



# Adopted Budget and Resource Allocation Plan

City of Sunnyvale, California – Fiscal Year 2016/17

## Volume I Summary



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City of Sunnyvale

ADOPTED BUDGET and RESOURCE ALLOCATION PLAN  
Fiscal Year 2016/17

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**City Manager's  
Letter of Transmittal**



CITY OF SUNNYVALE

# Memorandum

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**DATE:** August 25, 2016

**TO:** Mayor, Councilmembers and Residents of Sunnyvale

**FROM:** Deanna J. Santana, City Manager

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

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I am pleased to present the FY 2016/17 Budget and accompanying Twenty-Year Resource Allocation Plan. In adopting this structurally balanced budget the City Council addresses strategic goals by providing resources for additional service demands while maintaining funding for core operations. FY 2016/17 is the first year in a two year budget cycle, and as such, the budget document focuses on citywide operations. Two areas of investment in the operating budget are particularly worthy of highlighting. The first is the investment made in our internal service departments, where critical information technology systems have received increased funding. Second, through use of the City's long-term financial plan, the FY 2016/17 Budget takes the initial steps required to adequately fund future pension costs, which are projected to increase significantly. By investing in our workforce and committing resources toward internal service programs, as well as setting aside funds for anticipated total compensation cost increases, the FY 2016/17 budget helps to ensure that Sunnyvale remains on a sustainable path moving forward.

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

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

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

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

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

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

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

The Adopted Budget invests an additional \$15.7 million in technology initiatives including a new Enterprise Resource Planning Solution, permitting system, and Public Safety records management system. Funding not only includes the cost of acquisition of these systems, but staffing and resources to properly implement the systems. Another investment made in our internal service departments includes the addition of a Buyer for the Purchasing Division in the Finance Department, which is heavily impacted by increased infrastructure renovation activities. Finally, resources and staffing have been

added to the Human Resources Department in support of employee development, recruitment/retention, succession planning, wellness, recruitment, and training efforts. These investments are essential to developing and maintaining a quality workforce and advancing service demands and policy priorities.

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

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

### **Identifying Unfunded Needs and Service Trade-offs and Buy Backs**

As part of the development of the FY 2016/17 Adopted Budget, I initiated a process to identify potential adjustments to service levels and unfunded needs (e.g. programs, projects, and infrastructure). Departments were tasked to bring forward potential adjustments to service levels for my consideration that they felt aligned to service demand and begin the development of a list of unfunded needs. The latter is intended to be a dynamic and evolving document that captures funding priorities in a larger context and maintains the long-term vision for which Sunnyvale is so well known. The Recommended Budget included a series of 10 Budget Supplements that total \$4.2 million over 20 years, all of which impact the General Fund. Each of these supplements focus on areas that are responsive to the needs of the community; however, with the exception of only a few, the majority are discretionary in nature and, in most cases, are ultimately policy trade-offs against the Council's desire to maintain a Budget Stabilization Fund at a certain level. I've strategically reviewed each Budget Supplement and made a recommendation, identifying partial or limited term efforts where appropriate. Nine of the supplements were recommended for funding and approved by Council.

## FY 2016/17 Budget Supplements

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

The Sunnyvale City Council did not make any formal amendments to the Recommended Budget and adopted the budget on June 28th, 2016. However, there were three changes made between the delivery of the Recommended Budget to Council on May 6, 2016 and the approval of the Adopted Budget on June 28, 2016 to correct issues inadvertently omitted from the Recommended Budget. These changes were identified for Council prior to the final adoption of the budget. The changes were an increase in funding for the City's Outside Group Funding Support project from \$35,000 to \$135,000 to be consistent with Council's action regarding the two-year human services grant awards. Additionally, one position, Engineering Assistant, was added in the Department of Public Works. This position is fully funded by development related fees. Third, the budget provides an additional \$225,000 in administrative support services as part of the Silicon Valley Clean Energy Authority (SVCEA). These costs will be fully reimbursed by the SVCEA.

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

In closing, this budget presents a balanced approach in which the City begins to invest in strategic priorities, while sustaining sufficient reserves to ensure long-term fiscal stability. With the FY 2016/17 Adopted Budget, Sunnyvale remains in a strong financial position, positioned well to continue to provide diverse, innovative, and high-quality services to the community.

Sincerely,



Deanna J. Santana  
City Manager

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# FY 2016/17 Adopted Budget Highlights

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

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

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

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

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

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

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

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

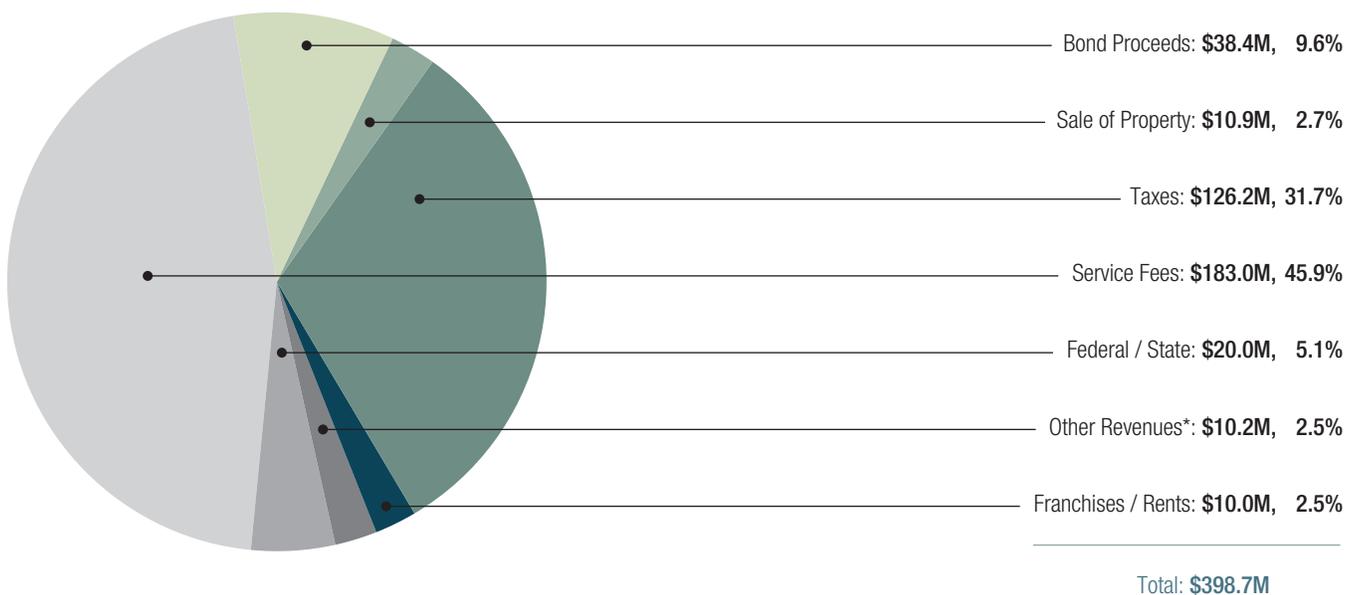
## City’s Budget and Resource Allocation Plan

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

### I. City Revenues and Resources

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

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



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

## Taxes

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

Figure 2 – Top Tax Revenues

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

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

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

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

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

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

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

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

## Service Fees

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

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

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

Figure 3. Table of Utility Rate Increases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Figure 4. Impact Fee Revenue

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

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

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

## Other Revenue Sources

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

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

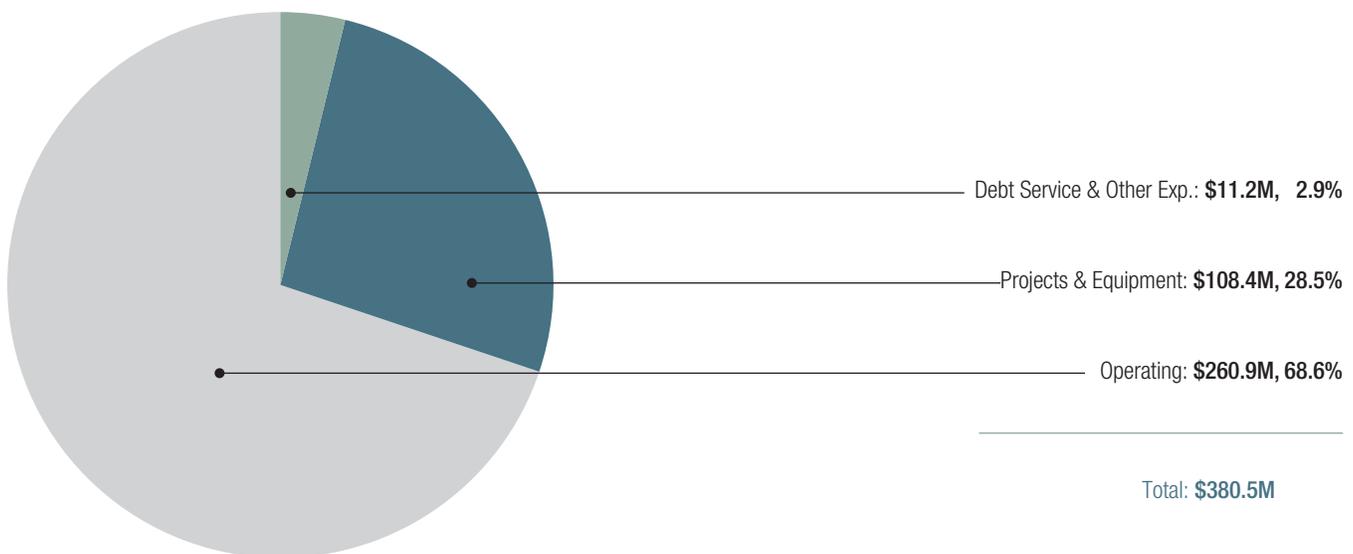
The City currently carries debt for both the Water and Wastewater Systems, the SMaRT Station, the Redevelopment Successor Agency and the Government Center property at 505 West Olive Avenue ("Sunnyvale Office Center"). All of the currently held debt is funded by rate revenues, former tax increment or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

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

## II. City Expenditures

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

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



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

### Operating Expenditures

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

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

## Citywide Operations

### Employee Compensation

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

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

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

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

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

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

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

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

Figure 6. Budgeted and Actual Operating Costs by Department

Fund/Program	Actual 2013/14	Budget 2014/15	Actual 2014/15	Budget 2015/16	Plan 2016/17	% Change 15/16 to 16/17
Community Development	6,966,614	7,271,984	7,206,305	7,548,975	8,682,219	15.0%
Environmental Services *	76,495,173	81,501,963	75,351,517	84,211,327	86,289,258	2.5%
Finance	7,860,003	8,396,376	8,200,684	8,490,746	8,996,089	6.0%
Human Resources	3,529,369	4,152,879	4,027,665	4,419,667	5,041,213	14.1%
Information Technology	6,142,175	6,949,480	6,715,674	7,100,904	7,877,713	10.9%
Library and Community Services	16,192,208	17,364,506	16,731,226	17,847,712	18,637,047	4.4%
NOVA Workforce Services	6,917,787	8,103,883	7,193,894	10,055,000	10,055,000	0%
Office of the City Attorney	2,057,641	1,946,939	1,738,918	1,856,142	1,956,799	5.4%
Office of the City Manager	4,457,164	4,326,582	4,303,071	4,621,502	6,469,079	40%
Public Safety	78,795,895	85,995,244	82,754,365	89,778,056	95,928,241	6.9%
Public Works	34,370,048	35,481,432	34,886,063	36,745,801	39,503,227	7.5%
<b>TOTAL EXPENDITURES</b>	<b>243,784,076</b>	<b>261,491,267</b>	<b>249,109,381</b>	<b>272,675,831</b>	<b>289,435,885</b>	<b>6.1%</b>

\*Excludes SMaRT Station Operating Program

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

## City Attorney and City Manager

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

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

## Administrative Services

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

## Library, Community Services, and Public Facilities

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

## Transportation, Streets and Infrastructure

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

## Public Safety

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

## Community, Economic, and Workforce Development

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

## Environment and Sustainability

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

# Projects Budget

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

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

## Projects Budget Highlights

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

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

# Technology Initiatives

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

# Budget Supplements, Service Level Adjustments, and Unfunded Needs

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

With these in place, the Long-Term General Fund Financial Plan ends the twenty years with \$6.3 million in the Budget Stabilization Fund.

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

## Budget Supplements

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

Figure 7. Proposed Budget Supplements

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

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

### Service Level Adjustments

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

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

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

## Unfunded Programs and Projects

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

### Unfunded Projects Listing

#### Transportation, Streets & Infrastructure

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

#### Traffic Signal Infrastructure Replacement

- Sidewalk Repair
- Street Maintenance (additional to maintain PCI)

#### Environment and Sustainability

- CAP Program Funding
- Water Infrastructure
- Wastewater Collection Infrastructure

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

#### **Library, Community Services & Public Facilities**

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

#### **Public Safety**

- Fully functioning Emergency Operations Center

#### **Administrative Services**

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

### **III. City Reserves**

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

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

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

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

## Conclusion

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

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

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## **Budget Summary**

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

**Revenue Sources:**

Property Tax	62,923,052
Water Supply and Distribution Fees	45,500,730
Refuse Collection and Disposal Service Fees	44,318,136
Bond Proceeds	38,444,864
Sales Tax	33,334,799
Wastewater Management Service Fees	34,852,348
Park Dedication Fee	22,291,133
Transient Occupancy Tax	14,471,479
Development Revenues	11,736,641
Sale of Property	10,910,000
Workforce Innovation and Opportunity Act Grant	10,500,000
Housing Mitigation Fee	8,410,030
Franchise Fees	7,153,717
Utility Users Tax	6,903,949
Federal Grants	6,525,543
Traffic Impact Fee	5,801,648
Other Taxes	5,339,129
Interest Income	2,393,851
Recreation Service Fees	3,274,777
Golf and Tennis Fees	3,126,864
State Highway Users Tax (Gas Tax)	3,023,610
Rents and Concessions	2,885,020
Reimbursement from County	2,527,935
Other Fees and Services	2,283,845
Miscellaneous Revenues	1,898,394
State Shared Revenues	1,644,926
Permits and Licenses	1,261,679
Community Development Block Grant	1,037,051
Fines and Forfeitures	1,009,943
Sense of Place Fee	915,111
SMaRT Station Revenues	633,804
BMR In-Lieu Fees	590,100
Other Agencies Contributions	319,410
HOME Grant	307,196
Special Assessment	211,018

**Total Revenue Sources\***

**\$398,761,731**

\* Excludes internal service fund revenues.

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

**EXPENDITURES:**

**Operating Budget:**

Office of the City Attorney		\$1,956,799
Office of the City Manager		\$5,836,609
Community Development Department		
Building Safety	3,832,882	
Planning	2,873,251	
Housing and CDBG Program	1,360,752	
Community Development Department Management	526,103	
Total Community Development Department	8,592,987	\$8,592,987
NOVA Workforce Services Department		\$10,055,000
Finance Department		
Utility Billing	2,575,560	
Accounting and Financial Services	2,024,314	
Purchasing	1,511,931	
Budget Management	962,286	
Revenue Collection and Audit	960,512	
Financial Management and Analysis	930,143	
Total Finance Department	8,964,746	\$8,964,746
Human Resources Department		\$4,588,585
Library and Community Services Department		
Library	8,730,564	
Arts and Recreation Programs and Operation of Recreation Facilities	8,705,767	
Youth, Family and Child Care Resources	1,199,817	
Total Library and Community Services Department	18,636,147	\$18,636,147
Public Safety Department		
Fire Services	31,161,740	
Police Services	30,690,368	
Public Safety Administrative Services	5,770,381	
Investigation Services	4,861,829	
Community Safety Services	4,299,095	
Communication Services	4,192,385	
Fire Prevention Services	2,585,304	
Personnel and Training Services	2,133,109	
Records Management and Property Services	2,103,318	
Total Public Safety Department	87,797,529	\$87,797,529

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

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**Operating Budget: (Continued)**

Public Works Department		
Neighborhood Parks and Open Space Management	9,597,564	
Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easement	6,067,699	
Golf Course Operations	3,409,780	
Transportation and Traffic Services	2,935,930	
Street Tree Services	2,068,516	
Land Development - Engineering Services	1,934,070	
Street Lights	1,261,318	
Public Works Administration	892,044	
Downtown Parking Lot Maintenance	65,067	
Total Public Works Department	65,067	\$28,231,988
 Environmental Services Department		
Solid Waste Management*	36,073,342	
Wholesale Water Purchases	25,396,914	
Wastewater Management	9,660,447	
Water Resources	6,815,557	
Regulatory Programs	4,991,844	
Wastewater Collection Systems	3,351,153	
Total Environmental Department	3,351,153	\$86,289,258
 Operating Savings		
 <b>Total Operating Budget**</b>		<b>\$260,949,649</b>

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

\*\* Excludes internal service fund operating budget.

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

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<b>Projects Budget:</b>	
Capital Projects	\$19,796,035
Special Projects	\$20,725,228
Infrastructure Projects	\$60,259,661
Outside Group Funding	\$334,058
Technology Projects	\$2,761,500
Project Operating	\$281,405
Council Service Level Set-Aside	\$100,000
Project Administration	\$3,257,945
<b>Total Projects Budget</b>	<b><u>\$107,515,832</u></b>
<b>Other Expenditures:</b>	
Debt Service	\$8,914,659
Lease Payments	\$2,259,617
Equipment	\$855,654
<b>Total Other Expenditures</b>	<b><u>\$12,029,931</u></b>
<b>Total Expenditures</b>	<b><u>\$380,495,411</u></b>
Contribution to Reserves	\$18,266,320
<b>Total Adopted Budget</b>	<b><u>\$398,761,731</u></b>

**City Profile &  
Organization Chart**

# 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.

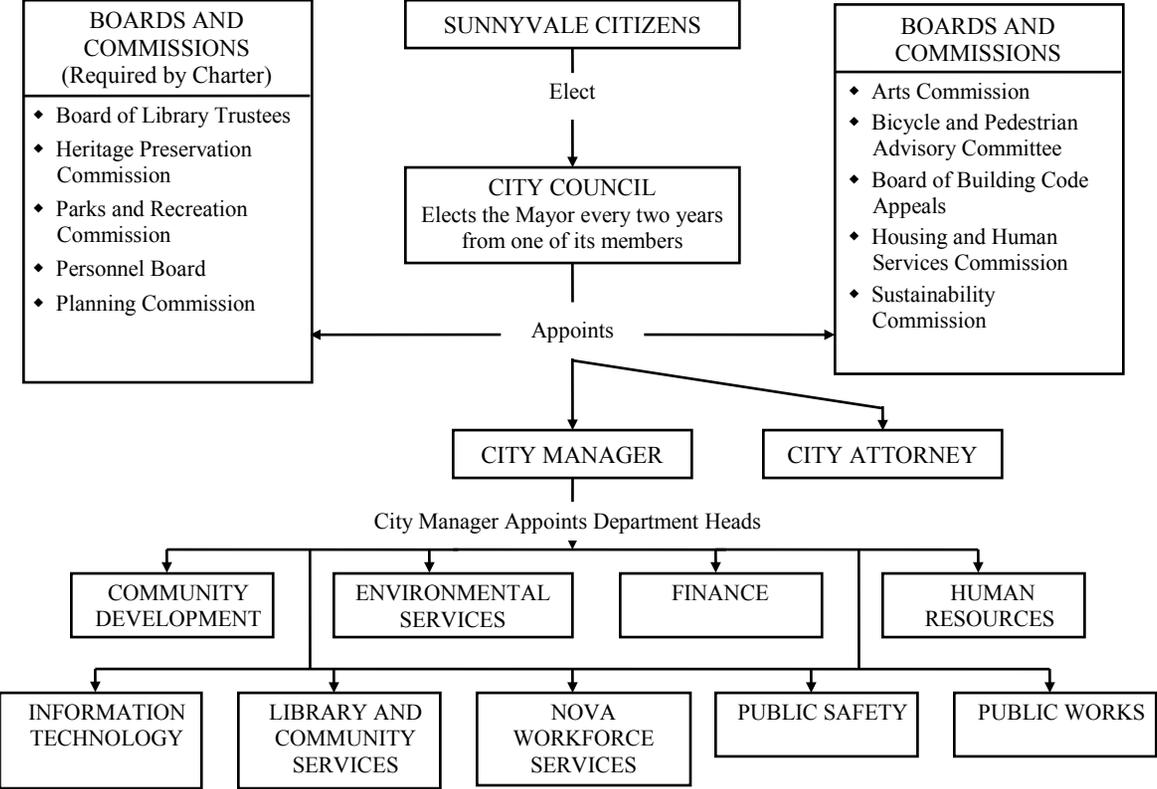


## Sunnyvale At A Glance

- **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)
- **Average Temperature:** 71° (July) to 53° (January)
- **Residential Population:** 148,372 (Source: State Department of Finance estimate; valid until Spring 2017)
- **Number of Businesses:** Approximately 9,000
- **Labor Force:** Approximately 86,900
- **Median Household Income:** \$104,681
- **Bachelor or Higher Education:** 59 percent
- **Libraries:** 1
- **Golf Courses:** 2
- **Parks:** 24
- **Elementary, Middle and High Schools:** 27 (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:** approximately 350
- **Shopping Centers/Complexes:** 52
- **Hotels:** 35 (total of 3,525 rooms)

