

*Honorable Mayor and Members of the City Council:*

## **CITY MANAGER'S MESSAGE**

### **Introduction**

As I pen this transmittal letter, the economic world we live in has just experienced a period of trauma not seen since the Great Depression of the 1930's, 80 years ago. Hopefully, the worst is behind us and a healing has started. That healing will not be swift, much like the cleanup after a hurricane, it will be long and slow. Every part of the economy must experience a resurrection before some semblance of the past can be restored. In simple terms, the 10% unemployment in the Silicon Valley must decline to pre-meltdown conditions, the housing market has to rebound, and consumer spending must grow significantly as it comprises 70% of the nation's economy.

The budget I am presenting attempts to address our current financial condition in this time of uncertainty. It also is meant to provide a secure and moderate approach going forward. As a steward of Sunnyvale's finances, this budget attempts to protect the current and future viability of our community. Developing this budget has been a long and arduous process, and is clearly the most difficult to plan in my 20+ years in the municipal budgeting arena. Many factors have contributed to the challenges we face, namely significantly increased expenses and severe reduction in revenues. That said I am making recommendations that will enable us to move forward prudently, but will be difficult to accept. My goal is to affect as seamless a change as possible. Be assured, I refuse to shy away from difficult decisions when the times demand them. That's my responsibility and commitment to the citizens of Sunnyvale.

### **Just What Happened to the Revenue?**

In 2007, sales tax revenue in Sunnyvale totaled \$30.8 million. In 2009, it dropped to \$25 million and in 2010 we estimate that it will drop to \$23.5 million before experiencing a slow increase in future years. That's a \$7.3 million decrease; we estimate sales tax will grow at a moderate rate and grow to \$31 million in 2015. That increase includes the Town Center sales tax. The downside is a later opening than anticipated three years ago of the Town Center and at least early on, a less aggressive retail base, both of which will diminish our initial projections. And the permanent loss of significant tax generators such as Chevrolet, Chrysler and Circuit City also inhibits our return to prior levels.

Residential property tax is not expected to decline. We are expecting 0.25% growth in FY 2010/2011, 2% in FY 2011/2012 and 4% going forward (historical average). We are fortunate in this regard as several other Bay Area cities are experiencing significant decreases in home values.

Commercial values on the other hand did decrease. With tax bill assessment appeals totaling \$4.6 billion, the amount of our reduction is not certain, but is derived for projection purposes through staff analysis and discussions with the County Tax Assessor. The large commercial vacancy factor in Sunnyvale will stall a reversal in the near term. Our estimated loss of commercial property tax revenue from 2011 through 2013 is projected to be \$1.1 million.

Another of our primary revenue generators is Transient Occupancy Tax. In 2008, Transient Occupancy Tax totaled \$7.3 million; in 2010 it is estimated to be \$5.5 million.

The occupancy at our hotels is primarily driven by the traveling business community. As the economy improves, we anticipate a corresponding increase in this revenue area. What is not certain is how much traveling will be replaced by teleconferencing as businesses attempt to maintain cost containment strategies.

### **Wow – Does it Really Cost that Much? How it all Adds up (Expenses)**

As you have just read, the revenue available to operate the City has decreased significantly; unfortunately expenses have and will continue to increase at a normal pace. The outcome of that scenario is inevitable. As one might expect in a service delivery enterprise such as ours, salaries and benefits account for 82% of the City's General Fund operating expenses. Further broken down, General Fund salaries account for \$54.5 million and benefits \$44.8 million, which includes the most costly element – pensions, of the General Fund. And therein lies the greatest financial challenge we face – sustaining those pension obligations well into the future.

As the global economic meltdown has adversely affected real estate and stock market values, those have translated into increased costs of maintaining the retirement system in its current format. To account for the diminished value of the PERS Investment Portfolio, the City of Sunnyvale's General Fund will be assessed approximately \$4 million annually, which will be phased in over three years beginning in FY 2011/2012. Added to that assessment current actuarial data and rebalancing based on our salary schedule has resulted in approximately \$1.5 million annual levy going forward, beginning in 2012. That is a \$5.5 million annual increase with no corresponding revenue growth. How we address this seemingly ever increasing cost is of critical concern going forward. Our ability to sustain the current retirement plan while providing core services and maintaining an already tired infrastructure is in jeopardy. We are estimating in 2013 the cost to fund the pension plan will approximate all the revenue generated from sales tax. An adjustment is critical!

### **Making our Financial Planning System Work**

One of the most powerful aspects of Sunnyvale's multi-year budgeting is the opportunity to anticipate the future before it arrives, and adjust accordingly. Small changes now can avert large problems down the road. While Sunnyvale can not escape the economic issues identified in the previous sections, we do remain in a better

position to address them than most other communities. I have for many months been sharing with City Council the news stories of other cities' financial difficulties, including serious service cuts, heavy numbers of layoffs, and the draining of city reserves. These are no longer the exception, but rather the rule. In fact, the future for many of these cities will be even bleaker than it is today, as they have not yet accounted for increased costs we know are coming from the Public Employee Retirement System. Others have pinned their hopes on a quickly recovering economy and future revenues that are anything but certain. And still others are now working on a year-to-year budget while hoping for some type of help the following year. We can avoid the serious trouble that these cities find themselves in if we are willing to take the tough but necessary steps to prevent them. Our long-term financial planning and 20-year budgeting gives us the time to make course adjustments. If we do not make those adjustments, however – if we fail to recognize the seriousness of our situation now – then we may well find ourselves a few years from now in the same predicament most other cities face today. Time is our friend and we must take advantage of it.

Popular wisdom suggests that the current economic downturn is not so much a cyclical drop that will turn around in accordance with normal cycles, but that it represents a "new normal." That is, while the economy will likely improve to some degree, it will not rebound as it typically has, but will instead recover more slowly and eventually settle at a lower baseline.

What this means for the City is that it must also adjust its view of what is "normal." It must reassess what it delivers in terms of service to the community, and continue to find ways to provide that service in the least expensive way possible.

