.8 million per year in ongoing pavement maintenance, in addition to funds provided through the City's operating budget, directed towards maintaining the City's PCI going forward.

Calabazas Creek Bridge at Old Mt. View-Alviso Road

The Calabazas Creek Bridge, located on Old Mountain View Road near Highway 237, is shared by the cities of Sunnyvale and Santa Clara. The project received a commitment of Federal Highway Bridge program funding in the amount of $1.2 million, or 88.53% of the estimated design cost for bridge replacement. The required local match for the design portion is $154,000 which will be split between both cities, with Sunnyvale's share of $77,000 funded with Gas Tax revenues.

Design is currently underway with construction expected to begin mid-2016. The total project is estimated to cost $9.9 million, with Sunnyvale's share of the local match at $565,000. The project has a construction completion goal of 2016 and once completed the useful life of the new bridge is estimated to be 40 years.

Fair Oaks Bridge

The State of California Department of Transportation has determined that the Fair Oaks Bridge over Caltrain is structurally deficient. The FY 2015/16 Recommended Budget includes a project that will complete seismic upgrades, install sidewalks and bike lanes, rehabilitate the bridge deck, and replace lighting for the Fair Oaks Avenue Bridge over Caltrain. The City has received a commitment of Federal Highway Bridge program funding for the project. The total project is estimated to cost $22.8 million, with Sunnyvale's required local match at approximately $2.8 million.

The design, right-of-way certification, and environmental process has commenced and is scheduled for completion in 2015. Once completed, staff will submit a proposal to CalTrans to obtain construction funding. The project will begin construction in 2016. Once completed the useful life of the new bridge is estimated to be 40 years.

Sidewalks, Curbs, and Gutters

The City maintains the vast majority of sidewalks, curbs and gutters throughout the City. This infrastructure is often pushed up or broken by street trees; as they grow over time, trees slowly damage sidewalks curbs and gutters with their roots. This can result in poor sidewalk condition and lead to hazards in the sidewalks for users. Currently, the City has a growing backlog of repairs that have been reported by the public or City crews. We began to address the increasing need in the FY 2014/15 Adopted Budget with additional funding for two years so the project budget

includes $1 million for FY 2014/15 and FY 2015/16. This recommended budget allocates one-time property tax revenues to the budgeted funds for FY 2016/17 and FY 2017/18, for a total of $1.3 million budget for each of these years, to maintain an elevated level. The recommended budget also includes a new project to specifically repair sidewalks which become out of compliance with the Americans for Disabilities Act. In total, a combined $21.9 million over twenty years is allocated for these repairs. Over the next year, we will be evaluating service levels, potential funding sources, and expenditures to provide Council options to consider for addressing these needs for the long term.

Other Major Projects and Initiatives

Community Choice Energy

The City is currently engaged in evaluating and preparing to initiate a Community Choice Energy (CCE) program for the South Bay in partnership with Mountain View, Cupertino, and the County of Santa Clara. In a CCE, a city, county, or group of public agencies can form a separate public agency to procure or build electricity supplies for residents and businesses within their communities. PG&E would still operate and maintain the electric distribution system and provide customer service. A CCE brings local control to power procurement decisions, allowing for accelerated and enhanced investment in renewable energy supplies (such as solar and wind), which in turn reduces greenhouse gas emissions. There are two multi-jurisdictional CCE programs operating in California - Marin Clean Energy and Sonoma Clean Power. Both programs are currently delivering greener electricity at lower prices to their customers, in addition to enhanced programs for local renewables and energy conservation. Implementing a CCE is by far the most impactful strategy identified in the City's adopted Climate Action Plan.

Sunnyvale's preliminary share to fund the initial partnership to complete the study and launch a CCE program is estimated to be $500,000, funded by the General Fund. The City and its partners can recover the initial investments once the CCE is fully operational.

Recruitment and Training for Sworn Officers

The Public Safety Department budgets for the recruitment, selection, and training of new public safety officers in a series of recurring Special Projects rather than in the operating budget. This methodology allows expenditures to fluctuate each year based on the number of recruitments and allows for better monitoring and tracking of costs. The total twenty-year budget for these recruitment and training projects is $57 million. In December 2014, Council accelerated funding for recruitment and training to address reduced staffing levels in the Department. The new schedule reflects $13.5 million over the next three years to fund increased recruitment efforts.

This funding will provide for the continued hiring and training of recruits to bring the Department staffing levels back up to authorized amounts.

Body-Worn Cameras

Police agencies across the country are beginning to implement the use of body-worn cameras. These cameras, which are carried by individual officers, document the activities of each officer, providing an additional source of information about specific incidents. A new project has been included to fund the purchase of body-worn cameras, and policies around their use are being developed. The initial purchase has been included along with the ongoing costs, for a total estimated cost of approximately $5.2 million over twenty years.

Climate Action Plan

In 2014, the Council adopted the City's Climate Action Plan (CAP). The CAP's goals are to significantly reduce community wide generation of greenhouse gas emissions. The FY 2015/16 Recommended Budget includes almost $600,000 for the development of policies and programs for actions identified in the CAP. These include energy efficiency, use of renewable energy, alternative transportation modes, and others. The project will begin by updating the greenhouse gas inventory, initiating a school outreach program, and providing a plan for moving forward.