Source: City of Sunnyvale

# CITY OF SUNNYVALE ORGANIZATION CHART

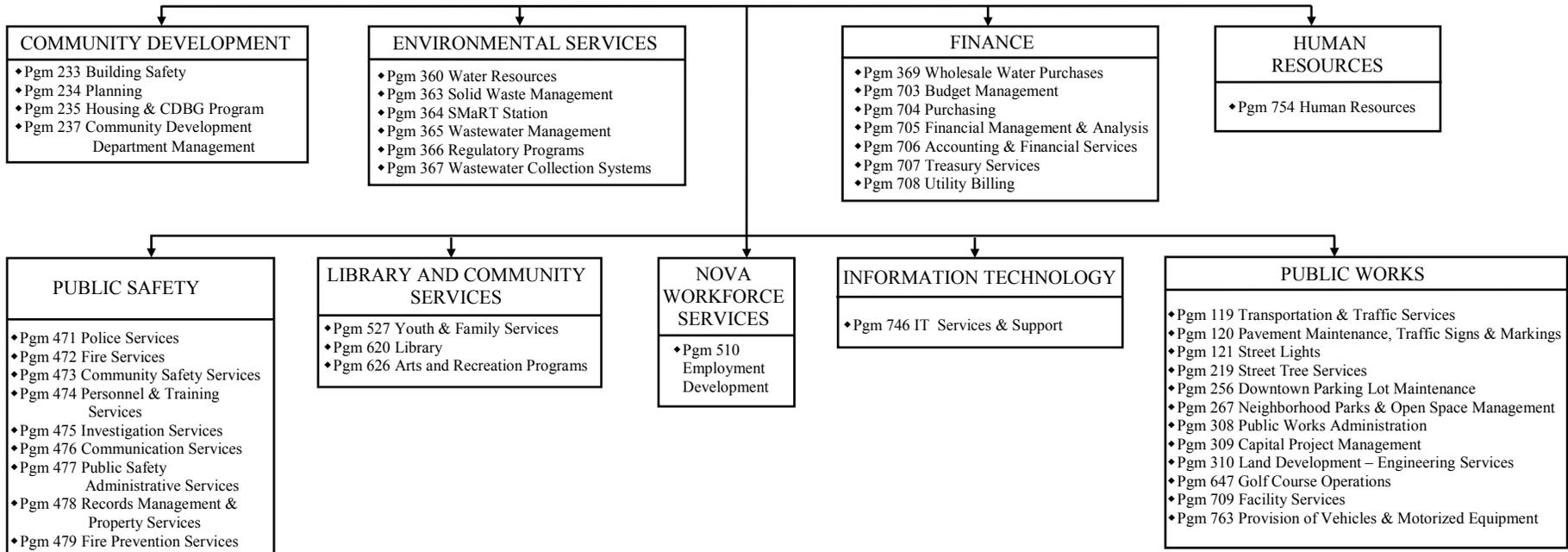


# CITY OF SUNNYVALE DEPARTMENT PROGRAMS

City Council Appoints



City Manager Appoints Department Heads



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**Community Condition  
Indicators**



# COMMUNITY CONDITION INDICATORS AND BALANCED GROWTH PROFILE

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## **COMMUNITY CONDITION INDICATORS**

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

## **BALANCED GROWTH PROFILE**

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

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

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

## **GROWTH INDICATORS**

**POPULATION** – HOUSING UNITS

**JOBS** – INDUSTRIAL/OFFICE/COMMERCIAL

### **INFRASTRUCTURE**

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

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

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

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

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

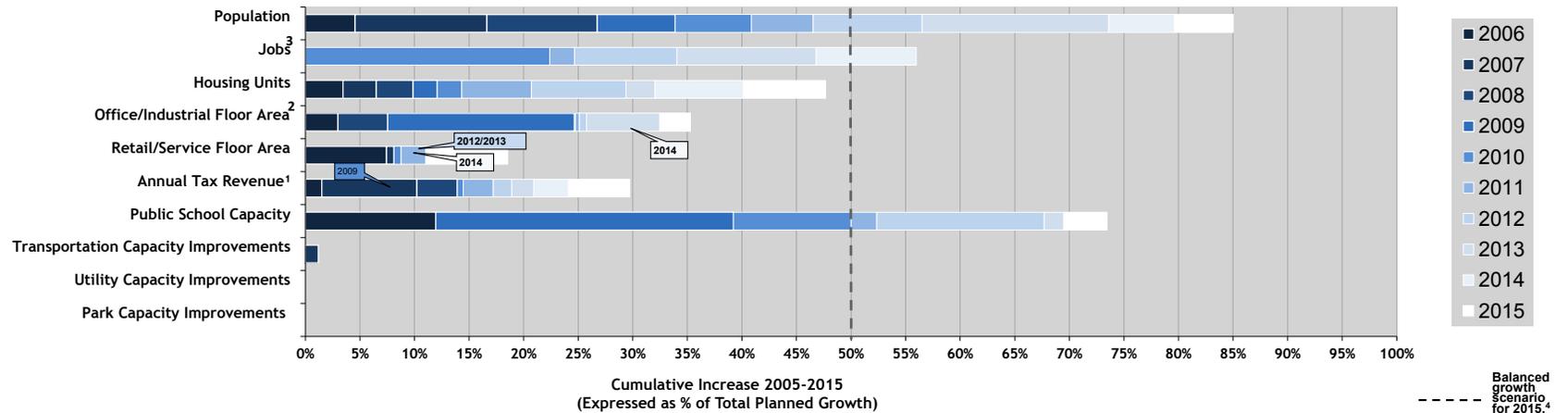
### **READING THE PROFILE**

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

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

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

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



**Notes**

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

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

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

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

**COMMUNITY CONDITION INDICATORS 2015**

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

COMMUNITY CONDITION INDICATORS 2015

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

COMMUNITY CONDITION INDICATORS 2015

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

COMMUNITY CONDITION INDICATORS 2015

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

COMMUNITY CONDITION INDICATORS 2015

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

**Summary of Budgeted  
Personnel Hours**

# SUMMARY OF BUDGETED PERSONNEL HOURS

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## Overview

The City of Sunnyvale budgets by work hours, not by position. This enables staff to more accurately determine the amount of time required to provide a service. In order to manage the positions, staff develops a budgeted position allocation by Department after the adoption of the budget. Beginning in FY 2014/15, the City revised the level of productive hours per position to more accurately reflect current conditions. The budgeted position allocation calculates full-time (FTE) and part-time (PTE) equivalents using the following standards:

	<b>FY 2012/13 – FY 2013/14</b>	<b>FY 2014/15 – FY 2016/17</b>
• Management Staff	1,850 hours equals one FTE	1,790 hours equals one FTE
• Non-management Staff	1,800 hours equals one FTE	1,760 hours equals one FTE
• Public Safety Officers	1,900 hours equals one FTE	1,835 hours equals one FTE
• Part-time Staff	1,090 hours equals one PTE	1,090 hours equals one PTE

## Staffing Trends

The tables on the following page show the budgeted position allocation for full-time and part-time positions, by Department, and by employment status on a City-wide basis. Two years of actual data, as well as the current and budget years' data are presented.

The values reflected in the Actual FY 2013/14 and Actual FY 2014/15 columns are actual, filled positions in each department/job category as of the end of the fiscal year. The values in the Current FY 2015/16 and Budget FY 2016/17 columns are the budgeted positions in each department/job category. As of July 1<sup>st</sup>, 2016, the City had 826 active employees. The difference between the actual positions and the budgeted positions is predominantly due to vacancies.

**BUDGETED PERSONNEL HOURS  
FY 2013/14 — FY 2016/17**

**Total Personnel by Department**

	<b>Actual FY 2013/14</b>	<b>Actual FY 2014/15</b>	<b>Current FY 2015/16</b>	<b>Budget FY 2016/17</b>
Office of the City Attorney	6	6	6	6
Office of the City Manager	17	17	18	20
Community Development	37	36	41	43
Environmental Services	109	105	118	121
Finance	46	47	50	51
Human Resources	17	16	18	20
Information Technology	19	22	22	23
Library and Community Services	90	88	100	100
NOVA Workforce Services	34	32	43	44
Public Safety	260	271	285	287
Public Works	170	168	186	186
<b>Totals</b>	<b>805</b>	<b>808</b>	<b>887</b>	<b>901</b>

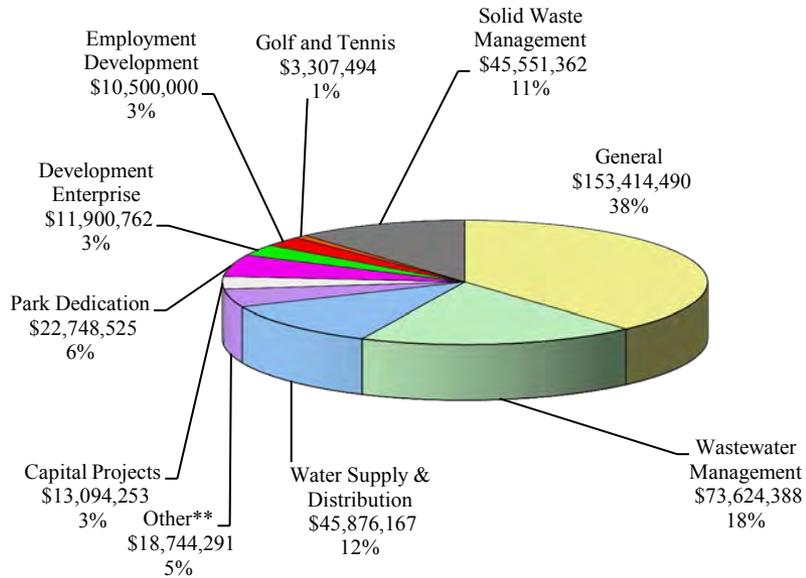
**Total Personnel by Employment Status**

	<b>Actual FY 2013/14</b>	<b>Actual FY 2014/15</b>	<b>Current FY 2015/16</b>	<b>Budget FY 2016/17</b>
Management	90	82	96	99
Non-Management	485	483	538	549
Part-Time Staff	45	46	52	52
Public Safety Officers	185	197	201	201
<b>Totals</b>	<b>805</b>	<b>808</b>	<b>887</b>	<b>901</b>

**Financial  
Graphs**

# City of Sunnyvale FY 2016/17 Budget Financial Graphs

**Graph 1.1 Revenues by Fund - All Funds\***

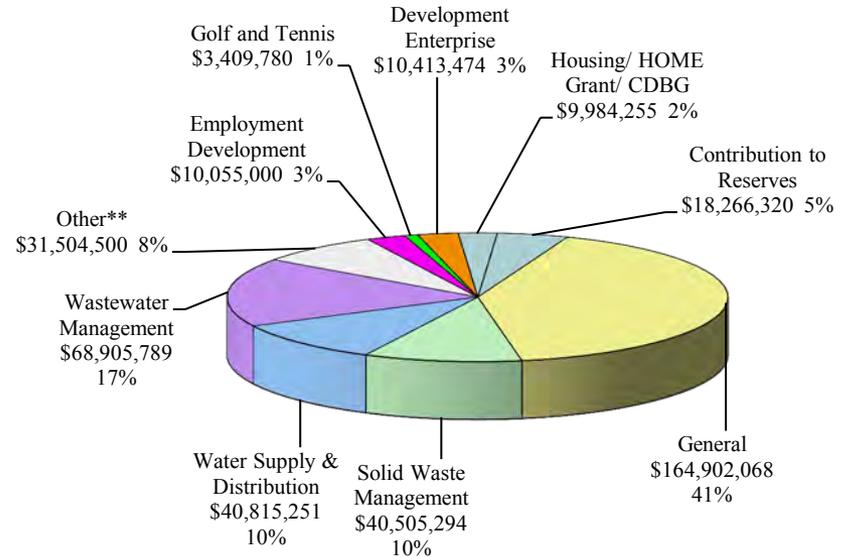


**Total Revenues  
\$398,761,731**

\*Excludes internal service fund charges and inter-fund transfers

\*\*Other includes CDBG, Housing, Gas Tax, Youth and Neighborhood Services, and Redevelopment Successor Agency Funds

**Graph 1.2 Expenditures by Fund - All Funds\***



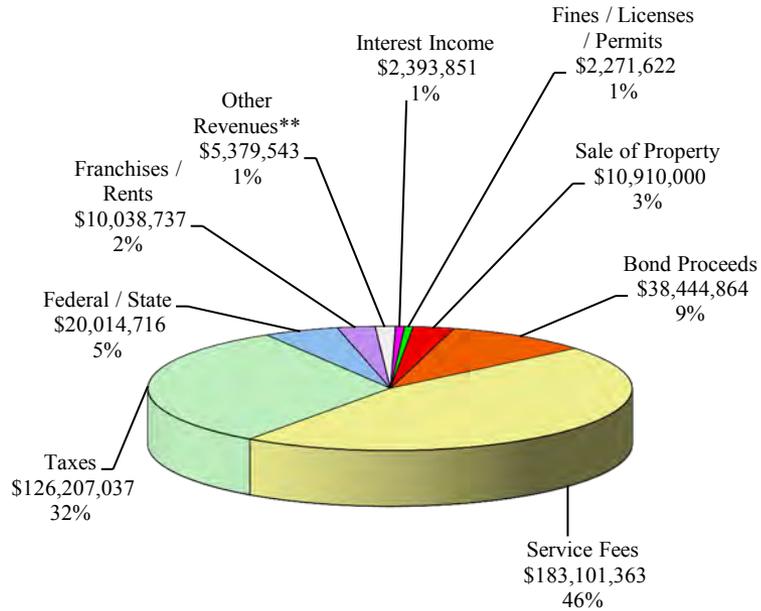
**Total Expenditures  
\$398,761,731**

\*Excludes internal service fund operating budgets and inter-fund transfers

\*\*Other includes Gas Tax, Youth and Neighborhood Services, Redevelopment Successor Agency, and Capital and Infrastructure funds

# City of Sunnyvale FY 2016/17 Budget Financial Graphs

**Graph 1.3 Revenues By Source - All Funds\***

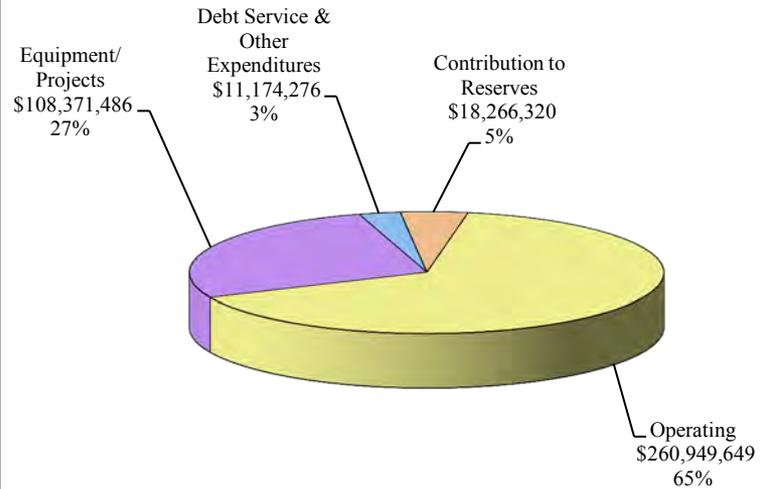


**Total Revenues  
\$398,761,731**

\*Excludes internal service fund charges and inter-fund transfers

\*\*Other Revenues include Miscellaneous Revenues, SMaRT Station Reimbursement, and Other Agencies Contributions

**Graph 1.4 Expenditures by Type - All Funds\***

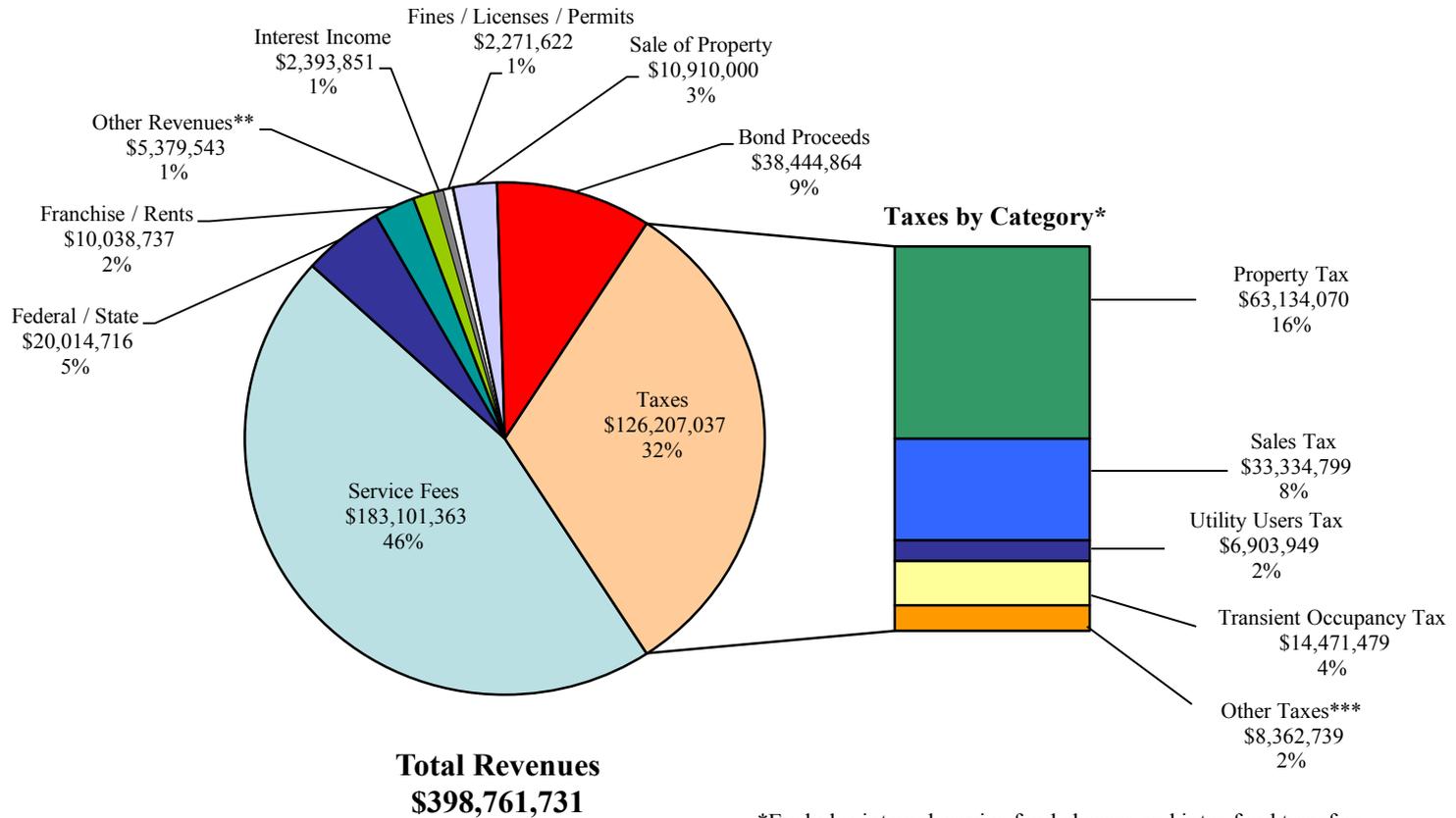


**Total Expenditures  
\$398,761,731**

\*Excludes internal service fund budgets and inter-fund transfers

**City of Sunnyvale  
FY 2016/17 Budget  
Financial Graphs**

**Graph 1.5 Revenues by Source - Taxes by Category\***



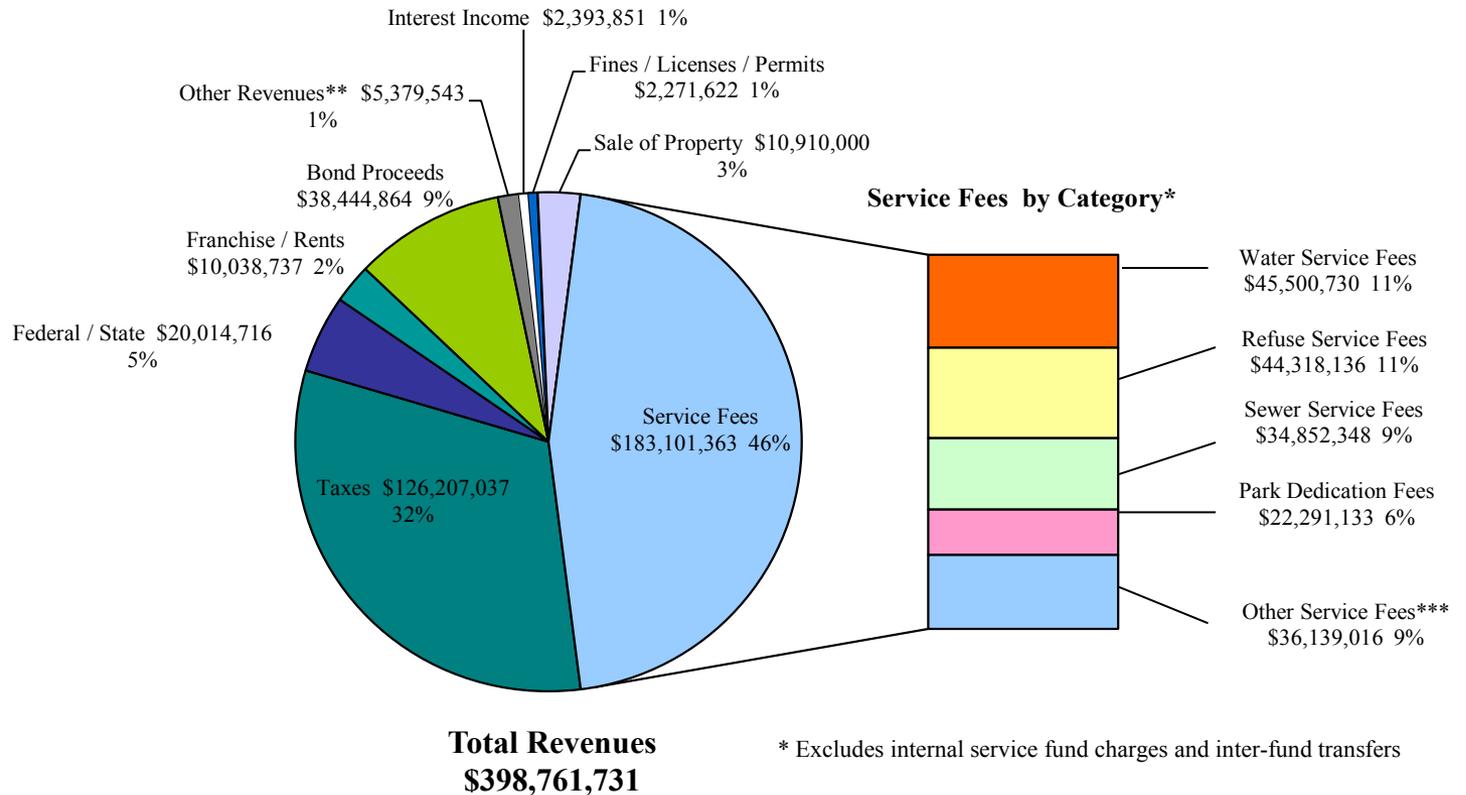
\*Excludes internal service fund charges and inter-fund transfers

