



CITY OF SUNNYVALE QUARTERLY REPORT

The Value of City Services

Thoughts From Your City Manager

When you go shopping, I'm sure you like to think you've received good value for your money, regardless of whether you've purchased goods or services. As your City Manager, I also like to think that the services you receive from the City of Sunnyvale are a great value to you, particularly when compared to the price you pay for them.



I'm pleased to say that we get a lot of compliments from folks who are impressed by the level of service the City provides. But in all honesty, not everyone feels that way. We do get complaints and some people clearly feel they are paying too high a price

for City services. Of course, you can't really determine whether or not you've gotten a good deal unless you know two things – how much you pay for something and what you receive in return. That sounds simple

enough, but the fact is that most of us don't really know all the services our local government provides us, nor do we really know how much we pay for them. This special edition of the Quarterly Report attempts to

answer those questions – in simple, everyday language. Armed with this information, you can decide for yourself whether we're providing you good value. Please let me know what you think. ☺

Introduction

How You Pay For City Services

You pay for City services in essentially two ways – user fees and taxes. Both are very different but equally important. With user fees, it is easy to see what you pay because you get a clear bill for the service. Every other month, for example, you get a utility bill that clearly indicates how much you pay for water, garbage and recycling collection and sewer service. Similarly, you pay a user fee when you play a round of golf at Sunken Gardens Golf Course or take a class at the Community Center.

With taxes, the City combines the income into a general revenue pool, so the connection between what you pay and what you get in return – whether it's tree trimming, park maintenance or

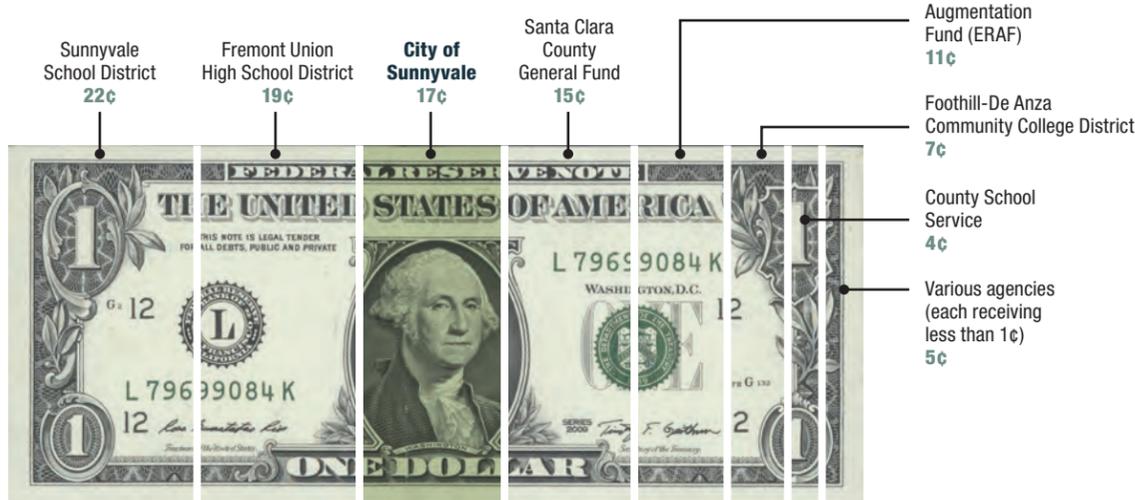
public safety services – is not as obvious as it is with user fees. In other words, no matter what you paid in taxes, you can visit the City's parks once or 100 times without ever receiving a bill. The

other point to remember about taxes is that the City receives a small percentage of what you actually pay — only one cent of every dollar of taxable sales and 17 cents of every dollar of

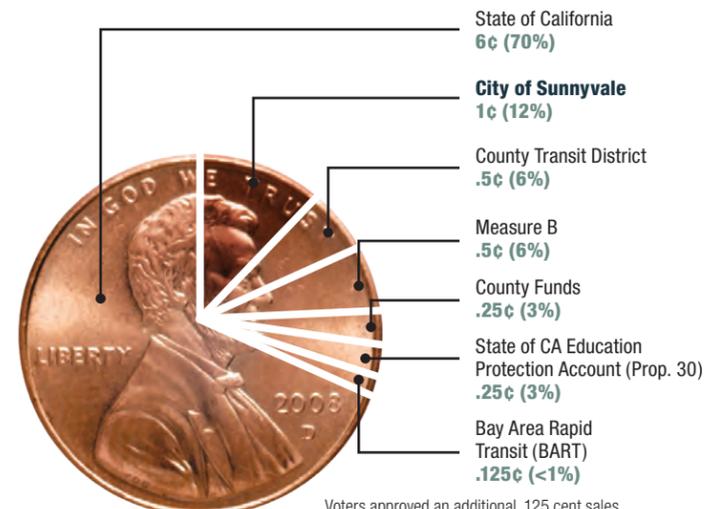
property tax in Sunnyvale. Most of the taxes you pay go to other agencies as shown in the charts below. We'll review taxes on pages 4 and 5, but first turn the page to read more about user fees. ☺

SUNNYVALE RECEIVES A SMALL PORTION OF PROPERTY AND SALES TAXES

How \$1 of Property Tax is Distributed



How 8.625 cents of Sales Tax is Distributed



Voters approved an additional .125 cent sales tax increase for Santa Clara County that will take effect April 1, 2013.



User Fees

Fund the Services You Use

User fees account for about half of the City’s total revenue, or income, each year, making them the biggest way we pay for City services. They fall into two basic categories – utility fees and the fees charged for services like permitting, golf and recreation classes. In total, the City will collect about \$135 million this year in user fees, the largest portion of which – about 70% or \$96 million – we’ll use to provide utility services. Unlike a business, the City does not operate its services to make a profit. Our user fees are based on what it costs us to provide the service and how much you use; if you use less water, for example, you get a lower bill.

