



# Recommended Budget and Resource Allocation Plan

City of Sunnyvale, California – Fiscal Year 2015/16

## Volume I

Summary & Operating Budget









CITY OF SUNNYVALE

# Memorandum

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**DATE:** May 1, 2015

**TO:** Mayor, Councilmembers and Residents of Sunnyvale

**FROM:** Deanna J. Santana, City Manager *DJS*

**SUBJECT:** **Fiscal Year 2015/16 Recommended Budget for the City of Sunnyvale**

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I am pleased to present for your review and consideration the FY 2015/16 Recommended Budget and 20-Year Resource Allocation Plan. This recommended budget balances sustainable funding for core operations with additional resources to address City Council's strategic areas of focus and the increasing demands for services from the community.

With strong leadership from the Council, the good work of City staff, and the long-term fiscal planning framework, Sunnyvale has emerged from recession and is at the forefront of a strong state-wide economic recovery led by the Bay Area region. We believe the City is on solid financial footing, with a growing real estate market positively impacting property tax revenue, and active development throughout the city creating jobs and increasing economic activity. This budget carefully reflects the benefits of economic recovery with revenue growth projections and an improved fiscal outlook for the City's General Fund. While we are both optimistic and cautious, the City's improved fiscal standing presents opportunity for investment in key service areas.

The combination of deferred "mission critical" projects during the recession and increased economic growth naturally brings additional demands for investment in City services and infrastructure. Past economic cycles have shown the volatility of our key revenues and the need to prepare for the inevitable downturns. This FY 2015/16 Recommended Budget and 20-Year Resource Allocation Plan proposes investment in key areas that likely can no longer be deferred and/or are strategic areas where the City stands to improve its service delivery to the community. Therefore, in this time of economic prosperity, Council has many choices to make to invest our resources wisely and for the long term. This recommended budget and long-term financial plan lays down the framework to do so and continues with the City's practice of fiscal prudence.

## **Strengthening the City's Financial Position for the Long Term**

Our current positive fiscal position allows us to continue to address many of the growing expenses and long-term liabilities. Working collaboratively with our labor associations, and in recognition that our workforce is our largest asset, we have made considerable progress to contain compensation costs in the short and long term, with actions that included: moderating salary increases, implementing second- and third-tier reduced benefit retirement plans, modifying leave programs, and increasing employee contributions for

retirement costs. These significant concessions made by our employees have been critical to stabilize the City's finances and maintain service levels. Similarly, we are also working to pay down our unfunded liability with CalPERS, propose to increase reserves to hedge against increasing retirement contribution rate volatility, and continue to contribute to our Other Post Employment Benefit Trust to mitigate our long term healthcare liabilities.

While many of our revenues are strong, the recommended budget also seeks to moderate the impact of the revenue volatility inherent in some of our largest revenue sources, specifically sales tax and development-related fees, and incorporates and absorbs the reality of declining revenue sources like utility users tax. It does so through the effective use of reserves, and a cautious approach to projecting the long-term revenue base. Through these actions, the FY 2015/16 Recommended Budget and 20-Year Resource Allocation Plan generally preserves the amount of the Budget Stabilization Fund, as adopted in FY 2014/15, funds all of the proposed projects identified by staff, and allows for additional investment on the part of the City Council to address long-term, ongoing needs.

### **Investing in Sunnyvale's Infrastructure**

The FY 2015/16 Recommended Budget is focused on the projects budget, as we alternate between a detailed review of operations and projects each year. The proposed projects budget, totaling \$879 million over 20 years, reflects rising construction costs and the significant needs of our aging infrastructure.

One of Council's strategic priorities, the ability of transportation and other infrastructure to support development, is a major focus with projects to rehabilitate the Fair Oaks and Calabazas Creek bridges, reconfigure the Mathilda/237/101 intersection and additional funding for sidewalks, curbs and gutter replacement among other projects to improve our transportation network. The City's utilities infrastructure is also addressed with the replacement of the Water Pollution Control Plant and increased funding for water line replacement.

Open space is another high priority for the Council and the community. With funding through park dedication fees, all of the City's 21 parks are budgeted for renovation over the 20-year planning period. Renovations in the near term include Fair Oaks Park, Lakewood Park and the Washington Community Swim Center. A fully funded plan to maintain all of the City's existing parks is a significant achievement, and allows Council to focus on expansion of our open space.

### **Rebuilding Capacity to Meet Strategic Priorities**

With the City in a stronger fiscal position and the demand for increased service or project implementation, we are constrained by a workforce that is nearly 20 percent smaller than it was 15 years ago. This presents significant challenges because our resources are not able to keep pace with operational demands, while there is also interest and need to implement key initiatives that require additional resources.

We have begun to conservatively address these needs with additional funding for resources in the Community Development Department and this recommended budget

adds resources for the Departments of Public Safety, Public Works and the Office of the City Manager. However, the additional resources are modest and only begin to address the gap between workload and staff capacity in these departments as well as in several other areas of the City. As demands continue to pressure our existing assets, we'll continue to look to strategically add resources where appropriate.

In the following pages, the overview of the FY 2015/16 Recommended Budget provides greater detail by the key components: revenues, expenditures, and reserves. For further information, Volume I: Summary & Operating Budget includes the 20-year financial plans for all funds and the operating budget by department. Volume II: Projects presents specific project detail by project category.

In summary, the FY 2015/16 Recommended Budget presents a balanced allocation of resources designed to begin meeting the increasing demands of a growing economy while maintaining a sustainable financial position for the long term. This budget maintains sufficient reserves to manage the volatility of the modern economy, and holds Sunnyvale's reputation for being strategic and thoughtful in budgeting. While we will continue to be faced with challenges such as our long-term liabilities and aging infrastructure, we are in a positive and stable fiscal position and are well situated to meet the future head on. Overall, I believe that our challenges translate to opportunities and that the wisdom of our City Council, workforce, and community are well poised to resolve them in the best interest of Sunnyvale.

# FY 2015/16 Recommended Budget Highlights

The FY 2015/16 Recommended Budget totals \$356 million and includes all City operations and project expenditures, as well as contributions to reserves. Citywide budgeted expenditures are funded from multiple sources that include restricted enterprise funds (Water, Wastewater, Solid Waste, Development Enterprise and Golf and Tennis), restricted special revenue funds such as Housing, Park Dedication and Gas Tax, and grant funding, which include transportation related grants for capital projects, and federal and state workforce grants for employment development. These restricted funds make up over half of the budget.

The City's General Fund, which accounts for 42% of the citywide budget, has proposed expenditures of \$153 million. The General Fund is balanced over the twenty-year financial plan with a Budget Stabilization Fund Reserve that ends with \$13.5 million in the twentieth year. The Budget Stabilization Fund is used strategically over the twenty-year planning period to ensure we provide a stable and consistent level of service over the long term.

Primarily due to an increase in the property tax revenue base (discussed in detail below), the General Fund includes an expenditure line item, entitled "service level set aside," budgeted at \$950,000 and growing by a general inflation factor over the twenty-year plan. This line item represents the amount that can be added to the budget while maintaining a structural balance over the twenty years.

The service level set aside and the Budget Stabilization Fund provide flexibility to invest in services, deal with unexpected events, or absorb the impact when budgetary assumptions do not come in as planned. This is an important factor given two significant vulnerabilities in the General Fund long-term financial plan. First, several of the major revenue sources in the General Fund are highly volatile and heavily impacted by economic cycles. While we have taken care to budget to historical averages over the long-term plan, the City has experienced severe drops from peak levels in the recent

past. Additionally, we are also budgeting at a time when several revenues appear to be at peak levels.

Second, the budgeted salary assumptions may be challenging to hold to given the salary surveys in place that affect three bargaining groups and the need to make investments in our employees to maintain competitiveness in an improving economy. Fiscal sustainability will have to be balanced with that competitiveness, particularly with the concessions made by employees over the past several years, and the reduced retirement formulas in place for new employees. With these vulnerabilities in mind, these funds should be used thoughtfully and strategically.

As part of the development of the budget, the City performs a detailed review of operations and projects in alternating years. For the FY 2015/16 Recommended Budget, the focus is on the twenty-year projects budget. All projects were updated and reviewed in detail. Many existing project budgets have increased due to the rising costs of construction. In addition, due to the numerous capital and infrastructure needs across many categories such as transportation, parks, and utilities, careful attention was paid to the pacing of projects and what can be realistically delivered with the current staffing levels. Some staffing has been added to manage through the current workload, but resource levels will continue to need to be managed, particularly as the City progresses further into its largest infrastructure project to date, the water pollution control plant reconstruction. The twenty-year projects budget totals \$879.7 million over twenty years, up \$101.6 million or 13% from the FY 2013/14 Adopted Budget, the last projects budget cycle. Highlights are included below under "Major Project Highlights."

As FY 2015/16 is the second year of the two-year operating budget, the operating budget is largely the same as presented in the FY 2014/15 Adopted Budget and Long-Term Financial Plan. The recommended budget includes a few changes based on Council actions during FY 2014/15 and to provide resources

for increasing service demands and Council strategic priorities which are discussed in detail in the “Operating Budget” section.

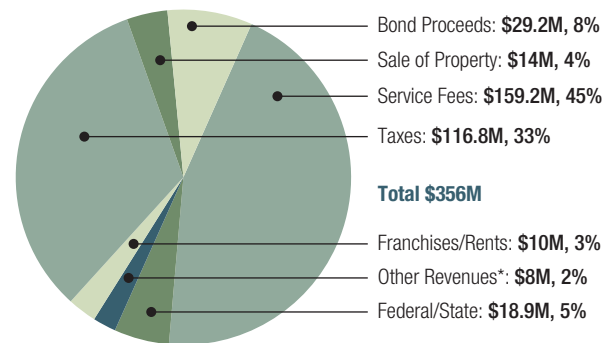
The FY 2015/16 Recommended Budget also includes eight Budget Supplements, which provide funding to complete study issues or contribute funds to external agencies who serve City residents and have been traditionally funded by the City. Seven of the supplements provide funding for one year only. The eighth budget supplement proposes funding for five years to the Downtown Association during a critical time in the revitalization of the City’s downtown.

There are three key elements to the City’s budget and resource allocation plan that provide the financial picture of the City for both the short and long term: revenues, expenditures and reserves. The following sections discuss the highlights, key assumptions and changes included in this recommended budget for each of these elements. It is important to note these elements are budgeted into specific funds, such as the Park Dedication Fund and the Gas Tax Fund, primarily to ensure that revenues restricted to specific purposes are spent for those purposes. While the discussion here is not organized by fund, this important structure is reflected in the budget document with the presentation of twenty-year financial plans for each of the City’s 27 funds. Detailed discussions about revenues, expenditures, and reserves by specific fund are included with the financial plans.

## City Revenues and Resources

The City relies on many sources of revenues and the strategic use of reserves to fund services to the community at a stable and sustainable level. As Figure 1 shows, the largest revenue categories are taxes and service fees.

**Figure 1**  
FY 2015/16 Recommended Budget/Revenues by Source



\*\*Other Revenues include: interest income, fines / licenses /permits, miscellaneous revenues (ie: damage to City property, housing loan repayments), SMaRT Station revenues, reimbursement from the county, and other agencies contributions.

## Taxes

Taxes, imposed by a government for the purpose of raising revenue to support governmental activities, are distinctly different from fees in that a tax does not need to be levied in proportion to the specific benefit received

**Figure 2**  
Top Tax Revenues

Revenue Source	2012/13 Actual	2013/14 Actual	2014/15 Revised Projection	2015/16 Proposed Projection
Property Tax	\$47,555,857	\$50,293,385	\$53,511,242	\$56,486,757
Sales Tax	30,028,067	30,194,827	29,849,173	31,947,169
Transient Occupancy Tax	9,016,052	10,858,671	12,436,990	11,397,216
Utility Users Tax	6,549,144	6,754,263	6,720,489	6,809,616
Gas Tax	3,246,768	4,568,727	4,170,352	3,102,861
Construction Tax	2,724,864	2,983,677	3,067,503	2,599,579
<b>Total Top Revenues</b>	<b>\$99,120,752</b>	<b>\$105,653,550</b>	<b>\$109,755,749</b>	<b>\$112,343,198</b>



by a person or property. Therefore, almost all of the City's tax revenues are in the General Fund, the primary general purpose fund of the City. Taxes account for 80% of the total revenues in the General Fund, supporting many of the most visible and essential city services such as police, fire, road maintenance, libraries and parks maintenance. The one major tax revenue accounted for in a separate fund is the Gas Tax, which is levied and distributed by the State. Gas Tax funds must be spent on maintenance and capital projects related to public streets and highways. Figure 2 presents recent revenue received and projections for the top tax revenues.

The proposed revenues present an overall positive outlook in the short term, but also reflect the volatility in key tax revenue sources. As part of the development of the recommended budget, the current year projections are also updated. Based on year-to-date figures, we anticipate FY 2014/15 revenues for property tax, transient occupancy tax and construction tax to exceed actual returns in the prior year. Revised FY 2014/15 estimates for sales tax, utility users' tax and gas tax project that these revenues will decrease from FY 2013/14. These revenue declines are a strong reminder that strengthening the City's revenue base must be a priority. We are currently working on a Council Study Issue to analyze the utility users' tax ordinance for modernization and potential tax increase for the 2016 ballot. This work will also be done in conjunction with a revenue strategy team to review all City revenues and areas to further pursue with Council and the community.

**Property tax** revenue has continued to experience very strong growth. The increased revenue is due to bustling development activity in both the residential and commercial real estate markets. In particular, Sunnyvale home sales prices have hit record levels with an average sale price of \$860,000. Revenues from the residential sector increased 6.3% in FY 2014/15 while the commercial/industrial sector experienced 8.0% growth. While growth was forecast in the FY 2014/15 Adopted Budget, actual growth is higher than these estimates and therefore, the City's property tax revenue base was adjusted up. In addition, we anticipate continued strong growth in property tax revenue for the next two years. The residential growth projection

is adjusted up 0.5% to 4.5% for FY 2015/16. On the commercial side, we have analyzed significant approved development projects and the estimated construction schedules for these projects. Based on this data, three years of high growth is projected as these projects are added to the tax roll. Beginning in FY 2018/19, we forecast property tax growth at a long-term historical average. With the higher property tax base and increased growth assumptions in the short term, the combined effect is that property tax revenues over the General Fund long-term financial plan are up \$67.5 million over twenty years.

**Sales tax**, the City's second largest tax revenue source, continues to provide unstable returns. The largest segment of activity in our sales tax base is business-to-business sales, which has declined over the last three years. In addition, a large negative adjustment made by the State Board of Equalization related to remittances from one of the City's largest sales tax producers is impacting revenues for FY 2013/14 through FY 2015/16. With weak business-to-business revenues year to date and the impact of the negative adjustment, FY 2014/15 sales tax revenue is anticipated to be less than FY 2013/14 actuals by approximately \$350,000. Non business-to-business activity has trended positive, which we anticipate continuing in FY 2015/16. Without the effect of the negative audit adjustment, we forecast FY 2015/16 revenue to be up 4.5% over the revised FY 2014/15 projection. For the long term, given the ongoing volatility and the erosion of the sales tax base as we continue to move into more of a service based economy, we have maintained modest sales tax growth projections. Projections for additional sales tax revenue from the redevelopment of the downtown have been pushed back one year to mid-FY 2017/18 and reduced from \$1.5 million annually to \$1 million annually. The overall impact of all these adjustments to the City's General Fund long-term financial plan is a \$3 million decrease over twenty years.

**Transient occupancy tax (TOT)** has shown significant growth over recent years, coming in above estimates for FY 2013/14 and anticipated to be above estimates again for FY 2014/15. Historically, this revenue source has correlated with the economy and followed



sales tax trends, because business related travel is the core business for Sunnyvale's hotels. Currently, TOT growth is outpacing sales tax growth as TOT revenue continues to remain strong and is anticipated to stay strong through FY 2015/16. Growth has also come from the 1% increase in TOT rate to 10.5%, effective January 1, 2014. In the update of revenue projections for the FY 2015/16 Recommended Budget, we have adjusted the timing of the three new hotels forecast in the budget and have only included approved projects. Because of the heavy reliance on business travel and the resulting volatility, we utilize historical room and occupancy rates for projections starting in FY 2016/17.

**Utility users tax (UUT)** revenue, generated from the sale of electricity, telecom services, and the sale of gas, is forecasted to decline over the long term. The decline is being driven by two factors, energy efficiency and how the City's outdated ordinance applies to telecom. High development activity, in particular the impact of additional buildings within the City, is growing the base. However, the impact of this growth has been substantially negated by energy efficiency, resulting in only modest growth in revenue. The telecom tax base has been deteriorating as the majority of telecom utility user tax revenue is based on landlines, while services such as data transmission are not included in the tax calculation of our outdated ordinance. Upon analysis of the UUT returns for the past several years, we have seen that the telecom tax base is deteriorating at a faster pace than previously projected as the market shifts away from traditional land lines. We have revised projections accordingly, which results in a reduction of \$23 million over the twenty-year financial plan.

**Gas tax**, levied as a flat rate per gallon sold, is projected to decline in the short term and then hold flat in the long term over the twenty-year financial plan. The majority of the tax is based on volume sold and not on the price of gasoline, and therefore, our projections consider advancements in fuel economy offsetting increased population and number of vehicles. The short-term decrease is due to a true-up rate set by the State for the portion that is based on price, caused by gas prices in FY 2013/14 declining much further than projected. While this revenue source holds flat over time, the costs

and needs for street maintenance and improvements continue to climb. There is discussion at the State and Federal level to make changes to the gas tax and how it is levied. In the meantime, the City's General Fund is picking up the increased funding requirement for these important expenditures.

**Construction tax** returns have been very strong, an indication of the high level of development activity that the City has sustained for three consecutive years. We anticipate that this historically high level will cool off, with an elevated amount estimated for FY 2015/16 and the historical average level planned beginning in FY 2016/17.

## Service Fees

Service fees are the City's largest source of revenue. A diverse set of fees are charged to recover all or a portion of the City's costs for providing a service or access to public property, or for mitigating the impacts of the fee payer's activities on the community. Intended for cost recovery, a fee may not exceed the estimated reasonable cost of providing the service or facility for which the fee is charged. Because of this basis and the legal restrictions related to the expenditure of many of the fees, several of the City's fees are accounted for in separate funds. By far, the largest source of fee revenue comes from the provision of water, sewer and refuse collection services. The proposed increases in utility rates are discussed below, as well as significant highlights in other fee categories.

**Utility Rates.** The City has three utility funds that are fully self-supporting: the Water Supply and Distribution Fund, the Solid Waste Management Fund, and the Wastewater Management Fund. Each year, as part of the budget process, staff analyzes the current condition and long-term outlook for all three funds. The analysis includes a review of fund balances; State and Federal environmental requirements; revenues; anticipated capital, infrastructure, and operational requirements; and a detailed inspection of significant expenditure areas. The results lead to proposed adjustments to rates that will generate the revenues necessary to meet planned expenditures. Through the long-term planning model, staff attempts to keep

utility rates as stable as possible with modest increases annually, rather than keeping rates flat and impacting customers with a high increase in one year. The overall recommended increase for FY 2015/16 is shown below, in Figure 3, with a comparison to the original projection made in the FY 2014/15 Adopted Budget:

**Figure 3  
Proposed Utility Rate Increases**

Utility	Original Projection	Recommended FY 2015/16	Change in Percentage Points
Water	5.0%	20.0%	15.0%
Wastewater	8.0%	8.0%	0.0%
Solid Waste	5.0%	5.0%	0.0%

Each of the utility enterprises has its own unique pressures that are driving rate adjustments. The FY 2015/16 Recommended Budget is the first year in the two year project budget cycle. As such, each utility submitted updated project budgets that included revised current projects as well as proposed new projects. Because the capital program for the utilities is substantial, the project budgets are significant enough that adjustments are typically made based on the changing priorities in each of the utilities every year and workload to administer these projects must be taken into consideration.

In the water utility, the two drivers affecting rates are the extended drought being experienced across the State for four consecutive years, and the increased infrastructure needs in the water utility. The drought adds a layer of financial uncertainty to the Fund. The State recently called for a mandatory 25% reduction in water use. The financial plan assumes that the drought will affect both revenues and expenditures as customers adjust to the mandate and the City sells and buys less water. In FY 2014/15, both wholesalers agreed to reduce the City’s minimum purchase requirements, so the revenue loss will be largely offset by savings in buying less water. The plan anticipates that these reductions will continue for another year. However, both wholesalers have also announced proposed rate increases of approximately 30% or more. These are much larger than

what was previously in the plan, and as such, the City’s rates must also be adjusted significantly.

Furthermore, as with all utilities, there are fixed costs to operate the water system that are not based on the volume of water delivered. These include large capital needs in the Fund, mainly associated with pipe, tank, and well replacements and rehabilitation. The recommended budget includes approximately \$103.6 million in projects over 20 years, the most significant of which is \$70 million for water pipe and main replacements. The plan also includes investment in recycled water through the Continuous Recycled Water Production project being implemented at the City’s Water Pollution Control Plant. This investment leverages a \$1.5 million grant from the State Department of Water Resources and supports both an investment in recycled water within the City and a more regional approach in partnership with the Santa Clara Valley Water District to secure and stabilize water supply.

Wastewater rates are rising as planned and being driven primarily by costs associated with improvements to the City’s wastewater collection and treatment system and stricter regulatory requirements. The main driver of rates in the Wastewater Management Fund is the need to replace the City’s aging wastewater treatment plant. The rates include an assumption that the City will issue utility revenue bonds to fund the project over many years; annual debt service costs are expected to be over \$22 million by FY 2023/24 after all the bonds have been issued. This debt service expense is substantial – it will eventually make up more than a third of the Fund’s total expenditure requirements.

The Fund also has several new projects that address regulatory needs as ongoing infrastructure needs, and support the Council’s adopted Climate Action Plan. Tightening regulations on storm water management are the primary driver of new projects. The plan includes \$6.4 million to make improvements and implement programs to capture trash and keep it from the storm water system. Also included is \$500,000 to pilot infrastructure improvements such as green streets to better manage storm water in the City.

Solid waste rates are rising as planned, driven

primarily by the implementation of the City's Zero Waste Strategic Plan. This project, which is working to increase the City's waste diversion rate to 75% by 2020 and 90% by 2030, is achieving these goals through a combination of new services and enhanced public education and outreach. A portion of the increases from zero waste are offset by savings through less waste being landfilled.

Solid waste rates also include the costs of operating and maintaining the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station). These costs are shared by the cities of Mountain View and Palo Alto. This year, approximately \$1.3 million in new costs are added (half of which are Sunnyvale's) to comply with a settlement agreement with Baykeeper on storm water pollution prevention. These costs include preliminary estimates of new capital improvements and ongoing costs to better manage storm water at the site.

Overall, the utility funds remain on solid footing and are performing well despite facing many unforeseen challenges. As the City continues its disciplined approach in reviewing the financial condition of each of these critical funds every year, time is provided to make adjustments and minimize the fiscal impact on each utility's customers.

**Development-Related Fees.** Effective FY 2014/15, a separate Development Enterprise Fund was established that includes all development-related fees (e.g. plan check fees, inspection fees and permit application fees) and related expenditures. In addition to ensuring full cost recovery, the Fund allows us to track revenues and expenditures separately, because these fee revenues are highly volatile and expenditures related to specific fees can occur later than when the revenue is collected; a separate fund allows us to build and draw down on a separate reserve. Prior to establishing the Fund, in preparation a separate Development Enterprise Reserve was created in the General Fund to hold revenues collected in excess of what was budgeted for development-related revenue for FY 2012/13 and FY 2013/14. It should be noted that construction tax, while tied to development activity, is a tax and therefore remains in the General Fund.

With several large scale development projects in the Moffett Park and Peery Park areas, staff estimates an elevated level of revenue to continue for FY 2015/16. However, this will be the fifth consecutive year of high

activity, and history has shown us that this revenue is highly volatile with very wide swings between the peaks and valleys. As a result, a historical average has been budgeted starting in FY 2016/17. On the expenditure side, a detailed analysis was conducted to ensure all direct and indirect costs are reflected in the new Fund. The long-term financial plan for the Development Enterprise Fund includes indirect costs that were not captured in the FY 2014/15 Adopted Budget. With these costs included, the long-term financial plan indicates the historical level of revenues will not fully cover expenditures over the long term. As a result, fees will need to be increased over the long term. As we develop more actual history, this separate Fund will assist us in ensuring full cost recovery.

**Development Impact Fees.** The City imposes four development impact fees to mitigate the impact of a development on the community: Park Dedication fees, Transportation Impact fees, Housing Mitigation fees and Sense of Place fees. Impact fees have strict requirements, set by state government code, that require fees to be roughly proportional to the impacts of the project and imposed for purposes related to the impacts of the project. Therefore, each of these fees is accounted for separately in its own fund or sub-fund. With development activity in the City at record levels, revenue from these fees has been significant. The City collected \$18.8 million in revenue from these four fees in FY 2013/14. Based on year-to-date figures and approved projects, we estimate collecting \$21.8 million in FY 2014/15. With the known development projects in the permitting process currently, a high level of revenue is anticipated for FY 2015/16 and FY 2016/17. Because of the volatile nature of development projects, it is challenging to forecast impact fee revenue beyond the most immediate years. As Figure 4 shows, Park Dedication Fee revenue is expected to remain high through FY 2016/17, based on several large projects triggering these fees, and then a historical average is used. We use the historical average starting in FY 2016/17 for Transportation Impact fees, and FY 2017/18 for Park Dedication, Housing Mitigation and Sense of Place fee revenue. The revenue projected above last year's budget is primarily appropriated in projects, or reflected as increases to fund reserves that will go to projects in the future.

**Figure 4  
Impact Fee Revenue**

Revenue Source	2014/15 Projection	2015/16 Budget	2016/17 Plan	2017/18 Plan	2018/19 Plan	2019/20 Plan
Park Dedication Fee	\$8,926,823	\$13,120,105	\$10,982,138	\$7,527,168	\$7,527,168	\$7,527,168
Housing Mitigation Fee	7,190,529	4,833,550	7,530,760	2,895,693	2,895,693	2,895,693
Transportation Impact Fee	5,396,302	2,276,568	1,776,803	1,812,339	1,848,585	1,885,557
Sense of Place Fee	294,953	539,815	569,081	238,177	242,940	247,799
<b>IMPACT FEES - TOTAL</b>	<b>\$21,808,607</b>	<b>\$20,770,039</b>	<b>\$20,858,782</b>	<b>\$12,473,376</b>	<b>\$12,514,386</b>	<b>\$12,556,217</b>

**Golf Fees.** Newly configured in FY 2012/13, the Golf and Tennis Fund has struggled over the last two years to operate as a true enterprise fund, with all activities attempting to be self-supporting. Due to the sudden departure of the restaurant operator for the two golf courses in 2012, golf revenues suffered greatly and the General Fund provided a \$300,000 subsidy to cover anticipated deficits for FY 2012/13 and FY 2013/14. During this time period, staff has made good progress in restructuring staffing to reduce expenditures; however growing revenues has been a challenge. Although the restaurants re-opened under a new operator, revenues did not rebound as strongly as anticipated and the new operator went out of business in early FY 2014/15. The Fund remains in a precarious position and staff is recommending action to provide General Fund monies to the Golf and Tennis Operations Fund due to projected shortfalls in FY 2014/15 and 2015/16.

Over the longer term, a combination of greater revenue growth and further expenditure reduction is required for this Fund to be structurally balanced. An additional longer term pressure is the funding of capital improvements. Current planned capital projects are funded by Park Dedication Fees through FY 2032/33, but subsequently the Golf and Tennis Fund is expected to fund its own capital and infrastructure. Given the many challenges, a discussion of the long-term viability of the golf course operations and the current funding model will begin in the next year.

### Other Revenue Sources

The remaining revenue sources are varied including franchises, rents, fines, licenses and interest income. There are also one-time revenues in this category such as bond proceeds, federal and state grants and sale of property. Highlights of other revenue sources are discussed below.

**Debt Financing.** We use debt financing as a tool to maintain long-term financial stability by paying for certain expenditures over time. Debt financing allows us to manage cash flow when large, one-time outlays are required, generally for large infrastructure projects.

The City currently carries debt for both the Water and Wastewater Systems, the SMaRT Station, the Redevelopment Successor Agency and the Government Center property at 505 West Olive Avenue (“Sunnyvale Office Center”). All of the currently held debt is funded by rate revenues, former tax increment or lease payments. The City does not maintain any general obligation debt (commonly called “GO Bonds”) and continues to maintain the highest issuer credit rating issued by Standard & Poors (AAA) and Moody’s (Aaa).

The recommended budget includes the assumption that we will issue a significant amount of debt to finance the Water Pollution Control Plant (WPCP) renovation. It is anticipated that the first series of bonds may be issued as soon as FY 2015/16, with a financing program to continue for about 10 years. Financing for the WPCP will be secured by revenues from the Wastewater System (sewer rates). We are currently exploring a mix of



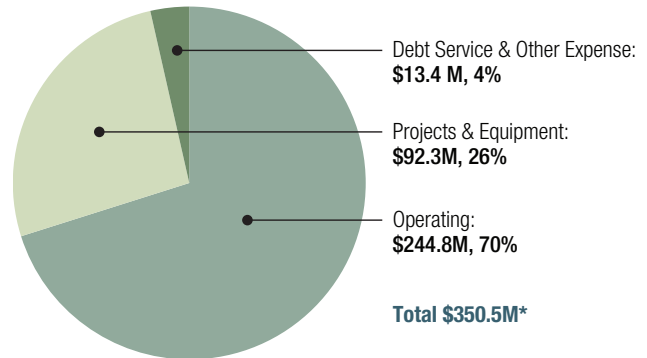
financing options including the use of State Revolving funds, traditional revenue bonds and short term cash borrowing rolled into a long-term financing option.

**Sale of Property.** One-time in nature, proceeds from the sale of property go to the fund that owned or purchased the property. By City policy, one-time revenues are spent on one-time expenditures. As such, in the General Fund, sale of property revenue is placed in the *Capital Improvement Reserve* within the Fund. For FY 2015/16, the General Fund reflects \$14 million for the sale of the Raynor Activity Center. Sale proceeds from the Raynor Activity Center are planned for design and construction of a branch library on the Lakewood Park site. The recommended budget also reflects updated sales numbers for the Unilever Margarine Plant site, moving the sale forward one year to FY 2016/17 and increasing the estimated value from \$11 million to \$18 million. Based on recent discussions with Unilever, they are planning exiting the site in FY 2015/16, at which point evaluation of the disposition of the property will begin.

### City Expenditures

City expenditures fall into three broad categories: operating, projects and equipment, and debt service. As Figure 5 shows, operating expenditures make up most of the City’s expenditures.

**Figure 5**  
**FY 2015/16 Recommended Budget Citywide Expenditures by Type**



\*The difference between total Citywide revenues and expenditures is reflected as an increase to reserves of \$5.5 million.

### Capital Projects and Infrastructure

The City operates on a two-year budget cycle. While Council approves a budget annually, the first year of the two-year cycle focuses on the City’s operations budget, while the second year focuses on the City’s projects budget. The FY 2015/16 Recommended Budget is in the second year of the two-year budget cycle, and as such, this budget focuses on the City’s projects. During the development of this budget, there was a detailed review of all City projects for the entire 20-year planning period. Detailed information on all of the projects is included in Volume II: Projects Budget.

**Figure 6**  
**Total Projects Budget by Fund**

Fund	Fund Title	2015/16	2016/17	2017/18	20-Yr Total
35	General	\$10,300,391	\$5,308,574	\$3,727,432	\$73,882,819
70	Housing Mitigation	5,466,610	26,183	10,000	5,780,801
71	HOME	1,320,000	—	—	1,320,000
110	CDBG	760,000	248,000	548,000	7,272,000
141	Park Dedication	—	—	—	—
175	Asset Forfeiture	44,500	44,500	44,500	311,500
245	Downtown Parking District	202,595	61,200	—	1,037,566
255	Sunnyvale Community Facilities District No. 3	—	—	—	104,752
280	Gas Tax	105,000	81,600	265,302	561,905
315	RDA Successor	163,000	163,000	148,000	554,000
385	Capital Projects	6,882,200	16,555,696	13,261,129	45,036,554
460	Water	5,816,288	3,575,500	3,374,368	96,844,815
465	Wastewater	42,964,054	42,666,133	47,756,549	369,013,968
485	Solid Waste	2,317,256	2,092,035	1,579,278	33,660,932
490	SMaRT Station	600,855	1,146,238	276,618	39,537,960
510	Development Enterprise	50,000	—	—	50,000
595	General Services	75,000	188,700	541,008	1,391,429
610	Infrastructure Replacement	13,056,824	11,210,643	17,097,983	203,291,296
<b>Grand Total</b>		<b>\$90,124,573</b>	<b>\$83,368,002</b>	<b>\$88,630,167</b>	<b>\$879,652,297</b>

The FY 2015/16 Recommended Budget includes 293 projects. We categorize our projects into four broad types: Capital, Infrastructure, Special and Outside Group Funding. Capital projects are efforts to construct new or expanded facilities or infrastructure. Infrastructure projects are to rehabilitate existing infrastructure. Special projects are efforts like special studies or initiatives. Projects also fall into thirteen categories based on the type of project or the need that they are addressing. Projects that are marked as

“unfunded” are typically dependent on grant funding or other outside funding sources that have not been identified or awarded at this time. In addition, there are many unfunded projects identified in the long-range plans for traffic and transportation that guide the development of the capital projects budget in the short and long term. The list of specific projects related to the traffic and transportation plans are included in the Traffic and Transportation section of Volume II: Projects Budget.

## Major Project Highlights

### Park and Recreational Facilities Renovation and Improvement



Parks projects, which are funded through park dedication fees, underwent a significant review and update through this budget process. Each project received a detailed review and costs for design and construction were updated to reflect the City's most recent experience in constructing Seven Seas Park. The FY 2015/16 Recommended Budget reflects projects throughout the twenty-year plan that renovate and update all the City's existing parks. Several major park projects are in the near term.

#### Fair Oaks and Lakewood Park Renovations

A total of \$14.5 million in park dedication fees over the next three years is planned for the significant renovation of two of the City's community parks, Lakewood Park and Fair Oaks Park. Both projects will include replacement of the athletic fields with synthetic turf, new bleachers and fencing, updated buildings, energy efficient fixtures and more.

#### Other Park Renovation Projects

Renovation of parks throughout the City other than Lakewood and Fair Oaks are spaced over the twenty-year planning period to allow for workload considerations, as well as timing them when renovation is appropriate. Some of the major highlights include

the renovation of Ortega Park starting in FY 2020/21, Baylands Park starting in FY 2022/23, Las Palmas and Serra Parks starting in FY 2023/24. The budget also includes funding every three years for the replacement of playground equipment at various parks. As the project budget is reviewed in detail every two years, adjustments may be made to the current schedules based on need or other considerations.

#### Recreational Facilities



The City also maintains numerous recreational facilities, the renovations of which are also funded largely by park dedication fees. The Washington Community Swim Center is a highlight of proposed projects. Funded at \$8 million over the next four years, this facility will be fully rebuilt, completely replacing the pool complex. Included will be a new family observation area, zero depth entry pools, water play equipment, slides and wading areas. This will increase the footprint of the facility, and the surrounding areas will also be improved as appropriate.

At the Community Center, progress is being made on a \$5 million project to upgrade the infrastructure at the site. Work includes roof repair, heating and air conditioning replacement, theatre house lighting, and miscellaneous finishes and upgrades in the various rooms throughout the facility.

Projects currently funded by park dedication fees involving facilities in the Golf and Tennis Operations Fund continue to be funded at the same level. Although there are no new golf and tennis facilities projects planned in this budget, any future new projects will be funded by the Golf and Tennis Operations Fund and not the Park Dedication Fund.

## Civic Center and Library Facility Modernization

The City provides an array of services from six different buildings located at the Civic Center. These include buildings that were built from 1958 to 1985, with one additional small modular building purchased in 2001. The City is engaged in an effort to modernize its civic center and library facilities. In fall 2014, the City Council gave direction to prepare a robust Community Engagement Plan for the project and include a \$400,000 appropriation into the FY 2014/15 Adopted Budget. The City is still very early in the planning process and a full range of options are being explored. Efforts are being taken to insure that there are many opportunities for community participation and input as the City evaluates alternatives and before decisions are made on next steps.



Funding for the construction of a new or renovated Civic Center and Library is not included in the FY 2015/16 Recommended Budget. Funding strategies are being evaluated as part of the Community Engagement Plan and options will be presented to the City Council later in 2015.

## Branch Library in North Sunnyvale

In order to increase access to library services for residents in north Sunnyvale, Council directed staff in 2012 to explore a branch library at the Lakewood School and Park site in partnership with the Sunnyvale School District. In line with the City's policy to utilize one-time funds for one-time expenditures, the proceeds from the sale of the Raynor Activity Center are planned to provide funding for the construction of the branch library. The process to sell the Raynor Activity Center is currently underway but has been delayed by litigation. Consequently, the design for the library is now estimated to begin in FY 2016/17, with construction to follow over the subsequent two years. The annual operating costs for the branch library are estimated to be approximately \$439,000. Of this amount, \$197,000 will be reallocated funding from the Library's existing operating budget and will not constitute new funding. The remaining \$242,000 will be the net new annual funding requirement. This amount has been reflected in the General Fund twenty-year financial plan beginning in FY 2019/20.

## Utility Infrastructure

The City has been addressing its aging water and wastewater utility infrastructure for many years now and will continue to for the foreseeable future. Like many municipalities in the state and the country, Sunnyvale's water storage and distribution systems and wastewater collection and treatment systems are over fifty years old and in need of significant rehabilitation. Due to the physical location of the infrastructure, the need to make investments that will benefit the City over a very long time, and the ever-changing policy and regulatory environment, there is no cheap, easy, or simple solution.

## The Water Supply and Distribution System

The Sunnyvale water system is a comprehensive water storage and delivery system. The City is divided into three zones. Zone 1 comprises the northerly two-thirds of the City and is supplied by six San Francisco Public Utilities Commission (SFPUC) turnouts. Zones 2 and 3 comprise the southerly one-third of the City and



are supplied by two Santa Clara Valley Water District (SCVWD) turnouts, and by seven wells. The distribution system also consists of three booster pump plants and ten storage tanks with a capacity of 26 million gallons. There is also one recycled water reservoir with a storage capacity of two million gallons. The system also serves an important role in providing fire protection for the City, featuring approximately 3,400 public fire hydrants and many private fire service connections. The system is managed by an automated Supervisory Control and Data Acquisition (SCADA) system that controls distribution of water throughout the system.

Over the past few years, staff has been working to identify and scope projects to replace the aging infrastructure and improve the system's reliability. The FY 2015/16 Recommended Budget includes \$103.6 million over 31 projects. While the main focus on water line replacements will continue, comprising \$70 million of the total, emphasis is also being placed on rehabilitation and maintenance of potable water tanks and wells and extending the recycled water system. Approximately \$15 million has been budgeted for the renovation of water plants, wells, and tanks.

An additional \$2.4 million in funding is provided to install the Wolfe Road recycled water pipeline and provide for continuous recycled water production at the water pollution control plant. This renewed focus on expansion of the recycled water system is in partnership with the Santa Clara Valley Water District, who is participating in a regional effort that will expand Sunnyvale's recycled water system and bring recycled water to southern Sunnyvale. Regional benefits include the delivery of recycled water to northern Cupertino, including the future Apple campus, and the potential to extend the system to serve groundwater recharge facilities in other areas of the valley.

### **The Wastewater Collection and Treatment System**

The Wastewater Utility continues to face large infrastructure challenges. The most significant is the renovation of the City's Water Pollution Control Plant (WPCP). The FY 2015/16 Recommended Budget includes planned infrastructure expenditures of \$328 million over the first ten years solely for the replacement of the

WPCP. In addition, funds are budgeted for projects to manage the gap between the old and new plant, and infrastructure work on the sewer and storm collection systems.

### **Replacement of the Water Pollution Control Plant**



Rehabilitation and replacement of the WPCP continues to be the highest priority for the City's wastewater treatment system. Projects in the FY 2015/16 Recommended Budget include a \$117 million project for the design and construction of new primary treatment facilities over the next five years, \$28.5 million over the next ten years for program management, \$19 million to dredge the oxidation ponds, \$5.9 million for the master planning efforts, and a project for \$154 million as an estimated placeholder to provide funding for the remaining phases to complete the full replacement of the WPCP. Once the master planning effort is complete, which is anticipated the end of FY 2015/16, more refined cost estimates and cash flows will be available for the full project.

Work also continues on certain critical projects that were previously identified as necessary in the short term to address the most advanced areas of deterioration. Several such projects were recently completed or are currently in progress. These include a project to replace the gaseous chlorine disinfection system with a much safer liquid hypochlorite system and the rehabilitation of the digesters.

It is important to note that over time, the City will be issuing bonds or applying for State Revolving Fund Loans to fund the renovation program. At its completion, the City will be paying significant annual debt service, anticipated to be around \$22 million per year, approximately 40% of the Fund's total expenses. This level of debt service is estimated to remain for 21 years.

### Wastewater Collection System

The wastewater collection system consists of approximately 610 miles of sewer and storm mains and seven pump or lift stations. The system has five major sewer trunk lines that terminate at the WPCP, where sewage is treated.

The City's wastewater collection systems are in need of significant rehabilitation due to their age. The FY 2015/16 Recommended Budget includes approximately \$25.2 million over the twenty-year plan to fund sewer collection pipe replacements. This includes rehabilitation of the Lawrence Expressway trunk line for \$6.8 million.

Additionally, \$6.4 million is budgeted for storm system trash capture devices and programs. To meet new permit requirements, trash capture devices need to be installed throughout the storm water collection system. The project funds the design and installation of two devices every other year over ten years.

### Solid Waste Management System

In 2013, the City Council approved the Zero Waste Strategic Plan, a policy which seeks to increase the City's waste diversion rate to 75% by 2020 and 90% by 2030. The FY 2015/16 Recommended Budget includes a project to implement public education and new collection programs to help the City meet this goal. Examples include multi-family yard trimmings collection, and a residential food waste collection pilot. Programs will be piloted and paid for out of the Zero Waste Strategic Plan project, eventually getting rolled into the ongoing operating costs of the solid waste system.

Another significant project in the Solid Waste Utility is a \$30.4 million project for the replacement of the SMaRT Station. The current agreement among

the cities of Sunnyvale, Mountain View, and Palo Alto for the use of the SMaRT Station expires in 2021. This coincides with the end dates of the estimated useful life of the SMaRT Station, the refuse collection franchise, and the three cities' landfill disposal agreements. The year 2021 therefore provides an opportunity to consider changes in how Sunnyvale manages its waste and recyclables. The project provides funding for planning and inter-jurisdictional coordination in fiscal years 2016/17 through 2019/20. Funds for design and construction are scheduled for FY 2020/21, either to replace the SMaRT Station or to implement some other solution for the management of solid waste and recyclables in the City. The recommended budget is based on the initial construction cost of the SMaRT Station. It is anticipated that the cost for the ultimate replacement will be refined during the planning phase of the project.

### Traffic and Transportation Projects



The City's transportation infrastructure is a critical component for ensuring livable local communities while supporting economic development. While in general the transportation infrastructure in Sunnyvale is in good condition, and major improvements such as the renovation of the Mathilda Avenue Bridge Overpass and the Hendy Complete Streets project have been completed, there is much left to do. Regional and local growth, along with the age of the infrastructure, place a continual strain on the capacity and maintenance needs of the City's transportation infrastructure. As such, the City is engaged in several large projects to improve the system.

### Mathilda/237/101 Interchange Project



Work has begun on a project to reconstruct the Mathilda/237/101 interchange. This project will improve traffic operations and capacity in the area and provide for safe and efficient movement of traffic at one of the busiest and most complex roadway systems in the region. Design has been funded by a \$2 million grant from the Santa Clara Valley Transportation Authority (VTA) that will be matched by the City. Estimated construction costs for the project are \$16.5 million for a total project cost of \$20.5M. The City expects VTA to pay for 50% of this cost with the remainder to come from the City's Traffic Impact Fees.

### Streets and Roadway Infrastructure Maintenance

Over the past several years, the City has made great strides to bringing its Pavement Condition Index (PCI) back to an acceptable level through investment in its streets. Since FY 2012/13, over \$14 million has been invested in pavement rehabilitation. The FY 2015/16 Recommended Budget includes an average of approximately \$1.8 million per year in ongoing pavement maintenance, in addition to funds provided through the City's operating budget, directed towards maintaining the City's PCI going forward.

### Calabazas Creek Bridge at Old Mt. View-Alviso Road

The Calabazas Creek Bridge, located on Old Mountain View Road near Highway 237, is shared by the cities of Sunnyvale and Santa Clara. The project received a commitment of Federal Highway Bridge program funding in the amount of \$1.2 million, or 88.53% of the estimated design cost for bridge replacement.

The required local match for the design portion is \$154,000 which will be split between both cities, with Sunnyvale's share of \$77,000 funded with Gas Tax revenues.

Design is currently underway with construction expected to begin mid-2016. The total project is estimated to cost \$9.9 million, with Sunnyvale's share of the local match at \$565,000. The project has a construction completion goal of 2016 and once completed the useful life of the new bridge is estimated to be 40 years.

### Fair Oaks Bridge

The State of California Department of Transportation has determined that the Fair Oaks Bridge over Caltrain is structurally deficient. The FY 2015/16 Recommended Budget includes a project that will complete seismic upgrades, install sidewalks and bike lanes, rehabilitate the bridge deck, and replace lighting for the Fair Oaks Avenue Bridge over Caltrain. The City has received a commitment of Federal Highway Bridge program funding for the project. The total project is estimated to cost \$22.8 million, with Sunnyvale's required local match at approximately \$2.8 million.

The design, right-of-way certification, and environmental process has commenced and is scheduled for completion in 2015. Once completed, staff will submit a proposal to CalTrans to obtain construction funding. The project will begin construction in 2016. Once completed the useful life of the new bridge is estimated to be 40 years.

### Sidewalks, Curbs, and Gutters

The City maintains the vast majority of sidewalks, curbs and gutters throughout the City. This infrastructure is often pushed up or broken by street trees; as they grow over time, trees slowly damage sidewalks curbs and gutters with their roots. This can result in poor sidewalk condition and lead to hazards in the sidewalks for users. Currently, the City has a growing backlog of repairs that have been reported by the public or City crews. We began to address the increasing need in the FY 2014/15 Adopted Budget with additional funding for two years so the project budget



includes \$1 million for FY 2014/15 and FY 2015/16. This recommended budget allocates one-time property tax revenues to the budgeted funds for FY 2016/17 and FY 2017/18, for a total of \$1.3 million budget for each of these years, to maintain an elevated level. The recommended budget also includes a new project to specifically repair sidewalks which become out of compliance with the Americans for Disabilities Act. In total, a combined \$21.9 million over twenty years is allocated for these repairs. Over the next year, we will be evaluating service levels, potential funding sources, and expenditures to provide Council options to consider for addressing these needs for the long term.



## Other Major Projects and Initiatives

### Community Choice Energy

The City is currently engaged in evaluating and preparing to initiate a Community Choice Energy (CCE) program for the South Bay in partnership with Mountain View, Cupertino, and the County of Santa Clara. In a CCE, a city, county, or group of public agencies can form a separate public agency to procure or build electricity supplies for residents and businesses within their communities. PG&E would still operate and maintain the electric distribution system and provide customer service. A CCE brings local control to power procurement decisions, allowing for accelerated and enhanced investment in renewable energy supplies (such as solar and wind), which in turn reduces greenhouse gas emissions. There are two multi-jurisdictional CCE programs operating in California - Marin Clean Energy and Sonoma Clean Power. Both

programs are currently delivering greener electricity at lower prices to their customers, in addition to enhanced programs for local renewables and energy conservation. Implementing a CCE is by far the most impactful strategy identified in the City's adopted Climate Action Plan.

Sunnyvale's preliminary share to fund the initial partnership to complete the study and launch a CCE program is estimated to be \$500,000, funded by the General Fund. The City and its partners can recover the initial investments once the CCE is fully operational.

### Recruitment and Training for Sworn Officers

The Public Safety Department budgets for the recruitment, selection, and training of new public safety officers in a series of recurring Special Projects rather than in the operating budget. This methodology allows expenditures to fluctuate each year based on the number of recruitments and allows for better monitoring and tracking of costs. The total twenty-year budget for these recruitment and training projects is \$57 million. In December 2014, Council accelerated funding for recruitment and training to address reduced staffing levels in the Department. The new schedule reflects \$13.5 million over the next three years to fund increased recruitment efforts.

This funding will provide for the continued hiring and training of recruits to bring the Department staffing levels back up to authorized amounts.

### Body-Worn Cameras

Police agencies across the country are beginning to implement the use of body-worn cameras. These cameras, which are carried by individual officers, document the activities of each officer, providing an additional source of information about specific incidents. A new project has been included to fund the purchase of body-worn cameras, and policies around their use are being developed. The initial purchase has been included along with the ongoing costs, for a total estimated cost of approximately \$5.2 million over twenty years.



## Climate Action Plan

In 2014, the Council adopted the City's Climate Action Plan (CAP). The CAP's goals are to significantly reduce community wide generation of greenhouse gas emissions. The FY 2015/16 Recommended Budget includes almost \$600,000 for the development of policies and programs for actions identified in the CAP. These include energy efficiency, use of renewable energy, alternative transportation modes, and others. The project will begin by updating the greenhouse gas inventory, initiating a school outreach program, and providing a plan for moving forward.

## Operating Expenditures

### Salaries

As a service organization, employee salaries and benefits are the largest component of the City's operating expenditures, accounting for 58% of total operations. Managing the growth of salaries and benefits was central to achieving structural balance in the City's budget as we dealt with the impacts of the global recession. Working together with our bargaining units, we made considerable progress with actions such as zero salary increase years, implementation of second- and third-tier reduced benefit retirement plans and increased employee contributions for retirement costs. Without these concessions from employees, the City would not be in the sustainable financial position it is in today.

The recommended budget maintains assumptions for increased employee contribution to retirement over the next several years and projected salary increases with one adjustment. The FY 2014/15 Adopted Budget included 2% salary increases for the first ten years and 3% increases for the next ten years for non-sworn employees and 3% increases for the first ten years and 4% increases for the next ten years for sworn employees. To maintain the salary increases in the same years, the FY 2015/16 Recommended Budget moves up the additional percentage increase by one year so 2% salary increases are assumed for the first nine years and then 3% increases for the next ten years for non-sworn employees and 3% increases for the first nine years and 4% increases for the next ten years for

sworn employees. In the twentieth year, assumptions return to the lower 2% and 3% increases planned in the first nine years.

### Employee Benefits

The other side of employee compensation costs is driven by employee benefits, primarily medical and retirement. In recent years, retirement costs have risen steeply due to investment losses and demographic changes that have increased unfunded liabilities. Additionally, CalPERS has changed its rate methodology to recognize gains and losses over a shorter period of time. These factors have resulted in increasing employer contribution rates (what the City pays for retirement) for the next several years and more rate volatility on a year to year basis in general. This rate volatility is reflected in the updated rates in this long-term financial plan. Because CalPERS had better than assumed investment returns for the last two years, the long-term rates developed by our consulting actuary are, on average, two percentage points lower than the rates we have in the FY 2014/15 Adopted Budget. This is positive news, but can also mean the rates can quickly move the other direction when CalPERS does not meet its expected returns, which is currently estimated to occur for FY 2014/15. It is also important to note that the City's retirement plans are 70% funded with a total unfunded liability currently at \$268 million. Therefore, rather than recognizing the rate savings, this recommended budget includes an additional contribution to CalPERS at \$1.2 million annually for a total of \$32 million over twenty years. This provides the City additional funds to pay down the unfunded liability more quickly or could be used to supplement the City's reserves for PERS rate uncertainty, allowing the City to be well positioned to absorb the impacts of rate volatility should they swing the other way.

There is also uncertainty with increases in medical premiums over the next several years. The City contracts with CalPERS for medical benefits and rate increases have varied by different medical plans in recent years. Another part of the uncertainty is the impact of the Affordable Care Act on our premiums. With the regulations continuing to evolve, we do not know the full impact at this time. To address these

uncertainties, our assumptions for medical premium increases start at 7.5% and gradually settle at 5% for the remainder of the long-term financial plan. Another element of medical costs is the cost for retiree medical benefits. Retiree medical costs have continued to grow, rising 24% in the last five years from \$3.94 million to \$4.87 million. The City began addressing this issue several years ago by prefunding retiree medical costs through a trust. We continue to be on track to pay down the unfunded liability over the next sixteen years.

## Citywide Operations

Operating expenditures reflect all of the costs to

deliver the wide variety of services provided to our community on an ongoing basis. FY 2015/16 is the second year of a two-year operating budget cycle. Therefore, only a few significant changes are proposed to the operating budget. These changes are primarily to address increasing demands for service or to further the strategic goals set by Council.

As Figure 7 indicates, total budgeted operating expenditures are up 3.4%. This is driven largely by increases for employee compensation, and the Department of Employment Development, which has begun operating the San Mateo County Job Training program, which increases the department's budget.

**Figure 7**  
**Budgeted and Actual Operating Costs by Department**

Department	2012/13 Actual	2013/14 Actual	2014/15 Budget	2015/16 Plan	% Change FY 2014/15 to 2015/16
Community Development	\$6,585,094	\$6,966,614	\$7,271,984	\$7,472,943	2.8%
Environmental Services*	74,113,837	76,495,173	81,501,963	84,251,326	3.4%
Finance	7,892,186	7,860,003	8,396,376	8,619,038	2.7%
Human Resources	3,335,356	3,529,369	4,152,879	4,291,399	3.3%
Information Technology	5,828,313	6,142,175	6,949,480	7,100,904	2.2%
Library and Community Services	16,295,361	16,192,208	17,364,506	17,772,712	2.4%
NOVA Workforce Services	7,210,861	6,917,787	8,103,883	10,055,000	24.1%
Office of the City Attorney**	2,036,054	2,057,641	1,946,939	1,856,142	-4.7%
Office of the City Manager	4,113,344	4,457,164	4,326,582	4,620,121	6.8%
Public Safety	75,567,473	78,795,895	85,995,244	87,823,423	2.1%
Public Works	32,772,717	34,370,048	35,481,432	36,527,316	2.9%
<b>TOTAL EXPENDITURES</b>	<b>\$235,750,593</b>	<b>\$243,784,077</b>	<b>\$261,491,268</b>	<b>\$270,390,324</b>	<b>3.4%</b>

\*Excludes SMaRT Station Operating Program

\*\*The Office of the City Attorney's costs are down in 2015/16 due to one-time legal costs that were reflected in the FY 2014/15 operating costs.

One of the most significant changes is the addition of three new public safety officers. As part of the Moffet Place development in North Sunnyvale, an agreement was reached with the developer to construct a new Fire Station 5, expand the station to include amenities such as a shooting range and new training center, and purchase a new ladder truck for the department. This facility and equipment will help to maintain service levels in Moffet Park and the northern area of the City, where growth and development are increasing demands for service. The three new officers are being included to staff the new fire truck and facility.

The FY 2015/16 Recommended Budget includes \$21 million over twenty years for the new public safety officers, as well as \$50,000 per year in additional ongoing maintenance costs for the expanded facility. Due to the lead time needed to train a new public safety officer, the budget does not reflect the addition until FY 2016/17.

To support the recruitment and training efforts in the Department of Public Safety, the recommended budget also includes the addition of one Public Safety Specialist. This position, which is assigned to the recruitment and training unit, was added as part of Council action to accelerate recruitment efforts due to low sworn staffing levels within the Department of Public Safety.

Another addition to the operating costs in the recommended budget is the inclusion of a second Assistant City Manager (ACM) position in the Office of the City Manager. The new ACM is leading efforts to modernize the Civic Center, administer the Stevens Creek Trail Study, and work on other Special Projects. The Civic Center Modernization is one of the strategic goals set by Council. To date, the project is well into its initial stage, with space planning and community engagement efforts in full swing. As this project ramps up and a final direction is chosen, the addition of the ACM dedicated to its administration will ensure a timely and effective project implementation.

Lastly, one additional Assistant City Engineer position has been added for three years in the Department of Public Works as a temporary overflow. Public Works is managing peak workloads in both its

land development division and its project engineering division. With the large number of major projects that are in the development queue in areas like Moffet Park and Peery Park, land development engineering staff resources are strained. In project engineering, the City is managing two major bridge projects, a major reconfiguration of the Mathilda/237 interchange, several park and recreational renovation projects and more. The additional staff will help the Department work through this peak period.

## Equipment and Other Expenditures

The City accounts for equipment replacement and other one-time expenditures separately from operations or projects. The recommended budget includes continued funding for replacement of information technology equipment, fleet vehicles, facilities equipment, wastewater equipment, public safety equipment and recreation equipment (furniture and equipment for recreation classes). Highlights include the replacement of Tasers, the addition of periodic funding for common area furniture (for example lobby or conference room furniture), and two fire trucks. Taser replacement had previously been funding through Asset Forfeiture funds. These funds have been decreasing due to a change in the way they are distributed and consequently the General Fund will start funding Taser replacement beginning in FY 2017/18. Also included in the recommended budget is a one-time appropriation of \$200,000 for the City Manager to utilize for unanticipated, time sensitive expenditures.

## Budget Supplements

Budget supplements are proposals to increase, decrease or change service levels. Each supplement is presented separately and recommended for inclusion or exclusion from the FY 2015/16 Adopted Budget. This year, the recommended budget includes eight Budget Supplements. Figure 8 lists the supplements and the City Manager's recommendation. If the supplement is recommended for funding, it has been included in the financial plan of the affected fund. Details of each supplement can be found in the Budget Supplements section of this recommended budget.

**Figure 8. Proposed Budget Supplements**

No.	Title	Cost	Recommendation
1.	Consider Multi-family Residential Transportation Demand Management Programs (Study Issue CDD 15-02)	\$30,000 – one time	Fund – Development Enterprise Fund
2.	Determine Steps to Move Forward to Becoming a Silver Level in the League of American Bicyclists – Bicycle Friendly Communities (Study Issue DPW 15-03)	\$25,000 – one time	Fund – General Fund
3.	Determine Feasibility of Establishing a Park Mitigation Fee for Non-Residential Development (Study Issue DPW 15-09)	\$50,000 – one time	Fund – General Fund
4.	Relocation of the Butcher House to Heritage Garden Park and Review of the Need for a Retaining Wall (Study Issue DPW 15-10)	\$50,000 – one time	Fund – General Fund
5.	Funding for an Economic Consultant to Evaluate the Market Potential and Appropriate Land Use Mix for the Town Center	\$50,000 – one time	Fund – General Fund
6.	Funding for Tenant-Landlord Dispute Resolution Services	\$30,000 – one time	Fund – General Fund
7.	Funding for Leadership Sunnyvale	\$6,000 – one time	Fund – General Fund
8.	Sunnyvale Downtown Business Association \$30,000 Funding	\$30,000 – five years, \$150,000 total	Fund – General Fund

## City Reserves

The backbone of our financial planning process is the Twenty-Year Resource Allocation Plan. This planning document provides the framework to maintain a structurally balanced budget by requiring financial discipline in making policy and service level decisions. One of the key components of the financial plans is the various reserves contained within each plan, which is considered a best practice. While many organizations have reserves, our use of them in this strategic and disciplined way is different and more active than a typical city. We maintain reserves for different purposes; some are restricted in use while others are available for a variety of priorities. Examples of restricted reserves include debt service reserves or reserves of special revenues. Unrestricted reserves are used strategically over the twenty-year planning period to balance each fund. We plan to add to them or take from them as business and economic cycles pass, allowing us to provide a stable and consistent level of service. This is especially critical when so many of our large revenue sources are volatile by nature. Reviewing reserves over a long period forces policymakers, staff and the community to think carefully before adding services that must be sustained through good times and bad.

