



CITY OF SUNNYVALE

DEPARTMENT OF FINANCE

January 29, 2010

TO: Honorable Mayor and Members of the City Council

THROUGH: Mary Bradley, Director of Finance

FROM: Drew Corbett, Budget Division

SUBJECT: Budget Issues Submissions

Enclosed in this section of your Council Packet are the eleven budget issues that have been submitted for consideration at today's Budget Issues Workshop. Seven of these budget issues were submitted for inclusion into the original Council packet for the January 5th public hearing. Two budget issues (#8 and #9) were submitted the day of the public hearing and provided to Council at the dais, and two others (#10 and #11) were proposed after the public hearing. The final four budget issues proposed, numbers 8 – 11, have been included in the back of the Budget Issues tab of your updated Council binder.

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Closed Captioning for Government Access Television (KSUN-15) Coverage of Council Meetings

Lead Department: OCM

Element or Sub-element: 7.2 Community Engagement: Informing the Community; Access to Information, Services and Programs

1. What are the key elements of the issue? What precipitated it?

This is a proposal to add closed captioning to broadcasts of government meetings on KSUN-15, Sunnyvale's government access television station. Currently, City Council and Planning Commission meetings are the only regularly-broadcast meetings on KSUN-15. Closed captioning would give KSUN-15 viewers the ability, at the viewer's option, to display dialogue text on the television screen while watching a meeting.

The request to explore the possibility of adding closed captioning to KSUN-15 broadcasts was made by Councilmember Whittum.

2. How does this relate to the General Plan or existing City Policy?

Sub-element 7.2 Community Engagement includes a discussion on "Informing the Community; Access to Information, Services and Programs." In addition, closed captioning would further the City's efforts to reach those residents who are Comcast Cable Television subscribers and who are hearing-impaired.

3. Is the budget issue a: PROJECT _____ OPERATING X

4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.

The service level related to providing information to the community via cable television (KSUN-15) is a capability to reach more members of the community with our information. Closed captioning is used not only by hearing-impaired members of the audience, but also by many people with no impairment.

5. Origin of issue: Council X Councilmember Whittum

Board and Commission _____ **Board/Commission:** _____

Staff _____ **Department** _____

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Local Business Preference Policy Relative to City Purchases

Lead Department: Finance

Element or Sub-element: Fiscal Sub-element

1. What are the key elements of the issue? What precipitated it?

The Sunnyvale Purchasing Ordinance grants local businesses a one percent preference when they participate in competitive bidding for the purchase of goods (Sunnyvale Municipal Code Section 2.08.200). The one percent advantage is applied to the bid price to determine if its application results in the lowest bid for the local business, but the City pays the full value of the bid. Council has requested that staff examine existing policy to determine if changes are warranted in order to encourage local firms to do business with the City.

The issue was precipitated by a Council contract award on November 17, 2009 to Serramonte Ford of San Francisco to purchase 7 service trucks in the amount of \$124,103. A local firm, Sunnyvale Ford, also submitted a bid, but even with application of the one percent local business preference, their bid remained third lowest. Councilmember-elect Griffith requested that the Council consider modifications to the current Ordinance in order to allow Council more discretion at times when there may be reasons to consider a Sunnyvale bid over the lowest bidder. Councilmember Howe requested to sponsor a Study Issue with Councilmember Chu co-sponsoring. The City Manager then determined that, due to the potential significant cost to the City, the item would be brought forward for consideration as a Budget Issue.

Staff most recently studied this issue at the request of the City Council at the end of FY 2005/2006 (June 13, 2006, RTC No. 06-187). Council direction at that time was to make no changes to the existing policy. Additionally, Council requested that staff expand the local business outreach program and issue a follow up report, which was considered at the beginning of FY 2007/2008 (August 21, 2007, RTC No. 07-293). At the August 21 2007 meeting, Council opted to continue the current one percent preference policy.

Research conducted for the previous Council Study Issue and resulting follow up in FY 2007/2008 indicated that increasing the local business preference beyond the current one percent would potentially result in increased costs to the

City, perhaps significantly, depending on a number of factors. These factors include the percentage increase in bid preference, an expanded application to services purchases, and the actual number of Sunnyvale firms who may bid on City goods and/or services purchases if the policy were changed.

2. How does this relate to the General Plan or existing City Policy?

The Fiscal Sub-element of the General Plan identifies several financial policies relative to this issue:

A.1.13. All 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.2.2. Major financial decisions should be made in the context of the Twenty-Year Long Term Financial Plan.

3. Is the budget issue a: PROJECT OPERATING

4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.

The City purchases goods with both capital and operating budget funds. If the City increased the local bid preference for goods purchases or expanded its application to services, the cost of goods and/or services would increase.

