



ADOPTED BUDGET AND RESOURCE ALLOCATION PLAN

*Fiscal Year 2010/2011
Twenty-Year Financial Plan*

- City Manager's Letter of Transmittal
- Budget Overview and Summary
- Spending Limit
- Financial Plans
- Revenues
- Community Condition Indicators

**City Manager's
Letter of Transmittal**



**Adopted 2010/2011 Budget
and
Twenty-Year Resource Allocation Plan**

**City Manager's
Adopted Budget Message**

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CITY MANAGER'S ADOPTED BUDGET MESSAGE

I am pleased to present the FY 2010/2011 Budget and accompanying Twenty-Year Resource Allocation Plan, as adopted on June 29, 2010 by the Sunnyvale City Council. The specifics of the budget as recommended to Council are discussed in detail beginning in the Letter of Transmittal, which follows this message. This addendum addresses the adoption of amendments to the Recommended Budget.

In the case of the FY 2010/2011 Budget, there were no formal amendments made when it was adopted; however, there were a number of actions taken by Council in relation to the budget at the public hearing held on June 15, 2010. These actions included passing three motions, which: approved eight of nine budget supplements that had been presented for Council consideration; approved a fee to Sunnyvale residents for the Vehicle Citation Correction Verification; and authorized a special project to explore new revenue opportunities.

The development of the FY 2010/2011 Budget was a long and arduous process that required me to make some of the most difficult budgetary decisions of my 20-plus years of municipal government budgeting. Even with some modest signs of improved economic conditions, the City continues to grapple with its new fiscal reality of a reduced revenue baseline and increasing costs, especially those related to personnel. Faced with these challenges, the adopted FY 2010/2011 Budget required significant cost savings measures, including cuts in service levels and limited funding for infrastructure renovation and replacement.

Despite these actions, the City is still forced to draw significantly upon its Budget Stabilization Fund in order to avoid more drastic actions to bring its long-term plan into balance. This reliance on the Budget Stabilization Fund is of great concern to me, as this fund is no longer being utilized as intended. Instead of serving to stabilize services through fluctuations in the economy, the sustained use of the Budget Stabilization Fund is actually subsidizing services to avoid further cuts. This is simply not sustainable and must be addressed. To that end, we are currently working on developing and implementing strategies to control personnel costs, identifying the funding required to restore service levels and rehabilitate and maintain our infrastructure, and researching revenue opportunities. These efforts are necessary to address our structural budget problems and put the City into a sustainable long-term position at all levels.

Respectfully Submitted,



Gary Lyebbers
City Manager

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**Adopted 2010/2011 Budget
and
Twenty-Year Resource Allocation Plan**

**City Manager's
Letter of Transmittal**

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Honorable Mayor and Members of the City Council:

CITY MANAGER'S MESSAGE

Introduction

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

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

Just What Happened to the Revenue?

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

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

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

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

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

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

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

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

Making our Financial Planning System Work

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

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

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

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

What if We're Wrong?

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

"Early Warning System"

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

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

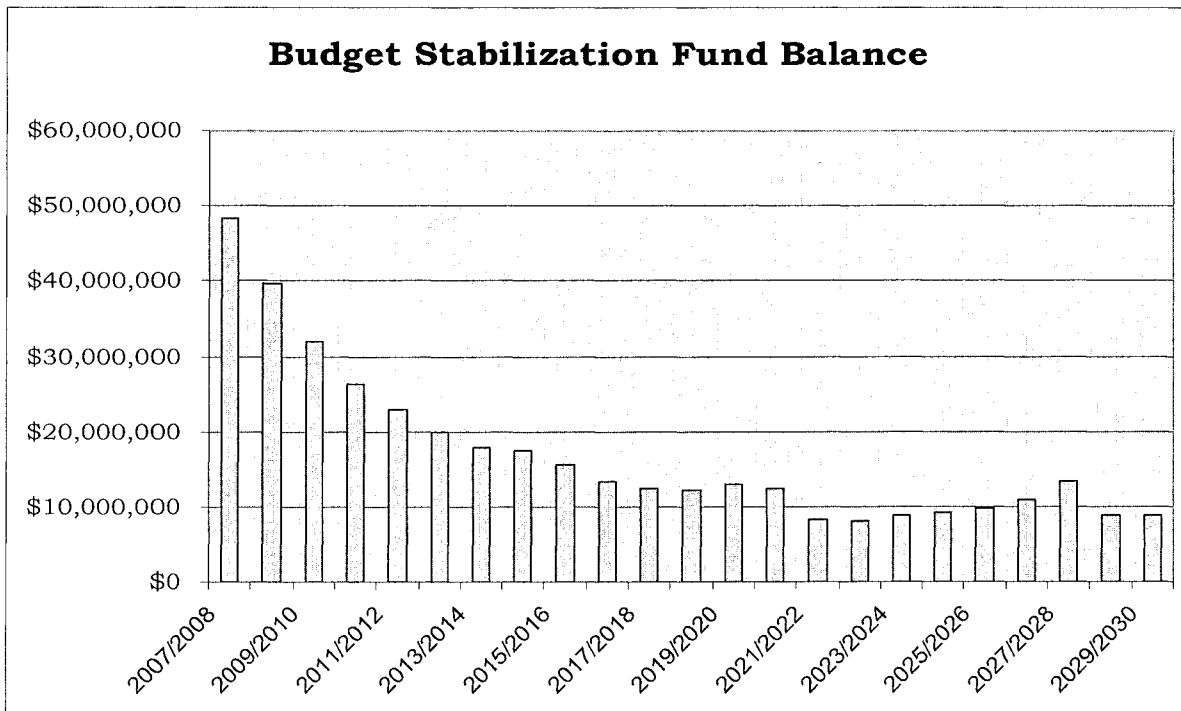
This reserve, which reached \$61 million in FY 2002/2003, is exactly what allowed the City to weather the rapid economic downturn associated with the technology bust in 2001. It also helped us deal with a structural imbalance between revenues and expenditures of \$15 million dollars identified in FY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

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

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

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

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



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

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

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

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

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

Already Implementing

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

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

The Plan

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

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

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

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

Options:

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

Onward and Upward

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

Respectfully Submitted,



Gary Luebbers
City Manager

May 7, 2010

General Fund Financial Fact Sheet

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

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

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

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

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

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

Total revenues and expenditures over the next five years:

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

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

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Savings and New Revenue for 2009 - 2011

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

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

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

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**Budget Overview
And Summary**



**Adopted 2010/2011 Budget
and
Twenty-Year Resource Allocation Plan**

**Fiscal Year 2010/11
Budget Overview**

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FISCAL YEAR 2010/2011 BUDGET	25
OVERVIEW	25
<i>Table I Recommended Expenditures – Citywide⁽¹⁾</i>	25
OVERVIEW OF GENERAL FUND	27
<i>Table II Recommended Total Requirements – General Fund</i>	27
OVERVIEW OF PROPOSED CAPITAL AND SPECIAL PROJECTS BUDGET.....	28
<i>Table III Project Expenditures by Fund</i>	28
ASSUMPTIONS USED IN PREPARING THE BUDGET	29
Purchased Goods and Services	29
Personnel Costs	29
Revenues	31
FY 2010/2011 BUDGET PREPARATION PROCESS	33
BUDGETARY CHANGES	34
PROGRAM CHANGES	34
ENHANCEMENT TO BUDGET FORMAT AND PERFORMANCE AND MANAGEMENT SYSTEM (PAMS)	35
UNDERSTANDING THE SUNNYVALE BUDGET	36
DETAILED FUND REVIEWS	40
GENERAL FUND	40
General Fund Revenues	40
<i>Table IV Recommended Revenues - General Fund</i>	42
General Fund Expenditures	52
General Fund Projects.....	53
General Fund Reserves	55
SPECIAL REVENUE FUNDS	57
Housing Fund	57
HOME Grant Fund.....	59
Community Development Block Grant (CDBG) Fund	60
Park Dedication Fund	61
Asset Forfeiture Fund	63
Police Services Augmentation Fund.....	63
Employment Development Fund.....	64
Parking District Fund	66
Gas Tax Fund	67
Traffic Congestion Relief Program Fund (Proposition 42)	68
Transportation Development Act (TDA) Fund.....	69
Youth and Neighborhood Services Fund	69
Redevelopment Agency Fund.....	70
CAPITAL PROJECTS FUNDS	74
Capital Projects Fund.....	74
Infrastructure Renovation and Replacement Fund.....	77
ENTERPRISE FUNDS	79
Water Supply and Distribution Fund.....	80
Wastewater Management Fund	85
Solid Waste Management Fund	88
Sunnyvale Materials Recovery and Transfer (SMaRT) Station	90
Community Recreation Fund	91
INTERNAL SERVICE FUNDS.....	93
General Services Fund	94
Fleet Services Sub-Fund.....	94

Facilities Management Services Sub-Fund	95
Technology and Communications Services Sub-Fund	97
Project Management Sub-Fund	98
Employee Benefits and Insurance Fund	99
Leaves Benefit Sub-Fund.....	99
Retirement Benefits Sub-Fund	99
Workers' Compensation Sub-Fund	101
Insurance and Other Benefits Sub-Fund	102
Reserve Levels in Employee Benefits and Insurance Fund.....	104
Liability and Property Insurance Fund	104
Sunnyvale Office Center Fund.....	105
FIDUCIARY FUNDS	105
Dorolou P. Swirsky Youth Opportunity Fund.....	105
Fremont Pool Endowment (Trust) Fund	106

FISCAL YEAR 2010/2011 BUDGET

OVERVIEW

The recommended FY 2010/2011 Budget and 20-Year Resource Allocation Plan as presented for Council consideration totals \$249,967,026. As required by City fiscal policy and in accordance with the City Charter, each fund is balanced over the 20-year planning period and all reserve requirements are met.

FY 2010/2011 is the first year of the two-year operating budget cycle and the second year of the projects budget cycle. Therefore, staff presents a two-year budget for all operating programs. Since FY 2010/2011 is the second year of a two-year capital budget, project scope or cost was updated as appropriate and a small number of new projects were proposed.

Table I Recommended Expenditures – Citywide⁽¹⁾						
Expenditure	2008/2009 Actual	2009/2010 Revised Budget	2010/2011 Recommended Budget	% Growth 2010/2011 over 2009/2010	2011/2012 Proposed Budget	% Growth 2011/2012 over 2010/2011
Operating	193,064,144	193,231,151	198,772,534	2.87%	205,791,398	3.53%
Budget Supplements	0	0	220,402	n/a	0	-100.00%
Projects ⁽²⁾	24,209,053	120,616,848	24,145,200	-79.98%	35,834,652	48.41%
Project Administration	1,808,397	1,548,902	1,580,233	2.02%	1,868,292	18.23%
Equipment	518,880	1,119,094	1,091,355	-2.48%	1,047,872	-3.98%
Lease Payments ⁽³⁾	1,873,961	2,121,545	2,181,311	2.82%	2,725,374	24.94%
Debt	6,421,456	7,957,908	9,050,352	13.73%	9,044,322	-0.07%
Payment to Town Center Developer ⁽⁴⁾	552,231	1,769,490	2,125,639	20.13%	1,981,561	-6.78%
Required Reduction	0	0	(200,000)	n/a	(400,000)	100.00%
SUBTOTAL	228,448,122	328,364,938	238,967,026	-27.23%	257,893,471	7.92%
NOVA Workforce Services Grant Programs	8,967,963	11,936,515	11,000,000	-7.85%	9,084,149	-17.42%
TOTAL	237,416,085	340,301,453	249,967,026	-26.55%	266,977,620	6.81%

(1) This table excludes internal service funds, which are reflected as rental and additive rates in the Operating expenditure line.

(2) Projects excludes General Services projects but includes Project Administration costs.

(3) Lease Payments include the Parking Lease, SMaRT Station Long Term Lease and WPCP Rent.

(4) There is no net impact to the General Fund resulting from this payment. This is a payment from the RDA to the Town Center Developer, per the ARDDOPA, that passes through the General Fund.

Table I, above, is a summary of the recommended expenditures for all City funds. This table provides a comparison of the recommended FY 2010/2011 Budget with the revised FY 2009/2010 Budget and the actual expenditures for FY 2008/2009. The spending plan for FY 2011/2012 is also included in keeping with our two-year operating budget cycle.

Because FY 2010/2011 is the first year of the two-year operating budget cycle, operating programs were reviewed extensively this year in light of the severe fiscal crisis that Sunnyvale and other jurisdictions are experiencing. The process utilized in preparing the recommended FY 2010/2011 Budget is discussed in more detail later in the FY 2010/2011 Budget Preparation Process discussion later in this Budget Overview section.

The overall recommended FY 2010/2011 Budget is 26.55% below the revised FY 2009/2010 Budget. The recommended FY 2010/2011 Budget for operating-related expenditures is 2.87% higher than the revised FY 2009/2010 Budget. The individual components of the increases vary for each fund and will be discussed later in the *Detailed Fund Reviews* section of this budget document.

For the recommended FY 2010/2011 Budget, eight budget supplements are presented for Council consideration. Details of the budget supplements are found in the *Budget Supplements* section of *Volume I, Budget Summary*.

The recommended FY 2010/2011 Budget for projects is approximately \$24.1 million, or 79.98% lower than the revised FY 2009/2010 Budget. This is because the FY 2009/2010 budget includes carryover funds for projects budgeted in earlier years but not yet completed.

Details of changes in projects are included in discussion of the individual funds and information on individual projects is included in *Volume II, Projects Budget* of the budget document.

Expenditures for equipment in the recommended FY 2010/2011 Budget total \$1,091,355, reflecting a 2.48% decrease over prior years. This line item reflects equipment purchased in the General Fund for Public Safety, in the Solid Waste Fund for the SMaRT Station, and at the City's Water Pollution Control Plant. The year-to-year change in these expenditures is due to the fluctuations in the equipment replacement schedules for the respective funds.

The line item *Recommended Reductions* is the amount that will be required to be reduced from the Community Recreation Fund operating budget going forward in order for that fund to eliminate a structural imbalance between ongoing resources and ongoing expenditures.

The recommended FY 2010/2011 Budget continues a significant change in the level of grant funding for the NOVA Workforce Services Department (NOVA) that started in FY 2009/2010. This increase in funding is largely as a result of significant monies coming from the American Recovery and Reinvestment Act ("federal stimulus"). It is

expected that NOVA funding will decrease in FY 2011/2012 as these funds are no longer available.

After taking out the effects of the NOVA Grant Programs, the Citywide budget is expected to decrease by 26.55% in FY 2010/2011. Elements of the changes in FY 2010/2011 will be discussed in more detail throughout the *Budget Overview* section of the budget document.

OVERVIEW OF GENERAL FUND

Table II below outlines the recommended expenditures and transfers for the General Fund.

Table II Recommended Total Requirements – General Fund						
Expenditure Character	2008/2009 Actual	2009/2010 Revised Budget	2010/2011 Recommended Budget	% Growth 2010/2011 over 2009/2010	2011/2012 Proposed Budget	% Growth 2011/2012 over 2010/2011
Operating	117,616,542	116,506,099	117,421,388	0.79%	121,721,262	3.66%
Budget Supplements	0	0	220,402	n/a	0	-100.00%
Projects	5,998,625	5,949,600	1,617,175	-72.82%	454,410	-71.90%
Transfers to Projects Funds ⁽¹⁾	550,450	6,356,016	0	-100.00%	102,000	0.00%
Transfers to Other Funds	16,439,111	6,175,059	5,676,293	-8.08%	5,750,260	1.30%
Debt	179,010	177,270	175,145	-1.20%	177,490	1.34%
Lease Payments	1,208,280	1,210,893	1,106,475	-8.62%	1,105,118	-0.12%
Payment to Town Center Developer	552,231	1,769,490	2,125,639	20.13%	1,981,561	-6.78%
Service Level Increases	0	0	0	n/a	570,000	n/a
Equipment	2,051	333,475	345,155	3.50%	283,946	-17.73%
TOTAL	142,546,300	138,477,902	128,687,672	-7.07%	132,146,047	2.69%

(1) Includes transfers to the Capital Projects Fund and the Infrastructure Fund.

As Table II indicates, the overall recommended expenditures and transfers of the General Fund for FY 2010/2011 are 7.07% below the revised FY 2009/2010 Budget.

Because certain aspects of the budget can change dramatically from year-to-year, notably capital, infrastructure, and special projects, a more precise understanding of the comparative budget is in the operating area. The operating portion of the recommended FY 2010/2011 Budget remains essentially unchanged at 0.79% above the revised FY 2009/2010 Budget.

The major components of changes in the General Fund operating budget will be discussed in the *Detailed Fund Reviews* section of the budget document.

OVERVIEW OF PROPOSED CAPITAL AND SPECIAL PROJECTS BUDGET

In keeping with the separation of the operating and project budget cycles, FY 2010/2011 is the second year of a two-year capital and special projects budget. All projects proposed for the 20-Year Resource Allocation Plan underwent a thorough review during last year's budget process, so staff efforts were focused on newly proposed projects or those that had changed significantly in scope or cost.

The recommended FY 2010/2011 Budget contains \$24.1 million in capital and special projects in FY 2010/2011 and a total of \$596.7 million in projects over the 20-year planning period.

Table III below contains project appropriations by fund for FY 2010/2011 and the remainder of the long-term planning period.

Table III Project Expenditures by Fund				
Fund	FY 2010/2011 Recommended Budget	FY 2010/11 to FY 2019/20 Total	FY 2020/21 to FY 2029/30 Total	20 YEAR TOTAL
Asset Forfeiture	81,000	524,931	0	524,931
Capital Projects Fund	6,624,212	18,497,375	386,767	18,884,142
CDBG Fund	1,689,814	5,609,314	3,896,000	9,505,314
Gas Tax Fund	20,000	743,325	2,292,360	3,035,685
General Fund	1,430,229	23,581,689	36,973,585	60,555,274
HOME Fund	512,825	512,825	0	512,825
Housing Fund	238,239	2,388,465	2,504,367	4,892,832
Infrastructure Fund	4,375,505	30,991,041	40,609,669	71,600,710
Park Dedication Fund	15,000	164,244	211,672	375,916
Parking District Fund	5,530	483,783	78,035	561,818
RDA Fund	125,000	512,362	73,519	585,881
Water Fund	3,197,558	21,042,982	17,304,177	38,347,159
Wastewater Fund	5,399,252	227,116,101	154,601,865	381,717,966
Solid Waste Fund	351,036	2,822,143	2,676,845	5,498,988
TDA Fund	80,000	80,000	0	80,000
TOTAL	24,145,200	335,070,580	261,608,861	596,679,441

ASSUMPTIONS USED IN PREPARING THE BUDGET

Sunnyvale's 20-Year Financial Plan includes a number of assumptions regarding the future growth of costs and revenues.

Purchased Goods and Services

Inflation of purchased goods and services for the recommended 20-Year Resource Allocation Plan is assumed to be 0% for FY 2010/2011, 2% per year for the remainder of the first ten years, and 3% for the second ten years. Certain selected budget components, such as purchased water, gasoline, or electricity are increased (or decreased) according to their individual cost characteristics.

There are several changes to purchased goods and services that should be noted. First, there are no election costs included in the Office of the City Manager budget for FY 2010/2011, since it is not an election year. Election costs will appear in the following year's budget.

Second, the City continues to see increases in excess of inflation in the following categories: fuel for City vehicles; utility costs (electricity, gas, water, garbage) for City-operated facilities; software and hardware licensing and maintenance; and purchased water for the Water Fund. On the other hand, the Wastewater Management Fund has experienced a steep decline in chemicals used at the Water Pollution Control Plant.

Details on the increases or decreases mentioned above are contained in the *Detailed Fund Reviews* section of the budget document.

Personnel Costs

Employee salaries and benefits constitute the largest component of the City's budget, particularly the General Fund where they are 82% of total operations.

Included in the recommended 20-Year Resource Allocation Plan are salary increases based on current memoranda of understanding (MOUs) with employee associations. The Public Safety Officers Association (PSOA) and Communication Officers Association (COA) have contracts in place until June 2012 and December 2012 respectively. The MOUs for these two labor associations are based on salary surveys of other comparable Bay Area jurisdictions. Because these increases are dependent on labor market conditions, they do not follow any predictable inflationary pattern but are estimated by Human Resources staff for budgetary purposes. Due to a historically tight labor market for Public Safety positions, these increases have generally been higher than the cost of living.

The MOUs for the Sunnyvale Employees Association (SEA) and the Service Employees International Union (SEIU) will expire at the end of FY 2011/2012. These two MOUs include additional negotiated salary increases of 2% as of January 2011 and 2% in October 2011. The percent salary increases called for in the MOUs have been incorporated in the recommended Long-Term Financial Plan.

In addition, the Sunnyvale Managers Association (SMA) was formed in January 2008 and the MOU with this group will expire in June 2012. Negotiated increases of 2% in July 2010 and 3% in July 2011 for the SMA are included in the recommended Plan. An additional association, the Public Safety Managers Association, was formed in July 2009 and is currently in negotiations with the City on an initial MOU.

Beyond the expiration of the current MOUs, the budget assumes modest increases in salaries in the remaining years. However, total compensation for employees will continue to rise over the 20-Year Long-Term Financial Plan because of increases in CalPERS retirement costs, continued escalation in medical insurance rates, and the effect of funding the City's retiree medical costs.

Losses experienced in the CalPERS investment portfolio since 2000 have had a very negative impact on the City's employer contribution rates for retirement. CalPERS suffered three straight years of negative investment returns totaling about 26% of the portfolio from 2000 to 2003 during the bursting of the dot.com bubble. Following a recovery starting in 2004, where the average annual yield was almost 13%, the portfolio again experienced negative rates of return in 2008 and 2009 as a result of the worldwide global recession. This latest downturn resulted in a negative rate of return of about 24% over the two-year period. When coupled with the expected 7.75% annual earnings rate, this amounts to a negative impact of almost 44% on our CalPERS assets. CalPERS has adopted a separate amortization methodology to handle this historic loss. City staff has been working with CalPERS and our consulting actuary to fully understand the methodology and the impacts that it might have on the City's employer contribution rates going forward. The new CalPERS methodology has a number of uncertainties and built in vulnerabilities which, if unaddressed, could have a negative effect on the City's ability to plan for stable costs going forward.

In April 2010 CalPERS staff released the results of their latest demographic experience study. This study is conducted every five years to identify any changes that may need to be made in actuarial assumptions used to set employer retirement contribution rates. The experience study contained three main findings: longer post-retirement life expectancy; earlier retirement ages for miscellaneous members; and higher salary increases for members with high service. Changes to the assumptions based on these findings will increase employer contribution rates for all agencies. Based on information from our assigned CalPERS actuary, it is estimated that the assumption changes will increase rates by approximately 1.5% of payroll for our miscellaneous employees and 2% of payroll for our safety employees. This equates to an increased cost to the City of approximately \$1.5 million annually beginning in FY 2011/2012. Because of the timing of the study, the increases have not been included in the Employee Benefits and Insurance Fund Long-Term Financial Plan. The effect of the increases, however, have been reflected in the General Fund Plan in the *operations* line item for purposes of balancing.

One final element of the retirement contribution calculations, the assumed rate of return on the portfolio, may be addressed by CalPERS beginning in FY 2010/2011. Any downward changes in the assumed rate of return will have a significant negative effect on our rates and therefore on our Long-Term Financial Plan.