Operating Expenditures

Salaries

As a service organization, employee salaries and benefits are the largest component of the City's operating expenditures, accounting for 58% of total operations. Managing the growth of salaries and benefits was central to achieving structural balance in the City's budget as we dealt with the impacts of the global recession. Working together with our bargaining units, we made considerable progress with actions such as zero salary increase years, implementation of second- and third-tier reduced benefit retirement plans and increased employee contributions for retirement costs. Without these concessions from employees, the City would not be in the sustainable financial position it is in today.

The recommended budget maintains assumptions for increased employee contribution to retirement over the next several years and projected salary increases with one adjustment. The FY 2014/15 Adopted Budget included 2% salary increases for the first ten years and 3% increases for the next ten years for non-sworn employees and 3% increases for the first ten years and 4% increases for the next ten years for sworn employees. To maintain the salary increases in the same years, the FY 2015/16 Recommended Budget moves up the additional percentage increase by one year so 2% salary increases are assumed for the first nine years and then 3% increases for the next ten years for non-sworn employees and 3% increases for the first nine years and 4% increases for the next ten years for sworn employees. In the twentieth year, assumptions return to the lower 2% and 3% increases planned in the first nine years.

Employee Benefits

The other side of employee compensation costs is driven by employee benefits, primarily medical and retirement. In recent years, retirement costs have risen steeply due to investment losses and demographic changes that have increased unfunded liabilities. Additionally, CalPERS has changed its rate methodology to recognize gains and losses over a shorter period of time. These factors have resulted in increasing employer contribution rates (what the City pays for retirement) for the next several years and more rate volatility on a year to year basis in general. This rate volatility is reflected in the updated rates in this long-term financial plan. Because CalPERS had better than assumed investment returns for the last two years, the long-term rates developed by our consulting actuary are, on average, two percentage points lower than the rates we have in the FY 2014/15 Adopted Budget. This is positive news, but can also mean the rates can quickly move the other direction when CalPERS does not meet its expected returns, which is currently estimated to occur for FY 2014/15. It is also important to note that the City's retirement plans are 70% funded with a total unfunded liability currently at $268 million. Therefore, rather than recognizing the rate savings, this recommended budget includes an additional contribution to CalPERS at $1.2 million annually for a total of $32 million over twenty years. This provides the City additional funds to pay down the unfunded liability more quickly or could be used to supplement the City's reserves for PERS rate uncertainty, allowing the City to be well positioned to absorb the impacts of rate volatility should they swing the other way.

There is also uncertainty with increases in medical premiums over the next several years. The City contracts with CalPERS for medical benefits and rate increases have varied by different medical plans in recent years. Another part of the uncertainty is the impact of the Affordable Care Act on our premiums. With the regulations continuing to evolve, we do not know the full impact at this time. To address these

uncertainties, our assumptions for medical premium increases start at 7.5% and gradually settle at 5% for the remainder of the long-term financial plan. Another element of medical costs is the cost for retiree medical benefits. Retiree medical costs have continued to grow, rising 24% in the last five years from $3.94 million to $4.87 million. The City began addressing this issue several years ago by prefunding retiree medical costs through a trust. We continue to be on track to pay down the unfunded liability over the next sixteen years.

Citywide Operations

Operating expenditures reflect all of the costs to deliver the wide variety of services provided to our community on an ongoing basis. FY 2015/16 is the second year of a two-year operating budget cycle. Therefore, only a few significant changes are proposed to the operating budget. These changes are primarily to address increasing demands for service or to further the strategic goals set by Council.

As Figure 7 indicates, total budgeted operating expenditures are up 3.4%. This is driven largely by increases for employee compensation, and the Department of Employment Development, which has begun operating the San Mateo County Job Training program, which increases the department's budget.

Figure 7
Budgeted and Actual Operating Costs by Department

Department	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Plan	% Change FY 2014/15 to 2015/16
Community Development	$6,585,094	$6,966,614	$7,271,984	$7,472,943	2.8%
Environmental Services*	74,113,837	76,495,173	81,501,963	84,251,326	3.4%
Finance	7,892,186	7,860,003	8,396,376	8,619,038	2.7%
Human Resources	3,335,356	3,529,369	4,152,879	4,291,399	3.3%
Information Technology	5,828,313	6,142,175	6,949,480	7,100,904	2.2%
Library and Community Services	16,295,361	16,192,208	17,364,506	17,772,712	2.4%
NOVA Workforce Services	7,210,861	6,917,787	8,103,883	10,055,000	24.1%
Office of the City Attorney**	2,036,054	2,057,641	1,946,939	1,856,142	-4.7%
Office of the City Manager	4,113,344	4,457,164	4,326,582	4,620,121	6.8%
Public Safety	75,567,473	78,795,895	85,995,244	87,823,423	2.1%
Public Works	32,772,717	34,370,048	35,481,432	36,527,316	2.9%
TOTAL EXPENDITURES	$235,750,593	$243,784,077	$261,491,268	$270,390,324	3.4%

*Excludes SMaRT Station Operating Program

**The Office of the City Attorney's costs are down in 2015/16 due to one-time legal costs that were reflected in the FY 2014/15 operating costs.

One of the most significant changes is the addition of three new public safety officers. As part of the Moffet Place development in North Sunnyvale, an agreement was reached with the developer to construct a new Fire Station 5, expand the station to include amenities such as a shooting range and new training center, and purchase a new ladder truck for the department. This facility and equipment will help to maintain service levels in Moffet Park and the northern area of the City, where growth and development are increasing demands for service. The three new officers are being included to staff the new fire truck and facility.