UTILITY FEES

Our water, garbage and sewer services are such a routine part of our daily lives that we hardly think about them. We expect water to be there, clean and flowing for that cold drink or hot shower, every time we turn on the faucet. That same water travels down drains inside our homes and businesses from washing dishes and clothes, showering, flushing toilets and industrial processes. From there it flows through miles of underground pipes to the wastewater treatment plant that works around-the-clock to clean the water before sending it out to the South San Francisco Bay. And once a week, trucks come right to the curb to collect everything from leaves, cans, bottles and newspapers to candy wrappers, diapers and chicken bones. Whether we think about them or not, our utilities are regular, reliable and essential services that keep our community clean and healthy. So what do you pay for all of that?

Water Supply and Distribution



Residents pay an average of **\$45 per month** for water service.

- Residents are by far the largest users of water contributing about 70% of the revenue; commercial and landscape uses make up the other 30%.
- The City collects about \$33.5 million in revenue and uses about 60% to buy water from the San Francisco Public Utilities Commission and the Santa Clara Valley Water District.

- The remaining revenue pays for operating the system to deliver the water and replacing equipment and infrastructure such as pumps and pipes.

Wastewater Collection and Treatment



Residents pay an average of **\$33 per month** for wastewater collection and treatment.

- Residents are by far the largest users of sewer service contributing about 70% of the \$25.6 million annual revenue; commercial and industrial uses are 30%.

- Wastewater collection and treatment accounts for two-thirds of the City’s costs; the remaining expenses are for complying with regulations and renovating aging infrastructure.

Garbage and Recycling Collection & Disposal



Residents pay an average of **\$39 per month** for weekly curbside garbage, recycling and yard trimmings collection and every other week street sweeping.

- Business and residential customers contribute about 60% and 40% of the City’s annual revenue of \$37 million, respectively.
- The City contracts with Specialty Solid Waste and Recycling to collect garbage and recyclables from thousands of homes and businesses and operate the SMaRT Station where they sort and bale recyclables for sale and take garbage to the landfill.
- The City uses about three-quarters of the revenue to collect, transfer, and dispose of garbage and recyclables. Remaining expenses include street sweeping and maintaining the closed Sunnyvale Landfill.

A DAY IN THE LIFE



Michael and Sara Thompson live in a single-family home in Sunnyvale with their two young children, Michael’s mother, Joanne, and Buster, the family’s golden retriever. Michael works downtown and Sara runs a small business out of their home. They have a busy season planned for their family, including remodeling one of their bathrooms. Let’s follow them on a typical day to see how they pay for and use City services.



The family wakes up.

They use water to brush teeth, shower. The family pays their water bill; the City uses these funds to treat and distribute water.

They flush the toilet. The family pays their sewer bill; the City uses these funds to collect and treat wastewater.

DID YOU KNOW?

The City collects wastewater through almost 300 miles of sewer pipes and treats about 14 million gallons of sewage per day at the treatment plant.



Michael puts the garbage and recycling carts at the curb.

The family pays their garbage bill; the City uses these funds to collect and dispose of garbage and recyclables.

DID YOU KNOW?

The City earns about \$1.2 million a year from selling recyclables which helps to offset the cost to collect and dispose of garbage. This income also fluctuates based on the market demand for and quality of the recyclables.



SERVICE FEES

The other type of user fee is based on a specific type of transaction. The City either provides the service and uses the payment to cover its costs, or sets the payment aside to pay for future service costs. For example, when you pay for a round of golf at one of our municipal golf courses, the City uses that money to directly operate and maintain the course and facilities. On the other hand, if you were a developer, you might pay a Park Dedication Fee that the City then sets aside to develop new or update existing parks at a later date. Broadly categorized, service fees are related to development, franchise and rental fees, fines, and leisure and recreation. Of these, development-related fees are the largest source of revenue making up about half of the total \$38.3 million the City is projecting to collect in service fee revenue this year.

Development-related



The City will collect about **\$19.4 million** this year from development-related fees.

- The City uses these fees to pay for the service directly, such as providing planning and engineering review services for building plans, or to mitigate future service costs, such as those related to traffic and housing.

Franchise/Rental Fees



The City will collect about **\$9.5 million** this year from franchise and rental fees.

- The City collects rent or franchise fees from other utilities or industries when they need permission or access rights to provide a service. For example, PG&E pays the City a franchise fee to use the City's property for their equipment.

Fines



The City will collect about **\$2.3 million** this year from fines.

- User fees can also be in the form of fines and fees such as those the City charges for violations of the municipal code or false burglar alarms to help recover the cost of responding to the incident.

Leisure/Recreational



The City will collect about **\$7.1 million** this year from its two municipal golf courses, the Tennis Center and other recreational services.

- The City uses these funds to operate, maintain and improve recreation facilities.

Price of Water

A Drop in the Bucket

Comparing Water to Other Liquids (Price per Gallon)



On his way to work, Michael fills his car's tank with gas.

He pays a Gas Tax on each gallon of gas; the City uses its portion of these funds from the State to offset street maintenance costs.

DID YOU KNOW?

The more water you use, the more you pay per gallon. This helps encourage water conservation and shifts the cost of heavier water use to those who are using it.



Michael takes a detour because of a City street resurfacing project.

The family pays taxes; the City uses these funds to maintain the roads.

The City maintains 260 miles of City-owned streets and resurfaced about 13%, or 34 miles of roadway, last year.



Sara calls the Utility Call Center to schedule a special curbside garbage pick-up.

The family pays their garbage bill; the City uses these funds to manage the billing, call center and contracts for garbage and recycling services.

The Utility Call Center processes 36,000 calls annually with a wait time of less than a minute.



Sara walks the children to school and sees Sunnyvale public safety officers stepping up traffic law enforcement as part of the Operation Safe Passage campaign to keep drivers and pedestrians safe, especially around school zones.

The family pays taxes; the City provides public safety and law enforcement services.

The City's Department of Public Safety employs about 45 part-time crossing guards throughout the city to help protect children going to and from school.