In the General Fund, the unrestricted reserve is the Budget Stabilization Fund. Disciplined and strategic use of this reserve has allowed us to weather the great recession, and is helping us to strategically add back services in a planned way to ensure sustainability over the long run. It will also help us manage our infrastructure needs and other pressures discussed at the beginning of this transmittal.

In the utility funds, the use of the Rate Stabilization Reserves allows for the measured increase of rates to cover rapidly increasing costs such as wholesale water costs and tightening regulations on wastewater discharge. This reserve also allows us to incrementally increase rates to the level needed to support the significant debt service associated with the replacement of the WPCP.

In both these cases, and throughout the budget, reserves also allow us to deal with unexpected expenditures. In the most extreme case, each significant fund carries large contingency reserves for emergencies such as natural disasters; however, reserves also allow us to address projects that may be more expensive than estimated or absorb unanticipated operating costs. In all cases, reserves are one of our most critical tools to achieve and maintain financial sustainability.



## Council Policy Priorities

Over two days in the fall of 2014, Council held a strategic planning workshop that provided a briefing on operational priorities, service gaps, trends in service, and identification of Council's policy priorities on day one. On the second day, an in-depth discussion occurred on the four top ranked policy priorities: Civic Center Campus and Main Library; The Ability of Infrastructure to Support Development and Traffic; Open Space Acquisition Planning/Future of Golf Course; and Downtown Sunnyvale. These policy priorities have informed this recommended budget presented for your consideration. However, as discussed at the strategic planning workshop, our operational priorities and resource/capacity limitations require us to be resourceful and creative in addressing these policy priorities. As briefly detailed below, this recommended budget allocates resources with this approach in mind.

### Civic Center Campus and the Main Library

Efforts are now well underway to modernize the civic center and main library beginning with a community engagement plan, market analysis and space planning study. A key step in the coming months will be the development of a funding plan. While community input and further analysis are needed before any decisions will be made, the long-term financial plan includes funding sources that can go toward these efforts. The General Fund includes a \$1.5 million transfer to the Infrastructure Fund annually for additional investment in the City's infrastructure. \$6 million has already been transferred over the past several years. The General Fund's Capital Improvement Projects (CIP) Reserve includes approximately \$13 million in reserve and additional funds anticipated from the sale the Unilever margarine plant when the lease expires. In addition, funding of approximately \$300,000 per year has been set aside in the Facilities Management Subfund for additional costs related to a new civic center campus. Because debt financing may also be considered, a potential bond measure will be reviewed along with other items by the revenue strategy team.

### The Ability of Infrastructure to Support Development and Traffic

The economic recovery has presented significant challenges as unprecedented levels of development activity impact the City's infrastructure and increase traffic. As discussed at the strategic planning workshop, these issues are also very much regional and will require collaborative regional solutions to substantively address over the long term. Within the City, rebuilding and improving our transportation infrastructure has been a priority over the last several years and this projects budget continues this focus. These projects, detailed in the "Major Project Highlights" section include the reconfiguration of the Mathilda/237/101 intersection and rehabilitation of the Fair Oaks and Calabazas Creek Bridges. We are also addressing the growing backlog of sidewalk repairs with additional funding. While this does not address the full funding needs, combined with current funding, it does provide significant funding for the next three years, during which time we will explore ways to most cost effectively address the backlog, determine the appropriate service level and secure the right level of funding for the long term. Also included is continued funding to maintain street conditions at optimal levels, allocating an average of \$1.8 million per year over twenty years. The FY 2015/16 Recommended Budget also includes substantial funding to address the City's utilities infrastructure, as detailed in the "Major Project Highlights" section.

### Open Space Acquisition Planning/Future of Golf Courses

Another challenge related to the high levels of development activity is to ensure adequate open space for the growing number of businesses and residents. The elevated development activity is increasing revenue from Park Dedication fees in the near term. These revenues are primarily utilized to ensure the City's parks and recreational facilities are maintained over the long term. The recommended budget includes updated estimates for the renovation and enhancement of all parks in the City over the twenty year plan with \$145 million budgeted over twenty years. In addition to funding projects, 20% of the Park Dedication

Fee revenue is set aside for land acquisition and we anticipate approximately \$7.7 million in this reserve at the end of FY 2015/16. Work will begin in FY 2015/16 on a study issue to develop a park dedication fee for non-residential development. While this study may result in increased funding for park development, it will not generate enough for land acquisition in the current economic climate and the high price of land today. We will need to be strategic in finding ways to increase open space, such as working in local and regional partnerships.

As discussed in this overview, the long-term future of the City's golf courses requires further study. In the short term golf revenues have been negatively impacted by the lack of restaurant operator, but more concerning is that over the long term, golf revenues are not anticipated to keep pace with the rising costs of expenditures such as personnel and water or its capital needs. Due to this fiscal outlook, a General Fund subsidy is proposed which will provide time to analyze the issues, gather data and community input, and develop options for the Council to consider. While future subsidies are likely to be required, our goal is to reduce the projected amount to zero over time.

## Downtown Sunnyvale

Many new recently completed projects have added to the vibrancy of Downtown Sunnyvale as it continues to be seen as a very attractive location by employers, visitors and residents. The Solstice and Carmel Loft mixed-used projects added over 400 apartments and about 30,000 square feet of commercial space to the area attracting new residents and businesses. Several businesses recently opened including Flywheel Spin Studio, Kabul Afghan restaurant, Philz Coffee, The Sandwich Spot, and Aloft hotel. Several other businesses are scheduled to open soon: Prolific Oven Cafe, Nom Burger, Beach Hut Deli, and City Place Wine Bar. While the redevelopment of the downtown requires the largest, privately owned Town Center mall parcel to move forward, we have been working on areas that the City can impact. This recommended budget includes a budget supplement to fund a study issue that will evaluate the market potential and land use mix for the

Town Center. This study, per Council direction, will provide guidance prior to embarking on a Specific Plan Amendment study. Setting the stage, so that when the litigation surrounding the Town Center is ultimately resolved, should allow the project to move forward in a timely manner. As mentioned earlier in this letter, we have reduced and moved out additional sales tax revenues estimated from the redevelopment of the Town Center mall in this recommended budget.



## Conclusion

With the economic recovery in full swing, this budget focuses on deploying resources strategically to meet the increasing demands of the community and improve the City's infrastructure while continuing to maintain a sustainable financial position for the long term. The recommended budget resources the vast array of services the City provides and funds a wide variety of projects that improve our transportation and utility infrastructure, adds wonderful new amenities like the Washington Community Swim Center and a branch library, upgrades parks and recreational facilities, and more. Revenues are growing, allowing the City to add some ongoing costs, most significantly three new public

safety officers. Long-term pension and retiree medical liabilities continue to be addressed in a fiscally prudent and measured manner.

However, given the volatility in the modern economy, it is very important that we remain strategic and thoughtful in our approach. We will continue to be faced with tough decisions regarding management of personnel costs, use of debt for large infrastructure needs and mitigating volatility in our major revenues. Our twenty-year planning allows us to take a balanced approach, to evaluate decisions in a long-term fiscal context and plan ahead. To that end, this budget presents a responsible, sustainable, and balanced plan for the future of Sunnyvale.





**CITY OF SUNNYVALE  
FY 2015/16 BUDGET SUMMARY**

**Revenue Sources:**

Property Tax	56,486,757
Refuse Collection and Disposal Service Fees	43,369,455
Water Supply and Distribution Fees	41,399,795
Sales Tax	33,513,807
Wastewater Management Service Fees	33,028,923
Bond Proceeds	29,165,082
Sale of Property	14,000,000
Park Dedication Fee	13,120,105
Transient Occupancy Tax	11,397,216
Development Revenues	11,284,094
Workforce Investment Act Grant	10,500,000
Franchise Fees	6,963,390
Utility Users Tax	6,809,616
Federal Grants	5,677,348
Other Taxes	5,267,049
Housing Mitigation Fee	4,833,550
Golf and Tennis Fees	3,378,191
Recreation Service Fees	3,207,520
State Highway Users Tax (Gas Tax)	3,102,861
Rents and Concessions	3,008,940
Interest Income	2,405,427
Traffic Impact Fee	2,276,568
Other Fees and Services	2,058,507
State Shared Revenues	1,468,692
Other Agencies Contributions	1,297,703
Miscellaneous Revenues	1,248,634
Permits and Licenses	1,218,659
Community Development Block Grant	989,453
Fines and Forfeitures	972,184
SMaRT Station Revenues	797,263
BMR In-Lieu Fees	674,400
Sense of Place Fee	539,815
HOME Grant	281,021
Special Assessment	210,693
Reimbursement from County	19,997

**Total Revenue Sources\***

**\$355,972,716**

\* Excludes internal service fund revenues.

**CITY OF SUNNYVALE  
FY 2015/16 BUDGET SUMMARY**

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**EXPENDITURES:**

**Operating Budget:**

Office of the City Attorney		\$1,860,644
Office of the City Manager		\$4,035,505
Community Development Department		
Building Safety	3,220,447	
Planning	2,479,405	
Housing and CDBG Program	1,339,051	
Community Development Department Management	436,561	
Total Community Development Department	436,561	\$7,475,464
NOVA Workforce Services Department		\$10,055,000
Finance Department		
Utility Billing	2,344,450	
Accounting and Financial Services	1,766,585	
Purchasing	1,328,828	
Treasury Services	1,119,436	
Financial Management and Analysis	1,035,346	
Budget Management	976,936	
Total Finance Department	976,936	\$8,571,580
Human Resources Department		\$3,873,329
Library and Community Services Department		
Library	8,476,548	
Arts and Recreation Programs and Operation of Recreation Facilities	8,184,234	
Youth, Family and Child Care Resources	1,114,673	
Total Library and Community Services Department	1,114,673	\$17,775,454
Public Safety Department		
Police Services	30,202,588	
Fire Services	27,614,958	
Public Safety Administrative Services	5,367,665	
Investigation Services	4,863,457	
Community Safety Services	4,220,951	
Communication Services	3,630,216	
Records Management and Property Services	2,124,032	
Personnel and Training Services	1,993,777	
Fire Prevention Services	1,943,321	
Total Public Safety Department	1,943,321	\$81,960,966



**CITY OF SUNNYVALE  
FY 2015/16 BUDGET SUMMARY**

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<b>Projects Budget:</b>	
Capital Projects	\$14,938,315
Special Projects	\$18,049,237
Infrastructure Projects	\$56,106,166
Outside Group Funding	\$330,000
Council Service Level Set-Aside	\$25,000
Project Administration	\$2,835,284
<b>Total Projects Budget</b>	<b><u>\$92,284,002</u></b>
<b>Other Expenditures:</b>	
Debt Service	\$8,971,166
Lease Payments	\$2,240,855
Equipment	\$949,730
Budget Supplements	\$271,000
Service Level Set Aside	\$950,000
<b>Total Other Expenditures</b>	<b><u>\$13,382,751</u></b>
<b>Total Expenditures</b>	<b><u>\$350,450,397</u></b>
Contribution to Reserves	\$5,522,319
<b>Total Recommended Budget</b>	<b><u>\$355,972,716</u></b>



**CITY OF SUNNYVALE  
CALCULATION OF APPROPRIATIONS LIMIT  
FY 2015/16 Recommended Budget**

	<b>FY 2014/2015</b>	<b>FY 2015/2016</b>
<b>Appropriations:</b>		
035. General Fund	\$ 142,260,151	\$ 140,614,287
070. Housing Fund	1,885,444	6,378,055
071. Home Fund	375,051	1,412,880
110. Community Development Block Grant Fund	1,871,100	1,202,663
141. Park Dedication Fund	670,077	775,295
175. Public Safety Forfeiture Fund	161,686	148,763
190. Police Services Augmentation Fund	229,693	232,230
210. Employment Development Fund	8,435,545	10,500,000
245. Parking District Fund	120,459	328,576
280. Gas Tax Fund	2,173,878	2,339,920
290. VRF Local Road Improvement Fund	-	48,748
295. Youth and Neighborhood Services Fund	745,350	763,619
385. Capital Projects Fund	14,818,729	6,895,441
610. Infrastructure Renovation and Replacement Fund	14,717,422	13,228,550
	<b>188,464,585</b>	<b>184,869,027</b>
<b>Total Appropriations</b>		
<b>Appropriation Adjustments:</b>		
Non-Tax Revenues	(88,193,089)	(83,392,194)
Qualified Capital Outlay	(5,049,664)	(2,702,750)
	<b>(93,242,753)</b>	<b>(86,094,944)</b>
<b>Total Appropriation Adjustments</b>		
<b>Appropriations Subject to Limit</b>	<b>95,221,832</b>	<b>98,774,082</b>
Growth Rate Factor	1.0127	1.0499
	<b>187,740,565</b>	<b>197,114,763</b>
<b>Total Allowable Appropriations Limit</b> <i>(Prior Year Appropriations Limit x Growth Rate Factor)</i>		
<b>Amount Under (Over) Allowable Appropriations Limit</b>	<b>\$ 92,518,733</b>	<b>\$ 98,340,681</b>

	<u>FY 2014/2015</u>	<u>FY 2015/2016</u>
<b>Revenues:</b>		
<b>Tax Revenues:</b>		
Property Tax	\$ 51,931,017	\$ 56,486,758
Sales Tax	31,630,301	33,513,807
Other Taxes	21,992,580	23,473,881
Unrestricted State Subventions	220,400	222,960
Interest Income	683,058	1,156,609
	<u>106,457,356</u>	<u>114,854,015</u>
<b>Total Tax Revenues</b>	<b>106,457,356</b>	<b>114,854,015</b>
<b>Non-Tax Revenues:</b>		
Federal Grants	19,998,788	17,057,274
Restricted State Shared Revenues	3,572,845	3,102,861
State Grants/Reimbursements	367,425	363,063
Other Intergovernmental Contributions	1,831,447	2,442,071
Franchise Fees	6,790,144	6,963,390
Permits and Licenses	1,254,277	1,218,659
Service and Development Fees	27,825,049	26,222,052
Rents and Concessions	2,356,734	2,626,453
Fines and Forfeitures	933,098	962,184
Housing Loan Repayments	517,139	423,130
Miscellaneous	15,315,916	15,255,993
Inter-Fund Loan Repayments	6,864,358	6,272,017
Interest Income	565,869	843,409
	<u>88,193,089</u>	<u>83,752,556</u>
<b>Total Non-Tax Revenues</b>	<b>88,193,089</b>	<b>83,752,556</b>
<b>Total Revenues</b>	<b>\$ <u>194,650,445</u></b>	<b>\$ <u>198,606,571</u></b>

**CITY OF SUNNYVALE  
 APPROPRIATIONS LIMIT  
 FY 2015/16 Recommended Budget**

	<u>AMOUNT</u>	<u>SOURCE</u>
A. LAST YEAR'S LIMIT	\$ 187,740,565	Prior Year
B. ADJUSTMENT FACTORS		
1. Population	1.0113	State Department of Finance
2. Inflation	1.0382	State Department of Finance
	1.0499	(B1*B2)
<b>Total Adjustment %</b>	0.0499	(B1*B2-1)
C. ANNUAL ADJUSTMENT	\$ 9,374,198	(B*A)
D. OTHER ADJUSTMENTS:		
Lost Responsibility (-)	0	
Transfer to private (-)	0	
Transfer to fees (-)	0	
Assumed Responsibility (+)	0	
Sub-total	<u>0</u>	
E. TOTAL ADJUSTMENTS	\$ 9,374,198	(C+D)
F. THIS YEAR'S LIMIT	<u><u>\$ 197,114,763</u></u>	(A+E)

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# General Fund

The General Fund is used by the City to account for all financial resources except those required by law or practice to be accounted for in another fund. It supports many of the most visible and essential City services such as police, fire, road maintenance, libraries, and parks and open space maintenance. General government support functions are also included in this fund, and their costs are apportioned through the use of indirect administrative fees to other City funds. Because the General Fund receives the preponderance of its revenue from taxes, it has been the most affected by voter-approved initiatives and State legislative actions. As a result of such action over the past two decades, revenues to the General Fund are significantly less than they would have otherwise been. Additionally, the General Fund has a very close relationship with several other funds: the Youth and Neighborhood Services Fund, the Gas Tax Fund, the Internal Service Funds, the Capital Projects Fund, and the Infrastructure Renovation and Replacement Fund. In each case, the condition of these funds has a direct bearing on the General Fund because the General Fund is a significant source of financial support. The relationship between these various funds, where appropriate, will be discussed as a part of the General Fund, as well as in the review of each of these individual funds.

## General Fund Revenues

### Revenue Estimation Methodology

All revenue assumptions and projections are reviewed and revised each fiscal year. Further, considerable analysis is undertaken to identify the key elements that impact our major revenue sources so that the projection methodology is as reliable as possible over the long term. Historical data underscores the fact that a significant swing in revenues can occur due to economic cycles, as these cycles have produced very different revenue yields to the City in a number of major categories. Projecting revenues based on the high point of the economic cycle could overstate the City's financial position significantly for future years and result in spending patterns that cannot be sustained. Conversely, projecting revenues from the lowest point of the

economic cycle could understate the long-term financial position of the City and cause unnecessary service reductions.

Each revenue source has its unique characteristics that have been used to make projections. In general, actual revenue data and trend data for each major source are used to calculate projections for the next two years. For the balance of the financial plan, however, projections are based on the history of each revenue, modified for present circumstances. Following the adoption of each long-term financial plan, the major revenue sources are monitored throughout the budget year to detect any change in patterns or circumstances.

## General Fund Major Revenue Sources

Four key sources generate over 85% of the City's General Fund revenues (excluding property sale proceeds). These sources are Property Tax, Sales Tax, Utility Users Tax/Franchise Fees, and Transient Occupancy Tax (TOT). The recent performance of each of these top four sources has been mixed. While each of the revenues increased in FY 2013/14, in the case of Sales Tax and UUT, the growth was very minimal. Conversely, the results for Property Tax and Transient Occupancy Tax were positive. Property Tax revenue increased 5.8% in FY 2013/14 (up \$2.8 million), and TOT revenue increased 20.4% (up \$1.8 million). These year-over-year results, as well as the revised FY 2014/15 projections call attention to several important trends like the significant volatility of past returns, which will be discussed in greater detail below.

The FY 2014/15 Adopted Budget projected growth for each of the major revenues in FY 2014/15 over expected FY 2013/14 results. As FY 2014/15 unfolded, TOT and Property Tax continued to exceed expectations. In the FY 2014/15 Adopted Budget TOT revenues were projected to increase 5.3% in FY 2014/15. Despite the fact that FY 2013/14 revenue finished higher than anticipated, year-to-date returns for FY 2014/15 indicated TOT growth to be even greater than the original estimate. The revised estimate for FY 2014/15 TOT is growth of 14.5%, with revenue of \$12.4 million. Property Tax revenues are also expected to exceed expectations in FY 2014/15. The revised projection

is for growth of 6.3%, greater than the original 4.3% growth estimated. On the Sales Tax side, whereas the original estimate was for modest growth, revised estimates project revenue to decline by 1.1% in FY 2014/15. Revised estimates for FY 2014/15 Utility Users Tax/Franchise Fee revenues are up slightly from the original projections in the FY 2014/15 Adopted Budget.

The projections for FY 2015/16 and beyond vary based on the revenue source. Property Tax is projected to experience healthy growth over the next three years before growth returns to more historical levels. Sales Tax, historically a very volatile revenue source, is expected to recover the losses experienced in recent years and grow over the next two years. Moving forward, Sales Tax is then projected to have modest growth in the following

years. The projection for Transient Occupancy Tax, which is driven by business travel, is to experience one more year at an elevated level in FY 2015/16 before returning to the historical average, based on average room rates and average occupancy data. Utility Users Tax/Franchise Fees are expected to show a small increase in FY 2015/16 and then grow at an inflation factor moving forward.

Total General Fund revenue is projected to be up 1.2% in FY 2015/16. The table below reflects projected sources of General Fund revenues for FY 2015/16 and compares those sources with the FY 2014/15 revised projections. Actual revenues for FY 2012/13 and FY 2013/14 are also included.

## General Fund — Major Revenues

Revenue Source	2012/13 Actual	2013/14 Actual	2014/15 Revised Projection	2015/16 Proposed Projection	% Change 2015/16 over 2014/15
Property Tax	\$47,555,857	\$50,293,385	\$53,511,242	\$56,486,757	5.6%
Sales Tax	30,028,067	30,194,827	29,849,173	31,947,169	7.0%
Transient Occupancy Tax	9,016,052	10,858,671	12,436,990	11,397,216	-8.4%
UUT & Franchises	13,010,712	13,448,599	13,592,336	13,773,006	1.3%
Construction Tax	2,724,864	2,983,677	3,067,503	2,599,579	-15.3%
Business License Tax	1,588,796	1,742,401	1,700,000	1,734,000	2.0%
Real Property Transfer Tax	1,275,159	1,674,362	1,707,939	933,470	-45.3%
Permits & Fees	9,478,658	9,796,323	1,175,805	1,218,659	3.6%
Service Fees	8,561,412	10,405,558	5,423,891	5,189,311	-4.3%
Rents and Concessions	2,530,141	2,299,404	2,559,986	2,579,134	0.7%
Interest	507,798	548,687	644,913	827,756	28.4%
Other Revenue	6,588,440	5,191,944	4,973,760	3,557,026	-28.5%
<b>SUBTOTAL</b>	<b>\$132,865,955</b>	<b>\$139,437,838</b>	<b>\$130,643,537</b>	<b>\$132,243,084</b>	<b>1.2%</b>
Sale of Property	0	7,509,406	0	14,000,000	—
<b>TOTAL RESOURCES</b>	<b>\$132,865,955</b>	<b>\$146,947,244</b>	<b>\$130,643,537</b>	<b>\$146,243,084</b>	<b>11.9%</b>

\* Excludes In Lieu Charges, Transfers and Interfund Revenues

In the following sections are detailed discussions of the City's four major revenue sources, including explanations of the revenue forecasts for FY 2015/16 and beyond. Discussions of several other revenue sources of particular note follow.

## Property Tax

Property Tax represents the largest source of General Fund revenue, estimated to be about 39% of all General Fund revenues in FY 2015/16. For each dollar of Property Tax paid by property owners in Sunnyvale, approximately \$0.13 is now allocated to the City of Sunnyvale.

The City's Property Tax revenue consists of several categories. Secured Tax, which represents the vast majority of the overall Property Tax, is the tax on real property and the structures on that real property. Unsecured Tax represents the tax on appurtenances such as furniture, machinery, and equipment. Supplemental Tax is the result of reassessing the value of real property when there is a change of ownership or new construction is completed after the official lien date. Other sources of Property Tax revenue come from Unitary Tax, which is assessed by the State Board of Equalization on property such as utilities or railroad lines that cross county lines, and Tax Delinquencies.

Property Tax has also been the revenue most shaped by voter initiatives and legislative actions. Approval of Proposition 13 in 1978 reduced Property Tax revenue by approximately two-thirds and thereafter limited the growth of assessed valuation to 2% annual increases or the California Consumer Price Index (CA-CPI), whichever is less. In the early 1990s, the State legislature permanently shifted a larger portion of the Property Tax to schools. This shift was made to the State's Educational Revenue Augmentation Fund (ERAF) to backfill a portion of the State's obligation for school funding. This original "ERAF shift" results in an annual loss to the City of Sunnyvale of approximately \$9 million. In FY 2004/05 and FY 2005/06 the State shifted an additional \$4.1 million over those two years from Sunnyvale Property Tax to the ERAF as part of a solution to its ongoing budget crisis (ERAF III).

Also included in the State Budget deal with local governments in FY 2004/05 was a permanent redistribution of two of the City's revenue sources. Under this agreement, the Vehicle License Fee (VLF) rate for cities

was permanently reduced from 2% to 0.65%. For FY 2004/05, the VLF that the City would have gotten at the 2% rate was calculated and this amount was added to our Property Tax base through transfers from the ERAF. In FY 2005/06, the City began to receive our portion of VLF revenues at the lower rate of 0.65%, while the Property Tax base was adjusted to reflect its new, permanent base.

Overall FY 2015/16 Property Tax revenues are expected to be up when compared to FY 2014/15, continuing the growth seen over the past several years. The outlook for Property Tax is positive, with expectations of increased assessed valuations in both the residential and commercial sectors driving revenue growth.

Secured Tax, which accounts for approximately 87% of total Property Tax revenue, has experienced strong growth in FY 2014/15 and is expected to increase significantly over the next two fiscal years. The residential market has performed stronger than anticipated, and this FY 2015/16 Recommended Budget adds to the residential property tax base by building in an additional 0.5% of growth above the historical average in FY 2015/16. Significant growth is also expected in the short term for the commercial sector. Staff identified several major projects that have added, or are on schedule to add, substantial assessed value to the City's Property Tax roll. Continued strong development activity, increasing the amount of new commercial building square footage in Sunnyvale, is reflected in these projections. Overall, the combined residential and commercial growth rate is expected to be 6.1% in FY 2015/16, 4.6% in FY 2016/17, and 4.5% in FY 2017/18. After that, growth is expected to continue at the historical average of approximately 4.0% annually. This historical average includes the maximum 2% increase in CPI as well as an additional 2% historical average growth from new construction and change of ownership.

In addition, the Secured Property Tax base has been increased with the dissolution of the RDA. After the payment of enforceable obligations, the former property tax increment is distributed as Property Tax to all applicable taxing agencies, and \$32.5 million has been programmed into the long-term financial plan to account for the City's expected allocation over twenty years. In FY 2015/16 the distribution of the former property tax increment is expected to provide \$1.0 million in revenue to the City. In

FY 2016/17 the City expects to receive a distribution of approximately \$1.1 million, plus an additional \$1.8 million, which is the City's share of \$14 million in loan repayments previously received from the RDA that the State Department of Finance has determined the City was not eligible to receive. As of the publishing of the FY 2015/16 Recommended Budget, this issue has not been resolved. Based on a worst case scenario, the General Fund's long-term financial plan reflects a \$14 million payment to the State, with the City receiving its share of the distribution to the taxing agencies of that payment, which is expected to be \$1.8 million.

Two other important elements of Property Tax revenue are the Unsecured Property Tax and Supplemental Property Tax rolls. Unsecured Property Tax revenue was flat in FY 2013/14 after very strong returns in FY 2012/13. This revenue source is expected to stay strong in FY 2014/15, up 2.3% to \$2.7 million, before returning to the historical average of \$2.6 million for FY 2015/16, growing modestly from there.

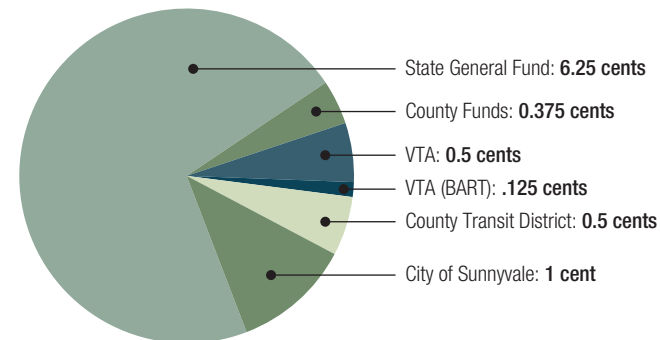
The Supplemental Property Tax roll reflects properties that are sold or transferred after the official lien date. Supplemental assessments pick up the higher or lower value on the property immediately by using a floating lien date, and the added or reduced assessed value is placed on a separate Property Tax bill. Revenue from the supplemental roll is dependent strictly upon timing of sales and thus is difficult to forecast. Another factor that makes this revenue source difficult to forecast is the fact that it is pooled at the County level. All Supplemental Property Tax collected by the County is allocated to the cities based on a formula and not on transactions within each jurisdiction. As such, the significant valuation changes in other parts of the county impact the City of Sunnyvale's Supplemental Property Tax revenues. Over the past several years, this revenue source hit a record low in FY 2010/11 of \$175,000 and climbed to \$988,881 in FY 2013/14. Staff projects that Supplemental Property Tax revenue will remain high in FY 2014/15 and FY 2015/16, before returning to a historical average, beginning in FY 2016/17. Our projection revises the FY 2014/15 forecast to \$1.0 million. FY 2015/16 revenue is projected to be \$1.1 million. The long-term average of \$830,000 is projected in FY 2016/17, increasing modestly from there throughout the remainder of the long-term plan.

Another component of the City's Property Tax is the administrative fee the County of Santa Clara charges to collect and distribute Property Tax. Administrative fees increased 9% in FY 2013/14 due to increased costs for the Santa Clara County Assessor's Office. In addition, the County forecasted an additional 5% increase in administrative fees to \$470,000 in FY 2014/15. The baseline Property Tax Administrative Fee used in our twenty year plan, beginning in FY 2015/16, is the long-term average of \$479,000, increasing 2% in future years.

### Sales and Use Tax

Sales and Use Tax (Sales Tax) represents the second largest source of revenue to the General Fund. Sales Tax is expected to make up 24% of budgeted revenues in FY 2015/16. Sales and Use Tax also represents one of the General Fund's most volatile revenue sources, with drastic swings over the past decade. In FY 2000/01, Sales Tax was the General Fund's largest revenue source, constituting 32% of total revenue at \$36.3 million. The subsequent economic downturn caused by the technology industry bust saw Sales Tax revenue plummet to \$22.8 million by FY 2002/03. Revenues recovered over the following four fiscal years, reaching \$30.9 million in FY 2006/07, then dropping 4% in FY 2007/08 with the onset of the Great Recession. In the six years since the recession returns have been volatile, but revenue has recovered to pre-recession levels, with Sales Tax revenue of \$30.0 million in FY 2012/13.

#### Sales Tax Distribution 8.75 Cents per Dollar — Santa Clara County



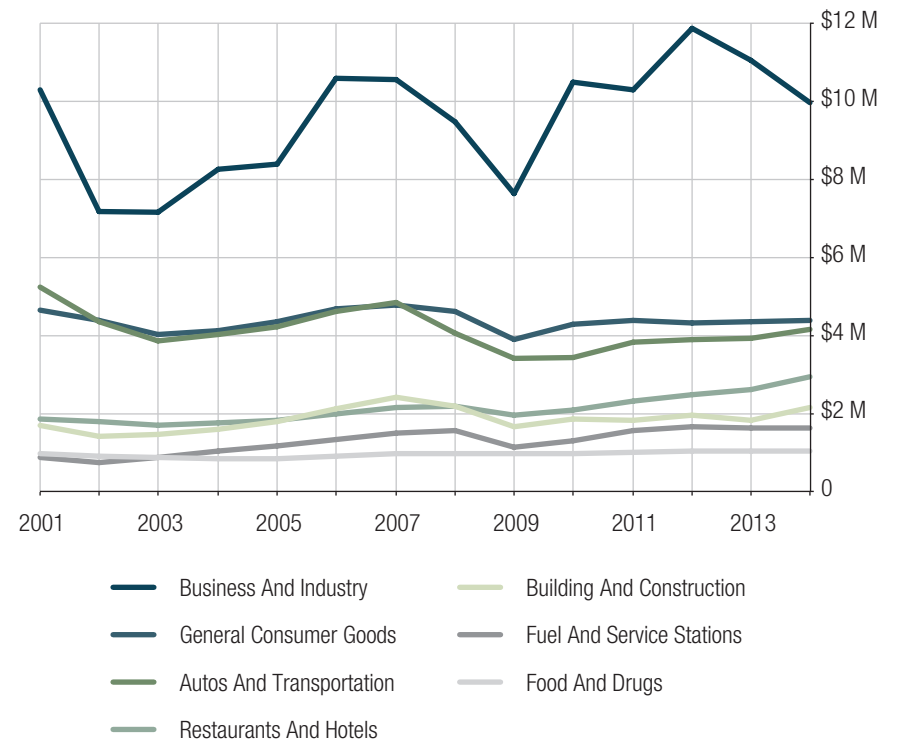
Source: CA Board of Equalization

The graph above shows how Sales Tax dollars are distributed within Santa Clara County. The State receives the largest share of the eight and three-quarter cents per dollar of sales, while cities receive only one cent of the rate. There have been three increases to the Sales Tax implemented since 2011, and the increases have added a total of one-half cent to the Sales Tax. Measure B, approved by voters in 2008, added an eighth-cent Sales Tax to support the BART extension and became effective July 1, 2012. This additional eighth-cent will be effective for 30 years. In 2012, voters approved two additional Sales Tax measures. One was Proposition 30, a quarter-cent increase to the statewide base Sales Tax rate. This addition became effective on January 1, 2013 and is set to end on December 31, 2016. The other was Measure A, an eighth-cent increase to the portion of Sales Tax the County of Santa Clara receives for general County purposes. This addition became effective April 1, 2013 and is set to end on March 31, 2023. While these changes have impacted the sales tax rates paid by Sunnyvale residents, the City of Sunnyvale is not a beneficiary of either of these increases and continues to receive only 1% of all taxable sales.

Sales and Use Tax is composed of two different types - general retail sales and business-to-business sales. In Sunnyvale, as well as some other Silicon Valley cities, an unusually high proportion of overall Sales Tax has traditionally been business-to-business in nature. This sector currently constitutes about 36% of our aggregate, as opposed to the statewide average of approximately 17%. This makes our Sales Tax much more complicated and difficult to predict because it is often one time in nature.

Specific year-over-year growth projections are developed by dividing Sales Tax receipts into five major categories that have similar economic characteristics: Business and Industry, General Consumer Goods, Autos and Transportation, County Pool, and Other. The Other category includes Restaurants and Hotels, Building and Construction, Fuel and Service Stations, and Food and Drugs. As can be seen from the following graph listing Sunnyvale's Sales Tax receipts by sector between 2001 and 2014, each category has a unique pattern:

**City of Sunnyvale  
Sales Tax Receipts by Major Sector  
(Calendar Year 2001 – 2014)**



While the majority of the sectors are relatively stable and experience swings within a narrow band, the business and industry sector, by its very nature, is highly volatile as can be seen above. This makes revenues in this area very unpredictable and forecasting future revenues very challenging. As previously noted, in FY 2006/07, Sales Tax reached \$30.9 million. Two years later, by FY 2008/09, the Great Recession had taken its toll and Sales Tax had dropped to \$25.1 million, a 19% loss over two years. Sales Tax has recovered to nearly FY 2006/07 levels, as revenues of just over \$30 million were received in FY 2012/13 and FY 2013/14.



Our revised Sales Tax estimate for FY 2014/15 is \$29.8 million, down slightly from the prior year actual revenue of \$30 million. This decrease was primarily caused by a negative adjustment in the Business and Industry category that was the result of a state audit. This adjustment will impact Sales Tax revenue over two years. Excluding the one-time adjustment, the sales tax base is projected to be down 0.7% in FY 2014/15. However, growth is anticipated in the upcoming years as the economic recovery continues. Specifically, staff is forecasting sustained high activity in the Building/Construction and Auto/Transportation categories, as well as increased projections on revenue received from the County pool. Pooled revenues are expected to increase as a percentage of the City's overall Sales Tax revenue as e-commerce continues to become a larger and larger part of the economy. When transactions occur online for Sales Tax-eligible purchases, the 1% share received by cities instead goes into a County pool for distribution. For example, if a Sunnyvale resident goes to Target in Sunnyvale and purchases a television, the City receives 1% of the sale price in Sales Tax revenue. If that same Sunnyvale resident buys that television off of Target's website, the 1% of the sale price instead goes to the County pool for distribution to all agencies, as the revenue from online purchases is tracked to the county where the customer is located rather than to a more precise location due to the lack of detail in the seller's tax return. The County pool is distributed based on each jurisdiction's share of total taxable sales. For the last reporting period, Sunnyvale's share of the pool was 7.2%. This increasing trend not only makes Sales Tax revenue more-and-more difficult to project, but it also means that a larger part of this significant revenue source has little to do with activity in Sunnyvale.

Because of the volatility of this revenue source, staff has taken a conservative approach toward projecting growth. Growth is anticipated at a normal rate in FY 2015/16, reaching \$31.9 million, for a 7.0% increase over the projected FY 2014/15 revenue. This represents a growth to the base of 4.5% increase over the FY 2014/15 projection when you factor out the audit adjustment. Growth projections past FY 2016/17 are very modest, averaging 2.8% annually through FY 2034/35, which is only slightly above the inflation expectation during that time period. While it is not possible to predict the next slowdown or how that slowdown will impact Sales Tax revenues, the projections for future revenues reflect overall positive growth with the

expectation that some years of growth will be offset by losses in other years due to economic fluctuations.

Further, following completion of the Town Center project, it is anticipated that the City will receive additional Sales Tax revenue of approximately \$1.0 million per year. This value is reduced from \$1.5 million that was projected in the FY 2014/15 Adopted Budget. Staff revised the projection to reflect a decreased number of square footage in the development that will be eligible for sales tax revenue generation. We begin showing a portion of these funds starting in FY 2017/18, for six months of revenue collection, with \$1.0 million projected the following year in FY 2018/19. In total, the revised projections reduce the total Sales Tax revenue by \$2.9 million over the twenty-year plan.

## Utility Users Tax and Franchise Fees

Utility Users Tax (UUT) and Franchise Fees represent the third largest source of General Fund revenue, generating about 10% of the total for FY 2015/16. Historically, these two revenue categories have been combined because one of the primary sources of revenue for both the sale of electricity and gas. After declining in FY 2012/13, combined UUT & Franchise Fee revenue increased 3.4% to \$13.4 million in FY 2013/14. The City's UUT rate is 2% on electricity, gas, and intrastate telephone providers, which is lower than the 3.7% average of those cities in Santa Clara County which have UUT. It is also lower than the UUT rate of 3.6% for Santa Clara County when weighted by population and significantly lower than the statewide average of 6%.

Approximately 63% of UUT revenue is derived from the sale of electricity, 26% is related to intrastate telephone usage, and 11% is derived from the sale of gas.

The single largest component of UUT revenue is the electric rates charged by Pacific Gas & Electric (PG&E). With the elevated level of commercial development over recent years, and as the new square footage gets occupied, electric usage is expected to go up. However, in recent years the City has experienced very modest growth, indicating that the anticipated growth from new development has been almost entirely offset by the fact that many of these new buildings are more energy-efficient than prior uses. Therefore, Staff revised the projected growth rate down. The revised

projection for UUT on electric is \$4.13 million in FY 2014/15 and \$4.25 million in FY 2015/16.

The City is expecting to receive approximately \$1.54 million in FY 2014/15 from UUT on intrastate telephone usage. This is down approximately 8.5% from the \$1.69 million received in FY 2013/14. The long-term viability of this revenue source is a concern. Despite growth in the overall telecommunications industry, the City has not benefitted with increased UUT revenue. This is due to the fact that most of the growth in the market is in services that are not included in the UUT calculation, such as data transmission. As a result, revenue projections for FY 2015/16 and beyond reflect the continued degradation of this revenue source. The FY 2014/15 Adopted Budget projected declines of 0.5% annually. In the FY 2015/16 Recommended Budget, given the UUT telecom tax returns, this rate was reduced further to -2.8% annually. The impact of this change is a revenue reduction of \$23 million over the twenty years.

The City receives a one-time franchise payment from PG&E each year which represents approximately 39% of all Franchise Fee revenue. The PG&E franchise rate is 1% of gross receipts. Statewide, franchise rates range from .5% to 2%. The City's other main franchise agreements are with our cable television providers and Specialty Solid Waste. For FY 2015/16, Franchise Fees are projected to increase by approximately 1.3% over the revised FY 2014/15 projection. This mixed growth is comprised of modest growth from the Specialty garbage and Cal Water franchises and slight decreases in cell phone tower franchise agreements.

## Transient Occupancy Tax

Transient Occupancy Tax (TOT) represents the fourth largest revenue source of the General Fund, constituting nearly 9% of the total projected revenue for FY 2015/16.

TOT revenue is expected to finish at nearly \$12.4 million in FY 2014/15. This represents a 14.5% increase over FY 2013/14. This increase in TOT revenue is the result of three factors. Effective midway through FY 2013/14, on January 1, 2014, the TOT tax rate increased from 9.5% to 10.5%. The second driving factor is business-related travel, the core business of Sunnyvale's hotels, which remains at a high level. As the economic recovery

has continued and business travel continues to be strong, Sunnyvale hotels have benefited from increasing room rates and occupancy rates, which has positively impacted the City's TOT revenues. The third factor is that the City welcomed one new hotel, which had been included in prior year projections. The new property began generating revenue in FY 2014/15.

Projections for future years consider a number of factors, including room rates and occupancy rates returning to their historical average, as well as projecting two new hotels to begin generating revenue in future years. Due to the very high, peak level that the City is currently experiencing, the long-term plan resets revenue projections to a sustainable base over a period of two years. The planned decreases reflect lowered forecasts for room and occupancy rates, to establish the base amount at the historical average; a more sustainable level. The long-term plan does have growth built in future years. The first of the new hotels is projected to come online in FY 2016/17. When fully operational, these new hotels are expected to bring in approximately \$800k in net new TOT revenue annually. While there have been many additional hotel applications submitted, due to the volatile nature of hotel development, only approved projects are included in the long-term plan. Beyond FY 2016/17, growth is expected to be relatively steady, reflecting primarily flat occupancy rates with modest annual increases in room rates. This revenue is volatile due to it being reliant on business-travel, and the modest growth projection reflects that there will be ups and downs.

## Other Revenue Highlights

The FY 2015/16 Recommended Budget includes certain other revenue sources which warrant some discussion.

## Other Taxes

Construction Tax, Business License Tax, and Real Property Transfer Tax revenue have each had strong returns in recent years. Construction Tax revenues have been strong through FY 2014/15, an indication of the high level of development activity that the City has sustained for three consecutive years. The long-term financial plan anticipates that this historically high level will cool off, with an elevated amount estimated for FY 2015/16 and the historical average level planned beginning in FY 2016/17. Business License

Tax has seen steady growth, in line with the strong level of economic activity in the City in recent years. Real Property Transfer Tax, which is driven by property turnover and changes in valuation, has also been high in recent years. The long-term financial plan anticipates that this revenue will return to its historical average in FY 2015/16.

## Permits & Service Fees

This category includes revenue collections from fees charged for services provided by City operations. The majority of revenue in this category comes from the Department of Public Safety, the Recreation Division in the Department of Library and Community Services, the Community Development Department, and the Department of Public Works. The high level in FY 2013/14 actuals is due to the strong Development-related results which are no longer accounted for in the General Fund. Effective in FY 2014/15, fees related to development activities were shifted to the Development Enterprise Fund.

## Sale of Property

This revenue item reflects the sale of some of the City's property. There are three sales and one long-term lease of City property included in the General Fund's long-term financial plan for the FY 2015/16 Recommended Budget. Long-term lease revenue of \$7.5 million was received from affordable housing providers in FY 2013/14 for the former armory site. The sale of the Raynor Activity Center (\$14 million) was pushed out one year to FY 2015/16. Third, the sale of the margarine plant has been updated to \$18 million and moved forward to be received in FY 2016/17 in anticipation of the lease ending sooner than scheduled.

Revenues from the sale of property, as one-time funds, are best utilized for one-time capital needs. As such, these revenues are segregated into the Capital Improvement Projects Reserve. A portion of the sale proceeds from the Raynor Activity Center have been programmed for the Lakewood Branch Library project. The proceeds from the other sales have not been appropriated to any projects.

## In-Lieu Charges and Transfers

In-Lieu Charges and Transfers are primarily funds transferred into the General Fund from other City funds to pay for projects and the cost of City-Wide administration, including the cost of the Department of Finance, the Human Resources Department, the Office of the City Manager, and the Office of the City Attorney. The FY 2015/16 in-lieu charges are up 13% due to the Development Enterprise Fund paying its full share.

## Inter-Fund Revenues

Inter-Fund Revenues are primarily loan repayments to the General Fund from other funds, including the utility funds. Year-to-year fluctuations in this revenue source are expected, as loan repayment schedules are not always on fixed amortization periods and often change based on cash considerations. FY 2014/15 was the final year of repayment from the Water Fund (for its share of the purchase of property adjacent to the corporation yard), and from the General Services Fund / Sunnyvale Office Center Sub-fund (\$248k rebate for rental income). The Sunnyvale Office Center Sub-fund rebate is removed in future years to strengthen reserves in this sub-fund, which funds the lease payments associated with the purchase of the debt financed Sunnyvale Office Center. The final loan repayment of \$4.1 million from the Solid Waste fund is scheduled in FY 2023/24.

## General Fund Expenditures

General Fund expenditures fund common and core City operations like public safety, libraries, and parks and provide critical infrastructure funding for streets and sidewalks and more. The 2015/16 Recommended General Fund expenditures, including budget supplements, projects, lease payments, equipment, and transfers total \$153.2 million. Of this amount, operating expenditures are the majority, totaling \$134.5 million, or 88%, of total expenditures. Operating expenditures are up 3.5% over the current FY 2014/15 budget primarily due to rising compensation costs and the addition of budgeted personnel to address increasing demands for service and the strategic goals of Council.

## Operations — Salaries/Benefits

Salaries and benefits make up the largest portion of operating expenditures. In order to properly project salaries and benefits, they are broken into two categories, Safety and Miscellaneous. Changes in safety salaries are driven by surveys, and have averaged approximately 4% per year over the last ten years. For FY 2015/16, safety salaries and benefits are budgeted at \$60.1 million. This is a \$2.7 million, or 4.5%, decrease from the \$62.8 million in the current budget for FY 2015/16. Safety salaries were adjusted downward in FY 2014/15 due to a lower salary increase than budgeted. The annual market survey of total compensation calculated increases that were lower than the current budgeted increase of 3%, thereby lowering the safety Salary base for FY 2015/16. Going forward, and recognizing the need to make some changes to the survey methodology, as well as reflecting recent results, projected salaries for Safety personnel, are 3% per year for the first nine years, 4% for year for years ten through nineteen, and back down to 3% for the twentieth year.

Savings in Safety salaries decreased the twenty-year Safety cost by approximately \$22 million. However, this decrease is offset by the addition of new public safety officers in the budget. A total of three public safety officers have been added, starting in FY 2016/17. These three new officers are to staff the new fire station in North Sunnyvale, and will add approximately \$21 million to the twenty-year plan.

For FY 2015/16, Miscellaneous salaries and benefits are budgeted at \$49.9 million. This is a slight increase over the FY 2014/15 budget primarily due to the strategic addition of personnel. The FY 2015/16 Recommended Budget includes a second Assistant City Manager and one additional Public Safety Specialist to support the Civic Center Modernization project and other special projects, and the acceleration of public safety recruitment efforts, respectively. Projected salary increases for miscellaneous personnel, the majority of which are not survey driven, are 2% per year for the first nine years, 3% for year for years ten through nineteen, and back down to 2% for the twentieth year.

Benefits, which consist of leave, retirement, insurance, and workers compensation costs, are up approximately 5.5% for Miscellaneous and 4.5% for Safety employees. This is primarily due to increases in retirement and insurance benefits costs anticipated in FY 2015/16. As more fully discussed in

the Internal Service Fund section, employer contribution rates for retirement are projected to rise approximately 20% over the next five years and medical premium increases are estimated in the 5-7.5% range over the next several years. However, these increases have been planned in the last several long-term financial plans and the updated projections for this recommended budget are in line with the FY 2014/15 Adopted Budget. It should be noted that over the long term, retirement cost increases are anticipated to moderate and then decline as more employees come on at the third-tier retirement formula and the unfunded liability gets paid down.

## Operations — Other

Other operations are expenditures for purchased goods and services and overhead charges. Over the twenty-year planning period, these expenditures are up \$13.2 million over the current budget. About half of the change is attributable to replacement of information technology equipment, specifically public safety related equipment, and the increasing cost for water. The other half is a result of additional operational expenditures the General Fund is projected to pick up due to lower gas tax revenues to fund pavement operations.

Each year a portion of the Public Works Pavement Operations program, which is accounted for in the General Fund, is supported by the Gas Tax Fund. These pavement operations costs are netted out from the General Fund operations budget and reflected in the Gas Tax Fund. The amount that is used for this purpose varies depending upon funds available and project requirements. As mentioned above, this support is projected to decrease in the future, primarily due to lower volumes and sale prices of gas sold. In FY 2015/16 and 2016/17, the support is held flat to the current budgeted amount of \$2.025 million. From FY 2017/18 through the end of the first ten-year period, this amount is reduced to \$1.4 million a year, and then to \$1.15 million a year for the second ten-year period.

**Service Level Set Aside** is an expenditure line-item that has not been in the General Fund for several years. Over the twenty-year period, a total of \$22.3 million, or approximately \$950,000 per year, has been added to the expenditure budget, primarily due to the increase in the property tax base. The Service Level Set Aside represents the amount of flexibility the City has in General Fund expenditures, while also keeping the Fund structurally balanced.



**Public Safety Recruitment Projects, Projects and Project Administration, and Project Operating Costs** reflect General Fund expenditures related to capital, special, and Department of Public Safety recruitment projects. The content of these expenditures is discussed below in the General Fund Projects section.

The **Equipment** line item contains the appropriations for equipment for the Departments of Public Safety and Library and Community Services based on their replacement schedules. These costs are up slightly, primarily due to adjustments and additions for some public safety equipment. In particular, due to decreasing Asset Forfeiture funds, the replacement of Tasers has been moved to the General Fund. The Equipment line also includes a one-time appropriation of \$200,000 for the City Manager to utilize for unanticipated, time sensitive items.

**Lease payments** in the amount of \$1,202,750 are included in the appropriation for FY 2015/16 as well. These payments fulfill the City's agreement with the former Redevelopment Agency to pay lease payments equal to the annual debt service on one of the downtown parking structures. Previously a Redevelopment Agency obligation, this item remains a subject of litigation in the redevelopment dissolution process.

**Council Service-Level Set Aside** is an annual \$100,000 set aside for Council's use at its discretion for unplanned projects, services, or other initiatives that come up over the course of the fiscal year. For FY 2015/16, this amount has been reduced to \$25,000, due to \$75,000 in funding that Council approved to augment Care Management services for one year.

The FY 2015/16 General Fund Budget includes one-time funding for six budget supplements and five-year funding for one budget supplement. Details on each of the supplements are included in the Budget Supplement section in this volume of the FY 2015/16 Recommended Budget. The total one-time expenditures budget for the six supplements in FY 2015/16 is \$241,000; the ongoing supplement is for five years, starting FY 2015/16, and is budgeted at \$30,000 annually.

**Transfers to Other Funds** reflect transfers from the General Fund to other funds for operating and capital project purposes. These include transfers to the Youth and Neighborhood Services Fund for support of

Columbia Neighborhood Center, the Liability and Property Insurance Fund for the General Fund's share of claims and insurance, and the Capital and Infrastructure Project Funds to cover project expenditures. Major transfers budgeted for FY 2015/16 includes a transfer of \$1.5 million to the Infrastructure Fund, primarily for the Pavement Rehabilitation project and the Sidewalk, Curb, and Gutter Replacement project. As established in the FY 2012/13 Budget, the long-term financial plan for the General Fund reflects an annual transfer of \$1.5 million for investment in the City's administrative infrastructure. These funds are not set aside for a specific project or set of projects at this point but will accumulate in the Infrastructure Fund and be appropriated as projects are identified and prioritized. Starting in FY 2016/17, approximately \$11.6 million is planned to be transferred over three years to the Capital Projects Fund for the design and construction work on the Lakewood Branch Library Facility project. \$450,000 has also been budgeted to transfer to the Golf and Tennis Fund to address the deficit in that Fund anticipated for FY 2015/16.

## General Fund Projects

The FY 2015/16 Recommended Budget for the General Fund includes \$10.6 million for capital, special, and outside group funding projects. This amount also includes Project Administration costs of \$301,188. These are costs of Public Works staff for design and inspection of General Fund supported capital projects. The majority of the projects budget in FY 2015/16, or \$6.6 million, is in a special project for the recruitment and training of sworn public safety officers. Starting in FY 2014/15 and through FY 2017/18, \$6.3 million has been brought forward from future years' recruitment budgets to accelerate recruitment efforts, fill vacancies and reach the current authorized sworn staffing of 201. These funds will support the recruitment of 10 additional recruits in the FY 2014/15 budget. It will also fund the acceleration of additional recruits through FY 2016/17 in anticipation of the elevated level of projected separations in the next few years. This category of projects also represents the majority of General Fund project expenditures over the twenty-year plan, with \$57 million budgeted for this purpose. The practice of budgeting for the recruitment, selection, and training of new public safety officers in a series of recurring special projects rather than in the operating budget began in FY 2006/07. This methodology allows

expenditures to fluctuate each year based on the number of recruitments and allows for better monitoring and tracking of costs. It should be noted that the fixed costs associated with this activity, which include management oversight and other recruitment expenses, continue to be part of the Public Safety Department operating budget.

\$3.6 million has been budgeted for non-DPS (Department of Public Safety) recruitment project costs in FY 2015/16. 15 new projects comprise \$2.7 million, or 75%, of the \$3.6 million budgeted. These include \$850,000 for Fire Station 5 Improvements, \$500,000 for the Community Choice Energy Program, \$400,000 for the Department of Public Safety (DPS) Body Worn Cameras, and \$210,000 for Climate Action Plan Implementation. The DPS Body Worn Cameras also have an ongoing annual cost of \$200,000 for data storage and periodic replacement or upgrades, which total \$4.8 million over the twenty-year plan. There is also one ongoing special project for \$30,000 a year related to a minimum wage enforcement agreement with the San Jose Office of Equality Assurance, totaling \$600,000 over the twenty-year plan. Additionally, \$300,000 has been budgeted in FY 2015/16 to update the City's American with Disabilities Act (ADA) transition plan. This will update the current plan to reflect current standards and practices and evaluate citywide needs and funding requirements to upgrade City facilities and rights-of-way. In FY 2016/17, \$867,000 has also been budgeted to upgrade and expand existing outdated emergency vehicle traffic signal preemption equipment in the City of Sunnyvale.

The FY 2015/16 Budget also contains \$115,000 for Outside Group Funding per Council policy. During November 2014, Council increased this maximum support from the General Fund to \$115,000 for FY 2015/16 only. The ongoing support for Outside Group Funding projects remains at \$100,000 a year for the remaining 19 years.

Often times, one-time capital projects will result in ongoing operational costs. The Project Operating Costs line reflects the future operating costs of budgeted projects. The first set of operating costs arising from projects starts in FY 2016/17, with the majority of the total being attributable to the DPS Body Worn Cameras (\$204,000). Another significant increase to project operating costs comes in FY 2018/19, when approximately \$265,000 is added annually to cover the net new ongoing costs of the Lakewood Branch

Library and \$128,000 is added annually to cover the ongoing costs of the Washington Community Swim Center project. These ongoing costs are expected to be partially offset by increased revenues at Washington Pool once expansion is complete.

## General Fund Reserves

One of the most powerful aspects of multi-year financial planning is its capability to recognize trends over time and begin at an early point to consider the necessary steps to alter the long-term forecasted position of a particular fund should that appear necessary. The reserves contained in the General Fund's long-term financial plan play a pivotal role in the City's multi-year planning strategy.

The City has established reserves in the General Fund that are restricted by prior policy or legal requirements to specific uses. Most of the City's reserves are established in accordance with policies adopted by Council.

The General Fund has five reserves that are contained in its long-term financial plan under the sub-heading, *Reserves*. The first is the *Contingencies Reserve*. By Council policy, this reserve must be equal to 15% of the operating budget in the first year of the long-term plan, in this case FY 2015/16, and then grow by the estimated change in the Consumer Price Index in each subsequent year. Prior to FY 2011/12, this reserve was set at 20% of General Fund operational expenditures annually; however, Council changed this reserve policy in 2011 to better reflect the intent and potential uses of this reserve. It is important to note that this reserve is not intended for normal unanticipated expenditures and is instead to be used for non-fiscal emergencies or disasters as determined by Council.

A second reserve in the General Fund mandated by Council policy is the Budget Stabilization Fund. The Budget Stabilization Fund functions to normalize service levels through economic cycles. In essence, the intent is for this fund to increase during periods of economic growth and to be drawn down during the low points of economic cycles to maintain stable service levels. Using the Budget Stabilization Fund prevents us from adding services at the top of the economic cycle that cannot be sustained while allowing us to maintain Council-approved services levels during economic downturns.



In August 2011, Council adopted a new policy governing the balance of the Budget Stabilization Fund. This policy requires that the Budget Stabilization Fund be maintained at no less than 15% of total projected revenues for the first two years of the 20-year plan and that it never go below \$0 in any year. For the FY 2015/16 Budget, the Budget Stabilization Fund balance is 26% of revenues in FY 2015/16 and 23% in FY 2016/17.

The FY 2015/16 Recommended Budget continues to maintain the short- and long-term balance. Over the twenty-year plan, *Total Available Resources* are up \$75 million, and *Total Expenditures* are also up, approximately \$68 million. This results in a slightly higher budget stabilization reserve over the current budget, with a modest increase of \$3.4 million over the entire twenty-year plan. However, this comparison also includes the service level set-aside, which accounts for \$22 million of the increase in expenditures over twenty years.

The Budget Stabilization Fund is able to absorb an annual set aside of \$950,000, with a projected balance of \$13.5 million in the twentieth year. This indicates the improved fiscal position of the General Fund over the FY 2014/15 Adopted Budget.

The third reserve in the General Fund is the *Reserve for Capital Improvement Projects*. Originally entitled the *Land Acquisition Reserve*, it was established in FY 1994/95 for the purpose of purchasing land or property in the downtown area with an emphasis on future income generation through economic development. In the past, it was used to purchase key parcels in the downtown area. In FY 2006/07 the reserve name was changed to *Reserve for Capital Improvement Projects* to reflect its expanded purpose. At the end of FY 2014/15, it is projected that the balance in this reserve will be \$13.3 million. The reserve is projected to increase with the anticipated sale of the Raynor Activity Center for \$14 million in FY 2015/16, and the Margarine Plant in FY 2016/17. After FY 2018/19, the reserve is projected to increase with interest earnings.

The fourth reserve is the *Development Enterprise Reserve*. This reserve was set up to fund the Development Enterprise Fund, which was created with the FY 2014/15 budget to allow greater visibility to the relationship of total Development-related costs and offsetting fee-based revenue. This reserve represented the initial, one-time transfer of actual Development-related revenue amounts collected over original revenue projections for FY 2012/13 and FY 2013/14 to the Development Enterprise Fund.