### **What if We're Wrong?**

There are those who maintain we are exaggerating the financial challenges before us – who believe the current economic downturn is no different than many we have experienced in the past, and that it will recover more quickly and with greater strength than this budget forecasts. I hope that they are right. In fact, just a day before delivery of the budget, I received information indicating projected pension costs in the future may be slightly lower than anticipated. Reworking the General Fund to consider this, \$570,000 in service level increases has been added into the General Fund beginning in FY 2011/2012. If the slightly reduced pension costs come to fruition, we'll be able to add back in a small portion of the service level cuts we've made over the last two years. But, this is admittedly a conservative budget, designed to protect the City and to position it to withstand what we believe is a likely future. If it turns out I was too conservative, and the City winds up in better financial position than forecasted, then nothing is lost and the City will be able to expand services accordingly. If, on the other hand, I forecast a more optimistic future and it turns out to be wrong, then we will have sentenced ourselves to financial circumstances that are increasingly difficult to escape. This is the position that most communities are in today.

## "Early Warning System"

Like every city, Sunnyvale maintains a contingency reserve fund – that is, a pot of money to cover emergencies or disasters, such as earthquake or flood. By Fiscal Policy, it is maintained at 20% of the City's operating budget. *The City of Sunnyvale has never used its contingency reserve, and neither my proposed two-year budget for fiscal years 2010/11 and 2011/12, nor the projected 20-year budget dips into that fund.* Many cities throughout the country are not so fortunate, and that includes some of our neighbors who have been forced to rely on their contingency reserves in order to make ends meet. Some have dipped into reserves to maintain existing services and wages; others have dipped into reserves in addition to laying off staff and reducing services. For these cities, the future is indeed uncertain.

Another strength of Sunnyvale that should serve us well in the years ahead, and that plays a key role in our multi-year planning strategy, is our Budget Stabilization Fund. Its purpose is to levelize economic cycles from year to year. During periods of economic growth, we add to the fund. During low points in the economic cycle we draw from the fund to maintain stable service levels. Strict adherence to this concept prevents us from adding services during boom times that cannot be sustained, while allowing us to maintain Council-approved service levels during economic downturns.

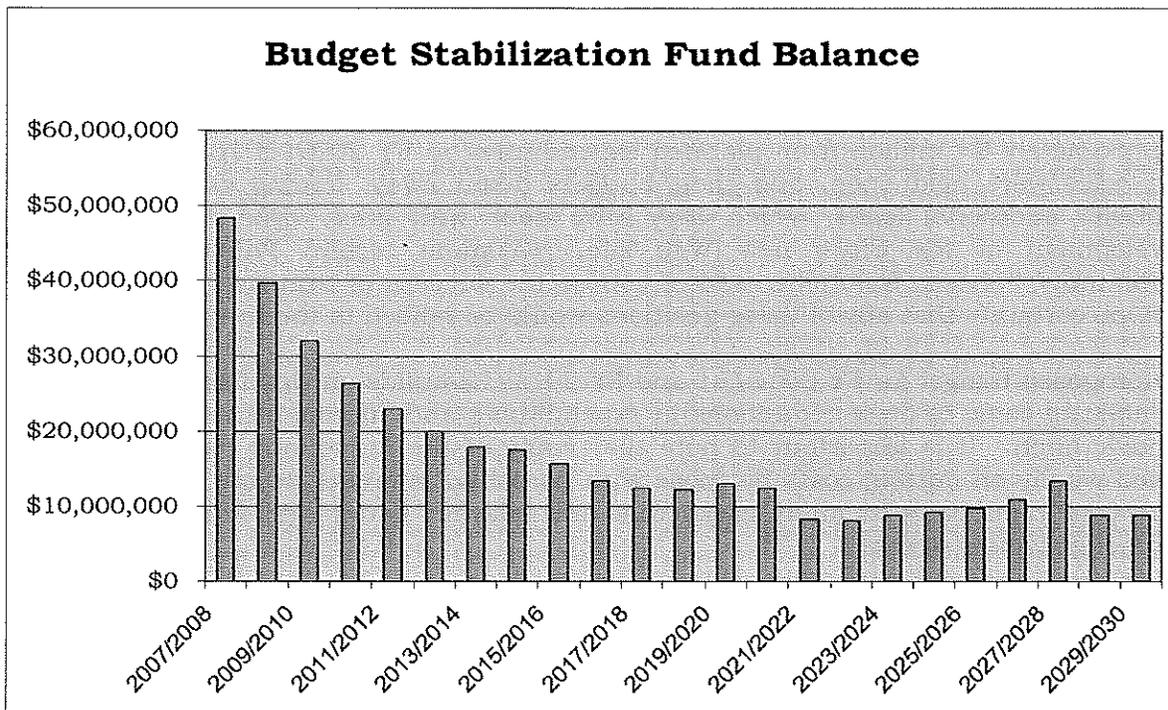
This reserve, which reached \$61 million in FY 2002/2003, is exactly what allowed the City to weather the rapid economic downturn associated with the technology bust in 2001. It also helped us deal with a structural imbalance between revenues and expenditures of \$15 million dollars identified in FY 2003/2004.

The good news, therefore, is that we have an additional financial cushion that most communities do not. The bad news is that this is not a typical economic cycle. The Budget Stabilization funds we use now are not expected to be replenished by a typical upswing in the cycle any time soon. In fact, our projections suggest that we will draw this fund down to the point where we have as little as \$8 million dollars left in it in FY 2022/2023. From a \$61 million dollar cushion in FY 2002/2003 to an \$8 million dollar cushion in FY 2022/2023, while at the same time diverting programmed budgets from infrastructure improvement to the General Fund. It should be noted for point of reference \$10 million of that \$53 million drawdown was dedicated to the employee benefits fund to deal with the City's \$92 million unfunded liability for retiree medical costs.

This simply reinforces my earlier point: that our advantage lies in the time we have bought ourselves to plan for a sustainable future, *not* in the fact that we are so financially secure that we can continue our current spending habits. We can not. We have sufficient reserves to cover ourselves for a period of time, during which we must plan for a more conservative future. If we do not – if we continue to spend more each year than we generate in revenues – we will find ourselves in the same boat as many less fortunate communities.