Taxes

Fund the Services You and Others Use

The City collects a little over a third, or \$100 million, of its revenue in taxes, most of which comes from five main sources – Property Tax, Sales and Use Tax, Transient Occupancy Tax, Utility Users Tax and Gas Tax. By far, Property and Sales and Use Taxes are the two largest sources, making up more than three-quarters of the City’s total tax revenue and just over a quarter of its total revenue. While these are two of the most significant and important sources of income for the City, most people don’t realize that the City only receives a very small portion of what you actually pay in these taxes. With that in mind, let’s take a closer look at how the taxes are collected and distributed.

TAXES

Property Tax



- The City will receive about \$45 million this year in Property Tax.
- The County assesses property tax annually and collects and distributes the revenue.

.....
Only 17% of the Property Tax you pay goes to the City of Sunnyvale.
.....

- The vast majority of property tax goes to the school and community college districts, the county, and other special districts such as the Midpeninsula Regional Open Space District and the Bay Area Air Quality Management District (see chart on page 1).

Sales and Use Tax



- The City will receive about \$33 million this year in Sales and Use Tax.
- The State collects and distributes sales tax revenue.

.....
Only 1% (1 cent from every dollar) of all taxable sales in Sunnyvale goes to the City of Sunnyvale.
.....

- The vast majority of sales tax goes to the state and county agencies such as the Santa Clara Valley Transportation Authority (see chart on page 1).
- The rate as of January 1, 2013 is 8.625%; the rate is established by the State with some local flexibility to increase it, subject to voter approval.
- Retail sales of tangible items in California such as furniture, toys, and clothes are subject

to sales tax; services and some goods, including most groceries, are not subject to sales tax.

- Approximately 40% of sales tax generated in Sunnyvale is from businesses selling goods and services to other businesses.

Transient Occupancy Tax (TOT)



.....
The City will receive about \$7 million this year in TOT.
.....

- Hotel operators collect TOT and remit it directly to the City of Sunnyvale.
- The City retains 100% of the TOT revenue.
- The current local rate is a 9.5% tax added to the room rate when you stay at a hotel; the rate is set locally by voters.

Utility Users Tax (UUT)



.....
The City will receive about \$7 million this year in UUT.
.....

- Utility companies collect UUT from their customers and remit it directly to the City of Sunnyvale.
- The City retains 100% of the UUT revenue.
- The current local rate is a 2% tax on electricity, natural gas and intrastate telephone services; the rate is set locally by voters.

See *Taxes*, page 5

A DAY IN THE LIFE, continued from page 3



1
After seeing the officers, the children talk about the school assembly where a Sunnyvale public safety officer spoke about cyberbullying.

The family pays taxes; the City uses these funds, along with grant money, for public safety and crime prevention services.

2
On her way home, Sara sees a posted notice that the City will be trimming trees on her street the following week.

The family pays taxes; the City uses these funds to care for street trees.

.....
The City cares for about 37,000 City street trees and prunes them on a 7-year cycle.
.....

3
She also stops to talk to a neighbor who tells her a City Animal Control Officer responded to their call about a stray dog in the neighborhood and picked it up.

Dog owners pay a license fee; the City uses these funds to offset the cost of animal complaint response and investigation services.

DID YOU KNOW?

Street sweepers help protect our waterways by removing oils and fine metal particles left on the roadway by vehicles and fallen leaves, litter and debris that build up in gutters. Large piles of yard trimmings and leaves should be raked and placed in your yard trimmings cart so that they don't clog storm drains and cause flooding.



Taxes, continued from page 4

Gas Tax



.....
*The City will receive about **\$3.6 million** this year in Gas Tax.*
.....

- The State collects and distributes Gas Tax revenue to state, county and local agencies.
- The City receives a small portion of the revenue based on state formulas.
- The tax is assessed at a flat rate per gallon of gas.
- The City earmarks revenue from the Gas Tax for transportation-related activities such as roadway maintenance and repair. ☺

Property Tax Big Bang for Your Buck

When Proposition 13 was approved in 1978, it brought certainty to property tax rates by fixing them at 1% of the property value in 1975 and restricting annual increases to no more than 2% per year. The property is reassessed to its current value when it is sold to a new owner or if new construction is completed.

Sunnyvale's current average assessed value of a single family home is about \$438,000¹ which means the average property tax payment to the County is about \$4,380. Of that amount, Sunnyvale receives 17% or \$745. For about \$62 a month you receive around-the-clock, on-call public safety services (police, fire, EMS, dispatch, etc.); library programs and services; park, street, and traffic maintenance; and City management. ☺

Average Monthly Cost of Typical Services

Cable TV ²	\$86/Mo.
Cell Phone ³	\$71/Mo.
Car Insurance ⁴	\$70/Mo.
Property Tax (portion received by Sunnyvale)	\$62/Mo.

¹ Source: Santa Clara County Assessor and HdL Coren & Cone

² Source: NPD Group, 2012

³ Source: JD Power & Assoc., 2012

⁴ Source: Insurance Information Institute, 2012

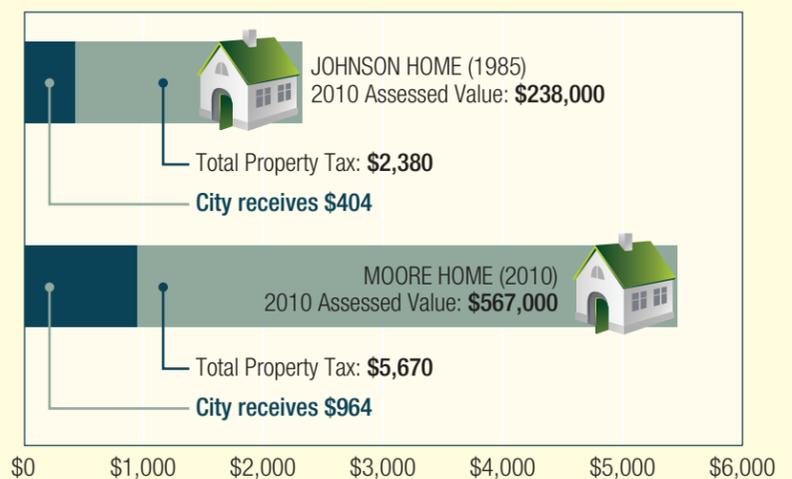
The Effect of Proposition 13

Homeowners can pay significantly different property tax amounts for the same house depending upon when they purchased it – and, as a result, pay significantly different amounts for City services.