The FY 2015/16 Recommended Budget includes $21 million over twenty years for the new public safety officers, as well as $50,000 per year in additional ongoing maintenance costs for the expanded facility. Due to the lead time needed to train a new public safety officer, the budget does not reflect the addition until FY 2016/17.

To support the recruitment and training efforts in the Department of Public Safety, the recommended budget also includes the addition of one Public Safety Specialist. This position, which is assigned to the recruitment and training unit, was added as part of Council action to accelerate recruitment efforts due to low sworn staffing levels within the Department of Public Safety.

Another addition to the operating costs in the recommended budget is the inclusion of a second Assistant City Manager (ACM) position in the Office of the City Manager. The new ACM is leading efforts to modernize the Civic Center, administer the Stevens Creek Trail Study, and work on other Special Projects. The Civic Center Modernization is one of the strategic goals set by Council. To date, the project is well into its initial stage, with space planning and community engagement efforts in full swing. As this project ramps up and a final direction is chosen, the addition of the ACM dedicated to its administration will ensure a timely and effective project implementation.

Lastly, one additional Assistant City Engineer position has been added for three years in the Department of Public Works as a temporary overfill. Public Works is managing peak workloads in both its land development division and its project engineering division. With the large number of major projects that are in the development queue in areas like Moffet Park and Peery Park, land development engineering staff resources are strained. In project engineering, the City is managing two major bridge projects, a major reconfiguration of the Mathilda/237 interchange, several park and recreational renovation projects and more. The additional staff will help the Department work through this peak period.

Equipment and Other Expenditures

The City accounts for equipment replacement and other one-time expenditures separately from operations or projects. The recommended budget includes continued funding for replacement of information technology equipment, fleet vehicles, facilities equipment, wastewater equipment, public safety equipment and recreation equipment (furniture and equipment for recreation classes). Highlights include the replacement of Tasers, the addition of periodic funding for common area furniture (for example lobby or conference room furniture), and two fire trucks. Taser replacement had previously been funding through Asset Forfeiture funds. These funds have been decreasing due to a change in the way they are distributed and consequently the General Fund will start funding Taser replacement beginning in FY 2017/18. Also included in the recommended budget is a one-time appropriation of $200,000 for the City Manager to utilize for unanticipated, time sensitive expenditures.

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 2015/16 Adopted Budget. This year, the recommended budget includes eight Budget Supplements. Figure 8 lists the supplements and the City Manager's recommendation. If the supplement is recommended for funding, it has been included in the financial plan of the affected fund. Details of each supplement can be found in the Budget Supplements section of this recommended budget.

Figure 8. Proposed Budget Supplements

No.	Title	Cost	Recommendation
1.	Consider Multi-family Residential Transportation Demand Management Programs (Study Issue CDD 15-02)	$30,000 – one time	Fund – Development Enterprise Fund
2.	Determine Steps to Move Forward to Becoming a Silver Level in the League of American Bicyclists – Bicycle Friendly Communities (Study Issue DPW 15-03)	$25,000 – one time	Fund – General Fund
3.	Determine Feasibility of Establishing a Park Mitigation Fee for Non-Residential Development (Study Issue DPW 15-09)	$50,000 – one time	Fund – General Fund
4.	Relocation of the Butcher House to Heritage Garden Park and Review of the Need for a Retaining Wall (Study Issue DPW 15-10)	$50,000 – one time	Fund – General Fund
5.	Funding for an Economic Consultant to Evaluate the Market Potential and Appropriate Land Use Mix for the Town Center	$50,000 – one time	Fund – General Fund
6.	Funding for Tenant-Landlord Dispute Resolution Services	$30,000 – one time	Fund – General Fund
7.	Funding for Leadership Sunnyvale	$6,000 – one time	Fund – General Fund
8.	Sunnyvale Downtown Business Association $30,000 Funding	$30,000 – five years, $150,000 total	Fund – General Fund

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 add to them or take from them as business and economic cycles pass, allowing us to provide a stable and consistent level of service. This is especially critical when so many 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 good times and bad.

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. It will also help us manage our infrastructure needs and other pressures discussed at the beginning of this transmittal.

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.

Council Policy Priorities

Over two days in the fall of 2014, Council held a strategic planning workshop that provided a briefing on operational priorities, service gaps, trends in service, and identification of Council's policy priorities on day one. On the second day, an in-depth discussion occurred on the four top ranked policy priorities: Civic Center Campus and Main Library; The Ability of Infrastructure to Support Development and Traffic; Open Space Acquisition Planning/Future of Golf Course; and Downtown Sunnyvale. These policy priorities have informed this recommended budget presented for your consideration. However, as discussed at the strategic planning workshop, our operational priorities and resource/capacity limitations require us to be resourceful and creative in addressing these policy priorities. As briefly detailed below, this recommended budget allocates resources with this approach in mind.

Civic Center Campus and the Main Library

Efforts are now well underway to modernize the civic center and main library beginning with a community engagement plan, market analysis and space planning study. A key step in the coming months will be the development of a funding plan. While community input and further analysis are needed before any decisions will be made, the long-term financial plan includes funding sources that can go toward these efforts. The General Fund includes a $1.5 million transfer to the Infrastructure Fund annually for additional investment in the City's infrastructure. $6 million has already been transferred over the past several years. The General Fund's Capital Improvement Projects (CIP) Reserve includes approximately $13 million in reserve and additional funds anticipated from the sale the Unilever margarine plant when the lease expires. In addition, funding of approximately $300,000 per year has been set aside in the Facilities Management Subfund for additional costs related to a new civic center campus. Because debt financing may also be considered, a potential bond measure will be reviewed along with other items by the revenue strategy team.