One of the main implications of presenting a "balanced" budget that requires significant drawdowns of the Budget Stabilization Fund is that while the budget may technically be balanced – defined as resources at least meeting requirements over the

20-year planning period and all reserve requirements being met – there are still underlying fiscal issues that threaten both short- and long-term stability. The recommended FY 2010/2011 Budget is balanced by the definition above; however, in my opinion it would be considered quite the contrary. In order to "balance", a total of \$24 million is required from the Budget Stabilization Fund over the next 12 years, and in eight of those 12 years we are planning for expenditures to exceed revenues. Any further deterioration of revenues or unplanned increases in expenditures immediately returns the City to a state in which additional cuts are required. This is certainly not a philosophy consistent with our long standing policy to operate from a secure position.



Another implication, especially in light of the fact that this Budget proposes 11 years of drawdowns of the Budget Stabilization Fund over the next 12 fiscal years, is that the Fund is being used to do more than just stabilize services through a down economic cycle. Eleven years of drawdowns over the next 12 years are indicative of a budget where resources and expenditures are not in alignment over the long term.

**Attaining a Truly Balanced Budget for FY 2010/2011 and Beyond**

Through the long-term financial planning structure and the actions discussed later, the City is able to meet our financial requirements without fully depleting the Budget Stabilization Fund over the 20-year planning period through the worst recession since the Great Depression. While this is a significant accomplishment, our work is not complete. The heavy use of the Budget Stabilization Fund is not sustainable over the long term and leaves the City more vulnerable to future downturns. In addition, a truly balanced budget would acknowledge future infrastructure costs, much of which

our budget does not, and has not for some time. Because the budget is not truly balanced, the Budget Stabilization Fund is not being utilized as it is designed going forward. Rather than a short-term asset, it is now programmed as an ongoing source of funds to balance the General Fund for the next 10 – 12 years.

To achieve a truly balanced budget, where revenues and expenditures are aligned, the City must address three key areas: prioritization of services and service delivery, sustainable solutions for personnel costs, and new revenue sources.

### Already Implementing

Staff has, in fact, been taking advantage of this early-warning window of opportunity for the past 18 months. Last year I shared with Council that this year would not be "business as usual" – that staff would be seeking cost efficiencies wherever possible, and that several strategies would be employed in this endeavor. As a result, staff cut approximately \$4 million from planned expenditures in FY 2009/2010. A total of 15 vacancies were held open, and their budgets taken away, forcing existing staff to shoulder additional loads, which they have done with great vigor, highlighted by development of the City's new Web site, realigning certain Public Works and Community Services functions, and of course the success of Sunnyvale Works!; and with no certainty that any of these positions would be refilled in the future.

My proposed budget for FY 2010/11 and FY 2011/12 builds on this fiscal foundation, formalizing some of these reductions in expenditures and offering others for Council's consideration. It is important to note that many of the reductions may seem to be based wholly on cutting costs by those with parochial interests, where in fact we are proposing reductions in many areas that are smarter, better and more economical ways of delivering service.

### **The Plan**

To clearly illustrate the strategy to address the current and future structural imbalance of the General Fund and how I propose to address it over the next several years, one must first understand in FY 2009/2010 we undertook a series of steps to address the failing economy and its effect, both short and long term on Sunnyvale. These steps were in large measure meant to be permanent and gain efficiency as well as reduce expenses. To that end, I have taken the following steps and also offered some other options to consider.

1. Address rising personnel costs.
  - a. Bargaining units took no salary increase as had been negotiated for one year with a one-year extension to the term of the contracts.
  - b. Reset salary increase projections in the 20-year Financial Plan.
  - c. Putting a hold on filling General Fund positions not deemed essential.
2. Increase efficiency.
  - a. Scour the organization for opportunities to permanently eliminate positions without appreciably affecting service, and reorganizing to

achieve economies of scale with the grouping and assimilation of workers. This will continue as an ongoing process.

3. Budget stabilization drawdown – over a six-year period, the budget stabilization was planned for drawdown of \$24 million. As FY 2009/2010 unfolded, the challenges related to fiscal stability have become even greater. With significantly tempered revenue projections and the incorporation of all known expenditure increases, the drawdown will now amount to \$14.5 million over the next five years and \$19.1 million over the next 10 years, with the fund leveling at \$8 million in FY 2022/2023 before again climbing.
4. Discussions with all of the City's bargaining units regarding pension plans have been held. The option of additional contributions by the employees to their retirement plans was discussed along with the more significant option of moving to a two-tiered plan. Either option will provide some relief to the increasing cost to maintain the plans. The two-tier is more significant over the long term (that is over 20 years a 2% increase = \$34 million; two-tier = \$43.5 million), and allow for a more sustainable plan into the future. Future meetings have been scheduled in hopes of developing a mutually beneficial plan to the employees and the City.
5. Revenue enhancements. As a strong revenue base is critical to our long-term fiscal stability, staff continues to evaluate the City's revenues to protect and strengthen the base. This recommended budget reflects several actions as a result of staff's work:
  - a. There is a budget supplement to add staffing for business license tax audits and fully implementing alarm permit fees. Staff estimates a net increase in revenues of \$250,000 after taking into account the additional costs to staff these efforts.
  - b. As part of the effort to ensure that the City is maximizing cost recovery, a review of City services is regularly conducted. Through this process, staff identified a number of areas for which fees had not been previously collected. A new fee for each of these identified services has been recommended for inclusion in the proposed fee schedule. The majority of the new fees are related to the development process and services provided by Community Development, Public Works, and Public Safety.
  - c. A technology fee has been added for development projects to cover the maintenance and replacement of SunGIS, which houses the City's geographical information and permitting systems. This fee will ensure this critical system is maintained and updated as technologically necessary.
  - d. Parks and Recreation user fees will be reviewed to ensure they reflect market rates and recent trends.
6. Continued reduction of staff through attrition and subsequent reorganization. This is and will continue to be a focus of the City management team. The information in Attachment 2 illustrates actions taken or proposed in the 2010 and 2011 budgets. This information is not totally inclusive, but is a very representative list of major reductions.