5. Origin of issue: Council Councilmember Howe _____

Board and Commission _____ Board/Commission: _____

Staff _____ Department _____

6. Projected cost (list rough annual cost of budget item):

Previous research suggests that the annual cost of goods and/or services purchases could increase by a relatively small amount to as much as \$800,000 depending upon the percentage increase in bid preference, application of the local bid preference to services purchases, and the actual number of Sunnyvale businesses who may benefit from the policy change. These increased costs would impact both capital and operating budgets.

7. **Recommended funding source:**

New revenue source _____

Service level reduction X

Other _____

Please describe recommended funding source: No new funding source is recommended at this time. If the local bid preference is increased or if its application is expanded to include services purchases, any resulting increase in expenditures would require a reduction in funds available for City services supported by the General Fund.

8. **Staff evaluation and recommendation of proposed budget issue:**

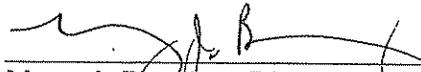
Evaluation: Due to the City's current budget situation, staff does not recommend increasing the local bid preference at this time.

Refer budget issue for consideration in Recommended Budget _____

Defer budget issue to future fiscal year _____

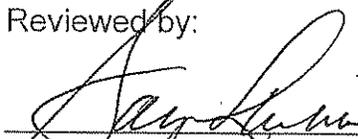
Drop budget issue X

Reviewed by:



Mary J. Bradley, Director of Finance

Reviewed by:



Gary M. Luebbers, City Manager

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Improvements to Sunnyvale Tennis Center

Lead Department: Community Services

Element or Sub-element: Open Space and Recreation

1. What are the key elements of the issue? What precipitated it?

This Budget Issue originated as a request from members of the Sunnyvale Tennis Club who stated it is a goal in the Club's five-year business plan to improve the Sunnyvale Tennis Center facilities. The key elements include the feasibility and costs for enhancing the facilities located at the Sunnyvale Las Palmas Tennis Center as follows:

1. Improved viewing areas and bleachers overlooking the Stadium and Court #1;
2. Addition of a lounge for players, coaches and guests which could also serve as a meeting room for special events;
3. Improved and expanded food service and dining facility;
4. The addition of remote washroom facilities located near Court #13.

2. How does this relate to the General Plan or existing City Policy?

From the Open Space and Recreation Sub-Element:

Policy 2.2.A.9. Refrain from engaging in the development of open space and/or recreational facilities without prior assurance that ongoing maintenance needs will be addressed.

Policy 2.2.D.1. Give priority to services, facilities and amenities that are not readily available through other providers within or near Sunnyvale.

Policy 2.2.D.3. Give priority to services, facilities and amenities that fulfill a basic need or teach basic skills (e.g., non-competitive, developmental sports instruction such as learn to swim given priority over competitive sports programming).

Policy 2.2.D.4. Give priority to services, facilities and amenities in which the community demonstrates interest.

Policy 2.2.D.5. Give priority to services, facilities and amenities that benefit a greater number of residents.

Policy 2.2.D.8. Give priority to acquiring/developing open space and recreational amenities and programs in areas which are heavily impacted by daytime or business use.

Policy 2.2.D.9. Give priority to acquiring/developing open space and recreational amenities and programs where similar amenities and programs do not already exist.

Policy 2.2.D.12. Give priority to acquiring/developing open space and recreational amenities and programs where the needs are greatest and/or which will meet the greatest needs.

3. Is the budget issue a: PROJECT XX OPERATING _____
4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.
N/A.

5. Origin of issue: Council XX Councilmember Moylan
Board and Commission _____ Board/Commission: _____
Staff _____ Department _____

6. Projected cost (list rough annual cost of budget item):
- | | | |
|-----------------|-------------------|-------------------------------------|
| Operating Issue | \$ _____ | (Annual Operating Costs) |
| Capital/Project | \$ <u>780,000</u> | (Project Cost) |
| | \$ <u>6,000</u> | (Associated Annual Operating Costs) |

7. Recommended funding source:
- New revenue source X
- Service level reduction _____
- Other _____

Please describe recommended funding source: No funding source is currently available. Funding for this project should be evaluated against all other capital project priorities next year when capital project plans are evaluated for Fiscal Year 2011/2012.