The Ability of Infrastructure to Support Development and Traffic

The economic recovery has presented significant challenges as unprecedented levels of development activity impact the City's infrastructure and increase traffic. As discussed at the strategic planning workshop, these issues are also very much regional and will require collaborative regional solutions to substantively address over the long term. Within the City, rebuilding and improving our transportation infrastructure has been a priority over the last several years and this projects budget continues this focus. These projects, detailed in the "Major Project Highlights" section include the reconfiguration of the Mathilda/237/101 intersection and rehabilitation of the Fair Oaks and Calabazas Creek Bridges. We are also addressing the growing backlog of sidewalk repairs with additional funding. While this does not address the full funding needs, combined with current funding, it does provide significant funding for the next three years, during which time we will explore ways to most cost effectively address the backlog, determine the appropriate service level and secure the right level of funding for the long term. Also included is continued funding to maintain street conditions at optimal levels, allocating an average of $1.8 million per year over twenty years. The FY 2015/16 Recommended Budget also includes substantial funding to address the City's utilities infrastructure, as detailed in the "Major Project Highlights" section.

Open Space Acquisition Planning/Future of Golf Courses

Another challenge related to the high levels of development activity is to ensure adequate open space for the growing number of businesses and residents. The elevated development activity is increasing revenue from Park Dedication fees in the near term. These revenues are primarily utilized to ensure the City's parks and recreational facilities are maintained over the long term. The recommended budget includes updated estimates for the renovation and enhancement of all parks in the City over the twenty year plan with $145 million budgeted over twenty years. In addition to funding projects, 20% of the Park Dedication

Fee revenue is set aside for land acquisition and we anticipate approximately $7.7 million in this reserve at the end of FY 2015/16. Work will begin in FY 2015/16 on a study issue to develop a park dedication fee for non-residential development. While this study may result in increased funding for park development, it will not generate enough for land acquisition in the current economic climate and the high price of land today. We will need to be strategic in finding ways to increase open space, such as working in local and regional partnerships.

As discussed in this overview, the long-term future of the City's golf courses requires further study. In the short term golf revenues have been negatively impacted by the lack of a restaurant operator, but more concerning is that over the long term, golf revenues are not anticipated to keep pace with the rising costs of expenditures such as personnel and water or its capital needs. Due to this fiscal outlook, a General Fund subsidy is proposed which will provide time to analyze the issues, gather data and community input, and develop options for the Council to consider. While future subsidies are likely to be required, our goal is to reduce the projected amount to zero over time.

Downtown Sunnyvale

Many new recently completed projects have added to the vibrancy of Downtown Sunnyvale as it continues to be seen as a very attractive location by employers, visitors and residents. The Solstice and Carmel Loft mixed-used projects added over 400 apartments and about 30,000 square feet of commercial space to the area attracting new residents and businesses. Several businesses recently opened including Flywheel Spin Studio, Kabul Afghan restaurant, Philz Coffee, The Sandwich Spot, and Aloft hotel. Several other businesses are scheduled to open soon: Prolific Oven Cafe, Nom Burger, Beach Hut Deli, and City Place Wine Bar. While the redevelopment of the downtown requires the largest, privately owned Town Center mall parcel to move forward, we have been working on areas that the City can impact. This recommended budget includes a budget supplement to fund a study issue that will evaluate the market potential and land use mix for the Town Center. This study, per Council direction, will provide guidance prior to embarking on a Specific Plan Amendment study. Setting the stage, so that when the litigation surrounding the Town Center is ultimately resolved, should allow the project to move forward in a timely manner. As mentioned earlier in this letter, we have reduced and moved out additional sales tax revenues estimated from the redevelopment of the Town Center mall in this recommended budget.

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, allowing the City to add some ongoing costs, most significantly three new public safety officers. Long-term pension and retiree medical liabilities continue to be addressed in a fiscally prudent and measured manner.

However, given the volatility in the modern economy, it is very important that we remain strategic and thoughtful in our approach. 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.

CITY OF SUNNYVALE
FY 2015/16 BUDGET SUMMARY

Revenue Sources:

Property Tax	56,486,757	
Refuse Collection and Disposal Service Fees	43,369,455	
Water Supply and Distribution Fees	41,399,795	
Sales Tax	33,513,807	
Wastewater Management Service Fees	33,028,923	
Bond Proceeds	30,197,788	
Sale of Property	14,000,000	
Park Dedication Fee	13,120,105	
Transient Occupancy Tax	11,397,216	
Development Revenues	11,284,094	
Workforce Investment Act Grant	10,500,000	
Franchise Fees	6,963,390	
Utility Users Tax	6,809,616	
Federal Grants	5,677,348	
Other Taxes	5,267,049	
Housing Mitigation Fee	4,833,550	
Golf and Tennis Fees	3,378,191	
Recreation Service Fees	3,207,520	
State Highway Users Tax (Gas Tax)	3,102,861	
Rents and Concessions	2,817,490	
Interest Income	2,391,832	
Traffic Impact Fee	2,276,568	
Other Fees and Services	2,058,507	
State Shared Revenues	1,468,692	
Miscellaneous Revenues	1,248,634	
Permits and Licenses	1,218,659	
Community Development Block Grant	989,453	
Fines and Forfeitures	972,184	
SMaRT Station Revenues	797,263	
BMR In-Lieu Fees	674,400	
Sense of Place Fee	539,815	
Other Agencies Contributions	324,178	
HOME Grant	281,021	
Special Assessment	210,288	
Reimbursement from County	19,997	
Total Revenue Sources*		**$355,826,448**

* Excludes internal service fund revenues.