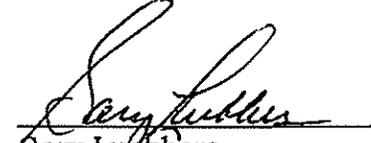
Options:

1. Increased revenue opportunities including adopting a revised utility tax schedule and rate, establishing landscape districts, and implementing a street maintenance impact fee.
2. Contracting out appropriate services if the savings benefit is defined and considerable.

### **Onward and Upward**

Our City staff is committed to providing all essential services despite decreasing revenue. I'm extremely proud of their dedication and commitment to Sunnyvale, and how each and every member of our organization stepped up when we've needed them. We are moving forward with every employee doing more with less, assuming additional responsibilities, and producing results only possible with a group working as a team could produce.

Respectfully Submitted,



Gary Luebbers  
City Manager

May 7, 2010

## General Fund Financial Fact Sheet

Revenue down \$21.7 million, or 16.5%, in the last three years.

Salaries for full-time employees have increased approximately 6.5% (Miscellaneous) and 11% (Safety) in the last three years.

The cost of medical and other insurance, including retiree medical, has increased 14% over the past three years.

Projected annual pension costs up \$7.2 million, or 33%, over the next four years.  
Budget Stabilization Fund down \$16 million, or 33%, over last three years.

Budget Stabilization Fund projected to be down \$14.5 million, or 45%, over the next five years and \$19.1 million, or 60%, over the next 10 years.

Fifteen full-time vacant positions were eliminated from the budget in FY 2009/2010, and another 26 (23 full-time and three part-time) are proposed for elimination over the next two fiscal years.

Total revenues and expenditures over the next five years:

	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
Revenues	\$123.3M	\$129.5M	\$135.7M	\$143.2M	\$150.9M
Expenditures	\$128.7M	\$132.1M	\$137.6M	\$144.4M	\$150.4M
Difference	(\$5.4M)	(\$2.6M)	(\$1.9M)	(\$1.2M)	\$0.5M

General Fund funding for City infrastructure needs down from \$65 million (FY 2004/2005 Adopted Budget) to \$30 million (FY 2010/2011 Recommended Budget).

**THIS PAGE NOT USED**

## Savings and New Revenue for 2009 – 2011

Department	Impact	Savings	New Revenue
CDD	Part-time and contract hours reduced	\$52,000	
CDD	Overtime hours reduced	\$9,000	
CDD	Travel and training expenses reduced	\$5,000	
CDD	Consultant budget eliminated	\$6,000	
CDD	Reduced purchased goods and services	\$1,800	
DCS	Reorganization and consolidation of Facility and Registration functions at Front Counter of Community Center – eliminate one vacant PTE Office Assistant and lay off one casual employee	\$74,000	
DCS	Elimination of Program Assistant position responsible for Recreation Web pages/Marketing (will require lay off of casual employee)	\$19,700	
DCS	Modifications to Activity Guide	\$18,000	
DCS	Reduction in use of casual Intermittent Recreation Workers not involved in directly providing services, shifting responsibilities to permanent staff and/or lower paid casual employees	\$14,300	
DCS	Elimination of Fitness Room Attendant Function at Senior Center	\$10,000	
DCS	Elimination of Adult Softball beginning in fall 2010	\$6,800	
DCS	Expansion of community access to fields through rental of Washington Park and Lakewood Park fields		\$25,000
DCS	Allow rentals of the Community Center past 7 p.m. (change in policy)		\$15,000
DCS	Close Lakewood Pool effective after completion of summer season 2010	\$38,800	
DCS	Peterson Pool is closed for summer 2010 while construction is occurring on campus	\$6,600	
DPS	Reduction of Office of Emergency Services Lieutenant – one FTE	\$249,220	
DPS	Reduction of Emergency Medical Services Coordinator Lieutenant – one FTE	\$249,220	
DPS	Reduction of Worker's Comp Lieutenant – one FTE	\$249,220	
DPS	Reduction of Range Master/Armorer and Recruitment Officer – two FTEs	\$416,058	

Department	Impact	Savings	New Revenue
DPS	Public Safety Dispatcher – reduction of one FTE	\$131,794	
DPS	Reduce one Staff Office Assistant – FY 2011/2012	\$83,790	
DPS	Reduce one Principal Office Assistant – FY 2011/2012	\$107,496	
DPS	Training – annual training reduction	\$350,000	
DPS	Civilianization Proposal – annual recruitment project savings	\$475,000	
DPS	Civilianization Proposal - four PSO II to CSOs – FY 2010/2011	\$452,592	
DPS	Civilianization Proposal – four PSO II to CSOs – FY 2011/2012	\$461,644	
<b>DPW</b>			
DPW	Reduce traffic design, analysis and surveying	\$116,000	
DPW	Reduce inspection cycle on traffic signals	\$70,000	
DPW	Eliminate discretionary traffic signs/markings	\$10,000	
DPW	Eliminate discretionary budget for bicycles	\$3,000	
DPW	Reduce traffic signs, markings, graffiti removal	\$105,000	
DPW	Convert 8,700 City street lamps to LED in FY 2011/2012	\$68,000	
DPW	Reduce structural tree pruning services	\$300,000	
DPW	Reduce supervisory/lead worker coordination	\$123,000	
DPW	Shift to temporary versus permanent concrete repairs	\$115,000	
DPW	Eliminate concrete surveys/increase response times to complete repairs	\$176,000	
DPW	Reduce outside engineering services	\$25,000	
DPW	Decrease Polymer usage in wastewater processing	\$950,000	
DPW	Landfill rental – FY 2009/2010		\$225,000
<b>FIN</b>			
FIN	Reduced clerical support and answerpoint coverage – eliminate one staff office assistant position	\$82,098	
FIN	Reduced support of financial and payroll systems resulting in increased response times and longer implementations	\$116,082	
<b>HR</b>			
HR	Eliminate Office Assistant position to staff front counter (currently requires rotation of existing office clerical staff to staff answerpoint and front counter services)	\$78,732	
HR	Eliminate Senior Management Analyst position – provided professional management level analysis and monitoring of department programs and budget, performed various staff analysis/surveys primarily related to labor relations activities, workload distributed to other staff including Director	\$177,841	