It is clear that these recent changes at CalPERS in assumptions and methodology, coupled with the current investment losses, have created a climate of uncertainty regarding employer contribution rates and the ultimate fiscal health of the retirement plan. For this reason, staff has been working with our consulting actuary to develop a long-term approach to dealing with the funding of our retirement liability for our miscellaneous and safety plans. In short, the plan develops an employer rate for each employee group based on a thirty-year fixed amortization schedule of all unfunded liabilities. Because this approach would require more employer contribution in the first three years of the plan than staff had originally anticipated, the new approach has a phased ramp up of rates, with the difference made up in a slightly higher rate going forward. The proposed new methodology also incorporates information from the experience study and a recommended factor for investment volatility. The new "Sunnyvale approach," which is in keeping with our practice of being proactive and taking responsibility for our long-term fiscal health, is reflected in the FY 2010/2011 Long-Term Financial Plan for the General Fund. It will be necessary to monitor our CalPERS plans very carefully going forward because of the current instability of the situation.

Another personnel cost that is increasing more rapidly than inflation is medical insurance for active and retired employees purchased through CalPERS. For FY 2010/2011 through FY 2013/2014 the budget assumes that medical insurance costs will rise 8% each of the four years and then moderate to 5% for the remainder of the Long-Term Financial Plan. These increases are higher than the rate of inflation assumed in the Plan for revenues and miscellaneous expenditures, but are less than the double digit rate hikes experienced in recent years.

In addition to the increase in healthcare premiums for active employees, the growing number of retirees will continue to impact the City's long-term medical costs. Governmental Accounting Standards Board (GASB) Statement No. 45 requires the City to disclose our liability for other post-employment benefits (OPEB) which consist primarily of retiree medical insurance costs. As per the latest actuarial valuation, the City's unfunded liability for retiree medical benefits amounts to \$92.8 million. This liability has been addressed in the 20-Year Long-Term Financial Plan and a funding mechanism has been incorporated into our projections going forward. In summary, the City will make a large one-time contribution to a Retiree Medical Trust Fund of about \$30 million and then will make the annual required contribution (ARC) until the liability is fully satisfied. At that time, a portion of the ongoing costs will be offset by the interest earnings on the trust funds, reducing the annual amount that the City needs to contribute going forward. More detail on this liability and the funding plan can be found in the *Insurance and Other Benefits Sub-fund* discussion in the *Detailed Fund Reviews* section of the budget document.

Revenues

Projections for major revenues are based on detailed analyses of their unique characteristics and therefore they do not necessarily reflect a simple inflation pattern. The assumptions for each major revenue source will be detailed in the discussions of the respective fund. In general, the recommended FY 2010/2011 Budget assumes that the economic downturn has stopped and a very modest recovery has begun. The receipt of certain revenues, however, do not correspond with the ups and downs of the

economic cycle. For example, due to the timing of the assessment process, the impact of Property Tax appeals will be reflected from one to two years later. In these cases, the revenue projections will appear to be “counter cyclical.”

It should also be noted that the 20-Year Long-Term Financial Plan already reflects growth in revenues due to a projected economic recovery. To the extent that the recovery is slower than projected or the sustainable base of our revenues is lower than assumed, further adjustment will need to be made to expenditures going forward. Any new revenues will, conversely, add to our capability to provide services to the community.

As part of the budget process, staff makes adjustments to the City’s Fee Schedule as necessary to ensure that all fees and charges are aligned with the cost of service, except for those fees that are legally limited, market based, or subsidized by Council policy. Some fees are adjusted by cost factors specific to the particular service. The remainder of the fees are adjusted by the appropriate budgetary inflation factor to reflect the year-over-year increase in personnel and materials costs. The proposed fee schedule for next fiscal year will be presented to the City Council on June 15, 2010.

Several new fees have been added to the proposed Fee Schedule in FY 2010/2011. As part of the effort to ensure that the City is maximizing cost recovery, a review of City services is conducted each year during preparation of the Fee Schedule. Through this process, staff identified a number of areas for which fees had not been previously collected and a new fee for each of these identified services has been recommended. The majority of the new fees are related to the development process and services provided by Community Development, Public Works and Public Safety. Of note is a technology fee which has been added for development projects to cover the maintenance and replacement of the City’s geographical information and permitting systems. This fee will be placed into a reserve in the General Services Fund and used for future replacement or upgrades.

The budgetary inflation assumptions mentioned above are particularly significant since the City utilizes multi-year financial planning over a 20-year period. Small changes can have a significant long-term effect. For example, a \$1 million loss in revenue or a \$1 million increase in operating expenses in an assumed 3% inflation environment amounts to a cumulative \$26.87 million change in position over the entire 20-year planning period.

It should be emphasized that the budget assumptions are all based on the existing service levels approved by Council. This means that the 20-Year Resource Allocation Plan includes no resources to reflect business or population growth. To put it simply, increased demand for services due to a larger service population would have to be absorbed through increased operating efficiencies. Although to some extent economic growth will also increase revenues, in large part this growth has already been anticipated in our budgetary projections.

FY 2010/2011 BUDGET PREPARATION PROCESS

Preparation of the recommended FY 2010/2011 operating budget and Long-Term Financial Plan for the General Fund has been a continuous journey rather than an annual process. Initial steps began in January 2008 as the City recognized the nature and depth of the economic downturn that had started that fall. As the magnitude of the problem became clearer, staff immediately mobilized to identify opportunities to increase operational efficiency. Each department reviewed its operations and put together a list of ways that expenditures could be reduced with no or minor impact on services. These efficiencies, which totaled approximately \$4 million annually, were included in this current year's operating budget and reflected on the General Fund's Long-Term Financial Plan as *Cost Saving Actions*.

A second strategy initiated last year was the resetting of the City's salary base to begin to realign personnel costs with our new lower revenue base. The City Manager asked that each employee group take a "zero year," that is one year with no salary increases, and the City's employee groups agreed to hold salaries constant in FY 2009/2010. As part of this strategy, the assumption for future salary increases beyond current contractually-obligated increases was lowered to reflect what can be accommodated within the City's ongoing revenue base.

Official preparation of the recommended FY 2010/2011 Budget began in the summer amid the backdrop of continued stock market losses, high unemployment, and deterioration in the commercial real estate and housing markets and the effect of these conditions on our revenue base. As departments began preparing their budget requests for the next two years, the direction from the City Manager was to hold costs at FY 2008/2009 actual expenditures or lower. He also emphasized the need to identify potential areas where things might be done differently and more efficiently with no service impact to the community. Concurrently, several programs or functions were moved between departments in order to more closely align services or provide operational efficiencies.

Departmental budget requests were received in the Fall and carefully reviewed by the City Manager. In the meantime, all non-essential vacant positions were held and also reviewed in light of the City's fiscal situation and with an eye toward avoiding organization-wide layoffs. Although the requests adhered to the City Manager's budget guidelines, the target for budget reductions rose as revenues deteriorated further and costs, particularly those associated with our pension contributions, increased. A second round of focused budget reviews then was held to identify further areas that could be reduced or reconfigured with little or no service impacts. This included exploring and implementing several methods of alternative service delivery, including moving median landscaping services into the Department of Community Services and implementing the Library RFID system. And while these efforts were successful and resulted in a leaner, more focused organization, we are an organization stretched thin in the capacity to maintain service levels with existing resources. Additionally, and despite our best efforts, we were simply not able to avoid cutting service levels in some areas. While these service level cuts were relatively modest, it is important to convey that the fiscal struggles that we have faced have impacted our residents.

Overall, the process for developing the recommended FY 2010/2011 Budget has been a difficult one for a variety of reasons. Obviously, the economic climate has created tremendous challenges. Driving operational efficiencies, changing methods of service delivery, and cutting service levels is a difficult and daunting task. What has exacerbated that task, however, has been the fact that we are constantly working with a moving target. Changes to our revenue projections as more information is gathered, the impact of changes to salaries and benefits, and the effect of State takeaways, just to name a few, resulted in a constantly changing snapshot of our financial situation. In fact, just a day before the budget was to be delivered to Council, new information came out regarding our future pension costs that impacted our 20-Year Long-Term Plan. These changes were incorporated, and again the snapshot of our fiscal situation changed. To put some perspective on how much the target moved over the course of the process and the impact those changes had, staff ran over **50** versions of the General Fund's Long-Term Financial Plan in preparing the recommended FY 2010/2011 Budget. These 50+ versions incorporated all of the different changes that were realized over the course of the development of budget.

As noted above, the target continued to move right up until the last day before the budget was presented to Council. New information was received that indicated future pension costs may be slightly lower than what had been projected. Staff incorporated this positive impact into the financial plan, which resulted in the *Service Level Increases* line being added to the General Fund expenditures section. This line item represents the potential reincorporation of services if these changes to pension costs come to fruition. These potential increases begin in FY 2011/2012, which gives staff time to monitor the situation to ensure the City's fiscal position warrants adding services back.

The budget proposal being presented to Council is the result of all of these steps and is still a work in progress. The target will continue to move, and we will continue to monitor the City's revenues and expenditures closely and make adjustments as appropriate. The next fiscal year will likely prove just as challenging as the current, and just as was the case for the recommended FY 2010/2011 Budget, the process for the development of the recommended FY 2011/2012 Budget will begin as soon as this document is delivered.

BUDGETARY CHANGES

PROGRAM CHANGES

Several noteworthy changes were made this fiscal year to the City's organizational structure.

During FY 2009/2010 the responsibility for Fleet and Facilities Services were moved from the Public Works and Community Services Departments, respectively, into the Office of the City Manager (OCM) in order to consolidate certain internal services under one general service provider. This move also involved the relocation of Mail and Print Services from the Information Technology Department to OCM.

Also during this current year the Roadside and Median Right-Of-Way Services Program was relocated from the Public Works Department to the Community Services

Department and incorporated as a service area within the Neighborhood Parks and Open Space Management Program.

The Neighborhood Preservation Program was reassigned to the Public Safety Department from the Community Development Department, while responsibility for the Onizuka Base Realignment project was transferred from OCM to the Community Development Department.

Finally, the City has repositioned the responsibility for financial administration of the Sunnyvale Redevelopment Agency from the Department of Community Development to the Department of Finance in order to more accurately reflect the nature of the work performed.

Because FY 2009/2010 was the second year of a two-year operating budget, the budget was not opened to reflect these changes. However, the recommended FY 2010/2011 Budget now includes the appropriations for these functions in the new departments.

One program change that is worth mentioning is an increase in the frequency of street sweeping beginning in FY 2010/2011. The street sweeping function is contained in a program in the Department of Public Works. Under the proposed change, streets will be swept on a once every two week schedule rather than the current once a month schedule. It should be noted that 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.

ENHANCEMENT TO BUDGET FORMAT AND PERFORMANCE AND MANAGEMENT SYSTEM (PAMS)

A number of changes have been made to the recommended FY 2010/2011 Budget document to make the information easier to access and understand for elected officials, citizens, and staff. The most significant change is the layout of the document itself, specifically the operating budget. Prior to the recommended FY 2010/2011 Budget, the operating budget had been organized by General Plan Element, with each program being contained within a section that linked it to the General Plan. While this sort of document structure was beneficial to the extent it clearly established the relationship between programs, service delivery plans, and activities to the appropriate General Plan Element, the downside was that it was very difficult to easily determine what the operating costs were for the individual departments. To remedy this while attempting to maintain the important linkage of programs and General Plan Elements, the operating budget portion of the recommended FY 2010/2011 Budget has been organized by department. Within each department's section, there is a comprehensive narrative that includes information on what services the department provides, the context of its budget proposal, the cost of the services provided, and the staffing in the department by position. In keeping with the performance-based budget structure, however, each department's section also includes performance and workload indicators, as well as the traditional activity-based budget information, consolidated at the program level.

To support this change, as well as to continue to attempt to make the City's budget more simple, precise, and meaningful, all of the operating programs went through a restructure for the FY 2010/2011 operating budget. The goal of this restructure was to focus on the major units of service that are performed within the programs and to budget resources to those major units. The result of this effort was a reduction in the total number of programs and the total number of activities in comparison to the FY 2009/2010 operating budget. It is expected that a reduced number of activities will result in more accurate budgeting and tracking of costs at the activity level, which will in turn allow for more accurate reporting of results.

Another change was the decision to not require products for every activity. The rationale behind this decision was that in a number of cases, activities had products that were very difficult to capture, which meant that product reporting was not accurate, or the product was of little value and did not reflect the work required to provide a particular service. During the process to restructure the programs and activities, products were carefully reviewed and only included where they were measurable and capturing them provided a benefit.

Finally, the performance measures for each program underwent careful review regarding timeliness, accuracy, usability, reliability, and cost to administer. The result of this review was the development of performance indicators and workload indicators. Staff was requested to concentrate on developing performance indicators for the primary program objectives that would be easily understood by the layperson and have a direct relationship between staff's actions and the resulting impacts. Performance "targets" were eliminated from the indicator language, and staff will report actual results. Workload indicators are simply that – the measure of work performed so that the budget reader can be familiar with the size and complexity of the program or activity.

Performance Indicators and Workload Indicators for each program will be found in the individual department sections of the budget document following the budgeted position table and before the activity-based program information.

UNDERSTANDING THE SUNNYVALE BUDGET

Sunnyvale's Planning and Management System (PAMS) provides a framework for a unique budget document that presents both the immediate short-term action plans and the long-term trends for the City. In this manner, the budget provides the reader a comprehensive view of the City's current financial picture, staff assumptions for long-term trends, and how we work to achieve and maintain financial stability with those assumptions. The following elements contained in this document are integral to understanding this year's budget:

- Performance Based Operating Budget
- Departmental Overviews
- Projects Budget
- Twenty-Year Financial Plans

Performance Based Operating Budget

Sunnyvale's operating budget is organized into programs, or services, and all expenditures are budgeted into activities, which break down the services into logical and manageable components. Where appropriate, work products are budgeted for activities. As a result, the budget presents information on the services the City provides, the cost of services and where logical, how much of the service is planned. This budget structure focuses the City on identifying and quantifying the value created from the efficient/effective provision of City services. Community members can clearly see what services they are receiving and how much they cost, which also holds staff accountable.

In recognition of the tremendous effort required to develop budgets, the City implemented a two-year operating budget in the early 1980's. FY 2010/2011 is the first year of the two-year operating budget cycle. Therefore, this operating budget presents the services and service levels the City will provide for the next two years and the estimated costs of these services. The assumptions used to develop the costs, such as salaries, benefits, and purchased goods are discussed in the *Budgetary Assumptions* section of the Budget Overview. The two-year operating budget sets the foundation for the City's 20-year financial plans.

Departmental Overviews

To understand the proposed two-year operating budget, the departmental overviews provide the context for the services and service levels provided. Leading off each department's program or set of programs, the departmental overviews describe the organizational structure for service delivery, factors that informed the development of the operating budget proposal, and significant changes in the proposed budget as compared to the current budget. Because this operating budget was prepared as the City dealt with the effects of the Great Recession, these departmental overviews provide the details for how staff is realigning expenditures to adjust to the new fiscal reality.

The departmental overviews also include performance and workload indicators for each of the programs the department manages. The performance indicators represent the goals and results staff hopes to achieve with the resources provided while the workload indicators provide output and relevant statistical data. These indicators inform why services are provided and the impacts of the level at which we provide them. As such, the indicators are an important component of the performance based budget structure.

Projects Budget

In the City of Sunnyvale, the term "project" refers to non-operating activities. Beginning in FY 1999/2000, the City segregated each project into one of four possible categories: Capital, Infrastructure, Special and Outside Group Funding. Capital projects are major expenditures related to construction, improvement or acquisition of capital assets. Infrastructure projects are inherently related to capital projects. After a capital project is complete, the City has an asset that must be maintained through the operating budget until the asset reaches a point where maintenance costs exceed

renovation/replacement costs. An infrastructure project is developed in order to provide future funds at the time that replacement or renovation is required. Special projects are one time only in nature and are set up to eliminate the impact such costs would have on operating programs. For example, the cost of service study for refuse services would be a special project. Outside group funding projects are essentially special projects; however, they are established to identify contributions made to local community based organizations.

Projects are identified individually in *Volume II, Projects Budget*. Each project includes estimated costs over the next 20 years. Projects also reflect anticipated outside revenues that will fund the project, such as grants and fees. In addition, project operating costs are budgeted for those ongoing operating costs that will need to be included in future years upon the completion of a given project. Consideration of this information enables decision makers to evaluate the complete costs of proposed actions. This prevents the City from adding assets or activities that are not sustainable over the long term.

The projects budget also includes unfunded projects, which are desirable or pose a liability in the long term but do not have identified funding sources. In some cases, future grant funds may be available for all or a portion of the costs, but it is the City's policy not to recognize these revenue sources until they are actually available. This category is particularly relevant in this current financially-difficult period because it does identify some significant vulnerabilities, especially in the area of the City's aging infrastructure.

Twenty-Year Financial Plans

Under the *Financial Plans* section of this volume of the recommend budget, a 20-year financial plan is presented for each of City's funds and sub-funds. 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. These financial plans provide the vehicle for accomplishing this and communicating the long-term financial picture with decision makers.

Each financial plan lays out the revenues and expenditures by fiscal year. The financial plans include the prior year actual audited results and the current year budget. On the revenue side, the current year budget is updated based on year to date revenue receipts. On the expenditure side, the operating budget is updated with Council approved budget modifications that have occurred during the fiscal year. If significant project budgets are anticipated to be spent in future fiscal years, estimated carryover of project funds will be incorporated.

On the financial plans, the next two upcoming budget years provide the foundation for projecting the trends for the remaining eighteen years of the financial plan. For ongoing revenues, staff works to estimate the next two years as accurately as possible and then analyzes historical information, economic cycles, and factors that can impact the revenue source, among other data, to project the revenue trend over the long term. In depth discussion on the forecasting for the City's major revenues is included in the

Detailed Fund Reviews section of the Budget Overview. Of particular note are the General Fund revenues discussed under the General Fund portion.

For expenditures, the next two fiscal years reflect the operating budget detailed in the operating budget section. All the program budgets are rolled up by fund or sub-fund and the total amounts are in the "Operations" line of the financial plans. From that base, inflation factors are applied to project the operations out for the next eighteen years. Inflation factors are developed for each category of expenditures such as salaries, employee benefits, purchased goods and services and equipment. Project budgets are also totaled by fund and reflected in the "Projects" line of the financial plans. Because the project budgets are developed for the entire 20 years, the "Projects" line shows the total amount budgeted for each fiscal year. Project operating costs are also shown on the financial plan on its own line.

With the revenues and expenditures projected out over eighteen years, the financial plans show the long-term trend lines and if and when the lines cross. The long-term perspective allows decision makers to better understand the true effect of policy decisions and effectively requires that decisions made today guarantee that the resources will be available to provide quality services in the future. This long-term planning horizon prevents wild swings in service levels during the upturns and downturns of economic cycles.

DETAILED FUND REVIEWS

While it is useful to understand the City's overall budget, it is important to emphasize that the City's budget is comprised of multiple funds, with the real short-term and long-term position of the City contained in the respective position of each of these funds. This section will discuss each fund in detail, but places emphasis on the General Fund.

The following review will provide strategic long-term, as well as important short-term, financial highlights for each individual fund.

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 in lieu 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 state of the regional economy has a direct effect on the General Fund.

The General Fund has a very close relationship with several other funds. Those funds are the Community Recreation Fund, the Youth and Neighborhood Services Fund, the Gas Tax Fund, the Traffic Congestion Relief Fund, the Internal Service Funds, the Capital Projects Fund, the Infrastructure Renovation and Replacement Fund, and the Redevelopment Agency Fund. In each case, the condition of these funds has a direct bearing on the General Fund due either to contractual relationships or because the General Fund is a primary or 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 reliable over the long-term. Historical data underscores the fact that a significant swing in revenues can occur due to economic cycles. From a low in 1990 to the high in 2000, the economy has 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 could 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, estimates of actual revenue 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. In making revenue estimates, staff has taken into consideration the fact that the recent “resetting” of the economy has had a major impact on certain of our revenue sources, creating a new, lower base going forward into the future. In general, however, the revenue projections reflect a recovery beginning in FY 2010/2011 and take into consideration the establishment of a new base, if applicable, and any other adjustments to projection assumptions. These assumption changes are discussed in detail in each of the sections that cover the major revenue sources.

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

Five key sources generate about 80% of the City’s General Fund revenues. They are: Property Tax, Sales Tax, Transient Occupancy Tax, Utility Users Tax/Franchise Fees, and Construction-related taxes and fees. The FY 2009/2010 Adopted Budget projected that several of these major revenues would be impacted negatively by the effects of the Great Recession which began in 2008. Since the beginning of the fiscal year, however, the global economy has continued to deteriorate. This has required projections for Sales Tax, Transient Occupancy Tax, and Utility Users Tax (UUT) to be adjusted downward for FY 2009/2010, despite recent signs of economic recovery.

Our projections for FY 2010/2011 and beyond reflect what is expected to be a slow recovery from the Great Recession. Major revenue sources such as Sales Tax, Transient Occupancy Tax, and Construction-related taxes and fees are expected to grow very modestly over the next several years, mirroring what is expected to be a slow economic recovery. However, Property Tax and UUT are expected to decline slightly in FY 2010/2011. In the case of Property Tax, the timing of assessment appeal practices causes Property Tax revenues to lag one or two years behind the current economic cycle. Therefore, the recent significant downturn in the real estate and construction markets will be reflected in FY 2011/2012 and FY 2012/2013. Forecasts for UUT reflect lowered revenues due to vacancies in office and commercial buildings caused by the economic crisis.

Table IV, below, reflects projected sources of General Fund revenues for FY 2010/2011 and compares those sources with the FY 2009/2010 revised projections. Actual revenues for FY 2008/2009 are also included. Overall, our FY 2010/2011 revenues are forecast to be 3.78% higher than estimated FY 2009/2010 revenues.

Table IV Recommended Revenues - General Fund

Revenue Character	2008/2009 Actual	2009/2010 Revised Projection	% Change 2009/2010 over 2008/2009	2010/2011 Proposed Projection	% Change 2010/2011 over 2009/2010
Property Tax	31,761,625	32,275,109	1.62%	31,490,771	-2.43%
Property Tax in Lieu of VLF	10,497,465	10,995,483	4.74%	11,022,972	0.25%
Sales Tax	25,071,916	23,500,000	-6.27%	24,087,500	2.50%
Utility Users Tax	6,841,270	6,622,865	-3.19%	6,562,157	-0.92%
Franchises	6,127,049	5,975,125	-2.48%	6,110,996	2.27%
Transient Occupancy Tax	5,686,217	5,513,241	-3.04%	5,631,782	2.15%
Permits and Licenses	5,434,527	4,385,352	-19.31%	4,825,633	10.04%
Inter-Fund Revenues	6,834,277	5,537,998	-18.97%	8,976,276	62.09%
Repayment from Town Center Developer	552,231	1,769,490	220.43%	2,125,639	20.13%
State Shared	998,831	776,321	-22.28%	794,833	2.38%
Service Fees	3,684,986	2,975,808	-19.25%	3,261,558	9.60%
Interest	1,862,894	789,257	-57.63%	994,080	25.95%
Other Taxes	1,807,301	1,153,910	-36.15%	1,376,567	19.30%
Business License Tax	1,199,364	1,250,000	4.22%	1,250,000	0.00%
Miscellaneous	438,418	415,861	-5.15%	327,795	-21.18%
Rents and Concessions	2,366,161	2,594,417	9.65%	2,511,341	-3.20%
Prop. 172 Sales Tax	1,129,169	1,000,000	-11.44%	1,025,000	2.50%
Fines and Forfeitures	1,177,675	1,128,841	-4.15%	1,150,030	1.88%
Federal and Intergovernmental	617,735	1,207,095	95.41%	149,265	-87.63%
Budget Supplements	0	0	n/a	347,000	n/a
TOTAL	114,089,111	109,866,173	-3.70%	114,021,195	3.78%

Property Tax and Sales Tax values do not include the impact of the Triple Flip

In the following section are detailed discussions of the City's five major revenue sources, including explanations of the revenue forecasts for FY 2010/2011 and beyond. Following that section will be discussions of several other revenue sources of particular note.