CITY OF SUNNYVALE
FY 2015/16 BUDGET SUMMARY

EXPENDITURES:

Operating Budget:

Office of the City Attorney		$1,860,644
Office of the City Manager		$4,035,505
Community Development Department		
Building Safety	3,220,447	
Planning	2,479,405	
Housing and CDBG Program	1,339,051	
Community Development Department Management	436,561	
Total Community Development Department		$7,475,464
NOVA Workforce Services Department		$10,055,000
Finance Department		
Utility Billing	2,344,450	
Accounting and Financial Services	1,766,585	
Purchasing	1,328,828	
Treasury Services	1,119,436	
Financial Management and Analysis	1,035,346	
Budget Management	976,936	
Total Finance Department		$8,571,580
Human Resources Department		$3,873,329
Library and Community Services Department		
Library	8,551,548	
Arts and Recreation Programs and Operation of Recreation Facilities	8,184,234	
Youth, Family and Child Care Resources	1,114,673	
Total Library and Community Services Department		$17,850,454
Public Safety Department		
Police Services	30,202,588	
Fire Services	27,614,958	
Public Safety Administrative Services	5,257,415	
Investigation Services	4,863,457	
Community Safety Services	4,220,951	
Communication Services	3,630,216	
Records Management and Property Services	2,124,032	
Personnel and Training Services	1,993,777	
Fire Prevention Services	1,943,321	
Total Public Safety Department		$81,850,716

Operating Budget: (Continued)

Public Works Department		
Neighborhood Parks and Open Space Management	9,252,045	
Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easement	5,721,650	
Golf Course Operations	3,597,434	
Transportation and Traffic Services	2,275,716	
Street Tree Services	1,933,975	
Land Development - Engineering Services	1,301,082	
Street Lights	1,160,574	
Public Works Administration	615,906	
Downtown Parking Lot Maintenance	65,994	
Total Public Works Department		$25,924,376
Environmental Services Department		
Solid Waste Management*	34,920,425	
Water Resources	31,633,075	
Wastewater Management	9,278,474	
Regulatory Programs	4,653,899	
Wastewater Collection Systems	2,616,740	
Total Environmental Department		$83,102,614
Operating Savings		($1,000,000)
Total Operating Budget**		**$243,599,681**

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

** Excludes internal service fund operating budget.

CITY OF SUNNYVALE
FY 2015/16 BUDGET SUMMARY

Projects Budget:	
Capital Projects	$14,938,315
Special Projects	$18,210,237
Infrastructure Projects	$56,215,347
Outside Group Funding	$350,000
Council Service Level Set-Aside	$25,000
Project Administration	$2,970,435
Total Projects Budget	**$92,709,334**
Other Expenditures:	
Debt Service	$8,971,166
Lease Payments	$2,240,855
Equipment	$949,730
Service Level Set Aside	$950,000
Total Other Expenditures	**$13,111,751**
Total Expenditures	**$349,420,766**
Contribution to Reserves	**$6,405,682**
Total Adopted Budget	**$355,826,448**

City Profile

The City of Sunnyvale was incorporated December 24, 1912. The original Charter of the City was prepared in accordance with the provisions of Section 8, Article XI of the Constitution of the State of California and became effective on May 18, 1949. The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested with the City Council. There are seven Council Members elected by seat number for staggered four-year terms, with a two-term limit. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The City Manager and City Attorney are appointed by the City Council.

A Brief History

Sunnyvale's history has always been based on its economy. Initially, the area's vast open space and fertile soil were ideal for the fruit orchards that supported the settlement's first residents. With the arrival of the railroad in 1864, the economic base of the community was able to expand, as canneries to process the fruit from the surrounding orchards were built near the rail lines. In 1906, the Hendy Iron Works relocated from San Francisco to Sunnyvale, continuing the area's industrial development.