\*\*Other Revenues include Miscellaneous Revenues, SMaRT Station Revenues and Other Agencies Contributions

\*\*\*Other Taxes include Gas Tax, Construction Tax, Business License Tax and Real Property Transfer Tax

**City of Sunnyvale  
FY 2016/17 Budget  
Financial Graphs**

**Graph 1.6 Revenues by Source - Service Fees by Category\***



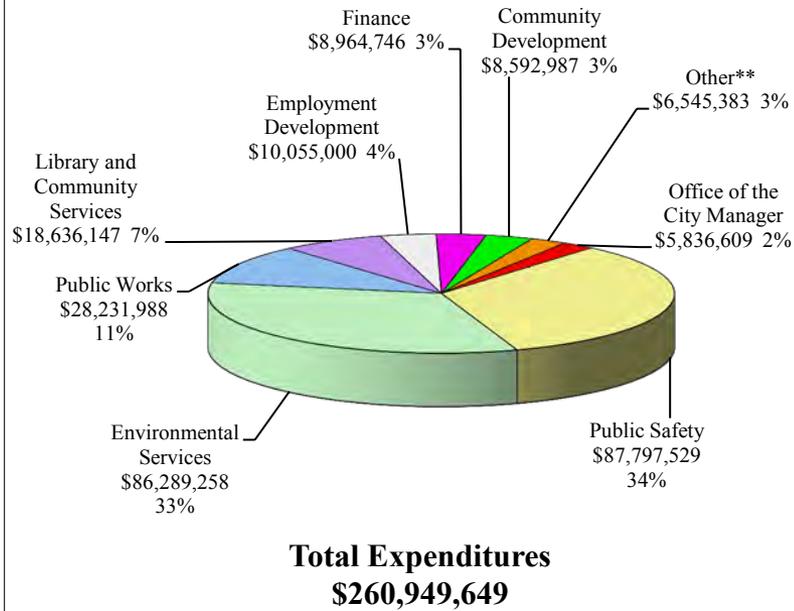
\* Excludes internal service fund charges and inter-fund transfers

\*\* Other Revenues include Miscellaneous Revenues, SMaRT Station Reimbursement and Other Agencies Contributions

\*\*\* Other Service Fees include Traffic Impact Fees, Sense of Place Fees, Recreation Service Fees, Golf & Tennis Service Fees, and Development Fees

# City of Sunnyvale FY 2016/17 Budget Financial Graphs

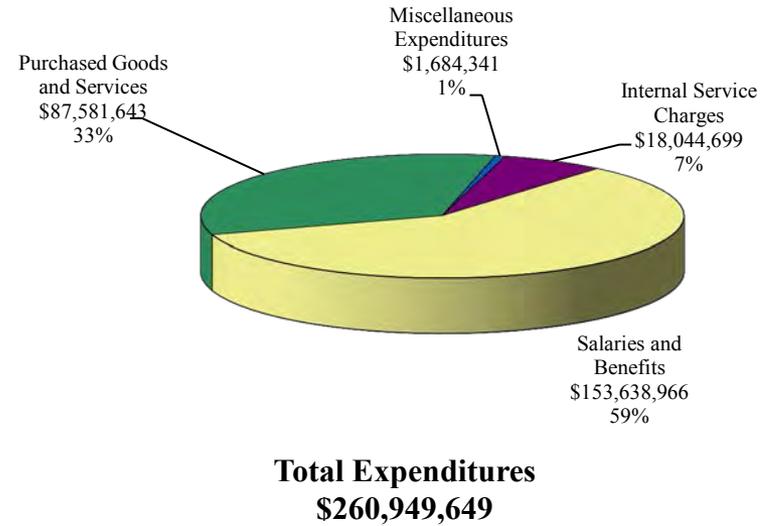
**Graph 1.7 Operating Expenditures by Department  
- All Funds\***



\*Excludes internal service fund operating budgets

\*\*Other includes Office of the City Attorney and Human Resources

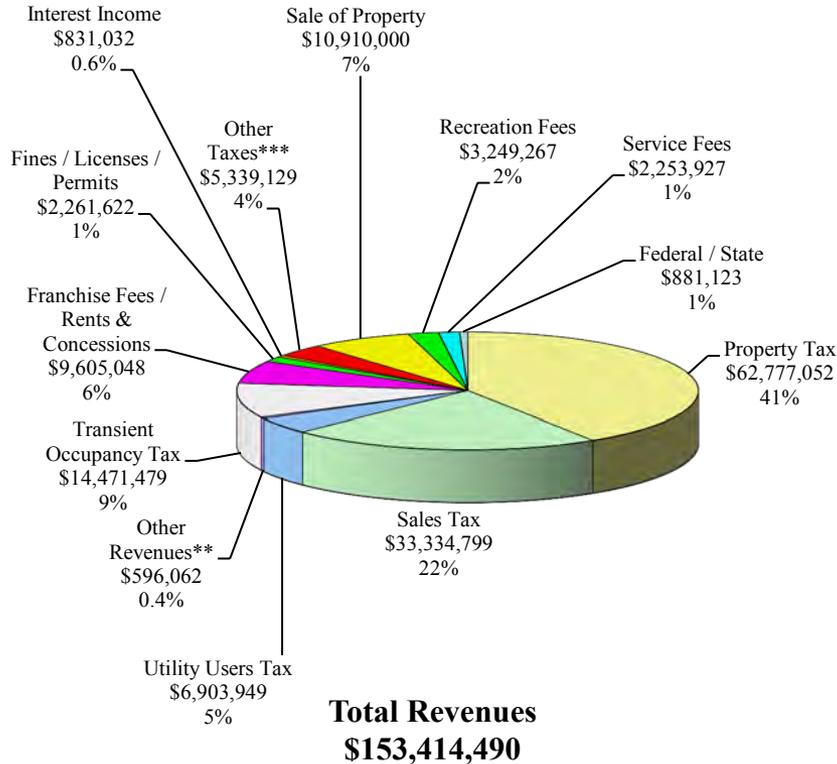
**Graph 1.8 Operating Expenditures by Character  
- All Funds\***



\*Excludes internal service fund operating budgets

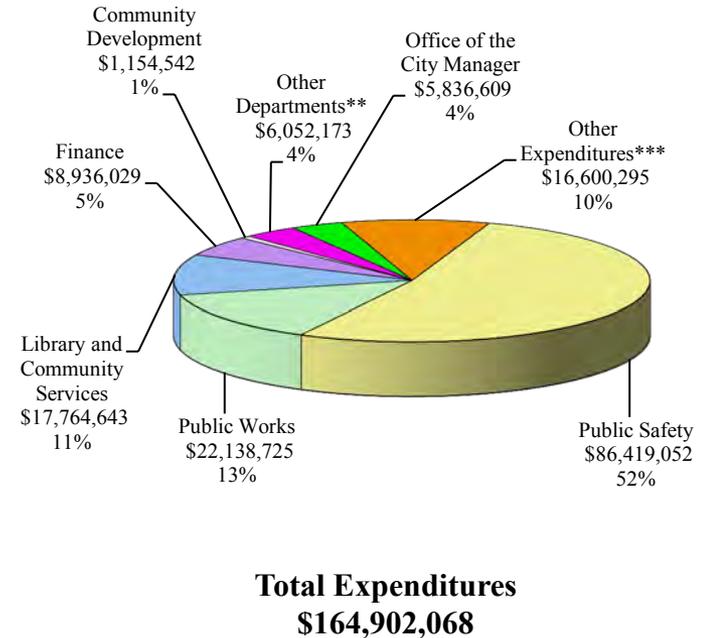
# City of Sunnyvale FY 2016/17 Budget Financial Graphs

**Graph 2.1 Revenues by Source - General Fund\***



\*Excludes internal service fund charges and inter-fund revenues, and transfers from other funds  
 \*\* Other Revenues include Damage to City Property and various miscellaneous categories  
 \*\*\* Other Taxes include Business License, Construction, and Real Property Transfer taxes

**Graph 2.2 Expenditures by Department - General Fund\***



\* Excludes inter-fund transfers  
 \*\* Other Departments include Office of the City Attorney and Human Resources  
 \*\*\*Other Expenditures include Projects Budget, Equipment, Lease Payments, and Service Level Set-Aside

**Debt  
Service**

# DEBT SERVICE

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## Overview

The City of Sunnyvale uses debt financing as a tool to maintain its long-term financial stability by paying for certain expenditures over time. Debt financing is also a tool for managing cashflow when large, one-time outlays are required as in the case of constructing a new building or large-scale upgrades to infrastructure. This section provides a summary of the City's debt service for the twenty-year planning horizon. Included is the Computation of Legal Debt Margin which calculates the City's debt limit as defined by the City Charter. Also included is the debt service schedule which represents the current bond issues for both the City and the Redevelopment Successor Agency. The City does not have any general obligation debt.

## Debt Policies

Section 1308 of the City Charter limits the allowable bonded indebtedness of the City at 15% of the total assessed valuation of property within the City. However, Council's adopted policies limit the use of debt even further. Council's policy 7.1F Debt Management Policy details the city's approach to debt issuance. Key criteria include:

1. Total bonded indebtedness supported by General Fund revenues should not exceed 5% of assessed valuation of property within the City. Bond issues supported by the General Fund should be restricted to annual debt service of 5% of General Fund revenue.
2. Land based financings should maintain a minimum property value-to-debt ratio of 3:1, with exceptions made for special circumstances at Council's discretion.
3. Debt service should not affect the City's ability to meet future operating, capital and reserve requirements.

## Issuer Credit Rating

Each entity that is allowed to issue bonds is rated on its ability to repay the debt. This rating is known as the Issuer Credit Rating (ICR), which is an independent gauge of the credit risk of the issuer. Credit risk is based on the issuer's solvency or ability to pay the interest and principal. The greater the credit risk, the more interest the issuer has to pay to sell its bonds. Not only does the credit rating of the issuer determine the initial yield of the bond, but it can also affect bond prices in the secondary market if the issuer's credit rating changes.

There are five major services that rate bonds: Standard & Poor's (S&P), Moody's Investors Service, Fitch, A.M. Best, and Dominion Bond Rating Service. Ratings range from AAA for the highest quality bonds to D, which are bonds in default. Standard & Poor's completed a review of the City's overall credit worthiness in April 2009. This resulted in an upgrade in our "Issuer Credit Rating" to AAA, affording the City the highest possible underlying rating from S&P. In August 2015, this AAA rating was affirmed by S&P. The City also carries a Aaa "Issuer Rating" from Moody's, again the highest possible rating available. In January 2013 Moody's confirmed Sunnyvale's issuer rating as Aaa.

## Summary of FY 2016/17 Debt Service

The FY 2016/17 Budget includes \$9,745,284 in debt service payments (including fees). The level of debt associated with these payments is significantly below the legal maximum allowable of approximately \$5.3 billion and well below each of the three policy criteria outlined above. Each bond issuance is briefly described below. The twenty-year schedule for debt service payments is shown in the table on the following pages. It should be noted that, separate from the debt service schedule below, future debt issuances are reflected in each respective twenty-year financial plan for planning and funding purposes. The potential issuances are discussed in detail under the fund reviews preceding the Financial Plans in *Volume I*.

### Revenue Bonds

**Water Distribution System and Wastewater Infrastructure.** Revenue bonds were originally issued in 1992 to construct the City's recycled water system and sludge management facilities. In 2001, the bonds were refunded to reduce debt service costs. At that time, additional funds of \$12.5 million were borrowed to pay for additional wastewater infrastructure projects. Debt service payments were financed by water and wastewater revenues. In June 2010, the City issued \$59 million of water and wastewater revenue bonds. Approximately \$41 million in bond proceeds were provided and are being used to construct new water and wastewater infrastructure projects (including the initial work on a new water pollution control plant). The remaining amount, \$18 million, was used to refund the 2001 outstanding bonds, to pay issuance costs, and to provide a debt service reserve account for the 2010 bonds.

**SMaRT Station.** These bonds were originally issued to construct the Sunnyvale Materials Recovery and Transfer (SMaRT) Station. This facility receives, sorts for recycling, and transports solid waste for the cities of Sunnyvale, Mountain View, and Palo Alto. Sunnyvale's share of the debt service is financed by solid waste revenues. In 2007, the three cities approved a project to replace the Materials Recovery Facility equipment. This replacement project was funded by reserves of \$5.2 million in the Capital Equipment Replacement Fund, a cash contribution of \$2.2 million by Mountain View, and the issuance of \$8.1 million in revenue bonds by Palo Alto and Sunnyvale. In 2014, to take advantage of historically low interest rates, the 2003 and 2007 bonds were refinanced with the Solid Waste Refunding Note, Series 2014. The outstanding amount of \$7,598,525 was refinanced at the tax-exempt rate of 1.23%.

## **Redevelopment Successor Agency Tax Allocation Bonds and Certificates of Participation**

**Redevelopment District.** The City's Redevelopment Successor Agency has two bond-financed projects pursuant to the 1976 Town Center development agreement. The financing obligation includes: the Central Core Redevelopment Project Tax Allocation Bonds (TABs) and Parking Facility Certificates of Participation (COPs).

### **The Central Core Redevelopment Project Tax Allocation Bonds**

In 1977, tax allocation bonds were sold to fund the acquisition of property, relocation, demolition and public improvements within the Town Center project area. The bonds were twice refinanced. Debt service on 2003 TABs issuance is financed by property tax increment revenues from the Redevelopment Property Tax Trust Fund (RPTTF).

### **Parking Facility Certificates of Participation**

In 1977 and 1978, two issues of lease revenue bonds were sold to construct a parking deck as part of the Town Center project. These bonds were first refinanced in 1992 and later refinanced in 1998 with COPs. The State Department of Finance (DOF) has denied the repayment of the COPs debt service from the RPTTF because the payments are pledged by lease rental payments required by the City and DOF has not recognized the corresponding repayment agreement as an enforceable obligation. The COPs were moved over to the General Fund in FY 2012/13.

## **Government Center Site Bond**

**Government Center Property.** In 2001, variable rate certificates of participation (COPs) were issued to reimburse the City for the cost of acquiring the property located at 505 West Olive. The property, known as the Sunnyvale Office Center, is adjacent to the Civic Center and was purchased in anticipation of future space needs of the City. The 2001 COPs were insured by Ambac, a major bond insurer that has been significantly downgraded by the rating agencies. As a result, interest rates on the 2001 COPs increased multiple times.

In late FY 2008/09, the City issued Variable Rate Demand Refunding Certificates of Participation, Series 2009 A, to refund the 2001 COPs. The 2009 COPs are backed by an irrevocable bank letter of credit. City lease payments will reimburse the bank for monthly letter of credit draws by the trustee to pay holders of the refunding COPS. Debt service on this bond is financed by the interest on the reserve fund of the COPs and rental revenue from outside tenants and City operations.