Property Tax

Property Tax represents the largest source of General Fund revenue, estimated to be about 37% of all General Fund revenues in FY 2010/2011. For each dollar of Property Tax paid by property owners outside of the Redevelopment Agency (RDA) project area, approximately \$0.16 is now allocated to the City of Sunnyvale. This amount is up from the previous \$0.13 which the City received prior to the implementation of the VLF Swap discussed below. The allocation of RDA Property Tax is different and is discussed in more detail in the review of the Redevelopment Agency Fund.

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, and Tax Delinquencies.

Property Tax has also been the revenue most affected by voter initiatives and legislative actions. With approval of Proposition 13 in 1978, Property Tax revenues were reduced by two-thirds and thereafter limited to 2% annual increases or the Consumer Price Index (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. The total loss to the City of Property Tax since the ERAF shifts began is \$106 million which could have been utilized for property-related basic services.

In FY 2004/2005 and FY 2005/2006 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 2004/2005 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 .65%. For FY 2004/2005, 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 2005/2006, the City began to receive our portion of VLF revenues at the now-permanent low rate. Meanwhile, our Property Tax base reflects the new, permanent base. This Property Tax base grows in the future according to current economic conditions.

It should be noted that the VLF/Property Tax shift results in a cash flow and earnings loss to the City because Property Tax is paid twice a year while VLF was paid monthly.

However, it should also be noted that the Property Tax has been growing at a faster pace than that experienced by the VLF. With the swap now in place, Property Tax is the City's largest General Fund revenue source.

Overall FY 2010/2011 Property Tax revenues are expected to be down approximately 1.7% when compared to FY 2009/2010. Secured Tax is expected to be up very slightly, but Unsecured Tax, Supplemental Tax, and Delinquencies are projected to be lower next year. Below is a discussion of each of these elements of Property Tax revenue.

Secured Tax, which accounts for approximately 90% of total Property Tax revenue, is expected to increase by only 0.25% in FY 2010/2011. As was noted above, since the approval of Proposition 13, Secured Property Tax increases have been limited to 2% annual growth, or CPI, whichever is lower. In all but five cases prior to FY 2010/2011, the annual CPI built into assessed value growth was 2%. In the other five cases, the actual CPI was less than 2% but was always above 0%. For the first time since the approval of Proposition 13, the FY 2010/2011 Property Tax Roll will reflect a negative CPI factor (-0.25%). Fortunately for the City, there was enough turnover in properties that were subsequently reassessed at higher values to ensure that our overall Secured Property Tax didn't decline and will actually increase slightly by 0.25%. However, this minimal increase was below the 1% increase that had been originally projected for FY 2010/2011.

The news is expected to get worse before it gets better for Secured Property Tax, as based on the impacts of the Great Recession and the buildup of commercial real estate vacancies in Sunnyvale, the City's assessed valuation for commercial and industrial properties is expected to drop for FY 2011/2012 and FY 2012/2013. In working with the County to attempt to quantify our exposure to these reassessments, staff is projecting a 5% drop in revenue related to commercial properties in FY 2011/2012 and another 5% drop in FY 2012/2013. However, as history has demonstrated, as quickly as commercial property values can decrease, they also rebound rapidly and return to increasing in assessed value in a relatively short period of time. As such, staff is projecting increases in FY 2013/2014 through FY 2015/2016 to return commercial assessed valuations to their baseline. Growth is then projected through the remainder of the 20-year plan at the historical average.

Two other important elements of Property Tax revenue are the Unsecured Property Tax and Supplemental Property Tax rolls. Unsecured Property Tax grew significantly during the height of the economic boom and has slowly reduced to an average of approximately \$2.3 million annually. Given the current state of the economy, Unsecured Property Tax is expect to contract to approximately \$2 million over the next several years before returning to its inflation-adjusted base in FY 2012/2013. Staff then expects it to increase modestly during the remainder of the 20-year planning period. As commercial properties are increasingly used for office space as opposed to manufacturing space, staff does not expect Unsecured Property Tax revenues to return to the levels seen during the high tech boom.

The Supplemental Property Tax roll reflects properties that are sold or transferred after the official lien date. Supplemental assessments pick up the higher value on the property immediately by using a floating lien date, and the added assessed value is placed on a separate Property Tax bill. Revenue from the supplemental roll is

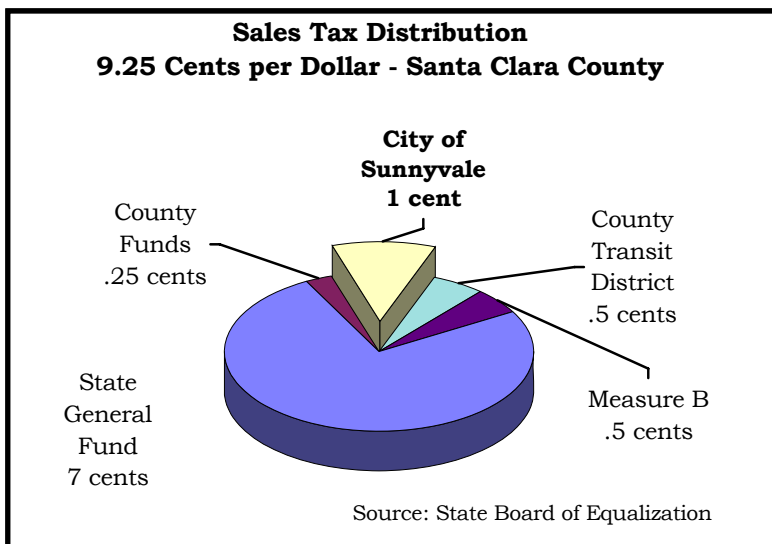
dependent strictly upon timing of sales and thus is difficult to forecast. The City experienced a sharp rise in Supplemental Property Tax revenue during the past several years up to the peak in FY 2007/2008. We are now seeing a corresponding drop due to lower sales volumes and homes reselling for less than their original purchase price in some cases. Supplemental Property Tax is expected to be \$580,000 in FY 2009/2010, a drop of nearly 40% from FY 2008/2009. FY 2010/2011 is expected to be a slow year as well, with revenue at the same level as FY 2009/2010. Supplemental Tax is then projected to grow more rapidly in FY 2011/2012 and FY 2012/2013 as it returns to its historical average and then increases modestly from there throughout the long-term plan.

Sales and Use Tax

Sales and Use Tax represents the second largest source of revenue to the General Fund. Sales Tax is expected to make up 21% of budgeted revenues in FY 2010/2011.

Sales and Use Tax also represents one of the General Fund’s most volatile revenue sources, with drastic swings over the past ten years. In FY 2000/2001, Sales Tax represented the largest revenue source and constituted 32% of total revenue at \$36.3 million. In the following two years, Sales Tax revenue fell at a dramatic rate of 41%, or over \$13.5 million less in revenue. However, in FY 2003/2004 Sales Tax revenues increased slightly from the prior year, marking the first time the City had seen a year-to-year increase since the peak of the technology boom in FY 2000/2001. This trend of recovery continued through FY 2006/2007, with revenues reaching nearly \$31 million. The first three fiscal quarters of FY 2007/2008 also indicated continued growth in this area; however, the bottom fell out during the final quarter of FY 2007/2008, as revenues dropped 14% from the same quarter in the previous fiscal year. Sales and Use Tax revenues in FY 2007/2008 totaled \$29.7 million, and revenues have continued to decline since that time. In FY 2008/2009, revenues dropped to \$25.1 million, and in FY 2009/2010, revenues are expected to only reach \$23.5 million. Since FY 2006/2007, Sales Tax revenues have declined almost 24%.

The graph below shows how Sales Tax dollars are distributed within Santa Clara County. The State receives the largest share of the nine and one quarter cents per



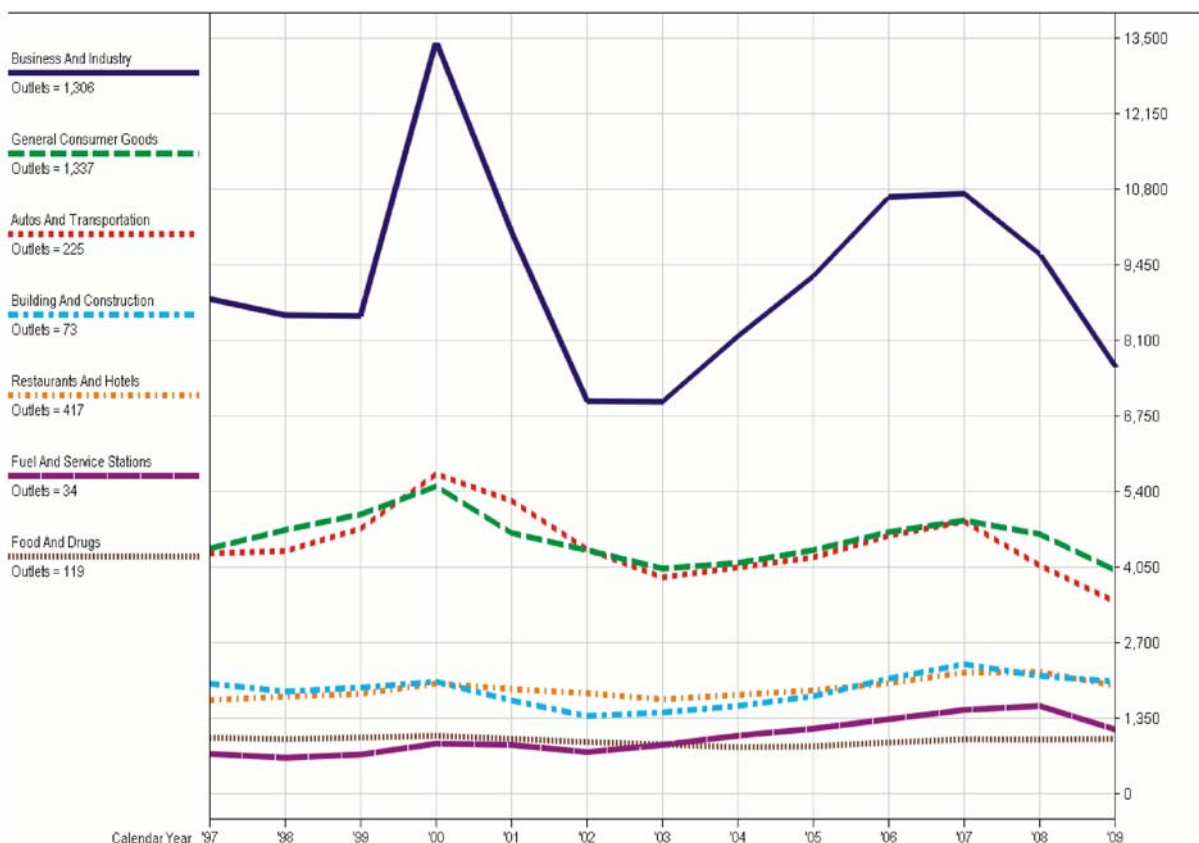
dollar of sales, while cities receive only one cent of the rate. The nine and one quarter cents per dollar rate represents a one cent increase in the total rate, which became effective on April 1, 2009. It is important to note that while the rate has increased by one cent, the State of California receives that entire amount. The City of Sunnyvale continues to receive its standard one cent per dollar share of the Sales Tax distribution.

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 39% of our aggregate as opposed to the statewide average of approximately 18%. This makes our Sales Tax much more complicated and difficult to predict because it is often one-time in nature.

As previously noted, our revised Sales Tax estimate for FY 2009/2010 is \$23.5 million. This is down approximately 6.3%, or \$1.6 million, compared to our actual receipts for FY 2008/2009. The continued decline in taxable sales has impacted nearly every major category of business type. While the initial impact of the Great Recession focused on our auto sales and business-to-business revenue, which represents approximately 55% of our total Sales Tax revenue, the continued decline in FY 2009/2010 has been across the board in all categories.

Specific year-over-year growth projections are developed by dividing Sales Tax receipts into four major categories that have similar economic characteristics: Business and Industry, General Consumer Goods, Autos and Transportation, 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 1996 and 2009, each category has a unique pattern:

City of Sunnyvale Sales Tax Receipts by Major Sector (Calendar Year 1996 – 2009)



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.

Given the dramatic decline in Sales Tax revenues over the past three years, staff has spent significant time analyzing historical Sales Tax revenues and resetting the baseline for this revenue source. The initial reset was incorporated into the FY 2009/2010 Adopted Budget, as our analysis and our understanding of the drivers of the current economic situation led staff to conclude that the City’s Sales Tax baseline required resetting to a lower annual revenue amount.

There were two main reasons as to why this conclusion was reached. First, a review of historical Sales Tax data over the past twenty years revealed there has been very little inflation-adjusted growth in taxable sales for the City. Previous forecasts projected growth that in some cases did exceed simple inflationary growth. Those forecasts were reset to consider predominantly inflationary growth over the long-term plan. Secondly, staff believed the baseline revenue amount that had been previously set was

not the correct sustainable base. The primary reason for this is that much of the consumer spending that fueled the rebound after the dot-com bust was not based on income, but instead was based on credit and home equity. With the substantial decline of the housing market and the chaos in the credit markets that ensued, the days of this type of speculative spending are over. Another reason to adjust the sustainable base is the loss of several of our large Sales Tax generators, most notably four automobile dealerships.

To reflect the factors mentioned above, the baseline Sales Tax revenue projections were brought down to a lower level. Unfortunately, those levels were not low enough, at least in the short term, as actual revenues for FY 2008/2009 missed projections set for the FY 2009/2010 Adopted Budget by nearly \$1 million, and revenues for FY 2009/2010 are expected to be \$2.5 million below what was originally projected. To account for the new, lower base long-term revenue projections have been reset again as part of the preparation of the recommended FY 2010/2011 Budget and reflect reduced projections for the short-term and a slightly lower long-term revenue baseline. For FY 2010/2011, slight growth of 2.4%, is projected as the beginning of what is expected to be a modest recovery with revenues returning to a baseline amount of approximately \$29 million in FY 2014/2015. Inflationary growth is expected for the remainder of the long-term plan.

Following completion of the Town Center project, it is anticipated that the City will receive additional Sales Tax revenue of approximately \$1.5 million per year. We begin showing a portion of these funds starting in FY 2012/2013, with the full \$1.5 million being recognized in FY 2014/2015.

The Triple Flip

In FY 2004/2005 the State issued "Economic Recovery Bonds" as part of the solution to its record budget deficit. These bonds are secured by a mechanism called the "Triple Flip" which swaps local Sales Tax for Property Tax while the bonds are outstanding. In short, the State moves money from cities and counties to the State by raising the State Sales Tax rate by ¼ cent and reducing the local Sales Tax rate by an equal amount. So that cities and counties aren't hurt, an equal amount of Property Tax is taken from the schools (the Educational Revenue Augmentation Fund or ERAF) and given to the cities and counties. The State then makes up this loss by giving the schools an equal amount of money from the State's general fund.

When all of the flips are completed, everyone has the same amount of money as before, but a substantial amount of the State's money is now in a special fund to pay debt service on the bonds instead of in the State's general fund.

The actual Triple Flip began in July 2004. The exchange mechanism will be in place as long as the Bonds are outstanding, and it unwinds automatically when the Bonds are paid off. Although the final maturity of the Bonds is 2023, the State Legislative Analyst Office (LAO) projects that they will actually be fully repaid earlier because of certain provisions in the bond covenants and in the Proposition that authorized them.

The recommended FY 2010/2011 Budget for the General Fund assumes that the Triple Flip mechanism will be in place through FY 2019/2020. Staff has reduced our

Sales Tax projections each year by one-fourth and reflected it as a separate line on the General Fund Long Term Financial Plan called "*Triple Flip - Sales Tax Reduction.*" This same amount is then added to the Property Tax projections in a separate line entitled "*Triple Flip - Property Tax Increase.*" In the Triple Flip, the Sales Tax/Property Tax swap is dollar for dollar based on the actual Sales Tax revenue collected and it does not actually increase the City's Property Tax base. The Triple Flip has no net fiscal impact to the City. The major effect of this mechanism on the City lies in the fact that Property Tax is essentially remitted to us twice a year while Sales Tax is remitted monthly. This causes a reduction in our interest earnings and a potential cash flow effect, which we have taken into consideration in our interest earnings projections for the General Fund.

Utility Users Tax and Franchise Fees

Utility Users Tax (UUT) and Franchise Fees combined represent the third largest source of General Fund revenue, generating about 11% of the total for FY 2010/2011. Historically, these two revenue categories have been combined because one of the primary sources of revenue for both is sale of electricity and gas. 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 for Santa Clara County weighted by population of 3.6% and significantly lower than the statewide average of 6%.

Approximately 59% of UUT revenue is derived from the sale of electricity, 31% is related to intrastate telephone usage, and 10% is derived from the sale of gas.

The single largest component of UUT revenues is the electric rates charged by Pacific Gas & Electric (PG&E.) Staff is projecting a slight contraction in FY 2010/2011 based on the current economic environment. The vast majority of UUT related to PG&E electric is for commercial usage, and with commercial vacancies very high right now, we are seeing the impact on our revenues. FY 2009/2010 revenues for this source are expected to be down approximately 3% from FY 2008/2009, and staff expects another reduction of approximately 2.5% for FY 2010/2011 before revenues begin to recover with moderate economic growth. Growth in UUT revenues for PG&E electric is based on a blended rate that considers general rate-based increases as well as increased usage due to improved economic conditions.

The City also receives approximately \$2 million annually from UUT on intrastate telephone usage. Although the various providers have changed year over year, overall receipts have been fairly stable. While staff expects continued growth in the telecommunications industry, projections have been tempered somewhat as concerns linger about potential legislation impacting the City's ability to collect UUT revenues from telecommunications providers. The telephone UUT is expected to grow by 2% annually in the first ten years of the plan and 2% annually in the second ten years of the plan.

The City receives a one-time franchise payment from PG&E each year which represents approximately 40% 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 2010/2011 Franchise Fees are projected to increase by approximately 2.3% over the current FY 2009/2010 projection. This represents a slight increase in revenues from each of the companies with which the City has a franchise agreement. Projections for future years include moderate year-over-year increases for this aggregate revenue source.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) represents the fourth largest revenue source of the General Fund, constituting about 5% of the total for FY 2010/2011.

TOT revenue is expected to be approximately \$5.5 million in FY 2009/2010. This represents a 25% decline since FY 2007/2008 and mirrors the significant decline that is also occurring in Sales Tax revenues. This large drop in TOT revenue is primarily the result of the slowdown in business-related travel, which is the core business of Sunnyvale's hotels. As the economic crisis has continued, business-related travel has slowed, impacting occupancy and room rates at the City's hotels. In fact, remittances in some cases over the last year have declined to levels last seen in FY 2003/2004 in the aftermath of the dot-com bust.

Projections for future years call for increases based on modestly escalating room rates and stable occupancy. These projections for the long-term are significantly lower than the long-term projections presented in the FY 2009/2010 Adopted Budget. While this is partially attributable to the decline in revenues over the past several years, the primary reason is that we have removed one new hotel from the projection for the recommended FY 2010/2011 Budget. The projection for the FY 2009/2010 Adopted Budget considered a new downtown hotel coming on-line in FY 2011/2012. Given the status of the downtown project, staff believes that the projections for that hotel should be removed from the estimate.

While overall projections for TOT revenue have been reduced over previous long-term projections, there are still areas of vulnerability with respect to this revenue source. One such threat to this revenue source, outside of the uncertainty regarding general economic conditions, is the age of the Sunnyvale hotel stock. Many of Sunnyvale's hotels and motels are older and in need of renovation to maintain competitiveness. Without such renovation, it is expected that the occupancy and room rates of these hotels and motels will decline over the years.

Construction-Related Revenue

Construction-related revenues are the fifth largest source of General Fund revenues. Included in this category are Construction Tax, Building Permits, and development-related fees and charges. For FY 2010/2011 construction-related revenues are expected to be approximately \$5 million, which is an increase of approximately 11% over FY 2009/2010 to reflect an increase in development activity. And while an increased projection is good news, \$5 million in revenue is a 64% decrease from the historical peak of \$14 million reached in FY 2007/2008. These revenue sources have been impacted by the same issues that have affected Sales Tax and Transient Occupancy Tax, as the global economic crisis caused development-related activity to grind to a halt during FY 2008/2009 and FY 2009/2010, with activity only picking up recently. With little-to-no access to credit and a very uncertain environment, projects

that were in the pipeline or even in process were put on hold, with the significant slowdown starting towards the end of 2008. This comes on the heels of five consecutive years of growth in development-related revenues, including the unprecedented \$14 million collected in FY 2007/2008 driven by several large-scale projects.

The FY 2010/2011 projection reflects the expectation of a modest increase in development activity, and future years' projections reflect the return of these revenue sources to a sustainable level. Unlike Sales Tax and Transient Occupancy Tax, the long-term projection for development-related revenues has not seen a reduction in what is considered to be the sustainable baseline, and both short- and long-term projections for the recommended FY 2010/2011 Budget are the same as the projections reflected in the FY 2009/2010 Adopted Budget.

Other Revenue Highlights

The recommended FY 2010/2011 Budget includes certain other revenue sources which warrant some discussion.

Interfund Revenues

Interfund Revenues include repayment to the General Fund of various loans made to other funds. Also included here is the repayment by the Redevelopment Agency of the General Fund advance. Revenues for FY 2010/2011 are projected to be up by 128% over FY 2009/2010. This increase is primarily attributable to the ERAF payment in the amount of \$2 million that the RDA is expected to have to remit to the State in FY 2009/2010; this payment reduces the amount available to repay the General Fund loan and therefore lowers the base in FY 2009/2010. This matter has been litigated and the court decision was that the payment must be made. The City will be remitting the ERAF payment in May 2010.

Currently, the RDA receives 100% of the Property Tax revenues in the project area, minus the "frozen base" established at the time the project was created. This is referred to as "Tax Increment." As noted later in the *Redevelopment Agency Fund* discussion of the *Detailed Fund Reviews* section of the budget document, Tax Increment ceases to flow to the RDA following final repayment of the RDA loan to the General Fund. At that point, the City begins to receive the underlying Property Tax rate of about \$0.16, or about \$2.8 million annually. Unfortunately, this is substantially less than the \$13 million received annually from the RDA loan repayment at that time. This sharp drop in revenue begins in year 20 of the current Long-Term Financial Plan, and the implications of this drop have been considered in our overall revenue estimates.

Interest Income

This revenue source is calculated based upon assumptions of interest rates on allowable investments and on the projected cash balances for the fund. In recent years interest income has been down significantly. There are three major reasons for the reduction in interest income. First, interest rates have continued to decline over this period. The City's is currently earning less than 1% on our investment portfolio because of the low yield on U.S. Treasury and other highly safe similar instruments.

Second is the effect of the Triple Flip and Motor Vehicle Fee/Property Tax Swap. Whereas Sales Tax and Motor Vehicle License Fee revenues were remitted to us on a monthly basis, Property Tax is paid only twice a year. The first installment of Property Tax is sent by the County toward the end of December and the second installment is sent toward the end of April. This schedule results in our major revenue source not earning interest for the bulk of the fiscal year. The final reason for the reduction in interest earnings is the continued drawdown of the Budget Stabilization Fund, which means that there are fewer funds on which to earn interest.

