

Understanding Sunnyvale's 2007/2008 Adopted Budget

SUNNYVALE'S APPROACH TO BUDGETING

The City of Sunnyvale's unique way of budgeting is part of the City's internationally recognized Planning and Management System. The Sunnyvale budget looks ahead for many years, anticipating income and expenses over a long-term perspective. The budget includes a twenty year Resource Allocation Plan that is balanced to the twentieth year with all reserve requirements met. FY 2007/2008 is the second year of the two-year operating budget cycle and the first year of the projects budget cycle.

The FY 2007/2008 Adopted Budget represents significant progress toward financial sustainability and reflects the City's new fiscal realities. In addition, it reflects the culmination of a significant effort to identify and fully fund a number of needed capital and infrastructure improvements including several projects related to the redevelopment of Downtown Sunnyvale and the replacement of the Water Pollution Control Plant.

REVENUES

Funding Sources

The majority of the money that supports City services and projects comes from either fees paid by users of services or taxes. User fees are the single largest source of City revenue, constituting approximately 44% of total estimated revenues in FY 2007/2008. User fees include payments for water, sewer, garbage, and recreation services. Utility services are supported entirely by user fees.

Taxes are the next largest source of City revenue representing 34% of the total. The majority of City tax revenue comes from sales and property taxes, with the City receiving 1 cent of the total 8.25 cent sales tax charged in Sunnyvale and approximately 13 cents of each dollar of property tax that is assessed against property within the City. These tax sources are affected by changes in the economy, the housing market, and legislative actions. Following the "Dot-Com Bust," many of these tax sources stabilized at lower base levels; however, they have increased as the economy began a measured rebound and are forecast to remain on this upward trend.

Approximately 11% of the City's funds for FY 2007/2008 will come from federal, state, and local agencies or as grants from other government agencies. The City also receives funds from various other sources, including interest on its investments. Other sources, approximately 11% of the total estimated revenues, includes bond proceeds related to the replacement of equipment at the SMaRT Station Materials Recovery Facility, a partnership with two neighboring cities.

EXPENDITURES

Operating Budget

Each year, the funds used to provide services for Sunnyvale are appropriated into a spending plan called the Operating Budget. This plan is revised every other year to

take into account changes in inflation, changes in community conditions, and changes in the amount and types of services necessary to maintain the City's standard of excellence. In FY 2007/2008, approximately 77% of the Adopted Budget is programmed in the Operating Budget. Of that total, 84% will go toward providing services that ensure Sunnyvale's citizens and businesses enjoy well-maintained streets, clean parks, first-rate library services, and a safe, secure community. In addition, 4% will be spent for community development, which includes land use planning, construction permitting and neighborhood preservation. Another 4% will be used for employment development. The City of Sunnyvale serves as the administrative entity for the North Valley Job Training Consortium (NOVA) which is fully funded by federal, state and other outside funding sources. The remainder of the Operating Budget will be spent to provide other City services.

Projects Budget

In FY 2007/2008, approximately 16% of the budget will be invested in projects. Just as individuals or businesses set aside money for home repairs or replacing aging equipment, the City plans ahead for long-term maintenance, renovation and repair, improvements, and major additions. These efforts are funded through the City's Projects Budget. Through the Projects Budget, the City proactively addresses long-term needs by identifying project costs, future operating costs, and any outside funding sources. Thus the City already has determined how it will pay for many of its long-term renovation and replacement needs. Some of the major projects included in the FY 2007/2008 Adopted Budget are the Mathilda Avenue Railroad Overpass Replacement and Reconfiguration, Plaza del Sol Phase II, replacing the SMaRT Station equipment, and Borregas Avenue Bicycle Corridor.

Other Expenditures

The General Fund Service Level Set-Aside represents funds that are available to increase service levels or add new services. Approximately \$500,000 growing with inflation has been budgeted through the 20-year General Fund Long Term Financial Plan. Therefore, the Set-Aside is available each year for ongoing purposes.

The City's debt is approximately 2.5%. Just as individuals may borrow money for a house or car, the City occasionally borrows funds to finance major improvements. For instance, the City is currently paying debt service for funds borrowed to improve the City's wastewater services (sewer). The debt service payments are financed by fees paid by users of the particular service.

For More Information

More information about Sunnyvale's FY 2007/2008 Adopted Budget is available through the Department of Finance link at the City's website (<http://sunnyvale.ca.gov>).