**CITY OF SUNNYVALE**  
**Computation of Legal Debt Margin**  
**June 30, 2016**  
**Unaudited**  
**(dollars in thousands)**

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<b>Assessed value</b>	\$ 34,799,723
Add back: exempt real property	438,314
<b>Total assessed value</b>	<u><u>\$ 35,238,037</u></u>
<b>Debt limit - 15% of Total Assessed Value</b>	5,285,706
<b>Amount of Debt Applicable to Debt Limit:</b>	
Total bonded debt	<u>75,371</u>
Less:	
Water and Wastewater Revenue Bonds	(50,903)
Solid Waste Revenue Bonds	<u>(5,003)</u>
<b>Total net debt applicable to limit</b>	<u>19,465</u>
<b>Legal debt margin</b>	<u><u>\$ 5,266,241</u></u>

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**Note:** Section 1308 of the City Charter of the City of Sunnyvale, California, states:  
*"The bonded indebtedness of the City may not in the aggregate exceed the sum of fifteen (15%) percent of the total assessed valuation of property within the City, exclusive of any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending or maintaining municipally owned utilities, for which purposes a further indebtedness may be incurred by the issuance of bonds, subject only to provisions of the State Constitution and of this Charter."*

**Source:** City of Sunnyvale

**CITY OF SUNNYVALE  
DEBT SERVICE  
JULY 1, 2015 TO JUNE 30, 2026**

BOND ISSUE	ACTUAL	CURRENT	PLAN	FY 2015/2016 TO FY 2025/2026 TOTAL									
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
<b>REVENUE BONDS:</b>													
Water Revenue Bonds 2010													
Principal	810,000	845,000	890,000	925,000	455,000	470,000	495,000	520,000	545,000	575,000	605,000		6,325,000
Interest	1,069,800	1,033,300	991,050	951,550	914,550	896,350	872,850	848,100	822,100	794,850	764,663		9,959,163
Subtotal - Water Revenue Bond	1,879,800	1,878,300	1,881,050	1,876,550	1,369,550	1,366,350	1,367,850	1,368,100	1,367,100	1,369,850	1,369,663	0	16,284,163
Wastewater Revenue Bonds 2010													
Principal	1,305,000	1,375,000	1,440,000	1,515,000	1,010,000	1,060,000	1,115,000	1,165,000	1,230,000	1,290,000	1,355,000		13,860,000
Interest	1,553,525	1,488,275	1,419,525	1,347,525	1,271,775	1,221,275	1,168,275	1,112,525	1,054,275	992,775	925,050		13,554,800
Subtotal - Wastewater Revenue Bond	2,858,525	2,863,275	2,859,525	2,862,525	2,281,775	2,281,275	2,283,275	2,277,525	2,284,275	2,282,775	2,280,050	0	27,414,800
Solid Waste Revenue Refunding 2014													
Principal	0	2,365,300	2,392,200	531,200	685,000	691,900	702,800	0	0	0	0	0	7,368,400
Interest	39,777	76,085	46,826	28,847	21,368	12,900	4,322	0	0	0	0	0	230,125
Subtotal - Solid Waste Revenue	39,777	2,441,385	2,439,026	560,047	706,368	704,800	707,122	0	0	0	0	0	7,598,525
Solid Waste Revenue Refunding 2003													
Principal	1,605,000	0	0	0	0	0	0	0	0	0	0	0	1,605,000
Interest	227,261	0	0	0	0	0	0	0	0	0	0	0	227,261
Subtotal - Solid Waste Revenue	1,832,261	0	0	0	0	0	0	0	0	0	0	0	1,832,261
Solid Waste Revenue Refunding 2007													
Principal	560,000	0	0	0	0	0	0	0	0	0	0	0	560,000
Interest	126,666	0	0	0	0	0	0	0	0	0	0	0	126,666
Subtotal - Solid Waste Revenue	686,666	0	0	0	0	0	0	0	0	0	0	0	686,666
<b>TOTAL REVENUE BONDS</b>	<b>7,297,029</b>	<b>7,182,960</b>	<b>7,179,601</b>	<b>5,299,122</b>	<b>4,357,693</b>	<b>4,352,425</b>	<b>4,358,247</b>	<b>3,645,625</b>	<b>3,651,375</b>	<b>3,652,625</b>	<b>3,649,713</b>	<b>0</b>	<b>53,816,414</b>
<b>REDEVELOPMENT AGENCY REVENUE BONDS:</b>													
Central Core Project Refunding TABs 2003													
Principal	425,000	435,000	460,000	475,000	495,000	515,000	535,000	560,000	585,000	0	0	0	4,485,000
Interest	181,876	164,941	147,041	128,044	107,729	86,138	63,295	38,925	13,163	0	0	0	931,152
Agent Fee	2,245	2,300	4,500	2,416	2,477	4,746	2,602	2,667	5,111	0	0	0	29,066
Subtotal - Central Core Project Refunding	609,121	602,241	611,541	605,460	605,206	605,884	600,897	601,592	603,274	0	0	0	5,445,218
Parking Lease Refunding 1998													
Principal	780,000	820,000	860,000	905,000	950,000	1,035,000	1,095,000	1,150,000	0	0	0	0	7,595,000
Interest	422,750	382,750	340,750	296,625	250,250	200,625	147,375	91,250	0	0	0	0	2,132,375
Agent Fee	2,860	6,960	6,960	6,960	6,960	6,960	6,960	6,960	0	0	0	0	51,580
Subtotal - Parking Lease Refunding 1998	1,205,610	1,209,710	1,207,710	1,208,585	1,207,210	1,242,585	1,249,335	1,248,210	0	0	0	0	9,778,955
<b>TOTAL REDEVELOPMENT AGENCY REVENUE BONDS:</b>	<b>1,814,731</b>	<b>1,811,951</b>	<b>1,819,251</b>	<b>1,814,045</b>	<b>1,812,416</b>	<b>1,848,469</b>	<b>1,850,232</b>	<b>1,849,802</b>	<b>603,274</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,224,173</b>
<b>GOVERNMENT CENTER SITE BOND:</b>													
Government Center Site 2009-A (COPs)													
Principal	555,000	575,000	605,000	630,000	655,000	680,000	710,000	740,000	770,000	800,000	835,000	870,000	7,555,000
Interest	4,366	63,975	61,100	116,150	164,775	206,600	241,250	268,200	246,000	222,900	198,900	173,850	1,794,216
Agent Fee and Letter of Credit	152,586	83,971	80,332	76,504	72,517	68,372	64,068	59,575	54,892	50,020	44,957	39,673	807,794
<b>TOTAL GOVERNMENT CENTER SITE BOND</b>	<b>711,952</b>	<b>722,946</b>	<b>746,432</b>	<b>822,654</b>	<b>892,292</b>	<b>954,972</b>	<b>1,015,318</b>	<b>1,067,775</b>	<b>1,070,892</b>	<b>1,072,920</b>	<b>1,078,857</b>	<b>1,083,523</b>	<b>10,157,010</b>
<b>TOTAL</b>	<b>9,823,712</b>	<b>9,717,857</b>	<b>9,745,284</b>	<b>7,935,821</b>	<b>7,062,400</b>	<b>7,155,866</b>	<b>7,223,798</b>	<b>6,563,203</b>	<b>5,325,542</b>	<b>4,725,545</b>	<b>4,728,569</b>	<b>1,083,523</b>	<b>79,197,596</b>

**CITY OF SUNNYVALE  
DEBT SERVICE  
JULY 1, 2026 TO JUNE 30, 2036**

BOND ISSUE	PLAN	FY 2026/2027 TO FY 2035/2036 TOTAL	FY 2015/2016 TO FY 2035/2036 TOTAL									
	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	2035/2036		
<b>REVENUE BONDS:</b>												
Water Revenue Bonds 2010												
Principal	635,000	670,000	705,000	740,000	780,000	820,000	860,000	910,000	955,000	1,005,000	8,080,000	14,405,000
Interest	732,900	699,563	664,388	627,375	588,525	547,575	504,525	459,375	411,600	361,463	5,597,288	15,556,450
Subtotal - Water Revenue Bond	1,367,900	1,369,563	1,369,388	1,367,375	1,368,525	1,367,575	1,364,525	1,369,375	1,366,600	1,366,463	13,677,288	29,961,450
Wastewater Revenue Bonds 2010												
Principal	1,430,000	1,510,000	740,000	780,000	820,000	865,000	910,000	955,000	1,005,000	1,060,000	10,075,000	23,935,000
Interest	853,913	778,838	699,563	660,713	619,763	576,713	531,300	483,525	433,388	380,625	6,018,338	19,573,138
Subtotal - Wastewater Revenue Bond	2,283,913	2,288,838	1,439,563	1,440,713	1,439,763	1,441,713	1,441,300	1,438,525	1,438,388	1,440,625	16,093,338	43,508,138
Solid Waste Revenue Refunding 2014												
Principal	0	0	0	0	0	0	0	0	0	0	0	7,368,400
Interest	0	0	0	0	0	0	0	0	0	0	0	230,125
Subtotal - Solid Waste Revenue	0	0	0	0	0	0	0	0	0	0	0	7,598,525
Solid Waste Revenue Refunding 2003												
Principal	0	0	0	0	0	0	0	0	0	0	0	1,605,000
Interest	0	0	0	0	0	0	0	0	0	0	0	227,261
Subtotal - Solid Waste Revenue	0	0	0	0	0	0	0	0	0	0	0	1,832,261
Solid Waste Revenue Refunding 2007												
Principal	0	0	0	0	0	0	0	0	0	0	0	560,000
Interest	0	0	0	0	0	0	0	0	0	0	0	126,666
Subtotal - Solid Waste Revenue	0	0	0	0	0	0	0	0	0	0	0	686,666
<b>TOTAL REVENUE BONDS</b>	<b>3,651,813</b>	<b>3,658,400</b>	<b>2,808,950</b>	<b>2,808,088</b>	<b>2,808,288</b>	<b>2,809,288</b>	<b>2,805,825</b>	<b>2,807,900</b>	<b>2,804,988</b>	<b>2,807,088</b>	<b>29,770,626</b>	<b>83,587,039</b>
<b>REDEVELOPMENT AGENCY REVENUE BONDS:</b>												
Central Core Project Refunding TABs 2003												
Principal	0	0	0	0	0	0	0	0	0	0	0	4,485,000
Interest	0	0	0	0	0	0	0	0	0	0	0	931,152
Agent Fee	0	0	0	0	0	0	0	0	0	0	0	29,066
Subtotal - Central Core Project Refunding	0	0	0	0	0	0	0	0	0	0	0	5,445,218
Parking Lease Refunding 1998												
Principal	0	0	0	0	0	0	0	0	0	0	0	7,595,000
Interest	0	0	0	0	0	0	0	0	0	0	0	2,132,375
Agent Fee	0	0	0	0	0	0	0	0	0	0	0	51,580
Subtotal - Parking Lease Refunding 1998	0	0	0	0	0	0	0	0	0	0	0	9,778,955
<b>TOTAL REDEVELOPMENT AGENCY REVENUE BONDS:</b>	<b>0</b>	<b>15,224,173</b>										
<b>GOVERNMENT CENTER SITE BOND:</b>												
Government Center Site 2009-A (COPs)												
Principal	905,000	945,000	985,000	1,025,000	1,065,000	0	0	0	0	0	4,925,000	12,480,000
Interest	147,750	120,600	92,250	62,700	31,950	0	0	0	0	0	455,250	2,249,466
Agent Fee and Letter of Credit	34,167	28,440	22,460	16,226	9,740	0	0	0	0	0	111,032	918,827
<b>TOTAL GOVERNMENT CENTER SITE BOND</b>	<b>1,086,917</b>	<b>1,094,040</b>	<b>1,099,710</b>	<b>1,103,926</b>	<b>1,106,690</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,491,282</b>	<b>15,648,292</b>
<b>TOTAL</b>	<b>4,738,730</b>	<b>4,752,440</b>	<b>3,908,660</b>	<b>3,912,014</b>	<b>3,914,977</b>	<b>2,809,288</b>	<b>2,805,825</b>	<b>2,807,900</b>	<b>2,804,988</b>	<b>2,807,088</b>	<b>35,261,908</b>	<b>114,459,504</b>

**Budget and  
Fiscal Policies**

# Sunnyvale Budget Guide

## Understanding The Sunnyvale Budget

Sunnyvale's Budget and Long-Term Financial Plan provides a framework for a unique budget document that presents both the immediate short-term action plans and the long-term trends for the City. In this manner, the budget provides the reader with a comprehensive view of the City's current financial picture, staff assumptions for long-term trends, and the way we work to achieve and maintain financial stability using those assumptions. The following elements contained in this document are integral to understanding this year's budget:

- Twenty-Year Financial Plans
- Departmental Overviews
- Performance Based Operating Budget
- Projects Budget

## Twenty-Year Resource Allocation Plan & Financial Planning

The Budget Document presents a twenty-year financial plan for the City's General Fund, as well as all other City funds. Twenty-year financial plans for other City funds are grouped into four categories: Special Revenue Funds, Capital and Infrastructure Funds, Enterprise Funds, and Internal Services and Other Funds. The General Fund is presented separately. It is the primary fund that accounts for many of the largest revenues, such as Property Tax and Sales Tax, and the most visible City services, such as police, fire, road maintenance, the library, and parks. For each category, detailed Fund Reviews are included before the Financial Plans. These reviews provide a summary of the funds, including explanations of major components and new developments for the current budget.

The Twenty-Year Resource Allocation Plan (RAP, or the long term-financial plan) is the backbone of the City's financial planning process. Each long-term financial plan lays out the revenues and expenditures by fiscal year. The financial plans include the prior year actual audited results and the current year budget, as well as projections for each of the coming twenty years. The City examines its operating and project budgets in depth in alternating years. In addition, key factors are rigorously evaluated and updated annually. On the revenue side, the current year budget is updated based on year-to-date revenue receipts. For ongoing revenues, staff works to estimate the next two years as accurately as possible and then analyzes historical information, economic cycles, and factors that can impact the revenue source, among other data, to project the revenue trend over the long term.

On the expenditure side, the operating budget is updated with Council-approved budget modifications that have occurred during the fiscal year. If significant project budgets are anticipated to be spent in future fiscal years, estimated carryover of project funds will be incorporated. All program budgets are rolled up annually by fund or sub-fund to the total amounts in the "Operations" line of the financial plans. From that base, inflation factors are applied to expenditures. Inflation factors are developed for each category of expenditures such as salaries, employee benefits, purchased goods and services, and equipment. Project budgets are also totaled annually by fund and reflected in the "Projects" line of the financial plans. In addition, project operating costs, if applicable, are shown separately on the financial plan.

A critical purpose of the long-term financial plan is its use as a tool for achieving and maintaining a structurally-balanced budget. A fundamental part of the financial plans is that they are, by policy, balanced to the twentieth year. In order for the budget to be balanced, not only must resources be available to meet requirements over the twenty-year planning period with all reserve requirements met per Council Policy, but service levels must also not be impacted.

A balanced budget enables the City to maintain service levels over the twenty-year planning horizon by ensuring reserves are used strategically. For example, a budget is not balanced for the long term when there are drawdowns of reserves over a protracted length of time. Conversely, the build-up of reserves to the detriment of service levels also does not portray a balanced budget. The objective in utilizing a twenty-year planning horizon is to sustain service levels, in large part, by managing reserves so that reserve levels are increased in good times and drawn down in difficult financial times. Further, the City's budget policy dictates that one-time revenues should not be used for ongoing expenditures, and all revenue estimates must be conservative, objective and reasonable.

The General Fund's Budget Stabilization Fund is required by policy to be maintained at a minimum 15% of projected revenues for the first two years of the twenty-year planning period. The purpose of the Budget Stabilization Fund is to allow for sustainable service level fluctuations in the economy. By contrast, the General Fund Contingency Reserve can only be used for non-fiscal emergencies or disasters. The General Fund Contingency Reserve is required to be maintained at 15% of operating costs in the first year of the twenty-year plan and increased annually for projected increases in the Consumer Price Index.

The City's balanced twenty-year plan allows decision makers to better understand the true impact of policy decisions, and effectively requires that decisions made today include a guarantee that resources will be available to maintain services in the future. More importantly, this methodology incorporates both short- and long-term perspectives for planning revenues, operating requirements, and capital spending. It allows the cost of any policy decision to be measured in terms of long-range expenditure requirements, thereby raising "red flags" in areas where financial conditions may be significantly different in the future.

## Departmental Overviews

To help the reader understand the proposed two-year operating budget, departmental overviews provide the context for the services and service levels provided. Leading off the section presenting each department's program or set of programs, the departmental overviews describe the organizational structure for service delivery, factors that informed the development of the operating budget proposal, and significant changes in the proposed budget as compared to the current budget.

The departmental overviews also include performance and workload indicators for each of the programs managed by the department, as well as budgeted headcount. The performance indicators represent the goals and results staff hopes to achieve with the resources provided, while the workload indicators provide output and relevant statistical data. Additionally, they are linked to goals laid out in the City's Consolidated General Plan. These indicators help explain why services are provided and the impacts of the level at which we provide them. As such, the indicators are an important component of the performance based budget structure.

## Performance Based Operating Budget

Following the Departmental Overviews and Performance and Workload Indicators in the budget document are the City's operating budget reports. The presentation of these operating reports mirrors the City's operating structure. It is organized into programs, or services, and all expenditures are budgeted into activities, which break down the services into logical and manageable components. Where appropriate, work products are budgeted for activities. As a result, the budget presents information on the services the City provides, the cost of services and where logical, the planned amount of service. This budget structure focuses the City on identifying and quantifying the value created by the efficient/effective provision of City services. Community members can clearly see what services they are receiving and how much they cost, which also holds staff accountable.

## Projects Budget

In the City of Sunnyvale, the term “project” refers to a non-operating activity. The City segregates each project into one of four possible categories: Capital, Infrastructure, Special, and Outside Group Funding. Capital projects are major expenditures related to construction, improvement or acquisition of capital assets. Infrastructure projects are inherently related to capital projects. After a capital project is complete, the City has an asset that must be maintained through the operating budget until the asset reaches a point where maintenance costs exceed renovation/replacement costs. An infrastructure project is developed in order to provide future funds at the time that replacement or renovation is required. Special projects are one time only in nature and are set up to eliminate the impact such costs would have on operating programs. For example, the cost of service study for solid waste would be a special project. Outside group funding projects are essentially special projects; however, they are established to identify contributions made to local community-based organizations.

Each project is identified individually in the budget document including its estimated costs over the next twenty years. Projects also reflect anticipated outside revenues that will fund the project, such as grants and fees. In addition, project operating costs are budgeted for those ongoing operating costs that will need to be included in future years upon completion of a given project. Consideration of this information enables decision makers to evaluate the complete costs of proposed actions. This prevents the City from adding assets or activities that are not sustainable over the long term.

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

Projects related to long-range plans are also identified separately in their respective sections of the *Projects Budget* volume. Specifically, projects related to Traffic & Transportation that are part of long-range plans are listed in the *Traffic and Transportation* section of the *Projects Budget* volume.

# Budget & Fiscal Policies

## Two-Year Operating & Projects Budget

In recognition of the tremendous effort required to develop budgets, the City implemented a two-year operating budget in the early 1980's. Although the City reviews its budget on an annual basis, it only prepares a detailed operating budget each biennium. This means that operating budgets are not modified during the second year of the two-year budget. During the "off year" of the operating budget, the projects budget is reviewed in detail.

### Types of Expenditures

There are four major types of expenditures in the City's spending plan: operating, equipment, capital improvements, and debt service. Operating expenditures are related to a program's base budget and include such items as general supplies, personnel costs, and equipment rental. Major equipment expenses like computer hardware or city-owned cars are provided for separately under a general services program. Capital improvements are expenditures which affect the economic vitality and quality of life in the community. A good example would be construction of a park or resurfacing a city street. Debt service allows an improvement to be made when it is needed rather than being delayed until funds are accumulated in the City's treasury. Debt service is essentially a long term loan, buying something today and paying for it over time. It may be used to finance, for example, a new community center building.

### Cost Accounting

Cost accounting is a method of accounting that gathers together all the elements of cost incurred to accomplish a purpose, carry on an activity, or complete a unit of work. By using this financial technique, the City is able to assess the true cost of providing a service. The City's internal users of information management, fleet and equipment, and buildings are assessed rental rates through their programs for the use and eventual replacement of

services and equipment. Employee benefits such as leave usage, retirement, and insurances also are recovered by charging the programs that use personnel services. The City also uses an allocation system to distribute administrative costs for services provided by departments such as Finance and Human Resources.

### Basis of Budgeting

"Basis of budgeting" refers to the method used to recognize revenues and expenditures in the budget. For the City of Sunnyvale, the basis of budgeting is the same basis used for accounting. The modified accrual basis is followed in the Governmental and Agency Funds including the General Fund and special revenue funds like the Park Dedication Fund. Under this basis, revenues are recognized when they become "susceptible to accrual," which means they are both measurable and available. Measurable means the amount of the transaction can be determined.

The City considers revenues to be available if they are collected within 60 days of the current fiscal year end for property tax and 90 days for other revenues, with the exception of the County back-fill (for the loss of sales tax and Motor Vehicle License Fees (VLF) revenues) for which the City adopts a seven-month availability period so that total sales tax and VLF revenues would be most consistent with revenues reported in years before the State sales tax flip and VLF swap. Expenditures generally are recorded when a liability is incurred except for debt service expenditures, which are recorded when payment is due.

Intergovernmental revenues (primarily grants) that are received as reimbursement for specific purposes or projects are recognized based on when the related expenditures are recorded. Intergovernmental revenues which have virtually unrestricted purpose and are revocable only for failure to meet prescribed compliance requirements are reflected as revenues at the time of receipt or earlier if availability criteria are met.

The accrual basis is used in the proprietary funds, which include enterprise funds and internal service funds. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

### Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report (CAFR) is prepared according to “generally accepted accounting principles” (GAAP). The City prepares its budget in accordance with GAAP with the following exceptions:

- Loans requiring the use of current resources need to be budgeted as expenditures; in the CAFR, the disbursement of loans is treated as a balance sheet item.
- Appropriated budgets are not always needed for all of the City’s funds. For example, a budget is not appropriated for the advance refunding of bonds because the resulting bond proceeds are deposited into escrow accounts and are considered restricted assets.
- Principal payments on long-term debt within the enterprise funds are applied to the outstanding liability in the CAFR, while such items are treated as expenses in the budget.
- Capital outlay within enterprise funds and internal service funds are capitalized as fixed assets in the CAFR, in contrast to their treatment as expenses in the budget.
- The budget does not record depreciation expenses.
- GAAP requires the reporting of investments at fair value. Because the City’s policy is to hold investments to maturity, the changes in fair value are not reflected in the budget.

The CAFR shows fund expenditures and revenues on both a GAAP and budget basis for comparison purposes.

### Budgetary Policy & Control

When the annual budget is adopted the City follows procedures that enact its policies. These procedures involve the City management, employees, the public, boards and commissions, and the City Council throughout the

year. These interactions between policy and planning culminate in the establishment of new or revised General Plan goals and objectives. The budget must implement the policies contained in the General Plan. Therefore, both must be synchronized completely. The City operates on a July 1 through June 30 budget year. The budget schedule is detailed in a separate section below, which includes these interactions between policy and planning.

The City’s budget is very detailed, ensuring that the City Council as the governing body is fully informed and in control of all aspects of the City’s financial activities. Information is itemized by fund, by department, and by project. The budget includes equipment costs, operating costs, and debt service costs, as well as capital, infrastructure, and special projects for the ensuing budget year. The budget also contains detailed long-term financial plans with projections for expenditures, revenues, and reserves for an additional nineteen years.