Interest rates on investments are assumed to be approximately 2% for FY 2010/2011, 3% for FY 2011/2012, 4% for the next eight years, and 5% in the last ten years of the 20-Year Financial Plan. This is a decrease from the estimated interest rates on investments from the FY 2009/2010 Adopted Budget, which were slightly higher in the first several years of the long-term plan. The reduced rates for the recommended FY 2010/2011 Budget reflect the current rate environment and the expected continuation of lower rates for the foreseeable future.

General Fund Expenditures

As noted in the earlier *Budget Overview* section of this document, General Fund recommended expenditures and other requirements for FY 2010/2011, including budget supplements, projects, debt service, equipment, and transfers total \$128.7 million. This is 7.07% below the revised FY 2009/2010 Budget.

General Fund operating expenditures for FY 2010/2011 are forecast to be \$117.4 million, an increase of 0.79% above the revised FY 2009/2010 Budget. The change is primarily due to escalating personnel costs, especially expected salary increases due to existing Memoranda of Understanding. Costs for medical insurance and retirement contributions are also increasing. Personnel costs represent approximately 82% of the total General Fund operating expenditures.

It is important to note that 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 and the Transportation Congestion Relief Program Fund. The amount that is used for this purpose varies depending upon funds available and project requirements. In FY 2009/2010 the support amounted to \$2 million. For FY 2010/2011 the level of support has increased slightly to \$2.1 million. These pavement operations costs are netted out from the General Fund operations budget and reflected in the Gas Tax and Transportation Congestion Relief Program Funds.

The recommended FY 2010/2011 Budget includes funding for seven budget supplements in the General Fund. Details on each of the supplements are included in the *Budget Supplement* section of *Volume I* of the recommended FY 2010/2011 Budget document. The supplements are reflected on the General Fund Long-Term Financial Plan on two-line items. The first is the line item *Budget Supplements – Revenues* in the amount of \$347,000 which is in the *Current Resources* section of the Plan. The second is the expenditure line item *Budget Supplements* in the amount of \$220,402 in the *Current Requirements* section of the Plan. It should be noted that the 20-year

effect of the eight budget supplements is a positive impact on the Budget Stabilization Fund of approximately \$2.5 million.

Project Operating, Projects, and Transfers to Projects Funds all reflect General Fund expenditures related to capital and special projects. The content of these expenditures and the change in the budget from last fiscal year are discussed below in the *General Fund Projects* section.

Transfers to Other Funds reflects transfers from the General Fund to other funds for operating purposes. These include transfers to the Youth and Neighborhood Services Fund for support of Columbia Neighborhood Center and to the Community Recreation Fund for support of various recreational programs. Also included is a transfer to the Liability and Property Insurance Fund for the General Fund's share of claims and insurance. Overall, *Transfers to Other Funds* reflects a decrease of 8.08%, primarily because of reduced transfers to the Community Recreation Fund and the Liability and Property Insurance Fund.

Debt in the General Fund provides for payment of a small bond issue which funded certain child care facilities at the Sunnyvale School District; the debt service is totally recovered from rental payments for the same facilities. *Lease Payments* provides the annual rent payment to the Redevelopment Agency Fund associated with the Parking Facility bonds. *Payment to Town Center Developer* is a payment from the Redevelopment Agency to the Town Center Developer related to certain obligations contained in the Amended and Restated Development Disposition and Owner Participation Agreement (ARDDOPA) for the Town Center project. This amount varies from year-to-year and because it is a pass through has no net impact to the General Fund.

Service Level Increases appears in FY 2011/2012, the second year of the operating budget. This represents the amount which is available to use for ongoing operating or capital expenses assuming all existing expense and revenue projections are realized. More importantly, in light of the continuing uncertainties related to our CalPERS costs, the *Service Level Increases* line item serves as a critical safety net to counter any further assumption or actuarial methodology changes.

The *Equipment* line item contains the appropriations for Public Safety equipment which previously was budgeted in a General Services Sub-Fund.

General Fund Projects

This is the second year of the two-year budgeting cycle for projects. Therefore, staff efforts were limited to review of newly-proposed projects and those that had changed significantly in scope or cost. Descriptions and detailed financial information on all projects can be found in the budget document, *Volume II, Projects Budget*.

The recommended FY 2010/2011 Budget for the General Fund includes \$1,617,175 for capital and special projects, outside group funding, and project administration. Capital projects in the amount of \$75,272 are proposed for FY 2010/2011. Included in

this amount is \$55,000 to continue the enhanced Downtown Area Maintenance project for one more year while construction activities in the area are taking place.

Special Projects in the amount of \$1.3 million have been proposed for FY 2010/2011. The largest of these special projects includes \$728,083 for recruitment and training of sworn public safety officers. Beginning in FY 2006/2007, the Public Safety Department began 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. This methodology allows expenditures to fluctuate each year based on the number of recruitments and allows for better monitoring and tracking of costs. Funds in FY 2010/2011 are appropriated in one recruitment and training project to complete the training of the three recruits currently in place.

A total of \$52 million for recruitment and training of public safety officers is included in the proposed budget over the 20-year planning period. This represents a reduction of \$14.7 million from estimates contained in last year's budget, due in part to continuing enhancements in the recruitment and training methodologies being used, better estimates as to retirements and vacancies, and a higher retention success rate. Another significant element of the change in cost is the staffing adjustments that have been made to the Public Safety Department budget this year as part of the City's budget balancing efforts. Since each sworn officer costs about \$341,000 to recruit and train, reduction or conversion of sworn positions to professional civilian staff as appropriate has a substantial effect on the recruitment and training projects over the 20-year planning period.

It should be noted that the fixed costs associated with this activity, which include management oversight and recruitment, continue to be part of the Public Safety Department operating budget.

In addition to the Public Safety recruitment project, funds in FY 2010/2011 are appropriated to nine special projects, including: City-wide Aerial Photos (\$60,000); Maintenance of City-Owned Properties Downtown (\$10,000); 239-241 Commercial Street Maintenance (\$5,000); Update of Non-Mandated General Plan Sub-elements (\$140,000); Downtown Underground Parking Insurance (\$111,458); Town Center Construction – Public Works Services (\$160,000); Department Operational Efficiency and Optimum Staffing Studies (\$50,000); History Museum Utility Reimbursement (\$4,000); and Avoid the 13 DUI Enforcement Campaign (\$7,940).

The General Fund recommended FY 2010/2011 Budget also contains \$78,477 for Outside Group Funding as per Council policy. In future years, an ongoing \$100,000 is reflected throughout the 20-Year Resource Allocation Plan.

Project Administration costs in the amount of \$186,945 are included in the General Fund appropriations for FY 2010/2011. This reflects costs of Public Works staff for design and inspection of General Fund capital projects included here and the Capital Projects Fund.

Additionally, General Fund-related projects are found in several other places in the budget: the Gas Tax Fund, the Capital Project Fund, and the Infrastructure Renovation and Replacement Fund. These latter categories are considered to be

related to the General Fund because it is the ultimate source of financial support through contributions or transfers. The recommended FY 2010/2011 Budget contains no transfers from the General Fund to the Capital Projects Fund or Infrastructure Fund for FY 2010/2011.

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 in the Fiscal Sub-element of the General Plan.

The General Fund currently has three reserves that are contained in the General Fund's Long-Term Financial Plan under the sub-heading, *Reserves*.

The first is the *Contingencies Reserve*. By Fiscal Policy, this reserve must be equal to 20% of the operating budget each year to cover emergency or disaster. It is not intended for normal unanticipated expenditures. This reserve changes each year as operations of the General Fund either increase or decrease.

A second reserve in the General Fund mandated by Fiscal Policy is entitled the *Budget Stabilization Fund*. In prior years, it was called the *20-Year Resource Allocation Plan (RAP) Reserve*. However, because calling it a reserve often led to confusion as to its use, it has been renamed to more accurately reflect its intended purpose. The Budget Stabilization Fund functions to levelize economic cycles from year to year. In essence, this fund increases during periods of economic growth and is 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.

The function of the *Budget Stabilization Fund* and its strength was particularly apparent when the City struggled with the rapid economic downturn resulting from the technology bust. In prior years when the City was experiencing the height of the economic cycle, the City was prudently adding to the reserve, which built up over time to the \$61 million level reached in FY 2001/2002. Then, as the effects of the economic downturn began to be fully felt, the reserve was available to provide a "cushion" to maintain City services while dealing in a systematic way with the City's new fiscal reality. In the recommended FY 2003/2004 Budget, a structural imbalance between revenues and expenditures of \$15 million was identified. A plan consisting of a combination of service level/expenditure reductions and fee increases was implemented to bring the General Fund back into structural balance between revenues and expenditures over a two-year period. After falling from \$61 million in

FY 2001/2002 to \$44 million in FY 2004/2005, the Budget Stabilization Reserve recovered in FY 2005/2006 and remained at a relatively consistent level between \$54 and \$58 million. In FY 2008/2009, a transfer was made from the Budget Stabilization Fund to the Employee Benefits and Insurance Fund to begin to fund the City's unfunded liability for retiree medical benefits, leaving the Budget Stabilization Fund with a balance of \$39.7 million.

As the current steep recession began in 2008, the drop in revenues and increase in personnel costs which followed caused the Budget Stabilization Fund to continue to drop and it is estimated that it will end FY 2009/2010 at about \$32 million. The Long-Term Financial Plan for the General Fund contained in the recommended FY 2010/2011 Budget forecasts that the Budget Stabilization Fund will be drawn down each year until it reaches about \$8 million in FY 2022/2023. At that point it begins to move up and down moderately with the economic cycle.

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 1994/1995 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 2006/2007 the reserve name was changed to *Reserve for Capital Improvement Projects* to reflect its expanded purpose. At the end of FY 2009/2010, it is projected that the balance in this reserve will be \$4.9 million. This reflects a drawdown in the amount of \$375,000 to fund the Downtown Wayfinding and Gateways project scheduled for FY 2009/2010. The balance of this reserve reached \$8.8 million in FY 2007/2008, largely due to addition of proceeds from the sale of land to the Town and Country developer totaling \$8.5 million. Prior budgets included appropriations from this reserve to fund certain downtown capital improvement projects. The reserve stays at \$4.9 million for several years and increases throughout the Long-Term Financial Plan as several of the City's land assets are sold.

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.

In addition to the reserves mentioned above, the General Fund also previously had an on-going *Service Level Set-Aside* included in the *Current Requirements* section of the Long-Term Financial Plan. This set-aside represented funds that were available to increase service levels or add new services. Actions taken during previous budget adoption reduced the set-aside to zero to fund a series of budget supplements. Because of the existing structural imbalance in the General Fund and the need to make substantial budget reductions, no *Service Level Set-Aside* funds have been programmed over the 20-year planning period.

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 revenues from housing mitigation funds and Below-Market-Rate ("BMR") fees and fines. Expenditures are for operating activities related to developing affordable housing and managing the City's below-market-rate housing program and for capital and special projects targeted to achieve the goals of the City's Housing and Community Revitalization Sub-Element of the General Plan and the 2010-2015 Consolidated Plan. The Consolidated Plan is a five-year comprehensive planning document submitted to the federal government. It identifies a jurisdiction's overall needs for affordable housing and non-housing community development. The federal government requires the City to submit annual updates during the intervening years of the Consolidated Plan, and this is generally done in May of each year. The Housing Fund contains two sub-funds, one to account for the City's local Housing Mitigation Fee and the other to account for the Below Market Rate Housing program.

Housing Mitigation Sub-Fund

Housing Mitigation fees are paid by high-intensity industrial developers to mitigate development impacts on the City's jobs/housing balance. These funds are used to support the provision of affordable housing within the City. Housing Mitigation funds, including accrued interest, are maintained in a separate sub-fund of the Housing Fund. Over the past several years, this funding source has allowed the City to undertake a number of important housing-related activities, including contributions to the Housing Trust Fund of Santa Clara County, housing assistance for teachers and City employees, and support to a number of non-profit developers in the production of affordable housing.

During the first ten years of the Long-Term Financial Plan, Housing Mitigation fees in the amount of \$9.9 million are projected to be received from high-intensity developments. During the second ten years, an additional \$16.4 is projected.

Housing loan repayment revenues in the Housing Fund/Housing Mitigation Sub-Fund reflect payment with interest for two types of loans — those to non-profit organizations to develop affordable housing and those made under *Project 823560 – Housing for City/Public School/Child Care Employees*. Loans made to non-profit organizations are generally deferred, with simple interest computed annually and one lump-sum payment made at maturity of the loan. Loans made to individuals are deferred for five years, and then amortized over a fixed period, generally 25 years.

During the first ten years of the planning period, total loan payments of \$3 million are expected in the Housing Fund/Housing Mitigation Sub-Fund. Of that total, \$952,614

has been put in the Plan as an estimate of the payment from Mid Peninsula Housing Coalition for the property at 662 Garland Avenue and \$1,420,000 for the Fair Oaks Senior Housing project. The actual repayment amounts will depend upon the final loan agreement. The remaining amount includes installment payments of \$182,575 from EHC Lifebuilders for the property at 183 Acalanes Lane and repayment of the Aster Park project in the amount of \$450,000.

Real property sales of \$650,000 are programmed in FY 2012/2013 to reflect the sale of the property located at 388 Charles Street in downtown Sunnyvale. In keeping with Council policy, this property and the others owned by the General Fund in downtown will be sold following development of the Sunnyvale Town Center. Rental income from the property until the sale is reflected on the Long-Term Financial Plan through FY 2011/2012.

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

Project expenditures totaling \$182,497 for FY 2010/2011 are for four special projects: maintenance of the City owned affordable housing unit at 388 Charles St. (\$4,725); First-time homebuyers assistance (\$150,000); Pre-development costs on affordable housing sites (\$20,000); and County-wide Homeless Count (\$8,310).

Beginning in FY 2009/2010, \$8.2 million has been set aside in a reserve for homeless assistance as part of the Onizuka Base Relocation and Closure process. These funds are programmed for expenditure in FY 2011/2012.

By the end of FY 2011/2012 the Housing Mitigation Sub-Fund is projected to have a Housing Mitigation Reserve balance of approximately \$2.5 million. These funds are available to be loaned to non-profit agencies for affordable housing projects in the City as they are identified. A placeholder entitled *Future Housing Projects* is included in the Long-Term Financial Plan for projects that are not as yet developed.

Below Market Rate (BMR) Housing Sub-Fund

The Housing Fund has a second sub-fund that contains Below Market Rate (BMR) housing activities.

The BMR Program is not designed to generate funding for housing, but rather to cause affordable housing to be constructed as part of residential development projects in the City. The Municipal Code requires that 12½% of all new for-sale housing and 15% of all new rental housing be set aside for sale or rental to very low, low, and moderate income households at affordable prices or rents established by the BMR program. Both the ownership and rental programs have specific eligibility requirements for participation. Sunnyvale currently has 157 units of BMR rental housing, and 291 units of BMR ownership housing, 14 of which were added over the past year. Staff is projecting that over 75 new ownership units will be added to the BMR inventory over the next three years.

The BMR homes for sale are available for purchase by households between 70% and 120% of area median income. City staff manages the BMR homebuyer waiting list,

verifies eligibility of prospective buyers, and facilitates the purchase transaction for each buyer. There are 129 households currently on the BMR waiting list. An audit of each BMR homeowner is conducted annually to ensure their compliance with the deed restrictions.

The BMR rental units are available to households at seventy percent or less of area median income. The management of the wait list and verification of eligibility is the responsibility of the property manager or owner of each rental property. To rent a BMR unit, households must either live or work in Sunnyvale (an exception can be made to this rule if there is no current wait list), be within the BMR income and asset limits, and must certify their eligibility to participate in the program each year. To ensure program compliance, staff annually audits the tenant files at each complex.

Revenues in the BMR Sub-Fund include BMR processing fees, revenues from BMR code violations, payments on loans originating from the Sub-Fund, and interest earnings. Expenditures are operating costs associated with maintenance and monitoring of the BMR program and a special project for BMR compliance enforcement (\$55,204.)

The BMR Housing Sub-Fund maintains one reserve, the BMR In-Lieu Reserve, which is to be used for BMR related activities. This reserve is reduced in future years of the planning period as BMR revenues are no longer sufficient to support activities necessary to develop and maintain BMR units. The reserve is exhausted in FY 2022/2023 and goes negative in FY 2023/2024. If no further action is taken, the Housing Mitigation Sub-Fund will be required to subsidize BMR activities beginning in FY 2023/2024.

HOME Grant Fund

HOME grants from the federal government may be used to fund the provision of affordable housing units. Eligible activities for HOME grant funds include: acquisition, new construction, rehabilitation and down payment assistance. The activities must benefit low and moderate income households, at or below 80% of area median income.

The recommended Long-Term Financial Plan for the HOME Grant Fund includes a grant allocation for FY 2010/2011 of \$758,883 and shows ongoing estimated HOME grant revenues of \$758,883 as a placeholder for future allocations.

Funds in FY 2010/2011 are being recommended for Operations (\$96,439), and three special projects. The projects are First Time Homebuyer Loans (\$200,000), Tenant Based Rental Assistance (\$200,000), and Momentum for Mental Health Rehabilitation (\$112,825.) Included in the Long-Term Financial Plan is a line item for *Future HOME/Housing Projects* beginning in FY 2011/2012. As specific projects are identified, they will be brought to Council for approval.

In the second ten years of the plan, approximately \$2.6 million in loan payments are expected. Expenditures of these repayments will be for future HOME projects, to be identified and approved by Council.

Community Development Block Grant (CDBG) Fund

The Community Development Block Grant (CDBG) program is a federal program which 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.

Community Development Block Grant funds are traditionally used to address the City's affordable housing strategy. Activities include support of housing agencies; rehabilitation and retrofitting of the existing housing stock; and the acquisition, rehabilitation, and construction of affordable housing by non-profit developers. CDBG funds are also used for capital projects benefiting impacted areas or populations.

The Community Development Block Grant Fund consists of two sub-funds which account for revenues from Community Development Block 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) Sub-Fund

This sub-fund accounts for Community Development Block Grants from the federal government. The federal government has notified the City that the FY 2010/2011 entitlement amount will be \$1,338,319. Since the City has received CDBG funds annually over a number of years, we are showing future grant receipts at the FY 2010/2011 entitlement level throughout the 20-Year Financial Plan.

Traditionally, CDBG funds are used primarily to address the City's affordable housing strategy. This includes support of housing agencies; rehabilitation and retrofitting of the existing housing stock; and the acquisition, rehabilitation, and construction of affordable housing by non-profit developers. As in the Housing Fund, capital and special projects are targeted to achieve the goals of the City's Housing and Community Revitalization Sub-Element of the General Plan and the 2010-2015 Consolidated Plan.

Additionally, by regulation, up to 15% of the annual CDBG allocation plus prior year program income may be used for human services and public services programs. The recommended FY 2010/2011 Budget includes \$239,600 for Outside Group Funding of human services and public services programs. This is the second year of the two-year funding cycle for Outside Groups and appropriations continued for all groups that met their performance goals.

CDBG funds may also be used for projects that benefit groups with special needs such as senior and handicapped citizens or for targeted geographical areas that meet certain income requirements. Five special projects totaling \$592,372 are proposed for FY 2010/2011 utilizing CDBG funds. These projects are: Home Access, Paint and Emergency Repair (\$50,000); Energy Efficiency Retrofits (\$50,000); Façade Program (\$127,000); Jobs for Youth (\$207,000); and Micro-Enterprise Assistance (\$158,372.) One capital project to continue the ADA Curb Retrofit project is proposed for \$280,542.

Details of the special and capital projects are included in *Volume II, Projects Budget*.

CDBG Revolving Loan Sub-Fund

The Revolving Loan Sub-Fund was established by Council action in 2001 and separated for accounting purposes in FY 2003/2004. This revolving fund was created to provide a practical budgetary management tool to deal with program income from housing loans made with CDBG funds and to provide greater flexibility in the management of the City's housing assistance programs.

The Revolving Loan Sub-Fund has one source of revenue, housing loan repayments. These reflect payment with interest for loans made to non-profit organizations to develop affordable housing and loans made to individuals for housing repairs. The total outstanding portfolio includes 179 loans totaling \$11,659,345. A total of \$314,227 in revenue from loan repayments is projected for FY 2010/2011.

The recommended FY 2010/2011 Budget contains one special project for the Revolving Loan Sub-Fund in the amount of \$577,300 for the Homestead Park rehabilitation project.

Park Dedication Fund

The Park Dedication Fund was established to meet statutory requirements regarding the accounting for park dedication monies. In general, the City collects park in lieu fees for multi-family residential 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 prior years, the fee was based on a park facility standard of 1.25 acres per 1,000 population. In November 2009 Council moved to raise the standard to 3 acres per 1,000 population over a three-year period. The current value per square foot is \$96, and the proposed Fee Schedule maintains the value at this level due to current market conditions.

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

Authorizing language in the State Quimby Act indicates that fees may 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.

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

It is estimated that approximately \$2.7 million in Park Dedication Fees will be received during FY 2009/2010. Staff from the Community Development Department projects that residential development subject to the Park Dedication Fee will be high again for FY 2010/2011 and FY 2011/2012, with Park Dedication Fees estimated to be \$2.8 and \$3.3 million respectively each year. These fees have been calculated using the prior park facility standard of 1.25 acres because the projects were already in review before the standard changed. Beginning in FY 2012/2013, projections are based on historical receipts multiplied by 2.4 to reflect the increase in park facility standard. Following that time, projections use the historical average plus 2% inflation.

We are forecasting that the City will receive \$30 million during the first ten years of the planning period, and \$34 million in the second ten years.

The Park Dedication Fund also receives rental income from six houses that the City purchased in anticipation of expanding Murphy Park and Orchard Gardens Park. The Long-Term Financial Plan projects that none of these houses will be sold. Estimated revenue from rental income is about \$100,000 per year.

The Park Dedication Fund is responsible for all Parks-related capital and infrastructure projects. A total of \$23.5 million in transfers to the Infrastructure Rehabilitation and Replacement Fund is programmed throughout the Long-Term Financial Plan to ensure that our park facilities are in good working condition to meet increased public use. Transfers to the Infrastructure Fund in FY 2010/2011 total \$2.2 million for parks-related rehabilitation projects.

The recommended FY 2010/2011 Projects Budget also reflects a transfer of \$3.7 million to the Capital Projects Fund over the planning period for new parks-related facilities. The major portion of these funds is programmed for design and construction of the Morse Avenue Neighborhood Park.

The Long-Term Financial Plan for this Fund includes an expenditure item for *Future Park Dedication Funded Projects* to reflect the funds that are anticipated to be available for programming during next year's capital budget cycle. It should be noted, however, that funds to maintain any new park facilities will have to be identified in the General Fund before they can be constructed.

To date, the largest single appropriation of Park Dedication Funds has been for the design and construction of the Plaza del Sol, Phase I. Although the FY 2008/2009 Budget included an additional \$6 million for the development of Plaza del Sol, Phase II, the recommended FY 2010/2011 Budget continues to include this project as unfunded. When private development of the adjacent Town and Country property goes forward, it is anticipated that the Park Dedication Fees generated will be sufficient to fund additional improvements to the Plaza. Those projected fees have not yet been incorporated into the Long-Term Financial Plan for this fund. When development occurs at the Town and Country site, the plaza improvements will be coordinated with the private development to enhance both the Plaza and the surrounding private uses.