Department	Impact	Savings	New Revenue
HR	Eliminate Human Resources Technician and Staff Office Assistant in Recruitment Division – reduction in service levels and processing time when recruitments are reinstated	\$204,210	
HR	Significant reduction in expenses associated with Citywide training program	\$46,000	
HR	Eliminate Citywide volunteer recognition event	\$5,000	
HR	Significant reduction in Citywide wellness program	\$72,500	
HR	Overall reduction in department employee conference and training expenses	\$1,750	
<b>IT</b>			
IT	Reduction of one IT Coordinator position (vacant)	\$143,676	
IT	Reduction of one Admin Aide Confidential (vacant)	\$117,414	
<b>LIB</b>			
LIB	Reduce Library collection expenditures (buying fewer books, magazines and newspapers, and providing access to fewer databases)	\$81,556	
LIB	Eliminate two service hours on Sundays (Library is open to the public for six hours instead of eight)	\$24,950	
LIB	Eliminate security services	\$29,400	
LIB	Eliminate interlibrary loan services	\$1,320	
LIB	Eliminate 6,100 staff hours to offset new costs associated with RFID/Automated Materials Handling System	\$208,376	
<b>OCM</b>			
OCM	Reduced number of pages in Quarterly Report from 16 to 12	\$18,000	
OCM	Assistant City Manager to assume dual role once Director of Community Services retires	\$250,000	
OCM	Elimination of one Senior Office Assistant	\$90,000	
OCM	Reduce Community Event Grant Funding	\$7,500	
OCM	Reduce Neighborhood Grant Funding	\$4,000	
OCM	Replace "summary" Council minutes with "action" minutes	\$34,000	



**City of Sunnyvale  
Program Performance Budget**

**Program 119 - Transportation and Traffic Services**  
Service Delivery Plan 11901 - Transportation Engineering and Planning

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 119100 - Warrant Studies</b>		
Product: A Study Completed		
Costs:	7,309.40	7,658.22
Products:	44.00	44.00
Hours:	79.00	79.00
<b>Activity 119110 - Parking and Speed Studies</b>		
Product: A Study Completed		
Costs:	15,200.94	15,862.19
Products:	20.00	20.00
Hours:	155.00	155.00
<b>Activity 119120 - Collision Analysis</b>		
Product: A Collision Report Reviewed		
Costs:	39,708.97	41,599.24
Products:	2,005.00	2,005.00
Hours:	430.00	430.00
<b>Activity 119130 - Respond to Community Transportation Issues</b>		
Costs:	159,467.08	166,757.57
Products:	0.00	0.00
Hours:	1,585.00	1,585.00
<b>Activity 119140 - Planning/Policy Studies</b>		
Costs:	21,224.15	22,265.61
Products:	0.00	0.00
Hours:	192.00	192.00

**City of Sunnyvale  
Program Performance Budget**

**Program 119 - Transportation and Traffic Services  
Service Delivery Plan 11901 - Transportation Engineering and Planning**

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 119150 - Capital Project Support</b>		
Costs:	91,383.85	95,851.87
Products:	0.00	0.00
Hours:	874.00	874.00
<b>Activity 119160 - Geometric, Streetlight, and Other Design</b>		
Costs:	84,872.54	87,919.75
Products:	0.00	0.00
Hours:	528.00	528.00
<b>Totals for Service Delivery Plan 11901 - Transportation Engineering and Planning</b>		
Costs:	<b>419,166.93</b>	<b>437,914.45</b>
Hours:	<b>3,843.00</b>	<b>3,843.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 119 - Transportation and Traffic Services**  
Service Delivery Plan 11902 - Intergovernmental Coordination

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 119200 - Intergovernmental Support and Participation</b>		
Costs:	50,493.61	53,002.58
Products:	0.00	0.00
Hours:	443.00	443.00
<b>Activity 119210 - Grant Writing</b>		
Product: A Grant Application Completed		
Costs:	42,172.14	44,271.69
Products:	13.00	13.00
Hours:	361.00	361.00
<b>Activity 119220 - Review Outside Agency Plans, Designs, and Studies</b>		
Costs:	11,874.20	12,463.36
Products:	0.00	0.00
Hours:	104.00	104.00
<b>Activity 119230 - Congestion Management Agency</b>		
Costs:	257,626.00	271,976.88
Products:	0.00	0.00
Hours:	0.00	0.00
<b>Totals for Service Delivery Plan 11902 - Intergovernmental Coordination</b>		
Costs:	<b>362,165.95</b>	<b>381,714.51</b>
Hours:	<b>908.00</b>	<b>908.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 119 - Transportation and Traffic Services**  
Service Delivery Plan 11903 - Traffic Signal Operations and Maintenance

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 119300 - Routine Maintenance and Repairs</b>		
Costs:	227,359.44	231,906.63
Products:	0.00	0.00
Hours:	0.00	0.00
<b>Activity 119310 - Nonroutine Maintenance and Repairs</b>		
Costs:	377,000.00	384,540.00
Products:	0.00	0.00
Hours:	0.00	0.00
<b>Activity 119320 - Signal Maintenance and Repair by Staff</b>		
Costs:	221,625.55	230,976.54
Products:	0.00	0.00
Hours:	2,271.00	2,271.00
<b>Activity 119330 - Signal Maintenance Contract Administration</b>		
Costs:	30,980.05	32,449.30
Products:	0.00	0.00
Hours:	340.00	340.00
<b>Totals for Service Delivery Plan 11903 - Traffic Signal Operations and Maintenance</b>		
Costs:	<b>856,965.04</b>	<b>879,872.47</b>
Hours:	<b>2,611.00</b>	<b>2,611.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 119 - Transportation and Traffic Services**  
Service Delivery Plan 11904 - Development Review

	2010/2011 Plan	2011/2012 Plan
Activity 119400 - Perform Development Review		
Product: Plan Check Comments Submitted		
Costs:	128,072.15	134,261.00
Products:	150.00	150.00
Hours:	1,260.00	1,260.00
Activity 119410 - Review Traffic Control Plans		
Product: A Plan Reviewed		
Costs:	93,123.03	97,579.24
Products:	319.00	319.00
Hours:	975.00	975.00
<b>Totals for Service Delivery Plan 11904 - Development Review</b>		
Costs:	<b>221,195.18</b>	<b>231,840.24</b>
Hours:	<b>2,235.00</b>	<b>2,235.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 119 - Transportation and Traffic Services**