A Tale of Two Taxes

The Johnsons purchased their house on Rose Street in 1985. Their neighbors, the Moores, purchased the same style house next door in 2010. If we assume the families paid the median sale price for their homes, the Johnsons paid about \$145,000 and the Moores paid \$567,000. Even though the median home values in the Bay Area increased by 291% between 1985 and 2010, the assessed value on the Johnson's home only increased a maximum of 64%. For property tax purposes, this means the assessed value in 2010 of the Johnson's home is \$238,000 and the Moore's home is \$567,000, even though the market value for both homes is \$567,000. As a result, the Johnsons will pay \$2,380 in property tax while the Moores will pay \$5,670, or nearly 140% more.

Remembering that the City only receives 17% of the property taxes collected by the County, the Johnsons and Moores will ultimately pay \$404 and \$964, respectively, of their property tax to Sunnyvale for services. Clearly, you receive greater value for City services the longer you own your home. ☺



The property tax examples in this section represent property tax costs based on the 1% of assessed value rate mandated by Proposition 13. Local agencies within each county are permitted to levy additional tax rates for debt, subject to voter approval, which can increase a property tax bill above the 1% amount. For example, a school district could levy a parcel tax for capital improvements.

Sources: Association of Bay Area Governments; Joint Venture Silicon Valley



Sara goes to the Sunnyvale Tennis Center for her tennis lesson.

She pays a class registration fee; the City uses these funds to provide classes and maintain the tennis facilities.



Catching up before class, Sara learns that her tennis partner's sister is buying a Below Market Rate house close to the elementary school where she teaches.

Residential developers with nine or more units are required by the City to sell a certain percentage of new units at below market rate for affordable housing options.



After lessons, Sara stops at the hardware store to pick up new fixtures for their bathroom remodel.

She pays Sales Tax; the City receives 1% as general revenue for services.

.....
The City collects over 500 abandoned shopping carts each year.
.....



Some of Michael's coworkers flew in for company meetings and the annual golf tournament at the Sunnyvale Golf Course; they're staying at a local hotel.

They pay the course fees; the City uses these funds to operate and maintain the course and facilities.

They pay Transient Occupancy Tax at the hotel; the City uses these funds to provide services.

.....
About 135,000 rounds of golf are played annually at the two municipal golf courses owned and operated by the City.
.....

DID YOU KNOW?

Companies that sell building materials — Lowes, Home Depot, Peninsula Building Materials and Sunnyvale Lumber — generate over \$1M in sales tax annually for the City. This would fund 10 months of the City's crime prevention activities or four months of maintenance for the City's 20 parks.



Businesses

Making a Big Difference

Large and small. Cutting edge and traditional. Local and global. Without question, the 8,600 diverse businesses in Sunnyvale make significant contributions to our community. In fact, the diversity of businesses is one of the primary reasons our City can withstand economic declines. Sunnyvale’s strategy is to retain and attract a variety of businesses so that when a particular business sector is in a downturn, we have others that continue to thrive. And it is those thriving businesses that generate many direct and indirect benefits for the City and help expand the City’s ability to provide necessary services for the community.



Sunnyvale Community Services relies on the year-round support of dedicated volunteers from Sunnyvale’s businesses and residents to help needy families. Of the 2,000 bags of groceries SCS distributed at Thanksgiving in 2012, Net App employees bagged 1,000 of them! (Photo courtesy of Sunnyvale Community Services)



The City reopened Serra Park in September 2012 with new playground equipment, improved drainage and ADA-compliant access using Park Dedication Fees collected from developers to build new and update existing parks.

Direct Benefits

Businesses support the City directly by creating jobs in the community, offering a range of goods and services, and generating revenue from taxes and fees. These tangible benefits are essential for us to remain a stable, desirable city that can sustain services. The amount of revenue businesses generate for the City is significant. Just last year, for example, they accounted for 40% of the City’s

revenues from Property and Sales and Use Taxes and 80% of the Transient Occupancy Tax. In addition, when businesses are developing new or updating existing property, they pay development and permitting fees that help the City maintain or build infrastructure and facilities such as roads and parks.

Indirect Benefits

Indirect benefits are more

difficult to measure because they often can’t be directly observed or calculated. However, they create a unique multiplier effect that magnifies the impact of a single business. For example, the Sales and Use Tax a business pays is a direct contribution in revenue that we can calculate; however, the Sales Tax their employees pay when they shop and dine in Sunnyvale is an indirect benefit. While we can’t

calculate it precisely, it not only generates revenue but keeps other businesses and their employees thriving. Indirect benefits also include the time our local businesses spend volunteering in our community. Just as residents are able to help our neighbors in need, our businesses are major donors of time and funding to countless organizations.

Bottomline, when businesses are doing well, we all benefit. ☺



Joanne meets a friend at Sunnyvale’s Heritage Park where they volunteer to help maintain the gardens.

.....
Volunteers for the City served more than 31,500 hours last year. That’s almost 4,000 work days. Thank you!
.....



The Thompsons take full advantage of their lunchtime:

Michael supports local businesses downtown near his office and takes his coworkers to lunch on Murphy Avenue.

They pay Sales Tax; the City receives 1% as general revenue for services (businesses in the downtown generated over \$430,000 in sales tax revenue for the City last year).



Sara returns books and movies at the Library and attends a free seminar about borrowing e-books.

The family pays taxes; the City uses these funds for Library programs and services.

.....
Customers checked out almost 3 million books and materials from the Library last year.
.....

A DAY IN THE LIFE, continued from page 5



DID YOU KNOW?

Restaurants generate almost \$2M in sales tax annually for the City. This would fund nearly a full year of preventive maintenance on City streets, nearly two years of Library services for children and teens, or about one year of street tree maintenance.