During the budget year, for governmental and agency funds, the City Manager is authorized to reappropriate budgeted amounts between departments that are financed by the same fund. Council approval is required if the reappropriation exceeds the thresholds outlined below:

Annual Program Budget	Reappropriation Threshold	Maximum Reappropriation Threshold (Annual)
> \$500,000	\$100,000 or 5%, whichever is greater	\$250,000
< \$500,000	\$50,000 or 50%, whichever is less	\$50,000

Council approval also is required for proprietary funds and internal services funds if the expenditures for the fiscal year exceed actual revenues plus the planned, annualized appropriation from Reserves.

Budgets are legally adopted for all governmental funds except for the Special Assessment Debt Service Fund. The Special Assessment Debt Service Fund does not have an adopted budget because the City is only required to make debt service payments in the event of a property owner’s default.

Budgets are also adopted legally for all proprietary funds. Formal budgets are employed as a management control device for all funds in which a budget has been adopted. However, it serves as the primary means of spending control for the General Fund, special revenue funds, debt service funds, and capital project funds.

Budgets can be modified during the fiscal year if needed because of a legislative mandate, City Council or City Manager directive, or an unanticipated change in service level. Budget modifications cover one fiscal year only and must generally be approved and appropriated by City Council. This allows management to focus on changes to the base budget during the next budget process. To aid City Council and administration efficiency, per Council Policy 7.1.5, the City Manager may appropriate grants up to \$100,000 that are also free of local match requirements and do not obligate the City to ongoing expenses not already planned in the City's Resource Allocation Plan.

## Citizen Participation

Citizens have an opportunity to participate in the Twenty-Year Resource Allocation planning process through avenues such as Council-appointed boards and commissions, study sessions, and public hearings. Each winter, citizens are provided the opportunity to speak on proposed study and budget issues at a formal public hearing. Citizens may attend study sessions dealing with upcoming Council issues, as well as Council meetings which are scheduled on Tuesdays throughout the year. At the Council meetings, citizens are given an opportunity to speak during the public hearing period. In addition, a formal public hearing on the Recommended Budget is held annually in June.

## Budget Calendar

The City's annual budget development process begins in September each year with the initial planning of the development cycle and culminates with the adoption of the budget by the City Council in June. In January, the City Council specifically discusses important fiscal issues which may have short-term or long-term effects on how the City provides and maintains services to its citizens and customers. Consistent with City Charter, no later than 35 days prior to June 30th the City Manager submits a Recommended Budget to the City Council. The City Council holds a workshop on the Recommended Budget, which is open to the public. In June of each year the City Council also holds a public hearing, required by the City Charter. Prior to June 30 of each year, the budget as modified by the City Council is legally enacted by adoption of a budget resolution.

Below is a high-level calendar detailing key steps throughout the process. As noted previously, the City of Sunnyvale alternates years for developing operating budgets and projects budgets. The calendar below represents key milestones that take place regardless of whether the budget being developed is an operating budget or a projects budget. It also incorporates critical elements of budgetary policy and control, as discussed in a separate section above.

## Budget Calendar

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Budget kick-off	■	■								
Departments develop budget proposals	■	■	■	■						
Budget Office and departments begin pre-reviews			■	■						
*Budgetary year-end report for previous fiscal year to Council				■						
City Manager reviews of department budgets				■	■					
Finalize internal services expenditures					■	■				
*Budget Issues Workshop/Fiscal Outlook Presentation					■					
*Budget Supplements from Workshop completed and approved						■				
Complete budget system updates						■				
Review revenue projections and service charges						■	■	■		
Develop 20-year Long-Term Financial Plans for all City funds						■	■	■		
Prepare and finalize transmittal letter								■	■	
Deliver Recommended Budget to Council									■	
*Budget Workshop by City Manager									■	
Recommended Budget public hearing										■
*City Council adopts budget										■

\*These are milestones during the Budget Calendar that are related to Budgetary Policy & Control

## Fiscal Policies

Council Fiscal Policy applies the following guiding fiscal policies to the City’s Budget and Resource Allocation Plan:

### 7.1A Budget Policies

#### A.1: Development of the Budget and Resource Allocation Plan

- A.1.1 The public will be encouraged to participate fully in the budget process.
- A.1.2. A Fiscal Issues Workshop will be held each year prior to preparation of the City Manager’s Recommended Budget to consider budget issues for the upcoming Resource Allocation Plan.
- A.1.3. A balanced Twenty-Year Resource Allocation Plan shall be presented to the City Council annually.
- A.1.4. The Twenty-Year Resource Allocation Plan shall be prepared on a two-year Operating Budget cycle.
- A.1.5. The Operating Budget shall be approved annually with the second year approved in concept.
- A.1.6. A proposed budget shall be recommended to the City Council by the City Manager no less than thirty-five days before the beginning of the fiscal year, in accordance with the City Charter.
- A.1.7. At least one public hearing shall be held after the City Manager’s Recommended Budget is presented to the Council in order to solicit public input before adoption.
- A.1.8. Boards and Commissions should review the annual budget as appropriate to their area of interest and make recommendations to the City Council.

- A.1.9. The City Council shall adopt the City Manager’s Recommended Budget, with any changes desired, by resolution before June 30th of each year.
- A.1.10. Resources will be allocated in direct relation to General Plan goals.
- A.1.11. The Resource Allocation Plan shall be prepared by General Plan element to link city resources with the accomplishment of General Plan goals.
- A.1.12. New or expanded services should support the priorities reflected in the General Plan.
- A.1.13. All competing requests for City resources should be weighed within the formal annual budget process.
- A.1.14. Final actions on study items with significant financial impacts should be withheld until they can be made in the full context of the annual budget process.

#### A.2: Long-Term Financial Planning

- A.2.1. The City shall maintain a long-term fiscal perspective by annually preparing a Twenty-year Long-Term Financial Plan for each fund. Those funds which account for intergovernmental grants will only include known entitlements.
- A.2.2. Major financial decisions should be made in the context of the Twenty-Year Long-Term Financial Plan.
- A.2.3. Long-term financial planning should enable the current service level provided to be sustained over time through the strategic use of reserves.

A.2.4. The Long-Term Financial Plans should be used to communicate the fiscal impact of City decisions to all stakeholders whenever possible.

**A.3: Performance-Based Budget System**

A.3.1. The operating budget will be prepared and managed on a program basis.

A.3.2. All costs attributable to a budgeted program will be fully reflected in program budgets (with the exception of capital costs of general-use public buildings and facilities).

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

A.3.4. All operating programs must identify the service provided, the service level, and the resources necessary to accomplish the specific service level.

A.3.5. A performance measurement system will be maintained and used to evaluate quality of service and to report results.

**A.4: Budget Monitoring and Modification**

A.4.1. Expenditures for each department are legally limited to the amount authorized by the City Council in the Budget Resolution, plus subsequent changes individually approved by the City Council through Budget Modifications.

A.4.2. The City's annual budget may be modified at any Council meeting by a majority vote of the City Council.

A.4.3. The City's budget appropriation control shall be by program within the same fund for operating programs in the General Fund and Special Revenue Funds. For the Proprietary and Internal Service Funds, expenditures cannot exceed actual revenues plus the planned use of reserves.

A.4.4. Appropriations for capital and special projects shall be limited to the amounts contained on the Budget Resolution for each project. All modifications to project budgets require Council approval.

A.4.5. Budget reappropriations among programs within a Department and Fund may be authorized by the City Manager if service levels as approved by City Council are maintained.

A.4.6. Any unexpended appropriations shall expire at fiscal year-end unless specifically reappropriated by the City Council for expenditure during the new fiscal year. (\* per City Charter Article XIII Fiscal Administration Section 1305, amended November 28, 2007, approved appropriations for Capital Improvement Projects shall not lapse at the end of the fiscal year unless the Capital Improvement Project has been completed and closed out or the City Council takes affirmative action to modify the budget appropriation for the Capital Improvement Project)

**7.1B Revenue Policies**

**B.1: Revenue Base**

B.1.1. The City will maintain a diversified and stable revenue base, not overly dependent on any land use or external funding source.

- B.1.2. Taxes levied by the City will be used for the purpose of financing services performed for the common benefit.
- B.1.3. Taxes should be held at their lowest possible level, while maintaining Council-approved service levels.
- B.1.4. When considering a new tax or revenue source or an increase in an existing tax or revenue source, the following criteria should be considered:
- Community/voter acceptance
  - Competitiveness with surrounding communities
  - Efficiency of revenue collection and enforcement
  - Effectiveness in generating sufficient revenues in the short- and long-term to justify its establishment
  - Enhancement of revenue diversity to promote stability and provide protection from downturns in business cycles
  - Equity/Fairness in distribution of the revenue burden on various segments of the community
- B.1.5. Reliance on any restricted and/or inelastic sources of revenue will be avoided.
- B.1.6. One-time revenues should not be used for ongoing expenditures.
- B.1.7. Revenue should not be targeted for a specific program, unless a revenue source has been established for the sole purpose of financing a particular expenditure.
- B.1.8. Potential new revenue sources will be investigated periodically to ensure that the City's revenue base is stable and diversified.
- B.1.9. Donations, contributions, and sponsorships may be accepted if they are in accordance with City policy and General Plan priorities.
- B.2: Revenue Forecasting and Monitoring**
- B.2.1. All revenue estimates must be conservative, objective and reasonable.
- B.2.2. Revenue forecasts should be based on detailed information regarding historical performance and economic conditions whenever possible.
- B.2.3. At least ten years data for all tax revenue sources will be maintained.
- B.2.4. Revenues will be estimated for the budget year and for each planning year in the Twenty-year Resource Allocation Plan.
- B.2.5. Methods to maximize the accuracy of revenue forecasts will be established.
- B.2.6. Estimated revenues from grant sources will be projected only to the specific date on which the entitlement will end.
- B.2.7. Estimated intergovernmental revenues for which the City is eligible (but which are not guaranteed) will be forecast to assure that local matching funds will be available if the revenues are realized.

**B.3: Revenue Collection**

- B.3.1. The City will seek all possible Federal and State reimbursement for mandated projects and/or programs.
- B.3.2. An aggressive collection system for all accounts receivable, including utility receivables, will be utilized to assure that monies due to the City are received in a timely fashion.
- B.3.3. Monthly reviews and periodic audits of Transient Occupancy Tax returns will be conducted.
- B.3.4. Monthly reviews and periodic audits of all major locally administered revenue sources will be conducted.
- B.3.5. Periodic point-of-sale audits for Sales Tax will be conducted.

**B.4: Grants and Intergovernmental Assistance**

- B.4.1. The use of intergovernmental grant assistance for routine programs will be discouraged. Intergovernmental grants may be used for special projects which strengthen a program, have a definable starting and ending date, and do not expand a service in such a way as to require the substitution of local funds to continue part or all of the service once intergovernmental assistance ends.
- B.4.2. Intergovernmental assistance may only be used to establish or expand a program when the Twenty-Year Resource Allocation Plan meets the following conditions:
  - The program is eliminated at the end of the intergovernmental funding period, or

- The program continues with the requisite local funding in the Twenty-Year Resource Allocation Plan upon completion of intergovernmental funding

- B.4.3. A uniform grants application process must be utilized to assure that the City Council has the information necessary to make a decision regarding a potential intergovernmental grant. Staff should present to Council a Notice of Intent regarding a possible grant source which shall include at least the following information:
  - The grant being pursued and the use to which it would be placed
  - The objectives or goals of the City which will be achieved through use of the grant
  - The local match required, if any, plus the source of the local match
  - The increased cost to be locally funded upon termination of the grant
  - The ability of the City to administer the grant

**B.5: User Fees**

- B.5.1. User fees should be used to recover the cost of services that benefit specific segments of the community.
- B.5.2. User fees should be reviewed and adjusted at least annually to avoid sharp changes.
- B.5.3. User fees and charges should not exceed the City’s full cost of providing the service.

- B.5.4. User fees should be established at a level which reflects the full cost of providing those services.
- B.5.5. The City Council may determine for any service whether a subsidy from the General Fund is in the public interest.
- B.5.6. User fees shall only be used when the cost of providing the service can be readily calculated and administered.
- B.5.7. User fees should be adopted by Council resolution and included in the Annual Fee Schedule.

- C.1.5. Priority will be given to the repair and replacement of existing infrastructure as compared to the provision of new or expanded facilities.
- C.1.6. The decision on whether to repair or to replace an existing capital asset will be based on which alternative is most cost-effective or provides the best value to the City.
- C.1.7. The operating impact of proposed capital projects, including ongoing operating expenditures, capital outlay, debt service, and infrastructure replacement will be identified in the Capital Budget and considered in the selection of projects for funding.
- C.1.8. Staff will identify the estimated costs, potential funding sources, return on investment, project schedule and relationship to the General Plan for each capital project proposal before it is submitted to the Council for approval.
- C.1.9. Capital improvements should be maintained to the level required to adequately protect the City's capital investment and to minimize future maintenance and replacement costs.
- C.1.10. A Capital Projects Fund shall be used to account for major capital acquisition or construction projects associated with the General Fund and other governmental funds. The capital projects of the Utility Enterprise Funds shall be accounted for within the respective fund.

**7.1C Capital Improvement Policies**

**C.1: Capital Improvement Plan**

- C.1.1. An updated Twenty-Year Capital Improvement Plan shall be prepared on a two-year budget cycle.
- C.1.2. The City shall fund only those Capital Improvement Projects that are consistent with the adopted Capital Improvement Plan, City priorities, and General Plan goals.
- C.1.3. High priority should be given to replacing capital improvements prior to the time that they have deteriorated to the point where they are hazardous, incur high maintenance costs, negatively affect property values, or no longer serve their intended purposes.
- C.1.4. New or expanded capital improvements should maximize value and avoid duplication whenever possible by partnering with other entities to pool resources or share facilities.

C.1.11 The Infrastructure Renovation and Replacement Fund shall be used to account for projects related to the City’s Long-Range Infrastructure Plan for the renovation and replacement of existing general City assets. Infrastructure projects related to the City’s utilities shall be accounted for in the respective utility fund.

**C.2: Funding**

C.2.1 Governmental capital improvements should be funded on a “pay-as-you-go” basis in most cases. Alternate financing strategies may be considered in light of the specific project and the consequences of each financing strategy.

C.2.2 Development-related improvements such as sidewalks, curbs and gutters, street lights, and water and sewer lines should be funded by those directly benefiting from the improvements.

C.2.3 The City will seek out and use intergovernmental funding sources for capital improvements, as is consistent with City priorities and General Plan goals.

C.2.4 Funds for the replacement of City assets originally paid for by a developer should be included in the Capital Improvement Plan of the appropriate City fund.

**C.3: Design and Evaluation**

C.3.1 The planning and design of capital improvements should be based on standards that minimize construction costs, while assuring acceptable useful life and reducing maintenance requirements. Value engineering processes will be utilized when necessary and appropriate.

C.3.2 Budgeting for capital projects must reflect when the expenditures are scheduled to occur, using multi-year planning to ensure a reasonable time frame for projecting costs.

C.3.3 Improvements should be designed with the following goals: to maximize energy efficiency, require minimal maintenance, create an efficient physical relationship for those working in the facility, provide adequate capacity for the projected useful life, and to have the ability to accommodate future expansion with minimum remodeling costs.

**7.1D Land Policies**

**D.1: Acquisition, Disposition and Leasing of City-Owned Real Property**

D.1.1 A high priority will be given to acquiring undeveloped land needed to meet City goals before it is developed.

D.1.2 Developed land should be acquired in reasonable proximity to the time the property is required for City purposes.

D.1.3 Every effort shall be made to acquire property through negotiation, reserving the use of eminent domain for those circumstances when immediate possession is required and the property cannot be acquired through negotiation at a cost approximating market value.

D.1.4 The purchase, sale or lease of real property where the purchase or sale price or lease cost is more than \$75,000, per the Sunnyvale Municipal Code, shall be approved by the City Council.

- D.1.5 The purchase, sale or lease of real property where the purchase or sales price or lease cost is less than \$75,000, per the Sunnyvale Municipal Code, shall be approved by the City Manager.
- D.1.6 The lease of city property which results in revenue to the City and the term is less than or equal to 55 years shall be approved by the City Manager.
- D.1.7 The lease of city property for a term longer than 55 years shall be authorized by the City Council by resolution following a public hearing.
- D.1.8 Property leased to outside entities should be based on market rents except when the Council finds that there is a public purpose for leasing at a lower rate.
- D.1.9 The net proceeds from the disposition of surplus City property owned by the General Fund shall be placed into the General Fund Reserve for Capital Improvements.
- D.1.10 Proceeds from the sale of land or facilities originally purchased with monies from a specific fund should be kept within that fund.

- E.1.2 The sale of surplus property owned by the General Fund and any other one-time revenues shall be placed into a Reserve for Capital Improvement Projects to be used for capital improvement or expansion.
- E.1.3 The Twenty-Year Resource Allocation Plan (RAP) Reserve shall be used to levelize economic cycles and maintain stable service levels over the long term.
- E.1.4 The Budget Stabilization Fund will be a minimum of 15% of projected revenues for the first two years of the 20-year planning period. Beyond year two, the Budget Stabilization Fund will always have a balance of at least zero.
- E.1.5 The Service Level Set-Aside will be used to provide ongoing funds to increase service levels or add new services. Once used, this Set-Aside may be replenished according to economic conditions.
- E.1.6 Any other reserves may be established to segregate funds which are legally restricted to specific purposes.

**7.1E Reserve Policies**

**E.1: General Fund Reserves**

- E.1.1 The General Fund Contingency Reserve will be maintained at 15% of operations costs in year one of the long-term plan, with annual increases based on projected increases in the Consumer Price Index. This reserve will only be utilized for non-fiscal emergencies or disasters as determined by Council.

\*Note: For additional user fee policies specific to the Utility Funds or the Golf and Tennis Fund, please see those sections under Enterprise Fund policies.

**City Budget and  
Appropriations Limit  
Resolutions**

## CITY BUDGET RESOLUTION AND APPROPRIATIONS LIMIT RESOLUTION

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The City Council annually adopts by resolution the budget for the upcoming fiscal year. The report to the Mayor and Council presents a summary of major expenditure and revenue categories. This report also details any changes to the recommended budget.

In conjunction with the adoption of the budget, the City is required to establish an appropriation limit and spending limitation in accordance with Article XIII-B of the California Constitution. The City Council annually adopts by resolution the appropriation limit and spending limitation.

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**RESOLUTION NO. 761-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE ADOPTING THE BUDGET OF THE CITY OF SUNNYVALE FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017**

WHEREAS, the proposed budget of the City of Sunnyvale for the fiscal year 2016-2017 was prepared and submitted to the City Council by the City Manager on May 6, 2016, which date was at least thirty-five (35) days prior to the beginning of fiscal year 2016-2017 as required by Section 1302 of the Charter; and

WHEREAS, the City Council reviewed the proposed budget, and advertised and held a public hearing on June 14, 2016, at which interested members of the public were given an opportunity to be heard, consistent with City Charter Section 1303; and

WHEREAS, the City Council further considered the proposed budget at its meeting on June 28, 2016, as provided for in City Charter Section 1304.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The budget of the City of Sunnyvale for the fiscal year beginning on July 1, 2016 and ending on June 30, 2017, as submitted to the City Council by the City Manager on May 6, 2016, and as amended by the City Council on June 28, 2016, is hereby approved and adopted as the budget of the City of Sunnyvale for fiscal year 2016-2017.
2. Expenditures of the City of Sunnyvale for fiscal year 2016-2017, appropriations to reserves and inter-fund transfers/loans shall be governed and controlled according to the amounts specified in this resolution for each of the classifications of the General Fund and Special Revenue Funds, and for the total thereof, it being intended that the expenditure of the total amount budgeted and appropriated by this resolution for each fund, reserve or department shall be limited only by the amount specified herein and in the budget for each of such classifications.
3. During the budget year, for governmental and agency funds, the City Manager is authorized to reappropriate budgeted amounts between programs that are financed by the same fund and within the same department, consistent with the following thresholds:

- a. For programs where the annual program budget is equal to or greater than \$500,000, the City Manager may approve reappropriations between programs that do not exceed \$100,000 or 5% of the annual program budget, whichever is greater, up to a maximum of \$250,000.
  - b. For programs where the annual program budget is less than \$500,000, the City Manager may approve reappropriations between programs that do not exceed \$50,000 or 50% of the annual program budget, whichever is less, up to a maximum of \$50,000.
4. The City Manager is authorized to appropriate, to the designated fund, grant revenue of up to \$100,000 from grants that meet the City Manager's authority for accepting and appropriating grant funds, as set forth in Council Policy 7.1.5. The City Manager is authorized to accept and appropriate grants up to \$100,000, so long as they do not require a local match or obligate the City to ongoing expenses not already planned in the City's Resource Allocation Plan. The City Manager may appropriate qualified grant funds up to \$100,000 through an administrative budget modification. Any grants of \$100,000 or more, or that require a local match or obligate the City to ongoing expenses, shall require City Council approval of a budget modification before funds can be expended by staff.
5. The specified sums of money set forth opposite the names of the funds, reserves, departments and programs set forth in Exhibits A, B, C, and D, attached and incorporated by reference, are hereby appropriated to the funds, reserves, departments and programs based upon the adopted budget.
6. If the expenditures for the Proprietary Funds and Internal Services Funds for the fiscal year exceed actual revenues plus the planned appropriation from the Rate Stabilization Reserve Account or the Resource Allocation Plan Reserve Account, as the case may be, on an annualized basis, Council approval shall be required.
7. The budget estimates for the twenty-year period shown in the 2016-2017 to 2035-2036 Resource Allocation Plan are approved for financial planning purposes.
8. If the appropriations for the General Fund and Special Revenue Funds for fiscal year 2016-2017 exceed the expenditures from the funds for the fiscal year, the excess shall be allocated to the Budget Stabilization Fund Account for the General Fund and to the Resource Allocation Plan Reserve Account for the Special Revenue Funds. If the expenditures from the General Fund and Special Revenue Funds for fiscal year 2016-2017 exceed the appropriations for the funds for the fiscal year then the difference shall be deducted from the Budget Stabilization Fund Account for the General Fund and from the Resource Allocation Plan Reserve Account for the Special Revenue Funds. If the appropriations for the Proprietary Funds and Internal Services Funds for the fiscal year exceed the expenditures from the funds for the fiscal year, or if the expenditures from the funds for the fiscal year exceed the appropriations for the funds, the excess shall be allocated to or deducted from the

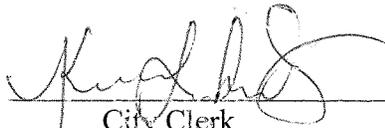
Resource Allocation Plan Reserve Account or the Rate Stabilization Reserve Account, as the case may be.