Details of the special and capital projects to be funded by the Park Dedication Fund are included in the *Projects Budget* section of the budget document.

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. 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 this is done, caution should be used to assure that these expenses are ones that fit into the City's priorities and that don't lead to unnecessary future liabilities.

It is expected that the Asset Forfeiture Fund will end FY 2009/2010 with about \$1.2 million in reserves. Future funds cannot be anticipated and are not programmed for the remaining years of the Long-Term Financial Plan. The Fund does earn interest revenue on its unexpended balance. For FY 2010/2011 this is projected to be about \$21,000.

The recommended FY 2010/2011 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, not including benefits, of one Deputy Probation Officer. For FY 2010/2011, this amount is \$89,000. This transfer is reflected through FY 2017/2018 when the available funds are depleted. 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 recommended FY 2010/2011 Budget includes \$81,000 for two projects to be funded from the Asset Forfeiture Fund. The first project, Police Services Equipment - Cell Phones supports the cost of specialized cellular phones used for public safety services in the amount of \$48,000. When Asset Forfeiture Funds are projected to run out in FY 2019/2020, the department will need to evaluate the use of these phones; if additional asset forfeiture funds are received in the future, they will be applied toward their cost. The second capital project is for Police Services Equipment Acquisition. For FY 2010/2011 these funds are being proposed for a forensic light source (\$18,000) and an evidence drying cabinet (\$15,000).

Police Services Augmentation Fund

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

The State SLES monies constitute the major portion of this Fund. The City first received the SLES grant in FY 1996/1997. Over the years, the amounts of both grants have decreased or varied significantly. BJA decreased from a high of \$70,158 to \$10,807 in FY 2007/2008. Under the American Recovery and Reinvestment Act ("federal stimulus") we are expecting to receive \$74,979 in FY 2009/2010. It is

anticipated that the BJA grant will be \$12,000 for FY 2010/2011, reflecting the normal lower level of funding.

SLES was reduced over 35% from a high of \$297,886 to \$192,027 in FY 2005/2006, and was further reduced to \$100,000 in FY 2008/2009. Based on the Governor's State Budget proposal, staff is projecting that SLES funding will be \$100,000 again in both FY 2009/2010 and FY 2010/2011.

Initially the Police Services Augmentation Fund monies were used to fund a full-time Domestic Violence Investigator, a Patrol Watch Commander, and participation in the State Bureau of Narcotic Enforcement's Bay Area Regional Narcotics Task Force. Beginning in FY 1999/2000 Council approved use of the SLES and BJA revenue to fund the Patrol Watch Commander and two Internal Affairs Investigators. Due to the continual decline of funding and increased personnel costs, by FY 2003/2004 the grants were no longer able to support the three positions and funds were allocated to support a Patrol Watch Commander position and a portion of an Internal Affairs Investigator. Beginning with the adopted FY 2004/2005 Budget only a Patrol Watch Commander position has been supported with SLES/BJA funds. The Internal Affairs Investigator hours were moved to the General Fund operations of the Department of Public Safety. In FY 2009/2010 the funds were appropriated to fund a Public Safety Officer position in Traffic Enforcement, with the Patrol Watch Commander returned to the General Fund.

The recommended FY 2010/2011 Budget again identifies the grant funds to defray a portion of the cost of a Public Safety Officer position in Traffic Enforcement. The remainder of the position is funded in the General Fund portion of the Department of Public Safety operating budget.

The Long-Term Financial Plan for the Police Services Augmentation Fund reflects revenue only for FY 2010/2011 because the grants are speculative in nature. If the grant funds are eliminated or reduced significantly, it is important to note that this Public Safety Officer position would be vulnerable to reduction. At that time, staff would review priorities within the department to ensure that all critical functions are funded with ongoing resources.

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 has 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 (known in previous years as the Department of Employment Development), 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.

The WIA dictates funding formulas whereby the allocation of funds provided by Congress to support the Act are 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 served a defined population. The federal allocations to the states for FY 2010/2011 have been calculated and California will receive a decreased share of the available funds for FY 2010/2011. The decreases to California by category are: Youth 5.7%, Adult 5.6%, and Dislocated Worker 9.4%, for a total weighted decline from the previous year of 7.2%. The total funding for the WIA line item at the federal level declined by an aggregated 1.4%.

The American Reinvestment and Recovery Act of 2009 ("federal stimulus") infused the Department of Labor with the equivalent of an annual allocation of funds intended for use throughout the WIA system. The State distributed to NOVA the amount of \$2.9 million in FY 2008/2009 for its share of the allocated funding available. That same fiscal year, NOVA also received a further federal stimulus distribution of \$1.8 million to provide resources to respond to local layoff activities. In FY 2009/2010, NOVA received further stimulus funding amounting to \$0.3 million of allocated funds and \$0.8 million to serve veterans. The stimulus program funding is a one-time funding pool and is intended to supplement other available funding sources specifically to serve people affected by the current national economic downturn. The federal stimulus funds were made available on April 18, 2009, and can be used to cover eligible expenditures incurred beginning with the Act's effective date of February 17, 2009 and continuing through the Act's end date of June 30, 2011.

NOVA projects the WIA allocated funds for FY 2010/2011 will show an 8% decrease over FY 2009/2010. NOVA's funding projections have been calculated by using the state's funding decline percentages and applying them to NOVA's prior-year allocations. A fourth funding allocation, Rapid Response, is predicated on layoff activity within our defined region. This funding model contains a "hold harmless" clause to reduce the fluctuations and declines in funding shares experienced by the agencies within our system. NOVA conservatively projected funding in this category by applying the maximum share decline allowable within the regulations. NOVA's competitive grant funding for dislocated workers, which makes up the largest portion of its budget, is projected to decline 33% year over year.

The recommended FY 2010/2011 Budget is based on an estimate of grant resources for the year. 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 WIA grant, titled Skills, Testing, Assessment, and Re-employment (STAR). 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 budget modification during the fiscal year. For the purposes of the City's recommended FY 2010/2011 Budget, we have taken the total funding estimates

as described and used these as the basis for NOVA's FY 2010/2011 programs and service levels.

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.

Based on an approved indirect cost plan, NOVA programs have been charged an indirect cost rate of 3.18% to defray services provided to NOVA by the General Fund.

In the past, the NOVA Workforce Services Department Long-Term Financial Plan reflected grant revenues only for the immediate planning period. To recognize NOVA's long tenure in the City, an average grant of \$8 million per year has been projected throughout the 20-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. The Downtown Parking District includes all public parking in the downtown area with the exception of the parking provided by the Sunnyvale Town Center.

The approval of Proposition 218 had a significant effect on the methodologies utilized to raise assessments to fund maintenance and operations within the Parking District. Proposition 218 not only deals with the approach and methodologies to be used for benefit assessments, but also the approval process. Essentially, after a method has been selected, a vote occurs by those who would be assessed, with votes weighted according to the amount of assessment. If this weighted majority does not approve the assessment, then it does not go forward.

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 2009/2010 assessment rate was set as the base rate which would be adjusted annually by the previous year's change in the Consumer Price Index going forward. The Long-Term Financial Plan for FY 2010/2011 reflects this methodology over the full 20-Year Plan. The special assessment for FY 2010/2011 is projected to be \$153,177.

The Parking District Fund reflects four capital projects in future years to perform asphalt and concrete maintenance on the parking lots. Also included is a small continuing special project to pay for costs of calculating and implementing the assessments.

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 of eighteen cents per gallon levied on gasoline and other motor fuels. Gas Tax is distributed to the State, cities and counties on a formula primarily based on population.

The share of Gas Taxes that Sunnyvale is allocated has declined slightly as population growth in other areas of the state outpace our growth rate. Citizens in California also pay federal gasoline taxes, but we are a “net donor state” in that we receive less in transportation funding than we pay in as gasoline taxes.

To reflect the eroding effects of inflation, Gas Tax revenues have been projected at approximately \$2.2 million each year throughout the 20-Year Plan.

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.

Operating expenses programmed for street maintenance in this fund are \$750,000 for FY 2010/2011 and the remainder of the first ten years. Operating expenses covered by the Gas Tax Fund are \$375,000 in the second ten years. Funds for street and highway purposes are also received from the Traffic Congestion Relief Fund (Proposition 42). A total of \$2.2 million in Gas Tax and Proposition 42 funds are programmed to be used for Public Works street maintenance activities in FY 2010/2011.

One capital project is programmed directly in the Gas Tax Fund for City Share of Development Costs – Streets (\$10,000) and one infrastructure project is programmed here for Minor Repair of City Bridges and Culverts (\$10,000.)

The recommended FY 2010/2011 Budget for the Gas Tax Fund has a transfer to the Infrastructure Fund of \$1,246,143. The six projects to be funded by this transfer are: Repaint Street Light Poles (\$80,000); Traffic Signal Controller Replacement (\$54,777); Traffic Signal Hardware and Wiring (\$350,000); Pavement Rehabilitation (\$666,566); Street Lights Conduit Replacement (\$50,000); and Battery Backup System for Traffic Signals Maintenance (\$44,800.) The budget also contains a small \$5,000 transfer to the Project Administration General Services Fund for the Update of Standard Specifications special project.

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

It should also be noted that the estimated expenditures for FY 2009/2010 includes a cost reduction of approximately \$750,000 attributable to the **Sunnyvale Works!** Program which was implemented beginning in FY 2008/2009. This new program is described in more detail in the discussion of the General Services Project Management Sub-fund later in the *Detailed Fund Reviews* section of this document.

As a result of its ongoing budget programs, the State has taken several actions which impact the City's Gas Tax funds. First, beginning in FY 2008/2009 legislation was passed which delayed local Gas Tax payments to cities in order to manage State cash flow troubles. In FY 2009/2010 the payment schedule was changed from monthly to twice annually, October and April. Legislation has been passed again this year which delays Gas Tax payments to cities for FY 2010/2011. This time payments for the first nine months will be delayed until the end of April 2011. These delays will have a marked impact on the interest to be earned in the Gas Tax Fund.

A second and more dramatic state action involves a Gas Tax/Gas Sales Tax swap which was enacted as part of a special State budget session in March 2010. In essence, this bill repeals the current State Sales Tax on gasoline which is the funding source for Proposition 42 and replaces it with an increased excise tax on gasoline. This increased Gas Tax rate is intended to replace the revenues expected from Proposition 42 and it includes an annual index which ensures that it will keep pace with the Sales Tax revenue. It should be noted that only the State Sales Tax on gasoline is repealed; the local 1% rate remains intact.

Although the law that enacted this swap contains express legislative intent to fully replace the local streets and roads funds guaranteed under Proposition 42 with new higher Gas Tax monies, cities are concerned that this intent is subject to legislative whim and not constitutionally guaranteed as were the Proposition 42 funds. Past history indicates that the State, when in fiscal distress, most often turns to local funds to solve its revenue shortfall. The League of California Cities is currently sponsoring an initiative which would constitutionally guarantee a number of local revenue sources, including Proposition 42 and Tax Increment funds for redevelopment. Until this issue is addressed by the voters in November 2010 the recommended FY 2010/2011 budget will continue to show the Gas Tax and Proposition 42 street and road funding separately in the Long-Term Financial Plans.

Traffic Congestion Relief Program Fund (Proposition 42)

In November 2002, California voters approved Proposition 42. This Constitutional Amendment stipulated that the State portion of Sales Tax on gasoline sales be used for state and local transportation purposes. Cities receive 20% of these revenues, allocated in proportion to population. As required by law, these funds are held and accounted for in a separate fund.

In April 2009 the State of California increased its State Sales Tax rate by 1%, effective through 2012. Proposition 42 funds were impacted by this new rate, and the Long-Term Financial Plan reflects a corresponding increase in revenue through FY 2011/2012.

As noted above in the Gas Tax discussion, with the passage in March 2010 of the Gas Tax swap, Proposition 42 funds were effectively eliminated for FY 2010/2011. However, because of the uncertainty around the March 2010 action and the proposed Constitutional Initiative sponsored by the League of California Cities which would protect these revenues, staff has continued to show the Proposition 42 monies in this

separate fund and not consolidated in the Gas Tax Fund pending clarification of the issue.

Funds in the amount of \$1.3 million for local streets and roads are projected for FY 2010/2011. Projections for future years reflect the changing Sales Tax rate and assumptions that staff has used in forecasting general Sales Tax trends. Beginning in FY 2012/2013 receipts will drop to reflect the reduction in State Sales Tax rate.

All funds projected to be received from this source have been programmed to support street reconstruction and resurfacing activities included in the General Fund Pavement Operations program over the 20-year planning period.

Transportation Development Act (TDA) Fund

In FY 2003/2004 a new, small special revenue fund was established to account for activities related to Transportation Development Act (TDA) funds. These funds were created by State legislation which 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 recommended FY 2010/2011 Budget includes revenues of \$80,000 from TDA funds. These monies represent the expected annual allocation of about \$80,000. Additional discretionary funds may be available. The Long-Term Financial Plan shows the funds being appropriated to *Future TDA Projects*. Council has not yet approved the TDA application for FY 2010/2011.

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. Subsequently included in the ongoing fund balance were contributions made to the City in the amount of \$6,658 on behalf of former employees that bring the current endowment total to \$506,658.

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 2010/2011 this reimbursement is projected at

\$157,756. 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.

Expenses included in this fund are for the direct services provided at the CNC, including CNC operations, which are now overseen by the Community Services Department. In FY 2009/2010 one staff position, which was formerly split between CNC and the Office of the City Manager, was moved to full time at CNC to accommodate an expanded workload. Because the previous duties of this individual in the Office of the City Manager were absorbed in Human Resources, there was no net increase to the General Fund overall. It should also be noted that expenses for Public Safety activities associated with CNC, which were formerly budgeted in the CNC program, have been removed in FY 2010/2011 and are now reflected in the Public Safety Department budget.

For FY 2010/2011, the General Fund subsidy is forecast to be \$532,100.

Of note although not included in the Youth and Neighborhood Services Fund is a capital project to expand the Columbia Neighborhood Center in partnership with the Sunnyvale School District. The purpose of this project is to expand the amount of space available at CNC for local agencies. The additional space will increase the number of hours of in-kind education, recreation, social, and health services provided at CNC. The project anticipates contributing about \$1.5 million in Community Development Block Grant revenues to the construction, which will be managed by the District. Following completion of the project in FY 2011/2012, additional operating costs of \$32,000 will be incurred, of which half will be reimbursed by the District.

Redevelopment Agency Fund

The Sunnyvale Redevelopment Agency (RDA) is a separate governmental and legal entity from the City. However, the Agency is a component unit of the City for which the City is financially responsible. Further, due to certain agreements between the Redevelopment Agency and the City, the General Fund of the City is inextricably tied to the financial condition of the RDA.

At the close of FY 2008/2009 the Redevelopment Agency had two outstanding loans due to the City General Fund totaling approximately \$64 million. This is largely the result of the Redevelopment Agency's inability to raise sufficient tax increment revenue to repay the City for annual lease payments made by the City for the downtown parking structure during the years following the passage of Proposition 13.

The Agency entered into a First Amended Repayment Contract with the General Fund in 1977 to repay the debt associated with initial improvements to the Project Area and its inability to make payments on the parking structure. This Contract constitutes the "1977 loan." In 1986 certain State legislation imposed more stringent requirements on funds advanced by the General Fund to the Redevelopment Agency and a separate loan was created to account for costs subject to these restrictions. This loan is referred to as the "1986 loan."

Since the Sunnyvale RDA was formed, the State has enacted several laws that placed revenue restrictions on redevelopment agencies. These include capping the time

period for collection of tax increment for each redevelopment project area. The original termination date was November 2025. In FY 2004/2005, the plan was extended by one year per SB1045 in compensation for the RDA's payment to the Educational Revenue Augmentation Fund (ERAF) in FY 2003/2004. The plan was extended for another two years in FY 2005/2006 per SB1096 for compensation of the RDA's ERAF payments made in FY 2004/2005 and FY 2005/2006. For Sunnyvale's project area, the termination date is now November 2028.

More important was the establishment of revenue limits for redevelopment agencies, referred to as Property Tax increment caps. The revenue limit/increment cap for the Sunnyvale Redevelopment Agency as originally established was \$118 million. In FY 2005/2006 the Agency amended its Redevelopment Plan to increase the tax increment cap to \$600 million. Increasing the cap will allow the Agency to receive an estimated \$328 million by the end of the Financial Plan.

It should be noted that when Property Tax increment received by the Agency reaches the original \$118 million cap, certain pass through payments to other taxing entities will be required. These pass throughs, which are taken directly from the tax increment before we receive it, will begin in FY 2014/2015 and are shown in the Long-Term Financial Plan as *Pass Through to Taxing Agencies*.

An actual deposit to the RDA Low and Moderate Income Housing Fund will also be required when the 1977 General Fund loan is paid off as estimated in FY 2015/2016. Starting in FY 2016/2017, the Long-Term Financial Plan reflects the 20% Low and Moderate Income Housing set-aside as a separate revenue line, with a corresponding expenditure for housing projects.

When tax increment revenues from the downtown area as it originally existed were projected, the Agency reached its \$118 million increment limit just before the time limit was reached in 2025. However, major developments in the downtown area will cause the original tax increment limit to be reached earlier. The first of these developments was the 460,000 square foot Mathilda Place office project at Mathilda and Washington, built in 2000. The buildings were sold in 2007 by the original developer, Mozart Development, to J.P. Morgan.

The recommended FY 2010/2011 Budget for the Redevelopment Agency also includes the redevelopment of the Sunnyvale Town Center restarting in FY 2010/2011. As part of the Amended and Restated Disposition and Development and Owner Participation Agreement (ARDDOPA) signed with the Town Center developer in February 2007, the Agency agreed to give the developer up to \$4.5 million per year of Tax Increment generated by the project plus 50% of any receipts above this amount, in return for construction by the developer of public streets and underground parking. This agreement reflects on the RDA Long-Term Financial Plan as *Repayment to City – Town Center Developer*, since the mechanism for making the payments will be repayment of the General Fund loan. (On the General Fund Long-Term Financial Plan, a corresponding revenue is shown and an expense item that shows *Payment to Town Center Developer*.) The tax increment agreement ends in FY 2025/2026. To facilitate an understanding of the Town Center development deal, the Property Tax increment projected to be generated by the Town Center has been identified separately from the Property Tax increment generated in the rest of the project area on the Long-Term

Financial Plan.

The primary source of revenues to the Redevelopment Agency is Property Tax Increment, which is expected to total about \$7.4 million in FY 2009/2010. This amount consists of \$7.1 million of Property Tax increment, plus \$2.3 million generated from the Town Center project, minus an amount to be transferred by the State to the Educational Revenue Augmentation Fund (ERAF.) The adopted State budget for FY 2009/2010 mandated a statewide contribution from redevelopment agencies to the ERAF equal to \$2.05 billion over a two-year period starting in this fiscal year. Sunnyvale's Redevelopment Agency share of this take is \$2,024,103 for FY 2009/2010 and an additional \$416,323 for FY 2010/2011. The California Redevelopment Association (CRA) appealed this ERAF transfer as unconstitutional, but on May 4, 2010 the Sacramento Superior Court ruled to deny the CRA petitions. The FY 2009/2010 payment is due to county auditor-controllers on May 10, 2010. The CRA Board of Directors has announced that it will file an appeal to the ruling, and will seek a stay of the payment requirements pending the appeal.

In any case, the Long-Term Financial Plan includes the FY 2009/2010 and FY 2010/2011 transfers to ERAF and none going forward. It should be noted that if Proposition 1A is successful with the voters in November 2010, the redevelopment tax increment will be constitutionally protected from future State takeaways.

At the time of budget preparation, the Town Center development was in bankruptcy and negotiations were underway with the bank, which had foreclosed on the property. A Modification Agreement to the ARDDOPA is being prepared which will contain various changes to the underlying deal to develop the property. These changes have not been reflected in the Long-Term Financial Plan for the Redevelopment Agency Fund. Upon ratification of the Modification Agreement by the Redevelopment Agency Board of Directors and the bank, staff will update the Plan and identify any impacts it may have on this fund or the General Fund.

It should also be noted that the former developers of the Town Center have appealed the assessed valuation of the project property and requested a reduction in the approximate range of \$120-\$160 million. Depending on the outcome of this appeal, the Agency could lose a substantial amount of Property Tax increment in FY 2011/2012.

The other major revenue source for this fund is a lease payment from the General Fund for the Mathilda Avenue Parking Structure in the amount of \$1.2 million annually.

Administration of the Redevelopment Agency, which includes activities in the Office of the City Attorney and the Department of Finance, is reflected in the RDA Fund in the amount of \$336,465 for FY 2010/2011.

Included in current requirements are debt service payments totaling \$1.7 million for the Central Core Redevelopment Project Tax Allocation Bonds (TABS) and the Parking Facility Certificates of Participation. This debt will be repaid in FY 2022/2023.

The Long-Term Financial Plan also includes a repayment to the City for its

outstanding loans (as discussed above) in the amount of \$7.6 million in FY 2010/2011. This is offset by a revenue line item entitled *General Fund Loan – Addition to 1986 Loan* in the amount of \$2.4 million in FY 2010/2011. The Plan includes a total of \$97.5 million in repayment to the General Fund, not including the repayment related to the Town Center developer, over the first ten years and \$88 million in the second ten years. The RDA Long-Term Financial Plan assumes that funds available after paying debt service, projects and operating costs are used to pay the existing loan advanced by the City General Fund.

Even with all available funds, it is anticipated the RDA will not be able to fully repay the General Fund its principal and interest by 2028 when the tax increment revenues end. This is the case because all new expenditures by the General Fund on behalf of the RDA, including payments to the Town Center developer, are added to the 1986 loan balance in order to ensure that tax increment continues to flow to the City. The new loan amounts from the General Fund are shown in the *Current Resources* section of the Long Term Financial Plan as *General Fund Loan – Addition to 1986 Loan*. These loans provide about \$55 million over the 20-year period. At the end of the redevelopment project life, it is estimated that the 1977 Loan will be paid off and the balance on the 1986 loan will be approximately \$30 million.

The RDA has two special projects proposed for FY 2010/2011. These are Redevelopment Plan Project Area Special Studies (\$25,000) and Outside Counsel Services for RDA (\$100,000). The former is ongoing through the first ten years of the Long-Term Financial Plan in light of the continuing analysis that will need to be done as the redevelopment of the Town Center and other properties goes forward. The Outside Counsel Services project is budgeted from FY 2011/2012 through FY 2013/2014 at \$50,000, again to provide funds for legal work related to the Town Center as it progresses.

One final ongoing expenditure is programmed in the Redevelopment Agency Fund to pay the General Fund for the services of the Agency's Treasurer and related support costs. These services are not charged directly to the RDA Fund, but rather are included in the General Fund and are shown as General Fund In-Lieu payments.

The Redevelopment Agency Fund maintains one reserve that reflects Debt Service Reserve Funds held by the trustees for the two outstanding bond issues mentioned above.

Finally, it should be noted that the Redevelopment Agency is currently unable to make payments of 20% of its tax increment revenues to the Low and Moderate Income Housing Fund because of preexisting debt obligations. Each year, the Agency calculates the contribution that should have been made and books it as a liability in its financial statements. It is currently estimated that when the 1977 General Fund loan is paid off, the liability will total approximately \$23.4 million. State law allows the Agency to extend the duration of the Plan and/or the amount of Property Tax increment revenue that can be collected and direct the full amount towards eliminating any remaining housing liability. Repayments of the Housing liability are anticipated to begin in FY 2028/2029 and be completed in FY 2029/2030.