The \$14.0 million in *Reserve for RDA Payment* has been set aside, pending final determination of payments made to the City by the former Redevelopment Successor Agency (RDA) prior to the dissolution of the former RDA. The Successor Agency filed suit on May 23, 2013 challenging the California Department of Finance's (DOF) determination that the City is not entitled to reimbursement for all payments made related to the RDA's financing obligation associated to the Town Center development agreement. In response to this petition, on September 4, 2013, Santa Clara County Counsel on behalf of two affected taxing entities (the County Office of Education and Fremont Union High School District) filed a counter lawsuit against the Successor Agency, the City and DOF. Since DOF's determination on past payments contradicts the findings of the Due Diligence Review and the State Controller's Asset Transfer Review, which both determined that all payments made by the RDA to the City prior to the dissolution of the former RDA were allowable, the Successor Agency/City has not remitted the funds. On July 8, 2014, the Sacramento County Superior Court issued its ruling on the two related cases that retroactively invalidated \$14.0 million in repayments legally made to the City. The Court's decision is pending on appeal by the Redevelopment Successor Agency. To prepare for the worst case scenario, \$14.0 million has been set aside and resolution is anticipated by FY 2016/17.

Lastly, the *Equipment & Project C/O Reserve* accounts for actual FY 2014/15 project carryover costs (and related revenues). Since a significant portion of the current budgeted project costs are from the prior year (FY 2013/14) carryover, it was prudent to separate out this reserve to increase transparency of unspent project costs. Additionally, accounting for this reserve separately helps ensure that the available funds in the Budget Stabilization Fund are not overstated.

Total Reserves in the General Fund increase or decrease depending upon the relationship between *Total Current Resources* and *Total Current Requirements* in the long-term financial plan. Put simply, when revenues and resources are greater than expenditures and transfers, money is put into the reserves, and when expenses are higher, money is taken out. The relationship between these can be seen at the bottom of the plan in the rows marked *Total Current Resources*, *Total Current Requirements*, and *Difference*. It should be noted that Sunnyvale's Reserves are actual funds rather than *estimated* surpluses as is the case in the State Budget and some other local jurisdictions. The advantage of funded reserves includes the substantial interest earnings that are generated and added to annual revenues.

**CITY OF SUNNYVALE  
035. GENERAL FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVES/FUND BALANCE, JULY 1	101,308,531	116,061,692	93,806,576	103,646,023	105,158,211	95,080,116	91,433,013	92,648,877	93,458,502	96,127,503	99,633,168	105,302,138	116,061,692
<b>CURRENT RESOURCES:</b>													
Property Tax	50,293,385	53,511,242	56,486,757	60,953,938	60,575,957	63,064,045	66,439,056	68,790,519	71,483,216	74,243,427	77,094,140	80,086,765	732,729,062
Sales Tax	30,194,827	29,849,173	31,947,169	32,508,658	33,656,331	34,982,802	35,857,372	36,933,093	38,041,086	39,182,318	40,357,788	41,568,521	394,884,311
Public Safety Sales Tax	1,480,706	1,463,755	1,566,638	1,594,172	1,650,452	1,715,500	1,758,388	1,811,139	1,865,474	1,921,438	1,979,081	2,038,453	19,364,490
Business License Tax	1,742,401	1,700,000	1,734,000	1,768,680	1,804,054	1,840,135	1,876,937	1,914,476	1,952,766	1,991,821	2,031,657	2,092,607	20,707,133
Other Taxes	4,658,039	4,775,441	3,533,049	2,719,853	2,783,089	2,847,810	2,914,052	2,981,851	3,051,244	3,122,269	3,194,965	3,269,370	35,192,994
Transient Occupancy Tax	10,858,671	12,436,990	11,397,216	9,543,434	9,832,223	10,699,713	10,941,268	11,188,205	11,440,644	11,698,704	11,950,313	12,197,618	123,326,329
Utility Users Taxes	6,754,263	6,720,489	6,809,616	6,903,949	6,971,730	7,042,847	7,117,312	7,195,136	7,276,335	7,360,924	7,448,921	7,549,003	78,396,262
Franchises	6,694,336	6,871,846	6,963,390	7,072,226	7,191,802	7,305,912	7,446,130	7,565,078	7,694,975	7,818,968	7,954,358	8,147,097	82,031,784
Rents and Concessions	2,299,404	2,559,986	2,579,134	2,611,897	2,419,270	2,467,864	2,505,565	2,457,856	2,498,875	2,538,899	2,603,130	2,662,207	27,904,683
Federal, State and Intergovernmental Revenue	1,821,164	2,314,122	746,741	672,680	594,738	600,916	607,219	613,647	620,204	626,892	631,956	642,110	8,671,224
Permits and Licenses	9,796,323	1,175,805	1,218,659	1,259,472	1,284,264	1,309,551	1,335,344	1,361,653	1,388,488	1,415,860	1,443,779	1,485,999	14,678,875
Fines and Forfeitures	1,175,046	966,574	962,184	1,067,221	1,123,503	1,137,092	1,151,130	1,165,623	1,180,577	1,195,997	1,211,889	1,229,014	12,390,802
Service Fees	10,405,558	5,423,891	5,189,311	5,388,164	5,475,643	5,591,370	5,750,354	5,849,794	5,962,133	6,065,874	6,187,375	6,309,885	63,193,793
Interest Income	548,687	644,913	827,756	1,287,595	1,776,388	2,320,962	2,336,589	2,330,399	2,389,112	2,486,136	2,659,737	2,660,771	21,720,357
Interest from Sale of Property	0	0	133,000	613,660	732,739	846,295	880,146	915,352	951,966	990,045	1,029,647	1,070,833	8,163,683
Inter-Fund Revenues	5,657,787	6,864,358	6,272,017	6,290,179	6,308,704	6,327,599	5,932,708	5,952,366	5,972,418	5,992,871	6,013,733	1,946,096	63,873,048
Miscellaneous Revenues	715,028	229,309	148,464	151,063	153,715	149,603	152,362	155,175	158,045	160,973	163,742	168,304	1,790,754
Sale of Property	7,509,406	0	14,000,000	18,000,000	0	0	0	0	0	0	0	0	32,000,000
In-Lieu Charges	8,519,322	8,892,008	10,112,578	10,314,943	10,521,355	10,731,896	10,946,647	11,165,693	11,389,121	11,617,017	11,849,471	12,205,126	119,745,855
Transfer From Other Funds	2,050,995	684,693	386,337	152,711	61,789	78,069	348,958	354,657	157,906	79,526	79,992	80,472	2,465,110
<b>TOTAL CURRENT RESOURCES</b>	<b>163,175,349</b>	<b>147,084,595</b>	<b>163,014,016</b>	<b>170,874,495</b>	<b>154,917,744</b>	<b>161,059,981</b>	<b>166,297,537</b>	<b>170,701,714</b>	<b>175,474,584</b>	<b>180,509,960</b>	<b>185,885,675</b>	<b>187,410,250</b>	<b>1,863,230,551</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>264,483,879</b>	<b>263,146,287</b>	<b>256,820,592</b>	<b>274,520,517</b>	<b>260,075,955</b>	<b>256,140,098</b>	<b>257,730,550</b>	<b>263,350,591</b>	<b>268,933,087</b>	<b>276,637,462</b>	<b>285,518,844</b>	<b>292,712,388</b>	<b>1,979,292,243</b>
<b>CURRENT REQUIREMENTS:</b>													
Operations - Safety Salaries/Benefits	55,594,921	58,017,302	60,127,339	65,540,565	67,840,349	69,869,432	71,958,000	73,980,291	76,120,308	78,321,129	80,587,046	83,521,592	785,883,355
Operations - Misc. Salaries/Benefits	51,408,092	47,934,990	49,921,030	51,691,770	52,938,470	54,055,740	55,309,483	56,467,024	57,619,421	58,796,358	59,997,013	61,638,352	606,369,650
Operations - Other	27,066,199	25,985,238	26,479,893	27,314,933	27,714,409	28,386,970	29,081,231	29,761,760	30,562,874	31,386,287	32,205,757	33,064,813	321,944,166
Operations Transfer To Gas Tax Fund (1,990,544)	(1,990,544)	(2,025,000)	(2,025,000)	(2,025,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(17,275,000)
Public Safety Recruitment Projects	3,316,819	7,497,888	6,620,459	3,628,503	3,277,055	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000	2,101,524	36,025,430
Projects and Project Administration	4,548,125	5,377,298	3,956,120	1,748,384	508,034	433,366	642,201	602,197	294,435	384,595	212,415	225,080	14,384,125
Project Operating Costs	0	0	0	321,339	340,375	339,902	742,288	755,400	773,558	770,937	791,599	813,529	5,648,927
Equipment	386,158	578,671	514,473	243,171	472,975	341,164	307,612	1,042,958	258,559	691,005	339,744	327,504	5,117,837
Lease Payments	1,212,624	1,246,580	1,202,750	1,200,750	1,201,625	1,200,250	1,235,625	1,242,375	1,241,250	0	0	0	9,771,205
Payment to State - RDA Dissolution	0	0	0	14,037,223	0	0	0	0	0	0	0	0	14,037,223
Council Service Level Set Aside	0	35,000	25,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	960,000
Budget Supplements	0	0	241,000	30,000	30,000	30,000	30,000	0	0	0	0	0	361,000
Service Level Set-Aside	0	0	950,000	969,000	988,380	1,008,148	1,028,311	1,048,877	1,069,854	1,091,251	1,113,076	1,135,338	10,402,235
<b>TOTAL EXPENDITURES</b>	<b>141,542,393</b>	<b>144,647,968</b>	<b>148,013,064</b>	<b>164,800,639</b>	<b>154,011,672</b>	<b>156,514,972</b>	<b>161,184,750</b>	<b>165,750,881</b>	<b>168,790,259</b>	<b>172,291,563</b>	<b>176,096,650</b>	<b>181,527,733</b>	<b>1,793,630,152</b>

**CITY OF SUNNYVALE  
035. GENERAL FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
<b>TRANSFERS TO OTHER FUNDS:</b>													
Infrastructure Fund	3,434,300	7,967,721	1,468,866	603,008	842,295	868,502	629,623	819,366	655,060	1,314,412	681,524	1,281,839	17,132,216
Investment in City Facilities	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	16,500,000
Capital Projects Fund	67,199	2,686,333	100,000	852,000	6,976,072	4,106,121	0	0	0	0	0	0	14,720,526
Community Development Block Grant Fund	290,951	0	0	0	0	0	0	0	0	0	0	0	0
Youth and Neighborhood Services Fund	418,310	338,829	492,502	505,675	515,741	521,753	535,690	547,764	559,816	571,497	584,799	600,053	5,774,118
Solid Waste Management Fund	0	0	101,000	0	0	0	0	0	0	0	0	0	101,000
Golf and Tennis Fund	0	140,000	450,000	0	0	0	0	0	0	0	0	0	590,000
Development Enterprise Fund	0	8,337,346	0	0	0	0	0	0	0	0	0	0	8,337,346
General Services Fund	28,722	101,667	30,471	31,385	32,327	33,296	34,295	40,844	36,384	37,475	38,600	39,758	456,502
Employee Benefits Fund	305,864	2,600,000	0	0	0	0	0	0	0	0	0	0	2,600,000
Liability and Property Insurance Fund	834,448	1,019,848	1,018,667	1,069,600	1,117,732	1,162,441	1,197,314	1,233,234	1,264,065	1,289,346	1,315,133	1,328,284	13,015,663
<b>TOTAL TRANSFERS TO OTHER FUNDS</b>	<b>6,879,794</b>	<b>24,691,743</b>	<b>5,161,505</b>	<b>4,561,668</b>	<b>10,984,167</b>	<b>8,192,114</b>	<b>3,896,922</b>	<b>4,141,208</b>	<b>4,015,324</b>	<b>4,712,730</b>	<b>4,120,055</b>	<b>4,749,934</b>	<b>79,227,371</b>
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>148,422,187</b>	<b>169,339,711</b>	<b>153,174,569</b>	<b>169,362,306</b>	<b>164,995,839</b>	<b>164,707,085</b>	<b>165,081,672</b>	<b>169,892,089</b>	<b>172,805,584</b>	<b>177,004,294</b>	<b>180,216,705</b>	<b>186,277,667</b>	<b>1,872,857,522</b>
<b>RESERVES:</b>													
<b>DESIGNATED:</b>													
Contingencies (15%)	19,811,800	19,486,880	20,175,489	20,679,877	21,196,873	21,726,795	22,269,965	22,826,714	23,397,382	23,982,317	24,581,875	25,196,421	25,196,421
Capital Improvement Projects	15,514,985	13,254,116	27,517,116	45,380,776	39,241,483	36,087,777	36,967,924	37,883,276	38,835,242	39,825,287	40,854,934	41,925,767	41,925,767
Development Enterprise Reserve	8,337,346	0	0	0	0	0	0	0	0	0	0	0	0
Reserve for RDA payment	14,037,223	14,037,223	14,037,223	0	0	0	0	0	0	0	0	0	0
Budget Stabilization Fund	54,025,344	47,028,358	41,916,195	39,097,559	34,641,760	33,618,440	33,410,988	32,748,512	33,894,878	35,825,564	39,865,329	39,312,532	39,312,532
Equipment & Project C/O Reserve	4,334,995	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUB-TOTAL DESIGNATED RESERVES</b>	<b>116,061,692</b>	<b>93,806,576</b>	<b>103,646,023</b>	<b>105,158,211</b>	<b>95,080,116</b>	<b>91,433,013</b>	<b>92,648,877</b>	<b>93,458,502</b>	<b>96,127,503</b>	<b>99,633,168</b>	<b>105,302,138</b>	<b>106,434,721</b>	<b>106,434,721</b>
<b>TOTAL RESERVES</b>	<b>116,061,692</b>	<b>93,806,576</b>	<b>103,646,023</b>	<b>105,158,211</b>	<b>95,080,116</b>	<b>91,433,013</b>	<b>92,648,877</b>	<b>93,458,502</b>	<b>96,127,503</b>	<b>99,633,168</b>	<b>105,302,138</b>	<b>106,434,721</b>	<b>106,434,721</b>
<b>FUND BALANCE, JUNE 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Current Resources	155,665,943	147,084,595	148,881,016	152,260,835	154,185,005	160,213,687	165,417,391	169,786,362	174,522,618	179,519,915	184,856,028	186,339,417	
Total Current Requirements	148,422,187	167,078,842	153,174,569	168,612,306	158,123,807	160,707,085	165,081,672	169,892,089	172,805,584	177,004,294	180,216,705	186,277,667	
DIFFERENCE	7,243,756	(19,994,247)	(4,293,553)	(16,351,472)	(3,938,802)	(493,399)	335,718	(105,727)	1,717,034	2,515,621	4,639,323	61,750	

**CITY OF SUNNYVALE**  
**035. GENERAL FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2025 TO JUNE 30, 2035**

	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
RESERVES/FUND BALANCE, JULY 1	106,434,721	107,807,055	109,317,437	110,627,664	111,607,546	113,020,213	112,687,378	109,697,276	107,904,474	107,544,175	106,434,721	116,061,692
<b>CURRENT RESOURCES:</b>												
Property Tax	83,234,800	86,864,513	90,399,241	94,194,294	97,899,744	101,752,551	105,758,618	109,924,086	114,255,343	118,759,034	1,003,042,223	1,735,771,286
Sales Tax	42,815,577	44,100,044	45,423,046	46,785,737	48,189,309	49,634,989	51,124,038	52,657,759	54,237,492	55,864,617	490,832,609	885,716,919
Public Safety Sales Tax	2,099,607	2,162,595	2,227,473	2,294,297	2,363,126	2,434,020	2,507,040	2,582,252	2,659,719	2,739,511	24,069,640	43,434,131
Business License Tax	2,155,385	2,220,047	2,286,648	2,355,248	2,425,905	2,498,682	2,573,643	2,650,852	2,730,378	2,812,289	24,709,077	45,416,210
Other Taxes	3,367,451	3,468,475	3,572,529	3,679,705	3,790,096	3,903,799	4,020,913	4,141,541	4,265,787	4,393,760	38,604,057	73,797,051
Transient Occupancy Tax	12,565,800	12,942,774	13,331,057	13,730,989	14,142,919	14,567,206	15,004,222	15,454,349	15,917,980	16,395,519	144,052,816	267,379,145
Utility Users Taxes	7,707,931	7,873,531	8,045,948	8,225,334	8,411,849	8,605,656	8,806,927	9,015,839	9,232,577	9,457,330	85,382,924	163,779,186
Franchises	8,355,676	8,651,279	8,791,576	9,103,520	9,254,017	9,583,232	9,744,615	10,092,083	10,265,087	10,631,846	94,472,931	176,504,715
Rents and Concessions	2,726,150	2,816,582	2,886,387	2,956,260	3,054,027	3,130,221	3,206,573	3,312,304	3,395,474	3,478,906	30,962,884	58,867,568
Federal, State and Intergovernmental Revenue	657,799	668,809	680,149	658,496	670,527	682,919	695,682	708,829	722,370	736,317	6,881,897	15,553,121
Permits and Licenses	1,530,579	1,576,496	1,623,791	1,672,505	1,722,680	1,774,360	1,827,591	1,882,419	1,938,891	1,997,058	17,546,368	32,225,243
Fines and Forfeitures	1,256,828	1,285,634	1,315,459	1,346,331	1,378,279	1,411,332	1,445,520	1,480,874	1,517,429	1,555,215	13,992,900	26,383,702
Service Fees	6,462,963	6,616,828	6,802,619	6,976,931	7,156,782	7,345,102	7,536,926	7,719,489	7,941,934	8,142,819	72,702,392	135,896,185
Interest Income	3,283,473	3,281,565	3,264,909	3,232,543	3,224,799	3,122,792	2,880,167	2,693,604	2,570,681	2,432,903	29,987,436	51,707,793
Interest from Sale of Property	1,392,083	1,461,687	1,534,771	1,611,510	1,692,085	1,776,689	1,865,524	1,958,800	2,056,740	2,159,577	17,509,465	25,673,148
Inter-Fund Revenues	1,978,972	2,012,835	2,047,714	2,083,639	2,120,641	2,158,754	2,198,010	2,238,444	2,280,091	2,322,987	21,442,087	85,315,135
Miscellaneous Revenues	173,003	177,843	175,467	180,601	185,890	191,337	196,948	202,727	208,680	214,810	1,907,306	3,698,060
Sale of Property	0	0	0	0	0	0	0	0	0	0	0	32,000,000
In-Lieu Charges	12,529,868	12,905,934	13,293,282	13,682,398	14,093,028	14,515,977	14,951,614	15,400,321	15,862,490	16,392,784	143,627,695	263,373,551
Transfer From Other Funds	96,970	97,478	98,002	98,541	542,438	456,420	100,258	100,865	101,491	102,135	1,794,597	4,259,707
<b>TOTAL CURRENT RESOURCES</b>	<b>194,390,915</b>	<b>201,184,949</b>	<b>207,800,068</b>	<b>214,868,880</b>	<b>222,318,141</b>	<b>229,546,038</b>	<b>236,444,831</b>	<b>244,217,437</b>	<b>252,160,632</b>	<b>260,589,417</b>	<b>2,263,521,305</b>	<b>4,126,751,856</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>300,825,636</b>	<b>308,992,004</b>	<b>317,117,505</b>	<b>325,496,544</b>	<b>333,925,687</b>	<b>342,566,251</b>	<b>349,132,209</b>	<b>353,914,713</b>	<b>360,065,105</b>	<b>368,133,592</b>	<b>2,369,956,026</b>	<b>4,242,813,548</b>
<b>CURRENT REQUIREMENTS:</b>												
Operations - Safety Salaries/Benefits	87,179,399	90,666,575	94,293,238	98,064,967	101,987,566	106,067,068	110,309,751	114,722,141	119,311,027	122,911,202	1,045,512,932	1,831,396,287
Operations - Misc. Salaries/Benefits	63,334,500	65,234,535	67,191,571	69,319,406	71,398,988	73,540,958	75,747,186	78,019,602	80,360,190	81,969,897	726,116,833	1,332,486,483
Operations - Other	34,042,804	35,050,589	36,089,099	37,159,297	38,262,179	39,447,949	40,671,456	41,933,935	43,236,657	44,580,939	390,474,903	712,419,069
Operations Transfer To Gas Tax Fund	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(1,150,000)	(11,500,000)	(28,775,000)
Public Safety Recruitment Projects	2,101,524	2,101,524	2,101,524	2,101,524	2,101,524	2,101,524	2,101,524	2,101,524	2,101,524	2,101,524	21,015,245	57,040,674
Projects and Project Administration	452,818	414,529	310,206	367,588	762,307	866,262	564,938	419,064	286,261	481,637	4,925,611	19,309,736
Project Operating Costs	843,851	875,415	908,261	942,452	978,058	1,015,135	1,053,753	1,093,987	1,135,905	1,170,396	10,017,214	15,666,141
Equipment	433,556	312,834	708,693	425,067	343,979	852,364	257,693	619,311	314,597	622,449	4,890,542	10,008,379
Lease Payments	0	0	0	0	0	0	0	0	0	0	0	9,771,205
Payment to State - RDA Dissolution	0	0	0	0	0	0	0	0	0	0	0	14,037,223
Council Service Level Set Aside	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000	1,960,000
Budget Supplements	0	0	0	0	0	0	0	0	0	0	0	361,000
Service Level Set-Aside	1,169,398	1,204,480	1,240,614	1,277,833	1,316,168	1,355,653	1,396,322	1,438,212	1,481,358	1,525,799	13,405,838	23,808,073
<b>TOTAL EXPENDITURES</b>	<b>188,507,851</b>	<b>194,810,480</b>	<b>201,793,207</b>	<b>208,608,135</b>	<b>216,100,769</b>	<b>224,196,913</b>	<b>231,052,624</b>	<b>239,297,776</b>	<b>247,177,519</b>	<b>254,313,844</b>	<b>2,205,859,118</b>	<b>3,999,489,270</b>

**CITY OF SUNNYVALE  
035. GENERAL FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2025 TO JUNE 30, 2035**

	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
<b>TRANSFERS TO OTHER FUNDS:</b>												
Infrastructure Fund	1,012,357	1,337,728	1,132,775	1,681,239	1,168,510	1,909,068	4,671,688	2,963,385	1,555,018	3,175,609	20,607,377	37,739,593
Investment in City Facilities	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	15,000,000	31,500,000
Capital Projects Fund	0	0	0	0	0	92,755	0	0	0	0	92,755	14,813,281
Community Development Block Grant Fund	0	0	0	0	0	0	0	0	0	0	0	0
Youth and Neighborhood Services Fund	609,305	628,374	650,605	670,895	691,784	712,694	734,203	756,326	779,081	802,485	7,035,750	12,809,868
Solid Waste Management Fund	0	0	0	0	0	0	0	0	0	0	0	101,000
Golf and Tennis Fund	0	0	0	0	0	0	0	0	0	0	0	590,000
Development Enterprise Fund	0	0	0	0	0	0	0	0	0	0	0	8,337,346
General Services Fund	47,502	43,002	44,722	46,511	48,371	57,441	52,318	54,411	56,587	58,851	509,717	966,219
Employee Benefits Fund	0	0	0	0	0	0	0	0	0	0	0	2,600,000
Liability and Property Insurance Fund	1,341,567	1,354,983	1,368,533	1,382,218	1,396,040	1,410,000	1,424,100	1,438,341	1,452,725	1,467,252	14,035,759	27,051,422
<b>TOTAL TRANSFERS TO OTHER FUNDS</b>	<b>4,510,730</b>	<b>4,864,086</b>	<b>4,696,634</b>	<b>5,280,862</b>	<b>4,804,705</b>	<b>5,681,959</b>	<b>8,382,309</b>	<b>6,712,463</b>	<b>5,343,411</b>	<b>7,004,197</b>	<b>57,281,358</b>	<b>136,508,728</b>
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>193,018,581</b>	<b>199,674,567</b>	<b>206,489,841</b>	<b>213,888,998</b>	<b>220,905,474</b>	<b>229,878,872</b>	<b>239,434,934</b>	<b>246,010,239</b>	<b>252,520,930</b>	<b>261,318,041</b>	<b>2,263,140,476</b>	<b>4,135,997,998</b>
<b>RESERVES:</b>												
<b>DESIGNATED:</b>												
Contingencies (15%)	25,952,314	26,730,884	27,532,810	28,358,794	29,209,558	30,085,845	30,988,420	31,918,073	32,875,615	33,861,884	33,861,884	33,861,884
Capital Improvement Projects	43,317,850	44,779,536	46,314,307	47,925,817	49,617,902	51,394,591	53,260,115	55,218,915	57,275,655	59,435,232	59,435,232	59,435,232
Development Enterprise Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Reserve for RDA payment	0	0	0	0	0	0	0	0	0	0	0	0
Budget Stabilization Fund	38,536,891	37,807,017	36,780,547	35,322,935	34,192,753	31,206,942	25,448,741	20,767,486	17,392,905	13,518,435	13,518,435	13,518,435
Equipment & Project C/O Reserve	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUB-TOTAL DESIGNATED RESERVES</b>	<b>107,807,055</b>	<b>109,317,437</b>	<b>110,627,664</b>	<b>111,607,546</b>	<b>113,020,213</b>	<b>112,687,378</b>	<b>109,697,276</b>	<b>107,904,474</b>	<b>107,544,175</b>	<b>106,815,551</b>	<b>106,815,551</b>	<b>106,815,551</b>
<b>TOTAL RESERVES</b>	<b>107,807,055</b>	<b>109,317,437</b>	<b>110,627,664</b>	<b>111,607,546</b>	<b>113,020,213</b>	<b>112,687,378</b>	<b>109,697,276</b>	<b>107,904,474</b>	<b>107,544,175</b>	<b>106,815,551</b>	<b>106,815,551</b>	<b>106,815,551</b>
<b>FUND BALANCE, JUNE 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Current Resources	192,998,832	199,723,262	206,265,297	213,257,370	220,626,056	227,769,349	234,579,307	242,258,637	250,103,892	258,429,840		
Total Current Requirements	193,018,581	199,674,567	206,489,841	213,888,998	220,905,474	229,878,872	239,434,934	246,010,239	252,520,930	261,318,041		
DIFFERENCE	(19,749)	48,695	(224,544)	(631,628)	(279,418)	(2,109,523)	(4,855,626)	(3,751,602)	(2,417,038)	(2,888,201)		

**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
0150	Secured Tax	32,877,452	35,054,018	37,204,312	38,897,457	40,660,840	42,341,709	44,047,491	45,612,745	47,455,196	49,372,184	51,366,730	53,441,978	485,454,661
0151	Tax Increment Shift - ERAF	52,276	0	0	0	0	0	0	0	0	0	0	0	0
0152	Unitary Roll - AB454	413,971	442,980	451,840	460,876	470,094	479,496	489,086	498,867	508,845	519,022	529,402	539,990	5,390,498
0153	Property Tax in Lieu of VLF	12,417,419	13,343,886	14,163,219	14,808,008	15,479,258	16,119,682	16,767,664	17,363,523	18,065,003	18,794,865	19,554,262	20,344,388	184,803,756
0155	Tax Delinquencies	481,276	450,000	459,000	861,336	878,563	896,134	914,057	932,338	950,985	970,004	989,404	1,009,193	9,311,014
0156	Unsecured Tax	2,642,112	2,703,000	2,578,339	2,629,906	2,682,504	2,736,154	2,790,877	2,846,695	2,903,629	2,961,701	3,020,935	3,081,354	30,935,096
0157	Supplemental Roll	988,881	1,031,000	1,067,119	830,561	847,172	864,115	881,398	899,026	917,006	935,346	954,053	973,134	10,199,930
0159	Administrative Fees	(447,056)	(470,000)	(479,400)	(488,988)	(498,768)	(508,743)	(518,918)	(529,296)	(539,882)	(550,680)	(561,694)	(572,927)	(5,719,296)
0181	General Fund Share of Tax Increment	867,054	956,359	1,042,329	2,954,782	56,294	135,497	1,067,402	1,166,621	1,222,435	1,240,983	1,241,046	1,269,655	12,353,403
<b>TOTAL PROPERTY TAXES</b>		<b>50,293,385</b>	<b>53,511,242</b>	<b>56,486,757</b>	<b>60,953,938</b>	<b>60,575,957</b>	<b>63,064,045</b>	<b>66,439,056</b>	<b>68,790,519</b>	<b>71,483,216</b>	<b>74,243,427</b>	<b>77,094,140</b>	<b>80,086,765</b>	<b>732,729,062</b>
0300	Sales and Use Tax	30,194,827	29,849,173	31,947,169	32,508,658	33,158,831	33,987,802	34,837,497	35,882,622	36,959,100	38,067,873	39,209,910	40,386,207	386,794,841
0300	Additional Sales Tax - Downtown	0	0	0	0	497,500	995,000	1,019,875	1,050,471	1,081,985	1,114,445	1,147,878	1,182,315	8,089,470
<b>TOTAL SALES AND USE TAXES</b>		<b>30,194,827</b>	<b>29,849,173</b>	<b>31,947,169</b>	<b>32,508,658</b>	<b>33,656,331</b>	<b>34,982,802</b>	<b>35,857,372</b>	<b>36,933,093</b>	<b>38,041,086</b>	<b>39,182,318</b>	<b>40,357,788</b>	<b>41,568,521</b>	<b>394,884,311</b>
0301	Sales and Use Tax - Public Safety	1,480,706	1,463,755	1,566,638	1,594,172	1,650,452	1,715,500	1,758,388	1,811,139	1,865,474	1,921,438	1,979,081	2,038,453	19,364,490
<b>TOTAL SALES AND USE TAX - PUBLIC SAFETY</b>		<b>1,480,706</b>	<b>1,463,755</b>	<b>1,566,638</b>	<b>1,594,172</b>	<b>1,650,452</b>	<b>1,715,500</b>	<b>1,758,388</b>	<b>1,811,139</b>	<b>1,865,474</b>	<b>1,921,438</b>	<b>1,979,081</b>	<b>2,038,453</b>	<b>19,364,490</b>
0450	Business License Tax	1,742,401	1,700,000	1,734,000	1,768,680	1,804,054	1,840,135	1,876,937	1,914,476	1,952,766	1,991,821	2,031,657	2,092,607	20,707,133
<b>TOTAL BUSINESS LICENSE TAX</b>		<b>1,742,401</b>	<b>1,700,000</b>	<b>1,734,000</b>	<b>1,768,680</b>	<b>1,804,054</b>	<b>1,840,135</b>	<b>1,876,937</b>	<b>1,914,476</b>	<b>1,952,766</b>	<b>1,991,821</b>	<b>2,031,657</b>	<b>2,092,607</b>	<b>20,707,133</b>
0451	Construction Tax	2,983,677	3,067,503	2,599,579	1,767,713	1,811,906	1,857,204	1,903,634	1,951,225	2,000,005	2,050,006	2,101,256	2,153,787	23,263,818
0452	Real Property Transfer Tax	1,674,362	1,707,939	933,470	952,140	971,182	990,606	1,010,418	1,030,626	1,051,239	1,072,264	1,093,709	1,115,583	11,929,176
<b>TOTAL OTHER TAXES</b>		<b>4,658,039</b>	<b>4,775,441</b>	<b>3,533,049</b>	<b>2,719,853</b>	<b>2,783,089</b>	<b>2,847,810</b>	<b>2,914,052</b>	<b>2,981,851</b>	<b>3,051,244</b>	<b>3,122,269</b>	<b>3,194,965</b>	<b>3,269,370</b>	<b>35,192,994</b>
0453-01	Transient Occupancy Tax	10,856,812	12,436,990	11,397,216	9,543,434	9,832,223	10,699,713	10,941,268	11,188,205	11,440,644	11,698,704	11,950,313	12,197,618	123,326,329
0453-02	Transient Occupancy Tax Penalties	1,859	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL TRANSIENT OCCUPANCY TAX</b>		<b>10,858,671</b>	<b>12,436,990</b>	<b>11,397,216</b>	<b>9,543,434</b>	<b>9,832,223</b>	<b>10,699,713</b>	<b>10,941,268</b>	<b>11,188,205</b>	<b>11,440,644</b>	<b>11,698,704</b>	<b>11,950,313</b>	<b>12,197,618</b>	<b>123,326,329</b>



**035. GENERAL FUND  
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
		2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035		
0150	Secured Tax	55,601,198	57,847,792	60,185,302	62,617,413	65,147,960	67,780,932	70,520,484	73,370,934	76,336,780	79,422,700	668,831,494	1,154,286,155
0151	Tax Increment Shift - ERAF	0	0	0	0	0	0	0	0	0	0	0	0
0152	Unitary Roll - AB454	556,190	572,876	590,062	607,764	625,997	644,776	664,120	684,043	704,565	725,702	6,376,093	11,766,591
0153	Property Tax in Lieu of VLF	21,166,490	22,021,864	22,911,858	23,837,876	24,801,378	25,803,884	26,846,975	27,932,298	29,061,563	30,236,555	254,620,740	439,424,496
0155	Tax Delinquencies	1,039,468	1,070,652	1,102,772	1,135,855	1,169,931	1,205,029	1,241,180	1,278,415	1,316,767	1,356,270	11,916,339	21,227,353
0156	Unsecured Tax	3,173,795	3,269,009	3,367,079	3,468,091	3,572,134	3,679,298	3,789,677	3,903,367	4,020,468	4,141,082	36,384,000	67,319,096
0157	Supplemental Roll	1,002,328	1,032,398	1,063,370	1,095,271	1,128,129	1,161,973	1,196,832	1,232,737	1,269,720	1,307,811	11,490,571	21,690,501
0159	Administrative Fees	(590,115)	(607,819)	(626,053)	(644,835)	(664,180)	(684,105)	(704,628)	(725,767)	(747,540)	(769,966)	(6,765,009)	(12,484,306)
0181	General Fund Share of Tax Increment	1,285,447	1,657,741	1,804,852	2,076,859	2,118,396	2,160,764	2,203,979	2,248,059	2,293,020	2,338,880	20,187,996	32,541,400
<b>TOTAL PROPERTY TAXES</b>		<b>83,234,800</b>	<b>86,864,513</b>	<b>90,399,241</b>	<b>94,194,294</b>	<b>97,899,744</b>	<b>101,752,551</b>	<b>105,758,618</b>	<b>109,924,086</b>	<b>114,255,343</b>	<b>118,759,034</b>	<b>1,003,042,223</b>	<b>1,735,771,286</b>
0300	Sales and Use Tax	41,597,793	42,845,727	44,131,099	45,455,032	46,818,683	48,223,243	49,669,940	51,160,039	52,694,840	54,275,685	476,872,079	863,666,920
0300	Additional Sales Tax - Downtown	1,217,784	1,254,318	1,291,947	1,330,706	1,370,627	1,411,746	1,454,098	1,497,721	1,542,652	1,588,932	13,960,530	22,049,999
<b>TOTAL SALES AND USE TAXES</b>		<b>42,815,577</b>	<b>44,100,044</b>	<b>45,423,046</b>	<b>46,785,737</b>	<b>48,189,309</b>	<b>49,634,989</b>	<b>51,124,038</b>	<b>52,657,759</b>	<b>54,237,492</b>	<b>55,864,617</b>	<b>490,832,609</b>	<b>885,716,919</b>
0301	Sales and Use Tax - Public Safety	2,099,607	2,162,595	2,227,473	2,294,297	2,363,126	2,434,020	2,507,040	2,582,252	2,659,719	2,739,511	24,069,640	43,434,131
<b>TOTAL SALES AND USE TAX - PUBLIC SAFETY</b>		<b>2,099,607</b>	<b>2,162,595</b>	<b>2,227,473</b>	<b>2,294,297</b>	<b>2,363,126</b>	<b>2,434,020</b>	<b>2,507,040</b>	<b>2,582,252</b>	<b>2,659,719</b>	<b>2,739,511</b>	<b>24,069,640</b>	<b>43,434,131</b>
0450	Business License Tax	2,155,385	2,220,047	2,286,648	2,355,248	2,425,905	2,498,682	2,573,643	2,650,852	2,730,378	2,812,289	24,709,077	45,416,210
<b>TOTAL BUSINESS LICENSE TAX</b>		<b>2,155,385</b>	<b>2,220,047</b>	<b>2,286,648</b>	<b>2,355,248</b>	<b>2,425,905</b>	<b>2,498,682</b>	<b>2,573,643</b>	<b>2,650,852</b>	<b>2,730,378</b>	<b>2,812,289</b>	<b>24,709,077</b>	<b>45,416,210</b>
0451	Construction Tax	2,218,401	2,284,953	2,353,501	2,424,106	2,496,830	2,571,734	2,648,887	2,728,353	2,810,204	2,894,510	25,431,479	48,695,296
0452	Real Property Transfer Tax	1,149,051	1,183,522	1,219,028	1,255,599	1,293,267	1,332,065	1,372,027	1,413,187	1,455,583	1,499,251	13,172,579	25,101,755
<b>TOTAL OTHER TAXES</b>		<b>3,367,451</b>	<b>3,468,475</b>	<b>3,572,529</b>	<b>3,679,705</b>	<b>3,790,096</b>	<b>3,903,799</b>	<b>4,020,913</b>	<b>4,141,541</b>	<b>4,265,787</b>	<b>4,393,760</b>	<b>38,604,057</b>	<b>73,797,051</b>
0453-01	Transient Occupancy Tax	12,565,800	12,942,774	13,331,057	13,730,989	14,142,919	14,567,206	15,004,222	15,454,349	15,917,980	16,395,519	144,052,816	267,379,145
0453-02	Transient Occupancy Tax Penalties	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL TRANSIENT OCCUPANCY TAX</b>		<b>12,565,800</b>	<b>12,942,774</b>	<b>13,331,057</b>	<b>13,730,989</b>	<b>14,142,919</b>	<b>14,567,206</b>	<b>15,004,222</b>	<b>15,454,349</b>	<b>15,917,980</b>	<b>16,395,519</b>	<b>144,052,816</b>	<b>267,379,145</b>

**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
0454-04	Utility User's Tax - Other Phone	393,337	359,753	349,618	339,768	330,195	320,893	311,852	303,066	294,528	286,230	278,166	270,329	3,444,396
0454-06	Utility User's Tax - Sprint	141,647	129,553	125,903	122,356	118,908	115,558	112,303	109,139	106,064	103,076	100,172	97,350	1,240,381
0454-07	Utility User's Tax - AT&T	957,502	875,748	851,075	827,098	803,795	781,150	759,142	737,755	716,970	696,770	677,140	658,063	8,384,705
0454-08	Utility User's Tax - Other Electric	280,119	291,323	300,063	309,065	315,246	321,551	327,982	334,542	341,233	348,057	355,018	362,119	3,606,199
0454-09	Utility User's Tax - PG&E Electric	4,049,597	4,130,589	4,254,506	4,382,141	4,469,784	4,559,180	4,650,363	4,743,371	4,838,238	4,935,003	5,033,703	5,134,377	51,131,255
0454-10	Utility User's Tax - PG&E Gas	556,894	568,032	568,032	568,032	579,393	590,981	602,800	614,856	627,153	639,697	652,490	672,065	6,683,532
0454-21	Utility User's Tax - Verizon	196,855	180,047	174,975	170,045	165,254	160,599	156,074	151,677	147,404	143,251	139,215	135,293	1,723,833
0454-22	Utility User's Tax - Other Gas	178,312	185,444	185,444	185,444	189,153	192,936	196,795	200,731	204,746	208,840	213,017	219,408	2,181,960
<b>TOTAL UTILITY USERS TAXES</b>		<b>6,754,263</b>	<b>6,720,489</b>	<b>6,809,616</b>	<b>6,903,949</b>	<b>6,971,730</b>	<b>7,042,847</b>	<b>7,117,312</b>	<b>7,195,136</b>	<b>7,276,335</b>	<b>7,360,924</b>	<b>7,448,921</b>	<b>7,549,003</b>	<b>78,396,262</b>
0600-01	Franchise - Air Products	32,368	32,368	32,368	32,368	33,015	33,676	34,349	35,036	35,737	36,452	37,181	38,296	380,846
0600-02	Franchise - Cal Water Service	26,530	27,061	27,602	28,154	28,717	29,292	29,878	30,475	31,085	31,706	32,340	33,311	329,621
0600-03	Franchise - Taxicab Service	32,622	13,300	8,300	4,600	8,635	4,786	8,984	4,979	9,347	5,180	9,725	5,180	83,017
0602	Franchise - Comcast Cable	1,181,922	1,198,580	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	13,160,990
0603	Franchise - PG&E	2,616,950	2,636,064	2,688,785	2,742,561	2,797,412	2,853,360	2,910,428	2,968,636	3,028,009	3,088,569	3,150,340	3,244,851	32,109,016
0604	Franchise - Specialty Garbage	1,766,037	1,811,953	1,849,824	1,886,820	1,924,557	1,963,048	2,002,309	2,042,355	2,083,202	2,124,866	2,167,363	2,232,384	22,088,680
0606	Host Fees - Garbage	767,059	836,352	848,465	869,677	891,419	913,704	936,547	959,961	983,960	1,008,559	1,033,773	1,059,617	10,342,033
0607	Franchise - ATT	270,847	316,168	311,805	311,805	311,805	311,805	327,395	327,395	327,395	327,395	327,395	337,217	3,537,581
<b>TOTAL FRANCHISE FEES</b>		<b>6,694,336</b>	<b>6,871,846</b>	<b>6,963,390</b>	<b>7,072,226</b>	<b>7,191,802</b>	<b>7,305,912</b>	<b>7,446,130</b>	<b>7,565,078</b>	<b>7,694,975</b>	<b>7,818,968</b>	<b>7,954,358</b>	<b>8,147,097</b>	<b>82,031,784</b>
0751-04	Rental - American Medical Response	0	0	0	0	9,937	20,270	20,676	21,089	21,511	21,941	22,380	23,052	160,857
0751-05	Rental - Cal West Automotive	15,600	15,600	15,600	15,600	16,068	16,550	17,047	17,558	18,085	18,627	19,186	19,762	189,682
0751-06	Rental - City Real Property	12,575	190,670	191,450	197,194	0	0	0	0	0	0	0	0	579,314
0751-08	Rental - 5th Matador	27,700	27,700	6,925	0	0	0	0	0	0	0	0	0	34,625
0751-17	Rental - Downtown Properties	56,200	70,225	56,100	56,100	0	0	0	0	0	0	0	0	182,425
0751-20	Rental - Sunnyvale Office Center	6,000	0	0	0	0	0	0	0	0	0	0	0	0
0751-21	Rental - 239 Commercial Street	57,021	99,656	111,446	114,789	108,456	108,456	108,456	0	0	0	0	0	651,259
0751-23	Rental - Courthouse Parking	41,606	42,864	44,150	45,475	46,384	47,312	48,258	49,223	50,208	51,212	52,236	53,803	531,123

**035. GENERAL FUND  
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
		2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035		
0454-04	Utility User's Tax - Other Phone	262,713	255,311	248,118	241,128	234,335	227,733	221,317	215,081	209,022	203,133	2,317,891	5,762,287
0454-06	Utility User's Tax - Sprint	94,607	91,942	89,351	86,834	84,388	82,010	79,700	77,454	75,272	73,151	834,709	2,075,090
0454-07	Utility User's Tax - AT&T	639,523	621,505	603,995	586,979	570,442	554,370	538,752	523,573	508,823	494,487	5,642,449	14,027,155
0454-08	Utility User's Tax - Other Electric	372,982	384,172	395,697	407,568	419,795	432,389	445,360	458,721	472,483	486,657	4,275,824	7,882,023
0454-09	Utility User's Tax - PG&E Electric	5,288,408	5,447,061	5,610,472	5,778,787	5,952,150	6,130,715	6,314,636	6,504,075	6,699,197	6,900,173	60,625,675	111,756,930
0454-10	Utility User's Tax - PG&E Gas	692,227	712,994	734,384	756,415	779,108	802,481	826,555	851,352	876,893	903,199	7,935,608	14,619,140
0454-21	Utility User's Tax - Verizon	131,481	127,777	124,177	120,678	117,279	113,974	110,763	107,643	104,610	101,663	1,160,046	2,883,879
0454-22	Utility User's Tax - Other Gas	225,990	232,770	239,753	246,945	254,354	261,984	269,844	277,939	286,277	294,866	2,590,723	4,772,683
<b>TOTAL UTILITY USERS TAXES</b>		<b>7,707,931</b>	<b>7,873,531</b>	<b>8,045,948</b>	<b>8,225,334</b>	<b>8,411,849</b>	<b>8,605,656</b>	<b>8,806,927</b>	<b>9,015,839</b>	<b>9,232,577</b>	<b>9,457,330</b>	<b>85,382,924</b>	<b>163,779,186</b>
0600-01	Franchise - Air Products	39,445	40,628	41,847	43,103	44,396	45,728	47,099	48,512	49,968	51,467	452,192	833,038
0600-02	Franchise - Cal Water Service	34,310	35,339	36,399	37,491	38,616	39,775	40,968	42,197	43,463	44,767	393,325	722,946
0600-03	Franchise - Taxicab Service	5,390	86,371	5,607	89,860	5,834	93,491	6,070	97,268	6,315	101,197	497,403	580,420
0602	Franchise - Comcast Cable	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	1,196,241	11,962,410	25,123,400
0603	Franchise - PG&E	3,342,196	3,442,462	3,545,736	3,652,108	3,761,671	3,874,521	3,990,757	4,110,480	4,233,794	4,360,808	38,314,534	70,423,550
0604	Franchise - Specialty Garbage	2,299,356	2,368,336	2,439,386	2,512,568	2,587,945	2,665,583	2,745,551	2,827,918	2,912,755	3,000,138	26,359,536	48,448,216
0606	Host Fees - Garbage	1,091,405	1,124,148	1,157,872	1,192,608	1,228,386	1,265,238	1,303,195	1,342,291	1,382,560	1,424,036	12,511,740	22,853,772
0607	Franchise - ATT	347,334	357,754	368,486	379,541	390,927	402,655	414,735	427,177	439,992	453,192	3,981,791	7,519,372
<b>TOTAL FRANCHISE FEES</b>		<b>8,355,676</b>	<b>8,651,279</b>	<b>8,791,576</b>	<b>9,103,520</b>	<b>9,254,017</b>	<b>9,583,232</b>	<b>9,744,615</b>	<b>10,092,083</b>	<b>10,265,087</b>	<b>10,631,846</b>	<b>94,472,931</b>	<b>176,504,715</b>
0751-04	Rental - American Medical Response	23,743	24,455	25,189	25,945	26,723	27,525	28,351	29,201	30,077	30,979	272,189	433,046
0751-05	Rental - Cal West Automotive	20,354	20,965	21,594	22,242	22,909	23,596	24,304	25,033	25,784	26,558	233,341	423,023
0751-06	Rental - City Real Property	0	0	0	0	0	0	0	0	0	0	0	579,314
0751-08	Rental - 5th Matador	0	0	0	0	0	0	0	0	0	0	0	34,625
0751-17	Rental - Downtown Properties	0	0	0	0	0	0	0	0	0	0	0	182,425
0751-20	Rental - Sunnyvale Office Center	0	0	0	0	0	0	0	0	0	0	0	0
0751-21	Rental - 239 Commercial Street	0	0	0	0	0	0	0	0	0	0	0	651,259
0751-23	Rental - Courthouse Parking	55,417	57,080	58,792	60,556	62,372	64,244	66,171	68,156	70,201	72,307	635,295	1,166,418

**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
0751-24	Rental - Dental	28,080	28,080	29,484	29,484	30,074	30,675	31,289	31,914	32,553	33,204	33,868	34,884	345,508
0751-25	Rental - 715 San Conrado	6,613	0	0	0	0	0	0	0	0	0	0	0	0
0752-01	Rental - Indoor Sports Center	87,757	88,000	89,760	91,555	93,386	95,254	97,159	99,102	101,084	103,106	105,168	107,272	1,070,847
0752-03	Rental - Park Buildings	58,351	63,000	64,900	64,900	68,145	68,145	68,145	71,552	71,552	71,552	75,130	75,130	762,151
0752-04	Rental - Picnic Areas	117,605	120,000	123,600	123,600	129,780	129,780	129,780	136,269	136,269	136,269	143,082	143,082	1,451,512
0752-05	Rental - Performing Arts Center	119,713	134,000	136,000	138,720	141,494	144,324	147,211	150,155	153,158	156,221	159,346	162,533	1,623,162
0752-06	Rental - Community Center	113,238	110,000	113,300	113,300	118,965	118,965	118,965	124,913	124,913	124,913	131,159	131,159	1,330,553
0752-07	Rental - Athletic Fields	201,891	195,000	200,000	204,000	208,080	212,242	216,486	220,816	225,232	229,737	234,332	239,019	2,384,944
0752-09	Rental - Equipment	11,800	11,000	11,400	11,400	11,970	11,970	11,970	12,569	12,569	12,569	13,197	13,197	133,809
0752-10	Rental - Senior Center	92,591	105,000	108,200	108,200	113,610	113,610	113,610	119,291	119,291	119,291	125,255	125,255	1,270,612
0752-15	Rental - Banner Installations	2,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	13,200
0752-16	Rental - Non Profit Use - Park Buildings	24,830	25,000	34,000	34,000	34,000	35,700	35,700	35,700	37,485	37,485	37,485	39,359	385,914
0752-17	Rental - Non-Profit Use - Community Center	2,605	3,000	3,100	3,100	3,255	3,255	3,255	3,418	3,418	3,418	3,589	3,589	36,396
0754-02	Tower/Antenna Rental - Nextel	23,779	12,144	0	0	0	0	0	0	0	0	0	0	12,144
0754-04	Tower/Antenna Rental - Sprint	8,024	8,243	8,303	8,303	8,469	8,638	8,811	8,987	9,167	9,351	9,538	9,824	97,634
0754-05	Tower/Antenna Rental - Cingular	67,981	70,399	70,468	70,468	71,877	73,315	74,781	76,277	77,802	79,358	80,946	83,374	829,066
0754-06	Tower/Antenna Rental - T-Mobile	68,041	70,431	70,619	70,619	72,031	73,472	74,941	76,440	77,969	79,528	81,119	83,553	830,723
0754-07	Tower/Antenna Rental - Metro PCS	7,696	7,829	7,829	7,829	7,986	8,145	8,308	8,474	8,644	8,817	8,993	9,263	92,117
0755	Security Deposits Forfeited	90	0	0	0	0	0	0	0	0	0	0	0	0
0754-10	Tower/Antenna Rental - Clearwire	42,226	43,195	43,195	43,195	44,059	44,940	45,839	46,756	47,691	48,645	49,617	51,106	508,237
3606-42	SMART Station Rent	398,454	406,423	414,551	422,842	431,299	439,925	448,724	457,698	466,852	476,189	485,713	500,284	4,950,502
3607-43	Water Pollution Control Plant Rent	350,994	358,014	365,174	372,478	379,927	387,526	395,276	403,182	411,245	419,470	427,860	440,696	4,360,848
3610-42	Landfill Rent	248,346	253,313	258,379	263,547	268,818	274,194	279,678	285,271	290,977	296,796	302,732	311,814	3,085,520
<b>TOTAL RENTS AND CONCESSIONS</b>		<b>2,299,404</b>	<b>2,559,986</b>	<b>2,579,134</b>	<b>2,611,897</b>	<b>2,419,270</b>	<b>2,467,864</b>	<b>2,505,565</b>	<b>2,457,856</b>	<b>2,498,875</b>	<b>2,538,899</b>	<b>2,603,130</b>	<b>2,662,207</b>	<b>27,904,683</b>

**035. GENERAL FUND  
REVENUES BY SOURCE**

		PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
0751-24	Rental - Dental	35,930	37,008	38,119	39,262	40,440	41,653	42,903	44,190	45,516	46,881	411,902	757,410
0751-25	Rental - 715 San Conrado	0	0	0	0	0	0	0	0	0	0	0	0
0752-01	Rental - Indoor Sports Center	110,490	113,804	117,218	120,735	124,357	128,088	131,930	135,888	139,965	144,164	1,266,640	2,337,487
0752-03	Rental - Park Buildings	75,130	78,886	78,886	78,886	82,831	82,831	82,831	86,972	86,972	86,972	821,198	1,583,349
0752-04	Rental - Picnic Areas	143,082	150,237	150,237	150,237	157,748	157,748	157,748	165,636	165,636	165,636	1,563,945	3,015,457
0752-05	Rental - Performing Arts Center	167,409	172,431	177,604	182,932	188,420	194,072	199,895	205,891	212,068	218,430	1,919,152	3,542,314
0752-06	Rental - Community Center	131,159	137,717	137,717	137,717	144,603	144,603	144,603	151,833	151,833	151,833	1,433,616	2,764,169
0752-07	Rental - Athletic Fields	246,189	253,575	261,182	269,017	277,088	285,401	293,963	302,782	311,865	321,221	2,822,282	5,207,226
0752-09	Rental - Equipment	13,197	13,857	13,857	13,857	14,550	14,550	14,550	15,277	15,277	15,277	144,247	278,057
0752-10	Rental - Senior Center	125,255	131,518	131,518	131,518	138,094	138,094	138,094	144,998	144,998	144,998	1,369,084	2,639,696
0752-15	Rental - Banner Installations	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566	1,613	14,169	27,369
0752-16	Rental - Non Profit Use - Park Buildings	39,359	39,359	41,327	41,327	41,327	43,394	43,394	43,394	45,563	45,563	424,007	809,922
0752-17	Rental - Non-Profit Use - Community Center	3,589	3,768	3,768	3,768	3,956	3,956	3,956	4,154	4,154	4,154	39,225	75,621
0754-02	Tower/Antenna Rental - Nextel	0	0	0	0	0	0	0	0	0	0	0	12,144
0754-04	Tower/Antenna Rental - Sprint	10,118	10,422	10,735	11,057	11,388	11,730	12,082	12,444	12,818	13,202	115,996	213,630
0754-05	Tower/Antenna Rental - Cingular	85,875	88,451	91,105	93,838	96,653	99,553	102,539	105,616	108,784	112,048	984,463	1,813,528
0754-06	Tower/Antenna Rental - T-Mobile	86,059	88,641	91,300	94,039	96,860	99,766	102,759	105,842	109,017	112,288	986,572	1,817,295
0754-07	Tower/Antenna Rental - Metro PCS	9,541	9,827	10,122	10,425	10,738	11,060	11,392	11,734	12,086	12,448	109,374	201,491
0755	Security Deposits Forfeited	0	0	0	0	0	0	0	0	0	0	0	0
0754-10	Tower/Antenna Rental - Clearwire	52,639	54,218	55,845	57,520	59,246	61,023	62,854	64,740	66,682	68,682	603,449	1,111,687
3606-42	SMART Station Rent	515,293	530,752	546,674	563,074	579,967	597,366	615,287	633,745	652,758	672,340	5,907,256	10,857,757
3607-43	Water Pollution Control Plant Rent	453,916	467,534	481,560	496,007	510,887	526,213	542,000	558,260	575,008	592,258	5,203,643	9,564,490
3610-42	Landfill Rent	321,169	330,804	340,728	350,950	361,478	372,323	383,492	394,997	406,847	419,052	3,681,840	6,767,360
<b>TOTAL RENTS AND CONCESSIONS</b>		<b>2,726,150</b>	<b>2,816,582</b>	<b>2,886,387</b>	<b>2,956,260</b>	<b>3,054,027</b>	<b>3,130,221</b>	<b>3,206,573</b>	<b>3,312,304</b>	<b>3,395,474</b>	<b>3,478,906</b>	<b>30,962,884</b>	<b>58,867,568</b>

**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
0901	Federal Grants	1,488	18,000	0	0	0	0	0	0	0	0	0	0	18,000
0930	Bureau of Justice Grant	47,417	14,822	0	0	0	0	0	0	0	0	0	0	14,822
0938	ISTEA Grant	57,540	940,560	0	0	0	0	0	0	0	0	0	0	940,560
0955	Alternative Fuel User Tax Credit	932	0	0	0	0	0	0	0	0	0	0	0	0
965	Homeland Security Grants	745,904	323,253	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	347,253
1107	Library - CLSA Inter-Library Loan	0	7,024	0	0	0	0	0	0	0	0	0	0	7,024
1110	Bus Shelter Advertising	10,664	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	67,210
1111	County of Santa Clara Reimbursement	79,686	80,000	80,000	0	0	0	0	0	0	0	0	0	160,000
1114	Other Agencies - Reimbursement	237,138	63,000	84,000	84,000	0	0	0	0	0	0	0	0	231,000
1119-01	PCJPB Reimbursement - Multimodal	139,900	170,969	173,317	176,784	180,319	183,926	187,604	191,356	195,184	199,087	203,069	209,161	2,070,777
1121	Silicon Valley Council on Aging Grant	18,000	0	0	0	0	0	0	0	0	0	0	0	0
1122	Fremont Pool Cost Sharing	18,219	19,320	19,706	20,101	20,503	20,913	21,331	21,757	22,193	22,636	23,089	23,551	235,100
1123	Columbia Pool Cost Sharing	37,528	26,877	27,415	27,963	28,522	29,093	29,674	30,268	30,873	31,491	32,121	33,084	327,380
<b>TOTAL FEDERAL &amp; INTERGOVERNMENTAL REVENUES</b>		<b>1,394,416</b>	<b>1,669,935</b>	<b>392,948</b>	<b>317,357</b>	<b>237,854</b>	<b>242,441</b>	<b>247,120</b>	<b>251,892</b>	<b>256,759</b>	<b>261,724</b>	<b>266,789</b>	<b>274,306</b>	<b>4,419,126</b>
1002-01	Office of Emergency Services	38,780	100,000	0	0	0	0	0	0	0	0	0	0	100,000
1012	Homeowner's Property Tax Relief	221,529	222,960	222,960	222,960	222,960	222,960	222,960	222,960	222,960	222,960	222,960	222,960	2,452,560
1014	Motor Vehicle License Fees	61,929	0	0	0	0	0	0	0	0	0	0	0	0
1017	Office of Traffic Safety	18,021	145,090	20,000	0	0	0	0	0	0	0	0	0	165,090
1018	POST Reimbursement	25,406	10,188	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	190,188
1025	Mandated Cost - SB 90	39,541	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	87,874	90,511	909,982
1025	Mandated Costs PY Reimbursement	0	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	366,663
1027	Miscellaneous State Grants	376	29,315	0	0	0	0	0	0	0	0	0	0	29,315
1034	Library Services and Tech Act	6,228	5,300	0	0	0	0	0	0	0	0	0	0	5,300
1036	Booking Fee Abatement	141	0	0	0	0	0	0	0	0	0	0	0	0
1041	State Tire Enforcement Grant	14,797	22,000	0	0	0	0	0	0	0	0	0	0	22,000
1044	Department of Corrections Reimbursement	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000
<b>TOTAL STATE SHARED REVENUE</b>		<b>426,748</b>	<b>644,186</b>	<b>353,793</b>	<b>355,323</b>	<b>356,884</b>	<b>358,475</b>	<b>360,099</b>	<b>361,755</b>	<b>363,444</b>	<b>365,167</b>	<b>365,167</b>	<b>367,804</b>	<b>4,252,098</b>



