

Understanding Sunnyvale's 2009/2010 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 20-year Resource Allocation Plan that is balanced to the twentieth year with all reserve requirements met. The budget is performance-based, structured programmatically around services provided with measures to evaluate how well the City's operations performed against stated objectives.

With the economy in the deepest global recession since the Great Depression, the adopted FY 2009/10 Budget was prepared to reflect a new fiscal reality for the City. Faced with a reduced revenue base and rising expenditures, the adopted FY 2009/10 Budget includes a comprehensive plan to bring the General Fund Long-term Financial Plan back into balance, establish long-term fiscal stability, and continue to provide core services at a level and quality that meet Council priorities. This plan is based on three main strategies: implementing efficiencies within operations to reduce costs without significantly impacting services, realigning personnel costs to reflect our lower revenue base, and utilizing the Budget Stabilization Fund to reduce the impact on services until economic recovery is achieved.

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 41 percent of total estimated revenues in FY 2009/10. User fees include payments for water, sewer and garbage utilities, as well as recreation services. Water, sewer and garbage services are supported entirely by user fees.

Taxes are the next largest source of City revenue, representing approximately 35 percent of the total. The majority of City tax revenue comes from Sales and Property taxes, with the City receiving one cent of the total 9.25 cent Sales Tax charged in Sunnyvale and approximately 16 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. The current economic recession has had a significant impact on several major revenue sources, including Sales Tax and Transient Occupancy Tax. Revenues from these sources declined in FY 2008/09 in comparison to FY 2007/08 and are expected to remain relatively flat in FY 2009/10 and FY 2010/11 before beginning to slowly recover in FY 2011/12.

Approximately 11 percent of the City's funds for FY 2009/10 will come from federal, state, and local agencies. 7 percent of the City's funding for FY 2009/10 will come from the reserves of various funds. It is important to note, however, that none of the City's contingency reserves, which are set by Fiscal Policy and are a percentage of the operating budget set aside each year to cover emergency or disaster, are impacted by these actions. The reserves that are being drawn upon do not operate like traditional reserves. Instead, these reserves, including the General Fund's Budget Stabilization Fund, serve to levelize economic cycles from year to year, and are expected to have annual fluctuations. The City also receives funds from various

other sources, including interest on its investments. These other sources account for 6 percent of total revenues.

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 2009/10, approximately 82 percent of the Adopted Budget is programmed in the Operating Budget. Of that total, 85 percent 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, 3 percent will be spent for community development, which includes land use planning, construction permitting and neighborhood preservation. Another 5 percent 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 and support for all City services. As part of the comprehensive budget plan to bring the General Fund Long-term Financial Plan back into balance, \$4.2 million of cost savings actions have been identified in the operating programs. These savings are expected to be generated by implementing efficiencies in the operations that have minimal impact on service levels.

Projects Budget

In FY 2009/10, approximately 15 percent of the budget will be invested in projects. Just as businesses set aside money for improving facilities 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 2009/10 Adopted Budget are the Morse Avenue Neighborhood Park Development, Wolfe Road Caltrain Overcrossing, and Calabazas Creek Bridge at Old Mt. View-Alviso Road.

Other Expenditures

The City's debt is approximately 3.1 percent. 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 (sewer) services. The debt service payments are financed by fees paid by users of the particular service.

For More Information

More information about Sunnyvale's FY 2009/10 Adopted Budget is available at Budget.inSunnyvale.com.

CITY OF
SUNNYVALE

FY 2009/2010

ADOPTED
BUDGET
SUMMARY



Questions/comments please contact:

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

or

call (408) 730-7380, TDD (408) 730-7501

The FY 2009/2010 Adopted Budget
is available online at
Budget.inSunnyvale.com

For general information please call (408) 730-7500



Fiscal Year 2009/2010 Adopted Budget Summary

TOTAL ESTIMATED REVENUES

USER FEES (41%).....	\$112,354,427
Garbage Fees.....	32,504,860
Water Fees.....	26,402,944
Sewer Fees.....	23,859,546
Other Fees and Services.....	6,911,203
Franchise Fees.....	6,227,378
Rents and Concessions.....	4,668,921
Permits and Licenses.....	4,355,724
Recreation Service Fees.....	4,212,197
Park Dedication Fees.....	2,017,699
Fines and Forfeitures.....	1,193,955
TAXES (35%)	\$94,815,734
Property Tax.....	47,978,164
Sales Tax.....	27,100,000
Utility Users Tax.....	7,175,823
Transient Occupancy Tax.....	5,796,280
Other Taxes.....	3,254,955
Gas Tax.....	2,209,566
State Traffic Congestion Relief (Prop 42).....	1,300,946
INTERGOVERNMENTAL (11%)	\$31,403,748
SMaRT Station Operations/Reimbursement.....	11,882,533
Workforce Investment Act Grant.....	9,784,506
Federal Grants.....	5,636,324
Community Development Block Grant.....	2,077,780
State Grants.....	961,333
HOME Grant.....	761,634
Other Agencies Contributions.....	299,638
OTHER (6%)	\$15,697,491
Bond Proceeds.....	6,352,625
Interest Income.....	4,341,999
Other Revenues.....	3,496,082
SMaRT Station Revenues.....	1,506,785
USE OF RESERVES (7%)	\$19,341,489
TOTAL ESTIMATED REVENUES	\$273,612,889

(Excludes Internal Service Fund revenues)

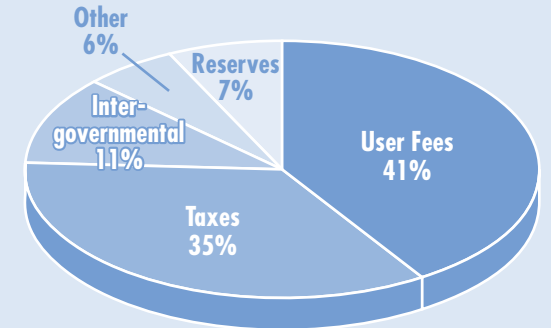
TOTAL APPROPRIATIONS

OPERATING BUDGET (82%):	
City Manager's Office	\$4,445,667
City Attorney's Office	\$1,861,688
City Council	\$656,444
Community Development Department	\$7,085,289
Construction Permitting.....	2,557,252
Land Use Planning.....	2,138,951
Housing and Human Services.....	1,180,824
Neighborhood Preservation.....	881,479
Community Development Department Management and Support Services.....	326,783
Employment Development Department.....	\$11,968,167
Finance Department	\$8,135,651
Finance Operations.....	6,021,436
Utility Billing.....	2,114,215
Human Resources Department	\$4,344,665
Library Department	\$7,312,235
Community Services Department	\$20,723,129
Arts and Recreation Programs.....	8,550,141
Neighborhood Parks and Open Space Management.....	6,984,067
Golf Course Maintenance Operations and Golf Shop Services.....	3,443,991
Columbia Neighborhood Center, Youth, and Family Resources.....	978,100
Parks and Recreation Department Management and Support Services.....	766,830
Public Safety Department.....	\$71,523,511
Police Services.....	23,286,916
Fire Services.....	23,214,623
Investigation Services.....	6,540,989
Public Safety Department Management and Support.....	5,259,631
Community Safety Services.....	4,819,708
Communication Services.....	3,705,099
Personnel and Training Services.....	2,497,360
Records Management and Property Services.....	2,199,185

Public Works Department.....	\$89,888,872
Solid Waste Management.....	28,860,400
Water Supply and Distribution.....	20,415,412
Materials Recovery and Refuse Transfer (SMaRT)*.....	12,292,030
Wastewater Treatment.....	12,054,504
Pavement Operations.....	4,557,993
Transportation and Traffic Services.....	2,213,883
Sanitary Sewer Collection System.....	1,640,413
Street Tree Services.....	1,571,856
Roadside and Median Right-of-Way Services.....	1,404,061
Concrete Maintenance.....	1,162,430
City Streetlight System.....	1,091,692
Engineering Services.....	1,034,351
Public Works Department Management and Support Services.....	697,086
Storm Water Collection System.....	320,586
City Property Management Services.....	303,235
Program Administration.....	132,870
Parking District Landscaping Management.....	78,208
Downtown Parking District Parking Lots.....	57,862
Cost Saving Actions	(\$4,200,354)
Project Operating Budget	\$72,960
TOTAL OPERATING BUDGET.....	\$223,817,924
PROJECTS BUDGET (15%):.....	\$40,407,332
Infrastructure Projects.....	15,964,554
Capital Projects.....	11,473,273
Special Projects.....	9,221,341
Lease Payments.....	1,896,545
Project Administration.....	1,539,294
Outside Group Funding.....	312,325
OTHER EXPENDITURES (3%):.....	\$9,387,633
Debt.....	8,637,049
General Equipment.....	750,584
TOTAL ADOPTED	
FY 2009/2010 BUDGET	\$273,612,889

SUNNYVALE REVENUE SOURCES

FY 2009/2010 BUDGET
\$273,612,889



SUNNYVALE EXPENDITURES

FY 2009/2010 BUDGET
\$273,612,889