When the redevelopment project ceases in FY 2027/2028, the tax increment formerly

collected by the RDA will go entirely to the Housing liability repayment for two years. In FY 2029/2030, all Property Tax revenues associated with the RDA will be returned to the various taxing entities in Santa Clara County that normally receive a share of Property Tax. These entities include the school districts, the County, and of course the City. Assuming that Sunnyvale's share of the non-RDA Property Tax dollar is about 16%, the General Fund would begin to receive about \$2.9 million in additional Property Tax revenue each year. Unfortunately, this is about \$10 million less than what had been received annually from the loan repayment. This revenue gap in the General Fund will have to be addressed as it comes closer in our planning period.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used for major capital acquisition, construction activities, and renovation or replacement of General City fixed assets. The City currently operates two of these 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. Projects which are funded by more than one utility fund or in combination with another non-utility fund are included in the Capital Projects Fund or Infrastructure Renovation and Replacement Fund.

Capital Projects Fund

The Capital Projects Fund was established in FY 1997/1998 to account for financial resources to be used for the acquisition or construction of major capital facilities that are funded by the General Fund and other governmental funds or that are funded by multiple sources. In general the Capital Projects Fund deals with new or substantially enhanced assets or major rehabilitation that is financed by outside sources. Revenues into the Capital Projects Fund include federal and state grants, developer contributions, mitigation fees, and transfers from various City governmental funds.

The Capital Projects Fund is divided into distinct sub-funds that receive direct transfers from the funds that are responsible for the particular projects. Each sub-fund records revenues, interest earnings, transfers and expenses separately. The recommended FY 2010/2011 Budget includes six sub-funds of the Capital Projects Fund: the General Sub-Fund, the Gas Tax Sub-Fund, the Traffic Mitigation Sub-Fund, the Traffic Impact Sub-Fund, the Sense of Place Sub-Fund, and the State Infrastructure Bond Sub-Fund.

The table below is an overview of capital and special project appropriations by sub-fund for FY 2010/2011.

Capital Projects Fund - Project Expenditures by Sub-Fund	
Sub-Fund	2010/2011 Recommended Budget
General Fund Assets	\$1,061,536
Gas Tax	3,060,000
Traffic Mitigation	485,000
Traffic Impact	0
Sense of Place	0
State Infrastructure Bonds	2,017,675
TOTAL	\$6,624,211

General Sub-Fund

The FY 2010/2011 appropriations in the amount of \$1.1 million in the General Fund Sub-Fund are for a portion of the design and construction of the Morse Avenue Neighborhood Park. Additional funds in the amount of \$2.7 million are programmed in FY 2011/2012 to complete the project.

Gas Tax Sub-Fund

The \$3.1 million appropriation for the Gas Tax Sub-Fund for FY 2010/2011 is for construction of the Calabazas Creek Bridge at Old Mt. View-Alviso Road. This bridge is shared by the cities of Sunnyvale and Santa Clara. Funds for design of this project were programmed in FY 2009/2010. The City has received a federal grant for replacement of the bridge, and the match will be provided equally by the two cities.

Traffic Mitigation and Traffic Impact Fees Sub-Funds

The Cumulative Traffic Mitigation funds and Traffic Impact Fees are accounted for in individual sub-funds of the Capital Projects Fund.

The City Council adopted a Transportation Strategic Program (TSP) in November 2003 which established a comprehensive funding program of revenue sources for major transportation necessary to support the City's land use plans. Prior to the adoption of the Transportation Strategic Program, an interim funding mechanism was implemented for transportation mitigation of major land development. This mechanism is known as Cumulative Traffic Mitigation funds, which are applied to 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. It is estimated that the Traffic Mitigation Fund will have a balance of approximately \$2.3 million at the end of FY 2009/2010.

When the City Council adopted the Transportation Strategic Program, a new Traffic Impact Fee was instituted to be applied to traffic-generating development citywide. This Traffic Impact Fee replaced the interim Cumulative Traffic Mitigation. 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 14 projects totaling \$172 million. These projects are largely unfunded and will move into the City's 20-Year Projects Budget as funds are received and improvements are needed.

The current economic slowdown has caused construction to drop significantly, and it is estimated that only about \$225,000 in Traffic Impact Fees will be collected in FY 2009/2010. It is currently estimated that approximately \$800,000 in Traffic Impact Fees will be collected in FY 2010/2011, based on projects currently in progress. An additional \$9.1 million in Traffic Impact Fees is projected to be collected between FY 2011/2012 and FY 2019/2020. We are estimating that an additional \$13 million will be collected in the second ten years.

The Traffic Mitigation Sub-Fund contains one capital project budgeted in FY 2010/2011 for Future Traffic Signal Construction/Modification (\$485,000) to recognize a new signal that may become warranted. Additional Future Traffic Signal projects have been budgeted in this fund every three years through FY 2016/2017. Beginning in FY 2011/2012 a line item has been appropriated for five years for Future Grant Matching Funds to be used as a match for traffic or transportation grants that may become available during the fiscal year.

There are no new projects in the Traffic Impact Sub-Fund in FY 2010/2011. However, beginning in FY 2011/2012 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. Additionally, a project to update the Computerized Transportational Model has been programmed in this sub-fund every five years beginning in FY 2011/2012.

Sense of Place Sub-Fund

A new sub-fund was established in the Capital Projects Fund in FY 2008/2009 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 two land use areas subject to Sense of Place Fees. These are the Tasman/Fair Oaks Area and the East Sunnyvale Industrial-To-Residential area. Dwelling units constructed in these areas are each subject to a \$1,000 Sense of Place fee as a condition of approval.

Because of the current slowdown in residential construction, no Sense of Place fees were collected for several years. Approximately \$48,000 is anticipated to be collected in FY 2009/2010, with \$50,000 budgeted in FY 2010/2011. Approximately \$1.3 million is expected over the 20-year planning period.

Staff believes that Sense of Place fees will 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; 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.).

Since specific projects for these monies have not yet been identified, future expenditures are shown as *Future Sense of Place Projects* in the Financial Plan.

State Infrastructure Bond Sub-Fund

One new revenue source reflected in a sub-fund of the Capital Project Fund beginning in FY 2008/2009 is the State Infrastructure Bond (Proposition 1B) for Local Streets and Roads which was passed by the voters in November 2006.

It is projected that Sunnyvale will receive a total of \$4.2 million from this Bond. One half of these funds, in the amount of \$2.1 million, was received in FY 2007/2008 and appropriated to the Wolfe Road Caltrain Overcrossing capital project through a budget modification. Funds from the American Recovery and Reinvestment Act (“federal stimulus”) have now been appropriated to the Wolfe Road project, and because of the savings that the City has experienced in bidding through its **Sunnyvale Works!** program, only \$481,703 in Proposition 1B funds will be required. Therefore it has been possible to allocate Proposition 1B funds to four other projects. These include Homestead Pavement Overlay (\$185,635), Sunnyvale Avenue Asphalt Overlay (\$297,491), Concrete Reconstruction (\$605,000), and Annual Slurry Seal of City Streets (\$409,433.) After appropriations for these projects, a balance of \$270,178 from the first \$2.1 million will be available for reallocation to a future capital project.

Public Works staff is currently preparing a recommendation for use of the remaining Proposition 1B funds to Council for consideration. The additional funds, plus interest, have been shown as being available in FY 2010/2011 and FY 2011/2012. In the meantime, the Long-Term Financial Plan reflects an expenditure line item entitled *Future Capital Project* for the same amount.

Infrastructure Renovation and Replacement Fund

The Infrastructure Renovation and Replacement Fund was introduced with the FY 1996/1997 Budget and Resource Allocation Plan. Its purpose was to account for revenues and expenditures associated with the Long-Range Infrastructure Plan which has been established to fully fund the rehabilitation of the City’s extensive physical infrastructure. All infrastructure projects are accounted for in this fund except for utility assets and those that are funded principally from outside grant sources.

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 the sub-funds are General, Community Recreation, and Multi-funded Assets. As mentioned, infrastructure projects for the City’s three utilities are budgeted and accounted for in each utility fund in accordance with governmental accounting principles.

The following table contains project expenditures by sub-fund for FY 2010/2011.

Infrastructure Fund – Project Expenditures by Sub-Fund	
Sub-Fund	FY 2010/2011 Recommended Budget
General Fund Assets	\$4,325,705
Community Recreation	\$49,800
Multi-Funded Assets	\$0
TOTAL	\$4,375,505

There are 21 projects in the General Fund Assets Sub-fund recommended for funding in FY 2010/2011 in the amount of \$4.3 million. Approximately \$2.2 million represents projects funded by a transfer from the Park Dedication Fund. An additional \$1.2 million is proposed for funding from the Gas Tax Fund for various street and roadway rehabilitation projects. Finally, \$873,566 will be appropriated for street reconstruction and resurfacing projects. These activities had previously been budgeted in the Department of Public Works operating budget until FY 2009/2010, but were moved into projects in the Infrastructure Fund beginning in FY 2009/2010 because they are capital in nature and vary in amount each year.

Some of the larger projects proposed for funding in FY 2010/2011 include: Community Center Buildings HVAC (\$175,017), Park Buildings Rehabilitation (\$308,000), Community Center Buildings Roof Replacement and Repair (\$549,593), Computer/Radio Controller Landscape Irrigation Systems (\$640,000), Traffic Signal Hardware and Wiring (\$350,000), Playground Equipment Replacement (\$409,100), Fair Oaks Park Hardscape Renovation (\$268,000), Pavement Rehabilitation (\$666,566), Washington Pool Renovation (\$100,000), and Annual Slurry Seal of City Streets (\$207,000).

A particular area of concern for the City is the lack of ongoing funding to address the City's infrastructure needs. 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. In order to accomplish this, over the years various strategic planning has been undertaken and funding has been budgeted, beginning with the establishment of the Infrastructure Renovation and Replacement Fund to provide a long-term funding mechanism for repair and replacement of the City's general infrastructure assets.

In more recent years, however, the financial challenges created from the "dot-com bust," the current global recession and rising operating expenditures have caused contributions to this Fund to be reduced. In FY 2004/2005, approximately \$65 million was planned to be transferred from the General Fund to the Infrastructure Fund over a period of the next 20 years. During this same 20-year period, a total of \$70 million in infrastructure projects was budgeted. These projects included rehabilitation and maintenance of current City facilities: corp yard buildings, civic center buildings, public safety buildings, parks buildings, community center buildings, senior center, aquatic facilities, parks facilities, and some street-related projects. The Infrastructure Fund also funded a portion of the pavement operations program budget (\$14.5 million

over 20 years). The Infrastructure Fund factored in interest income and estimated a starting balance of \$12 million. Through the 20 years, this reserve was budgeted to be drawn down so only \$200,000 was left in the 20th year.

Since that time, the General Fund contributions have been reduced and supplanted by Park Dedication and Gas Tax and other street-specific funds for parks and street-related infrastructure projects. In the FY 2009/2010 budget, \$2 million is budgeted to be transferred from the General Fund for infrastructure-related projects, with no other funding contemplated for the remainder of the first ten years of the Financial Plan. The recommended FY 2010/2011 Budget adds a total of \$30 million over the last six years of the 20-year Financial Plan. However, the availability of these funds is dependent upon all of the assumptions regarding revenue and expenditures in the General Fund being met. Historically, General Fund personnel costs have risen in excess of inflation. Therefore, the infrastructure funds identified in the latter part of the Plan have not been programmed.

While parks maintenance and some streets maintenance are addressed by the special funding mentioned above, reduced transfers from the General Fund have left the City's aging administrative buildings and much of the City's streets maintenance unfunded. For the next 20 years, just \$11.4 million worth of projects is budgeted for the most critically identified needs in these categories. These projects are funded by the \$2 million transfer mentioned above and a drawdown of the remaining reserve balance in the Infrastructure Fund.

Many projects, including the infrastructure needs of the Library facility, City Hall complex, Corporation Yard and Public Safety Headquarters remain unfunded. Although reduced transfers have assisted the General Fund in balancing rising operating expenditures against reduced revenues, that has come at the cost of addressing the City's infrastructure needs. Staff proposes that these needs be reviewed and addressed in the context of next year's budget, which will be the second year of our two-year budgeting with a focus on capital needs as opposed to operating programs.

Information on each of the infrastructure projects is available in the *Volume II, Projects Budget*.

ENTERPRISE FUNDS

The Enterprise Funds of the City incorporate programs and activities that are either fully self-supporting by way of user charges and fees or partially self-supporting. Those that are partially self-supporting require some level of transfer from the City's General Fund.

The City has three utilities that are fully self-supporting: the Water Supply and Distribution Fund, the Solid Waste Management Fund, and the Wastewater Management Fund. Additionally, the SMaRT Station® Fund and the SMaRT Station Capital Equipment Replacement Fund have been established to account for operations and maintenance at the Sunnyvale Materials Recovery and Transfer Station, which is a partnership among the three cities of Sunnyvale, Mountain View and Palo Alto. The

SMaRT Station Fund is used to account for SMaRT Station operations and the SmaRT Station Equipment Replacement Fund is used to account for equipment replacement needs.

There is one enterprise fund that requires an annual transfer from the General Fund for operations because it is not fully self-supporting. The Community Recreation Fund incorporates Leisure Services activities including golf, tennis, and recreation programs.

Utility Enterprise Funds Rate Process

The following across-the-board changes to current rates for the Wastewater, Water, and Solid Waste Utility enterprises are being recommended for Council approval for FY 2010/2011:

Utility	Rate Change
Wastewater	4.5%
Water	7.5%
Solid Waste	7.5%

Each increase and the factors contributing to the need for such increases are discussed in detail below. The major reasons for the required increases in rates are the continued rise in costs of purchased water, major wastewater infrastructure needs, particularly at the City's Water Pollution Control Plant, and increases in contract and operating costs for solid waste management and disposal.

As a result of these increases, monthly costs associated with water and wastewater services for an average residential customer will increase by \$5.78 per month. It is important to note that even with these rate changes, Sunnyvale residents enjoy utility rates that are below the average of surrounding communities.

Sunnyvale continues to comply with the noticing provision for utility rates as required by Proposition 218. The notice for utility rates which are being proposed for FY 2010/2011 went out in April 2010, with the public hearing on the rates set for June 15, 2010.

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, then water rates must be set to collect enough revenue to maintain the fund in a sustainable financial position. The fact that Sunnyvale utilizes long-range financial planning and sets and projects 20 years of utility rates every year helps minimize rate swings.

Purchased Water Sources

Sunnyvale currently receives water from four different sources. For FY 2010/2011, approximately 45% is projected to come from the Hetch-Hetchy system operated by the San Francisco Public Utilities Commission (SFPUC), 45% from the Santa Clara Valley Water District (SCVWD), 3% from well water, and the remaining 7% from recycled water.

A significant portion of the Water Fund's direct expenditure budget is the cost of purchased water, which is currently 72% and is projected to reach 80% in the first ten years of the Long-Term Financial Plan. Currently for FY 2009/2010 the City is paying the SFPUC \$719 per acre foot plus meter charges of \$275,268. Current charges for SCVWD purchased water are \$520 per acre foot plus a \$100 per acre foot treated water charge, for a total of \$620 per acre foot. The forecast anticipates costs for FY 2010/2011 of \$836 per acre foot plus meter charges for SFPUC water, for a total of \$864 per acre foot. This represents a 16.2% increase over last year's cost. The forecast for SCVWD is that rates will remain the same at \$620 per acre foot.

The City also receives charges from the SCVWD for pumping ground water from City wells. The unit cost for well water is also influenced by the power costs associated with running the pumps. The projected well water total unit cost (tax plus power) for FY 2010/2011 is \$604 per acre foot, an increase of 0.3% over last year's unit cost of \$602. Due to the projected difference in cost from our suppliers, staff attempts to purchase water at the lowest possible cost. Our system allows us to move water from one portion of the City to another to some extent and staff monitors and adjusts our purchases based on our needs and our ability to utilize the most cost effective source.

Considering all sources of potable water, and an expected reduction in total sales, the City's total purchased water costs for FY 2010/2011 are projected to be 6.2% higher than FY 2009/2010.

Finally, the City's Water Pollution Control Plant 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. In prior years, the City received a \$115 per acre foot rebate from the SCVWD to encourage use of recycled water, but this rebate stopped at the end of August 2009. Staff has had ongoing discussions with the District to reinstitute the rebate in some form and they have indicated an interest in participating in recycled water capital improvement projects versus operating costs. We will continue to pursue this option to allow for the maintenance and expansion of our recycled water distribution system.

Forecasting Water Purchase Expenses

The first step in setting rates for the Water Fund is completion of a 20-Year Water Production Forecast. This analysis looks at the total amount of water that will be needed for the next 20 years, taking into account demand trends, water conservation, growth and projections of population. Staff then obtains projections from each of the City's water wholesalers for next year and future rates. Available future rates generally range from zero to nine additional years, depending upon the wholesaler.

This year, both SFPUC and the Santa Clara Valley Water District have provided staff with wholesale rate projections for the next ten years. These projections are reflected in the following table.

Projected Increases in Wholesale Rates		
Fiscal Year	SFPUC	SCVWD
2010/2011	15.2%	0.0%
2011/2012	10.2%	8.7%
2012/2013	29.2%	8.8%
2013/2014	5.3%	8.9%
2014/2015	12.6%	9.7%
2015/2016	20.4%	9.5%
2016/2017	-2.5%	9.3%
2017/2018	0.1%	8.5%
2018/2019	0.7%	6.3%
2019/2020	-1.3%	5.4%

SFPUC charges consist of two separate components, a meter charge, and a charge for purchased water. In addition to these charges, the recently adopted water supply contract with the SFPUC includes a new provision that allows the Bay Area Water Supply and Conservation Agency (BAWSCA) to collect a Water Management Charge of up to \$0.02 per unit of water (which is 100 cubic feet or 748 gallons). This year, the SFPUC has projected a 15.2% increase in the cost for purchased water. In addition, staff has included the new Water Management Charge from BAWSCA in our forecast. The Water Management Charge will be considered by the BAWSCA board in June for adoption in July. The combination of these increases in cost, plus an overall reduction in the projected purchase of SFPUC water results in a 16.3% increase in the unit cost of water from the SFPUC for rate setting purposes.

A major factor in the rates charged by the SFPUC is the massive \$4 billion infrastructure renovation project needed on their regional water system. The SFPUC must issue debt to fund a project of this size, and therefore must maintain a revenue base sufficient to cover their considerable debt service. One of the provisions of our contract with the SFPUC is that capital improvement projects can not be charged to retailers until these projects are completed and in operation. That is one of the reasons for the large swing in rates that are projected over the next ten years from the SFPUC.

For the Long-Term Financial Plan, staff has adjusted the annual meter charges upwards by 20% every five years to reflect the SFPUC's historical practices. Finally, staff has taken SFPUC's two years of projected decreases in rates in FY 2016/2017 and FY 2019/2020 and substitute a "zero" growth rate scenario for that year in order to be as realistic as possible in our long-term projections. This is consistent with past projections for reductions in rates that ultimately did not materialize or were offset by larger increases in subsequent years.

Beginning in FY 2020/2021, staff is recommending a very modest growth in SFPUC's base costs of about 0.8% per year, again with meter charges increased every five years.

This slowing of the rates is based on the assumption that at that point all revenue bonds for repair of the system infrastructure will have been issued and SFPUC's expenses will then include the total debt service on these bonds. Therefore, the 0.8% represents the amount that their actual fixed operating costs are expected to rise over the long term.

The cost of wholesale water purchased from SCVWD is projected to remain the same for FY 2010/2011. Due to the economic climate, the SCVWD has been under significant pressure from its retail customers to hold rates as low as possible. For purposes of setting the FY 2010/2011 water rates, staff has used the zero increase scenario for SCVWD wholesale water recommended by District staff for the current year and used their most recent projections going forward.

Water Rate Pricing Review

Since the early 1980s, the City's water rates have been designed to send pricing signals to customers to encourage prudent use of this very valuable resource. This is done through a rate structure called an "inclining block tier" structure. Under this structure, the more water a customer uses, the more they pay per unit of usage. The cost of service basis for this type of structure is based on the theory that larger water users require the utility to install larger systems, acquire more supply, and use more energy. Therefore, those costs are allocated to those users through higher per unit costs at higher usage rates.

The issue with this structure is that if it is successful, and remains unchanged, the City's water revenue declines in two ways. First, the City simply sells less water as the pricing structure drives customers to conserve. Secondly, water is sold primarily at the lower tiers which in some cases do not cover the full cost of service.

This issue has had a significant impact on the water utility's financial health over the past several years as we have seen a decrease in demand due to economic conditions and drought. Last year, staff implemented changes to the Service Fees charged to each customer. Service Fees are the fixed charges that represent a portion of the customer's fixed cost of the system. In follow up to this, staff has been reviewing the water system in an effort to understand how to best allocate costs among the various customer classes to help to sharpen the degree of equity that can be achieved in the water rates charged to customers for the use of water. As a result of this work, staff is recommending a two-phased approach.

First, the FY 2010/2011 rates recommend changes to the price difference between water rate tiers across all classes of residential customers. One of the primary purposes of an inclining block tier rate is to send price signals to customers to encourage the prudent use of water. The difference in the unit cost for water under the current rates is very small, amounting to only \$0.19 per unit between tiers two and three and only \$0.10 per unit between tiers three and four. Additionally, this is inconsistent with the much larger difference of \$1.44 per unit between tiers one and two. To correct this issue, staff has proposed rates that adjust the difference in rates for each tier to \$1.50 per unit of water between all three tiers.

The second phase of staff's work will come in FY 2010/2011 for implementation with the FY 2011/2012 rates. This work will involve identifying where the actual tiers should break with regards to the use of water. For example, currently the bottom tier in the single family rates is 0-6, and the second tier is 7-33 units per month. Only 3% of all single family consumption falls above the bottom two tiers, rendering the third and fourth tiers essentially unused. This reflects the success of the existing structure and the shift in demands to the bottom two tiers discussed above. Staff will continue to review usage trends and make a recommendation to make the second round of changes to pricing for the FY 2011/2012 rates to be considered by Council.

Operations and Capital Expenses

The remaining 28% of direct operating costs of the Water Fund are related to City activities involved in operating and maintaining a water supply and distribution system. The recommended FY 2010/2011 Budget includes a 15.2% increase from FY 2009/2010 in budgeted expenditures for operations, largely reflecting increased personnel costs. The Water Resources operating budget includes a number of changes due to new state requirements for maintaining, monitoring, sampling, and reporting water quality. Staffing changes are also being recommended to meet optimal maintenance and operation guidelines set forth by the American Water Works Association. Meeting these standards will increase fire hydrant flushing and maintenance, water valve exercising, and water blow-off flushing. Three new full-time positions are proposed to staff this change in service level.

The Water Fund contains annual debt service of approximately \$2.4 million in FY 2010/2011. This consists of three components. First, \$1.2 million is appropriated through FY 2020/2021 for the Water Fund's portion of the City's Water and Wastewater Revenue Bonds which will be refunded in the current year. Debt Service for a new 2010 Water Bond issue which will raise \$18 million for various water infrastructure projects is also included beginning in FY 2010/2011. Finally, Debt Service also includes 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, in the amount of about \$86,000, continues through the 20-Year Financial Plan.