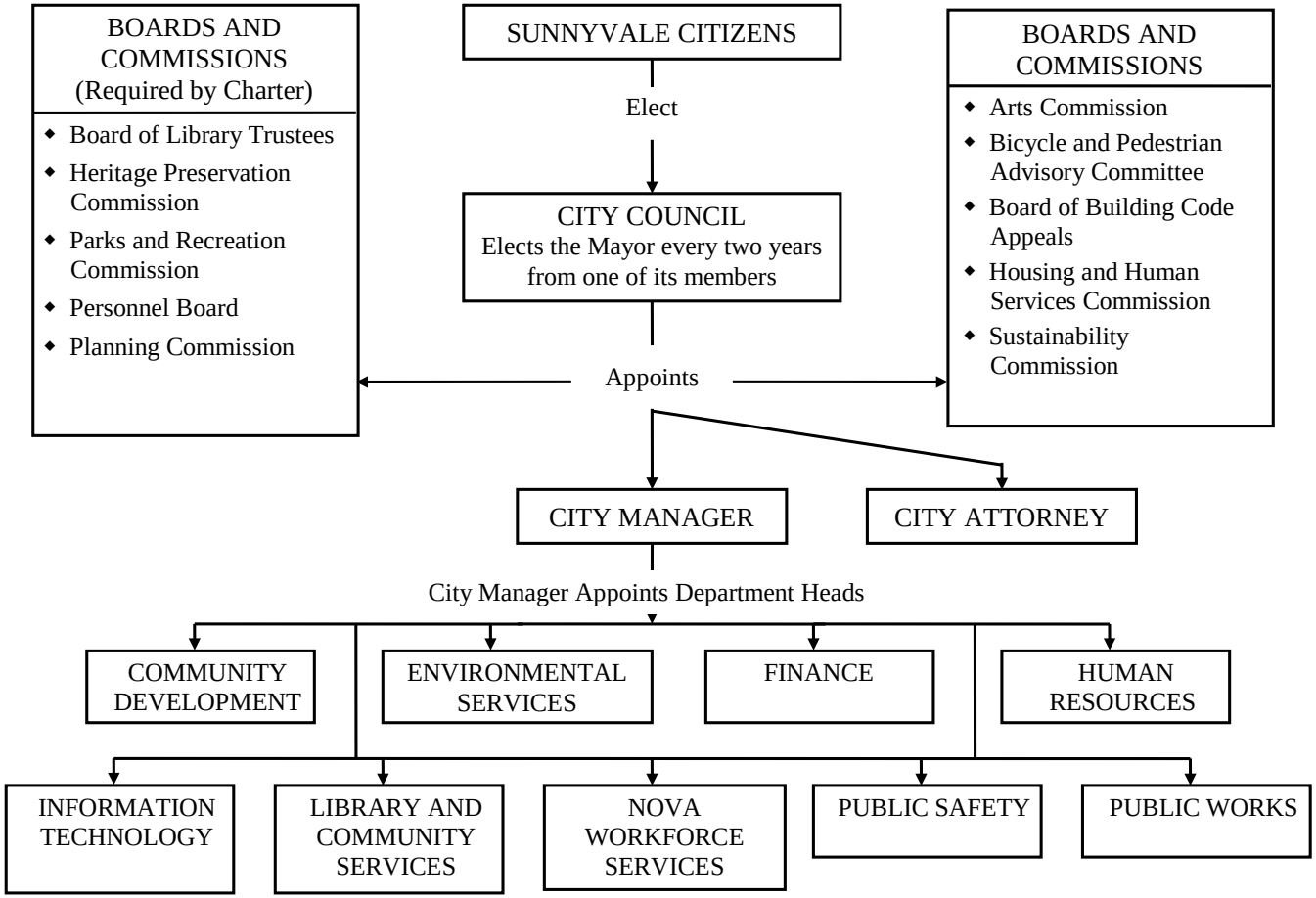
By 1940, the population had grown to about 4,400 and the Hendy Iron Works was taken over by Westinghouse to support the war effort. After the war, the defense-related industry arrived, capitalizing on the pleasant climate and Moffett Naval Air Station. Lockheed Missiles & Space Company moved to Sunnyvale in 1956, and soon became Sunnyvale's largest employer. The 1950s and 1960s became the periods of largest growth for the community, resulting in a population of 96,000 in 1970.

The defense era gave way to the high-tech era when the microprocessor was introduced in 1971. During the years that followed, companies with foresight saw the potential of computers and the power of semiconductors. The City became the nexus of research, development and manufacturing that created Silicon Valley, and that legacy continues today in the era of the Internet.

Sunnyvale At A Glance

- **Region:** The Heart of Silicon Valley
- **Size:** 24 Square Miles (Second largest city in Santa Clara County, fifth largest in the San Francisco Bay Area)
- **Temperature:** 71° (July) to 53° (January)
- **Residential Population:** 148,028 (Source: State Department of Finance estimate; valid until Spring 2016)
- **Number of Businesses:** Approximately 8,000
- **Workforce:** Approximately 118,500
- **Average Household Income:** $74,000
- **Education:** 67 percent college educated
- **Libraries:** 1
- **Golf Courses:** 2
- **Parks:** 21
- **Elementary, Middle and High Schools:** 26 (public and private)
- **Tennis Courts:** 51 (16 at the world-class Tennis Center, and 35 at 15 other locations)
- **Sports Fields:** 132 multi-purpose
- **Restaurants:** 315
- **Shopping Centers/Complexes:** 52
- **Major Hotels:** 10 (total of 3,340 rooms and 38,000 sq. ft. of meeting space)

CITY OF SUNNYVALE ORGANIZATION CHART



CITY OF SUNNYVALE DEPARTMENT PROGRAMS

City Council Appoints

CITY MANAGER

- Pgm 723 Office of the City Manager
- Pgm 748 Print, Copy, Bindery, and Mail Services & Support

CITY ATTORNEY

- Pgm 750 Office of the City Attorney

City Manager Appoints Department Heads

COMMUNITY DEVELOPMENT

- Pgm 233 Building Safety
- Pgm 234 Planning
- Pgm 235 Housing & CDBG Program
- Pgm 237 Community Development Department Management

ENVIRONMENTAL SERVICES

- Pgm 360 Water Resources
- Pgm 361 Storm Water Collection System
- Pgm 362 Sanitary Sewer Collection System
- Pgm 363 Solid Waste Management
- Pgm 364 SMaRT Station
- Pgm 365 Wastewater Management
- Pgm 366 Regulatory Programs
- Pgm 367 Wastewater Collection Systems

FINANCE

- Pgm 703 Budget Management
- Pgm 704 Purchasing
- Pgm 705 Financial Management & Analysis
- Pgm 706 Accounting & Financial Services
- Pgm 707 Treasury Services
- Pgm 708 Utility Billing