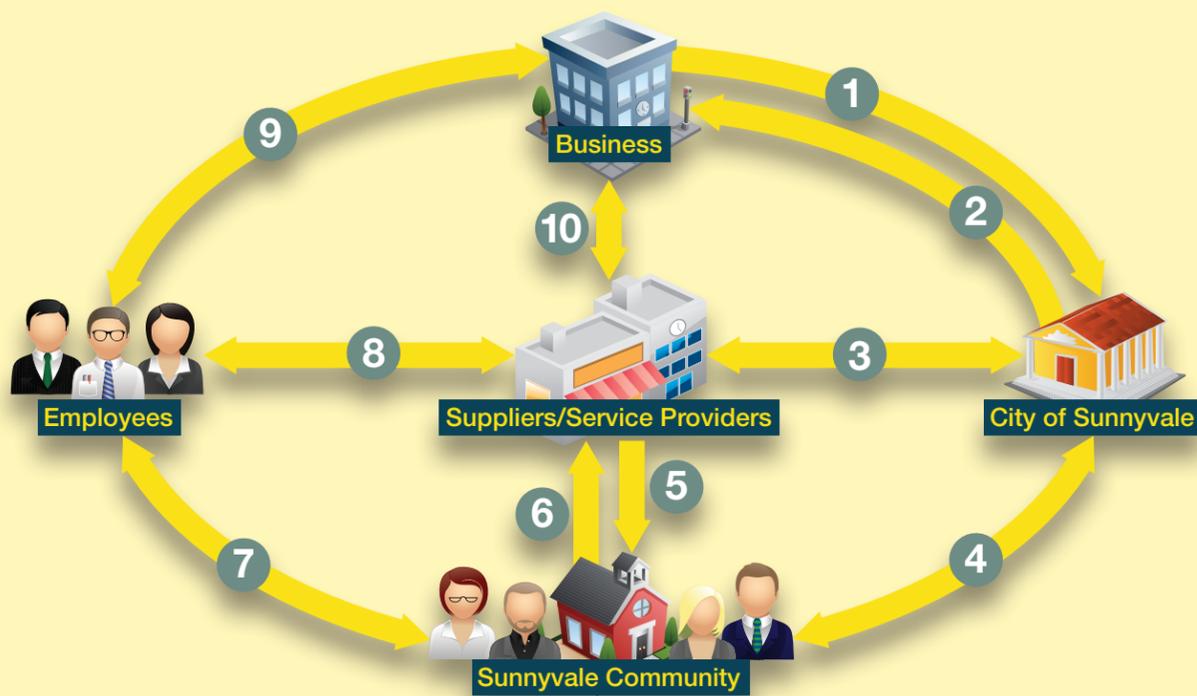


Case Study

The Multiplier Effect

Each business that generates revenue for the City is at the center of a series of transactions that also generate revenue or provide community benefit. Let's take a look at what happens when a business builds a new building to replace an obsolete one.

- Business** submits application to the City to have building plans reviewed • Pays permit fees for City review and inspection of construction • Increases City's property tax revenue based on the new assessed value of the property • Pays business license tax • Pays utility user fees.
- City** ensures building meets design standards • Inspects construction to ensure building codes are met • Provides utility and other services.
- Businesses** pay taxes and fees to **City** in exchange for services.
- City** uses tax and fee revenue to provide services to residents and businesses.
- Businesses** provide goods, services and jobs.
- Consumers** use goods and services.
- Business** and **Employees** donate time and money to local non-profit.
- Employees** eat, shop and use services in Sunnyvale.
- Business** generates design and construction jobs • Moves employees into new building.
- Businesses** buy and sell goods and services from each other and generate 40% of the City's Sales & Use Tax revenue.



SUNNYVALE BUSINESSES AT-A-GLANCE

20 Largest Employers

(As of July 1, 2012)

1. AMD
2. Apple
3. Blue Coat
4. Broadcom Corporation
5. Cepheid
6. Dionex (Thermo Fisher)
7. Hewlett Packard
8. Infinera
9. Intuitive Surgical
10. Juniper Networks
11. Lockheed Martin
12. Motorola Mobility
13. NetApp
14. Nokia
15. Northrop Grumman Marine
16. Pathways Home Health
17. Spansion
18. Synopsis
19. West Valley Engineering
20. Yahoo!

20 Largest Sales Tax Producers

(As of July 2011 – June 2012)

1. Bloom Energy
2. Costco
3. Eplus Technology
4. Frys Electronics
5. Home Depot
6. Independent Electric Supply
7. Infinera
8. Intuitive Surgical
9. Juniper Networks
10. Larry Hopkins Honda
11. Lockheed Martin
12. Lowes
13. NetApp
14. Nissan Sunnyvale
15. Safeway
16. Sunnyvale Ford Lincoln
17. Sunnyvale Volkswagen
18. Target
19. Toyota Sunnyvale
20. Yahoo!



Joanne and her friend have lunch at the Senior Center.

The family pays taxes and Joanne pays a reduced fee for lunch; the City provides affordable nutritious meals for seniors.



On his way to meet a client, Michael drives by a City crew replacing street light bulbs.

The family pays taxes; the City maintains the street lights.

.....
The City maintains nearly 9,400 street lights throughout the city.
.....



He also drives by another City crew working on programming traffic signals for a new turn lane.

The family pays taxes; the City maintains and controls timing for traffic signals.

.....
The City controls 128 signalized intersections throughout the city.
.....



Sara leaves the Library and walks across the street to the Sunnyvale City Hall to renew her business license.

She pays her Business License Tax; the City receives general revenue for services.

DID YOU KNOW?

Sunnyvale was ranked as the most inventive city in the nation with the highest resident-to-inventor ratio. Sunnyvale's scores for number of patent applications (1,391) and patents awarded per capita (2,324 patents per 100,000 pop.) were more than twice as high as second place Fremont.