Over the past few years, Sunnyvale staff has been working to identify and scope projects to improve the City's water supply and distribution system. \$27 million in capital, special and infrastructure projects are included in the first ten years of the FY 2009/2010 Long-Term Financial Plan, and an additional \$17.7 million in fully-identified water infrastructure, special and capital projects are included in the second ten years of the plan. These projects include repair and replacement of water mains and facilities in the distribution system that are approaching the end of their useful life.

As mentioned above, staff is recommending the issuance of \$18 million in Water Revenue Bonds in order to supplement the funding of these projects,. Due to the age of the system, and the corresponding need for maintenance and replacement, the funding needs are front loaded in the Long-Term Financial Plan. The Revenue Bonds will be needed to moderate the impact of these projects on rates, and spread their

costs over the useful life of the infrastructure. The Revenue Bonds, which will be issued in June 2010, will help keep rate increases measured and level.

The capital and infrastructure projects recommended for funding in FY 2010/2011 are included in *Volume II, Projects Budget*.

The Water Fund carries a loan that was advanced from the General Fund in FY 2002/2003 in the amount of \$1.6 million to purchase property located at 239 Commercial Street to provide additional space for the Public Works Corporation Yard. The recommended FY 2010/2011 Budget reflects repayment of the interfund loan through FY 2014/2015.

The Fiscal Sub-Element of the City's General Plan calls for the Water Fund to maintain a Contingency Reserve of 25% of operations. This Contingency Reserve is to be used only in the event of disasters or other emergencies. The Water Fund also maintains a Rate Stabilization Reserve to smooth utility rates from year to year, normalize economic cycles and plan for project-related expenditures.

The rate increase proposed for water utility services for FY 2010/2011 is 7.5%, the same as that anticipated last year. The projected rate increases anticipated over the remainder of the 20 years are shown at the bottom of the Water Supply and Distribution Fund Long-Term Financial Plan.

Wastewater Management Fund

The Wastewater Management Fund accounts for the revenues and expenses related to the City-operated wastewater collection and Water Pollution Control Plant services.

The City owns and operates an extensive system for management of wastewater within City limits and in a small area in northern Cupertino. The system includes approximately 290 miles of sewer pipes, a storm drainage system, 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, and many other services related to wastewater.

Operations and Capital Expenses

The proposed FY 2010/2011 operations expense in the Wastewater Management Fund increased by approximately 5.9%. In addition to normal inflationary increases there are several changes to the three programs supported by the Wastewater Fund. First, as a result of the Public Works Optimal Staffing Study, a vacant Superintendent position was reclassified down to a Public Works Supervisor and moved from landscape and medians to manage the Storm Water Collection System and Sanitary Sewer Collection System programs. Second, a reorganization of the Wastewater Management program is included to meet a number of new regulatory requirements contained in the new storm water permit effective December 1, 2009; this reorganization consists primarily of position reclassifications to more accurately reflect new duties required under the permit. Appropriations for the Water Pollution Control Plant for chemicals have been reduced by approximately \$1 million to reflect a new

contract for polymer used in water treatment. Finally, operating costs in the Wastewater Fund are up due to a proposed increase in the street sweeping schedule, which changes street sweeping to once every two weeks from the current once per month schedule.

It should be noted that the City's street sweeping program is funded equally by the Wastewater and Solid Waste Fund 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.

Infrastructure maintenance and replacement has been and remains the largest issue for the Wastewater Management Fund. Capital projects included in the recommended FY 2010/2011 Budget include a new Water Pollution Control Plant and additional projects needed to manage the gap between the old and new plants.

In the FY 2007/2008 Long-Term Financial Plan, the need for a new Water Pollution Control Plant was identified. An Asset Condition Assessment of the Water Pollution Control Plant (WPCP) completed in August 2006 identified the aging and deteriorating condition of the plant and recommended that a master plan for the long-term needs of the plant be completed. A project for a comprehensive Strategic Infrastructure Plan (SIP) study was funded in the FY 2007/2008 Project Budget. The purpose of this study, which is almost complete, is to determine the most effective alternative, including re-build or mix of rehabilitation and replacement, in order to maintain current service levels and meet future needs at the plant in the most cost effective way.

To provide funding for the types of recommendations anticipated from the SIP, a project was submitted in FY 2007/2008 as a "placeholder" to provide up to full replacement of the plant. Based on preliminary findings of the SIP, staff has revised the estimated costs and timing for a new WPCP. The budget for the plant has been revised downward to \$335 million; this reflects an option that combines the rehabilitation of existing facilities with construction of new facilities that will take advantage of newer sewage treatment technologies, meet projected treatment requirements over the planning horizon of 2035, and allow for expansion to accept additional waste from adjacent cities if a market becomes available.

While approximate, the estimated costs of the WPCP are large enough that funding through revenue bonds will be necessary in order to spread the financial impact of the new plant on the rates over the life of the asset. The recommended FY 2010/2011 Long-Term Financial Plan for the Wastewater Management Fund therefore reflects debt service beginning in FY 2012/2013 and gradually increasing as the plant is built/rebuilt until it reaches its full level in FY 2021/2022.

In the meantime, staff has included certain critical projects which have been previously identified as being required in the short-term to address the most advanced areas of deterioration of the plant that are in increasing danger of failure. These projects fall primarily into two categories 1) projects in which technology has not changed significantly since they were originally built (for example Digesters and Primary Sedimentation Basins) and will therefore become part of the new plant and 2) projects that address infrastructure that may be replaced with different technology or

processes, but that will not last the interim period and therefore must be repaired or replaced. These areas of infrastructure include Air Flootation Tank Rehabilitation and Tertiary Plant Drainage systems. Certain of these projects which are scheduled in the first three years of the Long-Term Financial Plan will be financed through the new Wastewater Revenue Bond which will be issued in June 2010 along with the refunding of the existing Water and Wastewater Bonds. (see discussion below).

The Wastewater Management Fund has two interfund loans that were advanced from the General Fund. The first loan was to finance the remodel of the primary facilities of the wastewater treatment plant, 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 1980/1981 for a total of \$10.7 million at 7% interest. The original term was for 20 years. Payment of the loan began in FY 2004/2005. The second loan from the General Fund was made to assist the Wastewater Management Fund with cash flow issues by providing needed cash to stabilize rates. The loan was advanced in FY 1995/1996 for a total of \$2.4 million at 7% interest. The term was for 20 years with ongoing payments on the loan deferred until FY 2004/2005. No changes have been made to the loan payoff schedule as part of the recommended FY 2009/2010 Wastewater Management Fund Long-Term Financial Plan.

The Long-Term Financial Plan also reflects the addition of the issuance of new wastewater bonds. In the current market, the City can issue wastewater revenue bonds at very attractive long-term rates. The issuance of revenue bonds will allow the City to accelerate construction of projects and achieve construction cost savings by taking advantage of a favorable bidding environment. In addition, the issuance of bonds will allow the City to minimize the impact on utility rates by spreading project costs on an equitable, long-term basis to users who will benefit from the improvements. The current favorable market conditions will also allow the City to refinance the utility's existing bonds at lower rates and achieve financial savings.

The new bonds will refinance the 2001 Bonds to their original term, and finance \$23 million of wastewater utility capital projects over 30 years at current interest rates. Based on the market conditions at the time this overview was prepared, the refunding of the existing bonds is expected to generate aggregate cash flow savings of approximately \$1.39 million for the wastewater utility.

Additionally, the financing of \$23 million of new wastewater capital projects will add approximately \$1.48 million of debt service per year for each year of the financing. The estimated fiscal impact of this issue has been incorporated into the Wastewater Management Fund Long-Term Financial Plan and the wastewater utility rates.

In 1997 the City completed construction of the WPCP Power Generation Facility (PGF). The PGF was built to take advantage of existing waste gases from the decomposition of garbage from the City owned landfill and digestion of sewage from the Water Pollution Control Plant. The PGF burns methane from these processes along with purchased natural gas to produce energy to operate the WPCP. The PGF allows the WPCP to operate almost exclusively without having to purchase electricity from PG&E.

In order to build the facility, the General Fund loaned the Wastewater Management Fund the necessary capital. In return, the Wastewater Management Fund makes a

transfer to the General Fund each year as payment for a portion of the savings from the project. The transfer amount for FY 2010/2011 is \$814,492.

The Wastewater Management Fund also pays rent to the General Fund for use of the land that the Water Pollution Control Plant occupies. The payment for FY 2010/2011 is \$327,538.

The Wastewater Management Fund by policy maintains a Contingency Reserve of 25% of operations and a Rate Stabilization Reserve to normalize rates and provide for the effect of economic cycles.

The rate increase proposed for Wastewater services for FY 2009/2010 is 4.5%, which is three percent less than last year's projection. The recommended increase in wastewater rates is less than planned for two reasons. First, the FY 2009/2010 plan assumed pay-as-you-go funding of short term projects instead of bonding. The issuance of revenue bonds allows the City to mitigate the impact of these projects on rates and spread the costs over the life of the projects. Additionally, due to the complex nature of wastewater systems, some of the projects originally planned for FY 2009/2010 won't be underway until FY 2010/2011, effectively spreading the rate impact of these projects over multiple years.

Annual rate increases for the remainder of the planning period are shown at the bottom of the Long-Term Financial Plan.

Solid Waste Management Fund

The Solid Waste Management 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 been issued an exclusive franchise for collection of solid waste and recyclable materials through 2018, and these contract costs are reflected here. Operations of the Sunnyvale Materials Recovery and Transfer (SMaRT[®]) Station and disposal of refuse at the Kirby Canyon Landfill are included in a separate fund, but the City's share of these activities is reflected in the Solid Waste Management Fund.

In 1992 the City of Sunnyvale entered into a Memorandum of Understanding (MOU) with the cities of Palo Alto and Mountain View for the operation of the SMaRT Station[®]. Sunnyvale and Mountain View are required to deliver all of their garbage and residential recyclables, including yard trimmings, to SMaRT. Palo Alto continues to operate its own landfill, and facilities for yard trimmings and compost and recycling, and therefore is required to deliver only specific amounts of garbage that vary from year to year.

The three cities that participate in the SMaRT Station have individual agreements with Kirby Canyon for landfill services that require the payment for disposal of a minimum quantity of solid waste each year. This provision is commonly referred to as a "put or pay" requirement. In October 2011, the cities will be able to modify the level of put or pay required, and it is Sunnyvale's intention to lower its solid waste minimum

quantity by the maximum allowable 10%. This modification is reflected in the tonnage projections beginning in FY 2012/2013.

As mentioned earlier, the City contracts with Specialty for the collection of solid waste and recyclables throughout the City. Specialty is paid on a monthly basis, but their payment is determined for a year based largely on formulas that take necessary and actual expenses in the last completed fiscal year and adjust them for inflation. Therefore, the contractor 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 2010/2011 contractor payment is \$16.7 million, an increase of about \$860,000 or 5.4% over the current FY 2009/2010 contractor payment. The change is due to higher diesel fuel costs and overall expenses as the indexes used to calculate the costs have risen.

An additional cost reflected in the Solid Waste Fund Long-Term Financial Plan is a charge for rent for use of the City land that the SMaRT Station and the landfill occupies. Previously, the payment had only reflected rent for the land associated with the SMaRT Station. The new payment incorporates the land occupied by the closed Sunnyvale Landfill and is reflected for the full term of the plan, adjusted for inflation. The FY 2010/2011 rent payment is \$747,298.

The current Long-Term Financial Plan for the Solid Waste Management Fund includes the City's share of ongoing debt service for bonds issued to construct the SMaRT Station. These bonds will be paid off in 2018. The Plan also includes the City's share of the debt service for the new Materials Recovery Facility equipment project at the SMaRT Station.

The Solid Waste Management Fund Long-Term Financial Plan reflects two interfund loans that were advanced from the General Fund. The first loan provided \$3.68 million during 1985, 1988, and 1989 to construct a system to convert methane gas to a marketable form of energy. An additional \$10.5 million was advanced to stabilize solid waste rates between FY 1994/1995 and FY 1998/1999. Both loans bear interest of 7%. The loans have since been combined. The recommended FY 2010/2011 Budget reflects the combined loan with payoff scheduled to occur in FY 2020/2021.

By fiscal policy, the Solid Waste Fund maintains a Contingency Reserve of 10% of operations. This is less than the 25% required for the other two utility enterprises to reflect that 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.

Due to the economic downturn and the corresponding slowdown of business activity, revenues are forecast to end the year approximately \$500,000 less than projected. The recommended FY 2010/2011 Budget assumes that solid waste activity will remain flat in FY 2010/2011 and begin a moderate recovery starting in FY 2011/2012. This continuing business slowdown will require a 7.5% increase in the total revenue required to operate the Solid Waste Management Fund for FY 2010/2011. This is two

percentage points higher than the increase that was planned for FY 2010/2011 last year. The projected increases in revenue requirement for the remainder of the planning period are reflected at the bottom of the Solid Waste Management Fund Long-Term Financial Plan.

Sunnyvale Materials Recovery and Transfer (SMaRT) Station

The Sunnyvale Materials Recovery and Transfer (SMaRT) Station began operations in October 1993. The costs of building 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. 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. The debt service on the bonds is shared among the three cities as specified in the MOU.

The SMaRT Station Operations Fund was established to account for operations at the facility. It receives its revenue from charges to the cities of Sunnyvale (Solid Waste Management Fund), Mountain View, and Palo Alto and from the sale of recyclables. Major operating cost components include the contract with the SMaRT Station operator and disposal fees and taxes collected by the Kirby Canyon Landfill. The fund is designed so that annual revenues and expenditures are in balance and that no fund balance is carried forward to the next year. Operating costs and revenues from the sale of recyclables are charged to or distributed to the cities based on the numbers of tons of solid waste each community brings to the SMaRT Station for materials recovery, transfer, and disposal.

The SMaRT Station is operated by a private company under contract with the City. To date, the City has issued seven-year agreements. On February 13, 2007, the City Council awarded a seven-year contract for operation of the SMaRT Station to Bay Counties Waste Services, who began operations on January 1, 2008. Therefore the first full year of operations under the new contract was FY 2008/2009.

The substantial net financial impact of the new contract was incorporated into the FY 2007/2008 financial plan. Overall, the contract increased the net annual operating costs of the SMaRT Station materials recovery, transfer, and disposal system, after accounting for increased revenues from increased diversion of recyclables. Increases in costs from the new contract reflected the City's requirements for the wages to be paid to contractor personnel working at the SMaRT Station and the updated market pricing that resulted from the competitive procurement process used to select the new contractor.

The FY 2007/2008 Budget included the funding for a major capital project to replace the SMaRT Station Materials Recovery Facility (MRF) equipment. After years of heavy usage, key components of the MRF equipment were showing excessive wear and were in need of replacement. Installation of the new MRF equipment was completed during FY 2009/2010 and the MRF is now providing increased mechanized separation, which reduces the number of personnel required to sort materials manually. These savings are reflected in the agreement with the new SMaRT operator. The new equipment also

facilitates increased recovery of materials from the waste stream, which increases revenues from sale of recycled materials.

The recommended FY 2010/2011 Budget reflects the first full year of operation of the new MRF equipment. The two primary components of operating expenses, *Operations* and *Landfill Fees and Taxes* together reflect an increase of 4.4% over FY 2009/2010. It should be noted that Sunnyvale's expenses related to the SMaRT Station are increasing by 5.2%. This reflects a combination of inflationary increases in the cost of SMaRT Station/landfill operations and the annual adjustment of the proportions of waste delivered to the SMaRT Station by the three cities (the "Operations Share"). Tonnages from all three cities have declined due to weak economic conditions.

The SMaRT Station Replacement Fund provides for the replacement of City-owned SMaRT Station equipment. The three participating cities contribute to these replacement efforts and to payment of debt service based on fixed percentages established by the SMaRT Station MOU among the cities.

The recommended FY 2010/2011 SMaRT Station Long-Term Financial Plan reflects debt service for the original cost of the facility through FY 2017/2018.

In order to provide funding for the MRF project, Solid Waste Revenue Bonds were issued for the Sunnyvale and Palo Alto portions of the project. Mountain View chose to fund their portion of the project on a cash basis. Debt service for the debt-funded portion of the MRF equipment is shown on the Long-Term Financial Plan through FY 2021/2022.

Staff projects that while most of this new MRF 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, staff has projected funding for a new materials recovery system and any other improvements needed to the SMaRT Station Facility in FY 2023/2024, with annual debt service of \$1.9 million beginning that year. The size and goals of this project and, thus, its technical nature, will be determined by inter-jurisdictional discussions to take place prior to the expiration of the MOU in FY 2020/2021. At the present time, it is assumed that the new SMaRT facility will be similar to the current equipment.

Community Recreation Fund

The Community Recreation Fund, which was created in FY 1991/1992, provides for the recreation activities of the City, including the two City-operated golf courses, the tennis center, and recreation programs and services. Prior to the initiation of the Fund, recreation services were part of the General Fund. The creation of the Community Recreation Fund included the merger of the City's golf and Tennis Center operations with the remainder of all other recreation service activities, as well as the adoption of new, entrepreneurial approaches to service delivery. This approach resulted in a significant reduction in General Fund monies that might have been directed to support recreation services in future years. It also provided and continues to provide the autonomy and flexibility for staff to do market-based programming.

Concentrating solely on this philosophy, however, challenges the Recreation Division's capacity to provide many free, low-cost or subsidized customary recreation programs and services, such as spring egg hunts, Halloween events, community bike rides, community concerts, etc., due to the demand to be "bottom-line" oriented.

The recommended FY 2010/2011 Budget provides approximately \$12 million worth of diverse recreation programs and services to the community with a contribution from the General Fund of \$4.5 million. Approximately \$1 million of this is returned to the General Fund to cover administrative in-lieu costs. The remaining cost of recreation programming will be paid primarily by the direct beneficiaries of the programs in the form of user fees, including revenues from the City's golf operations which are in excess of the expenses needed to provide for the golf services. While this funding source has declined in recent years, it is believed that it is now stabilizing and should allow accurate budgetary planning going forward.

The Fiscal Sub-element of the General Plan includes a number of policies related to the Community Recreation Fund. First, the amount contributed for recreation services from the General Fund is fixed at the FY 2006/2007 level, growing by inflation over the 20-Year Long-Term Financial Plan. While this creates stable General Fund planning, in reality due to costs rising at a higher rate than inflation, the long-term overall fund stability and service level is unsustainable. Therefore, staff will be developing a strategy to recommend to Council that will provide for a long-term solution for financing of recreation services. It is anticipated that this strategy will not be based on a set amount or one that is tied to inflation such as the last few years. The Recreation budget, like other departments/programs, will be developed by staff and will include proposed activities and service levels along with their respective projected revenues. These proposals will be prioritized along with other General Fund services and the General Fund contribution necessary to support the desired Recreation services will be submitted to the City Council for consideration.

The recommended transfer from the General Fund of \$4.5 million to the Community Recreation in FY 2010/2011 is about \$153,000 less than the total transfer made in FY 2009/2010. In keeping with the City's fiscal policies, the FY 2009/2010 transfer amount was first increased by inflation. However, in light of the City's overall financial condition and need for budgetary reduction, the transfer amount was reduced by \$200,000. These calculations resulted in the net reduction of \$153,000 mentioned above. This new transfer base has been increased by inflation throughout the remaining years of the Long-Term Financial Plan. Because of the reduced transfer, personnel cost increases in excess of inflation, and revenues growing slower than inflation, it will be necessary for the Community Recreation Fund to reduce its total expenditures or increase its revenues over the next three years. This change may come in the form of staff reductions through attrition, increased fee revenues, program modification, reduction or elimination and/or increased efficiencies. The proposed adjustments of \$200,000 each year (for a total cumulative adjustment of \$600,000 annually to the base) are contained within the Long-Term Financial Plan as "*Fiscal Strategies*" from FY 2010/2011 through FY 2012/2013. The first year steps to accomplish that reduction are still being formulated by staff.

An additional policy indicates that any increase in service levels approved by Council, including those provided to other organizations, that is not covered by revenues

requires approval of additional support from the General Fund. Further, any action by Council to decrease revenues not covered by a decrease in operating costs results in a corresponding increase in monies from the General Fund. Finally, the Community Recreation Fund is allowed to retain any fund balance generated from cost savings, revenue initiatives, etc., to assist in keeping service levels stable during slower economic periods.

The City's fiscal policies also provide that the infrastructure rehabilitation and replacement of all facilities on park land, including the golf courses and tennis center, will be funded first through the Park Dedication Fund if funds are available. Currently all such costs are funded fully by Park Dedication Fees. If not, the cost would need to be borne by the General Fund, as the Community Recreation Fund is operational in nature and not intended to fund capital items. In keeping with this policy, all new capital projects related to Community Recreation assets are also supported by Park Dedication fees.

As in prior years, the recommended FY 2010/2011 Budget transfers the interest from two endowments to the Community Recreation Fund to partially defray the cost of particular activities. First, interest earned on the Swirsky Youth Opportunity Fund endowment in the amount of \$11,038 will be transferred to the Community Recreation Fund to supplement the Mobile Recreation Program. Second, the interest earnings on the Fremont Pool Trust Fund in the amount of \$18,195 will be transferred to the Community Recreation Fund to partially offset operational costs associated with the Fremont High School Pool. More information on these two endowment funds are available later in the *Detailed Fund Reviews* section of the budget document.

The Community Recreation Fund contains two reserves. The first, *Co-op Sports Reserve*, reflects requirements of a contract that the City has with the Sunnyvale School District to administer the after school intramural sport league programs at Sunnyvale Middle School and Columbia Middle School. This small reserve carries over funds for the Sunnyvale Middle School program, which generally brings in more revenue from participant fees than is needed to cover direct program costs. The reserve funds are used to purchase equipment and uniforms as needed by the school.

The second reserve is the *20-Year Resource Allocation Plan (RAP) Reserve*, which functions here as in other funds, to levelize expenses and revenues over the planning period. We expect the 20-Year RAP Reserve to end FY 2009/2010 with \$1.1 million. As noted earlier, the Fund will be allowed to keep any revenues above projections and savings from service level efficiencies in a given year to help stabilize economic cycles and maintain service levels. It is projected that the 20-Year RAP Reserve in the Community Recreation Fund will be substantially drawn down in the first ten years of the Long-Term Financial Plan as ongoing adjustments to expenses are made to address the imbalance between revenues and expenditures.

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 two such funds that operate on a cost reimbursement basis: the

General Services Fund and the Employee Benefits and Insurance Fund. Both of these funds play an important role in the overall ability of the City to conduct business. Sunnyvale's full cost accounting methodology results in all of the costs of these funds being charged back to user activities on a rental rate or additive rate basis. Therefore, the total expenditures of these two funds are not added to the overall budget.

The City also has two additional internal service funds. One of the funds accounts for activities associated with the Sunnyvale Office Center and the other fund was created to separate property and liability insurance costs from the Employee Benefits and Insurance Fund.

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 are: 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 these combined General Services Fund activities are projected at 2.6% for FY 2010/2011. This is a slight decrease from the 3.3% for FY 2010/2011 that was projected last year. Rental rate increases are projected to range from 2.7% to 3.1% over the remaining first ten years of the General Services Long-Term Financial Plan. This is a decrease from the average 3.2% projected last year. Rental rate increases are projected to be 2.7% in the second ten years of the plan.

Below is a discussion of each of the three sub-funds that make up the combined General Services Fund. Included in each section is a brief description of major items that affect the current resources, current requirements, or reserves of each plan.

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. Fleet Services, which in prior years was part of the Public Works Department, was moved to the Office of the City Manager during FY 2009/2010.