8. Staff evaluation and recommendation of proposed budget issue:

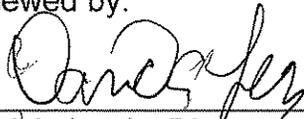
Evaluation: The Las Palmas Tennis Center is currently scheduled for infrastructure improvements to the courts and facilities in accordance with replacement schedules and on-site evaluations. The cost estimate presented in this Budget Issue would cover improvements to existing facilities to upgrade and expand them to add meeting space and services, however the improvements the STC seeks may, given the site's limitations in size and the existing buildings' footprint, best be accomplished by replacing the existing structures with a new restaurant/ clubroom/ locker room facility that could include improved bleacher and viewing access to tournament courts. Overall, this project would serve a smaller population of Sunnyvale residents than other projects that are currently pending or have been 'unfunded' such as the addition of lighting to the Sunnyvale Skate Park or the variety of infrastructure renovation and improvement projects currently planned, therefore a new funding source is recommended.

Refer budget issue for consideration in Recommended Budget _____

Defer budget issue to future fiscal year _____

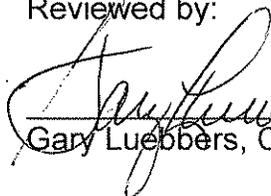
Drop budget issue X

Reviewed by:



David A. Lewis, Director of Community Services

Reviewed by:



Gary Luebbers, City Manager

BUDGET ISSUE SUMMARY FORM

Budget Issue Title: Expand Orchard Gardens Park

Lead Department: Community Services

Element or Sub-element:

1. What are the key elements of the issue? What precipitated it?

During the January 5, 2010 City Council meeting, Vice Mayor Moylan requested that one of the actions Council took on the Parks of the Future Study authorizing the city manager to sell City-owned properties at Orchards Gardens be brought back to Council for reconsideration. (The decision made by the City Council on July 14, 2009 in response to the Parks of the Future Study was to authorize the City Manager to sell the park properties at a future time at the City Manager's discretion when the market improves; and Council directed the City Manager to inform City Council annually through the budget process the status of the properties, and that the matter is required to come back before the City Council.)

The park properties under consideration include three housing lots adjacent to Orchard Gardens Park. Rental revenue from the properties is currently deposited into the City's Parks Dedication Fund which is used for renovations and improvements in park sites throughout the City. Anticipated revenues from the sale of these properties are currently planned in the capital improvement plan for FY 2011/2012 for the Park Dedication Fund. This budget issue proposes that the City keep these properties and remove the houses in order to expand the existing park land at Orchard Gardens Park.

2. How does this relate to the General Plan or existing City Policy?

From the Open Space and Recreation Sub-Element:

A.11. Support the acquisition of existing open space within the City limits as long as financially feasible.

2.2.D.9. Give priority to acquiring/developing open space and recreational amenities and programs where similar amenities and programs do not already exist.

2.2.D.10. Give priority to acquiring/developing open space and recreational amenities where the current number of households within specified distances relying on the open space or recreational amenity is greater.

2.2.D.11. Give priority to acquiring/developing open space and recreational amenities where the projected number of households within specified distances which will be relying on the open space or recreational amenity is greater.

2.2.D.12. Give priority to acquiring/developing open space and recreational amenities and programs where the needs are greatest and/or which will meet the greatest needs.

From City Council Policy 2.2.2 Sale of Surplus Land: With regard to the sale of surplus land, the City Council finds that it is in the best interest of the City of Sunnyvale that proceeds from the sale of surplus City property be used to acquire open space land and declares that it is the policy of this Council to use the net proceeds from the sale of surplus City property for the purchase or other acquisition of open space land.

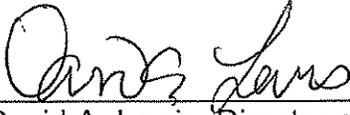
City Council Policy from Parks of the Future Study (RTC # 09-183): Amend the City's General Plan to utilize Design and Development Guidelines for all park types within the City's open space system; approved July 14, 2009.

3. Is the budget issue a: PROJECT XX OPERATING _____
4. If the issue is operating, specify the change in service objective(s) that would result (from what, to what). If the issue is a project, write N/A.
N/A
5. Origin of issue: Council XX Councilmember Moylan
Board and Commission _____ Board/Commission: _____
Staff _____ Department _____
6. Projected cost (list rough annual cost of budget item):
- | | | |
|-----------------|---------------------|-------------------------------------|
| Operating Issue | \$ _____ | (Annual Operating Costs) |
| Capital/Project | \$ <u>1,400,000</u> | (Loss of Planned Revenue) |
| | \$ <u>250,000</u> | (Project Cost) |
| | \$ _____ | (Associated Annual Operating Costs) |
7. Recommended funding source:
New revenue source _____

Drop budget issue

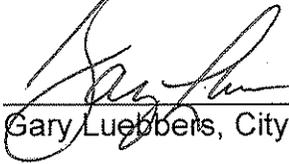
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Reviewed by:



David A. Lewis, Director of Community Services

Reviewed by:



Gary Luebbers, City Manager