**035. GENERAL FUND  
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL	
		2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035		
0901	Federal Grants	0	0	0	0	0	0	0	0	0	0	18,000	
0930	Bureau of Justice Grant	0	0	0	0	0	0	0	0	0	0	14,822	
0938	ISTEA Grant	0	0	0	0	0	0	0	0	0	0	940,560	
0955	Alternative Fuel User Tax Credit	0	0	0	0	0	0	0	0	0	0	0	
965	Homeland Security Grants	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	24,000	371,253	
1107	Library - CLSA Inter-Library Loan	0	0	0	0	0	0	0	0	0	0	7,024	
1110	Bus Shelter Advertising	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	61,100	128,310	
1111	County of Santa Clara Reimbursement	0	0	0	0	0	0	0	0	0	0	160,000	
1114	Other Agencies - Reimbursement	0	0	0	0	0	0	0	0	0	0	231,000	
1119-01	PCJPB Reimbursement - Multimodal	215,436	221,899	228,556	235,413	242,475	249,749	257,242	264,959	272,908	281,095	2,469,731	4,540,507
1121	Silicon Valley Council on Aging Grant	0	0	0	0	0	0	0	0	0	0	0	
1122	Fremont Pool Cost Sharing	24,258	24,985	25,735	26,507	27,302	28,121	28,965	29,834	30,729	31,651	278,085	513,185
1123	Columbia Pool Cost Sharing	34,077	35,099	36,152	37,236	38,354	39,504	40,689	41,910	43,167	44,462	390,651	718,030
<b>TOTAL FEDERAL &amp; INTERGOVERNMENTAL REVENUES</b>		<b>282,280</b>	<b>290,493</b>	<b>298,953</b>	<b>307,666</b>	<b>316,641</b>	<b>325,884</b>	<b>335,406</b>	<b>345,213</b>	<b>355,314</b>	<b>365,718</b>	<b>3,223,566</b>	<b>7,642,692</b>
1002-01	Office of Emergency Services	0	0	0	0	0	0	0	0	0	0	100,000	
1012	Homeowner's Property Tax Relief	222,960	222,960	222,960	222,960	222,960	222,960	222,960	222,960	222,960	222,960	2,229,600	4,682,160
1014	Motor Vehicle License Fees	0	0	0	0	0	0	0	0	0	0	0	
1017	Office of Traffic Safety	0	0	0	0	0	0	0	0	0	0	165,090	
1018	POST Reimbursement	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	250,000	440,188
1025	Mandated Cost - SB 90	93,226	96,023	98,903	101,871	104,927	108,074	111,317	114,656	118,096	121,639	1,068,732	1,978,714
1025	Mandated Costs PY Reimbursement	33,333	33,333	33,333	0	0	0	0	0	0	0	99,999	466,662
1027	Miscellaneous State Grants	0	0	0	0	0	0	0	0	0	0	0	29,315
1034	Library Services and Tech Act	0	0	0	0	0	0	0	0	0	0	0	5,300
1036	Booking Fee Abatement	0	0	0	0	0	0	0	0	0	0	0	
1041	State Tire Enforcement Grant	0	0	0	0	0	0	0	0	0	0	0	22,000
1044	Department of Corrections Reimbursement	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	21,000
<b>TOTAL STATE SHARED REVENUE</b>		<b>375,519</b>	<b>378,316</b>	<b>381,196</b>	<b>350,831</b>	<b>353,887</b>	<b>357,034</b>	<b>360,277</b>	<b>363,616</b>	<b>367,056</b>	<b>370,599</b>	<b>3,658,331</b>	<b>7,910,429</b>

**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
1349	Certified Unified Program Agency	929,000	810,000	834,300	859,329	876,516	894,046	911,927	930,165	948,769	967,744	987,099	1,016,712	10,036,606
1351-01	Major Permit Application Fees	104,049	0	0	0	0	0	0	0	0	0	0	0	0
1352-01	Minor Permit Application Fees	28,099	0	0	0	0	0	0	0	0	0	0	0	0
1353	Permit - Bingo	200	0	0	0	0	0	0	0	0	0	0	0	0
1354	Permit - Building	3,598,528	0	0	0	0	0	0	0	0	0	0	0	0
1355	Permit - Electrical	853,823	0	0	0	0	0	0	0	0	0	0	0	0
1356	Permit - Fire Prevention	2,184,788	0	0	0	0	0	0	0	0	0	0	0	0
1358	Permit - Grading	129,820	0	0	0	0	0	0	0	0	0	0	0	0
1359	Permit - Hazardous Materials	68,276	73,500	70,000	65,000	66,300	67,626	68,979	70,358	71,765	73,201	74,665	76,905	778,297
1360	Permit - Mechanical	765,269	0	0	0	0	0	0	0	0	0	0	0	0
1361	Permit - Miscellaneous	4,684	0	0	0	0	0	0	0	0	0	0	0	0
1362	Permit - Fire Operations	182,407	182,000	200,000	220,000	224,400	228,888	233,466	238,135	242,898	247,756	252,711	260,292	2,530,545
1363	Permit - Plumbing and Gas	794,276	0	0	0	0	0	0	0	0	0	0	0	0
1364	Permit - Sign	10,023	0	0	0	0	0	0	0	0	0	0	0	0
1366	Permit - Temporary Building	2,460	0	0	0	0	0	0	0	0	0	0	0	0
1368	Permit - Transportation	20,975	18,818	19,897	19,897	19,897	19,897	19,897	19,897	19,897	19,897	19,897	20,494	218,385
1369	Permit - Art in Private Development	8,405	0	0	0	0	0	0	0	0	0	0	0	0
1370	Permit - Taxi Driver and Vehicle	73,417	57,500	60,000	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	702,778
1371	Permit - Misc. Public Safety	18,978	16,500	16,500	16,500	16,830	17,167	17,510	17,860	18,217	18,582	18,953	19,332	193,951
1372	Permit - Liquidambar Street	2,426	0	0	0	0	0	0	0	0	0	0	0	0
1373	Adult Entertainment Permits	12,389	13,347	13,750	14,450	14,739	15,034	15,334	15,641	15,954	16,273	16,599	16,930	168,051
1374	OCM Special Event Permit Fee	4,033	4,140	4,212	4,296	4,382	4,470	4,559	4,650	4,743	4,838	4,935	5,034	50,260
<b>TOTAL PERMITS AND LICENSES</b>		<b>9,796,323</b>	<b>1,175,805</b>	<b>1,218,659</b>	<b>1,259,472</b>	<b>1,284,264</b>	<b>1,309,551</b>	<b>1,335,344</b>	<b>1,361,653</b>	<b>1,388,488</b>	<b>1,415,860</b>	<b>1,443,779</b>	<b>1,485,999</b>	<b>14,678,875</b>
1502-01	Fines - Overdue Material - Circulation Desk	78,771	71,085	69,663	68,270	66,905	65,567	64,255	62,970	61,711	60,476	59,267	58,082	708,250
1502-02	Fines - Overdue/Lost & Damaged-Internet	180,723	164,814	161,518	158,288	155,122	152,020	148,979	146,000	143,080	140,218	137,414	134,666	1,642,119
1503-01	Fines - Parking	544,450	420,000	441,000	475,000	484,500	494,190	504,074	514,155	524,438	534,927	545,626	556,538	5,494,449
1504	Fines - Traffic and Criminal	230,571	220,000	225,000	300,000	350,000	357,000	364,140	371,423	378,851	386,428	394,157	402,040	3,749,039

**035. GENERAL FUND  
REVENUES BY SOURCE**

												FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
		PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035		
1349	Certified Unified Program Agency	1,047,213	1,078,630	1,110,989	1,144,318	1,178,648	1,214,007	1,250,427	1,287,940	1,326,578	1,366,376	12,005,126	22,041,732
1351-01	Major Permit Application Fees	0	0	0	0	0	0	0	0	0	0	0	0
1352-01	Minor Permit Application Fees	0	0	0	0	0	0	0	0	0	0	0	0
1353	Permit - Bingo	0	0	0	0	0	0	0	0	0	0	0	0
1354	Permit - Building	0	0	0	0	0	0	0	0	0	0	0	0
1355	Permit - Electrical	0	0	0	0	0	0	0	0	0	0	0	0
1356	Permit - Fire Prevention	0	0	0	0	0	0	0	0	0	0	0	0
1358	Permit - Grading	0	0	0	0	0	0	0	0	0	0	0	0
1359	Permit - Hazardous Materials	79,212	81,588	84,036	86,557	89,153	91,828	94,583	97,420	100,343	103,353	908,073	1,686,370
1360	Permit - Mechanical	0	0	0	0	0	0	0	0	0	0	0	0
1361	Permit - Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
1362	Permit - Fire Operations	268,101	276,144	284,428	292,961	301,750	310,802	320,127	329,730	339,622	349,811	3,073,477	5,604,022
1363	Permit - Plumbing and Gas	0	0	0	0	0	0	0	0	0	0	0	0
1364	Permit - Sign	0	0	0	0	0	0	0	0	0	0	0	0
1366	Permit - Temporary Building	0	0	0	0	0	0	0	0	0	0	0	0
1368	Permit - Transportation	21,109	21,742	22,394	23,066	23,758	24,471	25,205	25,961	26,740	27,542	241,988	460,373
1369	Permit - Art in Private Development	0	0	0	0	0	0	0	0	0	0	0	0
1370	Permit - Taxi Driver and Vehicle	72,409	74,581	76,818	79,123	81,496	83,941	86,460	89,053	91,725	94,477	830,083	1,532,861
1371	Permit - Misc. Public Safety	19,912	20,510	21,125	21,759	22,412	23,084	23,776	24,490	25,224	25,981	228,273	422,224
1372	Permit - Liquidambar Street	0	0	0	0	0	0	0	0	0	0	0	0
1373	Adult Entertainment Permits	17,438	17,962	18,500	19,055	19,627	20,216	20,822	21,447	22,090	22,753	199,912	367,963
1374	OCM Special Event Permit Fee	5,185	5,340	5,500	5,666	5,835	6,011	6,191	6,377	6,568	6,765	59,437	109,697
<b>TOTAL PERMITS AND LICENSES</b>		<b>1,530,579</b>	<b>1,576,496</b>	<b>1,623,791</b>	<b>1,672,505</b>	<b>1,722,680</b>	<b>1,774,360</b>	<b>1,827,591</b>	<b>1,882,419</b>	<b>1,938,891</b>	<b>1,997,058</b>	<b>17,546,368</b>	<b>32,225,243</b>
1502-01	Fines - Overdue Material - Circulation Desk	57,501	56,926	56,357	55,793	55,235	54,683	54,136	53,594	53,059	52,528	549,810	1,258,060
1502-02	Fines - Overdue/Lost & Damaged-Internet	131,972	129,333	126,746	124,211	121,727	119,292	116,907	114,568	112,277	110,032	1,207,066	2,849,185
1503-01	Fines - Parking	573,234	590,431	608,144	626,389	645,180	664,536	684,472	705,006	726,156	747,941	6,571,489	12,065,938
1504	Fines - Traffic and Criminal	414,101	426,524	439,320	452,500	466,075	480,057	494,458	509,292	524,571	540,308	4,747,206	8,496,245

**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
1506	Juvenile Diversion	2,540	2,300	2,000	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,366	23,832
1507	Late Payment Penalties	64,479	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877	30,475	31,389	310,607
1509	Returned Check Charge	6,880	5,875	5,993	6,112	6,235	6,359	6,486	6,616	6,749	6,883	7,021	7,232	71,561
1514	CUPA Fines	0	32,000	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,207	42,961
1516	Neighborhood Preservation Code Violations	66,632	25,000	30,000	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,494	347,983
<b>TOTAL FINES AND FORFEITURES</b>		<b>1,175,046</b>	<b>966,574</b>	<b>962,184</b>	<b>1,067,221</b>	<b>1,123,503</b>	<b>1,137,092</b>	<b>1,151,130</b>	<b>1,165,623</b>	<b>1,180,577</b>	<b>1,195,997</b>	<b>1,211,889</b>	<b>1,229,014</b>	<b>12,390,802</b>
1650	Administrative Request Fees	158,636	0	0	0	0	0	0	0	0	0	0	0	0
1652	Demolition Fees	36,487	0	0	0	0	0	0	0	0	0	0	0	0
1653	Energy Plan Check Fees	363,237	0	0	0	0	0	0	0	0	0	0	0	0
1654	Environmental Review Fees	127,217	0	0	0	0	0	0	0	0	0	0	0	0
1655	Legislative Actions	23,101	0	0	0	0	0	0	0	0	0	0	0	0
1667-01	General Plan Maintenance Fees	828,799	528,718	469,971	491,030	503,306	515,889	528,786	542,005	555,556	569,444	583,681	598,273	5,886,658
1670	Plan Check Fees	2,991,339	0	0	0	0	0	0	0	0	0	0	0	0
1673-01	Subdivision Map Filing Fees - Planning	114,824	0	0	0	0	0	0	0	0	0	0	0	0
1677	State Certified Access Specialist Fee	4,936	3,500	3,500	3,500	0	0	0	0	0	0	0	0	10,500
1676	Special Inspection Reimbursement	20,193	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL COMMUNITY DEVELOPMENT FEES</b>		<b>4,668,770</b>	<b>532,218</b>	<b>473,471</b>	<b>494,530</b>	<b>503,306</b>	<b>515,889</b>	<b>528,786</b>	<b>542,005</b>	<b>555,556</b>	<b>569,444</b>	<b>583,681</b>	<b>598,273</b>	<b>5,897,158</b>
1801-01	Business License Processing-New Applications	10,650	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	19,210	190,091
1801-02	Business License Processing - Renewals	(315)	0	0	0	0	0	0	0	0	0	0	0	0
3100-05	Internet & Phone Credit Card Fee	84	0	0	0	0	0	0	0	0	0	0	0	0
3101	Notary Fee	30	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL FINANCE FEES</b>		<b>10,449</b>	<b>15,606</b>	<b>15,918</b>	<b>16,236</b>	<b>16,561</b>	<b>16,892</b>	<b>17,230</b>	<b>17,575</b>	<b>17,926</b>	<b>18,285</b>	<b>18,651</b>	<b>19,210</b>	<b>190,091</b>
2102	Library- Lost/Damaged Materials	8,950	7,698	7,544	7,393	7,245	7,100	6,958	6,819	6,683	6,549	6,418	6,290	76,697
2105	Miscellaneous Library Charges	2,855	2,388	2,340	2,293	2,247	2,202	2,158	2,115	2,073	2,031	1,991	1,951	23,789
<b>TOTAL LIBRARY AND COMMUNITY SERVICES FEES</b>		<b>11,805</b>	<b>10,086</b>	<b>9,884</b>	<b>9,686</b>	<b>9,492</b>	<b>9,302</b>	<b>9,116</b>	<b>8,934</b>	<b>8,755</b>	<b>8,580</b>	<b>8,409</b>	<b>8,240</b>	<b>100,486</b>

**035. GENERAL FUND  
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL	
		2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035		
1506	Juvenile Diversion	2,437	2,510	2,586	2,663	2,743	2,825	2,910	2,998	3,087	3,180	27,941	51,773
1507	Late Payment Penalties	32,331	33,301	34,300	35,329	36,389	37,480	38,605	39,763	40,956	42,184	370,636	681,243
1509	Returned Check Charge	7,449	7,672	7,902	8,139	8,384	8,635	8,894	9,161	9,436	9,719	85,392	156,953
1514	CUPA Fines	1,243	1,280	1,319	1,358	1,399	1,441	1,484	1,529	1,575	1,622	14,250	57,211
1516	Neighborhood Preservation Code Violations	36,559	37,656	38,786	39,949	41,148	42,382	43,654	44,963	46,312	47,701	419,110	767,094
<b>TOTAL FINES AND FORFEITURES</b>		<b>1,256,828</b>	<b>1,285,634</b>	<b>1,315,459</b>	<b>1,346,331</b>	<b>1,378,279</b>	<b>1,411,332</b>	<b>1,445,520</b>	<b>1,480,874</b>	<b>1,517,429</b>	<b>1,555,215</b>	<b>13,992,900</b>	<b>26,383,702</b>
1650	Administrative Request Fees	0	0	0	0	0	0	0	0	0	0	0	0
1652	Demolition Fees	0	0	0	0	0	0	0	0	0	0	0	0
1653	Energy Plan Check Fees	0	0	0	0	0	0	0	0	0	0	0	0
1654	Environmental Review Fees	0	0	0	0	0	0	0	0	0	0	0	0
1655	Legislative Actions	0	0	0	0	0	0	0	0	0	0	0	0
1667-01	General Plan Maintenance Fees	616,221	634,707	653,749	673,361	693,562	714,369	735,800	757,874	780,610	804,028	7,064,280	12,950,937
1670	Plan Check Fees	0	0	0	0	0	0	0	0	0	0	0	0
1673-01	Subdivision Map Filing Fees - Planning	0	0	0	0	0	0	0	0	0	0	0	0
1677	State Certified Access Specialist Fee	0	0	0	0	0	0	0	0	0	0	0	10,500
1676	Special Inspection Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL COMMUNITY DEVELOPMENT FEES</b>		<b>616,221</b>	<b>634,707</b>	<b>653,749</b>	<b>673,361</b>	<b>693,562</b>	<b>714,369</b>	<b>735,800</b>	<b>757,874</b>	<b>780,610</b>	<b>804,028</b>	<b>7,064,280</b>	<b>12,961,437</b>
1801-01	Business License Processing-New Applications	19,786	20,380	20,991	21,621	22,270	22,938	23,626	24,335	25,065	25,817	226,829	416,921
1801-02	Business License Processing - Renewals	0	0	0	0	0	0	0	0	0	0	0	0
3100-05	Internet & Phone Credit Card Fee	0	0	0	0	0	0	0	0	0	0	0	0
3101	Notary Fee	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL FINANCE FEES</b>		<b>19,786</b>	<b>20,380</b>	<b>20,991</b>	<b>21,621</b>	<b>22,270</b>	<b>22,938</b>	<b>23,626</b>	<b>24,335</b>	<b>25,065</b>	<b>25,817</b>	<b>226,829</b>	<b>416,921</b>
2102	Library- Lost/Damaged Materials	6,164	6,041	5,920	5,801	5,685	5,572	5,460	5,351	5,244	5,139	56,377	133,074
2105	Miscellaneous Library Charges	1,912	1,874	1,836	1,799	1,763	1,728	1,694	1,660	1,626	1,594	17,486	41,275
<b>TOTAL LIBRARY AND COMMUNITY SERVICES FEES</b>		<b>8,076</b>	<b>7,914</b>	<b>7,756</b>	<b>7,601</b>	<b>7,449</b>	<b>7,300</b>	<b>7,154</b>	<b>7,011</b>	<b>6,870</b>	<b>6,733</b>	<b>73,863</b>	<b>174,349</b>

**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
2310	Recreation Credit (Net)	(1,136)	0	0	0	0	0	0	0	0	0	0	0	0
2347	Senior Adult Services	1,424	0	0	0	0	0	0	0	0	0	0	0	0
2351	Vending	9,000	6,000	6,000	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	68,700
2357	Youth Basketball League	135,262	134,171	136,854	139,591	142,383	145,231	148,135	151,098	154,120	157,202	160,346	163,553	1,632,684
2359	Adult Basketball	65,806	64,100	64,741	65,388	66,042	66,703	67,370	68,043	68,724	69,411	70,105	70,806	741,434
2360	Adult Volleyball	43,092	36,000	36,360	36,724	37,091	37,462	37,836	38,215	38,597	38,983	39,373	39,766	416,406
2361	Adult Drop-In Sports	40,648	42,500	41,000	41,410	41,824	42,242	42,665	43,091	43,522	43,958	44,397	44,841	512,099
2364	Youth Sports Classes	255,019	260,000	265,000	270,300	275,706	281,220	286,845	292,581	298,433	304,402	310,490	316,700	3,161,676
2365	Adult Sports Activities	100,594	108,000	110,160	112,363	114,610	116,903	119,241	121,626	124,058	126,539	129,070	131,651	1,314,221
2367	Youth Sports Camp	162,954	173,000	178,000	181,560	181,560	185,191	185,191	188,895	188,895	192,673	192,673	196,526	2,044,165
2370	Special Events HOTS	9,170	13,060	13,060	13,713	13,713	13,713	13,713	13,713	14,399	14,399	14,399	14,399	152,280
2375	Gymnastics - Youth	351,633	370,000	384,800	396,344	408,234	420,481	433,096	446,089	459,471	473,255	487,453	502,077	4,781,301
2381	Swim Pool Rentals	29,747	49,282	35,050	35,050	35,050	35,050	35,050	35,050	35,050	35,050	35,050	35,050	399,782
2383	Washington Pool Adult Swim Lessons	20,918	15,347	15,807	15,965	16,125	16,286	16,449	16,613	16,779	16,947	17,117	17,288	180,723
2385	Special Interest - Youth	47,486	2,406	0	0	0	0	0	0	0	0	0	0	2,406
2388	Visual Arts - Youth	54,678	43,742	44,617	45,509	46,419	47,348	48,295	49,261	50,246	51,251	52,276	53,321	532,284
2391	Visual Arts - Adult	6,695	8,704	8,878	9,056	9,237	9,421	9,610	9,802	9,998	10,198	10,402	10,610	105,916
2392	Dance Classes - Child	80,985	80,985	82,605	84,257	85,942	87,661	89,414	91,202	93,026	94,887	96,785	98,720	1,066,468
2393	Dance Classes - Adult	84,614	67,691	69,045	70,426	71,834	73,271	74,736	76,231	77,756	79,311	80,897	82,515	823,713
2394	Drama - Youth	45,190	17,231	17,474	17,823	18,180	18,543	18,914	19,292	19,678	20,072	20,473	20,883	208,562
2396	Cultural Arts Theater Tickets	20,460	23,864	23,864	23,864	23,864	23,864	25,296	25,296	25,296	25,296	26,814	26,814	274,131
2397	Preschool Programs	216,417	242,000	246,890	251,828	256,864	262,002	267,242	272,587	278,038	283,599	289,271	295,056	2,945,377
2401	Neighborhood Recreation	340,591	363,000	371,000	378,420	385,988	393,708	401,582	409,614	417,806	426,162	434,686	443,379	4,425,346
2406	Senior Adults Dances	1,504	1,800	2,000	2,000	3,320	3,320	4,640	4,640	5,960	5,960	7,280	7,280	48,200
2407	Senior Adult Programs	115,248	75,900	91,000	92,820	94,676	96,570	98,501	100,471	102,481	104,530	106,621	108,753	1,072,325
2408	Senior Adult Trips	132,109	120,000	120,000	121,200	121,200	122,412	122,412	123,636	123,636	124,872	124,872	126,121	1,350,362
2409	Senior Adult Special Events	10,836	10,050	10,000	10,000	10,360	10,360	10,720	10,720	11,080	11,080	11,440	11,440	117,250



**035. GENERAL FUND  
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
		2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035	
2310	Recreation Credit (Net)	0	0	0	0	0	0	0	0	0	0	0
2347	Senior Adult Services	0	0	0	0	0	0	0	0	0	0	0
2351	Vending	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	63,000	131,700
2357	Youth Basketball League	168,460	173,514	178,719	184,081	189,603	195,291	201,150	207,184	213,400	219,802	1,931,203
2359	Adult Basketball	72,930	75,118	77,372	79,693	82,084	84,546	87,083	89,695	92,386	95,158	836,066
2360	Adult Volleyball	40,959	42,188	43,454	44,757	46,100	47,483	48,908	50,375	51,886	53,443	469,553
2361	Adult Drop-In Sports	44,841	44,841	44,841	44,841	54,241	54,241	54,241	54,241	54,241	54,241	504,811
2364	Youth Sports Classes	326,201	335,987	346,066	356,448	367,142	378,156	389,500	401,185	413,221	425,618	3,739,523
2365	Adult Sports Activities	135,601	139,669	143,859	148,175	152,620	157,199	161,915	166,772	171,775	176,928	1,554,513
2367	Youth Sports Camp	200,457	200,457	204,466	204,466	208,555	208,555	212,726	212,726	216,981	223,490	2,092,881
2370	Special Events HOTS	14,399	15,119	15,119	15,119	15,119	15,875	15,875	15,875	15,875	16,668	155,039
2375	Gymnastics - Youth	517,139	532,653	548,633	565,092	582,045	599,506	617,491	636,016	655,096	674,749	5,928,419
2381	Swim Pool Rentals	35,050	35,050	35,050	35,050	35,050	35,050	35,050	35,050	35,050	35,050	350,500
2383	Washington Pool Adult Swim Lessons	17,461	17,635	17,812	17,990	18,170	18,351	18,535	18,720	18,908	19,097	182,678
2385	Special Interest - Youth	0	0	0	0	0	0	0	0	0	0	2,406
2388	Visual Arts - Youth	54,921	56,569	58,266	60,014	61,814	63,668	65,578	67,546	69,572	71,659	629,606
2391	Visual Arts - Adult	10,928	11,256	11,594	11,942	12,300	12,669	13,049	13,441	13,844	14,259	125,282
2392	Dance Classes - Child	101,682	104,732	107,874	111,111	114,444	117,877	121,413	125,056	128,808	132,672	1,165,669
2393	Dance Classes - Adult	84,990	87,540	90,166	92,871	95,657	98,527	101,483	104,527	107,663	110,893	974,320
2394	Drama - Youth	21,509	22,154	22,819	23,504	24,209	24,935	25,683	26,453	27,247	28,064	246,577
2396	Cultural Arts Theater Tickets	26,814	26,814	28,422	28,422	28,422	28,422	30,128	30,128	30,128	30,128	287,828
2397	Preschool Programs	303,908	313,025	322,416	332,089	342,051	352,313	362,882	373,769	384,982	396,531	3,483,966
2401	Neighborhood Recreation	456,681	470,381	484,493	499,027	513,998	529,418	545,301	561,660	578,509	595,865	5,235,333
2406	Senior Adults Dances	8,600	8,600	9,920	9,920	11,240	11,240	12,560	12,560	13,880	13,880	112,400
2407	Senior Adult Programs	112,016	115,377	118,838	122,403	126,075	129,857	133,753	137,766	141,899	146,156	1,284,138
2408	Senior Adult Trips	126,121	127,382	126,121	127,382	126,121	127,382	126,121	127,382	126,121	127,382	1,267,518
2409	Senior Adult Special Events	11,800	11,800	12,160	12,160	12,520	12,520	12,880	12,880	13,240	13,240	125,200

**035. GENERAL FUND  
REVENUES BY SOURCE**

														FY 2014/2015 TO FY 2024/2025 TOTAL
		ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	
2410	Therapeutic Services Program	9,762	9,500	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	173,746
2411	Senior Center Membership	71,480	73,500	78,500	78,500	78,500	78,500	78,499	78,499	78,499	78,499	86,349	86,349	874,193
2412	Senior Adult Lunch Program	18,355	18,500	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	236,855
2413	Teen Programs Co-OP	37,952	40,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	460,000
2417	Registration Service Fees	9,589	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	99,000
2418	Fremont Pool User Fees	41,394	51,250	52,531	53,844	55,190	56,570	57,984	59,434	60,920	62,443	64,004	65,604	639,775
2422	Elementary After School and Summer Programs	34,968	47,000	47,940	47,940	47,940	49,378	49,378	49,378	50,860	50,860	50,860	52,385	543,919
2423	Pottery - Adult	141,413	141,413	141,413	144,241	147,126	150,069	153,070	156,131	159,254	162,439	165,688	169,002	1,689,846
2424	Music - Child	131,961	121,403	121,403	123,831	126,308	128,834	131,411	134,039	136,719	139,454	142,243	145,088	1,450,732
2425	Music - Adult	8,151	4,075	4,075	4,157	4,240	4,324	4,411	4,499	4,589	4,681	4,775	4,870	48,695
2455	Teen Programs	31,834	30,000	36,725	36,725	36,725	36,725	36,725	36,725	36,725	36,725	36,725	36,725	397,250
2460	High School Special Activities	58	0	0	0	0	0	0	0	0	0	0	0	0
2465	Columbia Co-Op Sports	36,919	32,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	362,000
2484	Washington Pool Swim Lessons	97,862	104,289	107,417	109,565	111,757	113,992	116,272	118,597	120,969	123,388	125,856	128,373	1,280,475
2485	SMS Pool Swim Lessons	31,502	28,000	31,502	32,132	32,775	33,430	34,099	34,781	35,476	36,186	36,910	37,648	372,938
2486	Columbia Pool Swim Lessons	14,768	14,170	14,595	14,887	15,185	15,488	15,798	16,114	16,436	16,765	17,100	17,442	173,981
2490	Washington Pool Drop-In Swim	11,333	22,691	22,935	22,935	22,935	28,669	28,669	28,669	28,669	28,669	35,836	35,836	306,512
xxxx	Washington Pool Expansion - Add'l Revenue	0	0	0	0	0	0	63,400	63,400	63,400	63,400	63,400	63,400	380,400
2491	SMS Pool Drop-In Swim	1,056	1,527	1,500	1,500	1,500	1,875	1,875	1,875	1,875	1,875	2,344	2,344	20,090
2492	Columbia Pool Drop-In Swim	6,135	6,110	6,110	6,110	6,110	7,638	7,638	7,638	7,638	7,638	9,547	9,547	81,721
<b>TOTAL RECREATION FEES</b>		<b>3,117,437</b>	<b>3,083,261</b>	<b>3,159,850</b>	<b>3,217,578</b>	<b>3,272,419</b>	<b>3,340,671</b>	<b>3,462,716</b>	<b>3,524,406</b>	<b>3,586,271</b>	<b>3,650,588</b>	<b>3,731,799</b>	<b>3,800,390</b>	<b>37,829,950</b>
2750	Abandoned Vehicles	188,809	175,000	185,000	190,000	193,800	197,676	201,630	205,662	209,775	213,971	218,250	222,615	2,213,379
2751	Animal Control Fees	92,741	90,000	97,000	97,000	98,940	100,919	102,937	104,996	107,096	109,238	111,423	113,651	1,133,199
2754	Emergency Response	39,049	32,000	32,960	33,950	34,629	35,322	36,028	36,749	37,484	38,233	38,998	39,778	396,130
2756	False Burglar Alarm Fees	223,960	180,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	2,080,000
2760	Police Contract Overtime	29,862	78,000	75,000	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	884,597
2763	Vehicle Release Fee	126,163	130,647	137,179	144,039	146,920	149,858	152,855	155,912	159,031	162,211	165,456	168,765	1,672,873

**035. GENERAL FUND  
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
		2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035		
2410	Therapeutic Services Program	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852	200,215	373,961
2411	Senior Center Membership	86,349	86,349	94,984	94,984	94,984	94,984	104,482	104,482	104,482	104,482	970,560	1,844,754
2412	Senior Adult Lunch Program	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000	436,855
2413	Teen Programs Co-OP	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	420,000	880,000
2417	Registration Service Fees	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743	12,095	106,270	205,270
2418	Fremont Pool User Fees	67,244	68,925	70,648	72,415	74,225	76,081	77,983	79,932	81,930	83,979	753,362	1,393,136
2422	Elementary After School and Summer Programs	52,385	52,385	53,957	53,957	53,957	55,576	55,576	55,576	57,243	57,243	547,854	1,091,772
2423	Pottery - Adult	174,072	179,294	184,673	190,213	195,919	201,797	207,851	214,086	220,509	227,124	1,995,537	3,685,383
2424	Music - Child	149,440	153,924	158,541	163,298	168,197	173,242	178,440	183,793	189,307	194,986	1,713,167	3,163,899
2425	Music - Adult	5,016	5,167	5,322	5,481	5,646	5,815	5,989	6,169	6,354	6,545	57,504	106,199
2455	Teen Programs	37,827	38,962	40,130	41,334	42,574	43,852	45,167	46,522	47,918	49,355	433,641	830,891
2460	High School Special Activities	0	0	0	0	0	0	0	0	0	0	0	0
2465	Columbia Co-Op Sports	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	330,000	692,000
2484	Washington Pool Swim Lessons	132,224	136,191	140,277	144,485	148,820	153,284	157,883	162,619	167,498	172,523	1,515,805	2,796,280
2485	SMS Pool Swim Lessons	38,777	39,941	41,139	42,373	43,644	44,953	46,302	47,691	49,122	50,596	444,538	817,476
2486	Columbia Pool Swim Lessons	17,966	18,505	19,060	19,632	20,220	20,827	21,452	22,095	22,758	23,441	205,956	379,937
2490	Washington Pool Drop-In Swim	35,836	35,836	35,836	44,795	44,795	44,795	44,795	44,795	55,994	55,994	443,470	749,981
xxxx	Washington Pool Expansion - Add'l Revenue	63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400	634,000	1,014,400
2491	SMS Pool Drop-In Swim	2,344	2,344	2,344	2,930	2,930	2,930	2,930	2,930	3,662	3,662	29,004	49,093
2492	Columbia Pool Drop-In Swim	9,547	9,547	9,547	11,934	11,934	11,934	11,934	11,934	14,917	14,917	118,143	199,864
<b>TOTAL RECREATION FEES</b>		<b>3,894,750</b>	<b>3,988,128</b>	<b>4,098,494</b>	<b>4,208,618</b>	<b>4,322,349</b>	<b>4,428,786</b>	<b>4,550,448</b>	<b>4,660,736</b>	<b>4,794,272</b>	<b>4,918,467</b>	<b>43,865,049</b>	<b>81,695,000</b>
2750	Abandoned Vehicles	229,294	236,173	243,258	250,555	258,072	265,814	273,789	282,002	290,462	299,176	2,628,596	4,841,975
2751	Animal Control Fees	117,060	120,572	124,189	127,915	131,753	135,705	139,776	143,970	148,289	152,737	1,341,967	2,475,166
2754	Emergency Response	40,971	42,200	43,466	44,770	46,113	47,497	48,922	50,389	51,901	53,458	469,689	865,818
2756	False Burglar Alarm Fees	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,900,000	3,980,000
2760	Police Contract Overtime	90,511	93,226	96,023	98,903	101,871	104,927	108,074	111,317	114,656	118,096	1,037,604	1,922,201
2763	Vehicle Release Fee	173,828	179,042	184,414	189,946	195,644	201,514	207,559	213,786	220,200	226,806	1,992,738	3,665,611











**035. GENERAL FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL	
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	
xxxx	Raynor Activity Center Sale	0	0	14,000,000	0	0	0	0	0	0	0	0	0	14,000,000
<b>TOTAL SALE OF PROPERTY</b>		<b>7,509,406</b>	<b>0</b>	<b>14,000,000</b>	<b>18,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000,000</b>
4400	Transfers In	10,570,317	9,576,701	10,498,915	10,467,653	10,583,144	10,809,965	11,295,605	11,520,350	11,547,027	11,696,543	11,929,463	12,285,598	122,210,965
<b>TOTAL TRANSFERS IN</b>		<b>10,570,317</b>	<b>9,576,701</b>	<b>10,498,915</b>	<b>10,467,653</b>	<b>10,583,144</b>	<b>10,809,965</b>	<b>11,295,605</b>	<b>11,520,350</b>	<b>11,547,027</b>	<b>11,696,543</b>	<b>11,929,463</b>	<b>12,285,598</b>	<b>122,210,965</b>
<b>FUND TOTAL</b>		<b>163,175,348</b>	<b>147,084,595</b>	<b>163,014,016</b>	<b>170,874,495</b>	<b>154,917,744</b>	<b>161,059,981</b>	<b>166,297,537</b>	<b>170,701,714</b>	<b>175,474,584</b>	<b>180,509,960</b>	<b>185,885,675</b>	<b>187,410,250</b>	<b>1,863,230,551</b>

**035. GENERAL FUND  
REVENUES BY SOURCE**

	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
xxxx      Raynor Activity Center Sale	0	0	0	0	0	0	0	0	0	0	0	14,000,000
<b>TOTAL SALE OF PROPERTY</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,000,000</b>
4400      Transfers In	12,626,837	13,003,412	13,391,284	13,780,939	14,635,466	14,972,397	15,051,873	15,501,186	15,963,980	16,494,918	145,422,293	267,633,258
<b>TOTAL TRANSFERS IN</b>	<b>12,626,837</b>	<b>13,003,412</b>	<b>13,391,284</b>	<b>13,780,939</b>	<b>14,635,466</b>	<b>14,972,397</b>	<b>15,051,873</b>	<b>15,501,186</b>	<b>15,963,980</b>	<b>16,494,918</b>	<b>145,422,293</b>	<b>267,633,258</b>
<b>FUND TOTAL</b>	<b>194,390,915</b>	<b>201,184,949</b>	<b>207,800,068</b>	<b>214,868,880</b>	<b>222,318,141</b>	<b>229,546,038</b>	<b>236,444,831</b>	<b>244,217,437</b>	<b>252,160,632</b>	<b>260,589,417</b>	<b>2,263,521,305</b>	<b>4,126,751,856</b>



# Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or earmarked for particular functions or activities of government. In many cases, a Special Revenue Fund has been set up in response to legal requirements established by a granting agency or another level of government.

## Housing Fund

The Housing Fund is comprised primarily of Housing Mitigation Fees and Below-Market-Rate Housing (“BMR”) fees, and Housing Successor Agency property tax revenue reimbursement from the County. Expenditures are for operations related to developing affordable housing, managing the City’s below-market-rate housing program, and for capital and special projects that produce new affordable housing.

## Housing Mitigation

Housing Mitigation Fees are development impact fees paid by developers of large new employment-generating developments, pursuant to S.M.C. 19.22.035, in order to maintain or improve the City’s jobs/housing balance. These fees are used to provide additional affordable housing in the City. Housing Mitigation Fees and accrued interest are maintained in this sub-fund of the Housing Fund.

Revenue projections are based on a number of factors, including: projects currently underway or in the development process, historical collections, total development square footage eligible to pay this fee, and the current and projected per square foot Housing Mitigation Fee. Due to the recent surge of development activity in the City, \$7.2 million in Housing Mitigation Fees are expected in FY 2014/15, which represents a \$375k increase over the \$6.8 million originally budgeted. Future year revenue of \$4.8 million in FY 2015/16 and \$7.5 million in FY 2016/17 is projected based on five large, commercial development projects. Beginning in FY 2017/18 the revenue projection is revised downward to the five-year average of \$2.9 million per year. This historical average is notably higher than the baseline used in the

prior year due to the peak levels received in recent years and will be reviewed and adjusted each year. Over the twenty year plan, total revenue from Housing Mitigation Fees is estimated to be up by \$14.6 million over the prior year’s plan.

This revenue stream has allowed the City to assist a number of important housing projects. The most notable of the recent projects were the provision of over \$5 million to assist in the development of affordable apartments for seniors, and over \$8 million for the development of 124 low-income rental housing units at the City’s Armory site. Assistance to affordable housing developments is provided in the form of a loan, with payments amortized, deferred, or based on residual receipts of the project’s anticipated operating cash flow. Interest rates vary and are set forth in each loan agreement. Payments received on these loans are consistent with City policy for the use of Housing Mitigation funds, and are deposited into this fund and re-used for additional housing activities.

The Housing Mitigation Program loan repayment revenue anticipated in FY 2015/16 reflects residual receipts from the senior housing project on Fair Oaks. Future year revenue forecasts are based on the historical average. During the first ten years of the planning period, staff projects the program will receive \$3.2 million in loan repayments, which includes payments on loans made for the Garland and Tenaka Place sites.

Interest income on the reserve balances in this sub-fund continues to accrue and is available for future housing projects.

Project expenditures total approximately \$5.5 million for FY 2014/15, consisting primarily of \$3.5 million on Homestead Park (Final Phase) project, \$1 million for Morse Court Rental Rehabilitation project, and \$571,375 for the 1st Time Homebuyer Loans Program. The other notable project includes a \$200,000 for a contribution to the Housing Trust Fund of Santa Clara County. In FY 2015/16 there is \$5.0 million project budgeted for an affordable housing development on Persian Drive in north Sunnyvale, as well as an additional \$200,000 contribution to the county’s Housing Trust Fund.

By the end of FY 2015/16 the Housing Mitigation Reserve is expected to have balance of approximately \$18.4 million. These funds are available for future affordable housing projects in the City when they are identified. A placeholder entitled Future Housing Projects is included in the long-term financial plan for such projects.

### **Below Market Rate (BMR) Housing**

The BMR Program, as set forth in SMC Chapter 19.67, is primarily intended to generate affordable housing directly, through mandatory development requirements applied to most new housing developments. This is a land use/zoning tool used nationally to guarantee a minimum level of affordable housing even in higher cost areas, known as “inclusionary zoning.” The Municipal Code requires that developers sell 12.5% of all new homes in subdivision and condominium developments to lower and moderate income households at affordable prices established by the BMR program guidelines and SMC Chapter 19.67. The BMR Program has specific eligibility requirements and income limits for prospective buyers of BMR homes.

Revenues in the BMR Program include BMR In-Lieu fees, BMR application fees, revenues from BMR compliance and enforcement actions, payments on home buyer loans funded from the BMR program, and interest earnings. Expenditures include operating costs for administering and monitoring the BMR program, and a special project for BMR compliance enforcement.

The BMR Housing Program has a BMR Reserve for the deposit of BMR In-Lieu Fees which are paid by developers in accordance with project-specific developer agreements, in lieu of providing actual BMR homes for sale, and/or to fulfill fractional BMR unit requirements. The fee revenues are intended to be used by the City to provide a comparable or greater number of affordable housing units elsewhere in the City. The Municipal Code was amended in 2012 to allow greater application of the in-lieu fee option, and FY 2013/14 was the first year in which the City began collecting substantial revenue from developers for fractional in-lieu fees for BMR obligations. Based on developer agreements approved to date, this revenue source has been revised to increase significantly in FY 2014/15, with higher projections throughout the twenty year plan.

Once a substantial amount of funds have accumulated in the BMR reserve, staff will issue an RFP to solicit affordable housing proposals to

utilize these funds for developing additional affordable units, based on the priorities established by the City in the Housing Element, Consolidated Plan, and/or various adopted land use plans such as station area plans and/or specific plans.

### **Redevelopment Housing**

The Redevelopment Housing Sub-fund accounts for funds received from the former Redevelopment Agency / Housing Successor Agencies which can be used on Low-Moderate Income Housing programs. The revenue collected in this sub-fund is based on a percentage of the property tax increment from the former redevelopment project area. In FY 2014/15 the City received \$438,657. Future year revenue forecasts are sporadic because payments are linked with what the City is able to apply as enforceable obligations which have varied timings.

A limited percentage of these funds can be applied to operating activities. A new activity was created, effective in FY 2015/16, to budget for the work hours required to administer this new revenue source. The sub-fund will also fund one special project in FY 2015/16. \$250,000 is budgeted for the Homeless Prevention and Rapid Re-Housing. The Future Projects line is used in future years set funding aside for low-moderate income housing projects as the sub-fund accumulates a reserve level large enough to fund a capital project.

### **HOME Grant Fund**

HOME Investment Partnership Program grants from the federal government may be used to provide affordable housing to lower-income households. Eligible uses of HOME grant funds include acquisition, new construction, rehabilitation, tenant-based rental assistance, and down payment assistance. The activities must benefit low-income households with incomes at or below 80% of area median income. According to federal statutes, HOME grants must be committed to a specific project within two years and fully expended within five years of the grant award.

The recommended long-term financial plan for the HOME Grant Fund includes an estimated grant allocation for FY 2015/16 of \$281,021, and shows ongoing estimated HOME grant revenues of the same amount as

a placeholder for future allocations. This is a decrease of 9% from the FY 2014/15 allocation, which is due to the current federal budget deficit and sequestration actions.

The City also receives loan repayments on loans that had been made with HOME grant funds for affordable housing. Approximately \$6.7 million in loan payments are expected throughout the twenty-year plan. These repayments will be utilized for future HOME projects, to be identified and approved by Council.

Funds in FY 2015/16 are allocated to two special projects. \$1.05 million is budgeted for the Crescent Terrace Senior Housing Rehabilitation project, of which \$0.5 million is funded by a transfer in from the CDBG Fund. \$270,000 is budgeted for the Tenant Based Rental Assistance project. Also included in the long-term financial plan is a line item for Future HOME/Housing Projects beginning in FY 2016/17. As specific projects are identified, they will be brought to Council for approval.

## Community Development Block Grant (CDBG) Fund

The Community Development Block Grant (CDBG) program is a federal program that allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and needed public services, principally for low- and moderate-income persons. The City receives an annual appropriation from the U.S. Department of Housing and Urban Development (HUD) based on a formula derived by community need.

Revenues for the Community Development Block Grant Fund come from grants and the repayment of commercial and residential loans. Primary expenditures are for operations, housing opportunities, capital projects, and most of the City's outside group funding efforts.

## Community Development Block Grant (CDBG)

The CDBG Program is funded by Community Development Block Grants from the federal government. The Housing division staff estimates that the FY 2015/16 entitlement amount will be \$989,453. Since the City has received

CDBG funds annually over a number of years, we are showing future grant receipts at the FY 2015/16 entitlement level throughout the twenty year financial plan. The estimated allocation is 2.8% less than the allocation from prior year. Recent federal government actions have impacted CDBG funding, however, staff believes the program will continue over the long term.

The CDBG and HOME grants must be spent in accordance with a five-year "Consolidated Plan," a strategic plan and budget for use of these grants, submitted to HUD for approval every five years. The plan identifies a jurisdiction's overall needs for affordable housing and other community development activities. HUD requires the City to submit annual updates during the intervening years of the Consolidated Plan, generally done in May of each year.

CDBG funds may be used for acquisition, rehabilitation, and preservation of existing affordable housing, certain types of public services and facilities, and elimination of blight. Capital and special projects funded with CDBG must implement the goals of the 2010-2015 Consolidated Plan. The City submits a performance report to HUD annually to report on its uses of the CDBG and HOME funds, and how these activities contribute toward achieving the goals of the Consolidated Plan.

Additionally, by regulation, up to 15% of the annual CDBG allocation plus prior year program income may be used for public (human) services. The FY 2015/16 Recommended Budget includes \$215,000 for granting to qualified human services providers or "sub-recipients". Outside groups are allocated funds on a two-year cycle and FY 2015/16 is the first year of the current cycle.

CDBG funds may also be used for projects that benefit groups with special needs, such as senior or handicapped citizens, or for targeted geographical areas that meet certain income requirements. FY 2015/16 projects include \$50,000 for Home Access, Paint and Emergency Repair, and Energy-Efficiency, and \$395,000 for the Sunnyvale Workforce Development Program.

## CDBG Revolving Loan

The CDBG Revolving Loan Fund allows the City to account for program income from housing loans made with CDBG funds and reuse those funds for the same purpose (housing rehabilitation), pursuant to HUD regulations.

This Fund has two sources of revenue: loan payments on prior CDBG housing loans and transfers in from the CDBG Fund. The current CDBG loan portfolio includes approximately 125 loans with a total outstanding debt of over \$12.3 million. Staff projects \$127,936 in revenue for FY 2015/16 from the CDBG loan payments. Expenditures for FY 2015/16 include one project in the amount of \$100,000 to provide rehabilitation loans to low-income residents and staff costs to administer the program.

## Park Dedication Fund

State law allows local communities to require developers of housing units to offset the impact of the demand from those units on the City's open space by providing additional open space or paying a comparable fee. The Park Dedication Fund was established to meet statutory requirements regarding the accounting for Park Dedication Fees paid by developers. In general, the City collects park in-lieu fees for housing projects that do not dedicate land for use as parks or open space. This fee is calculated on an average fair market value per square foot as determined by the Community Development Department annually. In April 2011, Council raised the standard to 5.0 acres per 1,000 population, to be phased in over three years. In FY 2014/15, after completion of a land valuation study, the land value used in the fee calculation was set to \$96 per square foot, effective December 29th of 2014. For the FY 2015/16 Recommended Budget, the Park Dedication Fee is held flat with land value at the current rate of \$96 per square foot.

Park Dedication Fee revenues are accounted for in the Park Dedication Fund as legally required, and then available resources are appropriated directly to projects in the fund or transferred to the Capital Projects Fund or the Infrastructure Fund for park-related projects.

Authorizing language in the State Quimby Act, which governs park dedication fees, requires that fees be used to pay for "developing new or rehabilitating existing neighborhood or community park or recreational facilities." Certain legal cases have clarified that park in-lieu fees may be used for parks or recreational facilities that are adjacent to the subdivision or multi-family development from which they are collected but may also be used for larger community parks and regional facilities that are reasonably available for use by the residents of the subdivision or development. Park

Dedication Fees may not be used for operating or routine maintenance. For the last several years, Park Dedication Fees were also used to pay for golf course rehabilitation projects. In April 2011, Council acted to cease that practice for projects that were not already programmed, determining instead that golf course revenues associated with the Golf and Tennis Enterprise Fund would pay for these improvements.

Park in-lieu fees must be committed within a five-year period. This revenue source is subject to the Fee Mitigation Act, which requires specific review and findings every five years. The City conforms to both of these requirements.

It is estimated that \$8.9 million in Park Dedication Fees will be received during FY 2014/15. Based on current development projects in process, revenues for FY 2015/16 and FY 2016/17 are expected to be \$13.1 million and \$11 million respectively. For FY 2017/18 through the end of the first ten years of the plan, revenues are held flat at \$7.5 million. This is based on the historical average of 200 fee eligible dwelling units per year at the current fee of \$96 per square foot. For the second ten years of the plan, fee revenue is escalated by 2% per year, reflecting estimated growth. These projections yield approximately \$93.2 million in revenue over the first ten years, and an additional \$84.1 million during the second ten years of the long-term plan.

In April 2013, Council approved the sale of three City-owned homes adjacent to Murphy Park on Jackson Street. These homes had originally been purchased in anticipation of expanding Murphy Park. However, the homes were not adjacent to each other, and the City was unable to acquire the remaining four homes along the block. The sale of the third home is anticipated in FY 2014/15 for \$440,000.

The Park Dedication Fund provides funding for capital and infrastructure projects at community parks and recreational facilities. A total of \$125 million in transfers to the Capital and Infrastructure Funds is programmed throughout the long-term financial plan to ensure that park and recreational facilities are in good working condition and able to meet the demands of increased public use. For this recommended budget, costs for all projects, and especially park renovation projects were updated to reflect the latest cost estimates for construction and materials. This resulted in an almost \$16 million increase in the cost for these projects.



In FY 2015/16, \$7.6 million is programmed for transfers to projects. The largest of funded projects include \$2.2 million for general park building rehabilitation, \$1.1 million for new playground equipment, \$1.1 million for the Community Center Infrastructure upgrade, and \$1 million to start the Fair Oaks Park Renovation. The Community Center Infrastructure Upgrade totals \$5 million and is currently underway and planned to be completed in FY 2015/16. Other notable projects in the near term of the plan include an additional \$7.2 million for the Fair Oaks Park Renovation, \$6.3 million for the Lakewood Park Renovation starting in FY 2016/17, and \$8 million over four years for the Washington Community Swim Center.

The Capital Projects Reserve includes funds that have not yet been appropriated to projects. Significantly more Park Dedication Fee revenue is projected in this financial plan as compared to last year, which allowed the fund to absorb the increase in park project costs. In addition to the Capital Projects Reserve, the twenty-year plan includes a second reserve fund that is specifically designated for Land Acquisition funds. This reserve collects twenty percent of the annual revenue from Park Dedication Fees and allocates the funds to acquire and develop new land for the purpose of parks, open space, trails and other recreational facilities. Proceeds from the sale of the Jackson Street properties are also placed in this reserve. In FY 2017/18 and FY 2018/19, funds in this reserve are earmarked for the Plaza del Sol Phase II project. No other funds are currently committed for land acquisition at this time.

## Asset Forfeiture Fund

The Asset Forfeiture Fund was established to account for monies received through drug and other law enforcement activities as allowed under Federal and State asset forfeiture guidelines. For the FY 2015/16 Recommended Budget, current projected revenues have been adjusted down significantly for a total reduction of \$355,000. These revenues are for the Department of Public Safety's participation in a regional task force operated by the Drug Enforcement Agency (DEA), and the original estimates were preliminary figures that have not come to fruition due to changes in the revenue distribution methodology. Because these funds are received sporadically, future revenue is not budgeted. The purposes for which asset forfeiture can be used are limited, and funds are drawn down for new one-time expenses targeted for law enforcement services. As these funds are projected to

discontinue adjustments to expenses have been made.

The FY 2015/16 Recommended Budget includes a continuing transfer to the General Fund to support juvenile diversion activities within the Police Services program. The City currently has an agreement with the County of Santa Clara to pay for the direct salary, excluding benefits, of one Deputy Probation Officer. For FY 2015/16, this amount is \$102,092. This transfer is reflected through FY 2016/17, at which point there are not enough funds to support this expenditure along with other priorities. At that time, the Public Safety Department will need to evaluate the juvenile diversion activities in relationship to other departmental priorities to determine whether to continue funding the program within the City's General Fund.

The FY 2015/16 Recommended Budget also includes \$44,500 for the Police Services Equipment - Cell Phones project, which supports the cost of specialized cellular phones used for police services. This project has been programmed to end in FY 2021/22, at which point the ending twenty-year reserve is unable to fund the project.

Previously, this fund also reflected funding for replacement of Tasers every five years. Due to limitations in Asset Forfeiture funding, the next replacement of Tasers in FY 2017/18 reflects only a partial amount (\$123,274) for the replacement in that year. The remaining budget for the replacement of Tasers every five years thereafter throughout the twenty-year plan is funded from the General Fund.

## Police Services Augmentation Fund

The Police Services Augmentation Fund accounts for grant programs that provide monies for law enforcement purposes. The Supplemental Law Enforcement Services (SLES) program established by the State, and the smaller federal Edward Byrne Memorial Justice Assistance Grant from the Bureau of Justice Administration (BJA) have been the two sources of revenue to this Fund.

The State SLES monies constitute the major portion of revenue. However, over the years, the amounts of both grants have decreased or varied significantly. BJA decreased from a high of \$70,158 to a low of \$0 in FY 2011/12. SLES funding has also fluctuated over the years, with a high of nearly \$300,000 in FY 1996/97 and a low of \$100,000 in FY 2008/09. After

initially being eliminated, funding for FY 2011/12 was restored to a level of nearly \$230,000, which was the result of the State shifting Motor Vehicle License funds away from local agency general funds into the grants that provide SLES funding. This was a permanent shift, and as such, funding in the amount of \$232,230 has been programmed for the entire twenty-year plan. Because of the stable funding, SLES monies will fund nearly one full-time lieutenant for the Department of Public Safety, with the remaining cost being funded by the General Fund. This is in keeping with past use of these funds, which has been for staffing for most of the years. Because BJA funds are uncertain, they are not projected in the long-term plan and instead will be appropriated as they become available.

## Employment Development Fund

The City of Sunnyvale, as administrative entity for the North Valley (NOVA) Job Training Consortium, is required by legislation and regulations to account for the use of various federal and state funds and program revenues for the workforce development activities that are conducted for the consortium. The City established the Employment Development Fund to fulfill this obligation.

NOVA, formed in 1983, serves the cities of Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, Santa Clara and Sunnyvale. The City of Sunnyvale, through its NOVA Workforce Services Department, administers NOVA's programs on behalf of the consortium cities. NOVA has a wide variety of programs funded through various sources, with baseline funding originating from the federal government and passing through the State of California. A significant amount of additional grant money is received through competitive grants from federal and state sources. Since July 1, 2000, the primary funding source for the NOVA Workforce Services Department has been federal Workforce Investment Act (WIA) appropriations and competitive grants.

In 2014, Congress passed the federal Workforce Innovation and Opportunity Act (WIOA) as the new governing legislation for the local workforce investment system. This new legislation will take effect July 1, 2015. The City of Sunnyvale's City Council took action on February 10, 2015, to remain the Chief Local Elected Official (CLEO) for the NOVA consortium, with the City assuming financial liability for the program and functioning

as the administrative entity for NOVA's services. Council also reaffirmed the NOVA Workforce Board as the governing board for NOVA and approved the revised Agreement on Roles and Responsibilities Between the NOVA Workforce Board and the Sunnyvale City Council.

Other than incorporating the new WIOA terminology, the Joint Exercise of Power Agreement (JPA) for Council serving as the CLEO for the NOVA consortium maintains many of the same agreements. The one significant change is the addition of San Mateo County to the NOVA consortium membership; this addition comes as a result of the San Mateo County of Supervisors' unanimous vote at its January 27, 2015 meeting to relinquish its right to be designated its own workforce investment area and to become part of the NOVA consortium, effective July 1, 2015.

The WIOA dictates funding formulas whereby the allocation of funds provided by Congress to support the Act is distributed to the states. A primary factor of these formulas is the unemployment rate. These funds come in three targeted categories: Youth, Adult, and Dislocated Worker. Each of these categories serves a defined population.

The FY 2015/16 Recommended Budget is based on an estimate of grant resources for the year, and the addition of San Mateo County at approximately \$3.5 million. In addition, NOVA's staffing level is based on an approach that budgets staffing only for its most stable funding resources, which are NOVA's allocated funding and its longest-funded competitive WIOA grant, funded from the State's Additional Assistance pool. NOVA has a long history of being very competitive for additional federal and state resources and intends to submit several grant applications during the year. Any additional revenues and expenditures as a result of new grants obtained, including the need to budget casual staff for those short-term projects, will be reflected in a cumulative budget modification submitted each fiscal year. For the purposes of the City's FY 2015/16 Recommended Budget, NOVA has taken the total funding estimates as described and used these as the basis for NOVA's FY 2015/16 program and service levels. This budget incorporates guidance received from the state, which provided specific planning goals.

It is important to note that as different grants come and go, various programs and activities operated by NOVA often have a short lifespan relative to programs operated by other City departments. Therefore, the current listings

of programs that have been operated by NOVA during the last several years are not included in the budget document. Rather, a base funding level will be carried into the new fiscal year and the budget will be modified for planned activities, outcomes, and expenditures during the course of the year as new funding is secured and new contract goals and obligations are agreed upon.

To recognize NOVA's long tenure in the City, grant funding of \$10.5 million has been projected for FY 2015/16 and as an average resource level per year for the remaining 19 years of the twenty-year planning period.

## Parking District Fund

The Parking District Fund is a small fund that provides for the ongoing landscape and maintenance of downtown parking lots through assessments on property owners within the district. The Downtown Parking District includes all public parking in the downtown area, with the exception of the parking provided by the Sunnyvale Town Center.

For a number of years, the Parking District assessment was set by an election held every one or two years. In June 2009, the District property owners approved a long-term assessment methodology whereby the FY 2009/10 assessment rate was set as the base rate that would be adjusted annually by the previous year's change in the Consumer Price Index going forward. For FY 2015/16, the special assessment is projected to be \$187,865 based on preliminary estimates from the assessment and administration engineer for the District. Total project costs of \$1.1 million are planned over the twenty-year plan to install gutters and rehabilitate existing pavement in the downtown lots, and for various maintenance activities, including periodic asphalt patching, slurry seals, curb painting, sign replacement, and re-striping as necessary.

Annual operations costs represent the ongoing maintenance of the Parking District by the City for personnel, utilities, materials, contractual services and other items necessary or appropriate for the parking facilities and administration of the district and assessment.