Source: *The DailyBeast.com* (merger of *Daily Beast* & *Newsweek*), Oct 2011



Our Sunnyvale Community

Attractive, Safe, Healthy and Active

We began this special edition of the Quarterly Report on the simple premise that everyone deserves to know what they get for what they pay to their City. Ordinarily, when you shop for something – whether for a car, pair of shoes, haircut or mechanic – you have choices. What you pay for what you get in return is clear. Valuing City services, however, is not as straightforward. There is value in having a service available even though you may never need it, like the ability to call 9-1-1. There is value in having services that meet the unique and specialized needs of our diverse community such as those for our seniors and at-risk youth. There is value in contributing today toward tomorrow’s costs so that we have a safe, well-planned community, parks to enjoy and maintained infrastructure. Essentially, the City provides its tax-funded services as a bundle regardless of which ones you use or how much you pay in taxes because we all value how they keep our City attractive, safe, healthy and active.

Sunnyvale takes pride in the diversity of its people, the innovation of its businesses and the responsiveness of its government, and Sunnyvale’s commitment to every citizen within the community sets it apart. That commitment is reflected in the services we provide such as our high quality parks, a full-service library, promotion of cultural arts activities, top caliber public safety and strong support for maintenance and repair of public facilities.

A SAFE COMMUNITY

Sunnyvale ranks among the safest cities in the nation due, in large part, to the strong partnership between our community members and the Public Safety Officers who serve them. Our City is unique in that it has a combined police and fire department which has remained an efficient and economically beneficial model since its inception in the 1950s. Each of the City’s sworn officers is highly trained and equipped to perform police, fire and emergency medical services. Even our 9-1-1 dispatchers are trained using the same cross-

functional service model, allowing for a single point of contact and immediate assistance for emergency calls.



Students stand with their best Public Safety Officer poses after one of the many crime prevention presentations officers give at schools.



Public Safety Officers at a nighttime DUI checkpoint ensuring drivers are safe.

Safety Through Partnership

In addition to the thousands of calls for service we perform every year, our officers engage and educate students from all 29 local public schools on crime prevention topics like fire safety and gang prevention as well as teach local businesses about office security, theft prevention and workplace violence. Officers also assist residents, through neighborhood associations and community groups, with forming Neighborhood Watch programs and providing neighbor-to-neighbor conflict resolution services.



A Sunnyvale Neighborhoods Actively Prepare (SNAP) participant meets with neighbors at National Night Out. The 8-week SNAP program has trained over 900 residents how to be prepared for a disaster to protect their families and property.

Through our neighborhood preservation efforts, we maintain and improve quality of life in our community by investigating and resolving approximately 4,000 code violation cases per year, most often within 3 business days, ranging from abandoned vehicles to noise, graffiti and debris.

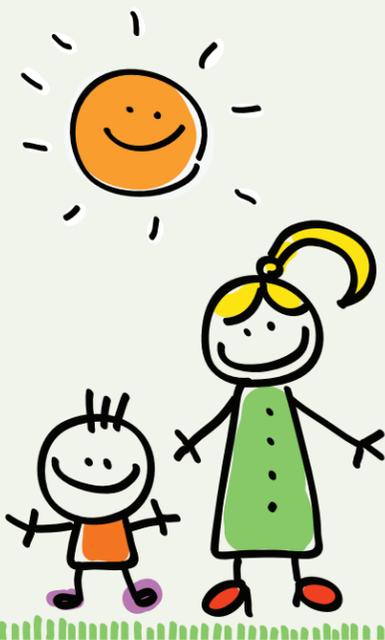
Under the supervision of the Fire Marshal, we investigate the cause of fires and conduct fire and life-safety inspections at a range of facilities, including places of public assembly, repair garages, schools and apartment buildings.



Sunnyvale firefighters in action. (Photo by David Thompson)

See **Services**, page 9

A DAY IN THE LIFE, continued from page 7



While there, she also visits the City’s One-Stop Permit Center to get the plans for their bathroom remodel reviewed for building code requirements and pay for the permit to start construction.

She pays permit fees; the City uses these funds to review her plans and inspect the construction.



Sara learns she can schedule her building inspections online using the convenient E-OneStop website.

Businesses and residents pay permitting fees; the City uses these funds to provide convenient online services and building inspections.



After lunch, Joanne spends time at the Senior Center with her friend doing some online research for their upcoming trip to Italy through the Steppin’ Out Trip Program.

She pays a small annual membership fee for the Senior Center and the fees for the trip; the City provides affordable activities for seniors.

DID YOU KNOW?

Sunnyvale’s One-Stop Permit Center was the first of its kind when it opened in 1984 making development services faster and more convenient for customers by integrating them into one location. The One-Stop serves over 14,000 customers annually and reviews and issues over 90% of all building permits at the counter.



Services, continued from page 8

Our Animal Control officers responded to almost 2,000 calls for service last year that included stray or nuisance animals; animal bites; aggressive, dead, sick or injured animals; animal cruelty and neglect investigations; and animal rescues.

A HEALTHY & ACTIVE COMMUNITY



Brandi Chastain inspires at-risk kids in Sunnyvale to dream big at the 2012 Kick, Lead and Dream soccer camp sponsored in part by Sunnyvale's Department of Public Safety. (Photo by David Thompson)

Sunnyvale provides residents with leisure activities to stimulate the mind, body and spirit and offers outstanding recreation programs, award-winning parks and open space, and library and social services to meet the interests, needs and abilities of its diverse population.

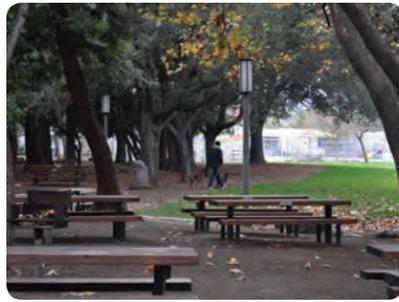


The free mobile recreation program Fun on the Run helps children stay active by eliminating monetary and transportation barriers.

Recreation From Samba to Swimming

The City offers more than 100 affordable, year-round recreation classes each year that cater to diverse interests and skill levels, from drop-in painting studio and open swim sessions to formal gymnastics and dance classes. There is something for everyone, to include our Fee Waiver Assistance program that helps hundreds of low-income families participate each year.

Visit Your Parks and Open Space



Our parks offer acres of open spaces and beautiful landscaping to enjoy year-round.



Climbing up the newly updated playground at Serra Park.