CITY OF
SUNNYVALE

FY 2007/2008

ADOPTED
BUDGET
SUMMARY



Questions/comments please contact:

City of Sunnyvale
Department of Finance
650 West Olive Avenue
P.O. Box 3707
Sunnyvale, CA 94088

or

call (408) 730-7380

The Adopted FY 2007/2008 Budget
is available online at:
<http://sunnyvale.ca.gov/>



Fiscal Year 2007/2008 Adopted Budget Summary

TOTAL ESTIMATED REVENUES

USER FEES (44%)\$118,581,152

Garbage Fees.....	30,010,074
Water Fees.....	25,631,546
Sewer Fees.....	21,551,117
Franchise Fees.....	6,037,676
Recreation Service Fees.....	7,224,140
Permits and Licenses.....	6,722,084
Rents and Concessions.....	4,454,937
Other Fees and Services.....	4,844,692
Traffic Impact Fees.....	3,563,887
Housing Mitigation Fees.....	3,537,753
Park Dedication Fees.....	4,054,747
Fines and Forfeitures.....	948,499

TAXES (34%)\$93,155,267

Property Tax.....	41,035,197
Sales Tax.....	32,584,622
Utility Users Tax.....	6,530,046
Hotel and Motel Tax.....	6,848,224
Gas Tax.....	2,429,707
Other Taxes.....	3,727,471

INTERGOVERNMENTAL (11%)\$29,162,672

SMaRT Station Operations/Reimbursement.....	12,693,447
Workforce Investment Act Grant.....	7,531,002
Community Development Block Grant.....	1,268,078
Other Agencies Contributions.....	548,100
State Shared Revenues.....	2,335,577
HOME Grant.....	699,969
Federal Grants.....	4,086,499

OTHER (11%)\$29,067,611

SMaRT Station Bond Proceeds.....	10,000,000
Interest Income.....	7,093,289
Sale of Property.....	5,000,000
Other Revenues.....	4,665,524
SMaRT Station Revenues.....	1,757,719
Repayment to City – Town Center Developer.....	551,079

TOTAL ESTIMATED REVENUES\$269,966,702

(Excludes Internal Service Fund revenues)

OPERATING BUDGET (77%):

City Manager's Office.....\$4,196,111

City Attorney's Office\$1,535,535

City Council\$618,991

Community Development Department\$7,294,385

Construction Permitting.....	2,396,931
Land Use Planning.....	2,023,392
Housing and Human Services.....	1,042,065
Neighborhood Preservation.....	803,334
Economic Development.....	756,347
Community Development Department Management and Support Services.....	272,316

Employment Development Department.....\$8,448,341

Finance Department\$7,398,856

Human Resources Department\$4,102,668

Library Department\$6,723,080

Parks and Recreation Department\$18,230,136

Arts and Recreation Programs and Operation of Recreation Facilities.....	7,895,517
Neighborhood Parks and Open Space Management ...	6,522,823
Golf Course Maintenance Operations and Golf Shop Services.....	3,108,382
Parks and Recreation Department Management and Support Services.....	703,414

Public Safety Department.....\$64,727,380

Police Services.....	22,230,485
Fire Services.....	21,400,008
Investigation Services.....	6,071,067
Community Safety Services.....	4,377,493
Communication Services.....	3,361,080
Public Safety Department Management and Support ..	2,799,407
Personnel and Training Services.....	2,387,108
Records Management and Property Services.....	2,100,732

Public Works Department.....\$83,677,993

Solid Waste Management.....	26,697,455
Water Supply and Distribution.....	19,122,629
Materials Recovery and Refuse Transfer (SMaRT)	12,192,894
Wastewater Treatment.....	10,398,627
Pavement Operations.....	4,560,611
Transportation and Traffic Services.....	2,024,052
Sanitary Sewer Collection System.....	1,505,654
Roadside and Median Right-of-Way Services.....	1,448,143
Street Tree Services.....	1,433,065
Concrete Maintenance.....	1,112,701
City Streetlight System.....	884,849
Engineering Services.....	882,647
Public Works Department Management and Support Services.....	636,132
City Property Management Services.....	336,465
Storm Water Collection System.....	280,732
Parking District Landscaping Management.....	87,072
Downtown Parking District Parking Lots.....	74,265

Project Operating Budget\$12,500

TOTAL OPERATING BUDGET.....\$206,965,976

PROJECTS BUDGET (16%):.....\$44,030,814

Special Projects.....	18,612,206
Infrastructure Projects.....	12,277,626
Capital Projects.....	9,478,710
Lease Payments.....	1,860,098
Project Administration.....	1,489,703
Outside Group Funding.....	312,471

OTHER EXPENDITURES (3%):.....\$8,685,947

Debt.....	7,025,689
Wastewater Equipment Replacement.....	663,050
Payment to Town Center Developer.....	551,079
Service Level Set-Aside.....	446,129

RESERVE FOR CAPITAL PROJECTS (4%):..... 10,283,965

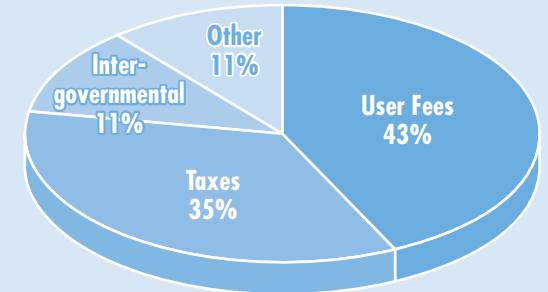
TOTAL ADOPTED

FY 2007/2008 BUDGET\$269,966,702

SUNNYVALE REVENUE SOURCES

FY 2007/2008 BUDGET

\$269,966,702



SUNNYVALE EXPENDITURES

FY 2007/2008 BUDGET

\$269,966,702