It is anticipated the Parking District and assessment methodology will be reviewed after the redevelopment of the adjacent Town Center and Town and Country sites.

## Gas Tax Fund

The Gas Tax Fund is required by State law to account for Gas Taxes collected and allocated by the State. The State Gasoline Tax is a flat rate per gallon levied on gasoline and other motor fuels. Gas Tax is distributed to the State, cities, and counties on a formula based on population and the proportion of registered vehicles.

In March 2010 the legislature passed a bill that repealed a portion of the State Sales Tax on gasoline, which had been the funding source for Proposition 42, and replaced it with a variable rate excise tax on gasoline. The intention was for the repeal and replacement to be revenue neutral. As such, the excise tax is adjusted annually to ensure that revenue will keep pace with the repealed sales tax. It should be noted that only the State Sales Tax on gasoline was repealed; the local 1% rate remains intact. Starting with the FY 2011/12 Adopted Budget, revenues and expenditures that were formerly in the Traffic Congestion Relief Fund (Proposition 42) were incorporated into the Gas Tax Fund to reflect this legislation.

In the FY 2014/15 Adopted Budget, combined Gas Tax revenues were projected to decline in FY 2014/15. This decline is the result of a true-up from the State for the excise tax portion of gas tax revenue. As gas prices declined much further than projected in FY 2013/14, the 2014/15 excise tax index was adjusted down by the State for having over-allocated in the prior year. Starting in FY 2015/16 through the end of the twenty-year plan, Gas Tax revenues are forecasted to be approximately \$3.1 million each year. This totals a decrease of \$7.5 million over the twenty-year plan. As a result, the General Fund is picking up the increased funding requirement for previously Gas-Tax supported expenditures. As the majority of gas tax revenue is based on the number of gallons sold and not on the price of gasoline, no growth in revenue is projected. This is assumed because staff expects advancements in fuel economy to offset increases in population that will increase the total number of vehicles on the road.

Due to the lower projected Gas Tax revenues in the long-term plan, funding for street maintenance operations and projects has decreased. Over the twenty-year plan, funding for street maintenance operations is lower by nearly \$6.7 million compared to the current budget. As such, it will necessitate \$6.7 million more of General Fund support over the current

twenty-year budget. The FY 2015/16 Recommended Budget for the Gas Tax Fund has transfers to the Capital and Infrastructure Funds of \$1.9 million. The majority of this amount, \$1.1 million, is for the Pavement Rehabilitation project. In the FY 2015/16 Budget, approximately \$400,000 more has been added for the preventative maintenance of bridges over the next three years. The Gas Tax Fund also transfers funds to replace the controls, LED arrays, and backup battery systems of traffic signals, as well as the replacement of street light conduit and the repainting of street light poles.

In accordance with State law, the Gas Tax Fund receives interest earnings on any unspent cash balances. Gas Tax funds must be spent on maintenance and capital related to public streets and highways. The Gas Tax Fund works in tandem with the General Fund, with a set amount of funding for operations and remaining funds used to cover Gas Tax-eligible capital projects.

The project administration expenditure in the Gas Tax Fund represents the indirect charges for Engineering Services that are expected to be utilized in supporting capital projects that are funded from the Gas Tax Fund.

## Transportation Development Act (TDA) Fund

In FY 2003/04 a small special revenue fund was established to account for activities related to Transportation Development Act (TDA) funds. These funds were created by State legislation that annually returns to each region in the State  $\frac{1}{4}$  of 1% of State Sales Tax revenues to be used for transportation projects. These funds are restricted for pedestrian and bicycle facilities and bicycle safety education programs and must be segregated for those purposes. The TDA, in accordance with Public Utilities Code Section 99245, must submit a report of a fiscal and compliance audit made by an independent auditor at the end of each fiscal year.

The FY 2015/16 Recommended Budget does not include any new appropriations; however, as TDA-eligible projects are identified, revenues will be recognized and appropriated to those projects. FY 2014/15 appropriations which total approximately \$850,000, are primarily for various bicycle lane projects.

## Vehicle Registration Fee Fund

In 2010, voters approved Measure B, which collects vehicle registration fees to pay for programs and projects that provide local transportation improvements. In FY 2012/13 the City of Sunnyvale established a special revenue fund to account for revenues received through the \$10 annual Vehicle Registration Fee (VRF) assessed to automobiles owned by residents of Santa Clara County.

In 2012, the VRF provided \$14.8 million to the County, and 80 percent of this amount was distributed to the cities based on population. In August 2012, the City of Sunnyvale received its first allocation of VRF funds in the amount of \$797,394. For FY 2014/15, the City has received \$882,669 in VRF funds, and it is expected that the City's share will remain constant throughout the twenty-year planning period. In general, VRF funds are distributed based on each jurisdiction's population in the county, and a small percentage is available based on a competitive County-wide program. The remainder is reserved for Program Administration.

All VRF funds received from the County are programmed to be transferred to the Infrastructure Fund to provide funding for the Pavement Rehabilitation project throughout the twenty year plan.

## Youth and Neighborhood Services Fund

The Youth and Neighborhood Services Fund accounts for the revenues and ongoing operating program expenditures associated with the management and maintenance of the Columbia Neighborhood Center (CNC). On May 10, 1994, Council approved development of a neighborhood service center at Columbia Middle School to meet the health, social, recreational, and educational needs of North Sunnyvale residents (with an emphasis on serving disadvantaged youth) through a coordinated network of services. Advanced Micro Devices contributed \$1 million to the Columbia Neighborhood Center project, one-half of which Council used to establish the Youth Opportunity Fund (now renamed the Youth and Neighborhood Services Fund) to generate interest to help offset ongoing operating program expenditures.

The operating program expenditures for Columbia Neighborhood Center and related projects are accounted for in this fund, along with the associated program revenues. As outlined in the partnership agreement, the City is reimbursed by the Sunnyvale School District for a portion of the cost of services provided at the Columbia Neighborhood Center. For FY 2015/16 this reimbursement is projected to be \$189,829. Other revenues to the Fund

are recreation fees, rental fees for the facilities, interest earnings on the endowment, and an annual subsidy from the General Fund. For FY 2015/16, this subsidy is expected to be \$492,502.

Expenses included in this Fund are for the direct services provided at the CNC, including CNC operations, which is overseen by the Library and Community Services Department.

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**CITY OF SUNNYVALE  
190. POLICE SERVICES AUGMENTATION FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2025 TO JUNE 30, 2035**

	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	2034/2035		
RESERVES/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	43,626
-----												
CURRENT RESOURCES:												
SLES Fund (AB3229)	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	2,322,300	4,891,340
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT RESOURCES	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	2,322,300	4,891,340
-----												
TOTAL AVAILABLE RESOURCES	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	2,322,300	4,934,966
-----												
CURRENT REQUIREMENTS:												
Operations	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	2,322,300	4,934,966
Special Projects	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT REQUIREMENTS	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	232,230	2,322,300	4,934,966
-----												
RESERVES:												
20 Year RAP	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	0	0	0	0	0	0	0	0	0	0	0	0
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FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
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**CITY OF SUNNYVALE**  
**290. VRF LOCAL ROAD IMPROVEMENT PROGRAM FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVE/FUND BALANCE, JULY 1	75,703	47,414	135,124	0	0	0	0	516,212	0	534,089	0	394,482	47,414
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CURRENT RESOURCES:													
SB83 Revenue	843,220	882,669	882,669	882,669	882,669	882,669	882,669	882,669	882,669	882,669	882,669	882,669	9,709,359
Interest Income	279	2,434	0	0	0	0	19,854	0	20,542	0	15,172	0	58,003
TOTAL CURRENT RESOURCES	843,499	885,103	882,669	882,669	882,669	882,669	902,523	882,669	903,211	882,669	897,841	882,669	9,767,362
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TOTAL AVAILABLE RESOURCES	919,202	932,517	1,017,793	882,669	882,669	882,669	902,524	1,398,881	903,211	1,416,758	897,842	1,277,151	9,814,776
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CURRENT REQUIREMENTS:													
Project Administration	0	0	48,748	115,170	91,516	154,324	61,581	186,878	31,273	225,742	52,271	106,804	1,074,307
Transfer To Infrastructure Fund	871,788	797,394	969,044	767,499	791,153	728,345	324,730	1,212,003	337,849	1,191,016	451,089	1,170,346	8,740,468
TOTAL CURRENT REQUIREMENTS	871,788	797,394	1,017,792	882,669	882,669	882,669	386,311	1,398,881	369,122	1,416,758	503,360	1,277,150	9,814,776
-----													
RESERVES:													
SB83 VRF Funds	47,414	135,123	0	0	0	0	516,212	0	534,089	0	394,482	0	0
TOTAL RESERVES	47,414	135,123	0	0	0	0	516,212	0	534,089	0	394,482	0	0
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FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
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# Capital And Infrastructure Projects Funds

Capital and Infrastructure Projects Funds are used for major capital acquisition, construction activities, and renovation or replacement of general City fixed assets. The City currently accounts for these activities in two funds: the Capital Projects Fund and the Infrastructure Renovation and Replacement Fund. Capital and Infrastructure projects related to the Utility Enterprise Funds are budgeted and accounted for within each individual utility fund.

## Capital Projects Fund

The Capital Projects Fund was established in FY 1997/98 to account for financial resources to be used for new or substantially enhanced assets or for major rehabilitation of capital facilities. These projects are funded by the General Fund, other governmental funds, or outside sources. Outside revenues into the Capital Projects Fund include federal and state grants, intergovernmental revenues, developer contributions, Traffic Impact and Mitigation Fees, and Sense of Place Fees.

The Capital Projects Fund is divided into distinct sub-funds that receive direct transfers from the funds that are responsible for particular projects. Each sub-fund records revenues, interest earnings, transfers and expenses separately.

## General Assets Sub-Fund

The General Assets Sub-Fund is the largest Capital Projects sub-fund. In FY 2014/15 it accounts for \$30.2 million in appropriations to projects, \$20 million of which comes from federal grant funding. Of this amount, \$8.4 million is planned for the Fair Oaks Ave Overhead Bridge renovation, with another \$13 million planned for FY 2015/16 and FY 2016/17 for that project. The Lakewood Branch Library Facility is also accounted for in this Fund. A total of \$11.5 million is budgeted over the next four years for the design and construction. This project is contingent on the final sale of the Raynor Activity Center, and the recommended project budget has been adjusted to accommodate the sale timeline accordingly. This sub-fund also includes the Washington Community Swim Center renovation, which is scheduled to begin design in FY 2015/16 and total \$8 million over the next four years.

There are also a significant number of currently funded projects that will not fully expend their appropriations in FY 2014/15, and these unspent funds will be carried over into FY 2015/16. Projects that are currently underway include the East and West Channel Trails project for \$4.4 million, the Orchard Gardens Park Expansion project, which is funded by a \$1 million transfer from the Park Dedication Fund, the Safe routes to School and Neighborhood Guided Bike Routes project which is funded by a federal grant, the Hendy Avenue Complete Street Project, Downtown Streetscape Improvements, and design work on the repair of the Fair Oaks Overhead Bridge. Beyond FY 2015/16, significant projects in this Sub-Fund include Downtown Wayfinding and Gateways, the Plaza Del Sol Phase II project, and GIS support for the mapping of utilities.

## Gas Tax Sub-Fund

The Gas Tax Sub-Fund accounts for capital projects funded partially or fully by Gas Tax revenues. There are no new appropriations in FY 2015/16; however, carryover from FY 2014/15 is expected for the design phase of the Calabazas Creek Bridge project, with construction scheduled for FY 2015/16.

## Calabazas Creek Bridge Sub-Fund

A new Sub-Fund was established in the Capital Projects Fund in FY 2013/14 to account for \$565,000 from the City of Santa Clara to fund its share of the Calabazas Creek Bridge renovation. The purpose of this Sub-Fund is to account for the interest allocation from the City of Santa Clara contribution that the City will be managing and administering.

## Traffic Mitigation and Traffic Impact Fees Sub-Funds

The Cumulative Traffic Mitigation Fees and Traffic Impact Fees are accounted for in individual sub-funds of the Capital Projects Fund. Prior to the adoption of the Transportation Strategic Program in November 2003, an interim funding mechanism was implemented for transportation mitigation of major land development. This mechanism was known as Cumulative Traffic Mitigation Fees. The Traffic Mitigation Sub-Fund was created in order

to use Cumulative Traffic Mitigation Fees for capital projects that improve traffic capacity or alternative transportation facilities. Funds are allocated to projects of local or regional significance, depending upon the nature of traffic impacts identified in association with the land development. The adoption of the Transportation Strategic Program in November 2003 replaced the interim Cumulative Traffic Mitigation Fees.

The Traffic Mitigation Sub-Fund contains one capital project, Future Traffic Signal Construction/Modification, which is expected to be complete in FY 2014/15. Additionally, the fund is providing approximately \$1.6 million in grant matching funds to fund a variety of projects including Safe Routes to Schools, several intersection safety improvement projects, bike lane projects, and the Hendy Ave Complete Street Improvements. All of these projects are currently underway and expected to be complete in FY 2015/16. With these funds being available as a local match for grant funding, the City has been able to leverage significant grant dollars for these projects, although it is largely drawn down at this time. It is estimated that the Traffic Mitigation Fund will have a balance of approximately \$41,000 available for grant matching purposes at the end of FY 2014/15.

The Traffic Impact Sub-Fund was created to account for the Traffic Impact Fee that was adopted in November 2003 to be applied to traffic-generating development Citywide. As noted above, this Traffic Impact Fee replaced the interim Cumulative Traffic Mitigation Fee. The City began collecting Traffic Impact Fees on new developments in January 2004. Traffic Impact Fees are to be applied to a specific list of roadway capacity improvement projects that were identified using a Citywide transportation model. The Transportation Strategic Program consists of 11 projects totaling \$290 million. These projects are largely unfunded and will move into the City's twenty-year Projects Budget as funds are received and improvements are needed. A comprehensive listing of these projects can be found under Traffic and Transportation in Volume II – Projects Budget of the FY 2015/16 Recommended Budget.

As the local economy continues to recover, the City is seeing larger development projects that are generating significant Traffic Impact Fee revenue. \$5.4 million is anticipated in FY 2014/15 and \$2.3 million in FY 2015/16. Beginning in FY 2016/17, revenues are budgeted at the six year historical average of approximately \$1.8 million annually, adjusted for

inflation. For the twenty-year planning period, a total of approximately \$50 million in Traffic Impact Fee revenue is expected.

There are no new projects in the Traffic Impact Sub-Fund in FY 2015/16. Funds are currently appropriated to the design and construction of Interchange Improvements at Mathilda/237/101. The design phase is 50 percent funded by a grant from the VTA. Construction costs in the amount of \$16.5 million are planned for FY 2016/17. It is estimated that the City's share of construction will be \$8.25 million. Beginning in FY 2015/16, funds have been set aside in a Future Transportation Strategic Plan Projects expenditure line item to reflect the fact that the purpose of these funds is to accumulate and be used for major roadway projects, as identified in the Transportation Strategic Program.

### Sense of Place Sub-Fund

A new Sub-Fund was established in the Capital Projects Fund in FY 2008/09 to formally account for projects funded by Sense of Place Fees. Sense of Place Fees have been collected in the City for several years as conditions of approval in certain Industrial-to-Residential areas. So far, the City has three land use areas subject to Sense of Place Fees. These are the Tasman/Fair Oaks Area, the Duane/Lawrence Expressway Industrial-to-Residential area, and the Fair Oaks Junction area. Dwelling units constructed in these areas are each subject to a Sense of Place Fee as a condition of approval.

Sense of Place Fee revenues are projected to be approximately \$1.1 million over the next two years, and then decreases to \$240,000 annually, adjusted for inflation, throughout the long-term plan. Approximately \$6.7 million is expected over the entire twenty-year planning period.

Staff believes that Sense of Place Fees could become more widespread in coming years. The fees would be required in areas where desired public improvements exceed the requirements of other areas of the City. Developers are normally responsible for frontage improvements, and Sense of Place Fees would help pay for other amenities that are not project specific and benefit the entire area (e.g. special signage, area entry treatments, aesthetic enhancements, etc.). Sense of Place Fees could also be required in areas with special land use or public improvement plans (Specific Plans, Precise Plans, Pedestrian and Bicycle area plans, etc.). Specific projects for future fee

revenues have not yet been identified. Anticipated future expenditures are shown as Future Sense of Place Projects in the long-term plan.

### VTA Local Program Reserve Sub-Fund

A new Sub-Fund was established in the Capital Projects Fund in FY 2012/13 to account for a \$2 million VTA Local Program Reserve funds grant. This grant was awarded to provide 50% of the funds for the design costs of the Mathilda/237/101 Interchange Improvement project. The entire project design budget, as well as the City's 50% share of the cost, is included in the Traffic Impact Fee Sub-Fund. The purpose of this Sub-Fund is to account for the interest allocation from the VTA grant funds that the City will be managing and administering.

## Infrastructure Renovation and Replacement Fund

The Infrastructure Renovation and Replacement Fund was introduced with the FY 1996/97 budget. Its purpose is to account for revenues and expenditures associated with the rehabilitation of the City's extensive physical infrastructure, except for utility assets, which are funded separately in the utility funds.

Similar to the Capital Projects Fund, this Fund is divided into distinct sub-funds that receive direct transfers from the funds that are responsible for the particular infrastructure projects. Each sub-fund records revenues, interest earnings, transfers and expenses separately. Currently, there are two sub-funds: General and Golf and Tennis. The General Sub-Fund accounts for the majority of City infrastructure projects. The Golf and Tennis Sub-Fund is specifically for golf and tennis projects, with funding predominantly from the Park Dedication Fund.

There are 30 projects in the General Sub-Fund recommended for funding in FY 2015/16 totaling \$13.7 million. Approximately \$6.7 million is funded by a transfer from the Park Dedication Fund with the majority going to fund five park or recreation facility related renovation projects. The fund also contains an additional \$1.4 million over two years starting in FY 2016/17 for concrete and sidewalk replacement. The funding is provided by one time excess property tax revenue and will help to address the current backlog of

repairs. Strategies and funding to address the backlog of side walk repairs will continue to be evaluated over the next several years.

A project is also funded for pavement rehabilitation, which provides the funding to return the City's Pavement Condition Index (PCI) to a level of 80. The City accelerated investment in its pavement over the last several years, with the intent of then providing sufficient funding to maintain that level going forward. In FY 2014/15, \$8.2 million is budgeted for pavement rehabilitation, which will conclude the increased funding. Funding then returns to an average of \$1.8 million per year

In the Golf and Tennis Sub-Fund, there is \$100,000 budgeted in FY 2014/15 for minor renovation of golf buildings. This fund provides for projects related to golf and tennis through FY 2032/33. It is then expected that the Golf and Tennis Enterprise Fund will fund its own infrastructure and capital projects.

Ongoing funding to address the City's infrastructure needs remains a particular area of concern. The City has a vast and wide array of infrastructure assets to maintain, including buildings, streets, parks, sidewalks, and utility-related infrastructure. These assets are an important part of the foundation of our service provision to the community. The City has long recognized the importance of maintaining these assets, as evidenced by the City policy of prioritizing the repair and replacement of existing infrastructure before the provision of new or expanded facilities. To this end, starting with the adopted FY 2011/12 Budget, the City has been setting aside funding for investment in its infrastructure. A total of \$44.5 million is currently earmarked for pavement rehabilitation. All of the City's parks have funding planned to renovate them over the next twenty years. Additional funding is being allocated to sidewalk, curb, and gutter replacement, and the General Fund has contributed \$7.1 million for future infrastructure projects, and has a planned appropriation of \$1.5 million per year going forward. Through these actions, the FY 2015/16 budget maintains this commitment to infrastructure rehabilitation.



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**CITY OF SUNNYVALE  
385/600. CAPITAL PROJECTS FUND/GAS TAX SUB-FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVE/FUND BALANCE, JULY 1	194,140	194,140	0	0	0	0	0	0	0	0	0	0	194,140
-----													
CURRENT RESOURCES:													
Federal Grants	451,018	8,628,129	0	0	0	0	0	0	0	0	0	0	8,628,129
Transfer From Gas Tax Fund	179,393	796,422	0	0	0	0	0	0	0	0	0	0	796,422
Transfer From Cap. Proj/Calabazas Creek	5,866	559,777	0	0	0	0	0	0	0	0	0	0	559,777
TOTAL CURRENT RESOURCES	636,277	9,984,328	0	0	0	0	0	0	0	0	0	0	9,984,328
TOTAL AVAILABLE RESOURCES	830,417	10,178,469	0	0	0	0	0	0	0	0	0	0	10,178,469
-----													
CURRENT REQUIREMENTS:													
Capital Projects	636,277	10,178,468	0	0	0	0	0	0	0	0	0	0	10,178,468
TOTAL CURRENT REQUIREMENTS	636,277	10,178,468	0	0	0	0	0	0	0	0	0	0	10,178,468
-----													
RESERVES:													
Capital Reserve	194,140	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	194,140	0	0	0	0	0	0	0	0	0	0	0	0
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
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**CITY OF SUNNYVALE**  
**385/940. CAPITAL PROJECTS FUND/CITY OF SANTA CLARA FOR CALABAZAS CREEK BRIDGE SUB-FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVE/FUND BALANCE, JULY 1	0	71,470	748	748	0	0	0	0	0	0	0	0	71,470
-----													
CURRENT RESOURCES:													
City of Santa Clara Contributions	77,021	488,622	0	0	0	0	0	0	0	0	0	0	488,622
Interest Income	315	433	0	0	0	0	0	0	0	0	0	0	433
TOTAL CURRENT RESOURCES	77,336	489,055	0	0	0	0	0	0	0	0	0	0	489,055
-----													
TOTAL AVAILABLE RESOURCES	77,336	560,525	748	748	0	0	0	0	0	0	0	0	560,525
-----													
CURRENT REQUIREMENTS:													
Transfer To Cap. Proj./Gas Tax	5,866	559,777	0	748	0	0	0	0	0	0	0	0	560,525
TOTAL CURRENT REQUIREMENTS	5,866	559,777	0	748	0	0	0	0	0	0	0	0	560,525
-----													
RESERVES:													
Capital Reserve	71,470	748	748	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	71,470	748	748	0	0	0	0	0	0	0	0	0	0
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FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
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**CITY OF SUNNYVALE**  
**385/990. CAPITAL PROJECTS FUND/VTA LOCAL PROGRAM RESERVE SUB-FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVE/FUND BALANCE, JULY 1	2,000,000	1,764,210	9,847	9,847	0	0	0	0	0	0	0	0	1,764,210
-----													
CURRENT RESOURCES:													
Interest Income	9,847	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT RESOURCES	9,847	0	0	0	0	0	0	0	0	0	0	0	0
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TOTAL AVAILABLE RESOURCES	2,009,847	1,764,210	9,847	9,847	0	0	0	0	0	0	0	0	1,764,210
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CURRENT REQUIREMENTS:													
Transfer To Cap. Proj./Traffic Impact	245,637	1,754,363	0	9,847	0	0	0	0	0	0	0	0	1,764,210
TOTAL CURRENT REQUIREMENTS	245,637	1,754,363	0	9,847	0	0	0	0	0	0	0	0	1,764,210
-----													
RESERVES:													
Capital Reserve	1,764,210	9,847	9,847	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	1,764,210	9,847	9,847	0	0	0	0	0	0	0	0	0	0
-----													
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
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**CITY OF SUNNYVALE**  
**610/500. INFRASTRUCTURE RENOVATION & REPLACEMENT FUND/GOLF AND TENNIS SUB-FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVE/FUND BALANCE, JULY 1	21,449	21,560	21,697	21,968	22,407	23,080	24,003	24,963	25,961	27,000	28,080	28,080	21,560
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CURRENT RESOURCES:													
Interest Income	111	137	271	439	672	923	960	999	1,038	1,080	0	1,123	7,643
Transfer From Park Dedication Fund	142,494	920,618	100,000	288,099	1,961,704	133,394	385,617	1,668,722	0	197,258	505,610	0	6,161,022
TOTAL CURRENT RESOURCES	142,605	920,755	100,271	288,538	1,962,376	134,317	386,577	1,669,721	1,038	198,338	505,610	1,123	6,168,665
TOTAL AVAILABLE RESOURCES	164,054	942,315	121,968	310,506	1,984,784	157,397	410,580	1,694,683	27,000	225,338	533,690	29,203	6,190,225
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CURRENT REQUIREMENTS:													
Infrastructure Projects	142,494	920,618	100,000	288,099	1,961,704	133,394	385,617	1,668,722	0	197,258	505,610	0	6,161,022
TOTAL CURRENT REQUIREMENTS	142,494	920,618	100,000	288,099	1,961,704	133,394	385,617	1,668,722	0	197,258	505,610	0	6,161,022
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RESERVES:													
Comm.Rec.Infrast.Contingency Reserve	21,560	21,697	21,968	22,407	23,080	24,003	24,963	25,961	27,000	28,080	28,080	29,203	29,203
TOTAL RESERVES	21,560	21,697	21,968	22,407	23,080	24,003	24,963	25,961	27,000	28,080	28,080	29,203	29,203
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FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
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# Enterprise Funds

## Utility Enterprise Funds and Utility Rate Process

The following across-the-board changes to current rates for the Water, Wastewater, and Solid Waste Utility enterprises are recommended for Council approval for FY 2015/16:

Utility	Rate Change
Water	20.0%
Wastewater	8.0%
Solid Waste	5.0%

Each increase and the contributing factors are discussed below. The major reasons for the required increases in rates are the substantial rise in costs of purchased water due to ongoing drought conditions, major wastewater infrastructure needs, particularly at the City's Water Pollution Control Plant, and the City's Zero Waste project to increase landfill diversion rates.

Monthly costs associated with water, solid waste, and wastewater services for an average residential customer will increase by \$14.35 per month. It is important to note that even with these increases, Sunnyvale utility rates and services are competitive with our surrounding communities.

### Water Supply and Distribution Fund

The Water Supply and Distribution Fund (Water Fund) accounts for all revenues and expenses related to the City-operated water utility. Expenses include costs for wholesale water, capital and infrastructure project-related costs, debt service, and other operating costs. Revenues consist of service fees for water and recycled water, water-related public works and construction fees, and interest income. Once expenditure levels are developed, water rates are set to collect enough revenue to maintain a sustainable financial position. The annual review and use of long-range financial planning and projections help minimize utility rate swings.

The largest expense of the Water Fund is the cost of purchasing water. Sunnyvale currently receives water from four different sources, the San Francisco Public Utilities Commission (SFPUC), the Santa Clara Valley Water District (SCVWD), City-owned wells, and recycled water. The majority of supply is provided by the SFPUC and SCVWD, set by contracts. Approximately half a percent will come from well water, which is adequate to keep the wells fresh and operating.

The City's water demand is extremely volatile, largely due to the ongoing drought. The drought, which is in its fourth year statewide, is generating concern related to water supply. Both the SFPUC and SCVWD have expressed concern regarding the lower than average rainfall and the lower than average snowpack, which, as of April of 2015, was at 5% of normal for this time of year. As a result, both agencies have requested that water utilities (and their customers) cut back on the amount of water consumed by as much as 30%. In addition, the State is planning to implement sweeping restrictions aimed at reducing overall water consumption throughout California. Residents and businesses in Sunnyvale have been cutting back on their water consumption. Water sales through March are down nearly 15% over FY 2013/14. Throughout the twenty year financial plan, it is assumed that water conservation efforts will continue, and that sales will not return to the levels seen in FY 2013/14. This anticipated reduction affects both the revenue and expenses of the Fund. To the extent that the City's suppliers reduce their contractual minimums to accommodate decreased demand, the City is projecting savings from water purchases. So far, the SFPUC and SCVWD have indicated that they will reduce contractual minimums for FY 2014/15 and FY 2015/16. However, buying less also translates to selling less, and therefore the financial plan includes revenue projections based on a lower volume of water sold.

The City is currently paying the SFPUC approximately \$1,306 per acre foot of water, including meter charges, and paying SCVWD \$847 per acre foot, including a treated water charge. The City is also paying approximately \$1.6 million in FY 2014/15 to the SFPUC for the Bay Area Water Supply and Conservation Agency (BAWSCA) Surcharge which makes up Sunnyvale's share of the debt service on bonds issued by BAWSCA in FY 2012/13.

BAWSCA issued the bonds on behalf of its 26 member agencies in its effort to restructure capital debt owed to the SFPUC for facilities constructed by the SFPUC that benefit the regional customers.

Both the SFPUC and the SCVWD provided wholesale rate projections for the next ten years. Their projections have changed significantly over the previous year, as they expect to need additional revenue to make up for lost sales due to water conservation. These projections are in the base rate for the long term rate projections in the twenty-year financial plan. It is important to note that both wholesalers have not adopted their rate increases for FY 2015/16. The twenty-year financial plan incorporates the “worst case scenario” for each of the providers. However, recent guidance has indicated that the wholesale water rate increases will be less than originally planned.

The table below reflects the projections included in the financial plan for both agencies. The projected increases in the table do not reflect changes in the BAWSCA Surcharge or any other costs related to purchasing water. Additionally, the SFPUC is projecting a rate decrease in three of the next ten years. It is the City’s practice not to recognize decreases, as they are unlikely to actually occur, and instead hold the rate flat for that year.

**Projected Increases in Base Wholesale Rates**

Fiscal Year	SFPUC	SCVWD
2015/16	30.7%	31.5%
2016/17	0.0%	8.0%
2017/18	3.7%	7.8%
2018/19	15.9%	7.5%
2019/20	7.2%	6.2%
2020/21	0.0%	5.7%
2021/22	0.0%	5.2%
2022/23	2.0%	5.1%
2023/24	2.8%	4.9%
2024/25	1.2%	4.8%

The projected well water total unit cost for FY 2015/16 is \$1,096 per acre foot, an increase of 27.7% over the current year unit cost of \$858. This cost includes a charge from SCVWD for pumping ground water from City wells, as well as the power costs associated with running the pumps.

The City attempts to purchase water at the lowest possible cost. The City’s water system allows the movement of water from one portion of the City to another, and this allows staff to monitor and adjust water purchases to utilize the most cost effective source, while still meeting our minimum contractual requirements for purchases. The ongoing drought has caused wholesale water rates to increase significantly over the previous financial plan. For FY 2015/16, SFPUC indicated that their rate would increase to \$1,668 per acre foot, a 30.7% increase, while SCVWD is proposing to increase rates 31.5% to \$982 per acre foot. The magnitude of these rate increases coupled with the reduced revenues from the drought, cannot be absorbed in the rate assumptions included in the previous financial plan. Therefore, the rate increase for FY 2015/16 has increased significantly over the previous financial plan.

Lastly, the City’s Water Pollution Control Plant (WPCP) provides recycled water, which is wastewater that has been treated to very high standards. Recycled water is currently sold at 90% of water rates to encourage its use. Due to production limitations and increased chemical requirements, the City has scaled back its recycled water production. Plans are under way to improve production reliability and construction is scheduled to be completed in the summer of 2016. Additionally, staff and SCVWD have ongoing discussions to partner in significant capital improvement projects that may bring recycled water to more areas of the City. One such project currently in the planning process is the expansion of the recycled water system along Wolfe Road to Homestead Road.

**Operations and Capital Expenses**

The FY 2015/16 budget for the Water Fund includes approximately \$5.8 million for personnel and other costs related to operating and maintaining the water supply and distribution system. The Water Fund contains annual debt service of approximately \$2.0 million in FY 2015/16. This consists of two components, the majority of which is \$2.0 million for debt service on the City’s 2010 Water Revenue Bonds. The remainder of the debt service is

the Water Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property. This latter debt service ends in FY 2029/30. The Fund also had a small inter-fund loan repayment that terminated in FY 2014/15 for the purchase of the property adjacent to the Corporation Yard.

Like many municipalities in the state and the country, Sunnyvale's water storage and distribution systems are over fifty years old and in need of significant rehabilitation. The Environmental Services Department prioritizes projects to address this aging water utility infrastructure. The highest priority is being placed on water pipe replacements. The FY 2015/16 financial plan includes \$70 million to pay for pipe replacements. These pipe replacements must be done to minimize water service interruptions due to potential failures of the aging infrastructure. Other notable infrastructure projects include refurbishments of water tanks across the City, starting with the Mary-Carson tank in FY 2015/16, as well as the reconstruction of the Central Water Plant, which has been out of working order since 2007.

Additionally, an emphasis has been placed on the City's recycled water production and distribution system. Funding for this effort crosses both the water utility and the wastewater utility. \$2.1 million has been budgeted for Sunnyvale's share of a regional project that includes upgrades to the San Lucar Pump Station and extension of the recycled water system along Wolfe Road to Homestead Road. Sunnyvale has entered into a partnership agreement with SCVWD to fund this significant expansion of the recycled water system.

By City policy, the Water Fund maintains a Contingency Reserve of 25% of operations and a Rate Stabilization Reserve to normalize rates and provide for the effect of economic cycles. This Fund also contains reserves for revenue and debt funded projects to manage the naturally uneven flow of these funds against project expenditures.

## Wastewater Management Fund

The Wastewater Management Fund (Wastewater Fund) accounts for revenues and expenses related to the provision of the safe and reliable removal of wastewater from all residences and businesses in Sunnyvale. Wastewater rates also pay for half of the City's street sweeping services, plus

storm water management, non-point source pollution prevention and other critical public services.

The City owns and operates an extensive system for management of wastewater within City limits and in a small area in the northern portions of Cupertino and San Jose. The system includes approximately 283 miles of sewer pipes, a storm drainage system consisting of 330 miles of storm drainage pipes, and a 29.5 million gallon per day (MGD design capacity) Grade V Water Pollution Control Plant (WPCP). Operations include the transport of sewage to the treatment plant, wastewater treatment, recycled water production, industrial discharge inspection and enforcement, storm water management, and many other services related to wastewater.

## Operations and Capital Expenses

The proposed FY 2015/16 operations expenses in the Wastewater Fund reflect personnel, chemicals, and other costs. Additionally, the City's street sweeping program is funded equally by the Wastewater and Solid Waste Funds to reflect the benefits that street sweeping provides in clearing litter and debris off the streets and preventing that debris from entering the storm drainage system.

The Wastewater Utility recently began a major project to renovate and expand the City's Water Pollution Control Plant (WPCP). The FY 2015/16 Recommended Budget includes planned infrastructure expenditures of approximately \$442 million over twenty years, with 73% (or \$321 million) allocated to the WPCP renovation project.

The most significant of the WPCP renovation projects to date is approximately \$116 million to design and construct new primary treatment facilities. This includes a new head works facility, which removes large debris from incoming sewage and pumps the sewage into new primary treatment tanks which, in turn, slow down the wastewater to settle out large solids. The current influent sewage pump station has reached the end of its useful life and the gas-powered influent engines will be non-compliant with air regulations effective January 2016. The City anticipates building the new head works and primary facilities at the current bio-solids drying operation location, adjacent to the current influent pump station. As a result, this project displaces the current bio-solids drying operations and will likely

require alternate operation (such as vendor contracted drying operations) until new bio-solids facilities are constructed.

Additional WPCP renovation projects include \$28 million for Program Management Services and \$5.8 million for the completion of the WPCP Master Plan. These projects will fund the identification of future secondary and tertiary treatment processes, the development of conceptual designs for future projects within the reconstruction program, the preparation of the programmatic environmental impact report, and oversight of the implementation of the reconstruction program over the next 12 years.

The City's wastewater collection systems are also in need of significant rehabilitation due to their age. The FY 2015/16 Recommended Budget includes approximately \$41 million in projects related to sewer and storm water collection. The wastewater collection system consists of approximately 613 miles of sewer and storm mains, and seven pump or lift stations. The system has five major sewer trunk lines that terminate at the WPCP, where sewage is treated. Major projects include \$22 million for sewer and storm pipe improvements, \$6.4 million for rehabilitation of the Lawrence Expressway trunk line, and \$4.6 million for sewer and storm pump and lift station rebuilds.

There is over \$6.9 million in the proposed budget for new projects to address stormwater concerns. The City stormwater system operates under the terms of a Municipal Stormwater National Pollutant Discharge Elimination System (NPDES) permit. These projects would implement trash reduction programs and other maintenance activities in order to meet permit requirements. The funds will provide additional street sweeping in the City, provide outreach and enforcement efforts, and fund retrofit projects that would redirect stormwater to biotreatment areas.

The Wastewater Fund has two inter-fund loans advanced from the General Fund. The first loan was to finance the remodel of the primary facilities of the WPCP, expanding the capacity from 22.5 million gallons per day to 29.5 million gallons per day. The loan was made by the General Fund in FY 1980/81 for a total of \$10.7 million at 7% interest. The original term was for 20 years; however payments were periodically deferred or delayed to help balance cash needs in the Wastewater Fund. Regular payments have been made as scheduled since FY 2004/05. The second loan was made to assist the Wastewater Fund with cash flow issues by providing needed cash

to stabilize rates. The loan was advanced in FY 1995/96 for a total of \$2.4 million at 7% interest. The term was for 20 years with ongoing payments also periodically deferred until FY 2004/05. No changes have been made to the loan payoff schedule as part of the FY 2015/16 Recommended Budget.

Approximately \$3 million annual debt service payments are largely for the Wastewater Revenue Bonds, issued in 2010 for \$35 million, to refund the existing bonds and provide \$22.5 million in new funds for capital and infrastructure projects. These new funds have been spent, with some of the proceeds funding the initial efforts for the renovation of the WPCP. Future debt is reflected in the *New WPCP Debt Service* line item; the actual amount and structure of the financing will be determined as the plan is further defined. However, it is important to note that over time, the City will be issuing bonds to fund the WPCP renovation. At its completion, the City will be paying significant annual debt service, anticipated to be approximately \$22.3 million each year, accounting for approximately one third of the Fund's total expenses. This level of debt service will require multiple years of high single digit rate increases to fund. Debt service is also included for the Wastewater Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property.

In order to help the Solid Waste Management Fund with cash flow issues, the Wastewater Fund loaned the Solid Waste Fund \$2 million in FY 2011/12 at 4.5% interest. Payment is deferred to FY 2015/16 and then repaid over a seven-year period. This helped the Solid Waste Fund with cash it needed and helps the Wastewater Fund in the future as its cash needs increase to fund the new WPCP.

By City policy, the Wastewater Fund maintains a Contingency Reserve of 25% of operations and a Rate Stabilization Reserve to normalize rates and provide for the effect of economic cycles. This Fund also contains reserves for revenue and debt funded projects to manage the naturally uneven flow of these funds against project expenditures.

## Solid Waste Management Fund

The Solid Waste Management Fund (Solid Waste Fund) accounts for the revenues and expenses related to collection, recycling, and disposal of solid waste generated within the City of Sunnyvale. A private company, Bay

Counties Waste Services, doing business in Sunnyvale as Specialty Solid Waste & Recycling (Specialty), has an exclusive franchise for collection of solid waste and recyclable materials through 2021, and these contract costs are reflected here. Operation of the Sunnyvale Materials Recovery and Transfer (SMaRT®) Station and disposal of refuse at the Kirby Canyon Landfill are captured in their own fund, but the City's share of these activities is reflected in the Solid Waste Fund.

The City's franchise with Specialty is the largest single expense within the Solid Waste Fund and makes up 43% of the total expenses in the FY 2015/16 Recommended Budget for the solid waste system. The City's payment for the following fiscal year is driven primarily by actual expenditures from the last full fiscal year, adjusted by various indexes as identified in the contract. The projected FY 2015/16 contractor payment is \$20 million, which is essentially unchanged from the current FY 2014/15 contractor payment.

The Solid Waste Fund has two inter-fund loans from the General Fund. The first loan provided a total of \$3.68 million during 1985, 1988 and 1989 for construction of a system to convert methane gas to a marketable form of energy. The second loan, for \$10.5 million, was to stabilize solid waste rates between FY 1994/95 and FY 1998/99. Both loans bear interest of 7%. No changes have been made to the loan payoff schedule as part of the FY 2015/16 Recommended Budget.

Additionally, in order to help with cash flow purposes, the Solid Waste Fund reflects a \$2 million loan made in FY 2011/12 from the Wastewater Fund at 4.5% interest. Payment is deferred to FY 2015/16 and then repaid over a seven year period. This helps the Solid Waste Fund with short term cash flow, and the Wastewater Fund with cash it needs in the future to fund the new WPCP.

Debt service expenditures reflect Sunnyvale's portion of the debt service for the original cost of the SMaRT Station facility and replacement equipment, as well as the estimated portion of debt which will be issued in FY 2021/22 for a new materials recovery system. Debt service also includes the Solid Waste Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property.

The Fund also includes a project to implement the City's Zero Waste policy. The project has been updated to include \$29 million to fund new practices aimed at meeting the Zero Waste Strategic Plan goals of 75% diversion by 2020. This project does not incorporate the costs necessary to reach the goal of 90% diversion by 2030 due to uncertainty regarding legal and technical barriers to meeting the 90% goal. Methods planned to increase the diversion rate include implementation of new SMaRT equipment, pilot programs related to food scraps and commercial yard trimmings, and the implementation of City-wide multi-family recycling. The additional diversion is expected to generate approximately 460,000 per year in operating savings due to a reduction in landfill expenditures.

By fiscal policy, the Solid Waste Fund maintains a Contingency Reserve of 10% of operations. This is less than the 25% required for the Water and Wastewater Funds to reflect the fact that this operation has less City-owned infrastructure at risk for damage or disaster. The Fund also maintains a Rate Stabilization Reserve similar to the other utilities.

## Sunnyvale Materials Recovery and Transfer (SMaRT) Station Fund

The Sunnyvale Materials Recovery and Transfer (SMaRT) Station began operations in October 1993. The costs of building, maintaining, and operating the SMaRT Station are shared by the cities of Sunnyvale, Mountain View and Palo Alto as specified by a Memorandum of Understanding (MOU) among the cities. Operating costs and revenues from the sale of recyclables are charged to or distributed to the cities based on the total tons of solid waste each community brings to the SMaRT Station for materials recovery, transfer, and disposal. At current garbage delivery rates, Sunnyvale is responsible for about half of the SMaRT Station operating expenditures and receives about half of the revenues earned by the cities from recyclables removed from the garbage. The capital cost of the SMaRT Station was financed by the sale of revenue bonds by Sunnyvale. Those bonds were refinanced in FY 2014/15 to take advantage of the lower interest rates available today, generating a savings to the City's debt service obligations of approximately \$956,000. The debt service on the bonds is shared among the three cities as specified in the MOU. The SMaRT Station MOU expires in FY 2021/22.



The SMaRT Station Operations Fund was established to account for operations at the facility. It receives revenue from charges to the cities of Sunnyvale (Solid Waste Fund), Mountain View, and Palo Alto, and from the sale of recyclables. Major operating cost components include the SMaRT Station operator contract and disposal fees and taxes collected by the Kirby Canyon Landfill. The Fund is managed so that annual revenues and expenditures are in balance and that no fund balance, with the exception of a small debt service reserve, is carried forward to the next year.

The SMaRT Station is operated by a private company under contract with the City. A Request for Proposals (RFP) process was completed in 2014 for the operation of the SMaRT Station. The City Council awarded the contract to Bay Counties Waste Services on June 24, 2014. Bay Counties Waste Services held the previous agreement as well, and began operations on January 1, 2008. The FY 2015/16 Recommended Budget incorporates the changes in SMaRT Station expenses based on the new contractual terms. Since the previous year financial plan had estimated additional funding requirements in anticipation of the new contract, the impact to the twenty year financial plan was minimal.

The SMaRT Station Replacement Fund provides for the replacement of City-owned SMaRT Station equipment. The three participating cities contribute to these efforts and to payment of debt service based on fixed percentages established by the SMaRT Station MOU. Debt service reflects payment through FY 2017/18 for debt issued for the original cost of the facility, and through FY 2021/22 for replacement of materials recovery facility equipment.

Staff anticipates that while most of the facility's equipment and the overall SMaRT Station can be maintained in good working order through the term of the MOU, there will come a point when the facility and equipment will need replacement or rehabilitation. In order to allow for the cost impact of this eventuality, funding is projected for a new materials recovery system and any other improvements needed to the SMaRT Station Facility in FY 2021/22, with annual debt service of \$2 million. Funding is provided for planning and inter-jurisdictional coordination in FY 2016/2017 through FY 2019/20, with design and construction following in FY 2020/21 through FY 2022/23. This project could replace the SMaRT station, or it could implement

some other solution for the management of solid waste and recyclables in the City. The recommended budget is based on the initial construction cost of the SMaRT Station. It is anticipated that the cost for the ultimate replacement will be refined during the planning phase of the project.

## Development Enterprise Fund

This new fund was established with the FY 2014/15 Adopted Budget. Prior to the creation of this fund, development-related activities and associated revenues were included in the General Fund across a range of operating activities, focused primarily within the Building and Planning divisions of the Community Development Department. In order to better align development-related revenues and expenses, which tend to increase and decrease with development cycles, the City created this new fund.

In the FY 2014/15 Adopted Budget the Development Enterprise Fund was programmed to receive its initial funding in the form of a transfer from the General Fund. The Development Enterprise Reserve was established in the General Fund to account for unplanned development-related revenue in FY 2012/13 and FY 2013/14. At the close of FY 2013/14 \$8.3 million had been collected in this reserve. At the beginning of FY 2014/15, the General Fund transferred the full amount to the Development Enterprise Fund.

Development-related revenue includes the major fees for permits and licenses that the City collects, as well as from Plan Check Fees and Engineering Fees. Over the past six years (five in the General Fund and one year in the Development Enterprise Fund), the City has seen significant fluctuations in the amount of development-related revenue received. When the recession hit in FY 2008/09, activity slowed considerably with revenues dropping all the way to \$5.2 million in FY 2009/10. The rebound, however, began that same year and continued to accelerate through FY 2011/12, with revenues approaching \$14 million. FY 2014/15 total development-related revenues are estimated to end the year at \$13.2 million, and staff is projecting that the anticipated level of development activity will remain high in FY 2015/16 with revenues of \$11.4 million before returning to the historical average of \$7.9 million. It should be noted that this historical average has increased, with four consecutive years of record high development activity.

Operating expenditures support the administration and regulation of development related activity in the City. This includes activities and services across multiple departments. Building Safety and Planning activities in the Community Development Department comprise approximately 64% of the total operating costs in this fund. Operations are also budgeted for fire prevention and hazardous material service program activities in the Department of Public Safety, development-related transportation and traffic services and land development-engineering services in the Department of Public Works; as well as very specific operating activities in the Environmental Services Department, Department of Library and Community Services, the Office of the City Attorney and the Office of the City Manager that relate to development in the City.

The FY 2015/16 Recommended Budget includes a revised payment schedule for indirect costs charged to the fund. FY 2015/16 will represent the first year that the fund will contribute the full indirect cost after one year of partial funding. The Projects budget funds temporary staffing projects for the Planning and Engineering divisions to address the peak demand which these divisions are currently experiencing. Additionally, \$50,000 is budgeted in FY 2015/16 to repair the City's aging One Stop Permit Center. The Transfer to the General Fund provides funding for the Transportation and Traffic Services Augmentation project that is also attributable to development-related activity. The Fund also includes a Budget Supplement in FY 2015/16 or consulting services to consider a Transportation Demand Management program for multi-family residential development projects

The direct and indirect costs in this Fund exceed the historical average level of development revenues collected, creating a financial challenge for the Fund. The operating expenses are predominantly fixed. However, some of the costs are variable and will fluctuate with the level of development activity. Fund balance will be drawn down, as intended, in years where the development revenue declines to the historical average or lower. Given that this fund will enable visibility toward the actual revenue and expenses over time, fee levels will need to be reviewed and adjusted on an ongoing basis to ensure full cost recovery over the long term and fiscal stability for the fund.

## Golf and Tennis Operations Fund

Golf and tennis operations have been operating as a stand-alone enterprise fund since FY 2012/13, following the dissolution of the Community Recreation Fund, with all activities intended to be self-supporting. However, the Golf and Tennis Operations Fund has struggled to operate as a true enterprise fund. A transfer of \$300,000 from the General Fund in FY 2012/13 was required to stabilize the fund after a restaurant operator terminated its operations at both golf courses. Although the restaurant re-opened under a new operator, revenue did not rebound as strongly as anticipated and the new operator went out of business in early FY 2014/15. As a result, a General Fund transfer is proposed for both FY 2014/15 (\$140,000) and FY 2015/16 (\$400,000). This will keep the Golf and Tennis Operations Fund in a positive cash position, allow for the establishment of a new restaurant operator, and time for further analysis, study and discussion with Council.

Over the long term, revenues are projected to grow at a modest rate of 2% per year, impacted by the general decline in golf play nationally and locally. Although positive strides in reducing operating costs are being made, expenses are projected to grow faster than 2% per year due to the rising costs of personnel and other expenses including water costs. Staff has looked for additional opportunities to reduce costs, but any further reductions may lead to declining service levels, which in turn, would negatively affect revenues due to poor course conditions. As a result, closing the ongoing gap between revenues and expenditures, identified as Fiscal Strategies in the twenty-year financial plan, will be a challenge.

An additional concern over the longer term is that existing capital improvement projects at the golf courses will only be funded by Park Dedication Fees until FY 2032/33. After this, golf and tennis revenues are expected to fund any new capital or infrastructure projects. Given the many challenges, discussion of the short- and long-term future of the fund, including the current funding model will continue.

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**CITY OF SUNNYVALE  
460. WATER SUPPLY AND DISTRIBUTION FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVE/FUND BALANCE, JULY 1	20,147,945	23,182,508	18,201,451	14,446,280	14,778,336	16,589,079	14,705,401	15,279,341	17,079,726	18,780,982	20,972,348	22,219,051	23,182,508
<b>CURRENT RESOURCES:</b>													
Water Sales and Water Service Fees	38,011,852	34,074,169	40,889,003	43,342,343	45,509,460	47,784,933	50,174,180	51,930,276	52,968,882	54,028,260	55,108,825	56,733,622	532,543,954
Public Works Fees	750,944	446,906	510,792	521,007	318,836	325,213	331,717	338,351	345,118	352,021	359,061	366,242	4,215,265
Miscellaneous Revenues	303,168	245,890	267,018	276,241	284,853	293,791	303,070	310,918	317,136	323,479	329,949	337,785	3,290,130
Interest Income	85,995	72,516	57,555	58,878	66,092	58,587	60,874	68,047	74,825	83,555	88,522	85,944	775,395
Transfer From Other Funds	127,277	602,557	503,897	0	0	0	0	0	0	0	0	0	1,106,454
<b>TOTAL CURRENT RESOURCES</b>	<b>39,279,236</b>	<b>35,442,038</b>	<b>42,228,265</b>	<b>44,198,470</b>	<b>46,179,241</b>	<b>48,462,525</b>	<b>50,869,841</b>	<b>52,647,592</b>	<b>53,705,962</b>	<b>54,787,314</b>	<b>55,886,356</b>	<b>57,523,593</b>	<b>541,931,198</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>59,427,181</b>	<b>58,624,546</b>	<b>60,429,716</b>	<b>58,644,749</b>	<b>60,957,577</b>	<b>65,051,603</b>	<b>65,575,243</b>	<b>67,926,933</b>	<b>70,785,688</b>	<b>73,568,296</b>	<b>76,858,705</b>	<b>79,742,644</b>	<b>565,113,706</b>
<b>CURRENT REQUIREMENTS:</b>													
<b>OPERATING REQUIREMENTS:</b>													
Operations	6,078,324	5,817,800	5,986,227	6,118,972	6,261,114	6,400,199	6,552,168	6,695,965	6,844,407	6,996,300	7,150,596	7,343,386	72,167,134
Purchased Water	22,024,095	21,903,459	26,668,321	28,429,454	29,280,137	32,410,338	34,118,411	34,730,167	35,308,285	36,363,003	37,647,669	38,572,238	355,431,484
Project Operating Costs	0	0	0	(58,634)	(59,807)	(61,003)	(62,223)	(63,467)	(64,737)	(66,031)	(67,352)	(68,699)	(571,954)
In-Lieu Charges	3,231,250	3,185,129	3,447,241	3,834,898	3,550,829	4,341,460	3,926,943	3,852,378	3,845,546	4,063,558	4,075,599	4,214,809	42,338,391
<b>TOTAL OPERATING REQUIREMENTS</b>	<b>31,333,669</b>	<b>30,906,388</b>	<b>36,101,789</b>	<b>38,324,691</b>	<b>39,032,273</b>	<b>43,090,994</b>	<b>44,535,300</b>	<b>45,215,043</b>	<b>45,933,500</b>	<b>47,356,830</b>	<b>48,806,513</b>	<b>50,061,734</b>	<b>469,365,055</b>
<b>NON-OPERATING REQUIREMENTS:</b>													
Interfund Loan Repayment	351,700	351,700	0	0	0	0	0	0	0	0	0	0	351,700
Debt Service	1,934,329	1,958,642	1,956,938	1,960,163	1,955,678	1,448,616	1,445,279	1,446,936	1,447,252	1,446,227	1,448,861	1,448,836	17,963,427
Transfer To Capital Projects Fund	0	0	0	0	0	0	541,216	0	0	0	0	0	541,216
Transfer To Employee Benefits Fund	33,790	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To General Fund	0	95,463	130,000	0	0	0	92,819	94,675	0	0	0	0	412,957
Transfer To General Services Fund	32,500	56,540	0	0	0	0	0	5,521	0	0	0	0	62,061
Transfer To Infrastructure Fund	7,375	35,011	5,940	6,059	6,180	18,243	6,430	6,558	6,689	6,823	6,960	7,099	111,992
Transfer To Solid Waste Fund	0	0	513,000	0	0	0	0	0	0	0	0	0	513,000
Transfer To Wastewater Fund	9,480	241,547	1,459,482	0	0	0	0	0	0	0	0	0	1,701,029
<b>TOTAL NON-OPERATING REQUIREMENTS</b>	<b>2,369,174</b>	<b>2,738,903</b>	<b>4,065,360</b>	<b>1,966,222</b>	<b>1,961,858</b>	<b>1,466,859</b>	<b>2,085,744</b>	<b>1,553,690</b>	<b>1,453,941</b>	<b>1,453,050</b>	<b>1,455,821</b>	<b>1,455,935</b>	<b>21,657,382</b>
<b>CAPITAL AND INFRASTRUCTURE REQ.:</b>													
Projects - Debt Funded	2,183,291	2,720,734	0	0	0	0	0	0	0	0	0	0	2,720,734
Projects - Revenue Funded	358,538	4,057,070	5,816,288	3,575,500	3,374,368	5,788,348	3,674,858	4,078,474	4,617,265	3,786,068	4,377,320	6,653,079	49,798,639
<b>TOTAL CAPITAL AND INFRASTRUCTURE REQ.</b>	<b>2,541,829</b>	<b>6,777,804</b>	<b>5,816,288</b>	<b>3,575,500</b>	<b>3,374,368</b>	<b>5,788,348</b>	<b>3,674,858</b>	<b>4,078,474</b>	<b>4,617,265</b>	<b>3,786,068</b>	<b>4,377,320</b>	<b>6,653,079</b>	<b>52,519,373</b>
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>36,244,673</b>	<b>40,423,095</b>	<b>45,983,437</b>	<b>43,866,413</b>	<b>44,368,499</b>	<b>50,346,202</b>	<b>50,295,902</b>	<b>50,847,207</b>	<b>52,004,706</b>	<b>52,595,948</b>	<b>54,639,654</b>	<b>58,170,748</b>	<b>543,541,810</b>
<b>RESERVES:</b>													
Debt Service	1,008,263	1,008,444	1,008,651	1,009,552	1,007,764	754,819	755,166	755,827	756,418	756,940	757,394	758,149	758,149
Contingencies	7,025,605	6,930,315	8,163,637	8,637,107	8,885,313	9,702,634	10,167,645	10,356,533	10,538,173	10,839,826	11,199,566	11,478,906	11,478,906
Capital and Infrastructure Reserve	4,057,070	5,816,288	3,575,500	3,374,368	5,788,348	3,674,858	4,078,474	4,617,265	3,786,068	4,377,320	6,653,079	7,567,852	7,567,852
Bond Proceeds	2,720,734	0	0	0	0	0	0	0	0	0	0	0	0
Rate Stabilization Reserve	8,370,836	4,446,404	1,698,491	1,757,309	907,654	573,090	278,055	1,350,101	3,700,323	4,998,262	3,609,012	1,766,989	1,766,989
<b>TOTAL RESERVES</b>	<b>23,182,508</b>	<b>18,201,451</b>	<b>14,446,280</b>	<b>14,778,336</b>	<b>16,589,079</b>	<b>14,705,401</b>	<b>15,279,341</b>	<b>17,079,726</b>	<b>18,780,982</b>	<b>20,972,348</b>	<b>22,219,051</b>	<b>21,571,896</b>	<b>21,571,896</b>
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>STATISTICS:</b>													
Recommended Water Rate Increase		5.0%	20.0%	6.0%	5.0%	5.0%	5.0%	3.5%	2.0%	2.0%	2.0%	2.0%	
Prior Year Water Rate Increase		5.0%	5.0%	5.0%	5.0%	5.0%	4.0%	4.0%	4.0%	3.0%	3.0%	3.0%	

**CITY OF SUNNYVALE**  
**460. WATER SUPPLY AND DISTRIBUTION FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2025 TO JUNE 30, 2035**