Service Delivery Plan 11905 - Management, Supervisory, and Administrative Support Services

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 119500 - Management and Supervision</b>		
Costs:	21,463.25	22,553.23
Products:	0.00	0.00
Hours:	170.00	170.00
<b>Activity 119510 - Provide Legal Response</b>		
Costs:	6,392.85	6,715.42
Products:	0.00	0.00
Hours:	52.00	52.00
<b>Activity 119520 - Administrative Support</b>		
Costs:	71,750.59	74,678.77
Products:	0.00	0.00
Hours:	1,080.00	1,080.00
<b>Activity 119530 - Training</b>		
Costs:	28,401.98	29,699.66
Products:	0.00	0.00
Hours:	290.00	290.00
<b>Activity 119540 - Bicycle and Pedestrian Advisory Committee Support</b>		
Costs:	21,819.75	22,854.65
Products:	0.00	0.00
Hours:	206.00	206.00

**City of Sunnyvale  
Program Performance Budget**

**Program 119 - Transportation and Traffic Services**

Service Delivery Plan 11905 - Management, Supervisory, and Administrative Support Services

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 119550 - Parking Permit Program Administration</b>		
Product: A Permit Issued		
Costs:	15,977.14	16,565.73
Products:	500.00	500.00
Hours:	170.00	170.00
<b>Activity 119560 - Capital and Operating Budget Preparation</b>		
Costs:	9,974.09	10,480.62
Products:	0.00	0.00
Hours:	79.00	79.00
<b>Activity 119570 - Issue Transportation Permits</b>		
Product: A Permit Issued		
Costs:	16,135.07	16,879.59
Products:	488.00	488.00
Hours:	194.00	194.00
<b>Totals for Service Delivery Plan 11905 - Management, Supervisory, and Administrative Support Services</b>		
Costs:	191,914.72	200,427.67
Hours:	2,241.00	2,241.00
<b>Totals for Program 119</b>		
Costs:	2,051,407.82	2,131,769.34
Hours:	11,838.00	11,838.00

**This Page Not Used**

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12001 - Pavement Maintenance

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120100 - Preventative Maintenance</b>		
Product: A Square Foot Completed		
Costs:	2,140,960.09	2,224,149.70
Products:	450,000.00	450,000.00
Hours:	21,188.00	21,188.00
<b>Activity 120110 - Double Chip Seal Slurry Seal</b>		
Product: A Square Foot Completed		
Costs:	556,064.29	575,511.33
Products:	1,400,000.00	1,400,000.00
Hours:	4,313.00	4,313.00
<b>Activity 120120 - Slurry Seal</b>		
Product: A Square Foot Slurried		
Costs:	91,416.88	95,439.52
Products:	1,300,000.00	1,300,000.00
Hours:	1,122.00	1,122.00
<b>Totals for Service Delivery Plan 12001 - Pavement Maintenance</b>		
Costs:	<b>2,788,441.26</b>	<b>2,895,100.55</b>
Hours:	<b>26,623.00</b>	<b>26,623.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12002 - Traffic Marking Maintenance

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120200 - Painting Traffic Lines</b>		
Product: A Lineal Foot Painted		
Costs:	112,404.75	116,920.89
Products:	20,000.00	20,000.00
Hours:	1,192.00	1,192.00
<b>Activity 120210 - Install/Remove Traffic Legends, Crosswalks, and Limit Bars</b>		
Product: A Legend/Crosswalk/Limit Bar		
Costs:	195,122.83	203,142.69
Products:	45,800.00	45,800.00
Hours:	2,177.00	2,177.00
<b>Activity 120220 - Premarking of Traffic Markings</b>		
Product: A Street Marked		
Costs:	32,248.07	33,705.62
Products:	260.00	260.00
Hours:	424.00	424.00
<b>Activity 120230 - Remove/Install Ceramic and Reflective Markers</b>		
Product: A Marker Removed/Installed		
Costs:	54,892.58	56,993.57
Products:	5,000.00	5,000.00
Hours:	524.00	524.00
<b>Totals for Service Delivery Plan 12002 - Traffic Marking Maintenance</b>		
Costs:	<b>394,668.23</b>	<b>410,762.77</b>
Hours:	<b>4,317.00</b>	<b>4,317.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12003 - Traffic Sign Maintenance

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120300 - Traffic Sign Fabrication</b>		
Product: A Sign Fabricated		
Costs:	59,835.61	62,388.36
Products:	1,415.00	1,415.00
Hours:	661.00	661.00
<b>Activity 120310 - Install, Repair, Removal, and/or Replace Traffic Signs and Poles</b>		
Product: A Sign or Pole		
Costs:	153,927.72	160,765.61
Products:	5,457.00	5,457.00
Hours:	1,934.00	1,934.00
<b>Activity 120320 - Traffic Curb Painting</b>		
Product: A Lineal Foot Painted		
Costs:	26,236.15	27,375.33
Products:	15,000.00	15,000.00
Hours:	324.00	324.00
<b>Totals for Service Delivery Plan 12003 - Traffic Sign Maintenance</b>		
Costs:	<b>239,999.48</b>	<b>250,529.30</b>
Hours:	<b>2,919.00</b>	<b>2,919.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12004 - Street Sweeping

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120400 - Schedule Street Sweeping Routes</b>		
Product: A Mile Swept		
Costs:	425,582.44	444,985.89
Products:	21,400.00	21,400.00
Hours:	5,482.50	5,482.50
<b>Activity 120410 - Heavy Leaf Pick Up</b>		
Product: A Yard of Debris Removed		
Costs:	67,893.25	70,973.74
Products:	1,400.00	1,400.00
Hours:	904.00	904.00
<b>Activity 120420 - Posting of Requested Streets</b>		
Product: A Street Posted		
Costs:	2,269.31	2,372.34
Products:	16.00	16.00
Hours:	30.00	30.00
<b>Totals for Service Delivery Plan 12004 - Street Sweeping</b>		
Costs:	<b>495,745.00</b>	<b>518,331.97</b>
Hours:	<b>6,416.50</b>	<b>6,416.50</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**