9. A copy of the budget hereby adopted, certified by the City Clerk, shall be filed with the City Manager or designated representative, and a further copy so certified shall be placed and shall remain on file in the Office of the City Clerk where it shall be available for inspection. Copies of the certified budget shall be made available for the use of departments, offices and agencies of the City.

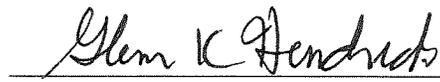
Adopted by the City Council at a regular meeting held on June 28, 2016, by the following vote:

AYES: HENDRICKS, LARSSON, GRIFFITH, MARTIN-MILIUS, DAVIS  
NOES: MEYERING  
ABSTAIN: NONE  
ABSENT: NONE  
RECUSAL: NONE

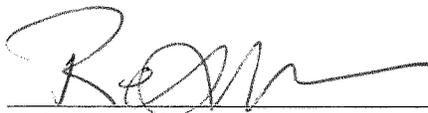
ATTEST:

  
\_\_\_\_\_  
City Clerk  
(SEAL)

APPROVED:

  
\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Rebecca L. Moon, Sr. Assistant City Attorney

# EXHIBIT A

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											
	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
<b>DEBT SERVICE</b>												
RDA Debt Service												
Utility Revenue Bond - Water	0	0	0	0	0	0	0	0	0	0	0	0
Utility Revenue Bond - Sewer	0	0	0	0	0	0	0	0	0	0	0	0
Utility Revenue Bond - SMaRT*	0	0	0	0	0	0	0	0	0	0	0	0
Utility Revenue Bond - SMaRT*	0	0	0	0	0	0	0	0	0	0	0	0
Sunnyvale Office Center	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>* Sunnyvale's share of SMaRT Station Debt Service appears in both the Solid Waste Management Fund and the SMaRT Station Operations Fund due to the interrelated nature of these funds.</i>												
<b>OPERATING PROGRAMS</b>												
City Attorney												
750 Comprehensive Legal Services	1,463,589	0	0	0	0	0	0	0	0	0	0	0
Total City Attorney	1,463,589	0	0	0	0	0	0	0	0	0	0	0
City Manager												
702 Office of the City Manager	5,836,609	0	0	0	0	0	0	0	0	0	0	0
Total City Manager	5,836,609	0	0	0	0	0	0	0	0	0	0	0
Human Resources												
754 Human Resources	4,588,585	0	0	0	0	0	0	0	0	0	0	0
Total Human Resources	4,588,585	0	0	0	0	0	0	0	0	0	0	0

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Inf. Renov. and Repl.	
<b>DEBT SERVICE</b>												
RDA Debt Service												
Utility Revenue Bond - Water	0	611,541	0	0	0	0	0	0	0	0	0	611,541
Utility Revenue Bond - Sewer	0	0	0	1,881,050	0	0	0	0	0	0	0	1,881,050
Utility Revenue Bond - SMaRT*	0	0	0	0	6,069,268	0	0	0	0	0	0	6,069,268
Utility Revenue Bond - SMaRT*	0	0	0	0	0	957,776	1,732,590	706,436	0	0	0	3,396,802
Sunnyvale Office Center	0	0	0	0	0	510,117	0	0	0	0	0	510,117
	0	0	0	55,236	37,919	56,132	0	0	0	0	0	149,287
<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>611,541</b>	<b>0</b>	<b>1,936,286</b>	<b>6,107,187</b>	<b>1,524,025</b>	<b>1,732,590</b>	<b>706,436</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,618,065</b>
* Sunnyvale's share of SMaRT Station Debt Service appears in both the Solid Waste Management Fund and the SMaRT Station Operations Fund due to the interrelated nature of these funds.												
<b>OPERATING PROGRAMS</b>												
City Attorney												
750 Comprehensive Legal Services	0	43,536	0	0	0	0	0	0	449,674	0	0	1,956,799
Total City Attorney	0	43,536	0	0	0	0	0	0	449,674	0	0	1,956,799
City Manager												
702 Office of the City Manager	0	0	0	0	0	0	0	0	0	0	0	5,836,609
Total City Manager	0	0	0	0	0	0	0	0	0	0	0	5,836,609
Human Resources												
754 Human Resources	0	0	0	0	0	0	0	0	0	0	0	4,588,585
Total Human Resources	0	0	0	0	0	0	0	0	0	0	0	4,588,585

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

FUND/SUB-FUND

Program/Project Description	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
Community Development												
233 Building Safety	0	0	0	0	0	0	0	0	0	0	0	0
234 Planning	628,439	0	0	0	0	0	0	0	0	0	0	0
235 Housing and CDBG Program *	0	838,974	100,115	40,093	381,571	0	0	0	0	0	0	0
237 Department Management	526,103	0	0	0	0	0	0	0	0	0	0	0
Total Community Development	1,154,542	838,974	100,115	40,093	381,571	0	0	0	0	0	0	0
* Does not include Indirect Cost Allocation for General Fund administrative support services for Funds 71 and 110; this expense is covered as a fund transfer.												
Finance												
369 Wholesale Water Purchases	0	0	0	0	0	0	0	0	0	0	0	0
703 Budget Management	962,286	0	0	0	0	0	0	0	0	0	0	0
704 Purchasing	1,511,931	0	0	0	0	0	0	0	0	0	0	0
705 Financial Management and Analysis	910,380	0	0	0	0	0	0	0	0	0	0	0
706 Accounting and Financial Services	2,015,360	0	0	0	0	0	0	0	0	0	0	0
707 Revenue Collection and Audit	960,512	0	0	0	0	0	0	0	0	0	0	0
708 Utility Billing	2,575,560	0	0	0	0	0	0	0	0	0	0	0
Total Finance	8,936,029	0	0	0	0	0	0	0	0	0	0	0
Library and Community Services												
527 Youth and Family Services	360,128	0	0	0	0	0	0	0	0	0	0	0
620 Library	8,730,564	0	0	0	0	0	0	0	0	0	0	0
626 Arts and Recreation Programs	8,591,787	0	0	0	0	0	0	0	0	0	0	0
Total Library and Community Services	17,682,479	0	0	0	0	0	0	0	0	0	0	0

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 APPROPRIATIONS  
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Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Inf. Renov. and Repl.	
Community Development												
233 Building Safety	0	0	0	0	0	0	0	0	3,832,882	0	0	3,832,882
234 Planning	0	0	0	0	0	0	0	0	2,244,812	0	0	2,873,251
235 Housing and CDBG Program *	0	0	0	0	0	0	0	0	0	0	0	1,360,752
237 Department Management	0	0	0	0	0	0	0	0	0	0	0	526,103
<b>Total Community Development</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,077,693</b>	<b>0</b>	<b>0</b>	<b>8,592,987</b>
<i>* Does not include Indirect Cost Allocation for General Fund administrative support services for Funds 71 and 110; this expense is covered as a fund transfer</i>												
Finance												
369 Wholesale Water Purchases	0	0	0	25,396,914	0	0	0	0	0	0	0	25,396,914
703 Budget Management	0	0	0	0	0	0	0	0	0	0	0	962,286
704 Purchasing	0	0	0	0	0	0	0	0	0	0	0	1,511,931
705 Financial Management and Analysis	0	19,763	0	0	0	0	0	0	0	0	0	930,143
706 Accounting and Financial Services	0	8,954	0	0	0	0	0	0	0	0	0	2,024,314
707 Revenue Collection and Audit	0	0	0	0	0	0	0	0	0	0	0	960,512
708 Utility Billing	0	0	0	0	0	0	0	0	0	0	0	2,575,560
<b>Total Finance</b>	<b>0</b>	<b>28,717</b>	<b>0</b>	<b>25,396,914</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,361,660</b>
Library and Community Services												
527 Youth and Family Services	839,688	0	0	0	0	0	0	0	0	0	0	1,199,817
620 Library	0	0	0	0	0	0	0	0	0	0	0	8,730,564
626 Arts and Recreation Programs	0	0	0	0	0	0	0	0	32,716	0	0	8,624,503
<b>Total Library and Community Services</b>	<b>839,688</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,716</b>	<b>0</b>	<b>0</b>	<b>18,554,883</b>

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 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											
	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
Public Safety												
471 Police Services												
472 Fire Services	30,456,969	0	0	0	0	0	1,999	231,400	0	0	0	0
473 Community Safety Services	31,161,740	0	0	0	0	0	0	0	0	0	0	0
474 Personnel and Training	4,299,095	0	0	0	0	0	0	0	0	0	0	0
475 Investigation Services	2,133,109	0	0	0	0	0	0	0	0	0	0	0
476 Communication Services	4,861,829	0	0	0	0	0	0	0	0	0	0	0
477 Public Safety Administrative Services	4,192,385	0	0	0	0	0	0	0	0	0	0	0
478 Records Management and Property Services	5,770,381	0	0	0	0	0	0	0	0	0	0	0
479 Fire Prevention Services	2,103,318	0	0	0	0	0	0	0	0	0	0	0
	1,440,226	0	0	0	0	0	0	0	0	0	0	0
<b>Total Public Safety</b>	<b>86,419,052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,999</b>	<b>231,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public Works												
119 Transportation and Traffic Services	2,321,585	0	0	0	0	0	0	0	0	0	0	0
120 Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements	6,067,699 (2,025,000)	0	0	0	0	0	0	0	0	0	0	2,025,000
121 Street Lights	1,261,318	0	0	0	0	0	0	0	0	0	0	0
219 Street Tree Services	2,025,975	0	0	0	0	0	0	0	0	0	0	0
256 Downtown Parking Lot Maintenance	0	0	0	0	0	0	0	0	0	65,067	0	0
267 Neighborhood Parks and Open Space Management	9,544,624	0	0	0	0	0	0	0	0	52,940	0	0
308 Public Works Administration	892,044	0	0	0	0	0	0	0	0	0	0	0
310 Land Development - Engineering Services	0	0	0	0	0	0	0	0	0	3,521	0	0
647 Golf Course Operations	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Public Works</b>	<b>20,088,245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>121,528</b>	<b>0</b>	<b>2,025,000</b>

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Inf. Renov. and Repl.	
Public Safety												
471 Police Services	0	0	0	0	0	0	0	0	0	0	0	30,690,368
472 Fire Services	0	0	0	0	0	0	0	0	0	0	0	31,161,740
473 Community Safety Services	0	0	0	0	0	0	0	0	0	0	0	4,299,095
474 Personnel and Training	0	0	0	0	0	0	0	0	0	0	0	2,133,109
475 Investigation Services	0	0	0	0	0	0	0	0	0	0	0	4,861,829
476 Communication Services	0	0	0	0	0	0	0	0	0	0	0	4,192,385
477 Public Safety Administrative Services	0	0	0	0	0	0	0	0	0	0	0	5,770,381
478 Records Management and Property Services	0	0	0	0	0	0	0	0	0	0	0	2,103,318
479 Fire Prevention Services	0	0	0	0	0	0	0	0	1,145,079	0	0	2,585,304
<b>Total Public Safety</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,145,079</b>	<b>0</b>	<b>0</b>	<b>87,797,530</b>
Public Works												
119 Transportation and Traffic Services	0	0	0	0	0	0	0	0	614,345	0	0	2,935,930
120 Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements	0	0	0	0	0	0	0	0	0	0	0	8,092,699 (2,025,000)
121 Street Lights	0	0	0	0	0	0	0	0	0	0	0	1,261,318
219 Street Tree Services	0	0	0	0	0	0	0	0	42,541	0	0	2,068,516
256 Downtown Parking Lot Maintenance	0	0	0	0	0	0	0	0	0	0	0	65,067
267 Neighborhood Parks and Open Space Management	0	0	0	0	0	0	0	0	0	0	0	9,597,564
308 Public Works Administration	0	0	0	0	0	0	0	0	0	0	0	892,044
310 Land Development - Engineering Services	0	0	0	0	0	0	0	0	1,932,788	0	0	1,936,309
647 Golf Course Operations	0	0	0	0	0	0	0	0	0	3,409,780	0	3,409,780
<b>Total Public Works</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,589,675</b>	<b>3,409,780</b>	<b>0</b>	<b>28,234,228</b>

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FUND/SUB-FUND

Program/Project Description	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
Environmental Services												
360 Water Resources												
363 Solid Waste Management	0	0	0	0	0	0	0	0	0	0	0	0
364 SMaRT Station *	0	0	0	0	0	0	0	0	0	0	0	0
365 Wastewater Management	0	0	0	0	0	0	0	0	0	0	0	0
366 Regulatory Programs	0	0	0	0	0	0	0	0	0	0	0	0
367 Wastewater Collection Systems	0	0	0	0	0	0	0	0	0	0	24,111	0
<b>Total Environmental Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,111</b>	<b>0</b>
<i>* Sunnyvale's share of SMaRT Station Operations appears in both the Solid Waste Management Fund and the SMaRT Station Operations Fund due to the interrelated nature of these funds.</i>												
NOVA Workforce Services												
510 Employment Development **	0	0	0	0	0	0	0	0	10,055,000	0	0	0
<b>Total NOVA Workforce Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,055,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>** Does not include Indirect Cost Allocation for General Fund administrative support services; this amount is captured as a fund transfer</i>												
<b>TOTAL OPERATING PROGRAMS</b>	<b>146,169,130</b>	<b>838,974</b>	<b>100,115</b>	<b>40,093</b>	<b>381,571</b>	<b>0</b>	<b>1,999</b>	<b>231,400</b>	<b>10,055,000</b>	<b>121,528</b>	<b>24,111</b>	<b>2,025,000</b>
<b>Project Operating</b>	<b>289,339</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROJECTS</b>												
801351 Sunnyvale Contribution to SMaRT Station Equipment Rep. Fund	0	0	0	0	0	0	0	0	0	0	0	0
803501 CDBG Housing Rehabilitation Revolving Loan Fund	0	0	0	0	150,000	0	0	0	0	0	0	0
803700 Leadership Sunnyvale [GF]	6,000	0	0	0	0	0	0	0	0	0	0	0
805253 Sewer Emergency Repair and Replacement	0	0	0	0	0	0	0	0	0	0	0	0
806351 Land Development and Capital Construction	0	0	0	0	0	0	0	0	0	0	0	0
811250 SMaRT Station® Equipment Replacement	0	0	0	0	0	0	0	0	0	0	0	0
812701 Home Access, Paint, Emergency Repair, and Energy-Efficiency	0	0	0	0	50,037	0	0	0	0	0	0	0
816050 Minor Repair of City Bridges and Culverts	0	0	0	0	0	0	0	0	0	0	0	5,100
818550 Park Buildings - Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0

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Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295.	315/500.	385.	460.	465.	485.	490/100.	490/200.	510.	525.	610.	
	Youth and Neighbor. Services	RDA Successor Agency	Capital Projects	Water Supply and Distribution	Wastewater Mgmt.	Solid Waste Mgmt.	SMaRT Station Operations	SMaRT Station Repl.	Development Enterprise	Golf and Tennis	Inf. Renov. and Repl.	
Environmental Services												
360 Water Resources	0	0	0	6,748,296	0	0	0	0	67,261	0	0	6,815,557
363 Solid Waste Management	0	0	0	0	0	36,073,342	0	0	0	0	0	36,073,342
364 SMaRT Station *	0	0	0	0	0	0	27,127,154	0	0	0	0	27,127,154
365 Wastewater Management	0	0	0	0	9,660,447	0	0	0	0	0	0	9,660,447
366 Regulatory Programs	0	0	0	19,579	4,952,912	13,000	0	0	6,354	0	0	4,991,844
367 Wastewater Collection Systems	0	0	0	0	3,279,780	0	0	0	47,263	0	0	3,351,153
<b>Total Environmental Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,767,875</b>	<b>17,893,139</b>	<b>36,086,342</b>	<b>27,127,154</b>	<b>0</b>	<b>120,877</b>	<b>0</b>	<b>0</b>	<b>88,019,497</b>
<i>* Sunnyvale's share of SMaRT Station Operations appears in both the Solid Waste Management Fund and the SMaRT Station Operations Fund due to the interrelated nature of these funds.</i>												
NOVA Workforce Services*												
510 Employment Development **	0	0	0	0	0	0	0	0	0	0	0	10,055,000
<b>Total NOVA Workforce Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,055,000</b>
<i>** Does not include Indirect Cost Allocation for General Fund administrative support services; this amount is captured as a fund transfer</i>												
<b>TOTAL OPERATING PROGRAMS</b>	<b>839,688</b>	<b>72,253</b>	<b>0</b>	<b>32,164,789</b>	<b>17,893,139</b>	<b>36,086,342</b>	<b>27,127,154</b>	<b>0</b>	<b>10,415,714</b>	<b>3,409,780</b>	<b>0</b>	<b>287,997,778</b>
<b>Project Operating</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(58,634)</b>	<b>50,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>281,405</b>
<b>PROJECTS</b>												
801351 Sunnyvale Contribution to SMaRT Station Equipment Rep Fund	0	0	0	0	0	207,300	0	0	0	0	0	207,300
803501 CDBG Housing Rehabilitation Revolving Loan Fund	0	0	0	0	0	0	0	0	0	0	0	150,000
803700 Leadership Sunnyvale [GF]	0	0	0	0	0	0	0	0	0	0	0	6,000
805253 Sewer Emergency Repair and Replacement	0	0	0	0	51,000	0	0	0	0	0	0	51,000
806351 Land Development and Capital Construction	0	0	0	443,700	0	0	0	0	0	0	0	443,700
811250 SMaRT Station® Equipment Replacement	0	0	0	0	0	0	0	1,044,238	0	0	0	1,044,238
812701 Home Access, Paint, Emergency Repair, and Energy-Efficiency	0	0	0	0	0	0	0	0	0	0	0	50,037
816050 Minor Repair of City Bridges and Culverts	0	0	0	0	0	0	0	0	0	0	0	5,100
818550 Park Buildings - Rehabilitation	0	0	0	0	0	0	0	0	0	0	612,000	612,000

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 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