Most Sunnyvale residents are within walking distance to one or more of the City's 60 parks, school playfields, trails, golf courses and community and special use areas comprising 750 acres of open space. We keep these areas usable, attractive and safe and ensure they offer diverse amenities, including baseball and softball fields;

volleyball, basketball, and tennis courts; playgrounds for all ages; walking trails; swimming pools; and a skate and dog park.

Love Your Library

The Sunnyvale Public Library offers a huge collection — including hardcopy books, e-books, magazines, movies, and music — in its 60,000 square foot facility on the City Hall campus. Customers can take advantage of a range of services, including one-on-one assistance locating and using library materials and information resources; homework help, story time and after school events for children and teens; and technology services, such as computers, copiers and online access to the Library's catalog. The Library also offers a host of unique resources including special collections; small business and legal reference centers; the Sunnyvale Center for Innovation, Invention, and Ideas to help connect our inventive community with the US Patent and Trademark Office; and regular workshops and presentations from financial planners to filmmakers. If you can't get to the Library, librarians help select and deliver materials to residents who are homebound through our Special Outreach Services program.

Be Healthy and Well



One of the many public meetings the City hosts to hear from community members.

The City's Senior Center offers events and amenities for seniors with the purchase of an annual membership including lectures, movies, fitness and billiards rooms, recreation classes and dances.

The Columbia Neighborhood Center (CNC), in North Sunnyvale, offers programs and resources — many in Spanish and English — to serve at-risk youth and families with limited access to basic resources. Through partnerships with MayView Community Health Clinic and Health Trust of Silicon Valley, CNC offers low cost medical services or health insurance coverage for qualifying residents.



Karate demonstration at the grand opening of the newly expanded Columbia Neighborhood Center.

A DISTINCT COMMUNITY IDENTITY — THE HEART OF SILICON VALLEY

Sunnyvale is an attractive community enhanced by its vibrant, innovative local economy, its residents who take pride in their community and have faith that they can make a difference, and its commitment to high quality public infrastructure and environmental preservation and protection.

See **Services**, page 10



After picking up her children from school, Sara takes them to the Community Center for gymnastics and heads to the grocery store; Joanne will take the children home after their class.

Sara paid a class registration fee for gymnastics; the City provides affordable recreation classes for children.

DID YOU KNOW?

Grocery stores generate almost half a million dollars in sales tax annually for the City. This would fund a new fire truck.



When their class is over, Joanne drives her grandchildren home. On their way, they pass by a Sunnyvale public safety officer making a traffic stop.

The family pays taxes; the City provides public safety and law enforcement services.

.....
In an average 24 hour period, Sunnyvale Public Safety Officers respond to 330 patrol calls for service, arrest 9 people and issue 22 traffic citations.
.....



Joanne and the children arrive home. They walk with Buster to meet some school friends at the park.

Developers pay Park Dedication Fees; the City reserves these funds to build new or update existing parks.

The family pays taxes; the City uses these funds to maintain parks.

.....
The City has 20 parks totaling about 150 acres and maintains almost 500 acres of parks, open space, and boulevard landscaping.
.....



Grant-funded Services

State and federal grants help the City provide additional services and complete projects that benefit our community in a variety of areas such as housing, transportation and public safety.



The award-winning Fair Oaks Plaza senior housing facility. (Photo courtesy of MidPen Housing and Frank Domin Photography)

NOVA Workforce Development

Sunnyvale is home to NOVA Workforce Development, an entirely grant-funded employment and training agency that serves job seekers, businesses and youth on behalf of seven cities here in Silicon Valley. The nonprofit agency works closely with local businesses, educators and job seekers to meet workforce needs with services such as job search workshops; staffing and recruiting assistance; employee training; and layoff assistance.

Community Development Block Grant (CDBG)

Sunnyvale receives federal grant funds for certain types of projects, primarily to benefit lower-income residents or neighborhoods and those with special needs such as the elderly, disabled and lower-income families with children. Projects include rehabilitating housing, constructing or improving public facilities, improving disabled access and providing economic development assistance.

The City recently expanded the Columbia Neighborhood Center with CDBG funds to add space for mental health counseling, primary health care and youth mentoring services for at-risk students and residents in the neighborhood.

HOME Grant

Sunnyvale receives federal grant funds to provide specific affordable housing services to lower-income households such as first-time home buyer assistance, rental assistance and new construction or rehabilitation of housing units. The City recently used HOME grant funds toward building the 120-unit Fair Oaks Plaza Senior Housing facility adjacent to a Valley Medical clinic for very low-income seniors.

Services, continued from page 9

A Vibrant, Innovative and Inventive Local Economy

Sunnyvale has a long history of successfully adapting to the region's economic fluctuations and evolving industries. That success comes from strong economic development strategies with a focus on retaining and attracting a variety of businesses; facilitating their investment in the community; and advocating for their needs while balancing the needs of the community. While some of the world's largest and most well-known high-tech companies are located in Sunnyvale, 95% of our 8,600 business have fewer than 25 employees. And it is the health and success of our local businesses that are essential to providing meaningful employment and partnership opportunities in our community.

The City takes steps to ensure that the entire community — residents, businesses and local government — has the opportunity to work together to plan and take actions that build a better community. This policy planning involves working closely with stakeholders to understand their concerns and preferences whether through formal citizen advisory committees, community workshops and public meetings or informal online tools like surveys and social media channels. As a result, City Council meetings are typically well-attended with residents who care about influencing public policy decisions and the resulting outcomes.

Well-maintained Infrastructure



The City resurfaces thousands of square feet of roadway each year.

Civic Pride and Engagement



City traffic engineers installing a new loop for the traffic light at Wolfe Road and Evelyn Avenue.



The free, solar-powered electric vehicle charging station in the parking lot west of the Caltrain station at Evelyn Ave and Florence Street. Installed with grant funds.

The City's infrastructure is the essential backbone for our community ranging from the facilities you see every day, such as street lights and sidewalks, to those you don't, such as the miles of underground pipes traversing the city. Our engineers and project managers work with developers and permit applicants to ensure they are complying with land use and development standards, guide customers through the engineering review process, conduct inspections of development impacting the public right-of-way, and plan for and implement the City's Capital Projects each year.