	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
RESERVE/FUND BALANCE, JULY 1	21,571,896	20,198,018	21,798,957	23,463,349	24,737,332	25,577,476	25,438,322	24,922,520	24,740,821	24,291,089	21,571,896	23,182,508
<b>CURRENT RESOURCES:</b>												
Water Sales and Water Service Fees	57,914,673	59,120,320	60,302,726	61,508,781	62,738,956	63,993,735	65,273,610	66,579,082	67,910,664	69,268,877	634,611,424	1,167,155,378
Public Works Fees	377,230	388,547	400,203	412,209	424,575	437,313	450,432	463,276	477,175	490,801	4,321,760	8,537,025
Miscellaneous Revenues	346,687	355,831	365,103	374,625	384,402	394,445	404,760	415,353	426,232	437,407	3,904,846	7,194,976
Interest Income	80,470	86,848	93,479	0	0	0	0	0	0	0	260,797	1,036,192
Transfer From Other Funds	0	0	0	0	0	0	0	0	0	0	0	1,106,454
<b>TOTAL CURRENT RESOURCES</b>	<b>58,719,060</b>	<b>59,951,545</b>	<b>61,161,511</b>	<b>62,295,614</b>	<b>63,547,934</b>	<b>64,825,493</b>	<b>66,128,802</b>	<b>67,457,711</b>	<b>68,814,071</b>	<b>70,197,086</b>	<b>643,098,827</b>	<b>1,185,030,025</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>80,290,956</b>	<b>80,149,563</b>	<b>82,960,468</b>	<b>85,758,963</b>	<b>88,285,266</b>	<b>90,402,969</b>	<b>91,567,124</b>	<b>92,380,231</b>	<b>93,554,892</b>	<b>94,488,175</b>	<b>664,670,723</b>	<b>1,208,212,534</b>
<b>CURRENT REQUIREMENTS:</b>												
<b>OPERATING REQUIREMENTS:</b>												
Operations	7,460,363	7,756,716	7,990,292	8,230,903	8,478,760	8,734,082	8,997,094	9,268,026	9,547,119	9,768,116	86,231,471	158,398,605
Purchased Water	39,460,077	40,422,678	41,383,306	42,387,779	43,474,624	44,583,341	45,729,534	46,959,198	48,211,609	49,517,935	442,130,080	797,561,564
Project Operating Costs	(70,760)	(72,883)	(75,069)	(77,321)	(79,641)	(82,030)	(84,491)	(87,026)	(89,637)	(92,326)	(811,186)	(1,383,139)
In-Lieu Charges	4,214,809	4,629,196	4,517,941	4,528,849	4,668,470	5,019,422	4,970,431	5,113,442	5,157,288	5,892,254	48,712,101	91,050,492
<b>TOTAL OPERATING REQUIREMENTS</b>	<b>51,064,489</b>	<b>52,735,706</b>	<b>53,816,469</b>	<b>55,070,209</b>	<b>56,542,213</b>	<b>58,254,816</b>	<b>59,612,567</b>	<b>61,253,640</b>	<b>62,826,378</b>	<b>65,085,979</b>	<b>576,262,466</b>	<b>1,045,627,521</b>
<b>NON-OPERATING REQUIREMENTS:</b>												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	351,700
Debt Service	1,447,130	1,448,743	1,446,316	1,442,770	1,446,076	1,367,575	1,364,525	1,369,375	1,369,375	1,369,375	14,071,261	32,034,688
Transfer To Capital Projects Fund	0	0	0	0	0	0	0	0	0	0	0	541,216
Transfer To Employee Benefits Fund	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To General Fund	0	0	0	0	70,048	122,366	0	0	0	0	192,414	605,371
Transfer To General Services Fund	6,155	0	0	0	0	7,135	0	0	0	0	13,290	75,351
Transfer To Infrastructure Fund	7,312	7,531	55,422	7,990	8,229	8,476	8,731	8,993	22,075	9,540	144,299	256,291
Transfer To Solid Waste Fund	0	0	0	0	0	0	0	0	0	0	0	513,000
Transfer To Wastewater Fund	0	0	0	0	0	0	0	0	0	0	0	1,701,029
<b>TOTAL NON-OPERATING REQUIREMENTS</b>	<b>1,460,597</b>	<b>1,456,274</b>	<b>1,501,738</b>	<b>1,450,760</b>	<b>1,524,353</b>	<b>1,505,552</b>	<b>1,373,256</b>	<b>1,378,368</b>	<b>1,391,450</b>	<b>1,378,915</b>	<b>14,421,264</b>	<b>36,078,646</b>
<b>CAPITAL AND INFRASTRUCTURE REQ.:</b>												
Projects - Debt Funded	0	0	0	0	0	0	0	0	0	0	0	2,720,734
Projects - Revenue Funded	7,567,852	4,158,626	4,178,912	4,500,662	4,641,224	5,204,279	5,658,781	5,007,401	5,045,975	5,139,535	51,103,247	100,901,887
<b>TOTAL CAPITAL AND INFRASTRUCTURE REQ.</b>	<b>7,567,852</b>	<b>4,158,626</b>	<b>4,178,912</b>	<b>4,500,662</b>	<b>4,641,224</b>	<b>5,204,279</b>	<b>5,658,781</b>	<b>5,007,401</b>	<b>5,045,975</b>	<b>5,139,535</b>	<b>51,103,247</b>	<b>103,622,620</b>
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>60,092,938</b>	<b>58,350,606</b>	<b>59,497,120</b>	<b>61,021,631</b>	<b>62,707,790</b>	<b>64,964,647</b>	<b>66,644,604</b>	<b>67,639,410</b>	<b>69,263,803</b>	<b>71,604,429</b>	<b>641,786,977</b>	<b>1,185,328,788</b>
<b>RESERVES:</b>												
Debt Service	758,679	759,274	760,070	761,458	762,059	762,059	762,059	762,059	762,059	762,059	762,059	762,059
Contingencies	11,730,110	12,044,848	12,343,400	12,654,671	12,988,346	13,329,356	13,681,657	14,056,806	14,439,682	14,821,513	14,821,513	14,821,513
Capital and Infrastructure Reserve	4,158,626	4,178,912	4,500,662	4,641,224	5,204,279	5,658,781	5,007,401	5,045,975	5,139,535	4,000,000	4,000,000	4,000,000
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Rate Stabilization Reserve	3,550,603	4,815,923	5,859,217	6,679,980	6,622,792	5,688,127	5,471,403	4,875,981	3,949,813	3,300,174	3,300,174	3,300,174
<b>TOTAL RESERVES</b>	<b>20,198,018</b>	<b>21,798,957</b>	<b>23,463,349</b>	<b>24,737,332</b>	<b>25,577,476</b>	<b>25,438,322</b>	<b>24,922,520</b>	<b>24,740,821</b>	<b>24,291,089</b>	<b>22,883,746</b>	<b>22,883,746</b>	<b>22,883,746</b>
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
<b>STATISTICS:</b>												
Recommended Water Rate Increase	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%		
Prior Year Water Rate Increase	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	n/a		

**460. WATER SUPPLY AND DISTRIBUTION FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL	
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	TOTAL
1507	Late Payment Penalties	90,181	80,890	97,068	102,892	108,037	113,439	119,111	123,279	125,745	128,260	130,825	134,679	1,264,225
3050	Water Connection Fees	485,480	210,632	235,619	240,331	179,419	183,007	186,668	190,401	194,209	198,093	202,055	206,096	2,226,530
3052	Water Hydrant Fees	2,666	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	30,422
3054	Water Meter Sales	217,132	218,000	252,223	257,267	120,990	123,410	125,878	128,396	130,963	133,583	136,254	138,979	1,765,944
3055	Water Meter Use Fees	4,974,941	4,541,749	5,450,099	5,777,105	6,065,960	6,369,258	6,687,721	6,921,791	7,060,227	7,201,432	7,345,461	7,492,371	70,913,175
3056	Water Sales - Metered	30,986,028	27,814,296	33,377,156	35,379,785	37,148,774	39,006,213	40,956,524	42,390,002	43,237,802	44,102,558	44,984,609	46,379,133	434,776,852
3057	Water Tapping Fees	45,666	15,774	20,400	20,808	15,774	16,089	16,411	16,739	17,074	17,416	17,764	18,119	192,370
3058	Water Turn On Fees	165,695	165,000	169,950	173,349	176,816	180,352	183,959	187,639	191,391	195,219	199,124	203,106	2,025,905
3060	Water Recycled	2,050,882	1,718,124	2,061,748	2,185,453	2,294,726	2,409,462	2,529,935	2,618,483	2,670,853	2,724,270	2,778,755	2,862,118	26,853,927
3089	Hydrant Meter Deposits Forfeited	4,396	0	0	0	0	0	0	0	0	0	0	0	0
3355	Interest Income	85,995	72,516	57,555	58,878	66,092	58,587	60,874	68,047	74,825	83,555	88,522	85,944	775,395
4100	Miscellaneous Revenues	42,896	0	0	0	0	0	0	0	0	0	0	0	0
4400	Transfer From Other Funds	127,277	602,557	503,897	0	0	0	0	0	0	0	0	0	1,106,454
<b>FUND TOTAL</b>		<b>39,279,236</b>	<b>35,442,038</b>	<b>42,228,265</b>	<b>44,198,470</b>	<b>46,179,241</b>	<b>48,462,525</b>	<b>50,869,841</b>	<b>52,647,592</b>	<b>53,705,962</b>	<b>54,787,314</b>	<b>55,886,356</b>	<b>57,523,593</b>	<b>541,931,198</b>

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**CITY OF SUNNYVALE  
465. WASTEWATER MANAGEMENT FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVE/FUND BALANCE, JULY 1	40,614,662	36,491,505	21,808,165	14,452,286	15,675,693	16,944,142	17,979,480	19,905,273	21,056,240	23,371,650	26,196,132	26,094,265	36,491,505
<b>CURRENT RESOURCES:</b>													
Service Fees	27,745,569	29,193,447	31,528,923	34,051,237	36,775,336	39,533,486	42,498,498	45,473,393	47,519,695	49,658,081	51,892,695	54,227,866	462,352,659
Connection and Development Fees	4,166,495	1,500,000	1,500,000	714,000	728,280	742,846	757,703	772,857	788,314	804,080	820,162	836,565	9,964,805
Other Revenues	165,569	821,580	187,274	194,710	202,099	209,591	217,566	225,593	231,605	237,851	244,339	251,080	3,023,289
Interest Income	166,109	149,952	119,011	307,367	386,151	691,518	645,111	809,855	898,910	877,403	1,003,626	1,166,153	7,055,057
Transfer From Solid Waste Management Fund	9,480	0	404,744	404,744	404,744	404,744	404,744	404,744	0	0	0	0	2,428,464
Transfer From Water Fund	9,480	236,547	1,459,482	0	0	0	0	0	0	0	0	0	1,696,029
New WPCP Bond Proceeds	0	9,100,643	29,165,082	36,635,040	47,373,182	40,832,618	36,692,659	39,799,876	40,741,473	27,148,752	24,987,486	0	332,476,811
<b>TOTAL CURRENT RESOURCES</b>	<b>32,262,701</b>	<b>41,002,169</b>	<b>64,364,516</b>	<b>72,307,098</b>	<b>85,869,792</b>	<b>82,414,803</b>	<b>81,216,281</b>	<b>87,486,317</b>	<b>90,179,997</b>	<b>78,726,168</b>	<b>78,948,308</b>	<b>56,481,664</b>	<b>818,997,113</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>72,877,363</b>	<b>77,493,674</b>	<b>86,172,681</b>	<b>86,759,385</b>	<b>101,545,485</b>	<b>99,358,945</b>	<b>99,195,761</b>	<b>107,391,590</b>	<b>111,236,237</b>	<b>102,097,818</b>	<b>105,144,441</b>	<b>82,575,929</b>	<b>855,488,618</b>
<b>CURRENT REQUIREMENTS:</b>													
<b>OPERATING REQUIREMENTS:</b>													
Operations	14,349,377	16,098,993	16,457,935	17,080,378	17,492,276	17,882,239	18,308,082	18,712,601	19,124,935	19,546,748	19,976,450	20,504,253	201,184,891
In-Lieu Charges and Fund Transfers	3,991,925	3,767,740	3,760,994	3,452,428	3,275,495	3,637,800	3,839,768	3,620,170	3,334,711	3,549,208	3,483,155	3,609,966	39,331,436
Project Operating	0	0	0	50,700	61,818	94,590	96,183	97,806	223,340	43,717	44,291	44,877	757,322
<b>TOTAL CURRENT OPERATING REQUIREMENTS</b>	<b>18,341,302</b>	<b>19,866,734</b>	<b>20,218,930</b>	<b>20,583,505</b>	<b>20,829,590</b>	<b>21,614,630</b>	<b>22,244,034</b>	<b>22,430,577</b>	<b>22,682,986</b>	<b>23,139,672</b>	<b>23,503,896</b>	<b>24,159,096</b>	<b>241,273,649</b>
<b>NON-OPERATING REQUIREMENTS:</b>													
Interfund Loan Repayment	1,264,380	1,264,380	1,264,380	1,264,380	1,264,380	1,264,380	850,216	850,216	850,216	850,216	850,216	850,216	11,423,195
Debt Service	2,897,145	2,912,649	2,917,259	2,913,835	2,916,845	2,336,053	2,335,459	2,337,566	2,331,862	2,338,594	2,337,015	2,334,401	28,011,538
New WPCP Debt Service	0	0	1,945,363	1,945,363	1,945,363	9,317,967	15,582,745	15,582,745	15,582,745	22,350,046	22,350,046	22,350,046	136,325,033
Water Pollution Control Plant Rent	350,994	358,014	365,174	372,478	379,927	387,526	395,276	403,182	411,245	419,470	427,860	440,696	4,360,848
Transfer To Water Supply and Distribution Fund	127,277	522,000	503,897	0	0	0	81,183	0	0	0	0	0	1,107,080
Wastewater Equipment Replacement	219,551	641,033	435,256	411,755	1,191,317	609,006	549,364	1,007,647	477,207	697,108	668,330	526,174	7,214,199
Transfer To General Fund (Power Generation Facility)	872,819	890,275	908,081	926,243	944,767	963,663	982,936	1,002,595	1,022,647	1,043,100	1,063,961	1,095,880	10,844,147
Transfer To Solid Waste Management Fund	1,935	0	198,000	0	0	0	0	0	0	0	0	0	198,000
<b>TOTAL NON-OPERATING REQUIREMENTS</b>	<b>5,734,102</b>	<b>6,588,351</b>	<b>8,537,411</b>	<b>7,834,054</b>	<b>16,015,204</b>	<b>14,878,595</b>	<b>20,777,179</b>	<b>21,183,951</b>	<b>20,675,921</b>	<b>27,698,534</b>	<b>27,697,428</b>	<b>27,597,412</b>	<b>199,484,039</b>
<b>CAPITAL AND INFRASTRUCTURE REQ.:</b>													
Projects - Debt Funded	9,685,391	0	0	0	0	0	0	0	0	0	0	0	0
Projects - Revenue Funded	2,541,531	19,599,914	14,184,000	5,431,686	3,458,274	3,429,999	2,072,910	2,272,129	3,102,414	623,348	2,172,836	499,449	56,846,959
Replacement of WPCP	0	9,100,643	28,192,400	36,635,040	43,686,880	40,832,618	33,560,270	39,799,876	40,741,473	23,765,102	24,987,486	0	321,301,788
Replacement of WPCP - Revenue Funded	83,532	529,868	587,654	599,407	611,395	623,623	636,095	648,817	661,793	675,029	688,530	0	6,262,211
<b>TOTAL CAPITAL AND INFRASTRUCTURE REQ.</b>	<b>12,310,454</b>	<b>29,230,425</b>	<b>42,964,054</b>	<b>42,666,133</b>	<b>47,756,549</b>	<b>44,886,240</b>	<b>36,269,275</b>	<b>42,720,822</b>	<b>44,505,680</b>	<b>25,063,479</b>	<b>27,848,852</b>	<b>499,449</b>	<b>384,410,958</b>
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>36,385,858</b>	<b>55,685,509</b>	<b>71,720,394</b>	<b>71,083,692</b>	<b>84,601,343</b>	<b>81,379,465</b>	<b>79,290,488</b>	<b>86,335,350</b>	<b>87,864,587</b>	<b>75,901,685</b>	<b>79,050,176</b>	<b>52,255,957</b>	<b>825,168,646</b>
<b>RESERVES:</b>													
Debt Service	1,458,629	1,458,629	2,431,311	2,431,105	6,117,407	5,830,581	8,962,970	8,962,970	8,962,970	12,346,620	12,346,620	12,346,620	12,346,620
Contingencies	3,587,344	4,024,748	4,114,484	4,270,094	4,373,069	4,470,560	4,577,021	4,678,150	4,781,234	4,886,687	4,994,113	5,126,063	5,126,063
Capital and Infrastructure Reserve	19,599,914	14,184,000	5,431,686	3,458,274	3,429,999	2,072,910	2,272,129	3,102,414	623,348	2,172,836	499,449	1,607,205	1,607,205
Rate Stabilization Reserve	11,845,617	2,140,787	2,474,805	5,516,220	3,023,667	5,605,430	4,093,154	4,312,706	9,004,099	6,789,990	8,254,083	11,240,084	11,240,084
<b>TOTAL RESERVES</b>	<b>36,491,505</b>	<b>21,808,165</b>	<b>14,452,286</b>	<b>15,675,693</b>	<b>16,944,142</b>	<b>17,979,480</b>	<b>19,905,273</b>	<b>21,056,240</b>	<b>23,371,650</b>	<b>26,196,132</b>	<b>26,094,265</b>	<b>30,319,972</b>	<b>30,319,972</b>
<b>FUND BALANCE, JUNE 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>STATISTICS:</b>													
Sewer Rate Increase		9.0%	8.0%	8.0%	8.0%	7.5%	7.5%	7.0%	4.5%	4.5%	4.5%	4.5%	
Prior Year Sewer Rate Increase			8.0%	8.0%	7.5%	7.5%	7.5%	7.0%	4.5%	4.5%	4.5%	4.0%	



**465. WASTEWATER MANAGEMENT FUND  
REVENUES BY SOURCE**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
1114 Other Agencies - Reimbursement	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	550,000
1367 Permit - Waste Discharge	4,459	5,000	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	169,246
1507 Late Payment Penalties	57,482	64,226	69,364	74,913	80,906	86,974	93,497	100,041	104,543	109,248	114,164	119,301	1,017,176
3066 Sewer Fees - City	26,945,119	28,340,215	30,607,432	33,056,026	35,700,508	38,378,046	41,256,400	44,144,348	46,130,844	48,206,732	50,376,034	52,642,956	448,839,541
3067 Sewer Fees - Non-City	800,450	853,233	921,492	995,211	1,074,828	1,155,440	1,242,098	1,329,045	1,388,852	1,451,350	1,516,661	1,584,910	13,513,118
3068 Sewer Connection Fees	4,166,495	1,500,000	1,500,000	714,000	728,280	742,846	757,703	772,857	788,314	804,080	820,162	836,565	9,964,805
3090 Sales from PGF Electricity	48,645	51,369	52,910	54,497	55,587	56,699	57,833	58,990	60,170	61,373	62,600	63,853	635,882
3355 Interest Income	166,109	149,952	119,011	307,367	386,151	691,518	645,111	809,855	898,910	877,403	1,003,626	1,166,153	7,055,057
4121 Miscellaneous Remibursement	4,983	650,985	0	0	0	0	0	0	0	0	0	0	650,985
4400 Transfer From Water Fund	9,480	236,547	1,459,482	0	0	0	0	0	0	0	0	0	1,696,029
4400 Transfer From Solid Waste Mgmt Fund	9,480	0	404,744	404,744	404,744	404,744	404,744	404,744	0	0	0	0	2,428,464
4490 Bond Proceeds	0	9,100,643	29,165,082	36,635,040	47,373,182	40,832,618	36,692,659	39,799,876	40,741,473	27,148,752	24,987,486	0	332,476,811
<b>FUND TOTAL</b>	<b>32,262,701</b>	<b>41,002,169</b>	<b>64,364,516</b>	<b>72,307,098</b>	<b>85,869,792</b>	<b>82,414,803</b>	<b>81,216,281</b>	<b>87,486,317</b>	<b>90,179,997</b>	<b>78,726,168</b>	<b>78,948,308</b>	<b>56,481,664</b>	<b>818,997,113</b>

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**CITY OF SUNNYVALE  
485. SOLID WASTE MANAGEMENT FUND  
LONG TERM FINANCIAL PLAN  
JULY 1, 2025 TO JUNE 30, 2035**

	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035	FY 2025/2026 TO FY 2034/2035 TOTAL	FY 2014/2015 TO FY 2034/2035 TOTAL
RESERVE/FUND BALANCE, JULY 1	8,758,819	11,140,477	12,626,290	13,169,127	13,664,276	14,012,989	13,882,618	13,294,558	12,241,972	10,708,912	8,758,819	7,293,493
<b>CURRENT RESOURCES:</b>												
Rental Income	227,802	234,636	241,675	248,925	256,393	264,085	272,007	280,168	288,573	297,230	2,611,494	4,957,433
Service Fees	50,171,226	50,672,938	51,179,667	52,203,261	53,247,326	54,312,272	55,398,518	56,506,488	57,919,150	59,367,129	540,977,976	1,052,051,909
Miscellaneous Revenues	251,189	254,129	257,114	261,308	265,585	269,945	274,391	278,925	284,190	289,575	2,686,352	5,308,595
Transfers In	0	0	0	0	0	0	0	0	0	0	0	812,000
SMaRT Station Revenues	925,149	940,697	956,590	972,836	989,445	1,006,426	1,023,790	1,041,547	1,059,707	1,080,901	9,997,088	19,556,556
County Wide AB939 Fee	128,849	128,849	128,849	128,849	128,849	128,849	128,849	128,849	128,849	128,849	1,288,485	2,710,290
Interest Income	530,499	601,252	627,101	650,680	667,285	661,077	633,074	582,951	509,948	427,979	5,891,846	8,222,480
<b>TOTAL CURRENT RESOURCES</b>	<b>52,234,713</b>	<b>52,832,500</b>	<b>53,390,996</b>	<b>54,465,859</b>	<b>55,554,882</b>	<b>56,642,654</b>	<b>57,730,629</b>	<b>58,818,927</b>	<b>60,190,416</b>	<b>61,591,663</b>	<b>563,453,241</b>	<b>1,093,619,263</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>60,993,532</b>	<b>63,972,977</b>	<b>66,017,285</b>	<b>67,634,985</b>	<b>69,219,158</b>	<b>70,655,643</b>	<b>71,613,248</b>	<b>72,113,485</b>	<b>72,432,389</b>	<b>72,300,575</b>	<b>572,212,059</b>	<b>1,100,912,756</b>
<b>CURRENT REQUIREMENTS:</b>												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	43,828,770
Debt Service	1,186,058	1,186,115	1,186,064	1,183,776	1,182,217	1,184,409	1,105,600	1,105,600	1,105,600	1,105,600	11,531,039	21,733,743
Operations	3,242,166	3,339,679	3,440,126	3,543,595	3,650,175	3,759,962	3,873,051	3,989,541	4,109,536	4,212,809	37,160,641	67,929,167
Solid Waste Collection Contract	26,192,767	26,978,550	27,787,906	28,621,543	29,480,190	30,364,595	31,275,533	32,213,799	33,180,213	34,175,620	300,270,717	544,221,222
Special Projects	1,513,118	1,607,386	1,514,118	1,587,547	1,567,787	1,527,018	1,514,118	1,527,018	1,688,131	1,559,258	15,605,499	31,131,072
Infrastructure Projects	0	0	0	0	0	0	0	0	0	0	0	1,574,983
Project Operating	(560,444)	(563,440)	(566,526)	(569,704)	(572,978)	(576,350)	(579,823)	(583,400)	(587,085)	(590,880)	(5,750,631)	(10,431,807)
Project Administration	0	11,041	0	0	0	0	0	0	0	0	11,041	19,532
SMaRT Capital Replacement	52,782	54,365	55,996	57,676	59,406	61,189	63,024	64,915	66,863	68,868	605,085	1,725,860
In-Lieu Charges	3,214,050	3,314,244	3,417,442	3,523,731	3,633,205	3,745,960	3,862,094	3,981,707	4,104,906	4,231,796	37,029,135	67,640,874
SMaRT Expense Share (Sunnyvale)	14,176,098	14,557,192	15,125,629	15,108,521	15,264,722	15,678,475	16,104,640	16,543,590	16,995,708	17,458,544	157,013,117	304,582,115
Long Term Rent - SMaRT and Landfill	836,462	861,556	887,402	914,024	941,445	969,688	998,779	1,028,742	1,059,605	1,091,393	9,589,096	17,625,118
Transfer To General Fund	0	0	0	0	0	58,078	101,674	0	0	0	159,752	315,541
Transfer To Infrastructure Fund	0	0	0	0	0	0	0	0	0	0	0	28,997
Transfer To General Services Fund	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To Water Supply & Dist. Fund	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>49,853,055</b>	<b>51,346,688</b>	<b>52,848,158</b>	<b>53,970,709</b>	<b>55,206,170</b>	<b>56,773,025</b>	<b>58,318,690</b>	<b>59,871,513</b>	<b>61,723,476</b>	<b>63,313,008</b>	<b>563,224,492</b>	<b>1,091,925,188</b>
<b>RESERVES:</b>												
Contingencies	4,361,103	4,487,542	4,635,366	4,727,366	4,839,509	4,980,303	5,125,322	5,274,693	5,428,546	5,584,697	5,584,697	5,584,697
20 Year RAP	6,779,374	8,138,747	8,533,760	8,936,910	9,173,480	8,902,315	8,169,236	6,967,279	5,280,367	3,402,870	3,402,870	3,402,870
<b>TOTAL RESERVES</b>	<b>11,140,477</b>	<b>12,626,290</b>	<b>13,169,127</b>	<b>13,664,276</b>	<b>14,012,989</b>	<b>13,882,618</b>	<b>13,294,558</b>	<b>12,241,972</b>	<b>10,708,912</b>	<b>8,987,568</b>	<b>8,987,568</b>	<b>8,987,568</b>
<b>FUND BALANCE, JUNE 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>STATISTICS:</b>												
Refuse Rate Increase	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%		
Prior Year Refuse Rate Increase	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%		

**485. SOLID WASTE MANAGEMENT FUND  
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
		2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	TOTAL
0751-06	Long Term Rent	214,057	195,525	196,390	200,318	204,324	208,411	212,579	216,830	221,167	225,590	230,102	234,704	2,325,293
1004	County Wide AB939 Fee	147,484	133,319	128,849	128,849	128,849	128,849	128,849	128,849	128,849	128,849	128,849	128,849	1,440,441
1027	Misc. State Grants/Reimbursements	129	0	0	0	0	0	0	0	0	0	0	0	129
1507	Late Payment Penalties	88,111	92,700	97,335	100,255	103,262	105,328	106,908	108,511	109,596	110,692	111,799	112,917	1,134,497
1519	Code Violations	7,314	0	0	0	0	0	0	0	0	0	0	0	7,314
2906	Battery/Oil/Paint Drop Off Fee	21,166	21,166	0	0	0	0	0	0	0	0	0	0	42,332
3061	Refuse Service Fees - City	38,974,366	40,304,243	42,319,455	43,589,039	44,896,710	45,794,644	46,481,564	47,178,787	47,650,575	48,127,081	48,608,352	49,094,435	493,924,816
3062	Refuse Service Fees - Specialty	1,185,453	1,000,000	1,050,000	515,000	530,450	541,059	549,175	557,413	562,987	568,616	574,303	580,046	7,634,455
3071	MRF Revenues - SMaRT	280,528	183,714	92,315	93,239	94,171	95,113	96,064	97,025	97,995	98,975	99,964	100,964	1,329,103
3080	Kirby Canyon SMaRT Operator	328,142	347,194	361,817	370,862	380,134	389,637	399,378	409,363	419,597	430,086	440,839	451,860	4,277,048
3083	Curbside	895,041	705,169	460,188	464,790	469,438	474,132	478,873	483,662	488,499	493,384	498,317	503,301	5,911,492
3084	Curbside Sales - General	92,021	92,941	93,871	94,810	95,758	96,715	97,682	98,659	99,646	100,642	101,649	102,665	1,064,394
3086	Yardwaste Sales - SMaRT	(206,433)	(199,151)	(117,057)	(119,984)	(122,983)	(126,058)	(129,209)	(132,440)	(135,751)	(139,144)	(142,623)	(146,189)	(1,570,834)
3091	Green Ticket Revenue	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	2,576	28,333
3355	Interest Income	38,576	50,660	62,754	96,525	176,401	273,800	281,868	287,124	265,843	264,786	233,995	336,878	2,032,332
3073-01	Sale of Garbage Tags - Retailer	6,786	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	76,786
3073-02	Sale of Garbage Tags - In House	546	500	500	500	500	500	500	500	500	500	500	500	5,546
4105	Misc. Revenues - Special Events	1,040	0	0	0	0	0	0	0	0	0	0	0	1,040
4190	Third Party Compressed Natural Gas Sales	20,433	20,842	21,467	21,897	22,335	22,781	23,237	23,702	24,176	24,659	25,152	25,655	250,680
xxxx	Accrued Franchise Depreciation Savings	1,935	0	812,000	0	0	0	0	0	0	0	0	0	813,935
xxxx	CAFR Adjustment	(25,555)	0	0	0	0	0	0	0	0	0	0	0	(25,555)
<b>FUND TOTAL</b>		<b>42,073,717</b>	<b>42,958,399</b>	<b>45,589,459</b>	<b>45,565,674</b>	<b>46,988,923</b>	<b>48,014,486</b>	<b>48,737,042</b>	<b>49,467,560</b>	<b>49,943,253</b>	<b>50,444,292</b>	<b>50,920,774</b>	<b>51,536,161</b>	<b>520,703,578</b>

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**525/100 GOLF AND TENNIS OPERATIONS FUND  
REVENUES BY SOURCE**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
0750-01 License Fee Tennis Center	115,251	116,255	121,256	126,256	131,256	136,256	141,256	146,256	151,256	156,256	161,256	166,256	1,553,815
0750-04 Lookout Rental	43,560	8,976	36,000	72,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	975,273
0752-08 Facilities Rent - Rec Tennis Co	13,627	7,000	0	0	0	0	0	0	0	0	0	0	7,000
0754-09 Tower/Antenna Rental - Verizon	2,333	28,000	28,840	29,705	30,596	31,514	32,460	33,433	34,436	35,470	36,534	37,630	358,618
<b>TOTAL RENTS AND CONCESSIONS</b>	<b>174,771</b>	<b>160,231</b>	<b>186,096</b>	<b>227,961</b>	<b>261,852</b>	<b>269,770</b>	<b>277,756</b>	<b>285,810</b>	<b>293,936</b>	<b>302,134</b>	<b>310,406</b>	<b>318,754</b>	<b>2,894,706</b>
1950-11 Sunnyvale Weekday	526,709	608,049	620,210	632,614	645,266	658,171	671,335	684,761	698,457	712,426	726,674	741,208	7,399,170
1950-12 Sunnyvale Weekday Twilight	256,117	204,732	208,826	213,003	217,263	221,608	226,040	230,561	235,172	239,876	244,673	249,567	2,491,321
1950 -13 Sunnyvale Weekend/Holiday	618,614	614,166	626,449	638,978	651,757	664,793	678,088	691,650	705,483	719,593	733,985	748,664	7,473,606
1950-14 Sunnyvale W/E Holiday Twilight	198,099	207,835	211,992	216,232	220,556	224,968	229,467	234,056	238,737	243,512	248,382	253,350	2,529,088
1950-15 Sunnyvale S.A.C.	18,055	17,070	17,411	17,760	18,115	18,477	18,847	19,224	19,608	20,000	20,400	20,808	207,721
1950-16 Sunnyvale Golf Discount	139,300	122,702	125,156	127,659	130,212	132,816	135,472	138,182	140,946	143,764	146,640	149,572	1,493,120
1950-17 Sunnyvale 10-Play Card	12,915	4,552	4,643	4,736	4,831	4,927	5,026	5,126	5,229	5,333	5,440	5,549	55,392
1950-18 Smart Card Fee Sunnyvale	915	590	428	437	445	454	463	473	482	492	502	512	5,277
1950-19 Weekday Super Twilight	100,423	95,145	97,048	98,989	100,969	102,988	105,048	107,149	109,292	111,478	113,708	115,982	1,157,798
1950-20 Weekend Super Twilight	33,890	30,490	31,100	31,722	32,356	33,003	33,663	34,337	35,023	35,724	36,438	37,167	371,023
1951 SM Gift Certificates	2,704	6,412	6,541	6,671	6,671	6,671	6,671	6,671	6,671	6,671	6,671	6,671	72,995
1952 School Group Play	2,000	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	30,422
1954-01 Tournament Fee - Sunnyvale	3,873	2,237	2,282	2,327	2,374	2,421	2,470	2,519	2,570	2,621	2,673	2,727	27,221
1954-02 Tournament Fee - Sunken Gardens	618	767	782	798	814	830	847	864	881	899	917	935	9,335
1963-11 Sunken Garden Weekday	287,098	269,965	275,364	280,871	286,489	292,219	298,063	304,024	310,105	316,307	322,633	329,086	3,285,126
1963-12 Sunken Garden Weekday Twilight Replay	8,400	0	0	0	0	0	0	0	0	0	0	0	0
1963-13 Sunken Garden Weekend/Holiday	240,916	258,091	263,253	268,518	273,888	279,366	284,953	290,652	296,465	302,395	308,443	314,611	3,140,635
1963-14 Sunken Garden Weekend Twilight Replay	13,584	70	72	73	75	76	78	79	81	82	84	86	855

**525/100 GOLF AND TENNIS OPERATIONS FUND  
REVENUES BY SOURCE**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
1963-15 Sunken Garden 10 Play	25,920	20,010	20,410	20,818	21,235	21,659	22,092	22,534	22,985	23,445	23,914	24,392	243,493
1963-16 Sunken Garden Golf Discount	64,958	65,274	66,580	67,911	69,270	70,655	72,068	73,509	74,980	76,479	78,009	79,569	794,304
1963-17 Sunken Garden Advantage Card	6,745	7,974	8,133	8,296	8,462	8,631	8,804	8,980	9,159	9,343	9,529	9,720	97,031
1963-18 Sunken Garden Smart Card Fee	1,035	595	378	386	394	401	409	418	426	435	443	452	4,737
1964 Sunken Gardens Gift Certificates	1,465	4,322	4,408	4,496	4,496	4,496	4,496	4,496	4,496	4,496	4,496	4,496	49,196
<b>TOTAL GOLF FEES</b>	<b>2,564,351</b>	<b>2,543,547</b>	<b>2,594,016</b>	<b>2,645,896</b>	<b>2,698,590</b>	<b>2,752,339</b>	<b>2,807,162</b>	<b>2,863,082</b>	<b>2,920,121</b>	<b>2,978,300</b>	<b>3,037,642</b>	<b>3,098,172</b>	<b>30,938,866</b>
1955 Golf Cart Rental	380,406	360,517	367,728	375,082	382,584	390,235	398,040	406,001	414,121	422,403	430,852	439,469	4,387,032
1956 Driving Range Fees	215,352	206,420	210,548	214,759	219,055	223,436	227,904	232,463	237,112	241,854	246,691	251,625	2,511,867
1957 Golf Miscellaneous Rentals	39,525	37,761	38,516	39,287	40,072	40,874	41,691	42,525	43,376	44,243	45,128	46,031	459,504
4100 Miscellaneous Golf Revenues	0	553	0	0	0	0	0	0	0	0	0	0	553
4114 Miscellaneous Golf Revenues	(65)	188	0	0	0	0	0	0	0	0	0	0	188
4121 Miscellaneous Reimbursement	5,810	0	0	0	0	0	0	0	0	0	0	0	0
4175 Golf Merchandise Sales	173,370	150,359	153,366	156,434	159,562	162,754	166,009	169,329	172,715	176,170	179,693	183,287	1,829,678
4180 Golf Instruction	18,810	13,742	14,017	14,297	14,583	14,875	15,172	15,476	15,785	16,101	16,423	16,751	167,222
<b>TOTAL GOLF AND TENNIS SHOP REVENUE</b>	<b>833,207</b>	<b>769,541</b>	<b>784,176</b>	<b>799,859</b>	<b>815,856</b>	<b>832,173</b>	<b>848,817</b>	<b>865,793</b>	<b>883,109</b>	<b>900,771</b>	<b>918,787</b>	<b>937,162</b>	<b>9,356,044</b>
3355 Interest Income	98	19	4,163	1,153	21,150	14,264	0	22,988	7,314	30,306	13,508	3,806	118,671
<b>TOTAL INTEREST INCOME</b>	<b>98</b>	<b>19</b>	<b>4,163</b>	<b>1,153</b>	<b>21,150</b>	<b>14,264</b>	<b>0</b>	<b>22,988</b>	<b>7,314</b>	<b>30,306</b>	<b>13,508</b>	<b>3,806</b>	<b>118,671</b>
<b>FUND TOTAL</b>	<b>3,572,427</b>	<b>3,473,338</b>	<b>3,568,450</b>	<b>3,674,869</b>	<b>3,797,449</b>	<b>3,868,546</b>	<b>3,933,735</b>	<b>4,037,674</b>	<b>4,104,479</b>	<b>4,211,510</b>	<b>4,280,343</b>	<b>4,357,894</b>	<b>43,308,288</b>

**Financial Plans –  
Internal Services  
and Other Funds**

# Internal Service Funds

The City utilizes internal service funds to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. There are three such funds that operate on a cost reimbursement basis: the General Services Fund, the Employee Benefits and Insurance Fund, and the Liability and Property Insurance Fund. These funds play an important role in the overall ability of the City to conduct business. The General Services Fund includes the City's Fleet Services, Facilities Management Services, Technology and Communication Services, Sunnyvale Office Center, and Project Management Services. The Employee Benefits Fund serves to capture the costs associated with employer provided benefits including pension costs, employee insurance plans, workers' compensation, and paid leave time. The Property and Liability Insurance Fund accounts for the costs related to the City's liability and property insurance.

Sunnyvale's full cost accounting methodology results in all the costs of these funds being charged back to user activities on a rental rate basis for general services, a additive rate basis for employee benefits, and a usage basis for liability and property insurance. Therefore, the total expenditures of these funds are not added to the overall budget, as they are already captured within the City's programs and funds.

The four other funds presented in this section include the Doro P. Swirsky Youth Opportunity Fund, the Fremont Pool Endowment (Trust) Fund, the Redevelopment Successor Agency Fund, and the Community Facilities District No. 3 Fund. While these funds are not internal service funds, they are grouped with the internal service funds just for presentation purposes in the budget document. These are funds that separately account for assets that the City holds in a trustee or agency capacity and uses to benefit a specified purpose.

## General Services Fund

### Fleet, Facilities, and Technology Services

The General Services Fund has three sub-funds that provide a wide range of important support services to programs within the City. These include Fleet, Facilities, and Technology Services. Funding for these services is recovered through rental rates charged to benefiting program operating budgets. The rental rates include not only the cost of operations, but also the cost of replacement for depreciable equipment. This assures the availability of funds to replace equipment at the most cost-effective time.

Aggregate rental rate increases for the combined General Services Fund activities in FY 2015/16 are 3.4%, which is flat to what had been projected for FY 2015/16 during last year's budget cycle. For the remainder of the front ten years of the plan, the average annual rental rate increase is 2.5%, which is down from the 2.6% average increase in the prior budget. This is primarily due to an adjustment to the fleet rental schedule to finance the fuel station replacement project. In the final ten years of the long-term plan, rates are scheduled to increase 3.1% annually, above the 2.6% annual increase estimated last year. This is the result of increases to the Information Technology equipment replacement schedule with several expensive replacements scheduled towards the end of the twenty-year plan. A more detailed narrative on changes in rental rates is provided in the sections below that cover the individual sub-funds.

### Fleet Services Sub-Fund

The Fleet Services Program reflects the cost of ownership of City vehicles and equipment. A primary objective of Fleet Services is to provide rental rates that are competitive with those offered in the private sector.

The main source of funding within this sub-fund is derived from Fleet Services rentals to other programs, which is primarily based on specific vehicle usage. Fleet Services rental rates are scheduled to increase by 5.8% for FY 2015/16, with an average annual increase of 3.2% for the remainder



of the first ten years in the long-term plan. The FY 2015/16 rate increased relative to the prior year's budget due to a change in how the fuel station replacement project will be financed. The project will now be funded through the collection of rental rates, as the fleet customers are the beneficiaries of the project, rather than the fund to fund transfers that were originally scheduled. Rate increases in the second ten years are set at 3.9% annually, equal to the same period in the prior year.

The **Sale of Property** line item of the Financial Plan represents the sale of surplus or replaced vehicles or pieces of equipment. The projection for FY 2015/16 is based on historical averages for the surplus sales of vehicles and equipment, plus an additional amount to reflect the resale of one of two fire trucks that is scheduled for replacement. Sale of the second truck is scheduled in FY 2016/17. For future years, the historical average revenue from surplus sales is used.

The **Intrafund Loan Repayment** line item represents scheduled payments from the Facilities Services Sub-Fund. This loan was initially made in FY 1999/00 to alleviate cash flow issues experienced by the Facilities Services Sub-Fund. The initial terms of the loan were for a principal amount of \$1.6 million to be repaid over 10 years with final payment scheduled for FY 2015/16. In FY 2005/06, a large payment was made against the principal. Payments were then deferred several years due to insufficient reserves in the Facilities Sub-Fund. The current schedule restarted repayments in FY 2012/13 and continues through FY 2016/17.

The multiple transfer line items found within the Current Resources section of the financial plan through FY 2014/15 represent the original funding mechanisms for the Upgrading of the City's Fuel Stations capital project. As was previously mentioned, no future transfers are scheduled since this project will be financed via the collection of rental rates. A transfer of \$21,000 in FY 2014/15 from the Development Enterprise Fund was made to acquire a car for the Community Development Department that will be used for inspections.

The two major current requirements deal with equipment replacement and operation of the Fleet Services program. The Equipment Replacement line item fluctuates each year, as various items of equipment reach the end of their useful life and must be replaced. Overall equipment replacement expenditures are up approximately \$1.7 million in the first ten years of

the twenty-year plan in comparison to the prior twenty-year plan. This is predominantly the result of adding one special purpose truck (new fire aerial rig) to the replacement schedule, as well as increased costs for the replacements of assets that were deferred in prior years. The replacement schedule for special purpose trucks increased 11.5% over the twenty-year plan. In addition to the new car for the Development Enterprise Fund mentioned above, there were also two sedans added to the replacement schedule for the Department of Public Safety and two trucks added for the Environmental Services Department.

**Operations** expenditures in FY 2015/16 are slightly under the twenty-year financial plan compared to prior year, due to recent savings and an adjustment made to expected inflation factors for gasoline.

The **Equipment Replacement Reserve** represents the accumulation of annual rental rates received from City programs, net of replacements purchased during the current fiscal year, for future replacement of vehicles and equipment. This reserve works in tandem with the **Equipment Replacement** line item under the **Current Requirements** section of the Sub-Fund. For example, when a large-value item is scheduled to be replaced such as a street sweeper or a fire apparatus, the equipment replacement reserve will be drawn down as funds are used to purchase the vehicle or apparatus. In this manner, operating programs do not experience large swings in expenditures due to fleet replacement.

## Facilities Management Services Sub-Fund

The Facilities Management Program reflects the cost of maintaining City facilities, including costs for janitorial service, building maintenance, utilities, carpets and blinds, modular furniture, and building equipment.

The Facilities Management Sub-Fund has two rental rate revenue items, one relating to space rental and the other relating to equipment. Space rental charges are based upon the total square footage of building space throughout the City. This square footage is then divided amongst the various City programs, and operating charges are allocated out based on a program's proportion of the total square footage. The equipment rental accounts for replacement costs associated with modular furniture, carpet and blinds, and building maintenance equipment.

The aggregate rental rate for Facilities Management is scheduled to increase 3.0% for FY 2015/16, with annual increases declining to 2.5% starting in FY 2023/24. It should be noted that in FY 2017/18 of the plan, facility rental rates are expected decrease by 6.4%, as Facilities Services will have paid off its loan to Fleet Services and funds will no longer need to be collected to cover that liability. This will result in a reduction in rental rates that will lower the base rental rate charged for the remainder of the plan years. Rental rate increases in the FY 2015/16 Recommended Budget are flat in comparison with what was programmed in the FY 2014/15 Adopted Budget. While there is uncertainty on a plan for rehabilitation or replacement of the City's large administrative facilities, limited funds have been expended on these facilities. This is not a realistic long-term plan and therefore rental rate increases have been set at a moderate level. The City has begun work on a project to address the aging Civic Center. However, as of the drafting of this budget, the project has not yet resulted in a plan for the Civic Center. Until plans are determined, the rental rate collection in the financial plan will reflect only the existing planned requirements. Over the twenty years, a total of \$9.7 million in additional facility rental collections will be transferred to the Infrastructure Fund to increase funding for the future infrastructure needs of the City; this additional collection is shown as Additional Transfer to Infrastructure in the long-term plan.

The major current requirements deal with operation of the Facilities Services Program. The Operations line item increased very slightly for FY 2015/16 in comparison to the FY 2014/15 Adopted Budget. This change was due to program overages in FY 2013/14 and an increase in the cost of electricity budgeted in FY 2015/16. PG&E has indicated to the City that they project rate increases of between 3% and 7% in the coming years.

**Equipment Replacement** costs have been established based on the asset depreciation schedules for carpets and blinds, large equipment, and modular furniture. The FY 2015/16 long-term plan reflects a slight increase over the 20-year plan for facilities-related equipment in comparison to the long-term plan from FY 2014/15. This is primarily the result of updated cost estimates. Overall, the schedule reflects a continuing effort to replace only what is necessary as the future of all City facilities, including the Civic Center and Library, is being determined.

The **Interfund Loan Repayment** line item in the financial plan represents loan payments to the Fleet Services Sub-Fund, which are projected to be fully repaid in FY 2016/17. As was mentioned in the **Fleet Services** section, this loan was made to alleviate cash flow constraints of the Facilities Services Sub-Fund in FY 1999/00.

The **Transfer to Sunnyvale Office Center** line item in the long-term financial plan represents a transfer of rental rate revenues received from City programs currently housed at the 505 W. Olive Sunnyvale Office Center. These funds are collected in this sub-fund and then transferred to the Sunnyvale Office Center sub-fund to partially fund the facility management costs associated with that facility. Transfers are also made to the General Fund to cover the cost of management and administrative support services for the Facilities program. Lastly, transfers to the Infrastructure Fund have been programmed for the Facilities Services' contribution to various capital projects, such as improvements at the Corporation Yard.

The **Equipment Reserve** represents the accumulation of annual equipment rental rates received from City programs, net of replacements purchased during the current fiscal year, for future replacement of modular furniture, carpets and blinds, and building maintenance equipment.

## Technology and Communications Services Sub-Fund

The Technology and Communications Services Sub-Fund reflects the cost to operate and maintain the City's technology and communications program and infrastructure. This includes technology (hardware and software), communications, and office equipment. Information technology services, radio communications, and satellite copiers are provided by the Information Technology Department, while Print Shop and Mail Services are provided by the Office of the City Manager.

The aggregate rental rate increase for Technology and Communications Services is scheduled to be 2.5% in FY 2015/16 and continues at that level annually for the remaining first ten years of the plan. These rates are unchanged from rates planned in the first ten years of last year's plan. Rental rates in the second ten years of the plan were increased to 3% in order to finance some expensive replacements on the schedule. The prior year schedule projected 2.0% annual increases in the second ten years of the plan.

The revised rental rate schedule enables the fund to maintain a stable fiscal position during years such as FY 2032/33 and FY 2033/34 when several major replacements are scheduled.

The **Cable PEG Channel Grant** line item reflects funds that are available for use for public or educational cable services. These funds are used to purchase equipment for the City's public access channel, KSUN. Funds that have not been programmed are collected in a restricted reserve titled **Restricted KSUN Equipment Reserve**. These revenues are allocated to the City based on the City's share of one percent of Comcast gross revenues.

A surcharge on development fees to pay for the costs of the technology needed to support the one-stop permit system was implemented in FY 2010/11. This surcharge recovers approximately \$90,000 annually, which is placed in a **Restricted Technology Surcharge Reserve** in this sub-fund. The funds are used to cover the cost of annual system maintenance on the City's permitting system, as well as to cover periodic major upgrades or replacement of the system.

The Transfer from the General Fund line item represents the General Fund support to cover the costs for the Information Technology Department to administer the City's cable television franchise agreements since the franchise fee revenue is collected in the General Fund.

The major current requirements of the Technology and Communications Services Sub-Fund deal with equipment replacement and operation of the programs in the Information Technology Department and the Office of the City Manager. Equipment replacement for technology, communications, and office assets reflect the equipment replacement schedules for each type of equipment, and equipment replacement costs will fluctuate year-over-year based on the useful lives of the individual pieces of equipment on the replacement schedules. Overall, equipment replacement costs over the 20-year plan are slightly increased in comparison to last year's long-term plan. The increase is driven by scheduled replacements of recent technology investments rolling on to the back years of the twenty-year plan.

Total operating costs for the Technology and Communications programs are down 1% in the FY 2015/16 long-term plan in comparison to the prior long-term plan. This is predominantly the result of savings from vacancies in FY 2013/14.

The **Transfer to General Fund** line has two main components. \$1.9 million paid in FY 2013/14 was for the Silicon Valley Regional Communication System project. In addition, transfers are also made to the General Fund to cover the cost of management and administrative support services for the Print Shop. Transfers to the Infrastructure Fund have been programmed throughout the long-term plan for the Technology and Communications Services' contribution to various capital projects, such as the emergency generator installation project for City Hall Annex.

The **Equipment Replacement Reserve** represents the accumulation of annual rental rates received from City programs, net of replacements purchased during the current fiscal year, for future replacement and maintenance of network infrastructure, central and desktop computers, communication equipment, software applications, office equipment, and mail and print shop equipment.

The **Restricted KSUN Equipment Reserve** reflects PEG Grant revenues that have been collected but not appropriated for specific expenditures. PEG Grant funds can only be utilized for the purchase of KSUN equipment.

The **Restricted Tech Surcharge Reserve** reflects funds collected from the Technology Surcharge that is added to development. Funds are collected in this reserve to cover the cost of ongoing maintenance and replacement of the permit system.

## Sunnyvale Office Center Sub-Fund

This sub-fund accounts for the activities of the Sunnyvale Office Center located at 505 W. Olive Avenue, across from the main City Hall. The Sunnyvale Office Center was purchased in April 2001 by the issuance of variable rate Certificates of Participation (COPs) to provide expansion opportunities for the Civic Center Complex. Activities included in this fund are maintenance and operations of the office facility, capital projects, and debt service. Revenues to this sub-fund consist of rental from outside tenants and City operations, and interest on reserves.

When the sub-fund was established, it was projected that the existing office buildings would be operated and leased through FY 2005/06, when a long-term solution to the City's office space problem would be in place. Subsequently, plans for a new civic center complex were put on hold because

of the City's financial situation. Currently, options for the development and implementation of a long-term solution to the City's office space issues are continuing to be explored. As such, the FY 2015/16 long-term financial plan continues to reflect the complex being operated for the entire twenty-year planning period. Increasing the length of operation causes the office complex to generate more net income than originally anticipated, and this allows the Sunnyvale Office Center Fund to contribute to the Capital Projects Reserve an average of \$377,000 annually over the entire planning period.

Because of the age and general condition of the office buildings, some infrastructure improvements are programmed over the twenty-year planning period. These projects are necessary in order to keep the facility in working order.

The interest paid on our COPs is variable and based on market conditions, but since their issuance has averaged 3% annually. More recently, interest rates have been extremely low, resulting in lower than projected debt service payments. The assumption for FY 2015/16 is that interest rates will increase but remain low at 0.5%, increasing to 1% in FY 2016/17. For future years, incremental 0.5% increases are projected until returning to 3% in FY 2020/21 and remaining at that level until the debt is paid off. The remaining principal amount is \$12.8 million as of the end of FY 2014/15, with the balance scheduled to be fully repaid by 2031.

This Sunnyvale Office Center Sub-Fund has two reserves. The first is the required Debt Service Reserve, which maintains a balance of approximately \$1.1 million. The second reserve is the Capital Projects Reserve. This reserve was funded by an \$11 million transfer of surplus revenues from the General Fund in 2002. These funds were originally to be used to purchase the Office Center before the City decided to finance the purchase. The purpose of this reserve is to generate interest to offset debt service, as well as to fund ongoing capital improvements. The reserve balance at the end of FY 2014/15 is projected to be \$9.3 million. When the debt service payments end in 2031, the reserve is projected to be nearly \$12 million.

### Project Management Sub-Fund

The Project Management Sub-Fund represents project management services provided by staff within the Department of Public Works Capital

Project Management Program. These services are associated with the various capital and infrastructure projects currently incorporated within the City's projects budget. The transfers into this fund represent a fund's proportionate share based on the current schedule of projects budgeted for a given year in that fund.

The Capital Project Management Program is responsible for administrative oversight efforts on all City projects that involve the development and management of construction contracts. Budgeting for project management administration is based upon the timing of projects by funding source over the twenty-year long-term plan. Major projects, such as the reconstruction of the Water Pollution Control Plant, and larger, grant-funded projects are excluded because program staff charge their time directly to these projects, which allows us to take advantage of eligible grant reimbursement opportunities for project administration charges.

Operations for the Project Administration Sub-Fund are budgeted to increase by approximately 6.3% in FY 2015/16. The Program has added positions for the past three years to help address the backlog of projects that require the services of the capital project administration group. One additional full-time position was approved in FY 2014/15 to provide further support. As budgeted project costs taper off starting in FY 2019/20, the operating budget for this program is reduced accordingly.

### Employee Benefits and Insurance Fund

The Employee Benefits and Insurance Fund provides a mechanism to cover expenditures related to pension costs, insurance plans, workers' compensation costs, and leave time while applying the principles of full-cost accounting. This is accomplished by charging an additive rate to staff salaries wherever personnel hours are budgeted and expended. To better track and analyze expenditures, the Fund is separated into four sub-funds: Leaves, Retirement Benefits, Workers' Compensation, and Insurance and Other Benefits.

In general, the additive rate that is charged to cover the costs of employee benefits is calculated by determining the amount of the benefit to be accrued, and dividing that amount into total budgeted salaries. Depending on total hours worked over the course of the fiscal year, the Employee Benefits Fund may over-collect in some years and under-collect in other years in comparison

to budgeted amounts. Annual rate adjustments take this into account, and reserves in this Fund are set to factor in year-over-year fluctuations. Over the twenty-year plan, the overall additive rate for Miscellaneous (non-sworn) employees is flat from the current budget; for Safety (sworn) employees, the overall additive rate is 2.5% lower. This is primarily due to a decrease of approximately two percentage points in the long term retirement employer contribution rates, which is discussed in further detail below. With the strategic setting of rates over the twenty-year plan, the City is on track to pay down its current Other Post-Employment Benefits (OPEB) liability by FY 2030/31, maintain a reserve for potential increases to future retirement contribution rates, and set aside approximately \$1.2 million a year throughout the twenty-year plan for additional contributions to PERS, which is explained in detail in the Retirement Benefits section below.

## Leaves Benefits

The Leaves program accounts for all City employees' leave time, including accrual of leave benefits earned but not taken. This method of accruing for leave benefits as they are earned and recognizing the liability upfront is fiscally prudent, as it provides the City with adequate funding to pay off significant earned leave amounts at employee separations.

Beginning in 2015/16, the Leaves budget is increased by approximately \$114,000 per year for sick leave benefits for temporary employees. This is a new benefit, required by the State beginning July 1, 2015 that impacts the City's casual/seasonal employees. This new leave will add \$2.9 million over the twenty-year plan. Additionally, approximately \$120,000 a year has been added to account for increased salary costs, which are the basis for the leaves costs.

Interest income is generated from accrued leaves, which are held on the City's General Ledger until it is taken.

## Retirement Benefits

Retirement Benefits consist of the costs for the City's retirement plans. By City Charter, Sunnyvale has contracted with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for its employees. With the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, the City now has three pension tiers for Miscellaneous and Safety employees. The first tier consists of existing

employees who were employed with the City prior to December 23, 2012. These employees remain on the Miscellaneous 2.7% @ 55 plan, or the Safety 3% @ 50 plan. The second tier consists of new employees that are existing CalPERS members who were hired after December 23, 2012 (Miscellaneous) and July 1, 2012 (Safety). These employees are on the Miscellaneous 2% @ 60 plan, or the Safety 3% @ 55 plan. Finally, the third tier consists of new members to CalPERS as of January 1, 2013. These employees are on the Miscellaneous 2% @ 62 plan, or the Safety 2% @ 50 plan.

The cost to fund the CalPERS retirement benefit is broken down into two contributions, the employer contribution and the employee contribution. For current Miscellaneous and Safety employees (tiers one and two), the employee contribution rate is set by law: 8% of pay for the Miscellaneous 2.7% @ 55 plan, 7% for the Miscellaneous 2% @ 60 plan, and 9% for the Safety 3% at 50 and 3% @ 55 plans. For many years, the City has paid the employee contribution but employees have begun to pick up a part of their contribution in the last several years. For FY 2015/16, the City's contribution for the employee share will be 3% (Miscellaneous) and 6.25% (Safety) of pay. The FY 2015/16 Budget, consistent with the prior year budget, assumes tier one and two employees will contribute their full employee share by FY 2018/19 (Miscellaneous) and FY 2019/20 (Safety, excluding a 2.25% employee cost share paid by the City). It should be noted that these increases need to be negotiated with the bargaining units first. Memorandums of Understanding (MOUs) for five of the six employee bargaining groups are currently being negotiated, as four of the six expire on 6/30/2015; one has expired as of 12/31/2014. However, beginning on January 1, 2018, PEPRA allows a public agency to unilaterally require all members to pay up to 50% of the normal cost of their pension benefits, after bargaining in good faith and impasse procedures have completed. The employee contribution rate can be increased up to 8% for miscellaneous members and 12% for Safety members. Tier three employees, under PEPRA, must pay half their normal cost at the end of any existing contracts, or by January 1, 2018.

While the employee contribution rate is set by law, the employer contribution rate is adjusted annually by CalPERS through an actuarial analysis which considers demographic information and investment earnings. The contribution rates are applied against employee salaries (PERSable earnings) in order to calculate the dollar amounts the City must contribute.



Over the past decade, employer contribution rates have increased significantly, predominantly due to the significant market losses experienced in the early 2000s and in FY 2008/09. Other factors contributing to the sharp increase in contribution rates have been enhanced pension benefits for employees, applied retroactively, and changes in actuarial experience (i.e. employees retiring earlier at higher salaries and living longer in retirement). In March 2012, CalPERS lowered the long-term rate of return from 7.75% to 7.5%. Prior to FY 2014/15, CalPERS' actuarial methodology phased in investment gains and losses over a rolling thirty-year period, that did not pay off the unfunded liability. As such, the City worked with our consulting actuary to minimize rate volatility and pay down our unfunded liability over a fixed period. From FY 2011/12 through FY 2013/14, the City paid CalPERS more than the required contribution with rates developed with the City's consulting actuary. For FY 2013/14, staff requested a "fresh start" with CalPERS that took all the unfunded liability to date and amortized it over a fixed number of years. For the City's Miscellaneous Plan it was 18 years and for the Safety Plan it was 28 years.

CalPERS also had concerns with their amortization and rate smoothing policies and in April 2013, changed its policies to employ a fixed thirty-year amortization period with increases and decreases in the rate spread directly over a five-year period. These policy changes will go into effect with the FY 2015/16 rates. Because of the fresh start and CalPERS' new amortization and rate smoothing policies, which now mirror what the City has early implemented with its consulting actuary, the City set its retirement contribution rates equal to the CalPERS required contribution rate starting FY 2014/15.

For the FY 2015/16 budget, the employer contribution rate has been set at 38.7% for Safety Plans and 24.9% for Miscellaneous Plans. For the Miscellaneous Plans, the rate is relatively flat to the 24.2% we have set for FY 2015/16 in the current budget. For Safety, the rate is slightly higher than then 37.3% we have in the current budget for FY 2015/16.

The City's consulting actuary updated the contribution rate projections for the twenty-year plan, revising the rates downward primarily due to higher than expected investment returns for FY 2012/13 and FY 2013/14. As a result, long term employer contribution rates have decreased an average of 2.5% from the FY 2014/15 long-term financial plan. While this is positive news, it also underscores the increased rate volatility that the City will experience with CalPERS' revised funding policies.

In order to mitigate against the increasing volatility, the retirement additive rate has been set to provide enough funding into the retirement sub-fund to set aside \$1.2 million a year starting FY 2015/16 for an additional contribution to CalPERS. This totals approximately \$32 million over the twenty-year plan, and will provide the City additional funds to pay down the unfunded liability more quickly or address sharp rate increases in the short term.