FUND/SUB-FUND

Program/Project Description	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
818700 Corporation Yard Buildings - Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0
819720 Outside Group Funding Support [GF]	135,000	0	0	0	0	0	0	0	0	0	0	0
820130 Routine Resurfacing of City Owned Parking Lots	0	0	0	0	0	0	0	0	0	0	0	0
820180 Traffic Signal Controller Replacement	0	0	0	0	0	0	0	0	0	0	0	0
820190 Traffic Signal Hardware & Wiring	0	0	0	0	0	0	0	0	0	0	0	0
820200 Traffic Signal Light Emitting Diode (LED) Array Replacements	0	0	0	0	0	0	0	0	0	0	0	0
820240 Park Tennis/Basketball Court Reconstruction	0	0	0	0	0	0	0	0	0	0	0	0
820270 Playground Equipment Replacement	0	0	0	0	0	0	0	0	0	0	0	0
820280 Park Furniture and Fixtures Replacement	0	0	0	0	0	0	0	0	0	0	0	0
820311 Golf Course Irrigation System Replacement	0	0	0	0	0	0	0	0	0	0	0	0
820570 Minor Building Modifications	10,200	0	0	0	0	0	0	0	0	0	0	0
821010 Maintenance of City Owned Properties - Downtown	21,420	0	0	0	0	0	0	0	0	0	0	0
823750 BMR Compliance Enforcement	0	10,000	0	0	0	0	0	0	0	0	0	0
824281 Leak Detection and Condition Assessment Program	0	0	0	0	0	0	0	0	0	0	0	0
824571 Project Management for Town Center Development Agreement	0	0	0	0	0	0	0	0	0	0	0	0
824771 Primary Process Design and Construction	0	0	0	0	0	0	0	0	0	0	0	0
825221 Central Well Reconstruction	0	0	0	0	0	0	0	0	0	0	0	0
825290 Pavement Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0
825301 Pressure Reducing Valve Replacement	0	0	0	0	0	0	0	0	0	0	0	0
825331 Replacement/Repair/Rehabilitation of Sanitary Sewer System	0	0	0	0	0	0	0	0	0	0	0	0
825340 Street Lights Conduit Replacement	0	0	0	0	0	0	0	0	0	0	0	0
825361 Replacement/Repair/Rehabilitation of Storm Drain System	0	0	0	0	0	0	0	0	0	0	0	0
825451 City-wide Water Line Replacement	0	0	0	0	0	0	0	0	0	0	0	0
825521 WPCP Biosolids Processing	0	0	0	0	0	0	0	0	0	0	0	0
825570 239 - 241 Commercial Street Property Maintenance	5,100	0	0	0	0	0	0	0	0	0	0	0
825610 Fair Oaks Avenue Overhead Bridge Repair	0	0	0	0	0	0	0	0	0	0	0	0
825730 Pedestrian Lighted Crosswalk Maintenance and Replacement	0	0	0	0	0	0	0	0	0	0	0	0

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND												All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Inf. Renov. and Repl.		
818700 Corporation Yard Buildings - Rehabilitation	0	0	0	0	0	0	0	0	0	0	61,200	61,200	
819720 Outside Group Funding Support [GF]	0	0	0	0	0	0	0	0	0	0	0	135,000	
820130 Routine Resurfacing of City Owned Parking Lots	0	0	0	0	0	0	0	0	0	0	76,245	76,245	
820180 Traffic Signal Controller Replacement	0	0	0	0	0	0	0	0	0	0	179,061	179,061	
820190 Traffic Signal Hardware & Wiring	0	0	0	0	0	0	0	0	0	0	102,000	102,000	
820200 Traffic Signal Light Emitting Diode (LED) Array Replacements	0	0	0	0	0	0	0	0	0	0	119,340	119,340	
820240 Park Tennis/Basketball Court Reconstruction	0	0	0	0	0	0	0	0	0	0	36,720	36,720	
820270 Playground Equipment Replacement	0	0	0	0	0	0	0	0	0	0	51,000	51,000	
820280 Park Furniture and Fixtures Replacement	0	0	0	0	0	0	0	0	0	0	112,200	112,200	
820311 Golf Course Irrigation System Replacement	0	0	0	0	0	0	0	0	0	0	244,800	244,800	
820570 Minor Building Modifications	0	0	0	0	0	0	0	0	0	0	0	10,200	
821010 Maintenance of City Owned Properties - Downtown	0	0	0	0	0	0	0	0	0	0	0	21,420	
823750 BMR Compliance Enforcement	0	0	0	0	0	0	0	0	0	0	0	10,000	
824281 Leak Detection and Condition Assessment Program	0	0	0	45,900	0	0	0	0	0	0	0	45,900	
824571 Project Management for Town Center Development Agreement	0	25,000	0	0	0	0	0	0	0	0	0	25,000	
824771 Primary Process Design and Construction	0	0	0	0	26,224,160	0	0	0	0	0	0	26,224,160	
825221 Central Well Reconstruction	0	0	0	2,040,000	0	0	0	0	0	0	0	2,040,000	
825290 Pavement Rehabilitation	0	0	0	0	0	0	0	0	0	0	816,000	816,000	
825301 Pressure Reducing Valve Replacement	0	0	0	122,400	0	0	0	0	0	0	0	122,400	
825331 Replacement/Repair/Rehabilitation of Sanitary Sewer System	0	0	0	0	1,224,000	0	0	0	0	0	0	1,224,000	
825340 Street Lights Conduit Replacement	0	0	0	0	0	0	0	0	0	0	10,200	10,200	
825361 Replacement/Repair/Rehabilitation of Storm Drain System	0	0	0	0	51,000	0	0	0	0	0	0	51,000	
825451 City-wide Water Line Replacement	0	0	0	1,000,000	0	0	0	0	0	0	0	1,000,000	
825521 WPCP Biosolids Processing	0	0	0	0	2,040,000	0	0	0	0	0	0	2,040,000	
825570 239 - 241 Commercial Street Property Maintenance	0	0	0	0	0	0	0	0	0	0	0	5,100	
825610 Fair Oaks Avenue Overhead Bridge Repair	0	0	7,000,000	0	0	0	0	0	0	0	0	7,000,000	
825730 Pedestrian Lighted Crosswalk Maintenance and Replacement	0	0	0	0	0	0	0	0	0	0	0	0	

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

FUND/SUB-FUND

Program/Project Description	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
825740 Battery Backup System for Traffic Signals Maintenance	0	0	0	0	0	0	0	0	0	0	0	0
825850 Swim Pools Infrastructure	0	0	0	0	0	0	0	0	0	0	0	0
825930 Maintain City-Owned Properties - Downtown/388 Charles Street	0	0	0	0	0	0	0	0	0	0	0	0
825961 SCVURPPP Contracting and Fiscal Agent	0	6,742	0	0	0	0	0	0	0	0	0	0
826300 FY 14-15 Recruitment and Training for Sworn Officers	750,000	0	0	0	0	0	0	0	0	0	0	0
826320 FY 15-16 Recruitment and Training for Sworn Officers	1,777,526	0	0	0	0	0	0	0	0	0	0	0
826330 FY 16-17 Recruitment and Training for Sworn Officers	5,272,505	0	0	0	0	0	0	0	0	0	0	0
826530 County-Wide Homeless Count	0	9,441	0	0	0	0	0	0	0	0	0	0
826701 Town Center Investigation/Remediation of Hazmat (ADDOPA)	0	0	0	0	0	0	0	0	0	0	0	0
826710 Washington Community Swim Center	0	0	0	0	0	0	0	0	0	0	0	0
826730 Underground Overhead Utilities	0	0	0	0	0	0	0	0	0	0	0	0
826890 Mathilda 237/101 Interchange Improvements	0	0	0	0	0	0	0	0	0	0	0	0
827090 Construction of a New Water Pollution Control Plant	0	0	0	0	0	0	0	0	0	0	0	0
827550 Outside Group Funding Support [CDBG]	0	0	0	0	193,058	0	0	0	0	0	0	0
827570 Downtown Parking District Major Maintenance	0	0	0	0	0	0	0	0	0	61,200	0	0
828030 Annual Slurry Seal of City Streets	0	0	0	0	0	0	0	0	0	0	0	0
828150 Police Services Equipment - Cell Phones	0	0	0	0	0	0	44,639	0	0	0	0	0
828260 Replace SMaRT Station	0	0	0	0	0	0	0	0	0	0	0	0
828290 Parks Parking Lot Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0
828400 Golf Buildings Renovations	0	0	0	0	0	0	0	0	0	0	0	0
829070 Lawrence Expressway Sanitary Sewer Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0
829080 Storm System Trash Control Devices	0	0	0	0	0	0	0	0	0	0	0	0
829400 Sidewalk, Curb and Gutter Replacement	0	0	0	0	0	0	0	0	0	0	0	0
829560 Sunnyvale Workforce Development Program-DST	0	0	0	0	404,225	0	0	0	0	0	0	0
829620 Downtown Association	30,000	0	0	0	0	0	0	0	0	0	0	0
829630 Council Set Aside	100,000	0	0	0	0	0	0	0	0	0	0	0

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Inf. Renov. and Repl.	
825740 Battery Backup System for Traffic Signals Maintenance	0	0	0	0	0	0	0	0	0	0	5,100	5,100
825850 Swim Pools Infrastructure	0	0	0	0	0	0	0	0	0	0	38,541	38,541
825930 Maintain City-Owned Properties - Downtown/388 Charles Street	0	0	0	0	0	0	0	0	0	0	86,700	86,700
825961 SCVURPPP Contracting and Fiscal Agent	0	0	0	0	0	0	0	0	0	0	0	6,742
826300 FY 14-15 Recruitment and Training for Sworn Officers	0	0	0	0	50,000	0	0	0	0	0	0	50,000
826320 FY 15-16 Recruitment and Training for Sworn Officers	0	0	0	0	0	0	0	0	0	0	0	750,000
826330 FY 16-17 Recruitment and Training for Sworn Officers	0	0	0	0	0	0	0	0	0	0	0	1,777,526
826530 County-Wide Homeless Count	0	0	0	0	0	0	0	0	0	0	0	5,272,505
826701 Town Center Investigation/Remediation of Hazmat (ADDOPA)	0	138,000	0	0	0	0	0	0	0	0	0	9,441
826710 Washington Community Swim Center	0	0	453,696	0	0	0	0	0	0	0	0	453,696
826730 Underground Overhead Utilities	0	0	102,000	0	0	0	0	0	0	0	0	102,000
826890 Mathilda/237/101 Interchange Improvements	0	0	8,250,000	0	0	0	0	0	0	0	0	8,250,000
827090 Construction of a New Water Pollution Control Plant	0	0	0	0	5,817,609	0	0	0	0	0	0	5,817,609
827550 Outside Group Funding Support [CDBG]	0	0	0	0	0	0	0	0	0	0	0	193,058
827570 Downtown Parking District Major Maintenance	0	0	0	0	0	0	0	0	0	0	0	61,200
828030 Annual Slurry Seal of City Streets	0	0	0	0	0	0	0	0	0	0	211,303	211,303
828150 Police Services Equipment - Cell Phones	0	0	0	0	0	0	0	0	0	0	0	44,639
828260 Replace SMaRT Station	0	0	0	0	0	0	0	100,000	0	0	0	100,000
828290 Parks Parking Lot Rehabilitation	0	0	0	0	0	0	0	0	0	0	821,100	821,100
828400 Golf Buildings Renovations	0	0	0	0	0	0	0	0	0	0	43,299	43,299
829070 Lawrence Expressway Sanitary Sewer Rehabilitation	0	0	0	0	1,941,886	0	0	0	0	0	0	1,941,886
829080 Storm System Trash Control Devices	0	0	0	0	142,800	0	0	0	0	0	0	142,800
829400 Sidewalk, Curb and Gutter Replacement	0	0	0	0	0	0	0	0	0	0	1,150,035	1,150,035
829560 Sunnyvale Workforce Development Program-DST	0	0	0	0	0	0	0	0	0	0	0	404,225
829620 Downtown Association	0	0	0	0	0	0	0	0	0	0	0	30,000
829630 Council Set Aside	0	0	0	0	0	0	0	0	0	0	0	100,000

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											
	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
830190 Repairs to the Primary Process	0	0	0	0	0	0	0	0	0	0	0	0
830210 Repairs to the Power Generation Facility	0	0	0	0	0	0	0	0	0	0	0	0
830220 Repairs to the Tertiary Process	0	0	0	0	0	0	0	0	0	0	0	0
830240 WPCP Program Management	0	0	0	0	0	0	0	0	0	0	0	0
830250 WPCP Master Plan	0	0	0	0	0	0	0	0	0	0	0	0
830280 Sunnyvale Baylands Park Infrastructure	0	0	0	0	0	0	0	0	0	0	0	0
830340 Fair Oaks Park Renovation and Enhancement	0	0	0	0	0	0	0	0	0	0	0	0
830490 Fremont Pool Infrastructure Improvements	0	0	0	0	0	0	0	0	0	0	0	0
830520 ERP System Acquisition, Implementation and Support	2,153,730	0	0	0	0	0	0	0	0	0	0	0
830600 Lakewood Branch Library Facility	0	0	0	0	0	0	0	0	0	0	0	0
830910 Zero Waste Strategic Plan	0	0	0	0	0	0	0	0	0	0	0	0
831140 Safe Routes to School Pedestrian Safety Improvements	0	0	0	0	0	0	0	0	0	0	0	0
831290 Climate Action Plan Implementation	316,200	0	0	0	0	0	0	0	0	0	0	0
831310 Minimum Wage Enforcement Agreement	30,000	0	0	0	0	0	0	0	0	0	0	0
831360 Recreation Fee Waiver	47,871	0	0	0	0	0	0	0	0	0	0	0
831470 WPCP Construction Management	0	0	0	0	0	0	0	0	0	0	0	0
831490 Website Redesign	299,643	0	0	0	0	0	0	0	0	0	0	0
831510 Green Streets for Stormwater	0	0	0	0	0	0	0	0	0	0	0	0
831540 Landscape Improvements on Caribbean Drive	0	0	0	0	0	0	0	0	0	0	0	0
831570 Park Irrigation & Pump Systems Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0
831580 ADA Projects and Emergency Concrete Replacement	0	0	0	0	0	0	0	0	0	0	0	0
831620 Repairs to the WPCP Support Facilities	0	0	0	0	0	0	0	0	0	0	0	0
831670 Asset Management Program	0	0	0	0	0	0	0	0	0	0	0	0
831690 Storm System Trash Reduction Programs	0	0	0	0	0	0	0	0	0	0	0	0
831700 Channel 26 Public Access Programming	15,000	0	0	0	0	0	0	0	0	0	0	0
831760 Homeless Prevention and Rapid Re-Housing (HPRR)	0	0	0	250,000	0	0	0	0	0	0	0	0
831770 Illuminated Street Sign Replacement Project	0	0	0	0	0	0	0	0	0	0	0	0

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Incl. Renov. and Repl.	
830190 Repairs to the Primary Process	0	0	0	0	204,000	0	0	0	0	0	0	204,000
830210 Repairs to the Power Generation Facility	0	0	0	0	100,000	0	0	0	0	0	0	100,000
830220 Repairs to the Tertiary Process	0	0	0	0	510,000	0	0	0	0	0	0	510,000
830240 WPCP Program Management	0	0	0	0	2,653,020	0	0	0	0	0	0	2,653,020
830250 WPCP Master Plan	0	0	0	0	500,000	0	0	0	0	0	0	500,000
830280 Sunnyvale Baylands Park Infrastructure	0	0	0	0	0	0	0	0	0	0	36,720	36,720
830340 Fair Oaks Park Renovation and Enhancement	0	0	0	0	0	0	0	0	0	0	4,794,000	4,794,000
830490 Fremont Pool Infrastructure Improvements	0	0	0	0	0	0	0	0	0	0	59,160	59,160
830520 ERP System Acquisition, Implementation and Support	0	0	0	0	0	0	0	0	0	0	0	2,153,730
830600 Lakewood Branch Library Facility	0	0	750,000	0	0	0	0	0	0	0	0	750,000
830910 Zero Waste Strategic Plan	0	0	0	0	0	1,293,935	0	0	0	0	0	1,293,935
831140 Safe Routes to School Pedestrian Safety Improvements	0	0	50,000	0	0	0	0	0	0	0	0	50,000
831290 Climate Action Plan Implementation	0	0	0	0	0	0	0	0	0	0	0	316,200
831310 Minimum Wage Enforcement Agreement	0	0	0	0	0	0	0	0	0	0	0	30,000
831360 Recreation Fee Waiver	0	0	0	0	0	0	0	0	0	0	0	47,871
831470 WPCP Construction Management	0	0	0	0	1,809,482	0	0	0	0	0	0	1,809,482
831490 Website Redesign	0	0	0	0	0	0	0	0	0	0	0	299,643
831510 Green Streets for Stormwater	0	0	0	0	400,000	0	0	0	0	0	0	400,000
831540 Landscape Improvements on Caribbean Drive	0	0	0	0	0	591,600	0	0	0	0	0	591,600
831570 Park Irrigation & Pump Systems Rehabilitation	0	0	0	0	0	0	0	0	0	0	510,000	510,000
831580 ADA Projects and Emergency Concrete Replacement	0	0	0	0	0	0	0	0	0	0	76,500	76,500
831620 Repairs to the WPCP Support Facilities	0	0	0	0	102,000	0	0	0	0	0	0	102,000
831670 Asset Management Program	0	0	0	0	400,000	0	0	0	0	0	0	400,000
831690 Storm System Trash Reduction Programs	0	0	0	0	255,000	0	0	0	0	0	0	255,000
831700 Channel 26 Public Access Programming	0	0	0	0	0	0	0	0	0	0	0	15,000
831760 Homeless Prevention and Rapid Re-Housing (HPRR)	0	0	0	0	0	0	0	0	0	0	0	250,000
831770 Illuminated Street Sign Replacement Project	0	0	0	0	0	0	0	0	0	0	0	250,000

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

FUND/SUB-FUND

Program/Project Description	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
831830 Lakewood Park Renovation and Enhancement	65,280	0	0	0	0	0	0	0	0	0	0	0
831840 Cathodic Protection SFPUC Turnouts and Transmission Pipeline	0	0	0	0	0	0	0	0	0	0	0	0
831870 Preventive Maintenance for Various Bridges	0	0	0	0	0	0	0	0	0	0	0	0
831880 Preschool Outdoor Play Area	0	0	0	0	0	0	0	0	0	0	0	76,500
831900 Emergency Vehicle Traffic Signal Preemption	0	0	0	0	0	0	0	0	0	0	0	0
831980 Annual State of the City	867,000	0	0	0	0	0	0	0	0	0	0	0
832010 Benner Plaza: HOME Loan for New Affordable Apartments	40,800	0	0	0	0	0	0	0	0	0	0	0
832020 ADA Curb Retrofits (CDBG)	0	0	600,000	0	0	0	0	0	0	0	0	0
832030 Orchard Gardens Apartments Redevelopment	0	0	0	0	150,000	0	0	0	0	0	0	0
832040 Persian Drive Sidewalk Extension (CDBG)	0	6,000,000	0	0	0	0	0	0	0	0	0	0
832160 Eng. Services for Transportation Related Projects/Priorities	0	0	0	0	200,000	0	0	0	0	0	0	0
832170 RRFB on Henderson and Lily Avenues	440,000	0	0	0	0	0	0	0	0	0	0	0
832180 Green Bike Lanes at Evelyn Avenue	0	0	0	0	0	0	0	0	0	0	0	0
901167 Maintenance for City-owned Property at 1484 Kifer Road	0	0	0	0	0	0	0	0	0	0	0	0
901168 Fire Prevention (Non HazMat) Technology Project	12,240	0	0	0	0	0	0	0	0	0	0	0
901169 Fire Prevention (HazMat) Technology Project	21,200	0	0	0	0	0	0	0	0	0	0	0
901172 Office of Emergency Services	31,300	0	0	0	0	0	0	0	0	0	0	0
xxxxxx MP Eight Trees Loan	100,000	0	0	0	0	0	0	0	0	0	0	0
	0	600,000	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROJECTS</b>	<b>12,548,015</b>	<b>6,626,183</b>	<b>600,000</b>	<b>250,000</b>	<b>1,147,320</b>	<b>0</b>	<b>44,639</b>	<b>0</b>	<b>0</b>	<b>61,200</b>	<b>0</b>	<b>81,600</b>

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Inf. Renov. and Repl.	
831830 Lakewood Park Renovation and Enhancement	0	0	0	0	0	0	0	0	0	0	0	65,280
831840 Cathodic Protection SFPUC Turnouts and Transmission Pipeline	0	0	0	0	0	0	0	0	0	831,300	0	831,300
831870 Preventive Maintenance for Various Bridges	0	0	0	102,000	0	0	0	0	0	0	0	102,000
831880 Preschool Outdoor Play Area	0	0	0	0	0	0	0	0	0	0	0	76,500
831900 Emergency Vehicle Traffic Signal Preemption	0	0	0	0	0	0	0	0	0	0	112,200	112,200
831980 Annual State of the City	0	0	0	0	0	0	0	0	0	0	0	867,000
832010 Benner Plaza: HOME Loan for New Affordable Apartments	0	0	0	0	0	0	0	0	0	0	0	40,800
832020 ADA Curb Retrofits (CDBG)	0	0	0	0	0	0	0	0	0	0	0	600,000
832030 Orchard Gardens Apartments Redevelopment	0	0	0	0	0	0	0	0	0	0	0	150,000
832040 Persian Drive Sidewalk Extension (CDBG)	0	0	0	0	0	0	0	0	0	0	0	6,000,000
832160 Eng. Services for Transportation Related Projects/Priorities	0	0	0	0	0	0	0	0	0	0	0	200,000
832170 RRFB on Henderson and Lily Avenues	0	0	34,706	0	0	0	0	0	0	0	0	440,000
832180 Green Bike Lanes at Evelyn Avenue	0	0	73,623	0	0	0	0	0	0	0	0	34,706
901167 Maintenance for City-owned Property at 1484 Kifer Road	0	0	0	0	0	0	0	0	0	0	0	73,623
901168 Fire Prevention (Non HazMat) Technology Project	0	0	0	0	0	0	0	0	0	0	0	12,240
901169 Fire Prevention (HazMat) Technology Project	0	0	0	0	0	0	0	0	0	0	0	21,200
901172 Office of Emergency Services	0	0	0	0	0	0	0	0	0	0	0	31,300
xxxxxx MP Eight Trees Loan	0	0	0	0	0	0	0	0	0	0	0	100,000
	0	0	0	0	0	0	0	0	0	0	0	600,000
<b>TOTAL PROJECTS</b>	0	163,000	16,714,025	3,754,000	44,475,957	2,092,835	0	1,144,238	0	0	11,196,724	100,899,736