HUMAN RESOURCES

- Pgm 754 Human Resources

PUBLIC SAFETY

- Pgm 471 Police Services
- Pgm 472 Fire Services
- Pgm 473 Community Safety Services
- Pgm 474 Personnel & Training Services
- Pgm 475 Investigation Services
- Pgm 476 Communication Services
- Pgm 477 Public Safety Department Management & Support
- Pgm 478 Records Management & Property Services
- Pgm 479 Fire Prevention Services

LIBRARY AND COMMUNITY SERVICES

- Pgm 527 Youth & Family Services
- Pgm 620 Library
- Pgm 626 Arts and Recreation Programs

NOVA WORKFORCE SERVICES

- Pgm 510 Employment Development

INFORMATION TECHNOLOGY

- Pgm 746 Software Application Services & Support

PUBLIC WORKS

- Pgm 119 Transportation & Traffic Services
- Pgm 120 Pavement Maintenance, Traffic Signs & Markings
- Pgm 121 Street Lights
- Pgm 219 Street Tree Services
- Pgm 256 Downtown Parking Lot Maintenance
- Pgm 267 Neighborhood Parks & Open Space Management
- Pgm 308 Public Works Administration
- Pgm 309 Capital Project Management
- Pgm 310 Land Development – Engineering Services
- Pgm 647 Golf Course Operations
- Pgm 709 Facility Services
- Pgm 763 Provision of Vehicles & Motorized Equipment

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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 is expected in 2015.

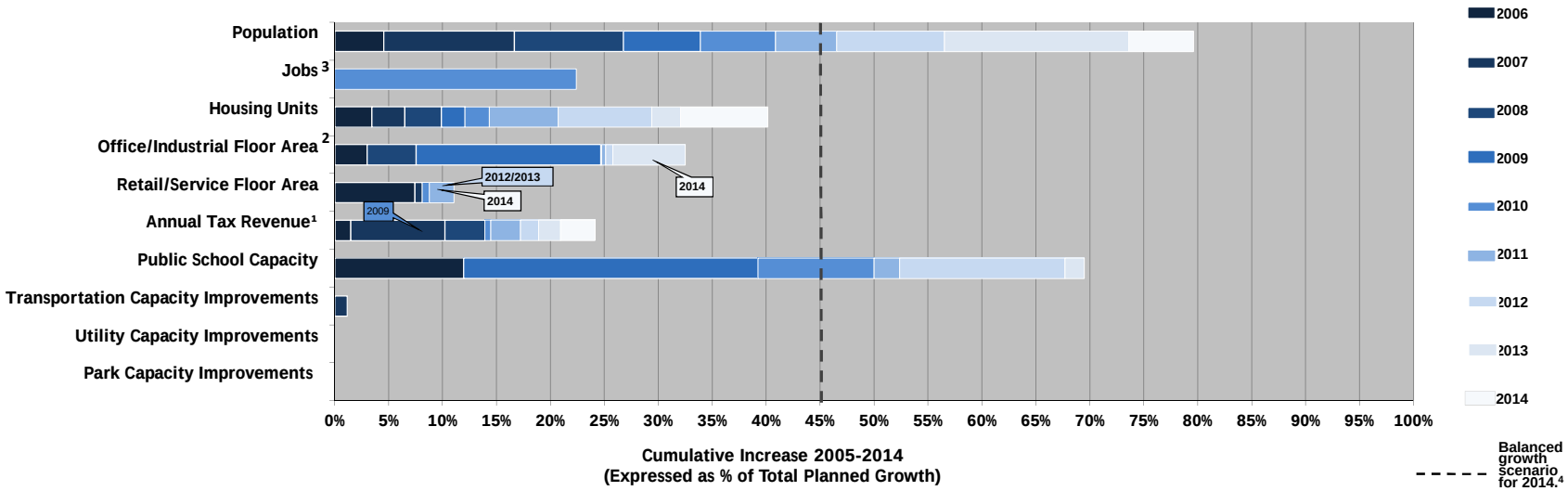
READING THE PROFILE

The profile is divided into 20 segments, each representing one year (five percent) of the 20-year timeline. The current year, 2013, is 40 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, 2014)

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	2014 Increment Increase (actual since 2013)	2014 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
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
Transportation Capacity Improvements		$46,884,000	$46,884,000	$547,970	$547,970	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	24	0%
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	$3,259,620	3%
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	-22,684	-1%
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	-200,423	-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	575	8%
Jobs [3]	73,630	92,650	19,020	n/a	n/a	n/a	77,890	n/a	n/a	n/a	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	1,082	6%



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. There is a significant challenge in finding reliable estimates of Sunnyvale jobs. This version of the Balanced Growth Profile provides Association of Bay Area Governments (ABAG) data from most recent publications while staff explores a more reliable annual estimate of jobs.
4. In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2014 would be 45%.

COMMUNITY CONDITION INDICATORS 2014

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	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	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	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 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	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	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	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	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	Econ Dev (OCM)
	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	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 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	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	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	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	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	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	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 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	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	n/a	

COMMUNITY CONDITION INDICATORS 2014

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	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	100043	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 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	n/a	
	Community													
19	• Active neighborhood and business associations	n/a	n/a	n/a	28	30	30	29	28	28	30	29	30	LCS; Data from 2008 and on corrected; 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	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	
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	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	DPS; Calendar Year
	ECONOMY													
	Jobs													
24	• Total number	n/a	99,290	73,630	n/a	n/a	n/a	n/a	77,890	n/a	n/a	n/a	n/a	There is a significant challenge in finding reliable estimates of Sunnyvale jobs. Data has been modified using Association of Bay Area Governments (ABAG) 2009 Projections data while staff explores a more reliable annual estimate of jobs.