As of 6/20/2013, the City's unfunded liability is at \$268 million (\$136 million for the Miscellaneous Plan and \$132 million for the Safety Plan), and the plan is 70% funded.

As the chart below shows, over the next five years (by FY 2019/20), this budget includes employer contribution rates that are estimated to increase 21% for Miscellaneous plans and 20% for Safety plans.

#### Projected City Paid Retirement Contribution Rates

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate Paid by City	Total City Paid
<b>Miscellaneous</b>			
FY 2015/16	24.9%	3%	27.9%
FY 2016/17	27.3%	2%	29.3%
FY 2017/18	28.0%	1%	29.0%
FY 2018/19	29.1%	0%	30.1%
FY 2019/20	30.2%	0%	30.2%
<b>Safety</b>			
FY 2015/16	38.7%	6.25%	44.95%
FY 2016/17	42.2%	5.25%	47.45%
FY 2017/18	43.4%	4.25%	47.65%
FY 2018/19	45.0%	3.25%	48.25%
FY 2019/20	46.7%	2.25%	48.95%

The PERS Rate Uncertainty Reserve is budgeted to end with \$9.3 million over the twenty-year plan to mitigate for any further unanticipated increases to the contribution rates. While these are one-time funds that are gone once drawn down, they do allow large rate increases to be smoothed in over several years, which helps maintain stable operating costs.

## Workers' Compensation

Workers' Compensation benefits are funded through the use of an additive rate that is applied to all staff salaries. This additive rate is based upon actual usage of the City's Workers' Compensation program. For this reason, the City charges a variable additive rate depending upon the classification of the employee. In other words, high-risk positions, such as a Public Safety Officer, are charged a higher rate than administrative employees.

After a long trend of decreasing claims, the number of claims has increased sharply from FY 2011/12 to FY 2013/14 and a 5% increase is anticipated for FY 2014/15. While there is not one overriding reason for the increase in the number of claims, most injuries to date occurred in the Department of Public Safety. As such, the Risk Management division has been working closely with the Department of Public Safety to reduce the frequency and severity of workplace injuries.

The cost per claim has risen due to rising medical costs and severity of the claims. The FY 2015/16 Recommended Budget projects the total cost of claims will be approximately \$2.4 million in FY 2015/16. The total budget in FY 2015/16 for claims and workers' compensation leaves is based upon the City's most recent actuarial analysis. Going forward, the long-term plan reflects a 2.5% annual increase in the cost of claims, which aligns with current actuarial assumptions.

Workers' compensation leave costs are projected throughout the long-term financial plan based on historical actual usage. Leave hours have fluctuated historically and underscore the importance of managing these leaves closely to minimize time off and ensure timely resolution of issues. The expense related to leave hours increases with projected salary increases, weighted by employee group, throughout the twenty-year plan. Due to modifications to the Sunnyvale Employees' Association (SEA) Memorandum of Understanding (MOU) regarding Workers' Compensation leave usage, additional funding for workers' compensation leave hours is included in the FY 2015/16 Recommended Budget, totaling \$1.7 million over twenty years.

Because Workers' Compensation Insurance is based on total salary, the costs for this expense over the long term are increased in accordance with the assumed increase in salaries throughout the planning period. The cost of

claims administration, which is performed by a third party administrator, is assumed to go up approximately 3% annually based on the contract.

Due to the continuing trend of increasing average claim costs, FY 2015/16 reserve requirements continue to remain relatively flat to the level budgeted for in FY 2014/15. The Worker's Compensation reserve requirement is based on the most recent actuarial analysis, completed in December 2014. Similar to the FY 2014/15 budget, this reserve is gradually increased to the actuarially determined amount of \$13.4 million by FY 2017/18 to avoid a significant increase to additive rates for FY 2015/16. Actuarial valuations of the Workers' Compensation Program are conducted each year in order to satisfy the City's financial reporting requirements, and future reserve amounts will be adjusted as appropriate.

## Insurance and Other Benefits

The Insurance and Other Benefits Program includes costs for all the employee insurance plans including medical, dental, vision and life insurance. As with the other employee benefits programs, costs for their administration are contained in a Human Resources program in the General Fund and supported by indirect general administration overhead charges to the other funds.

The largest cost in this program is medical insurance for City employees, which is provided by CalPERS. Over the twenty-year plan, the cost for medical insurance is relatively flat compared to the current budget. Although the 2015 premium increase of 6.2% over the 2014 premium was less than then 10% we budgeted, additional enrollees offset the cost savings. Starting in FY 2014/15, the City has started filling staff vacancies at a higher pace, with overall headcount gradually increasing from historical lows. We have updated our projections based on these increases as well as utilizing average historical turnover data. Medical premium increases are budgeted based on the assumptions in our latest actuarial valuation report for the City's Retiree Healthcare Plan, completed February 2015. Budgeted medical premium increases are 8% in FY 2015/16, 7% in FY 2016/17, 6.5% in FY 2017/18, and decrease by 0.5% each year until it reaches 5% in FY 2020/21; increases are flat at 5% for the remainder of the twenty-year plan starting FY 2020/21.

Retiree medical premiums are projected to be \$7.7 million lower over the twenty-year plan in the FY 2015/16 budget compared to the FY 2014/15 budget. The reduction is due to the decreases in Medicare plan premiums in recent years, which have reset the cost base for the long term plan and particularly for retiree medical costs for management employees. It should also be noted that steps have been taken to contain medical costs for both active and retired employees. Caps on City contributions were placed on both active and retired management employees beginning in FY 2007/08, and a 5% cap on increases to medical premiums is in effect for Sunnyvale Employees Association (SEA) retirees.

The latest actuarial valuation for the City's retiree medical costs, also referred to as "other post-employment benefits" (OPEB) for data as of June 30, 2014, reflected an unfunded liability of \$92.3 million, which is an increase of \$28.7 million over the current unfunded liability of \$63.6 million. This increase is due to a change in governmental accounting standards, which requires us to recognize the cost of medical premiums in a different manner. Because CalPERS charges the same premium for pre-Medicare retirees and actives, younger employees, who utilize less medical services on average, are essentially subsidizing older employees who, on average, have higher medical expenditures. This amount of subsidy is referred to as the "implied subsidy." The Governmental Accounting Standards Board (GASB) is requiring cities to recognize the implied subsidy as a retiree medical cost on our financial statements starting FY 2016/17. We are recognizing the implied subsidy in this latest OPEB valuation. With the implied subsidy, the City's OPEB liability is expected to be 37.5% funded by the end of FY 2014/15.

To address the growing long-term medical costs seen in our actuarial valuations for our retiree medical liability and to pay down our unfunded liability, the City began funding a retiree medical trust fund in FY 2010/11 with an initial \$32.6 million contribution. At the end of FY 2014/15, the City will have contributed a total of \$50.9 million to the trust, with an additional \$41.3 million budgeted for contributions through FY 2030/31. It should be noted that this includes an additional \$500,000 contribution to the trust from General Fund savings made in FY 2013/14. The FY 2015/16 budget maintains the current annual contributions to the OPEB trust. As of March 2015, the trust has a market value of \$64.5 million.



By contributing to a retiree medical trust fund, the City will derive many benefits, including the reduction of future employer OPEB costs, as the earnings generated from trust fund investments will eventually be utilized to offset ongoing costs for the retiree medical insurance. Additionally, it will prevent OPEB obligations from being a significant liability on our balance sheets. It is also fiscally prudent in the City's current aging demographic situation, where the number of retirees is almost the same as the number of active employees.

There is also an Insurance Rate Uncertainty Reserve that provides funds for several uncertainties, including unanticipated changes in premium costs and adjustments to the City's contribution costs. This assists in leveling additive rates over the long term.

### Liability and Property Insurance Fund

This fund was established to separate out liability and property insurance costs from the Employee Benefits and Insurance Fund. Managing these costs in a separate fund provides better accountability of expenditures and allows the City to recover costs based on usage rather than on salary expenditures.

The Liability and Property Insurance Fund is funded through transfers from its dependent funds rather than on an additive rate basis. The transfers are based on liability claims experience in recent years for liability costs and City property valuations for property insurance related costs. The property valuations have been updated to reflect the latest valuation, which was used to determine the premium for the FY 2014/15 policy year. Insurance coverage is applied to the maintenance of the City's infrastructure and covers the City against claims such as trip and fall, vehicle damage, and damage caused by City trees. Currently, the City participates in a risk pool administered by the California Joint Powers Risk Management Authority (CJPRMA), which provides insurance over the City's Self Insured Retention (SIR) level of \$500,000 per claim. City staff also currently participates on its Board of Directors. The total amount paid for liability claims under \$500,000 can vary significantly from year-to-year.

In the FY 2015/16 budget, \$313,100 is budgeted for claims litigation; this amount is inflated and budgeted as an ongoing annual legal expense. In addition, a legal contingency is budgeted for \$140,000. While actual

expenditures on claims litigation in the past five years have averaged \$313,100 a year, there can be significant variances in any single year. As such, this legal contingency serves to absorb cost overages in any given year. This is intended to be a lump sum appropriation to be used when legal costs exceed the \$310,000 annual budget, with the remaining amount to be carried over annually until it is completely expended.

It should be noted that, starting in the FY 2015/16 budget, a liability insurance rebate has been budgeted at \$100,000 a year. The City has consistently received this annual rebate in the past, which varies every year depending on the equity balance in the program. CJPRMA's actuary determines the liabilities and the equity, and also determines the amount of "excess equity" to be distributed to members.

The reserve in this fund meets the recommended actuarially acceptable funding level as provided in an actuarial review of the program completed in December 2014.

### Community Facilities District No. 3 Fund

In FY 2012/13, a new community facilities district (CFD) was formed. This new CFD (City of Sunnyvale Community Facilities District No. 3, Estates at Sunnyvale) will finance the maintenance and replacement of publicly-owned infrastructure and other improvements planned for in a 10-acre residential subdivision located at 770 Timberpine Avenue.

The initial developer contribution in FY 2012/13 totaled \$49,455. These were appropriated to a new project, Formation of Community Facilities District No. 3 to cover any startup costs of forming the CFD, as well as the first six months of the annual operations, maintenance, and servicing costs of the bio-retention basins and associated facilities. Actual expenditures were \$21,907 in FY 2012/13, and \$17,386 during FY 2013/14. Currently, the infrastructure has not been completed and it is anticipated that the facilities will be transferred to the City by the end of June 2015.

Ongoing annual operating costs are approximately \$18,000, which were included in the operating budget starting in FY 2014/15. These will be funded by annual assessment revenues, which will cover the annual operating cost and also provide for replacement costs scheduled in ten, thirty, and sixty year intervals. For the FY 2015/16 twenty-year plan, the reserves are strategically

increased to cover two ten-year infrastructure replacement improvements, the first of which is planned for FY 2022/23 and the second in FY 2032/33.

## Redevelopment Successor Agency Fund

In an effort to balance its budget in 2011, the State of California adopted legislation to dissolve all redevelopment agencies. As a result, all redevelopment agencies, including the Sunnyvale Redevelopment Agency (RDA), were legally dissolved on February 1, 2012.

The City elected to serve as the Successor Agency to the former RDA, overseeing the wind down process, subject to the control of a newly established Sunnyvale Oversight Board. The Oversight Board consists of seven representatives made up of members from the City of Sunnyvale, the County of Santa Clara and local education and special districts within the Redevelopment Project Area. The actions of the Oversight Board are overseen by the State Department of Finance (DOF) and are subject to disapproval or modification.

A critical piece of the wind down process is the determination of enforceable obligations for payment from the former property tax increment allocation. While Debt service obligations for the Central Core Redevelopment Project Tax Allocation Bonds (TABs) and the reimbursement of lease payments for the Parking Facility Certificates of Participation (COPs) are recognized as enforceable obligations in the Dissolution Law, DOF has denied the COPs payments because the payments are pledged by lease rental payments required by the City. The lease arrangement with the City is a typical financing arrangement for COPs where a repayment agreement provides the funds for the lease payments, which in turn are used for debt service payments. At this time, DOF has not recognized the RDA's repayment contract with the City as eligible for payment from property tax increment.

Obligations of the 2010 Amended Disposition and Development and Owner Participation Agreement (ADDOPA), the current development agreement for the Town Center project, are enforceable obligations. This includes cost sharing for the environmental remediation of the site and the property tax sharing agreement. As part of the ADDOPA, the RDA agreed to return to the developer up to \$4.5 million per year of property tax increment generated by the project plus 50% of any receipts above this amount, in

return for construction of the public infrastructure (streets and parking structures), through FY 2025/26.

A final determination has not been made on the loan repayments to the General Fund. The Dissolution Law specifically excludes most types of agreements between a redevelopment agency and its sponsoring community as an enforceable obligation after it is dissolved. However, follow-up dissolution legislation adopted in June of 2012, may allow the City to recover some of the loan repayments. Because a determination has not been made at the time the budget was being prepared, the FY 2015/16 Recommended Budget does not include loan repayments.

On May 23, 2013, the Successor Agency filed suit challenging DOF's interpretation that the City is not entitled to reimbursement of loan payments related to the financing of the original Town Center parking facilities. In response, Santa Clara County Counsel on behalf of two school districts filed a counter lawsuit against the Successor Agency. As a result, \$14 million in repayments that were made to the City prior to dissolution of the RDA are at risk in addition to future repayments. On July 8, 2014, the Sacramento County Superior Court issued its ruling on the two related cases which retroactively invalidated \$14.0 million in repayments legally made to the City. The Court's decision is pending on appeal by the Redevelopment Successor Agency. The City's General Fund sets aside the full amount to be prepared for the worst case scenario.

The FY 2015/16 Recommended Budget presents a financial plan for the Redevelopment Successor Agency's approved enforceable obligations. The plan includes debt service payments for the TABs, amounts owing to the Housing Fund, funding for special projects related to the wind down process, environmental remediation payments and projected property tax sharing payments (past accrued tax sharing payments and on-going) under the terms of the ADDOPA. The developer is not eligible to receive tax sharing payments until a milestone is met, projected in FY 2017/18.

The financial plan also includes administrative expenses. The Dissolution Law allows for reimbursement of administrative expenses, up to a cap. It should also be noted that administrative expenses are the last in line to be reimbursed from the former property tax increment allocation. Therefore, if there are not enough funds to cover the administrative expenses, the General

Fund would have to absorb these costs. Further, once the Redevelopment Successor Agency is fully wound down, all administrative costs that had previously been paid by tax increment will revert to the General Fund. These additional costs have been reflected in the General Fund long-term financial plan.

### **Fremont Pool Endowment (Trust) Fund**

The Fremont Pool Trust Fund was established by the City in FY 2002/03 to account for the receipt of monies raised by The Friends of Fremont Pool, a group of residents who lobbied City Council regarding the need for a new pool in Sunnyvale. The Fund has an Endowment Reserve balance of \$1,048,435 as of the fiscal year ending June 30, 2015. The basic premise of this fund is that the corpus, or principal, is never expended, but invested with the interest generated each year used to help offset the City's cost of operating the 50-meter pool constructed in partnership with the Fremont Union High School District at Fremont High School. The City has contracted with California Sports Center (CSC), which has operated the Fremont Pool under a license agreement since 2002. City staff conducted a competitive Request for Proposals (RFP) to select a provider for pool operations beginning September 2013 and found CSC to be the most qualified operator for continuing pool operations.

The City's cost is determined by adding 50% of the cost of maintaining the pool itself (performed by the School District, which subsequently bills the City), 100% of the City's cost of maintaining the public shower/locker facility, and staff costs related to oversight of the contract. The City's projected cost for Fremont Pool maintenance for FY 2015/16 is \$207,311. Interest earnings on the Fremont Pool Trust Fund are projected to be \$10,484 and reflect a rising interest environment from near-zero interest. The Trust earnings pay approximately 5.4% of the City's annual costs. Revenues from operation of the Fremont Pool are projected to be \$58,392 for FY 2015/16 or 29.9% of total cost. The General Fund makes up the difference. In addition to operations and maintenance costs, the City also funds a project for the City's share of Fremont Pool infrastructure improvements.

It should also be noted that while the corpus of this fund may grow a bit in future years (assuming continued contributions), it is not expected to increase markedly over time. As a result, it is not expected to keep up

with inflation and the purchasing power of the interest it generates will likely erode over time. In this context, it is critical to note the importance of allowing the pool's operator to charge market rates for use of the pool. It is also important to allow the operator to determine effective revenue-producing programming. The net revenue received by the City and the interest generated by the Fremont Pool Trust Fund are critical factors in allowing the pool to partially support itself financially.

### **Dorolou P. Swirsky Youth Opportunity Fund**

In August 1993, City Council accepted Dorolou Swirsky's intent to donate her house upon her death to provide an endowment to specifically address sports, recreational, social, cultural, and educational activities for disadvantaged youth living in Sunnyvale.

The Dorolou Swirsky Trust Estate was donated to the City upon her death in March 2000. The estate consisted of a single family home located at 1133 Hollenbeck Road. Following the donation, the City established the Swirsky Youth Opportunity Fund to account for the proceeds. Ms. Swirsky had taken a reverse mortgage on the property which the City paid upon her death using General Fund monies. The property was rented out until August 2003 with net proceeds used to help pay back the General Fund for the reverse mortgage.

In November 2003, Council approved a resolution authorizing the sale of 1133 Hollenbeck Road. The house was subsequently sold, the remainder of the General Fund advance was paid, and an endowment of \$526,595 was established.

For FY 2015/16, it is recommended that the full amount of interest earned from the Swirsky Trust (approximately \$5,520) be used toward youth-at-risk programming in the Columbia Neighborhood service area, operated by the Department of Library and Community Services.

**CITY OF SUNNYVALE**  
**595. COMBINED GENERAL SERVICES FUND**  
**FLEET/FACILITIES/TECHNOLOGY AND COMMUNICATIONS**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	TOTAL
RESERVES/FUND BALANCE, JULY 1	13,336,400	13,975,498	10,610,518	8,230,996	7,294,914	5,738,111	6,278,948	5,063,337	6,020,900	7,850,319	5,677,833	6,058,503	13,975,498
<b>CURRENT RESOURCES:</b>													
Equipment Rental	13,337,489	13,762,277	14,231,076	14,651,176	15,119,707	15,442,809	15,780,178	16,088,761	16,531,520	16,988,021	17,458,640	17,975,575	174,029,740
Facilities Rental	4,436,922	4,622,500	4,781,977	4,946,955	4,625,403	4,784,054	4,946,712	5,112,922	5,283,693	5,459,112	5,606,508	5,746,670	55,916,505
SUNGIS - Equipment and Maintenance	96,278	91,717	94,010	96,360	98,769	101,238	103,769	106,363	109,022	111,748	114,541	117,978	1,145,514
Comcast PEG Channel Grant	236,848	236,848	236,848	236,848	236,848	236,848	236,848	236,848	236,848	236,848	236,848	236,848	2,605,333
Sale of Property	73,393	72,561	134,012	136,692	78,226	79,791	81,386	83,014	84,674	86,368	88,095	90,738	1,015,558
Miscellaneous Revenues	562,096	0	600,000	0	0	0	0	0	0	0	0	0	600,000
Interest Income	66,857	79,909	164,804	221,843	192,461	259,456	227,469	248,473	310,847	261,785	253,838	249,075	2,469,960
Intrafund Loan Repayment	500,000	500,000	500,000	444,292	0	0	0	0	0	0	0	0	1,444,292
Transfer From Other Funds	461,722	180,875	30,471	31,385	32,327	33,296	34,295	35,324	36,384	37,475	38,600	39,758	530,190
<b>TOTAL CURRENT RESOURCES</b>	<b>19,771,605</b>	<b>19,546,688</b>	<b>20,773,197</b>	<b>20,765,551</b>	<b>20,383,741</b>	<b>20,937,492</b>	<b>21,410,658</b>	<b>21,911,705</b>	<b>22,592,989</b>	<b>23,181,357</b>	<b>23,797,070</b>	<b>24,456,642</b>	<b>239,757,091</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>33,108,004</b>	<b>33,522,186</b>	<b>31,383,715</b>	<b>28,996,548</b>	<b>27,678,655</b>	<b>26,675,604</b>	<b>27,689,607</b>	<b>26,975,042</b>	<b>28,613,889</b>	<b>31,031,675</b>	<b>29,474,903</b>	<b>30,515,145</b>	<b>253,732,589</b>
<b>CURRENT REQUIREMENTS:</b>													
Equipment Replacement	2,568,854	6,287,154	6,930,266	4,966,482	4,838,316	3,332,921	4,940,426	3,262,673	2,651,594	6,811,600	4,458,496	5,404,830	53,884,759
SUNGIS - Equipment and Maintenance	0	279,795	45,073	46,875	48,750	50,701	52,729	54,838	57,031	59,312	61,685	64,152	820,941
Operations	13,802,535	14,655,366	15,036,525	15,395,271	15,774,622	16,126,205	16,514,317	16,883,089	17,253,459	17,632,373	18,026,305	18,456,776	181,754,308
Capital Projects	0	158,752	20,000	81,600	514,998	63,672	346,378	0	0	0	0	0	1,185,400
Special Projects	0	0	0	81,600	0	0	0	0	0	0	0	0	81,600
Project Operating	0	0	0	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	198,995
Transfer To SV Office Center Sub-Fund	103,772	106,886	110,573	114,388	106,953	110,621	114,382	118,226	122,174	126,230	129,639	132,880	1,292,951
Intrafund Loan Repayment	500,000	500,000	500,000	444,292	0	0	0	0	0	0	0	0	1,444,292
Transfer To Other Funds	2,127,138	661,400	216,176	222,901	265,188	282,952	290,010	228,809	233,387	238,053	242,815	249,837	3,131,527
Additional Transfer To Infrastructure	30,206	262,315	294,106	327,824	370,909	408,359	346,380	384,425	423,403	463,300	474,028	485,004	4,240,054
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>19,132,506</b>	<b>22,911,668</b>	<b>23,152,719</b>	<b>21,701,633</b>	<b>21,940,544</b>	<b>20,396,655</b>	<b>22,626,270</b>	<b>20,954,141</b>	<b>20,763,570</b>	<b>25,353,842</b>	<b>23,416,400</b>	<b>24,817,381</b>	<b>248,034,826</b>
<b>RESERVES:</b>													
Equipment Replacement	12,905,547	9,541,669	6,879,213	5,721,827	3,881,153	4,137,676	2,642,952	3,315,369	5,132,135	2,673,756	2,768,196	2,126,714	2,126,714
Restricted KSUN Equipment Reserve	767,141	954,118	1,188,114	1,359,935	1,593,787	1,827,564	2,055,635	2,289,257	2,249,918	2,483,376	2,716,750	2,943,667	2,943,667
Restricted Tech Surcharge Reserve	302,810	114,732	163,669	213,153	263,171	313,709	364,749	416,275	468,266	520,701	573,557	627,383	627,383
<b>TOTAL RESERVES</b>	<b>13,975,498</b>	<b>10,610,518</b>	<b>8,230,996</b>	<b>7,294,914</b>	<b>5,738,111</b>	<b>6,278,948</b>	<b>5,063,337</b>	<b>6,020,900</b>	<b>7,850,319</b>	<b>5,677,833</b>	<b>6,058,503</b>	<b>5,697,764</b>	<b>5,697,764</b>
<b>FUND BALANCE, JUNE 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2015/16 Rental Rate Increase</b>			3.4%	3.1%	0.7%	2.4%	2.5%	2.3%	2.9%	2.9%	2.8%	2.8%	



**CITY OF SUNNYVALE**  
**595/100. GENERAL SERVICES FUND/FLEET SERVICES SUB-FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL 2013/2014	CURRENT 2014/2015	BUDGET 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	FY 2014/2015 TO FY 2024/2025 TOTAL
RESERVES/FUND BALANCE, JULY 1	2,439,931	3,441,102	2,044,579	940,067	1,293,555	142,986	445,673	297,551	529,881	856,712	337,414	725,557	3,441,102
<b>CURRENT RESOURCES:</b>													
Fleet Services Rental	4,188,317	4,326,504	4,578,827	4,776,043	5,015,167	5,102,223	5,196,789	5,255,681	5,441,732	5,634,370	5,833,826	6,061,346	57,222,508
Interest Income	7,699	18,727	11,800	31,980	18,811	26,955	22,660	31,681	44,377	33,388	40,662	27,353	308,394
Sale of Property	71,138	72,561	134,012	136,692	78,226	79,791	81,386	83,014	84,674	86,368	88,095	90,738	1,015,558
Restricted Cash Donation	500,000	0	600,000	0	0	0	0	0	0	0	0	0	600,000
Miscellaneous Revenues	1,384	0	0	0	0	0	0	0	0	0	0	0	0
Intrafund Loan Repayment From Facilities	500,000	500,000	500,000	444,292	0	0	0	0	0	0	0	0	1,444,292
Transfer From General Fund	0	58,752	0	0	0	0	0	0	0	0	0	0	58,752
Transfer From Water Supply and Dist. Fund	32,500	56,540	0	0	0	0	0	0	0	0	0	0	56,540
Transfer From Wastewater Mgmt Fund	292,500	15,000	0	0	0	0	0	0	0	0	0	0	15,000
Transfer From Solid Waste Fund	108,000	0	0	0	0	0	0	0	0	0	0	0	0
Transfer From Development Enterprise Fund	0	21,000	0	0	0	0	0	0	0	0	0	0	21,000
<b>TOTAL CURRENT RESOURCES</b>	<b>5,701,538</b>	<b>5,069,084</b>	<b>5,824,639</b>	<b>5,389,006</b>	<b>5,112,204</b>	<b>5,208,969</b>	<b>5,300,835</b>	<b>5,370,376</b>	<b>5,570,784</b>	<b>5,754,126</b>	<b>5,962,584</b>	<b>6,179,437</b>	<b>60,742,044</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>8,141,469</b>	<b>8,510,185</b>	<b>7,869,219</b>	<b>6,329,074</b>	<b>6,405,759</b>	<b>5,351,955</b>	<b>5,746,508</b>	<b>5,667,928</b>	<b>6,100,665</b>	<b>6,610,838</b>	<b>6,299,997</b>	<b>6,904,993</b>	<b>64,183,146</b>
<b>CURRENT REQUIREMENTS:</b>													
Equipment Replacement	1,343,025	2,967,675	3,406,997	1,349,609	2,011,469	1,020,614	1,166,469	1,175,311	1,188,354	2,122,654	1,326,604	2,448,524	20,184,279
Operations	3,263,320	3,264,594	3,430,651	3,502,665	3,594,799	3,680,629	3,774,778	3,865,179	3,956,090	4,049,271	4,144,308	4,250,965	41,513,929
Capital Projects	0	58,752	0	81,600	514,998	63,672	346,378	0	0	0	0	0	1,065,400
Transfer To General Services/Proj Admin	0	2,606	3,142	11,517	49,576	16,559	65,687	0	0	0	0	0	149,087
Transfer To Infrastructure Fund	19,806	102,269	15,960	16,279	16,605	47,977	17,276	17,621	17,974	18,333	18,700	19,074	308,068
Transfer To General Fund (In-Lieu)	74,216	69,711	72,400	73,848	75,325	76,832	78,369	79,936	81,535	83,166	84,829	87,374	863,326
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>4,700,367</b>	<b>6,465,606</b>	<b>6,929,151</b>	<b>5,035,518</b>	<b>6,262,773</b>	<b>4,906,283</b>	<b>5,448,956</b>	<b>5,138,047</b>	<b>5,243,953</b>	<b>6,273,424</b>	<b>5,574,441</b>	<b>6,805,938</b>	<b>64,084,090</b>
<b>RESERVES:</b>													
Equipment Reserve	3,441,102	2,044,579	940,067	1,293,555	142,986	445,673	297,551	529,881	856,712	337,414	725,557	99,056	99,056
<b>TOTAL RESERVES</b>	<b>3,441,102</b>	<b>2,044,579</b>	<b>940,067</b>	<b>1,293,555</b>	<b>142,986</b>	<b>445,673</b>	<b>297,551</b>	<b>529,881</b>	<b>856,712</b>	<b>337,414</b>	<b>725,557</b>	<b>99,056</b>	<b>99,056</b>
<b>FUND BALANCE, JUNE 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2015/16 Rental Rate Increase</b>			5.8%	4.3%	5.0%	1.7%	1.9%	1.1%	3.5%	3.5%	3.5%	3.9%	



**CITY OF SUNNYVALE**  
**595/200. GENERAL SERVICES FUND/FACILITIES MANAGEMENT SERVICES SUB-FUND**  
**LONG TERM FINANCIAL PLAN**  
**JULY 1, 2014 TO JUNE 30, 2025**

	ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2014/2015 TO FY 2024/2025 TOTAL
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	TOTAL
RESERVES/FUND BALANCE, JULY 1	1,762,801	1,823,852	1,261,726	1,198,428	1,120,984	957,495	865,446	855,710	949,059	1,192,710	1,190,145	1,544,796	1,823,852
<b>CURRENT RESOURCES:</b>													
Facilities Rental	4,436,922	4,622,500	4,781,977	4,946,955	4,625,403	4,784,054	4,946,712	5,112,922	5,283,693	5,459,112	5,606,508	5,746,670	55,916,505
Equipment Rental	277,698	263,813	250,622	238,091	226,186	214,877	204,133	193,927	184,230	175,019	166,268	168,762	2,285,928
Interest Income	16,843	9,735	24,317	34,592	30,276	35,797	35,845	38,647	46,854	49,369	59,903	67,780	433,115
Miscellaneous Revenues	1,140	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CURRENT RESOURCES</b>	<b>4,732,603</b>	<b>4,896,048</b>	<b>5,056,916</b>	<b>5,219,638</b>	<b>4,881,865</b>	<b>5,034,728</b>	<b>5,186,690</b>	<b>5,345,495</b>	<b>5,514,777</b>	<b>5,683,499</b>	<b>5,832,679</b>	<b>5,983,212</b>	<b>58,635,548</b>
<b>TOTAL AVAILABLE RESOURCES</b>	<b>6,495,404</b>	<b>6,719,900</b>	<b>6,318,642</b>	<b>6,418,066</b>	<b>6,002,850</b>	<b>5,992,223</b>	<b>6,052,137</b>	<b>6,201,205</b>	<b>6,463,837</b>	<b>6,876,209</b>	<b>7,022,824</b>	<b>7,528,008</b>	<b>60,459,400</b>
<b>CURRENT REQUIREMENTS:</b>													
Carpets and Blinds	118,709	150,956	109,725	52,622	216,220	99,952	45,146	212,484	14,020	148,820	38,488	219,501	1,307,934
Equipment Replacement	0	404,046	57,260	214,014	111,723	161,185	259,871	10,527	87,985	224,944	12,276	62,189	1,606,022
Modular Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0
Operations	3,818,080	3,905,296	3,957,812	4,052,468	4,146,246	4,236,062	4,333,576	4,427,471	4,522,550	4,619,757	4,718,523	4,828,438	47,748,199
Intrafund Loan Repayment	500,000	500,000	500,000	444,292	0	0	0	0	0	0	0	0	1,444,292
Transfer To SV Office Ctr Fund	103,772	106,886	110,573	114,388	106,953	110,621	114,382	118,226	122,174	126,230	129,639	132,880	1,292,951
Transfer To General Fund (In-Lieu)	92,742	86,083	83,199	84,863	86,561	88,292	90,058	91,859	93,696	95,570	97,482	100,407	998,071
Transfer To Project Administration	0	1,058	1,057	0	0	2,296	0	0	0	0	0	0	4,412
Transfer To Infrastructure Fund	8,043	41,534	6,480	6,610	6,742	20,009	7,014	7,154	7,298	7,443	7,592	7,744	125,620
Additional Transfer To Infrastructure	30,206	262,315	294,106	327,824	370,909	408,359	346,380	384,425	423,403	463,300	474,028	485,004	4,240,054
<b>TOTAL CURRENT REQUIREMENTS</b>	<b>4,671,552</b>	<b>5,458,174</b>	<b>5,120,213</b>	<b>5,297,082</b>	<b>5,045,354</b>	<b>5,126,777</b>	<b>5,196,427</b>	<b>5,252,145</b>	<b>5,271,127</b>	<b>5,686,064</b>	<b>5,478,028</b>	<b>5,836,162</b>	<b>58,767,554</b>
<b>RESERVES:</b>													
Equipment Reserve	1,823,852	1,261,726	1,198,428	1,120,984	957,495	865,446	855,710	949,059	1,192,710	1,190,145	1,544,796	1,691,846	1,691,846
<b>TOTAL RESERVES</b>	<b>1,823,852</b>	<b>1,261,726</b>	<b>1,198,428</b>	<b>1,120,984</b>	<b>957,495</b>	<b>865,446</b>	<b>855,710</b>	<b>949,059</b>	<b>1,192,710</b>	<b>1,190,145</b>	<b>1,544,796</b>	<b>1,691,846</b>	<b>1,691,846</b>
<b>FUND BALANCE, JUNE 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2015/16 Rental Rate Increase</b>			3.0%	3.0%	-6.4%	3.0%	3.0%	3.0%	3.0%	3.0%	2.5%	2.5%	













































**Community Condition  
Indicators**



# COMMUNITY CONDITION INDICATORS AND BALANCED GROWTH PROFILE

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## **COMMUNITY CONDITION INDICATORS**

The Community Condition Indicators (CCIs) have been presented as an integral part of the City's budget for many years. The CCIs have traditionally been used as a measurement tool to evaluate and implement General Plan goals and policies. The CCIs today reflect the changes adopted by City Council at the May 8, 2007 Council meeting as part of the "Transitioning from a Growth to a Steady-State City" RTC #07-154. These indicators are the key demographic, economic, and physical data which describe the state of the City at a given point in time. The importance of reporting community condition indicators is that their numerical values change over time as the community changes, providing both a snapshot of current conditions and an indication of change over a longer time period.

## **BALANCED GROWTH PROFILE**

The Balanced Growth (BGP) is a planning tool developed in 2007 (RTC #07-154), which can be used to monitor the City's growth and determine the relative balance among the indicators of growth and infrastructure. The BGP assumes that Sunnyvale was in a reasonably balanced state in 2005 as indicated by the high level of satisfaction expressed by the population in the 2005 Resident Satisfaction Survey. The profile is extended one year each year, adding on the incremental growth and improvements from the preceding year. Currently, the BGP presents the first eight years, or 40 percent, of the 20-year planning horizon.

The first two rows in the BGP are the major indicators of growth: population and jobs. While there is a relationship between population and housing and between jobs and industrial/office/commercial (I/O/C) square footage, the City only has direct influence over housing units and I/O/C square footage. The projected growth in both indicators from 2005-2025 is based on the historic patterns of growth. These profiles do not reflect the full build-out of the General Plan as they account for only 60 percent of net new housing units and 73 percent of net new I/O/C square feet.

Projected population growth over 20 years is based on an average household size as applied to the number of new housing units and projected job growth is based on historic average employees per square foot. The final four bars (public school capacity, transportation capacity, utility capacity, and park capacity) represent the infrastructure needed to support the projected growth in population and jobs. The Community Vision Chapter of the General Plan explains that transportation, parks and utility bars may lag behind and then make large leaps due to the high cost of some of the improvements. The original profile did not include projections for parks and utilities, anticipating the completion of long-range plans for these items within the first few years of the profile when adopted in 2007.

## **GROWTH INDICATORS**

**POPULATION** – HOUSING UNITS

**JOBS** – INDUSTRIAL/OFFICE/COMMERCIAL

## **INFRASTRUCTURE**

With regard to supporting infrastructure and facilities (except for school capacity), capacity improvements necessary to support the expected growth will be determined based on several City of Sunnyvale infrastructure plans. These infrastructure improvement plans include (or will include) the estimated cost for capacity improvements. The cost for each improvement will be compared to the total program to determine the proportion (percent) of the total program that the improvement represents. The bar on the chart will be extended by an increment percentage as each improvement is completed. Only the transportation capacity improvements funded in whole or in part by the City of Sunnyvale are included in the BGP. Projects initiated and funded by the state, regional, and county agencies are not included. The Profile assumes that other jurisdictions are proceeding with planned capacity improvements at a reasonable pace in accordance with their plans.

**SCHOOLS** – As a proxy, school capacity is represented by the Sunnyvale School District capacity needs analysis (based on the Sunnyvale General Plan) prepared in 2003 and the required increase in classroom space.

**TRANSPORTATION** – Transportation improvements are based on the Transportation Strategic Plan (TSP) originally prepared in 2003 (updated in 2013) and the percent of projects completed.

**PARKS**– Council examined the desired amount of parks several times since 2007. Staff is currently in the process of identifying a tool for measuring park capacity improvements. The parks and open space capacity improvements plan is pending.

**UTILITIES** – The Water Utility Master Plan was adopted in 2010; the companion Wastewater Master Plan is expected in 2015.

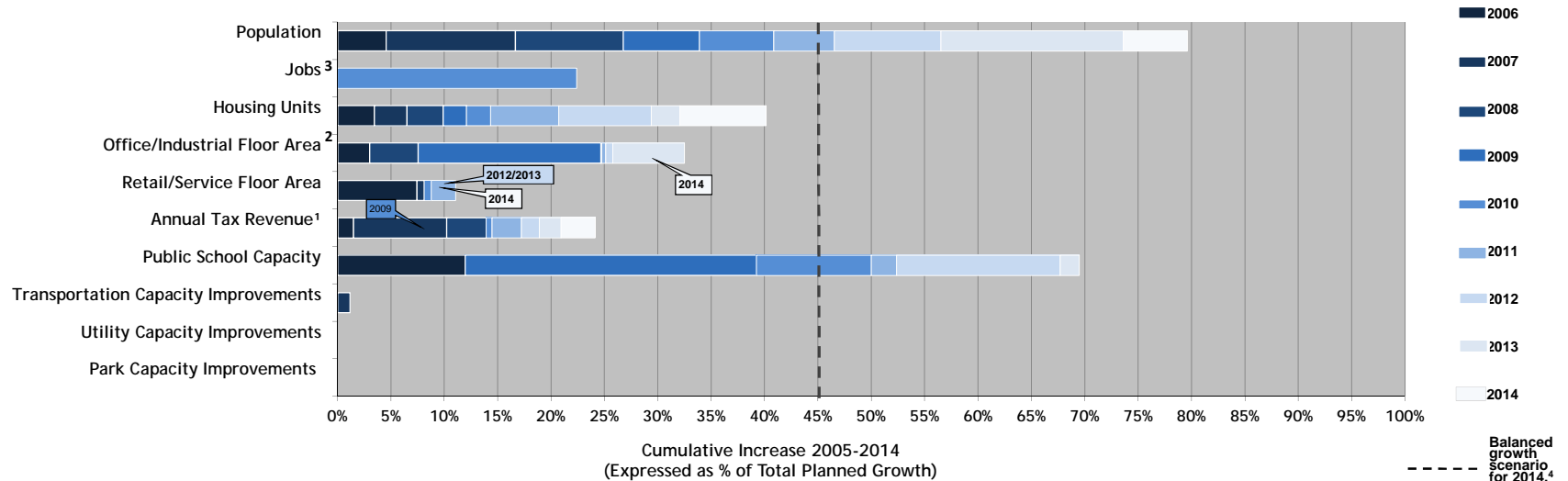
## **READING THE PROFILE**

The profile is divided into 20 segments, each representing one year (five percent) of the 20-year timeline. The current year, 2013, is 40 percent of the profile. Each year the profile is updated to reflect the growth in population, housing, I/O/C square footage, and jobs from the prior calendar year, along with the completed capacity improvements. If all elements were growing in a balanced manner, all of the bars in the profile would be of equal length every year, extending exactly to the then current year. This will not always be the case. An imbalance in a single year does not signify a problem. An imbalance over multiple years, however, could be a concern to decision-makers, who may want to consider modifications of development policy or priorities to infrastructure improvements to respond to the rate of growth. As the Sunnyvale Community Vision is updated in the future, or as General Plan element updates result in different projected goals for 2025, the BGP must be recalibrated to reflect revised projected increases.

Readers may want to compare the physical changes (housing units and I/O/C square footage) to the occupancy of these structures (population and jobs) to aid in understanding growth in the community. For example, the housing units are below the current year mark yet the population bar exceeds the same mark; note too that the public school capacity improvements are also above the current year mark. Because all of the data is not available regarding other infrastructure it is premature to gauge whether there is a lack of balance relative to this infrastructure.

## CURRENT BALANCED GROWTH PROFILE (January 1 to December 31, 2014)

Balanced Growth Indices	Base Year 2005	GOAL FOR 2025	Total Planned Growth Net Increase 2005 to 2025	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2014 Increment Increase (actual since 2013)	2014 Increment (% of Total Planned Growth)
Park Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transportation Capacity Improvements		\$46,884,000	\$46,884,000	\$547,970	\$547,970	0	0	0	0	0	0	0	0%
Public School Capacity	5,373	6,729	1,356	5,535	5,535	5,905	6,051	6,083	6,291	6,315	6,315	24	0%
Annual Tax Revenue <sup>1</sup>	\$72,271,030	\$174,748,212	\$102,477,182	\$82,731,078	\$86,536,989	\$80,080,423	\$80,640,616	\$83,447,216	\$85,189,946	\$87,277,140	\$90,536,760	\$3,259,620	3%
Retail/Service Floor Area <sup>2</sup>	5,784,000	7,500,000	2,200,000	5,962,662	5,962,662	5,962,662	5,976,840	6,027,052	6,005,338	6,000,788	5,978,104	-22,684	-1%
Office/Industrial Floor Area	30,100,000	37,700,000	7,600,000	30,327,927	30,673,881	31,973,881	31,979,928	32,009,556	32,058,721	32,568,435	32,368,012	-200,423	-3%
Housing Units	54,800	61,900	7,100	55,261	55,501	55,658	55,818	56,271	56,886	57,075	57,650	575	8%
Jobs <sup>3</sup>	73,630	92,650	19,020	n/a	n/a	n/a	77,890	n/a	n/a	n/a	n/a	n/a	n/a
Population	132,725	150,725	18,000	135,721	137,538	138,826	140,081	141,099	142,896	145,973	147,055	1,082	6%



### Notes

1. FY 2004/2005 is the base year for the Balanced Growth Index. All revenues are converted to FY 2004/2005 dollars for comparison purposes.
2. This index only represents net new floor area, and does not reflect tenant improvements to existing floor area.
3. Data has been modified resulting in a decrease in base year, projections, and current year estimates. There is a significant challenge in finding reliable estimates of Sunnyvale jobs. This version of the Balanced Growth Profile provides Association of Bay Area Governments (ABAG) data from most recent publications while staff explores a more reliable annual estimate of jobs.
4. In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2014 would be 45%.





**COMMUNITY CONDITION INDICATORS 2014**

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	<b>Income</b>													
17	• Median household income (\$)	46,403	74,409	74,449	79,926	87,417	89,543	88,364	95,582	93,836	101,611	100,043	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 American Community Survey 1-Year Estimates not yet available
18	▫ Population below poverty (%)	2.5	3.8	5.4	8.2	5.0	4.3	6.8	8.0	8.5	7.8	8.1	n/a	
	<b>Community</b>													
19	• Active neighborhood and business associations	n/a	n/a	n/a	28	30	30	29	28	28	30	29	30	LCS; Data from 2008 and on corrected; 3 active business associations (Sunnyvale Downtown Association, Auto Dealers Association and Moffett Park Business Group).
20	• Residents rating city good place to live (%)	n/a	92	94	n/a	93	92	87	n/a	92	n/a	94.0	94.0	National Citizen Survey; Available every 2 years from 2009
21	• Residents rating public services good to excellent (%)	n/a	92	89	n/a	82	85	83	n/a	85	n/a	86.0	86.0	
22	• Part I crimes	n/a	n/a	2,220	2,170	2,070	2,040	2,130	2,444	2,150	2,752	2,953*	2,871	DPS; Calendar Year as reported to DOJ *Correction to total reported for 2013
23	• Average emergency police response time (minutes)	n/a	n/a	4:19	4:06	4:17	4:38	4:41	4:35	4:57	4:47	5:06	4:40	DPS; Calendar Year
	<b>ECONOMY</b>													
	<b>Jobs</b>													
24	• Total number	n/a	99,290	73,630	n/a	n/a	n/a	n/a	77,890	n/a	n/a	n/a	n/a	There is a significant challenge in finding reliable estimates of Sunnyvale jobs. Data has been modified using Association of Bay Area Governments (ABAG) 2009 Projections data while staff explores a more reliable annual estimate of jobs.

**COMMUNITY CONDITION INDICATORS 2014**

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	<b>Employment</b>													
25	• Labor Force	n/a	n/a	n/a	n/a	n/a	75,700	74,900	74,600	76,600	78,600	79,300	83,100	Annual average; Source: EDD Labor Market Info Div
	• Employed Residents	n/a	n/a	n/a	n/a	n/a	71,800	67,800	67,400	70,200	73,000	74,600	79,200	
	• Unemployed (% of labor force)	2.6	4.3	4.1	3.9	4.3	5.1	9.4	9.6	8	7.1	5.8	4.7	
26	• Jobs/employed resident	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1.2	n/a	n/a	n/a	n/a	#24 divided by #25 Employed Residents
27	• Employed residents working in Sunnyvale (%)	n/a	23	n/a	n/a	n/a	n/a	n/a	25.8	26.6	19.6	n/a	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 American Community Survey 1-Year Estimates not yet available
28	• Employed residents in service jobs (%)	n/a	8.9	13.5	n/a	n/a	7.8	10.9	10.6	12.2	11.8	12	n/a	
29	• Employed residents in management/professional jobs (%)	n/a	59.5	56.4	n/a	n/a	60.1	59.6	57.1	59.4	59.7	61	n/a	
	<b>Retail</b>													
30	• Retail & restaurant sales volume (\$ in millions)	n/a	158.6	137.9	153.7	163.9	152.6	129.2	137.6	147.7	149.4	152.8	162	HDL Business License Database
31	• Sales/sq. ft. (\$)	n/a	51.2	23.9	25.8	27.5	25.6	21.7	23.0	24.5	24.9	25.5	27.1	
	<b>Hospitality</b>													
32	• Total Number of Hotel Rooms	n/a	3,835	3,851	3,930	3,923	3,378	3,394	3,290	3,290	3,290	3,217	3,256	Econ Dev; Calendar Year. Comfort Inn (Mathilda Ave), Ryan Hotel (Evelyn Ave) demolished
33	• Average hotel occupancy (%)	n/a	n/a	n/a	72	63.27	64	57.6	62.2	71.2	72.1	77.1	78.7	Econ Dev; Calendar Year. Average from major hotels: Grand Hotel, Sheraton, Wild Palms, Domain, Larkspur Landing
	<b>Real Estate</b>													
34	• Total assessed value (\$ in billions)	n/a	n/a	19.23	20.71	22.67	24.73	25.90	25.62	25.93	26.90	29.25	31.43	SCC Assessor's Annual Report
35	• Vacant office, industrial, R&D (%)	11.7	2	15.4	12.2	13.6	17.1	20.6	18.8	n/a	8.8	8.3	6.6	CBRE, CPS & Colliers annual reports
	▫ Vacant office (%)	n/a	n/a	n/a	n/a	9.7	13	19	18.6	16.4	7.0	9.3	5.6	Separated Office from Industrial/R&D, now using Grubb & Ellis Commercial Reports
	▫ Vacant industrial/R&D (%)	n/a	n/a	n/a	12.2	11.1	13.8	15.3	13	12.8	9.8	7.8	7.1	

**COMMUNITY CONDITION INDICATORS 2014**

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
36	• Average office/industrial rent (\$/sq. ft.)	0.71	3.47	1.34	1.48	2.09	2.77	1.93	1.76	n/a	2.03	2.30	2.55	CBRE, CPS & Colliers annual reports
	▫ Average office rent (\$/sq. ft.)	n/a	n/a	n/a	n/a	2.89	2.87	2.52	2.57	2.51	3.54	3.70	4.11	Separated Office from Industrial/R&D, now using Grubb & Ellis Commercial Reports
	▫ Average industrial/R&D rent (\$/sq. ft.)	n/a	n/a	n/a	1.48	1.32	1.32	1.10	1.08	1.17	0.51	1.41	1.59	
37	• Average apartment rent (3 bedroom) (\$)	n/a	2,600	2,200	1,822	2,138	2,380	2,093	2,209	2,456	2,662	3,092	3,370	RealFacts V/R-2013 Survey, 4th quarter Data
38	• Housing rental vacancy rate (%)	n/a	n/a	2.99	2.37	2.72	4.7	5.1	3.4	3.5	3.9	5.4	3.9	RealFacts V/R-2013 Survey, 4th quarter Data
39	• Median single-family detached home price (\$)	n/a	618,000	790,000	835,000	850,538	901,000	750,000	795,000	785,000	865,000	1,012,500	1,218,000	ReReport.com (2009 to 2012 corrected)(Closed sales per MLS for Sunnyvale only, annual report for each calendar year)
40	• Median single-family attached home (townhouse/condo) price (\$)	n/a	390,000	545,000	555,000	565,468	562,000	496,250	472,000	460,000	519,000	643,500	793,300	
41	• Valuation of new construction permitted (\$ in millions)	16.3	235.9	115.1	101.4	335.7	280.3	66.7	121.3	190.4	224.6	202.2	321.6	CDD SunGIS
	<b>Tax Base</b>													
42	• Property tax revenue (\$ in millions)	15.8	18.7	29.5	32	35.8	39.95	42.26	43.7	42.4	43.4	47.6	50.3	FIN; FY 13/14
43	• Sales tax revenue (\$ in millions)	21.5	30	24.9	28.4	30.8	29.71	25.07	25.43	29.2	30.3	30.0	30.2	
44	• Transient occupancy tax revenue (\$ in millions)	3.6	9.8	5.1	5.6	6.4	7.35	5.69	5.58	6.6	7.8	9.0	10.9	
	<b>PHYSICAL CITY</b>													
	<b>Land Use</b>													
45	• Land area (sq. mi.)	22.81	22.82	22.86	22.86	22.86	22.86	22.86	22.86	22.86	22.86	22.86	22.86	CDD SunGIS; Vacant includes sites Under Construction
46	▫ Developable land area (sq. mi.)	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	
47	♦ Vacant land area (%)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1	0.6	0.7	0.9	1.6	
48	♦ Residential area (%)	n/a	52.7	n/a	52.4	52.6	55	55	52.8	53.7	53.7	53.7	54.0	
49	♦ Office/industrial land area(%)	n/a	24.2	n/a	26.2	26	25.2	25.2	25.1	25.2	25.2	25.0	24.2	
50	♦ Retail/service land area (%)	n/a	7.5	n/a	6.8	6.8	6.5	6.5	6.5	6.5	6.5	6.5	6.4	
51	♦ City parks and open space (%)	n/a	7.4	n/a	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	7.4	
52	♦ Other (%)	n/a	7.4	n/a	7	7	5.7	5.7	7.4	6.7	6.6	6.6	6.4	CDD SunGIS

**COMMUNITY CONDITION INDICATORS 2014**

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	<b>Transportation</b>													
53	• Vehicle miles traveled in weekday (millions of miles)	n/a	2.31	2.23	2.25	2.28	2.21	1.83	1.97	2.28	1.86	2.05	2.06	DPW Traffic
54	• Intersections not meeting LOS standards	1	1	0	0	n/a	0	n/a	0	n/a	0	n/a	n/a	DPW Traffic; CMP intersections monitoring conducted every 2 years by VTA (pending)
55	• Transit boardings/de-boardings per day	n/a	25,122	19,451	19,824	22,428	24,580	21,647	22,405	22,158	25,426	30,698	n/a	VTA & Caltrain (Caltrain: 5272; VTA pending)
56	• Miles of streets	300	300	300	300	300	300	300	300	300	300	300.8	300.8	DPW Traffic
57	• Miles of bikeways	n/a	65	79	79	82.9	83.1	83.8	84.2	85.2	87.9	88.2	88.2	
	<b>Housing</b>													
58	• Total housing units	n/a	53,474	54,802	55,045	55,261	55,501	55,658	55,818	56,271	56,886	57,075	57,650	CDD SunGIS (2007 to 2013 corrected); Includes redeveloped sites in East Duane ITR area, BRE & Downtown (former Town & Country), Townhomes on El Camino Real (former Chevy dealership)
59	▫ Single-family detached (includes accessory living units)	n/a	21,091	21,228	21,265	21,276	21,299	21,324	21,351	21,360	21,375	21,424	21,446	
60	▫ Townhomes and Condos (ownership)	n/a	4,755	5,123	5,240	5,701	5,918	6,050	6,183	6,311	6,483	6,623	6,693	
61	▫ Mobile Homes	n/a	4,056	3,989	3,989	3,960	3,960	3,960	3,960	3,960	3,960	3,960	3,960	
62	▫ Duplexes	n/a	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,600	
63	▫ Three or more attached units (rental)	n/a	20,949	21,681	21,704	21,477	21,477	21,477	21,477	21,669	22,097	22,097	22,578	
64	▫ Specialty units (i.e. senior/affordable housing developments)	n/a	1,025	1,183	1,249	1,249	1,249	1,249	1,249	1,373	1,373	1,373	1,373	
65	• Owner occupied (%)	48.9	47.6	49.1	50.2	48.9	52.3	49.6	48.0	47.0	47.4	46.9	n/a	2013 updated with 2013 American Community Survey 1-Year Estimates; 2014 American Community Survey 1-Year Estimates not yet available
66	• Over 20 years old (%)	n/a	83	88	88	88	90	90	90	92	92	90	90	
67	• Total affordable units	n/a	n/a	1,465	1,452	1,452	1,412	1,688	1,774	1,753	1,845	1,860	1,879	CDD Housing Div (Data for 2009-2013 corrected to include BMR homeowner units. Data for each year shown is as of end of FY) (2013 is as of June 2013)
68	• New units receiving building permits	n/a	504	199	276	305	360	118	853	490	217	661	790	CDD SunGIS
69	▫ Intended for ownership	n/a	57	199	276	305	360	118	109	211	217	145	271	
70	▫ Rental	n/a	447	0	0	0	0	0	744	279	0	516	519	

**COMMUNITY CONDITION INDICATORS 2014**

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	SOURCE/NOTES
	<b>Office/Industrial</b>													
71	• Total floor area (sq. ft. in millions)	n/a	27.8	30.1	30.3	30.3	30.7	32.0	32.0	32.0	32.0	32.6	32.4	CDD SunGIS; PAMF, Intuitive Surgical, Mercedes, Moffett Towers Building D & 384 Santa Trinita
72	▫ Class A (%)	n/a	n/a	n/a	17.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Econ Dev
73	• New floor area permitted (sq. ft.)	n/a	660,975	151,200	146,368	2,780,657	831,705	675	29,278	774,098	1,070,523	671,402	1,398,987	Building permits; CDD SunGIS
74	• No. of patents received	413	3,034	2,899	3,626	3,177	3,177	3,556	4,795	5,017	5,448	6,199	6,973	U.S. Patent and Trademark Office; Calendar Year
	<b>Retail/Services</b>													
75	• Total floor area (sq. ft. in millions)	n/a	3.1	5.78	5.95	5.96	5.96	5.96	5.98	6.03	6.01	6.00	5.97	CDD SunGIS; Beacon Lighting Demo
76	• Floor area/capita (sq. ft.)	n/a	n/a	43.5	44.6	43.9	43.7	42.9	42.7	42.7	42.0	41.1	40.6	#75 divided by #1
77	• New floor area permitted (sq. ft.)	n/a	0	240,000	8,000	5,000	293,000	229,494	127,838	0	12,000	49,496	0	Building permits; CDD SunGIS
	<b>Environment</b>													
78	• Sunny days	n/a	n/a	300	300	292	293	293	272	286	293	327	293	www.wunderground.com
79	• Rainfall (in.)	n/a	13.12	13.06	8.15	6.42	9.42	10.25	11.12	10.75	17.36	12.28	11.85	ESD/SCVWD
80	• Days ozone standard exceeded	n/a	n/a	1	3	0	0	0	0	0	0	0	0	BAAQMD
81	• Recycled solid waste (%)	18	56	61	63	63	63	65	67	66	65	65	n/a	Calrecycle: data available in September of each year; 2012 updated
	• Disposal per resident (lbs/day)	n/a	n/a	n/a	n/a	4	4	3.5	3.3	3.4	3.5	3.5	n/a	
	• Disposal per person employed within the city (lbs/day)	n/a	n/a	n/a	n/a	6.3	6.5	6.5	6.3	5.8	6	6.3	n/a	
82	• Number of street trees	n/a	36,341	37,000	37,000	37,000	36,935	36,889	36,889	37,000	37,000	37,000	37,000	Approximate; DPW Trees
83	• Average daily water consumption/capita (gal.)	n/a	161	180	139	153.18	153.7	145.42	130.71	127.15	128.60	130.95	115.39	ESD
84	• Average daily electric energy use/capita (kwh)	n/a	n/a	n/a	33.16	71.6	81.1	79.7	78.6	80.2	78.3	77.5	74.5	ESD/PG&E; Whole City
85	• Average daily gas use/capita (therms)	n/a	n/a	n/a	n/a	1.9	2.9	2.8	2.8	2.9	2.9	2.9	2.6	ESD/PG&E; Whole City
86	• Average daily landings at Moffett Federal Airfield	n/a	33	25	25	26	23	19	15	17	n/a	n/a	n/a	Moffett Airfield

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## FY 2015/16 Budget Supplements

No.	Title	Cost	Recommendation
1.	Consider Multi-family Residential Transportation Demand Management Programs (Study Issue CDD 15-02)	\$30,000 – one time	Fund – Development Enterprise Fund
2.	Determine Steps to Move Forward to Becoming a Silver Level in the League of American Bicyclists – Bicycle Friendly Communities (Study Issue DPW 15-03)	\$25,000 – one time	Fund – General Fund
3.	Determine Feasibility of Establishing a Park Mitigation Fee for Non-Residential Development (Study Issue DPW 15-09)	\$50,000 – one time	Fund – General Fund
4.	Relocation of the Butcher House to Heritage Garden Park and Review of the Need for a Retaining Wall (Study Issue DPW 15-10)	\$50,000 – one time	Fund – General Fund
5.	Funding for an Economic Consultant to Evaluate the Market Potential and Appropriate Land Use Mix for the Town Center	\$50,000 – one time	Fund – General Fund
6.	Funding for Tenant-Landlord Dispute Resolution Services	\$30,000 – one time	Fund – General Fund
7.	Funding for Leadership Sunnyvale	\$6,000 – one time	Fund – General Fund
8.	Sunnyvale Downtown Business Association \$30,000 Funding	\$30,000 – five years, \$150,000 total	Fund – General Fund



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**May 1, 2015**

**SUBJECT: Consider Multi-family Residential Transportation Demand Management Programs (Study Issue CDD 15-02)**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

Although office/industrial projects commonly require Transportation Demand Management (TDM) programs as part of their approval to assist in reducing traffic for a project, there is not a trip reduction requirement for residential developments and no municipal code requirements for residential TDM. This study to consider adding a TDM requirement to residential projects necessitates engaging a transportation professional with experience in creating the programs. Staff supports a budget supplement of \$30,000 in order to complete the study.