See **Services**, page 11

A DAY IN THE LIFE, continued from page 9



Michael reads an email from his employer letting him know that employees should use an alternate parking lot because the City will be repairing a water line near their building.

The business pays their utility bills; the City uses these funds to operate, maintain and upgrade infrastructure.

The City maintains over 300 miles of water pipes, nine wells, and several water storage facilities throughout the city.

As she's leaving the grocery store, Sara sees that a new business is opening up next door.

Businesses pay taxes; the City uses these funds to provide economic development services for existing and prospective businesses.

Last year, 860 new businesses opened in Sunnyvale generating jobs and revenue for the city. The City issued over 5,000 construction permits, many of them for businesses making improvements to their properties.

On her way home, Sara pulls over to allow a fire truck to pass by on its way to a call.

The family pays taxes; the City uses these funds to provide fire protection and emergency medical services.

The City's Safety Dispatchers handle more than 115,000 calls each year; they coordinate the assignment of more than 50,000 police and 7,000 fire and emergency medical events.



Services, continued from page 10



A City Public Works Construction Inspector (R) watches over the Evelyn Avenue project with the paving contractor's superintendent.



Volunteers from the Sunnyvale PAL Boxing Club worked with Beautiful Day to knock out litter in Sunnyvale (Photo by David Thompson).

Environmental Preservation and Protection



Volunteers donate thousands of hours to the City for events and activities like this year's Coastal Cleanup Day.

Sunnyvale is a regional leader in environmental sustainability and advocating to reduce dependence on non-renewable resources by providing greater transportation options, reducing waste, protecting our natural resources and promoting alternative energy use and research. The City's efforts to promote sustainability traverse the areas of water resource management, air quality, waste reduction, energy reduction and alternative fuels, transportation, land use, open space and community design and development.

A COMMUNITY THAT CELEBRATES ITS DIVERSITY

Sunnyvale is a community that includes many cultures and educational backgrounds, families with children and without, residents of all ages and abilities and businesses representing many industries and services. The City offers amenities, programs and services that reflect that diversity by being inclusive of and accessible to people of all cultures, ages and lifestyles.

Arts and Culture



Artists of all ages at work during Hands on the Arts.

Visual and performing arts and artists of all types help promote awareness, understanding and communication among different cultures and groups within the community. To highlight our varied cultural practices and traditions, the City holds more than

40 cultural, athletic, charitable, educational and seasonal events each year, including Chinese New Year, Run/Walk Baylands Park, Relay for Life, Earth Day, Fall Festival, Las Posadas Celebration, Vision Literacy ESL Classes and Family Fun Night.



The Library celebrates our diverse community with equally diverse programs, services, and events like this Taiko Drum demonstration. Their collection also offers an array of materials in many languages such as Chinese, Farsi, Hindi, Japanese, Korean, Russian, Spanish and Vietnamese.

The Sunnyvale Theatre is home to the City's Evenings of Cultural Arts concert series and the resident performing companies California Theatre Center, Sunnyvale Community Players and Sunnyvale Singers. The intimate Theatre is also in demand as a rental venue for music and dance recitals, film screenings, lectures and performances by individual performers and small groups.



Residents dropping off old medicines and mercury thermometers for safe disposal.

A RESPONSIVE & RESPONSIBLE GOVERNMENT

The City of Sunnyvale is managed by a responsible and responsive government that delivers quality services in a comprehensive, cost-effective manner. The City evolves with the changing needs of the community and regularly communicates with residents and businesses to engage them in decision-making processes. Each action taken by the City is weighed for its potential impact to future generations.

As a City, we certainly can — and do — manage our revenues and expenses in a way that keeps service delivery stable and quality high. We do this despite having income that rises and falls with economic volatility and reductions in state and federal funding.

Sunnyvale is nationally recognized for its sound financial planning. Our elected officials and City staff have had the discipline to manage to our 20-year financial plan. We update the plan annually and use it to forecast future costs so that we can see how the choices we make today may impact Sunnyvale in the future. This fiscal responsibility has helped the City hold its top credit ratings year after year.

Yes, we've had to make some difficult decisions when times are tough, but we've also saved for a rainy day when times have been good. As a result, while other cities have been forced to cut back services, Sunnyvale has been able to preserve most services and give residents and businesses the greatest value possible. ☺



At home, Sara unpacks the groceries, goes through the mail and sees the Quarterly Report sent by the City.

The family pays taxes; the City uses these funds to inform the public about its programs and services.



Sara reads a Quarterly Report article about the After School Center at the Library where teens volunteer to help younger students with reading and homework.

The family pays taxes; the City uses these funds, along with volunteers and donations, to provide Library programs and services.



Sara attends her neighborhood association's meeting to hear a presentation from City staff about development projects in their area and share her concerns about traffic and school impacts.

Residents and businesses pay taxes and permitting fees; the City uses these funds to support public notification and input activities for development and construction projects.

.....
There are 26 Sunnyvale Neighborhood Associations that strengthen Sunnyvale's sense of community.
.....

DID YOU KNOW?

Kiplinger's named Sunnyvale one of the 10 Greatest Cities to Raise Your Kids after reviewing such factors as schools, public parks, playgrounds and libraries.

Source: Kiplinger Personal Finance, May 2012

24/7 police, fire, and emergency medical services; clean and maintained roadways; parks and open spaces; the library; traffic and street lights; and more. **Read this Special Edition of the Quarterly Report to learn more.**

What do you get from the City in return?



Cable TV

or



Cell Phone

or



Auto Insurance

On average, that's less than your annual bill for:

The fact is, Sunnyvale only gets **17 cents** out of every Property Tax dollar and **1 cent** out of every dollar of taxable sales in the city. On average, Sunnyvale receives just **\$745** a year in Property Tax from each single-family household.

But do you really know how much you pay compared to what you get in return?

You Pay Taxes, Sunnyvale Provides Services.

QUARTERLY REPORT

CITY OF SUNNYVALE



**CITY OF SUNNYVALE
QUARTERLY REPORT**
January 2013

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