**Service Delivery Plan 12005 - Maintenance of Public Right-of-Way**

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120500 - Preventative Maintenance - Clean Walkways</b>		
Product: A Walkway Cleaned		
Costs:	38,944.48	40,686.34
Products:	260.00	260.00
Hours:	522.00	522.00
<b>Activity 120510 - Corrective Maintenance - Repair Walkways</b>		
Product: A Walkway Repaired		
Costs:	5,772.03	6,017.68
Products:	8.00	8.00
Hours:	68.00	68.00
<b>Activity 120520 - Preventative Maintenance - Clean Roadside Easements</b>		
Product: An Easement Cleaned		
Costs:	51,852.09	54,185.61
Products:	40.00	40.00
Hours:	688.00	688.00
<b>Totals for Service Delivery Plan 12005 - Maintenance of Public Right-of-Way</b>		
Costs:	<b>96,568.60</b>	<b>100,889.63</b>
Hours:	<b>1,278.00</b>	<b>1,278.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12006 - Emergency/Unscheduled Response

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120600 - Pothole Repair</b>		
Product: An Occasion		
Costs:	8,687.77	9,043.22
Products:	40.00	40.00
Hours:	95.00	95.00
<b>Activity 120610 - Emergency Repairs City and Non-City Responsibility</b>		
Product: An Occasion		
Costs:	4,872.36	5,065.16
Products:	10.00	10.00
Hours:	70.00	70.00
<b>Activity 120620 - Traffic Sign/Pole</b>		
Product: An Occasion		
Costs:	2,023.35	2,114.48
Products:	10.00	10.00
Hours:	25.00	25.00
<b>Activity 120630 - Graffiti Removal</b>		
Product: An Occasion		
Costs:	107,592.95	112,409.84
Products:	1,202.00	1,202.00
Hours:	1,376.00	1,376.00
<b>Activity 120640 - Unscheduled/Emergency Street Sweeping Request</b>		
Product: An Occasion		
Costs:	2,393.46	2,502.50
Products:	15.00	15.00
Hours:	31.00	31.00

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12006 - Emergency/Unscheduled Response

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120650 - Unscheduled/Emergency Cleaning and/or Repairs as Requested</b>		
Product: An Occasion		
Costs:	9,668.85	10,040.16
Products:	25.00	25.00
Hours:	100.00	100.00
<b>Activity 120660 - Debris</b>		
Product: An Occasion		
Costs:	13,646.32	14,261.54
Products:	150.00	150.00
Hours:	184.00	184.00
<b>Activity 120670 - Traffic Control</b>		
Product: An Occasion		
Costs:	14,486.33	15,107.80
Products:	220.00	220.00
Hours:	168.00	168.00
<b>Totals for Service Delivery Plan 12006 - Emergency/Unscheduled Response</b>		
Costs:	<b>163,371.39</b>	<b>170,544.70</b>
Hours:	<b>2,049.00</b>	<b>2,049.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12007 - Service Response

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120700 - Shopping Carts</b>		
Product: A Shopping Cart		
Costs:	119,020.68	124,346.51
Products:	2,500.00	2,500.00
Hours:	1,653.00	1,653.00
<b>Activity 120710 - Debris</b>		
Product: An Occasion		
Costs:	7,381.91	7,712.96
Products:	80.00	80.00
Hours:	98.00	98.00
<b>Activity 120720 - Traffic Control - Planned</b>		
Product: An Occasion		
Costs:	10,040.02	10,491.88
Products:	30.00	30.00
Hours:	129.00	129.00
<b>Totals for Service Delivery Plan 12007 - Service Response</b>		
Costs:	<b>136,442.61</b>	<b>142,551.35</b>
Hours:	<b>1,880.00</b>	<b>1,880.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 120 - Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easements**  
Service Delivery Plan 12008 - Management, Supervisory, and Administrative Support Services

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 120800 - Management and Supervisory Services</b>		
Costs:	139,903.14	146,293.37
Products:	0.00	0.00
Hours:	1,300.00	1,300.00
<b>Activity 120810 - Administrative Support Services</b>		
Costs:	131,003.28	136,746.29
Products:	0.00	0.00
Hours:	1,678.00	1,678.00
<b>Activity 120820 - Meetings, Certification, and Training</b>		
Costs:	135,325.51	141,448.55
Products:	0.00	0.00
Hours:	1,751.00	1,751.00
<b>Totals for Service Delivery Plan 12008 - Management, Supervisory, and Administrative Support Services</b>		
Costs:	<b>406,231.93</b>	<b>424,488.21</b>
Hours:	<b>4,729.00</b>	<b>4,729.00</b>
<b>Totals for Program 120</b>		
Costs:	<b>4,721,468.50</b>	<b>4,913,198.48</b>
Hours:	<b>50,211.50</b>	<b>50,211.50</b>

**This Page Not Used**

**City of Sunnyvale  
Program Performance Budget**

**Program 222 - Concrete Maintenance**  
Service Delivery Plan 22201 - Sidewalk Maintenance

	<b>2010/2011 Plan</b>	<b>2011/2012 Plan</b>
<b>Activity 222100, 222101, 222102, 222103, 222104 - Mitigate Sidewalk Displacements</b>		
Product: A Lineal Foot of Sidewalk Mitigated		
Costs:	234,705.61	245,003.00
Products:	15,000.00	15,000.00
Hours:	4,050.00	4,050.00
<b>Activity 222110 - Sidewalk Replacement</b>		
Product: A Square Foot of Sidewalk Replaced		
Costs:	269,049.83	276,933.35
Products:	20,000.00	20,000.00
Hours:	1,825.00	1,825.00
<b>Totals for Service Delivery Plan 22201 - Sidewalk Maintenance</b>		
Costs:	<b>503,755.44</b>	<b>521,936.35</b>
Hours:	<b>5,875.00</b>	<b>5,875.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 222 - Concrete Maintenance**  
Service Delivery Plan 22202 - Curb and Gutter Maintenance