**BACKGROUND**

Recent large multi-family residential projects have increased the concerns about increased traffic in the community. One method of reducing traffic from these uses includes preparing TDM guidelines for the developers to use for the new residential projects.

**EXISTING POLICY**

**General Plan – Land Use and Transportation, Goal LT-4:**

Quality Neighborhoods and Districts — Preserve and enhance the quality character of Sunnyvale’s industrial, commercial, and residential neighborhoods by promoting land use patterns and related transportation opportunities that are supportive of the neighborhood concept.

**General Plan – Land Use and Transportation, Policy LT-4.2:**

Require new development to be compatible with the neighborhood, adjacent land uses, and the transportation system.

**General Plan – Land Use and Transportation, Goal LT-5:**

Attain a transportation system that is effective, safe, pleasant, and convenient.

**General Plan – Land Use and Transportation, Policy LT-5.5:**

Support a variety of transportation modes.

**DISCUSSION**

The study issue as scoped out with the Planning Commission envisioned developing a menu of TDM options/guidelines for residential developers. It did not envision setting city-wide TDM goals, regulations or implementation measures for residential projects. Based on Council comments, it appears there is interest to develop a residential TDM program similar to the requirement for office projects. This expanded scope would benefit from bringing in a transportation consultant to assess the appropriate TDM goals and measures based on factors such as development type, project size and

location. A transportation consultant would advise the City on realistic goals and the effectiveness of various tools for meeting these goals. Guidelines developed as a result of this expanded Study Issue will be given to residential project applicants to be able to prepare adequate TDM programs, and will be used by staff and decision-makers in reviewing the programs prepared by the applicants.

**SERVICE LEVEL IMPACT**

There is no impact to service levels from this study.

**FISCAL IMPACT**

The hiring of a transportation professional is estimated to cost \$30,000. This one-time cost will be funded out of the Development Enterprise Fund as the guidelines will assist residential project applicants and staff involved in the project review process. Without external assistance, staff would need to re-prioritize workload in order to expend the time necessary to research and prepare the guidelines in-house. If Council chooses to develop TDM options and guidelines as originally envisioned by the Planning Commission, that work can be completed in house and absorbed into the operating budget for the Community Development Department.

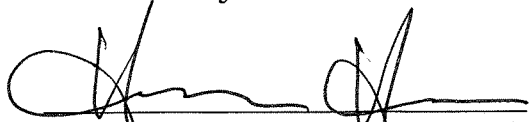
**ALTERNATIVES**

1. Approve the supplement as proposed.
2. Direct staff to prepare the residential TDM guidelines and re-prioritize workload in order to absorb the staff time cost into the Community Development Department Operating Budget.
3. Direct staff to conduct develop TDM options/guidelines as originally envisioned by the Planning Commission, requiring no additional funding.
4. Other direction as Council deems appropriate.

**STAFF RECOMMENDATION**

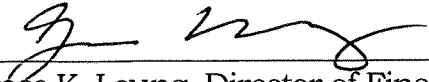
Staff recommends approval of the supplement as proposed. The \$30,000 supplement would enable the City to hire a transportation professional with experience in the subject area, and would provide a thorough understanding of the issue for the general public, applicants, staff and decision-makers.

Reviewed by:



Hanson Hom, Community Development Director  
Prepared by Andrew Miner, Principal Planner  
Prepared by Trudi Ryan, Planning Officer

Reviewed by:

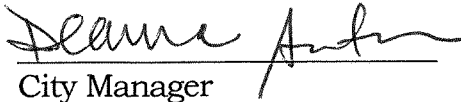


Grace K. Leung, Director of Finance

**City Manager's Recommendation**

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



City Manager

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**May 1, 2015**

**SUBJECT: Determine Steps to Move Forward to Becoming a Silver Level in the League of American Bicyclists – Bicycle Friendly Communities (Study Issue DPW 15-03)**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

This budget supplement is the result of Study Issue DPW 15-03. The \$25,000 cost associated with this Study is for consultant services to evaluate the action items that the City would need to take to achieve Silver Level status. The consultant will also provide conceptual costs for any action items or needed improvements.

**BACKGROUND**

The City is currently at a Bronze Level status and has been for a number of years. While the City continues to improve its bicycle facilities, a more focused direction will provide the City with a way to better prioritize improvements, develop creative bicycle treatments, and help pursue grant opportunities.

**EXISTING POLICY**

**General Plan Land Use and Transportation, Policy LT-5.5d:**

Maximize the provision of bicycle and pedestrian facilities.

**DISCUSSION**

The Study would provide valuable information for the City to identify possible steps and associated costs to continue to improve Sunnyvale's overall bicycle program. This process would provide Sunnyvale with specific goals and priorities and help prioritize funding and staff resources.

**SERVICE LEVEL IMPACT**

Completing the Study will not impact current service levels. However, as a result of the Study, potential improvements may be made that enhance the City's bicycle program and increase bicycle ridership.

**FISCAL IMPACT**

Completing the Study is estimated to cost \$25,000 for consulting services with an outside engineering firm. This would include the scope of work outlined in Study Issue DPW 15-03. The costs would be funded from the General Fund.

**ALTERNATIVES**

1. Approve the supplement as proposed
2. Other direction as Council deems appropriate.

**STAFF RECOMMENDATION**

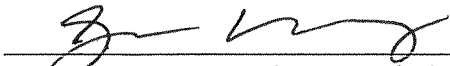
Staff recommends approval of the budget supplement as proposed. The Study will provide valuable information on specific steps the City can take to reach Silver Level status. The Study will also help Sunnyvale pursue future grant opportunities.

Prepared by:



Manuel Pineda, Director of Public Works

Reviewed by:

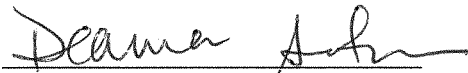


Grace K. Leung, Director of Finance

**City Manager's Recommendation**

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

**May 1, 2015**

**SUBJECT: Determine Feasibility of Establishing a Park Mitigation Fee for Non-Residential Development (Study Issue DPW 15-09).**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

This budget supplement is the result of Study Issue DPW 15-09. The \$50,000 cost associated with this Study is for consultant services to evaluate the action items that the City would need to take to establish a park mitigation fee for non-residential development. The consultant will also provide conceptual costs for any action items.

**BACKGROUND**

This study was initially proposed as part of Report to Council 11-083: Consider an Increase in the Parks Dedication Standard from 3.0 Acres to 5.0 Acres per 1,000 Population. Alternative 2 was for Council to direct staff to provide information regarding the possible implementation of a park mitigation fee for new industrial, commercial and retail development but it was not approved.

**EXISTING POLICY**

**General Plan Land Use and Transportation, Goal LT-8 Adequate and Balanced Open Space:**

Provide and maintain adequate and balanced open space and recreation facilities for the benefit of maintaining a healthy community based on community needs and the ability of the city to finance, construct, maintain and operate these facilities now and in the future.

**DISCUSSION**

The City currently collects parkland dedication or in-lieu fees from developers of specified residential subdivisions and rental housing projects to mitigate the impact an increasing population has on parks and recreation facilities but does not for non-residential development. There is no parkland dedication or in-lieu fees required for non-residential development and while these types of developments may not create the same impacts as residential, many daytime users of the City's parks and recreation facilities are from local companies participating in sports and recreation activities during their non—work hours and lunch breaks.

**SERVICE LEVEL IMPACT**

Completing the Study will not impact current service levels.

**FISCAL IMPACT**

Completing the Study is estimated to cost \$50,000 for consulting services with an outside firm. This would include the scope of work outlined in Study Issue DPW 15-09. Funding would come from the General Fund.

**ALTERNATIVES**

1. Approve the supplement as proposed.
2. Other direction as Council deems appropriate.



**STAFF RECOMMENDATION**

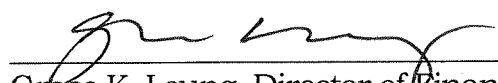
Staff recommends approval of the budget supplement as proposed. Additional funds are required to purchase acreage and develop parks and recreation facilities to meet the needs of day-time residents in areas of the City that are commercial, industrial and retail and are underserved.

Prepared by:



Manuel Pineda, Director of Public Works

Reviewed by:

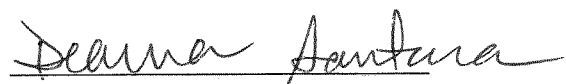


Grace K. Leung, Director of Finance

**City Manager's Recommendation**

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

**May 1, 2015**

**SUBJECT: Relocation of the Butcher House to Heritage Garden Park and Review of the Need for a Retaining Wall (Study Issue DPW 15-10)**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

This budget supplement is the result of Study Issue DPW 15-10. The \$50,000 cost associated with this Study will be used to help masterplan and identify a possible location for the Butcher House at Heritage Park, including conceptual infrastructure needs and a discussion on possible impacts. It will also be used to review the existing site drainage and determine if modifications such as a retaining wall are required to prevent future flooding.

**BACKGROUND**

The Butcher property, located at 870 E. El Camino Real, has been purchased by a developer who is exploring development options for the property. A house on the site referred to as the “Butcher House” is over 100 years old and is considered to be of historical value by the Sunnyvale Historical Society and Museum Association (SHSMA). The SHSMA requested that Council support a project to move the Butcher House to Heritage Park at the Community Center. This study will determine the appropriate location for the house within the park and discuss possible impacts.

In addition, the Heritage Museum experienced flooding during the last major storm. The study will include a review of the existing drainage and a determination if any drainage modifications should be constructed to address any flooding and drainage issues.

**EXISTING POLICY**

**General Plan – Community Character, Policy CC-5.1:**

Preserve existing landmarks and cultural resources and their environmental settings.

**DISCUSSION**

The Orchard Heritage Park project (830480) is a funded capital project to remove and construct a new maintenance building and dumpster enclosure within the park. The purpose of the project is to make the museum and surrounding area more accessible, usable, and attractive. Staff is currently preparing to select a design consultant for this project. Since the study issue items contemplate additional modifications to the park, it would be most effective to combine all projects into one single project. This will impact the schedule for project 830840, but it will allow for a comprehensive plan for all the proposed improvements. The Butcher House relocation will involve more masterplan review, preliminary engineering and additional outreach, but the drainage item is an engineering issue which should fit within the expertise of the designer that will be selected for the current project.

The results of the study will include an estimate of the construction cost to implement drainage improvements or a retaining wall to address drainage issues. The actual design, relocation and construction of the Butcher House would be funded by private funds.

**SERVICE LEVEL IMPACT**

Completing the Study will delay the project 830840 by approximately three months, and the additional work will add approximately another six months to the overall project.

**FISCAL IMPACT**

Completing the Study is estimated to cost \$50,000 for consulting services with an outside landscape architecture firm. This includes the scope of work outlined in Study Issue DPW 15-10, consisting of masterplan review, preliminary engineering concerns, and additional outreach. The cost for construction activities related to relocating the Butcher house and constructing the retaining wall are not included. If Council approves moving forward with these two items then additional construction money will have to be added to the project at a later date. This budget supplement would be funded by the General Fund.

**ALTERNATIVES**

1. Approve the supplement as proposed.
2. Other direction as Council deems appropriate.

**STAFF RECOMMENDATION**

Staff recommends approval of the budget supplement as proposed. The Study will determine the appropriate location for the Butcher House within Heritage Park as well as provide a recommendation to correct any existing drainage issues between the orchard and the museum.

Prepared by:



Manuel Pineda, Director of Public Works

Reviewed by:

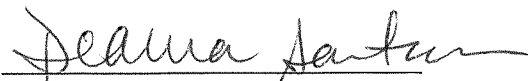


Grace K. Leung, Director of Finance

**City Manager's Recommendation**

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

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**May 21, 2015**

**SUBJECT: Funding for an Economic Consultant to Evaluate the Market Potential and Appropriate Land Use Mix for the Town Center**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

At the March 17, 2015 City Council meeting, Council recommended a \$50,000 budget supplement for the FY 2015/16 Recommended Budget for the purpose of obtaining an economic consultant to evaluate market potential and appropriate land use mix for the Town Center, with particular emphasis on assessing the feasible amount and type of retail uses for the Town Center project.

**BACKGROUND**

On September 2, 2014, day 2 of the Council Strategic Workshop, Council discussed and included questions, comments, and provided general direction related to the Town Center project. In particular, Council informally expressed support for updating the Downtown Specific Plan (Plan), which was last updated in 2003, within the next two years and exploring possible strategies to pursue in the near term. Staff described two primary options for amending the Plan based on the desired scope and objectives. Option one was to work with the property owner to do a Specific Plan Amendment focused on the Town Center. Staff explored option one with the property owner, but the property owner did not initiate the study. Option two was for Council to initiate the study at the City's expense. Council did not direct staff to pursue option two. Instead, Council directed staff to proceed with an intermediate strategy to obtain the services of an economic consultant to analyze the market potential for the Town Center project prior to embarking on a Specific Plan Amendment study.

**EXISTING POLICY**

**General Plan – Land Use and Transportation – Land Use Policy LT-4.3:**

Support a full spectrum of conveniently located commercial, public, and quasi-public uses that add to the positive image of the City.

**General Plan – Land Use and Transportation – Economy Policy LT-7.4:**

Create a strong, identifiable central business district that provides regional and City wide shopping opportunities.

**General Plan – Community Vision - Citywide Vision Goals – IX Dynamic**

**Downtown:**

To create and support a strong and attractive traditional downtown which serves as the community's central marketplace, common gathering place and symbolic center.

**DISCUSSION**

On March 17, 2015, staff recommended and Council approved that staff prepare a budget supplement to obtain the services of an economic consultant to analyze the market potential for the Town Center project before embarking on a Specific Plan Amendment study. The market analysis will be beneficial and assist in defining the scope of a future Specific Plan Amendment study. The economic consultant will be

asked to perform a thorough market and fiscal analysis to identify the appropriate mix and quantity of retail, office, and residential units for a successful project. An economic consultant will be able to provide a thorough market assessment as well as an objective evaluation of the realistic market potential and fiscal implications of various land uses.

**FISCAL IMPACT**

This supplement requires \$50,000 in funding for FY 2015/16 only. Funding would be provided by the General Fund. Associated staff costs would be absorbed within the existing operational budget.


**ALTERNATIVES**

Approval of the budget supplement would allow staff to hire an economic consultant to perform a thorough market and fiscal analysis to identify the appropriate mix and quantity of retail, office, and residential space for the development of a successful Town Center project.

**STAFF RECOMMENDATION**

Staff recommends approving a budget supplement for \$50,000 to evaluate the market potential and appropriate land use mix for the Town Center project, with an emphasis on assessing the amount and type of retail uses.

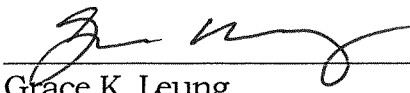
Reviewed by:



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Robert A. Walker, Assistant City Manager  
Prepared by: Connie Verceles, Economic Development Manager

Reviewed by:

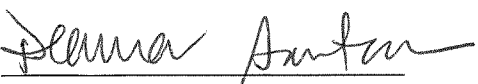


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Grace K. Leung  
Director of Finance

**City Manager's Recommendation**

- Approve Budget Supplement for funding
- Do Not Approve Budget Supplement for funding



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Deanna J. Santana, City Manager

**May 1, 2015**

**SUBJECT: Funding for Tenant-Landlord Dispute Resolution Services**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

This supplement would provide one-time funding in FY 2015/16 for dispute resolution and mediation services by the contractor currently providing these services, Project Sentinel. The focus of this service is on tenant/landlord disputes, but other types of community disputes can also be accommodated to the extent possible. Approval of this request would allocate \$30,000 from the General Fund for this purpose.

**BACKGROUND**

Sharply increasing rents and fierce competition for available rental units have been a topic of much local and regional concern and media coverage in the last several years. Average asking rents for apartments in Santa Clara County increased by nearly 12% over the past twelve months, reaching an average of \$2,457 in the first quarter of 2015, according to RealFacts. The average one-bedroom apartment rent in Sunnyvale was \$2,284 in the first quarter of 2015.<sup>1</sup> These increases are consistent with the double-digit rent increases of the prior several years.<sup>2</sup>

Another trend that has been generating an increased volume of calls and requests for assistance, according to local service providers, is the increased incidence of habitability problems, such as pests, mold, and other hazards or code compliance issues. These arise as lower-income renters have been driven to rent more marginal or poorly maintained units, because the rents for higher-quality units have increased beyond what they can afford. Many renters are afraid to complain to their landlords until the problem becomes very severe for fear they will be evicted. In such situations, tenant-landlord mediation can help tenants and landlords work amicably to get such problems corrected, reducing the burden on city code enforcement staff to mediate between two parties that are often at odds over such situations.

One way to respond to resident concerns about rent increases and related concerns is to provide landlord-tenant mediation services to mediate between the tenant and landlord in such situations. The City has funded dispute resolution services provided by an outside agency for several years. Most of the disputes handled were related to housing issues, primarily tenant/landlord disputes; however other types of cases were also handled, many of which were referred by Department of Public Safety staff, particularly from the Neighborhood Preservation Division, such as disputes between neighbors, or between residents and adjacent businesses. In 2009, a three-year services contract for these services ended.

In FY 2013/14 the City Council allocated \$20,000 from the General Fund for this service. A contract for this service was subsequently awarded to Project Sentinel. In FY 2014/15, Council approved a budget supplement of \$45,000 for this program. So

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<sup>1</sup> Nathan Donato Weinstein, "Apartment rents resume upward march in Q1: Here's how much," *Silicon Valley Business Journal*, April 16, 2015.

<sup>2</sup> Average apartment rents in Sunnyvale increased 23.3% between December 2011 and December 2013, according to RealFacts.



far this fiscal year, Project Sentinel is on track to meet its annual performance objectives goals under its current contract with the City, and has reported that the level of demand for these services is higher than the service level funded through the City contract.

Most of the Sunnyvale cases relate to tenant/landlord disputes, due mainly to sharply increasing rents, and concerns about repairs or habitability, while some cases relate to disputes between other community members, such as between neighbors, resident/business conflicts, HOA matters, or issues with mobile home park managers and tenants.

Although the County of Santa Clara also provides a community mediation program to all county residents, County staff have reported to City staff that they do not have the capacity to handle the volume of calls they have been receiving from community members throughout the County. Some Sunnyvale residents also reported not getting timely service through the County program when the City's program was suspended for several years. In addition, the County does not typically fund this type of service on a county-wide basis, as it is not one of the state- or federally mandated social services programs provided by counties in California (such as CalWorks or MediCal).

In an attempt to secure other funding for this program, Project Sentinel applied for a CDBG Human Services grant of \$50,000 in response to the CDBG request for proposals issued by Housing staff in January 2015. However, its proposal was the lowest-ranked of those received in this category, and there was not enough funding for all of the proposals received, therefore this program was not recommended for funding.

### **EXISTING POLICY**

#### **General Plan - Housing Sub-Element, Goal HE-5:**

Promote equal housing opportunities for all residents, including Sunnyvale's special needs populations, so that residents can reside in the housing of their choice.

#### **General Plan - Housing Sub-Element, Policy HE-5.1:**

Support the provision of fair housing services and tenant/landlord mediation to residents.

### **DISCUSSION**

Sunnyvale has had a long tradition of supporting tenant/landlord mediation and dispute resolution services to help local renters and landlords, as well as other community members, resolve disputes in an amicable manner, as much as possible. Some cases require the services of a professional attorney-mediator, which is provided under the current contract. Administrative tasks, including: contract renewal, invoice processing, performance monitoring, and referring residents to the agency, would be performed by staff in the Department of Community Development, Housing Division.

A professional dispute resolution agency or firm has the capacity and expertise to provide specialized dispute resolution and mediation services that City staff does not have the ability to provide directly. City staff can continue to provide general referrals to affordable housing resources and various informational resources available online. The requested supplement would pay for specialized, professional dispute resolution and mediation services provided by trained professionals, such as attorney mediators and/ or conflict resolution specialists with expertise in tenant/landlord law and in general conflict resolution.

With the economy recovering and housing costs increasing faster than household incomes for a large segment of the local population, the need for dispute resolution services has also increased. In the first three quarters of this fiscal year, Project Sentinel recorded a 34 percent increase in the number of requests for assistance from Sunnyvale residents, compared to the same period in FY 2013/14. Project Sentinel reported that the increasing demand for this service is a county-wide trend, based on the tightening rental market. The agency handed 32 percent more cases in all the cities it serves within the county in the first three quarters of this fiscal year, compared to the same period in the prior fiscal year. So far year to date, Project Sentinel has received more requests for assistance (496) from Sunnyvale residents than from those of any other city it serves in the county. The next highest level of demand was from Mountain View, a smaller city, at 445 requests for assistance.

### **SERVICE LEVEL IMPACT**

The proposed budget supplement of \$30,000 would be a slight reduction in service level compared to that provided in FY 2014/15, but it is 50 percent higher than the supplemental amount recommended by staff last year, which was \$20,000. Staff has limited its recommendation to \$30,000 to be mindful of constraints on the General Fund, however Council may consider a higher amount, as it did last year when it recommended a total supplement of \$45,000 for this program, considering the recent increase in demand for this service reported by Project Sentinel. The current service provider has expressed an interest in training a team of local volunteer mediators, as it has done in Mountain View. This option could help the agency serve more clients with less funding in future years, and offers residents a community service opportunity that has proven popular in Mountain View and Palo Alto. However, establishing and training a group of volunteers would require an additional \$10,000 in start-up funding to pay for training costs, and it would take several months before the volunteers would be ready to begin services.

Council approval of this supplement would fund this program for FY 2015/16 only. Renewal may be considered by Council in subsequent years if the need for this service continues to exist.

Approval of this budget supplement would provide enough funding for dispute resolution services (approximately 86 dispute resolution cases and 8 mediation cases) which are frequently requested by many residents, as well as some property owners and related agencies, such as Sunnyvale Community Services and Tri-Counties

Apartment Association, and, on occasion, the City's Neighborhood Preservation staff or other City staff. To support this program, staff activities include: maintaining the service provider's current contact information on the City's website, making printed referral materials available to the public and staff, updating the scope of work and contract, and processing contract invoices.

### **FISCAL IMPACT**

This supplement proposes \$30,000 from the General Fund for FY 2015/16 only. Associated administrative costs would be absorbed by the Department of Community Development, Housing Division. This funding request may be brought to Council annually, or not, depending on the perceived level of need for this service, measured by the number of requests for service received by staff throughout the year. This annual process enables Council to allocate funding for the upcoming year's budget based on the current economic and financial environment, and the level of community need for this service.

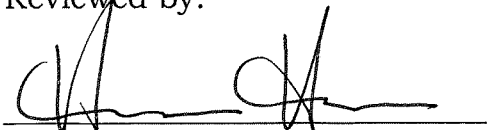
### **ALTERNATIVES**

1. Approve the budget supplement for \$30,000 to fund dispute resolution and mediation services, to be reviewed on an annual basis.
2. Approve a budget supplement for a different amount to fund dispute resolution services and identify a funding source.
3. Do not approve a budget supplement to fund these services.
4. Other direction as provided by Council.

### **STAFF RECOMMENDATION**

Staff recommends Alternative 1, Approve the budget supplement for \$30,000 to fund dispute resolution services, to be reviewed on an annual basis. If Council wishes to fund the program at a higher service level, such as the \$45,000 provided last year, a funding source would also need to be identified. Council may also wish to consider designating some of this funding for the provider to establish a new volunteer mediator program in Sunnyvale, which may cost a little more initially but could provide some cost savings in the long run. Reducing this service further, beyond staff's recommended level, could present other problems, such as leaving code enforcement staff to handle difficult habitability enforcement cases without the assistance of experienced mediators and experts in tenant-landlord law, or generating complaints from residents who would like to receive services but cannot be served within the budgetary constraints of a more limited City contract.

Reviewed by:



Hanson Hom, Community Development Director

Prepared by: Suzanne Isé, Housing Officer, Program Manager

Reviewed by:

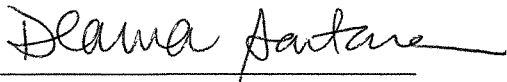


Grace K. Leung, Director of Finance

**City Manager's Recommendation**

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

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**BUDGET SUPPLEMENT NO: 7**

**May 21, 2015**

**SUBJECT: Funding for Leadership Sunnyvale**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

Silicon Valley Leadership (SVL) is an independent, nonprofit community-based organization that has submitted an outside group funding request to continue providing Leadership Sunnyvale in FY 2015/16. Approval of this request would provide \$6,000 to SVL from the General Fund.

**BACKGROUND**

Leadership Sunnyvale is a nine-month public affairs and leadership training program aimed at expanding participants' perspectives on issues affecting Sunnyvale, and developing the skills needed for effective civic and community leadership. For more than ten years the City has provided General Fund support to SVL for Leadership Sunnyvale in accordance with the City's Outside Group Funding guidelines.

The City's past financial support for SVL and the number of Sunnyvale stakeholders served by the program are included in the following table:

<b>Fiscal Year</b>	<b>City Funding</b>	<b>Total Number of SVL Participants</b>
2014/15	\$6,000	18
2013/14	\$5,000	15
2012/13	\$6,000	12
2011/12	\$6,000	12
2010/11	\$6,000	18
2009/10	\$6,000	18
2008/09	\$8,000	22
2007/08	\$8,000	23
2006/07	\$8,323	19
2005/06	\$10,000	15
2004/05	\$7,000	22

**EXISTING POLICY**

**Council Policy 7.2.1 - Community Engagement**

- **Goal B:** Achieve a community in which all community members can be actively involved in shaping the quality of life and participate in local community and government activities.
- **Policy B.1:** Encourage community involvement in the development and implementation of City and community activities, programs and services.

**Council Policy 7.2.4 - Relationships with Outside Groups**

## **DISCUSSION**

SVL is requesting \$6,000 in Outside Group Funding (OGF) for FY 2015/16 and anticipates enrolling 18 participants in the program. Similar to the FY 2014/15 agreement in place, staff is recommending that funding will be provided commensurate with the actual number of enrolled participants in Quarter 1. In FY 2013/14, SVL requested \$6,000 yet only had 15 enrolled participants; based on the pro-rated award per participant, the program received \$5,000 total.

In addition to this request, on September 30, 2014, the City Manager approved an In-Kind Services Agreement between the City and SVL. In-kind services include use of City facilities and City staff presentations at leadership classes.

## **SERVICE LEVEL IMPACT**

SVL's leadership training is consistent with the City of Sunnyvale's Community Vision Goals and Policies. This service is not offered by the City, nor is it included in current budgeted service levels.

## **FISCAL IMPACT**

This Budget Supplement would allocate \$6,000 from the General Fund for SVL to continue Leadership Sunnyvale in FY 2015/16.

## **ALTERNATIVES**

1. Approve the SVL funding request for \$6,000 of Outside Group Funding for FY 2015/16 commensurate with the actual number of enrolled participants; and authorize the City Manager to enter into an Outside Group Funding Agreement for disbursement of the funds in substantially the same format as presented in Attachment 1.
2. Reject the SVL funding request for \$6,000 of Outside Group Funding for FY 2015/16.
3. Other direction as provided by Council.

## **STAFF RECOMMENDATION**

Staff recommends approval of funding commensurate with the actual number of enrolled participants.

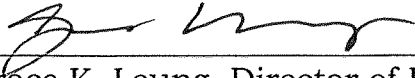
Reviewed by:



Robert A. Walker, Assistant City Manager

Prepared by: Yvette Blackford, Senior Management Analyst

Reviewed by:

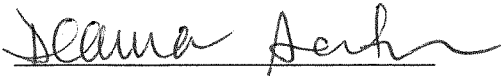


Grace K. Leung, Director of Finance

**City Manager's Recommendation**

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana  
City Manager

**Attachments**

1. Outside Group Funding Agreement



OUTSIDE GROUP FUNDING AGREEMENT

THIS AGREEMENT is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY"), and a non-profit corporation Silicon Valley Leadership ("SVL" or "CONTRACTOR")

WITNESSETH

WHEREAS, SVL has applied to CITY for and has been appropriated City funds in the amount up to \$6,000 for the purpose of providing public affairs and leadership training to community members for fiscal year 2015/16 ("Program").

NOW, THEREFORE, THE PARTIES agree to comply with the requirements set forth in the following documents, which are attached hereto and incorporated by these references herein:

- 1) Exhibit A: Standard Provisions
- 2) Exhibit B: Budget, Method of Payment and Reporting
- 3) Exhibit C: Quarterly Performance Report and Request for Reimbursement
- 4) Exhibit D: SVL Application

I. PROGRAM COORDINATION

- A. ROBERT WALKER, ASSISTANT CITY MANAGER, or his designee, shall be the PROGRAM MANAGER for CITY and shall render overall supervision of the progress and performance of this agreement by CITY. All services agreed to by CITY shall be performed under the overall direction of the PROGRAM MANAGER.
- B. SVL shall assign a single PROGRAM DIRECTOR who shall have overall responsibility for the progress and execution of this agreement. The PROGRAM DIRECTOR may also name a designee to perform these functions. Should circumstances or conditions subsequent to the execution of this agreement change, CONTRACTOR shall notify CITY immediately of such occurrence.
- C. All notices or other correspondence required or contemplated by this agreement shall be sent to the parties at the following addresses:

CITY: Robert Walker – Program Manager  
P.O. Box 3707  
Sunnyvale, CA 94088-3707  
(408) 730-7458

CONTRACTOR: SVL  
Board President  
P.O. Box 2156  
Sunnyvale, CA 94087-0156

This agreement shall be for the period of July 1, 2015, through June 30, 2016.

IN WITNESS WHEREOF, the parties have executed this agreement in duplicate.

APPROVED AS TO FORM: ("CITY")

\_\_\_\_\_  
Joan Borger, City Attorney

BY: \_\_\_\_\_  
Deanna J. Santana, City  
Manager

ATTEST:

("CONTRACTOR")

\_\_\_\_\_  
City Clerk

BY: \_\_\_\_\_  
Board President

("CONTRACTOR")

BY: \_\_\_\_\_

**STANDARD PROVISIONS**

I. OBLIGATIONS OF CONTRACTOR

CONTRACTOR shall be responsible for the following:

A. Organization

1. Provide CITY with
  - a) Articles of Incorporation or other organic documents under the laws of the State of California or under the laws of the state of incorporation that the organization is incorporated.
  - b) A copy of its current bylaws.
  - c) Documentation of nonprofit status under Section 501(c)(3) of the Internal Revenue Code, if applicable.
  - d) Names and addresses of current Board of Directors.
  - e) An updated copy of organization's financial policies.
2. Report any changes in the Corporation's Articles of Incorporation, bylaws, or tax exempt status promptly to the PROGRAM MANAGER.
3. Permit no member of its Board of Directors to become a paid employee or paid agent of CONTRACTOR, or to receive any funds under this agreement, or to have any financial interest in this agreement.

B. Program Operations

1. Coordinate its services with other existing organizations providing similar services in order to foster community cooperation and to avoid unnecessary duplication of services.
2. Include acknowledgment of CITY funding and support on all appropriate publicity and publications, using words to the effect that "services are provided in cooperation with City of Sunnyvale" or "funded in whole or part by City of Sunnyvale."
3. Fully cooperate and communicate with the PROGRAM MANAGER relating to any PROGRAM areas of concern and the impact of PROGRAM on residents of CITY.

C. Fiscal Responsibilities of CONTRACTOR

1. Appoint and submit the name of a fiscal agent who shall be responsible for the financial and accounting activities of the CONTRACTOR, including the receipt and disbursement of program funds.

2. Establish and maintain a system of accounts that shall be in conformance with generally accepted principles of accounting for budgeted funds. Such system of accounts shall be subject to review and approval by CITY for compliance with the applicable requirements for the administration of funds referenced in this Agreement.
3. Document all costs by maintaining complete and accurate records of all financial transactions, including but not limited to contracts, invoices, time cards, cash receipts, vouchers, cancelled checks, bank statements and/or other official documentation evidencing in proper detail the nature and propriety of all charges.
4. Ensure proper internal control practices are in place. This includes complying with the following standard financial policies and procedures:
  - a) All cash received by CONTRACTOR is counted and verified by a minimum of two people.
  - b) Authorized signatories are established for checks and signature bank cards updated when officers change.
  - c) An invoice from a vendor, or standard reimbursement claim form from an individual, is required in order to process a reimbursement.
  - d) All checks, accompanied by supporting documentation, are signed by the fiscal agent and/or other required signatories. Any check written in an amount less than \$251 requires one signature. Any check written for \$251 or greater requires two account signatories.
  - e) All checks are pre-numbered and accounted for monthly. The fiscal agent shall retain a copy of all written checks with supporting documents. All voided checks must be defaced and retained either on the check stub or with the bank account statement.
  - f) No checks may be written to "cash" or "bearer." Blank checks may never be signed in advance, and shall be kept in secured storage.
  - g) The executive director's personal expense checks require two signatures (excluding the executive director) regardless of amount.
5. If the operating budget of the CONTRACTOR is greater than \$500,000, the CONTRACTOR is required to have an independent audit performed. The auditor's report and financial statements, prepared in accordance with generally accepted auditing standards, must be submitted to the CITY within 150 days of the end of the CONTRACTOR'S fiscal year. Exceptions can be made to this requirement with prior approval from the CITY'S Director of Finance.
6. If the operating budget of the CONTRACTOR is \$500,000 or less, or if the CONTRACTOR is not required to have an independent audit performed, CONTRACTOR must provide an annual financial report, which includes a profit and loss statement, a cash flow statement, and budget comparisons in an understandable manner. This annual financial report must be signed by the fiscal agent and must be submitted within 90 days of the end of the CONTRACTOR'S fiscal year.

D. Records, Reports and Audits of CONTRACTOR

1. Preservation of Records: CONTRACTOR shall preserve and make available its records pertaining to the operation of this agreement
  - a) until expiration of three years from the date of final payment pursuant to this agreement, and
  - b) for such longer period, if any, as is required by applicable law, or,
  - c) if this agreement is completely or partially terminated, records shall be preserved and made available for a period of three years from the date of any resulting final settlement.
2. Examination of Records, Facilities: At any time during normal business hours, and as often as may be reasonably necessary, CONTRACTOR agrees that CITY, or its duly authorized representatives, shall have access to and the right to examine its plants, offices, worksites and facilities used in performance of this agreement and its records with respect to all matters covered by this agreement, excepting those falling within the attorney-client privilege. CONTRACTOR also agrees that the CITY or its duly authorized representatives have the right to audit, examine and make excerpts or transcripts of and from, such records, and to make audits of all contracts and subcontracts, invoices, payrolls, records of personnel, conditions of employment, materials and all other data pertaining to this agreement.
3. Audits: The CITY may perform an independent audit of CONTRACTOR'S financial records for consistency with Financial Policies and Procedures. Such audit may cover programmatic as well as fiscal matters. CONTRACTOR will be notified in advance that an audit will be conducted. CONTRACTOR will be afforded an opportunity to respond to any audit findings, and have the responses included in the final audit report. Cost of such audits will be borne by the CITY.

E. Insurance

1. CONTRACTOR shall obtain, at its own expense and from an admitted insurer authorized to operate in California, the insurance coverage detailed below and shall submit Certificates of Insurance to the City of Sunnyvale's Program Manager.
2. CONTRACTOR shall take out and maintain during the life of the contract **Workers' Compensation and Employer's Liability Insurance** for its employees. The amount of insurance shall not be less than \$1,000,000 per accident for bodily injury or disease.
3. CONTRACTOR shall take out and maintain during the life of the contract such **Commercial General Liability Insurance** as shall protect CONTRACTOR, CITY, its officials, officers, directors, employees and agents from claims which may arise from services performed under the

contract, whether such services are performed by CONTRACTOR, by CITY, its officials, officers, directors, employees or agents or by anyone directly or indirectly employed by either. The amount of insurance shall not be less than the following: Single Limit Coverage Applying to Bodily and Personal Injury Liability and Property Damage: \$1,000,000.

4. The liability insurance shall include, but shall not be limited to:
  - a) Protection against claims arising from bodily and personal injury and damage to property, resulting from CONTRACTOR'S OR CITY'S operations and use of owned or non-owned vehicles.
  - b) Coverage on an "occurrence" basis.
  - c) Notice of cancellation to CITY'S Program Manager at least thirty (30) days prior to the cancellation effective date.
  
5. The following endorsements shall be attached to the liability insurance policy, and copies shall be submitted with the Certificate(s) of Insurance:
  - a) The policy must cover complete contractual liability. Exclusions of contractual liability as to bodily injuries, personal injuries and property damage must be eliminated.
  - b) CITY must be named as additional insured with respect to the services being performed under the contract.
  - c) The coverage shall be primary insurance so that no other insurance effected by CITY will be called upon to contribute to a loss under this coverage.

F. Assignability and Independent Contractor Requirements

1. None of the work or services to be performed hereunder shall be delegated or subcontracted to third parties without prior written CITY approval.
  
2. No subcontractor of CONTRACTOR will be recognized by CITY as such; rather, all subcontractors shall be deemed to be employees of CONTRACTOR and CONTRACTOR agrees to be responsible for their performance and any liabilities attaching to their actions or omissions.

G. Nondiscrimination

CONTRACTOR shall not discriminate in employment under the PROGRAM, deny any person the benefits of the PROGRAM, exclude any person from participating in the PROGRAM or subject any person to discrimination under any part of the PROGRAM, on the basis of race, color, religious creed, national origin, ancestry, disability, medical condition, marital status, sex, age of a person forty (40) years of age or older, or any other basis as to which discrimination is prohibited by state or federal law. CONTRACTOR certifies that it is aware of the requirements of the Americans with Disabilities Act and does not discriminate in the provision of its services on the basis of disability.

H. Surveys

CONTRACTOR will submit forms acceptable to CITY, and either independently or at CITY'S request, to clients served through the course of this agreement. These forms are expressly for the purpose of obtaining client satisfaction information which may at any time be used as part of the CITY'S monitoring program.

## II. OBLIGATIONS OF CITY

A. CITY staff shall provide assistance to CONTRACTOR in explaining CITY imposed procedural or substantive contract requirements.

B. Monitoring and Evaluation

Evaluation of the PROGRAM performance shall be the responsibility of CITY, through its PROGRAM MANAGER. CONTRACTOR shall furnish all data, statements, records, information and reports necessary to monitor, review and evaluate the performance of the PROGRAM and its components. CITY shall have the right to request the services of an outside agent to assist in any such evaluation. Such services shall be paid for by CITY.

C. Payment of Invoices

Upon submittal of invoices by CONTRACTOR, CITY agrees to provide payment to the CONTRACTOR, within 30 days of submittal of invoice, subject to the conditions of other provisions in this agreement. CONTRACTOR shall submit invoices on forms provided by CITY.

## III. DISCLOSURE OF CONFIDENTIAL INFORMATION

Confidential information pertaining to or acquired from an individual by CONTRACTOR while performing under this Agreement shall not be disclosed without the permission of that individual unless compelled by order or subpoena of a court or tribunal of competent jurisdiction. Nothing herein shall prevent CONTRACTOR or CITY from using confidential information to perform statistical analyses or other evaluations related to the performance of this Agreement, provided the identity of the individual who is the subject of the information is not disclosed.

## IV. HOLD HARMLESS

CONTRACTOR shall defend, indemnify and save CITY, its officers, employees and elected officials, boards and commissions, harmless with respect to any damages arising from:

A. Any noncompliance by CONTRACTOR or PROGRAM with such laws, ordinances, codes, regulations and decrees;

- B. Any torts committed by CONTRACTOR, its agents, employees or officials, in performing any of the work or providing any of the services embraced by this agreement;
- C. All suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of CONTRACTOR'S performance under this agreement, including CONTRACTOR'S failure to comply with or carry out any of the provisions of this agreement.

V. CONTRACT NON-COMPLIANCE

Upon receipt of evidence of a failure by CONTRACTOR to comply with any provision of this agreement, including EXHIBITS, the CITY shall have the right to require corrective action to enforce compliance with such provisions. CITY shall have the right to require the presence of any CONTRACTOR's officers at any hearing or meeting called for the purpose of considering corrective action within five (5) days of issuing such notice.

In the event of contract non-compliance, the CITY shall forward CONTRACTOR a set of recommended specific actions to correct unsatisfactory program performance and a reasonable timetable for implementing the recommendations. Following implementation of corrective actions, CONTRACTOR shall forward to CITY, within the time specified by CITY, any documentary evidence required by CITY to verify that corrective actions have been taken.

In the event CONTRACTOR does not implement satisfactory corrective actions in accordance with the corrective action timetable, CITY may immediately suspend payments hereunder and/or provide notice of intent to terminate this agreement.

To be eligible for the full funding award of \$6,000, CONTRACTOR must enroll 18 participants at the beginning of the training program and all reasonable efforts must be made to maintain the full enrollment throughout the entire program. If 18 participants are not enrolled at the beginning of Quarter One, then the City shall deduct a pro rata share of the funding award commensurate with the actual enrollment numbers (currently \$333.33 per program participant). Once these amounts are deducted from the total award amount, then the Quarterly reimbursements shall be based on the new revised award amount.

VI. TERMINATION

- A. CITY may suspend or terminate this agreement for any reason by giving thirty (30) days written notice to the other party. Upon the expiration of such notice period, performance of the services hereunder will be immediately discontinued, and such termination will take effect, if notice thereof is not earlier rescinded in writing by CITY.
- B. Upon suspension or termination of this agreement by CITY, CITY shall be under no obligation to pay CONTRACTOR except for services previously performed for which payment had not previously been made.



C. Upon suspension or termination, CONTRACTOR shall:

1. Be paid for all services actually rendered to CITY to the date of such suspension or termination; provided, however, if this agreement is suspended or terminated for fault of CONTRACTOR, CITY shall be obligated to compensate CONTRACTOR only for that portion of CONTRACTOR's services which are determined by CITY to be of benefit to CITY.
2. Turn over to CITY promptly any and all copies of studies, reports and other data, whether or not completed, prepared by CONTRACTOR or its subcontractors, if any, in connection with this agreement. Such materials shall become property of CITY. CONTRACTOR, however, shall not be liable for CITY's use of incomplete materials or for CITY's use of complete documents if used for other than the services contemplated by this agreement.

D. Unless sooner terminated by the parties, or by CITY pursuant to paragraph VI.A. of this Exhibit "B", this agreement shall terminate upon completion of the PROGRAM and final payment by CITY to CONTRACTOR.

#### VII. TERMS AND AMENDMENTS

If either party shall desire any amendment to this agreement, it may submit a written request for such amendment to the other party. No amendment to this agreement shall be effective except upon the mutual written consent of the parties.

#### VIII. COSTS AND ATTORNEY'S FEES

The prevailing party in any action brought to enforce the terms of this agreement or arising out of this agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other party.

#### IX. WHEN RIGHTS AND REMEDIES WAIVED

In no event shall any payment by CITY or any acceptance of payment by CONTRACTOR hereunder constitute or be construed as a waiver by CITY or CONTRACTOR of any breach of covenants or conditions of this agreement or any default which may then exist on the part of CITY or CONTRACTOR, and the making of any such payment while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to CITY or CONTRACTOR with respect to such breach or default.

#### X. INTEGRATED DOCUMENT

This agreement embodies the agreement between CITY and CONTRACTOR and its terms and conditions. No oral agreements or conversations with any officer, agent or employee of CITY shall affect or modify any of the terms contained in the documents

comprising this agreement. Any such oral agreement shall be considered as unofficial information and in no way binding upon CITY.

XI. AGREEMENT BINDING

The terms, covenants and conditions of this agreement shall apply to, and bind, the heirs, successors, executors, administrators, assigns and subcontractors to both parties.

XII. GENERAL ASSURANCES

The CONTRACTOR hereby assures and certifies compliance with the regulations, policies, guidelines and requirements referenced in its application with the CITY, as they relate to the application, acceptance and use of CITY funds for this program. Also, the CONTRACTOR assures and certifies to the CITY that:

1. It possesses legal authority to apply for the funding which CITY has appropriated in connection with this agreement; that a resolution, motion or similar action has been duly adopted or passed as an official act of the CONTRACTOR'S governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the CONTRACTOR to act in connection with that application and to provide such additional information as may be required.
2. It will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other activities.

**BUDGET, METHOD OF PAYMENT, AND REPORTING**

I. BUDGET

Reimbursement to CONTRACTOR shall not exceed \$6,000 for agreement period.

II. METHOD OF PAYMENT

A. Payment for Substantial Compliance with Program Objectives - Payments will be made *quarterly* upon receipt of the Quarterly Performance Report and Request for Reimbursement with sufficient documentation of services provided. CONTRACTOR shall submit Quarterly Performance Report and Request for Reimbursement within fifteen (15) days of the end of payment period (with the exception of quarter four which must be submitted by June 30, 2016). Total reimbursement under this agreement shall not exceed actual allowable documented expenses.

B. "Payment Period" is the *quarter* for which a payment is made.

III. REPORTING

Within fifteen (15) days of the end of quarters one, two and three the CONTRACTOR agrees to provide written reports to the CITY which detail PROGRAM performance in the attached Quarterly Performance Report and Request for Reimbursement. **The written report for quarter four must be submitted by June 30, 2016.** Such reports must include the following information:

A. A narrative description of the services which have been provided to date for the performance year, related to the objectives and performance indicators set forth in this agreement.

B. A numerical comparison of actual-to-planned performance, listing the performance indicators.

C. Identification of performance indicators that are not being achieved, with a written explanation of why performance is below plan, and

timetable for corrective action. If implementation of corrective action requires a substantial change in contract requirements, a modification must be requested also.

- D. Identification of any operational difficulties that may affect the present or future performance of the contract.

Forms for quarterly reports are provided by the CITY.

Due Dates for Reports

<u>Period</u>	<u>Date</u>
July – September	October 15, 2015
October - December	January 15, 2016
January – March	April 15, 2016
<b>April - June</b>	<b>June 30, 2016</b>



<b><u>Reporting Period</u></b>	<b><u>Due</u></b>	<b><u>Reimbursement Requested*</u></b>
___ 1 <sup>st</sup> Quarter	10/15/15	\$ _____
___ 2 <sup>nd</sup> Quarter	1/15/16	\$ _____
___ 3 <sup>rd</sup> Quarter	4/15/16	\$ _____
___ 4 <sup>th</sup> Quarter	6/30/16	\$ _____

*\*Based on award amount, including any provisions in this Agreement to pro-rate the reimbursement amount (\$6000/# of students in Q1 = \$ new annual award; divided by 4 = new quarterly reimbursement requested).*

**1. NARRATIVE.**

Provide a narrative of program/project services rendered to date. Relate to the appropriate objectives.

**2. PROBLEM IDENTIFICATION AND CORRECTIVE ACTION.**

Identify any performance standards not being achieved. Provide an analysis of problem, with corrective action plan and timetable. Attach additional sheet as necessary.

**3. IDENTIFICATION OF OPERATIONAL PROBLEMS.**

Identify any operational difficulties which affect the present or future performance of the contract. Attach additional sheet as necessary.



**May 1, 2015**

**SUBJECT: Sunnyvale Downtown Business Association \$30,000 Funding Request**

**BUDGET SUPPLEMENT REQUEST SUMMARY**

The Sunnyvale Downtown Association (SDA), on behalf of the Business Improvement District (BID), requests five years of annual funding of \$30,000 from the City to support promotional efforts through special events and other marketing tools. Approval of this request would create a project budget for annual funding of \$30,000 to the BID from the General Fund for five years starting with Fiscal Year 2015/2016.

**BACKGROUND**

The SDA requests five years of annual funding of \$30,000 and a formal partnership with the City in order to expand SDA's current marketing efforts of Downtown Sunnyvale. The request is detailed in Attachment A. The reason for the request is to stabilize their existing budget and to extend a formal invitation to the Vice Mayor to serve on the BID's Board of Directors. The Vice Mayor position assignment would eliminate a long-term commitment from one person since the position is rotated annually. The Vice Mayor's assignment would not require a formal selection process for a board member appointment.

The SDA coordinates downtown events including the Summer Music and the Jazz & Beyond series. These are summer events and range from nine (9) to twelve (12) events each year. The fluctuation in number of events is due to annual funding available to the SDA. In order to create a consistent schedule that will support the community and continue with a recognized brand for Downtown Sunnyvale, the SDA would like to use the requested funds to implement a set number of annual events in the downtown and expand their marketing tools to include social media, banner placement at the intersection of El Camino Real and Wolfe Road, and opportunities for cross-promotion between the City's and SDA's social media tools.

On June 24, 2014, Council approved a budget supplement for \$30,000 in matching funds to support the SDA's events including the Summer Music Series, Game Day, The Magic of Sunnyvale and Wine Stroll, and an update to the business directory. This funding was approved for use during the SDA's 2014/2015 Fiscal Year. The Summer Music Series events were successful and continued to attract over 2,000 people per event. The SDA was also able to fund "The Magic of Sunnyvale and Wine Stroll" event currently scheduled for May 9, 2015.

The SDA receives sponsorships from businesses and other agencies to supplement event budgets. These sponsorships include financial and in-kind services. These sponsorships fluctuate on an annual basis and are not a dependable source of income. The partnership and requested funding would enable the SDA to work with City staff to develop and/or enhance events that will continue to serve the community and attract new visitors.



## **EXISTING POLICY**

### **General Plan - Land Use and Transportation, Policy LT\_4.3:**

Support a full spectrum of conveniently located commercial, public, and quasi-public uses that add to the positive image of the City.

### **General Plan - Land Use and Transportation, Policy LT -7.4:**

Create a strong, identifiable central business district that provides regional and City wide shopping opportunities.

### **General Plan - Citywide Vision, Goal IX – Dynamic Downtown:**

To create and support a strong and attractive traditional downtown which serves as the community's central marketplace, common gathering place and symbolic center.

## **DISCUSSION**

According to the SDA, the funding will allow them to stabilize their budget to continue producing the same number of annual events. The SDA would schedule eleven (11) Summer Music and eight (8) Jazz & Beyond events, and continue The Magic of Sunnyvale and Wine Stroll on an annual basis. The funding would also be used to develop additional marketing tools that continue to support Downtown Sunnyvale as a place to visit for entertainment, dining, and a variety of shopping opportunities.

Along with the funding request, the SDA invited the Vice Mayor to serve as a non-voting member of the BID's Board of Directors and requests Economic Development staff's continued support and partnership. This gives the City an opportunity to participate in the planning, marketing and promotion of Downtown Sunnyvale. With the new businesses opening in Downtown Sunnyvale, SDA feels that having this partnership with the City will increase visibility and increase marketing opportunities.

Staff contacted several neighboring communities regarding their support for associations, non-profits and neighborhood group events. Cities such as Palo Alto, San Jose, and Mountain View issue grants in support of events that help attract the public and support their cities' branding efforts. These same cities support their BIDs by providing in-kind services to administer BID legal processes, billing and payment collections. The City currently charges the SDA an average of \$2,000 annually for administration of billing and payment collection. While there is no direct partnership between the cities and business associations, these cities do continue to provide staff support and approve annual funding through their grant programs. Additionally, San Jose and Mountain View have contracts with their downtown associations and/or Chambers in order for those agencies to develop and distribute marketing materials promoting their communities.

### **Service Level Impact**

Funding of this budget supplement will not impact current service levels.

### **FISCAL IMPACT**

This budget supplement would allocate \$30,000 annually from the General Fund to the SDA for a total of \$150,000 at the end of the project life. The annual funding would be disbursed on a reimbursement basis.

### **ALTERNATIVES**

1. Approve the \$30,000 annual funding for five fiscal years requested by the Sunnyvale Downtown Association and direct staff to create a project budget account to distribute on a reimbursement basis.
2. Approve the Vice Mayor serving on the SDA's board as a non-voting member as an intergovernmental assignment.
3. Do not approve the \$30,000 annual funding requested by the Sunnyvale Downtown Association.
4. Approve an amount to be funded annually over the course of a specific number of years to the Sunnyvale Downtown Association, to be disbursed on a reimbursement basis and for specific purposes only, as directed by City Council. If the amount is greater than proposed in Alternative 1, a funding source must be identified.
5. Other direction as provided by Council.

### **STAFF RECOMMENDATION**

Staff recommends Alternatives 1 and 2: Approve the \$30,000 annual funding for five fiscal years requested by the Sunnyvale Downtown Association and direct staff to create a project budget account to distribute on a reimbursement basis and approve the Vice Mayor serving on the SDA's board as a non-voting member as an Intergovernmental Assignment.

Staff recommends approval of the annual funding for the next five years. Council recently made the Downtown a policy priority in order to improve the recognition of downtown as a destination and increase the economic vitality. Developing a partnership with the SDA will provide the City with additional resources for marketing and outreach to attract visitors. Summer events coordinated by the SDA continue to draw over 2,000 people to Downtown Sunnyvale on a weekly basis. Increasing marketing/outreach for these events can help increase attendance and at the same time create a sense of place for people to visit and enjoy.

The SDA may also provide support should Council hire an economic consultant to analyze the Town Center project area's market potential and land use fiscal implications. Consultants typically include outreach to stakeholders to collect current market data, and outreach to the community to evaluate current issues that could affect the area's economic vitality. A partnership with the SDA would support the outreach efforts utilizing the SDA's communication process already in place. This tool would provide the City direct contact with business owners. Also, direct communication from the SDA may provide a better way to improve participation in a

current market data, and outreach to the community to evaluate current issues that could affect the area's economic vitality. A partnership with the SDA would support the outreach efforts utilizing the SDA's communication process already in place. This tool would provide the City direct contact with business owners. Also, direct communication from the SDA may provide a better way to improve participation in a committee, focus group, and attendance at outreach meetings. Also, inclusion of the SDA/BID members in the City's priorities for Downtown would enhance the City's ability to disseminate information to the public and reduce the opportunities for rumors.

Reviewed by:



Robert A. Walker, Assistant City Manager

Prepared by: Connie Verceles, Economic Development Manager

Prepared by: Maria Rodriguez, Administrative Analyst

Reviewed by:



Grace K. Leung, Director of Finance

**City Manager's Recommendation**

Approve Budget Supplement for funding

Do Not Approve Budget Supplement for funding



Deanna J. Santana, City Manager

**Attachment**

1. SDA's Funding Request



March 23, 2015

Ms. Deanna Santana  
City of Sunnyvale  
456 W. Olive Ave.  
Sunnyvale, CA 94086

Dear Ms. Santana,

Thank you for meeting with us last week. Walking away from the meeting gave us hope that a partnership between us is much closer to a reality.

As you are aware, Sunnyvale Downtown Association (SDA) manages finances for the Sunnyvale Downtown Business Improvement District (BID). With the financial aspect of the BID, the SDA has worked to implement events and to market Downtown Sunnyvale for the past eight years. Our mission is to promote, advocate and enhance the vitality of downtown Sunnyvale.

For years, The SDA continues to receive positive feedback regarding the Summer Music and the Jazz & Beyond Series. These are well recognized as "Sunnyvale events" and not just as downtown events. These community events continue to attract over 2,000 people to downtown on a weekly basis. These community events have helped people identify Downtown Sunnyvale as a place to visit, enjoy good restaurants and shop. Since these events continue to be so successful in attracting new visitors to downtown, we feel that it is important to continue to produce quality and safe events.

Additionally, the SDA manages a website that includes: a downtown business directory and provides updates on downtown activities, construction, upcoming events and other information that affects downtown. With the financial help from the City of Sunnyvale, we are in the process of updating our electronic and print version of the downtown business directory. This directory will be distributed to downtown businesses and residents and will be made available to hotels and neighborhood associations.

The SDA is requesting annual funding of \$30,000 in support of SDA's special events and marketing efforts. The annual costs of events and actual amount of collected assessments make it difficult for the SDA to coordinate events too far

ahead of time. We estimate the amount of assessments; however, the amount fluctuates on an annual basis. With the City's financial support approved as part of the General Fund, the SDA would be better able to stabilize a budget knowing that those funds will be available. If the City does not provide the partnership with the \$30,000 annual funding, the events would need to be cut. For example, the SDA will typically hold 11 Summer Music Series and 8 Jazz & Beyond Series events each year. With City support will we be able to maintain our number of events without risk of reduction. Without City support the number of events would fluctuate. The Magic of Sunnyvale & Wine Stroll was cancelled a few years ago due to the lack of funds. With the City's financial support for our current fiscal year, we were able to coordinate the event for this year and it will be held on May 9, 2015.

The SDA is requesting a formal partnership with the City of Sunnyvale. As part of this partnership, the SDA would like to request annual funding of \$30,000 in support of the SDA's marketing efforts of downtown Sunnyvale. This type of funding would support the stabilization of the budget to ensure that certain events remain consistent year after year. Also, we would like to invite the Vice Mayor to serve on the SDA BID's Board as a voting member. This would give council a firsthand understanding of how the SDA is organized and how the SDA continues to be a strong partner with the City. Because the proposed Vice Mayor position is assigned to the SDA board (as opposed to an individual council member) the position will rotate annually. This would eliminate the council member from having a long term commitment to serve on the board and thus would give multiple council members a chance to participate without having to go through a formal selection process on who would become our next board member.

In speaking with other cities, we have found that these partnerships are essential since the benefits of business associations also benefit a city's branding and marketing efforts. Cities such as Palo Alto sponsor events that support building a community or have a direct impact to increasing business. Their partnerships are mainly structured to provide in-kind city services such as Police, Public Works, Transportation, etc. Mountain View and San Jose partner with business associations by sponsoring events that support the business community. These events also help to market and create a sense of destination, even when there are no scheduled events. All three cities absorb BID processing fees for reauthorization, billing and payment collection.

SDA is aware that Council has made downtown a policy priority and we are interested in leveraging our current partnership to help the City move the downtown forward. Council's position of increasing the viability of downtown is important to the SDA because its members are comprised of downtown Sunnyvale business owners. The success of downtown will benefit SDA members and the community as a whole. SDA is committed to participating and assisting the City as changes take place in the downtown.

The SDA would like to maintain Economic Development staff presence at our monthly Board meetings. Economic Development staff continue to work with the SDA for information dissemination and for outreach to its members. Staff has served as the City liaison for SDA and SDA acts as the liaison for downtown merchants. This partnership has helped SDA stay better informed about policies, projects and anything else that may affect business. We believe that our support of staff as the “go-to” entity has helped simplify access to downtown business members and has helped to coordinate one response as a unit for the downtown community.

The SDA has been dedicated to working with the City for many years. We want to continue this support and offer assistance with any projects that may be coming up. A partnership may also include a contract for specific services that the City needs accomplished in the Downtown. We understand that staff and Council have worked hard to promote Sunnyvale and the SDA wants to be a part of this effort.

If you have any additional questions, need addition discussion or support materials please don't hesitate to call us at 408 516-7217 or email at [sda94086@yahoo.com](mailto:sda94086@yahoo.com). We look forward to fostering a partnership between the SDA and the City of Sunnyvale.

Yours in community spirit,

Joe Antuzzi, Board Chair  
Dr. Gary Gold, Vice Chair  
Kathy Johnson, Member-At-Large  
John Sevey, Member- At-Large

Joel Wyrick, Executive Director  
Leigh Odum, Secretary  
Donna Lang, Member-At-Large

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