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											
	035.	070.	071.	072.	110.	141.	175.	190.	210.	245.	255.	280.
	General	Housing	HOME	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Aug.	Employment Development	Parking District	Community Facilities District #3	Gas Tax
<b>Budget Supplements:</b>												
830630 Dispute Resolution Services	45,000	0	0	0	0	0	0	0	0	0	0	0
xxxxxx Silicon Valley Talent Partnership	3,000	0	0	0	0	0	0	0	0	0	0	0
xxxxxx Safe Routes to School	176,279	0	0	0	0	0	0	0	0	0	0	0
xxxxxx Care Management	81,264	0	0	0	0	0	0	0	0	0	0	0
xxxxxx Sustainability Speaker	25,000	0	0	0	0	0	0	0	0	0	0	0
xxxxxx Caltrain Grade Separation	500,000	0	0	0	0	0	0	0	0	0	0	0
xxxxxx Vision Zero	150,000	0	0	0	0	0	0	0	0	0	0	0
xxxxxx Murphy Avenue Design Study	25,000	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL BUDGET SUPPLEMENTS</b>	<b>1,005,543</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Project Administration	402,979	0	0	0	0	1,046,871	0	0	0	0	0	273,564
Technology Project Funding	709,770	0	0	0	0	0	0	0	0	0	0	0
Equipment	443,899	0	0	0	0	0	0	0	0	0	0	0
Lease Payments	1,200,750	0	0	0	0	0	0	0	0	0	0	0
Operations Cost Savings	0	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>162,769,424</b>	<b>7,465,157</b>	<b>700,115</b>	<b>290,093</b>	<b>1,528,891</b>	<b>1,046,871</b>	<b>46,638</b>	<b>231,400</b>	<b>10,055,000</b>	<b>182,728</b>	<b>24,111</b>	<b>2,380,164</b>

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS, CAPITAL PROJECTS FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND											All Funds FY 2016/17 Total
	295. Youth and Neighbor. Services	315/500. RDA Successor Agency	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Mgmt.	485. Solid Waste Mgmt.	490/100. SMaRT Station Operations	490/200. SMaRT Station Repl.	510. Development Enterprise	525. Golf and Tennis	610. Inf. Renov. and Repl.	
<b>Budget Supplements:</b>												
830630 Dispute Resolution Services	0	0	0	0	0	0	0	0	0	0	0	45,000
XXXXXX Silicon Valley Talent Partnership	0	0	0	0	0	0	0	0	0	0	0	3,000
XXXXXX Safe Routes to School	0	0	0	0	0	0	0	0	0	0	0	176,279
XXXXXX Care Management	0	0	0	0	0	0	0	0	0	0	0	81,264
XXXXXX Sustainability Speaker	0	0	0	0	0	0	0	0	0	0	0	25,000
XXXXXX Caltrain Grade Separation	0	0	0	0	0	0	0	0	0	0	0	500,000
XXXXXX Vision Zero	0	0	0	0	0	0	0	0	0	0	0	150,000
XXXXXX Murphy Avenue Design Study	0	0	0	0	0	0	0	0	0	0	0	25,000
<b>TOTAL BUDGET SUPPLEMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,005,543</b>
Project Administration	0	0	15,814	518,805	860,209	115,703	0	0	0	0	24,001	3,257,945
Service Level Set-Aside	0	0	0	0	0	0	0	0	0	0	0	709,770
Equipment	0	0	0	0	411,755	0	0	0	0	0	0	855,654
Lease Payments	0	0	0	0	372,478	0	0	0	0	0	0	1,573,228
Operations Cost Savings	0	0	0	0	0	686,389	0	0	0	0	0	686,389
<b>GRAND TOTAL</b>	<b>839,688</b>	<b>846,794</b>	<b>16,729,839</b>	<b>38,315,246</b>	<b>70,171,425</b>	<b>40,505,294</b>	<b>28,859,744</b>	<b>1,850,674</b>	<b>10,415,714</b>	<b>3,409,780</b>	<b>11,220,725</b>	<b>409,885,514</b>

# EXHIBIT B

CITY OF SUNNYVALE  
APPROPRIATIONS  
INTERNAL SERVICE FUNDS  
FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND							All Funds FY 2016/17 Total
	595/100. Fleet Services	595/200. * Facilities Mgmt.	595/210. Sunnyvale Office Center	595/350. Technology Services	595/800. Project Management Services	640. Employee Benefits	645. Property Liability & Insur. Fund	
<b>DEBT SERVICE</b>								
Sunnyvale Office Center	0	0	588,367	0	0	0	0	588,367
<b>TOTAL DEBT SERVICE</b>	0	0	588,367	0	0	0	0	588,367
<b>EQUIPMENT</b>								
Equipment	1,721,818	263,781	0	3,800,309	0	0	0	5,785,908
<b>TOTAL EQUIPMENT</b>	1,721,818	263,781	0	3,800,309	0	0	0	5,785,908
<b>OPERATING PROGRAMS</b>								
Human Resources								
754 Human Resources	0	0	0	0	0	0	452,628	452,628
781 Employee Leave Benefits - Leave Eamed	0	0	0	0	0	17,599,653	0	17,599,653
784 Retirement, Insurances, and Taxes	0	0	0	0	0	58,076,426	0	58,076,426
785 Workers' Compensation Excess Insurance, Cost of Claims, and Leave Hours Taken	0	0	0	0	0	3,906,772	0	3,906,772
787 City Liability and Property Insurance and Claim Costs	0	0	0	0	0	0	1,229,207	1,229,207
<b>Total Human Resources</b>	0	0	0	0	0	79,582,851	1,681,835	81,264,686
Information Technology								
746 IT Services and Support	0	0	0	7,877,713	0	0	0	7,877,713
<b>Total Information Technology</b>	0	0	0	7,877,713	0	0	0	7,877,713
Office of the City Manager								
702 Office of the City Manager	0	0	0	632,469	0	0	0	632,469
<b>Total Office of the City Manager</b>	0	0	0	632,469	0	0	0	632,469
Public Works								
309 Capital Projects Administration	0	0	0	0	3,343,266	0	0	3,343,266
709 Facility Services	0	4,244,268	268,576	0	0	0	0	4,512,843
763 Provision of Vehicles and Motorized Equipment	3,412,889	0	0	0	0	0	0	3,412,889
<b>Total Public Works</b>	3,412,889	4,244,268	268,576	0	3,343,266	0	0	11,268,998

CITY OF SUNNYVALE  
 APPROPRIATIONS  
 INTERNAL SERVICE FUNDS  
 FY 2016/17 BUDGET

Program/Project Description	FUND/SUB-FUND							All Funds FY 2016/17 Total
	595/100. Fleet Services	595/200. * Facilities Mgmt.	595/210. Sunnyvale Office Center	595/350. Technology Services	595/800. Project Management Services	640. Employee Benefits	645. Property Liability & Insur. Fund	
Finance 706 Accounting and Financial Services	0	0	0	0	31,343	0	0	31,343
Total Finance	0	0	0	0	31,343	0	0	31,343
<b>TOTAL</b>								
<b>OPERATING PROGRAMS</b>	3,412,889	4,244,268	268,576	8,510,182	3,374,609	79,582,851	1,681,835	101,075,209
<b>PROJECTS</b>								
824780 Upgrading of Fuel Stations	81,600	0	0	0	0	0	0	81,600
824980 SOC Site Improvements	0	0	25,500	0	0	0	0	25,500
830540 Replace Customer Relationship Management System	0	0	0	200,000	0	0	0	200,000
831890 Information Technology - Risk Assessment	0	0	0	81,600	0	0	0	81,600
901115 Permitting System Replacement	0	0	0	260,000	0	0	0	260,000
<b>TOTAL PROJECTS</b>	81,600	0	25,500	541,600	0	0	0	648,700
Project Administration	2,058	871	0	0	0	0	0	2,929
<b>GRAND TOTAL</b>	5,218,365	4,508,920	882,443	12,852,090	3,374,609	79,582,851	1,681,835	108,101,113

\* 595/200 does not include Intrafund Loan Repayment to Fleet

# EXHIBIT C

CITY OF SUNNYVALE  
 TRANSFERS TO/FROM  
 ALL FUNDS \*  
 FY 2016/17 BUDGET

		TRANSFERS TO FUND/SUB-FUND										
		035.	072.	295.	385.	465.	525/100.	595.	595/210.	610.	645.	All Funds
TRANSFERS FROM FUND/SUB-FUND		General	Redevelopment Housing	Youth and Neighborhood Services	Capital Projects	Wastewater Management	Golf and Tennis Operations	General Services	Sunnyvale Office Center	Infrastructure Renovation and Replacement	Liability and Property Insurance	FY 2016/17 Total
<b>TRANSFERS</b>												
035.	General	0	0	582,886	852,000	0	550,000	0	0	2,093,308	1,059,858	5,138,052
070	Housing	77,810	169,398	0	0	0	0	0	0	0	0	247,208
071.	HOME Grant	8,049	0	0	0	0	0	0	0	0	0	8,049
110	CDBG	30,678	0	0	0	0	0	0	0	0	0	30,678
141.	Park Dedication	0	0	0	453,696	0	0	0	0	8,375,424	0	8,829,120
175.	Asset Forfeiture	105,154	0	0	0	0	0	0	0	0	0	105,154
210	Employment Development	445,000	0	0	0	0	0	0	0	0	0	445,000
245.	Parking District	10,202	0	0	0	0	0	0	0	0	0	10,202
255.	Community Facilities District No. 3	1,954	0	0	0	0	0	0	0	0	0	1,954
280.	Gas Tax	0	0	0	0	0	0	0	0	454,242	0	454,242
290.	VRF Local Road Improvement Program	0	0	0	0	0	0	0	0	816,000	0	816,000
315/500	Redevelopment Successor Agency	5,229	0	0	0	0	0	0	0	0	0	5,229
385.	Capital Projects	13,505	0	0	0	0	0	0	0	0	0	13,505
460.	Water Supply and Distribution	3,045,970	0	0	0	50,000	0	0	0	6,059	204,702	3,306,731
465.	Wastewater Management	3,790,076	0	0	0	0	0	0	0	3,060	251,088	4,044,224
485.	Solid Waste Management	3,452,720	0	0	0	0	0	0	0	0	16,767	3,469,487
510.	Development Enterprise	1,328,090	0	0	0	0	0	260,000	0	0	3,070	1,591,160
525/100	Golf and Tennis Operations	398,914	0	0	0	0	0	0	0	0	43,406	442,320
595	General Services	252,507	0	0	0	0	0	444,292	110,573	354,830	0	1,162,202
610.	Infrastructure Renovation and Replacement	0	0	0	840,000	0	0	0	0	0	0	840,000
727.	Fremont Pool	10,484	0	0	0	0	0	0	0	0	0	10,484
730.	Dorolou Swirsky Youth Opportunity	5,520	0	0	0	0	0	0	0	0	0	5,520
<b>TOTAL TRANSFERS</b>		<b>12,981,862</b>	<b>169,398</b>	<b>582,886</b>	<b>2,145,696</b>	<b>50,000</b>	<b>550,000</b>	<b>704,292</b>	<b>110,573</b>	<b>12,102,923</b>	<b>1,578,891</b>	<b>30,976,520</b>

\* FUNDS WITH NO TRANSFERS ARE NOT SHOWN.

This Schedule Includes In-Lien Transfers and Interfund Loans, but not Project Administration and Debt Service Transfers; Project Administration Charges and Debt Service are reflected in Exhibit A

# EXHIBIT D

CITY OF SUNNYVALE  
 APPROPRIATIONS TO/DEDUCTION FROM RESERVES  
 ALL FUNDS \*  
 FY 2016/17 BUDGET AS COMPARED TO FY 2015/16 BUDGET

Reserve	FUND/SUB-FUND												
	035	070	071	072	110	141	175	190.	245	255	280	290	315/500
	General	Housing	HOME Grant	Redevelopment Housing	Community Development Block Grant	Park Dedication	Asset Forfeiture	Police Services Augmentation	Parking District	Community Facilities District No. 3	Gas Tax	VRF Local Road Improvement Program	Redevelopment Successor Agency
20 Year RAP	0	0	0	0	(372,519)	0	0	(23)	(3,026)	0	229,501	0	0
Asset Forfeiture	0	0	0	0	0	0	(148,772)	0	0	0	0	0	0
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0
Budget Stabilization Fund	(9,673,571)	0	0	0	0	0	0	0	0	0	0	0	0
BMR In-Lieu	0	276,656	0	0	0	0	0	0	0	0	0	0	0
Capital Replacement	10,272,794	0	0	0	0	0	0	0	0	0	0	0	0
Capital Reserve	0	0	0	0	0	8,414,307	0	0	0	0	0	0	0
Contingency	2,442,169	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Enterprise Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Replacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Replacement — KSUN (Restricted)	0	0	0	0	0	0	0	0	0	0	0	0	0
Future Land Use & Transportation Projects	0	0	0	0	0	0	0	0	0	0	0	0	0
HOME Grant	0	0	(394,963)	0	0	0	0	0	0	0	0	0	0
Housing Mitigation	0	1,867,550	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Reserve	0	0	0	0	0	0	0	0	0	(537)	0	0	0
Insurance Rate Uncertainty	0	0	0	0	0	0	0	0	0	0	0	0	0
Liability and Property Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
PERS Rate Uncertainty	0	0	0	0	0	0	0	0	0	0	0	0	0
Rate Stabilization	0	0	0	0	0	0	0	0	0	0	0	0	0
Redevelopment Housing	0	(169,398)	0	1,033,160	0	0	0	0	0	0	0	0	0
RSA Fund Reserve	0	0	0	0	0	0	0	0	0	0	0	0	197,644
SB83 VRF Funds	0	0	0	0	0	0	0	0	0	0	0	82,939	0
Tech Surcharge Reserve (Restricted)	0	0	0	0	0	0	0	0	0	0	0	0	0
Workers' Compensation	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3,041,393</b>	<b>1,974,808</b>	<b>(394,963)</b>	<b>1,033,160</b>	<b>(372,519)</b>	<b>12,872,534</b>	<b>(148,772)</b>	<b>(23)</b>	<b>(3,026)</b>	<b>(537)</b>	<b>229,501</b>	<b>82,939</b>	<b>197,644</b>

(\* ) FUNDS/RESERVES WITH NO CHANGES ARE NOT SHOWN.

CITY OF SUNNYVALE  
 APPROPRIATIONS TO/DEDUCTION FROM RESERVES  
 ALL FUNDS \*  
 FY 2016/17 BUDGET AS COMPARED TO FY 2015/16 BUDGET

Reserve	FUND/SUB-FUND											FY 2016/17 Total
	385 Capital Projects	460 Water Supply and Distribution	465 Wastewater Management	485 Solid Waste Management	490/200 SMaRT Station Replacement	510 Development Enterprise	525/100 Golf and Tennis Operations	595 General Services	610 Infrastructure Renovation and Replacement	640 Employee Benefits	645 Liability and Property Insurance	
20 Year RAP		0	0	0	0	0	0	5,394	0	0	0	(140,672)
Asset Forfeiture		0	0	0	0	0	0	0	0	0	0	(148,772)
Bond Proceeds		0	(409,394)	0	0	0	0	0	0	0	0	(409,394)
Budget Stabilization Fund		0	0	0	0	0	0	0	0	0	0	(9,673,571)
BMR In-Lieu		0	0	0	0	0	0	0	0	0	0	276,656
Capital Replacement		0	0	0	0	0	0	0	0	0	0	10,272,794
Capital Reserve	(1,345,347)	499,598	1,242,431	0	(741,938)	0	0	(73,574)	0	0	0	7,995,477
Contingency		0	1,745,804	206,506	159,093	0	0	0	367,919	0	0	4,921,491
Debt Service		0	(1,768)	0	0	0	0	0	0	0	0	(1,768)
Development Enterprise Reserve		0	0	0	0	(103,871)	0	0	0	0	0	(103,871)
Equipment Replacement		0	0	0	0	0	0	(2,712,695)	0	0	0	(2,712,695)
Equipment Replacement — KSUN (Restricted)		0	0	0	0	0	0	178,068	0	0	0	178,068
Future Land Use & Transportation Projects	442	0	0	0	0	0	0	0	0	0	0	442
HOME Grant		0	0	0	0	0	0	0	0	0	0	(394,963)
Housing Mitigation		0	0	0	0	0	0	0	0	0	0	1,867,550
Infrastructure Reserve		0	0	0	0	0	0	0	0	0	0	(537)
Insurance Rate Uncertainty		0	0	0	0	0	0	0	0	979,303	0	979,303
Liability and Property Insurance		0	0	0	0	0	0	0	0	0	(95,684)	(95,684)
PERS Rate Uncertainty		0	0	0	0	0	0	0	0	633,672	0	633,672
Rate Stabilization		0	(9,992,646)	(1,584,197)	(2,400,424)	0	0	0	0	0	0	(13,977,267)
Redevelopment Housing		0	0	0	0	0	0	0	0	0	0	863,762
RSA Fund Reserve		0	0	0	0	0	0	0	0	0	0	197,644
SB83 VRF Funds		0	0	0	0	0	0	0	0	0	0	82,939
Tech Surcharge Reserve (Restricted)		0	0	0	0	0	0	96,360	0	0	0	96,360
Workers' Compensation		0	0	0	0	0	0	0	0	254,781	0	254,781
<b>Total</b>	<b>(1,344,905)</b>	<b>(8,158,406)</b>	<b>(135,261)</b>	<b>(2,241,331)</b>	<b>(741,938)</b>	<b>(103,871)</b>	<b>5,394</b>	<b>(2,511,841)</b>	<b>367,919</b>	<b>1,867,756</b>	<b>(95,684)</b>	<b>961,746</b>

(\* ) FUNDS/RESERVES WITH NO CHANGES ARE NOT SHOWN.

**RESOLUTION NO. 763-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016 – 2017 PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

WHEREAS, Article XIII B of the California Constitution (enacted with the passage of Proposition 4 in 1979; with modifications under Proposition 111, passed by the voters of California in June 1990; and implemented by California Government Code Sections 7900 *et seq.*), specifies that appropriations of governmental entities may increase by an amount adjusted by the cost of living and change in population from the prior year; and

WHEREAS, California Government Code Section 7910 provides for the annual establishment by local jurisdictions of their appropriations limit for each fiscal year, and further provides that upon establishment of such appropriations limit any judicial action or proceeding to attack, review, set aside, void, or annul such action by the City Council must be commenced within forty-five (45) days of the effective date of the resolution establishing the appropriations limit; and

WHEREAS, pursuant to Government Code Section 7910, in Report to Council (RTC) No. 16-0135, dated June 14, 2016, the Director of Finance has computed the appropriations limit applicable to the City of Sunnyvale for the fiscal year 2016 – 2017, and transmitted the same to the City Council in RTC No. 16-0137, dated June 28, 2016; and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to City Council's consideration of this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE AS FOLLOWS:

1. Pursuant to the appropriations limit formula set forth by Government Code Sections 7900-7914, the City Council does hereby establish the appropriations limit for fiscal year 2016 – 2017 for the City of Sunnyvale as \$210,316,844, as documented in Exhibit A, attached hereto and incorporated herein by reference as though fully set forth.
2. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annul the action of the City Council in establishing the appropriations limit for fiscal year 2016 – 2017 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this resolution.

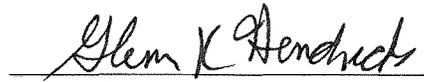
Adopted by the City Council at a regular meeting held on June 28, 2016, by the following vote:

AYES: HENDRICKS, LARSSON, GRIFFITH, MARTIN-MILIUS, DAVIS  
NOES: MEYERING  
ABSTAIN: NONE  
ABSENT: NONE  
RECUSAL: NONE

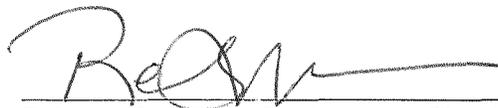
ATTEST:

  
\_\_\_\_\_  
City Clerk  
(SEAL)

APPROVED:

  
\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Rebecca L. Moon, Sr. Assistant City Attorney

## **EXHIBIT A**

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

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

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

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

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

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

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