	2010/2011 Plan	2011/2012 Plan
<b>Activity 222200 - Mitigate Curb and Gutter Displacements</b>		
Product: A Lineal Foot of Curb and Gutter Mitigated		
Costs:	26,222.92	27,440.18
Products:	2,500.00	2,500.00
Hours:	510.00	510.00
<b>Activity 222210 - Curb and Gutter Replacements</b>		
Product: A Lineal Foot of Curb and Gutter Replaced		
Costs:	133,835.02	136,759.42
Products:	4,000.00	4,000.00
Hours:	125.00	125.00
<b>Totals for Service Delivery Plan 22202 - Curb and Gutter Maintenance</b>	<b>160,057.94</b>	<b>164,199.60</b>
<b>Costs:</b>	<b>635.00</b>	<b>635.00</b>
<b>Hours:</b>		

**City of Sunnyvale  
Program Performance Budget**

**Program 222 - Concrete Maintenance**  
Service Delivery Plan 22203 - Service Response

	2010/2011 Plan	2011/2012 Plan
Activity 222300 - Service Requests		
Product: A Service Request Investigated		
Costs:	88,921.35	93,211.13
Products:	1,500.00	1,500.00
Hours:	1,410.00	1,410.00
<b>Totals for Service Delivery Plan 22203 - Service Response</b>	<b>88,921.35</b>	<b>93,211.13</b>
<b>Costs:</b>	<b>1,410.00</b>	<b>1,410.00</b>
<b>Hours:</b>		

**City of Sunnyvale  
Program Performance Budget**

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Program 222 - Concrete Maintenance</b>		
<b>Service Delivery Plan 22204 - Management, Supervisory, and Administrative Support Services</b>		
<b>Activity 222400 - Administrative Support</b>		
Costs:	30,218.05	31,601.20
Products:	0.00	0.00
Hours:	520.00	520.00
<b>Activity 222410 - Management and Supervisory Services</b>		
Costs:	103,027.57	108,015.34
Products:	0.00	0.00
Hours:	1,085.00	1,085.00
<b>Activity 222420 - Staff Training and Development</b>		
Costs:	26,219.38	27,474.29
Products:	0.00	0.00
Hours:	500.00	500.00
<b>Totals for Service Delivery Plan 22204 - Management, Supervisory, and Administrative Support Services</b>	<b>159,465.00</b>	<b>167,090.83</b>
<b>Costs:</b>	<b>2,105.00</b>	<b>2,105.00</b>
<b>Hours:</b>		
<b>Totals for Program 222</b>	<b>912,199.73</b>	<b>946,437.91</b>
<b>Costs:</b>	<b>10,025.00</b>	<b>10,025.00</b>
<b>Hours:</b>		

**City of Sunnyvale**  
**Program Performance Budget**

**Program 309 - Capital Project Management and Environmental Sustainability**  
**Service Delivery Plan 30902 - Capital Project Management**

	2010/2011	2011/2012
	Plan	Plan
<b>Activity 309200 - Design Management</b>		
Product: A Project Designed		
Costs:	759,278.20	796,844.22
Products:	20.00	20.00
Hours:	7,985.00	7,985.00
<b>Activity 309210 - Construction Management</b>		
Product: A Project Constructed		
Costs:	356,161.90	373,760.64
Products:	20.00	20.00
Hours:	3,470.00	3,470.00
<b>Activity 309220 - Inspection Services</b>		
Product: A Inspection Completed		
Costs:	369,066.37	387,312.44
Products:	20.00	20.00
Hours:	4,910.00	4,910.00
<b>Activity 309240 - Safety Tailgates and Training</b>		
Costs:	64,026.84	67,180.53
Products:	0.00	0.00
Hours:	700.00	700.00
<b>Totals for Service Delivery Plan 30902 - Capital Project Management</b>		
Costs:	<b>1,548,533.31</b>	<b>1,625,097.83</b>
Hours:	<b>17,065.00</b>	<b>17,065.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 309 - Capital Project Management and Environmental Sustainability**  
Service Delivery Plan 30903 - Environmental Sustainability

	<u>2010/2011</u>	<u>2011/2012</u>
	<u>Plan</u>	<u>Plan</u>
<b>Activity 309300 - Sustainability - Water Conservation</b>		
Costs:	31,786.98	33,245.15
Products:	0.00	0.00
Hours:	450.00	450.00
<b>Activity 309310 - Sustainability - Outreach and Education</b>		
Costs:	31,786.98	33,245.15
Products:	0.00	0.00
Hours:	450.00	450.00
<b>Activity 309320 - Sustainability - Environmental and Energy Auditing</b>		
Costs:	31,786.98	33,245.15
Products:	0.00	0.00
Hours:	450.00	450.00
<b>Activity 309330 - Sustainability - Policy Review and Program Development</b>		
Costs:	31,786.98	33,245.15
Products:	0.00	0.00
Hours:	450.00	450.00
<b>Totals for Service Delivery Plan 30903 - Environmental Sustainability</b>		
Costs:	<b>127,147.92</b>	<b>132,980.60</b>
Hours:	<b>1,800.00</b>	<b>1,800.00</b>

**City of Sunnyvale  
Program Performance Budget**

**Program 309 - Capital Project Management and Environmental Sustainability**  
Service Delivery Plan 30904 - Management, Supervisory, and Administrative Support Services

	2010/2011	2011/2012
	<u>Plan</u>	<u>Plan</u>
<b>Activity 309400 - Management and Supervision</b>		
Costs:	194,951.51	204,449.36
Products:	0.00	0.00
Hours:	1,565.00	1,565.00
<b>Activity 309410 - Administrative Support</b>		
Costs:	199,690.78	208,839.16
Products:	0.00	0.00
Hours:	3,065.00	3,065.00
<b>Totals for Service Delivery Plan 30904 - Management, Supervisory, and Administrative Support Services</b>		
Costs:	394,642.29	413,288.52
Hours:	4,630.00	4,630.00
<b>Totals for Program 309</b>		
Costs:	2,070,323.52	2,171,366.95
Hours:	23,495.00	23,495.00

**This Page Not Used**