COMMUNITY CONDITION INDICATORS 2014

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	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	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	
	• 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	
26	• Jobs/employed resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.2	n/a	n/a	n/a	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	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 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	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	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	HDL Business License Database
31	• Sales/sq. ft. ($)	n/a	51.2	23.9	25.8	27.5	25.6	21.7	23.0	24.5	24.9	25.5	27.1	
	Hospitality													
32	• Total Number of Hotel Rooms	n/a	3,835	3,851	3,930	3,923	3,378	3,394	3,290	3,290	3,290	3,217	3,256	Econ Dev; Calendar Year. Comfort Inn (Mathilda Ave), Ryan Hotel (Evelyn Ave) demolished
33	• Average hotel occupancy (%)	n/a	n/a	n/a	72	63.27	64	57.6	62.2	71.2	72.1	77.1	78.7	Econ Dev; Calendar Year. Average from major hotels: Grand Hotel, Sheraton, Wild Palms, Domain, Larkspur Landing
	Real Estate													
34	• Total assessed value ($ 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	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	CBRE, CPS & Colliers annual reports
	▫ Vacant office (%)	n/a	n/a	n/a	n/a	9.7	13	19	18.6	16.4	7.0	9.3	5.6	Separated Office from Industrial/R&D, now using Grubb & Ellis Commercial Reports
	▫ 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	

COMMUNITY CONDITION INDICATORS 2014

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
36	• Average office/industrial rent ($/sq. ft.)	0.71	3.47	1.34	1.48	2.09	2.77	1.93	1.76	n/a	2.03	2.30	2.55	CBRE, CPS & Colliers annual reports
	▫ Average office rent ($/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	Separated Office from Industrial/R&D, now using Grubb & Ellis Commercial Reports
	▫ Average industrial/R&D rent ($/sq. ft.)	n/a	n/a	n/a	1.48	1.32	1.32	1.10	1.08	1.17	0.51	1.41	1.59	
37	• Average apartment rent (3 bedroom) ($)	n/a	2,600	2,200	1,822	2,138	2,380	2,093	2,209	2,456	2,662	3,092	3,370	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	RealFacts V/R-2013 Survey, 4th quarter Data
39	• Median single-family detached home price ($)	n/a	618,000	790,000	835,000	850,538	901,000	750,000	795,000	785,000	865,000	1,012,500	1,218,000	ReReport.com (2009 to 2012 corrected)(Closed sales per MLS for Sunnyvale only, annual report for each calendar year)
40	• Median single-family attached home (townhouse/condo) price ($)	n/a	390,000	545,000	555,000	565,468	562,000	496,250	472,00	460,000	519,000	643,500	793,300	
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	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	FIN; FY 13/14
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	
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	
	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	CDD SunGIS; Vacant includes sites Under Construction
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	
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	
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	
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	
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	
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	
52	♦ Other (%)	n/a	7.4	n/a	7	7	5.7	5.7	7.4	6.7	6.6	6.6	6.4	CDD SunGIS

COMMUNITY CONDITION INDICATORS 2014

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	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	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	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	VTA & Caltrain (Caltrain: 5272; VTA pending)
56	• Miles of streets	300	300	300	300	300	300	300	300	300	300	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	
	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	CDD SunGIS (2007 to 2013 corrected); Includes redeveloped sites in East Duane ITR area, BRE & Downtown (former Town & Country), Townhomes on El Camino Real (former Chevy dealership)
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	
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	
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	
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	
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	
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	
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	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 American Community Survey 1-Year Estimates not yet available
66	• Over 20 years old (%)	n/a	83	88	88	88	90	90	90	92	92	90	90	
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	CDD Housing Div (Data for 2009-2013 corrected to include BMR homeowner units. Data for each year shown is as of end of FY) (2013 is as of June 2013)
68	• New units receiving building permits	n/a	504	199	276	305	360	118	853	490	217	661	790	CDD SunGIS
69	▫ Intended for ownership	n/a	57	199	276	305	360	118	109	211	217	145	271	
70	▫ Rental	n/a	447	0	0	0	0	0	744	279	0	516	519	

COMMUNITY CONDITION INDICATORS 2014

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	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	CDD SunGIS; PAMF, Intuitive Surgical, Mercedes, Moffett Towers Building D & 384 Santa Trinita
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	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	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	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	CDD SunGIS; Beacon Lighting Demo
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	#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	Building permits; CDD SunGIS
	Environment													
78	• Sunny days	n/a	n/a	300	300	292	293	293	272	286	293	327	293	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	ESD/SCVWD
80	• Days ozone standard exceeded	n/a	n/a	1	3	0	0	0	0	0	0	0	0	BAAQMD
81	• Recycled solid waste (%)	18	56	61	63	63	63	65	67	66	65	65	n/a	Calrecycle: data available in September of each year; 2012 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	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	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	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	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	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	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	Moffett Airfield

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Sunnyvale

California

For the Fiscal Year Beginning

July 1, 2014

Executive Director

Questions/Comments Please Contact:

Department of Finance
650 West Olive Avenue
P.O. Box 3707
Sunnyvale, CA 94086
or
Call (408) 730-7380

The Adopted FY 2015/16 Budget in its entirety may be viewed online at:
Budget.inSunnyvale.com