The main source of funding within this sub-fund is derived from Fleet Services rentals to other programs. Fleet Services rental rates are scheduled to increase by 3.1% for FY 2010/2011 and then remain at this level for the remainder of the first ten years of the Long-Term Financial Plan. Rate increases will be slightly lower in the second ten years, amounting to 2.8% annually.

The Sale of Property line item of the Financial Plan represents the sale of surplus or replaced vehicles or pieces of equipment. The projection is based on historical averages for the surplusing of vehicles and equipment.

The Intrafund Loan Repayment represents scheduled payments from the Facilities Services Sub-Fund. This loan was initially made in FY 1999/2000 to alleviate cash flow issues experienced by the Building Services Sub-Fund. The initial terms of the loan were for a principal amount of \$1.6 million to be repaid over ten years with final payment scheduled for FY 2015/2016. In FY 2005/2006 a large payment was made against the principal, and the Financial Plan calls for repayments beginning in FY 2012/2013 through FY 2016/2017.

The multiple transfer line items found within the *Current Resources* section of the financial plan through FY 2016/2017 represent the funding mechanisms for the Upgrading the City's Fuel Stations capital project.

The two major current requirements deal with equipment replacement and operation of the Fleet Services program. The equipment replacement costs are different each year as various items of equipment reach the end of their useful life and must be replaced. An estimated ongoing equipment replacement savings has been displayed as a separate negative line item to account for savings that occur through lengthening of useful life of vehicles and equipment beyond what has been programmed.

The *Operations* line in FY 2010/2011 is up by less than 1% from the operations expense for FY 2009/2010. Personnel costs have increased by 2.2% due to increased retirement costs and projected salary increases, offset by a reduction in overtime hours. Fleet Services is projecting an increase in expenditures for fuel of almost 10%, with a reduction in parts purchased and internal service charges.

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 the accumulated annual replacements fund within the reserve will be used to purchase the vehicle or apparatus.

The *20-Year RAP Reserve* functions in this fund, as in other funds, to levelize rates and plan for capital projects.

Facilities Management Services Sub-Fund

The Facilities Management Program reflects the cost of maintaining City facilities, including costs for electricity and water, carpets and blinds, modular furniture, and building equipment. In prior years, Facilities Management was part of the Department of Community Services, but during FY 2009/2010 it was transferred to the Office of the City Manager.

The Facilities Management Services 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. 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 by approximately 3.5% for FY 2010/2011 and next two years of the financial plan. Rental rates then decrease through the remainder of the first ten years. Increases will be 2.8% annually in the second ten years of the plan. It should be noted that in year eight of the plan, facility rental rates are expected to be reduced by over 8%. The reason for this is that Facilities Services will have paid off its loan to Fleet Services by this time 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 second ten years.

Utility reimbursement from the Raynor Center reflects payments made for electric, gas, water, and trash pickup by the tenants of the Center.

The major current requirements deal with operation of the Facilities Services Program. The *Operations* line item is increased by almost 6% for FY 2010/2011. Costs for salaries and benefits are up 5.5% over FY 2009/2010 due to planned salary increases, additional retirement costs, and budgeted overtime and casual/seasonal hours. Purchased good and services have increased by more than 7% as a result of higher electric and contractual labor costs.

Equipment replacement costs have been established based on the asset depreciation schedules. For FY 2010/2011 the purchase of free standing furniture has been removed from this program and has been placed within each operating budget as needed.

The *Transfer to Sunnyvale Office Center* line item in the 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 to the Infrastructure Fund are also programmed for the Facilities Services contribution to various improvements at the Corporation Yard.

The *Interfund Loan Repayment* line item in the financial plan represents loan payments to the Fleet Services Sub-Fund, which are projected to be repaid in FY 2016/2017. 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 1999/2000.

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 located in the Office of the City Manager.

The aggregate rental rate for Technology and Communications Services is scheduled to increase by approximately 2% for FY 2010/2011 and FY 2011/2012, increasing to 2.9% by FY 2019/2010. This is lower than the 3.3% projected last year for the first ten years of the plan. Proposed increases are 2.6% annually in the second ten years of the plan, which is slightly higher than the 1.4% increases projected in last year's long-term plan.

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 for use in purchasing equipment for KSUN are collected in a restricted reserve titled *Restricted KSUN Equipment Reserve*.

A new surcharge on development to pay for the costs of the technology needed to support the one-stop permit system is being recommended for implementation in FY 2010/2011. This surcharge is expected to recover about \$97,000 which will be placed in a *Restricted Technology Surcharge Reserve* in this sub-fund and used to upgrade or replace the existing system.

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 providing technology and communication services. Equipment replacement for technology and communications and office assets reflect the depreciation schedules for each. Additionally, it should be noted that an estimated ongoing equipment replacement savings of \$100,000 is programmed to account for anticipated cost savings resulting from extending useful lives and reduced unit costs for equipment.

Operating costs for the Technology and Communications programs are up almost 9% over last year's budget. There are two principal components of this increase. First, during this year's budget process the methodology for allocating computer service rentals was reviewed, and it was discovered that the Information Technology Department was not being charged for their own technology equipment. This resulted in a rental rate charge of \$252,000 to ITD; this charge is offset by lower rental rates to other departments and has no overall net fiscal impact. Second, costs for hardware and software maintenance and support have increased about 18% due to additional systems which have been acquired.

Transfers to the Infrastructure Fund are also programmed for the Technology and Communications Services contribution to various improvements at the City Hall Annex throughout the Long-Term Financial Plan.

The *General Fund Loan Repayment* line item of the Financial Plan represents the repayment schedule of a \$2 million loan made to the former Technology Services Sub-Fund in FY 1999/2000. This loan was made to fund a number of information technology initiatives including the City's geographical information system (GIS). Loan repayments continue through FY 2012/2013.

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, office equipment, and mail and print shop equipment.

The *20-Year RAP Reserve* functions in this fund, as in other funds, to levelize rates and provide for planned capital improvements.

Project Management Sub-Fund

The Project Management Sub-Fund represents project management services provided by staff within the Department of Public Works Engineering Services 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 the proportionate share of the current schedule of projects budgeted for a given year.

The Project Administration Program is responsible for administrative oversight efforts on all City projects that involve the development of and management of construction contracts. Budgeting for project management administration is based upon recent and historical experience of administering capital projects.

Operations for the Project Administration General Services Sub-Fund are projected to increase by 1.7%, reflecting an increase in hours for monitoring and reimbursement of major capital projects.

In FY 2008/2009 the City of Sunnyvale launched a major program to accelerate capital improvement project execution to take advantage of the extremely favorable bidding climate brought on by the global recession and funds from the American Recovery and Reinvestment Act. The Project Administration staff in Public Works, as well as staff in the Purchasing Division of the Department of Finance, have played a major role in making this program a success.

The program, called **Sunnyvale Works!** has involved more than \$100 million in capital projects from various funds. These projects have been placed on a highly-accelerated schedule. **Sunnyvale Works!** projects have helped the hard-hit construction industry in the Bay Area region to maintain jobs. A highly favorable bidding climate has seen project bids far below the City's construction estimates. In recognition of its innovative nature, **Sunnyvale Works!** was recently named Public Works Project of the Year by PublicCEO.

Employee Benefits and Insurance Fund

The Employee Benefits and Insurance Fund provides a mechanism to cover expenditures related to pension costs, employee 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 Benefit, Retirement Benefits, Workers' Compensation, and Insurance and Other Benefits. Liability and Property Insurance, previously a part of the Employee Benefits and Insurance Fund, has been broken out into its own fund because these costs are not related to salary expenditures, but instead are recovered on claims experience and building space and fleet usage.

Employee benefits costs continue to be a fiscal challenge for the City, particularly in sharply rising costs for retirement and medical premiums. For FY 2010/2011, the medical premiums are expected to rise an additional 8%. Retirement costs are projected to rise 4.8% in FY 2010/2011 before starting to increase in FY 2011/2012 as the impact of CalPERS' recent heavy investment losses is folded into future employer rates.

Details of the changes in each of the Benefits Sub-Funds are discussed in the sections below.

Leaves Benefit Sub-Fund

The Leaves Benefit program accounts for all City employees' leave time, including accrual of leave benefits earned but not taken. The additive rate is calculated by determining the amount of leave benefits to be accrued and adjusting for estimated salary increases. The budget for leave benefits for FY 2010/2011 is up 2% as a result of the increase in employee salary rates. The interest income in this Sub-Fund is generated from the leave earned, which is expensed at the time it is earned and held as a liability in our General Ledger until it is taken.

Retirement Benefits Sub-Fund

The Retirement Benefits Sub-Fund contains the costs for the City's retirement plans. Sunnyvale contributes to two California Public Employees Retirement System (CalPERS) plans for and on behalf of its employees: Safety (3% @ 50 Plan) and Miscellaneous (2.7% @ 55 Plan). The Miscellaneous Plan was enhanced effective July 1, 2007. Prior to this the Miscellaneous Plan formula was 2.0% @ 55. For the Safety Plan, the City pays the employee contribution of 11.25% as well as the employer contribution. For the Miscellaneous Plan, the City pays the employer contribution and 7% of the 8% employee contribution, with the employee paying the other 1%.

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

Below are the employer rates the City paid in FY 2008/2009 and FY 2009/2010 as well as the rates for FY 2010/2011 and estimated rates for FY 2011/2012 as received from CalPERS.

CalPERS Plan Employer Rate	2008/2009 (actual)	2009/2010 (actual)	2010/2011 (budgeted)	2011/2012 (budgeted)
Safety (3% @ 50)	30.0%	29.8%	29.4%	29.2%
Miscellaneous (2.7% @ 55)	16.1%	15.3%	16.6%	18.3%

It should be noted that the current CalPERS amortization method is a 30-year rolling amortization that creates a negative amortization of the unfunded actuarial liability so that the unfunded actuarial liability is never paid off, but actually grows over time. In order to avoid negative amortization of the unfunded actuarial liability, beginning in FY 2007/2008 the City obtained from CalPERS the contribution rates necessary so that the City's unfunded actuarial liability would not increase. Those rates, which are higher than those provided in the CalPERS actuarial valuations, are reflected above in the actual rates for FY 2008/2009 and FY 2009/2010. We have also reflected this methodology in the budgeted rates for FY 2010/2011.

The global recession and staggering market losses which began in 2008 have had a severe impact on the CalPERS investment portfolio. In calendar years 2008 and 2009 the portfolio lost about 26% of its value. Coupled with the assumed increase of 7.75% per year, the funding shortfall equals about 44% during that relatively short time period. Although CalPERS employs a 15-year smoothing technique to minimize the impact of gains or losses as a matter of course, the recent losses were so large that the CalPERS actuarial staff recommended a separate amortization schedule to recognize the fiscal effects into the employer rates. City staff has been working with our assigned CalPERS actuary and our consulting actuary to fully understand the new methodology and how it will impact our rates going forward.

A number of uncertainties and vulnerabilities in the new methodology have emerged which could lead to large variations in the employer rates going forward. In addition, CalPERS recently released its updated experience study which informs demographic assumptions in setting the rates. This study showed that life expectancy is longer, retirement age is sooner, and salaries increases are higher than reflected in the previous assumptions. For Sunnyvale, the study will result in an increase in employer rates of 1.5 – 2% of payroll beginning in FY 2011/2012.

Finally, CalPERS is likely to revisit the investment earnings assumptions used to set employer rates sometime in the next fiscal year. Currently, the assumed earnings rate is 7.75%, but there is some speculation that this rate may be too high given current and probably future conditions. The following table shows total rates of return as reported by CalPERS.

Total Returns (Net)	
3 years for period ended 2/28/2010	-4.08%
5 years for period ended 2/28/2010	2.49%
10 years for period ended 2/28/2010	3.10%

It is unlikely that a major reduction could be made to the current 7.75% assumption, but any lowering of the rate of return would have a negative effect on the actuarial calculations used for establishing our employer rate.

For all of the reasons discussed above, staff, working with our consulting actuary, has developed a proposed contribution plan going forward that will accomplish two important purposes. First, it minimizes volatility in rates over the long-term. Second, it addresses the unfunded actuarial liability over a fixed period and eliminates negative amortization of the assets. In summary, the plan is based on a 30-year closed amortization schedule which also takes into account the latest experience study findings. The proposed contribution plan has been reflected in the General Fund Long-Term Financial Plan going forward. Of course it will be necessary to monitor conditions at CalPERS on a continual basis and make adjustments as appropriate.

A *PERS Rate Uncertainty Reserve* was created in this sub-fund beginning in FY 2007/2008 to provide a modest amount to deal with some of the volatility in PERS rates. It is expected that this reserve will end FY 2010/2011 with a balance of \$4.3 million. The Long-Term Financial Plan calls for this reserve to be drawn down through FY 2014/2015.

To prepare for the enhanced retirement plan, non-Safety employees received no or reduced salary increases starting in FY 2004/2005. These salary savings were placed into an *Enhanced Retirement Reserve* in the Retirement Benefits Sub-Fund and are being drawn down through FY 2010/2011 to levelize the impact of the increased contribution requirement.

Together with the City-paid employee contribution rates, the total City paid CalPERS rate for FY 2010/2011 is 41.5% for Safety and 24% for Miscellaneous employees.

Workers' Compensation Sub-Fund

The Workers' Compensation Sub-Fund is 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, more high risk positions, such as a Public Safety Officer, are charged a higher rate than administrative employees.

Significant reductions have occurred in workers' compensation claims since FY 2002/2003. This reduction reflects staff efforts to reduce the controllable factors related to workers' compensation costs. Staff has focused on injury prevention training and better management of and follow-up with employees out on workers' compensation. Claims in FY 2002/2003 totaled 215, while claims in FY 2008/2009 were 98. This reflects a 54% decrease over that time period. Total claims in FY 2009/2010 are expected to be below 100 as well.

The recommended FY 2010/2011 Budget projects the cost of claims will be approximately \$2 million in FY 2010/2011. This is a significant increase over the actual FY 2008/2009 amount and the projected FY 2009/2010 amount. The reason

for this is that these two fiscal years have seen lower (and less expensive) claims than expected, and based on the information received in our actuarial report, we believe that our claims exposure will be higher going forward. As a result, we are projecting claims expenditures to be at the current five-year average, and then increasing at 3% per year, reflecting a relatively stable number of annual claims but at a higher degree severity.

Workers' compensation leave costs are projected throughout the Long-Term Financial Plan based on historical actual usage. Leaves in FY 2009/2010 are up year-over-year for the first time since FY 2006/2007. We believe this to be an aberration and expect leave hours in FY 2010/2011 to be closer to the level of usage in FY 2008/2009. These hours are spread amongst the different employee groups based on historical usage trends. The expense related to these leave hours increases with projected salary increases throughout the 20-Year Plan.

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 at the same rate as purchased goods and services.

The Worker's Compensation Sub-Fund reserve requirement is based on the most recent actuarial analysis, completed in December 2009, and has been set at \$11.2 million for FY 2010/2011. 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 identified.

Insurance and Other Benefits Sub-Fund

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 sub-funds, any costs for administering these programs are contained in a Human Resources program in the General Fund and supported by in-lieu charges to the various funds.

The largest cost in this Program is medical insurance for our employees, provided by CalPERS. The overall increase for the 2010 CalPERS medical premiums is 5.79%, which is up from the 2009 increase of 2.97%. The proposed FY 2010/2011 medical insurance costs for active employees are expected to be slightly down from FY 2009/2010. This reflects a slightly smaller employee base, as well as a slight increase in the amount of required employee contributions to medical insurance. Going forward, premium increases are expected to be 8% annually through FY 2013/2014, then moderating to 5% annually for the remainder of the 20-Year Plan. While these increases are higher than inflation, it is an improvement over the double-digit rise in medical insurance experienced in prior years.

In addition to the increase in healthcare premiums discussed above, the growing number of retirees is, and will continue, to impact the City's long-term medical costs. The number of retirees is estimated to grow by 25 new retirees each year in the 20-Year Plan. Staff has taken steps to contain medical costs in recent years for both

active and retired employees. Caps on City contributions have been placed on both active and retired management employees beginning FY 2007/2008. The medical premium increase has been capped for SEA retirees in the current Memorandum of Understanding.

Managing retiree medical costs is particularly important with Governmental Accounting Standards Board (GASB) Statement No. 45, which requires the City to disclose our liability for other post-employment benefits (OPEB) such as retiree medical costs beginning with the year ended June 30, 2008. In preparation for this reporting requirement, an actuarial valuation of our retiree medical liability was completed in 2003, updated in 2006, and updated again in 2009. The 2009 valuation showed Sunnyvale's total liability for retiree medical to be \$92.8 million. Following the latest valuation, staff completed an in-depth analysis with the assistance of our consulting actuary to determine how to portray our liability and what would be necessary to fully fund our liability in light of our long-term budgeting methodology. Currently, the City uses a pay-as-you-go method for funding retiree medical costs. As a result of the analysis, staff recommended and Council approved the City's participation in an OPEB Trust to pre-fund our retiree medical liability. Council also authorized staff to enter into the trust at the appropriate time given CalPERS recent investment losses. At this point, the trust funds are retained in and earning interest in the City's own investment portfolio.

The City will make a large one-time contribution to the trust and then will make the annual required contribution (ARC) until the OPEB liability for retiree medical is fully satisfied. At that point, the City's expected cost for retiree medical is anticipated to slow to a rate that is less than the City's current pay-as-you-go obligation. This is the result of the interest earnings from the initial contribution offsetting the total cost of retiree medical benefits, reducing the annual amount the City needs to contribute.

There is currently \$29.7 million set aside to be transferred from our portfolio to the Trust, with the specific timing of the transfer dependent on the current market environment. The Long-Term Financial Plan projects that we will need to make the ARC for retiree medical costs until FY 2024/2025.

This Sub-Fund has an additional reserve, *Insurance Rate Uncertainty*, which provides funds for several uncertainties including unanticipated changes in premium costs, and adjustments in the City's contribution costs and assists in levelizing additive rates over the long term.

Reserve Levels in Employee Benefits and Insurance Fund

Reserves in the Employee Benefits and Insurance Fund have been set at amounts recently established by actuarial studies or staff analysis, as discussed above. The projected reserve levels as of June 30, 2011 are expected to be as follows:

Reserve Item	2010/2011 Year-End Amount
Workers' Compensation	\$11,204,000
Enhanced Retirement	\$308,057
PERS Rate Uncertainty	\$4,262,797
Insurance Rate Uncertainty	\$2,957,544
Total Employee Benefits Fund Reserves	\$18,732,398

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. Risk Management, which is responsible for the City's insurance program, was transitioned by the Office of the City Attorney to the Human Resources Department effective July 1, 2008.

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. 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 the Board of Directors. The total amount paid for liability claims under \$500,000 can vary significantly from year-to-year due to the small number of claims. Therefore, the ten-year average of total liability claims paid has been budgeted for long-term financial planning purposes. The reserve in this fund meets the recommended actuarially acceptable funding level as provided in an actuarial review of the program completed in December 2009.

Premiums for both liability and property insurance have decreased significantly over the past several years due to increases in investment returns and the decrease in the value of outstanding losses due to case settlements. The City, along with all members of the CJPRMA, has benefited from an increase of 42.5% of investment income over the past several years, with a net premium decrease of 14.2%. This decrease was first reflected in the actual rates paid in FY 2008/2009, which has set a new baseline for these expenses going forward. Rates for FY 2010/2011 have been held flat, and with the current environment for insurances being very competitive, the CJPRMA does not

foresee the premiums to be increasing more than inflation for the near future.

The cost of administration is budgeted to be less in FY 2010/2011 than it currently is in FY 2009/2010. This is the result of the complete transition of this program to the Human Resources Department. With administration consolidated into one area and Human Resources staff now having more experience administering the program, fewer hours are required, which has resulted in lower operational costs for this fund.

Sunnyvale Office Center Fund

This 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 fund consist of rental from outside tenants and City operations, and interest on reserves.

When the fund was established, it was projected that the existing office buildings would be operated and leased through FY 2005/2006, when a long-term solution to the City's office space problem could be in place. Subsequently, plans for a new civic center complex were put on hold because of the City's financial situation. A study on the City's facilities is currently underway; however, there is no identified funding source for developing and implementing a long-term solution to the City's office space issues. As such, the FY 2010/2011 Long-Term Financial Plan continues to reflect the complex being operated for the entire 20-year planning period. Increasing the length of operation causes the office complex to generate more net income than originally anticipated; this allows the Sunnyvale Office Center Fund to give a rebate to the General Fund of about \$246,000, increasing with inflation, annually over the entire planning period.

Because of the age and general condition of the office buildings, some capital improvements are programmed over the 20-year planning period. These projects are necessary in order to keep the facility in working order.

During the FY 2007/2008 budget cycle, interest rate assumptions on the COPs were adjusted to account for increased interest rates. Based on information from our current refunding of the COPs, the interest rate assumption has been changed to 3% for the current 20-Year Plan. The interest paid on our COPs since their issuance has averaged 2.82%.

FIDUCIARY FUNDS

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 2010/2011, it is recommended that the full amount of interest earned on the Swirsky Trust again be used to supplement the Mobile Recreation "Fun on the Run" Program operated by the Department of Community Services.

Fremont Pool Endowment (Trust) Fund

The Fremont Pool Trust Fund was established by the City in FY 2002/2003 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 currently has an Endowment Reserve balance of \$909,744. The basic premise of this fund is that the corpus, or principal, is never expended, but invested with the interest generated each year transferred to the Community Recreation Fund 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 a contract with California Sports Center to program and operate the Fremont Pool on our behalf.

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 2010/2011, which is programmed in the Community Recreation Fund, is \$186,288. Interest earnings on the Fremont Pool Trust Fund are projected to be \$18,195 and reflect the extremely low interest environment that we are currently experiencing. The Trust earnings pay approximately 10% of the City's annual costs. Revenues from operation of the Fremont Pool are projected to be \$43,625 for FY 2010/2011, or 23% of total cost. The subsidy from the General Fund to the Community Recreation Fund makes up the difference.

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, and the City's current budget crisis, it is critical to note the importance of allowing the California Sports Center (CSC) to charge market rates for use of the pool. It is also important to allow the operator to determine effective, revenue producing programming as well. The net revenue received by the City from CSC, and the interest generated by the

Fremont Pool Trust Fund, are critical factors in allowing the pool to partially support itself financially.

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**CITY OF SUNNYVALE
FY 2010/2011 BUDGET SUMMARY**

Revenue Sources:

Property Tax	42,513,743
Refuse Collection and Disposal Service Fees	34,350,250
Water Supply and Distribution Fees	26,053,892
Sales Tax	25,112,500
Bond Proceeds	24,835,239
Wastewater Management Service Fees	22,336,061
Special Assessment	8,396,543
Workforce Investment Act Grant	8,000,000
Recreation Service Fees	7,522,896
State Housing Grant	6,600,000
Utility Users Tax	6,562,157
Franchise Fees	6,110,996
Transient Occupancy Tax	5,631,782
Permits and Licenses	4,825,633
Other Taxes	4,644,242
Rents and Concessions	4,446,479
State Highway Users Tax (Gas Tax)	3,557,198
Federal Grants	3,540,378
Other Fees and Services	3,336,558
Interest Income	3,267,167
Park Dedication Fee	2,861,892
Miscellaneous Revenues	2,306,853
SMaRT Station Revenues*	1,775,015
Community Development Block Grant	1,338,319
Fines and Forfeitures	1,205,234
State Shared Revenues	874,833
Traffic Impact Fee	800,000
HOME Grant	758,883
Budget Supplements	347,000
Other Agencies Contributions	322,156
Sense of Place Fee	50,000

Total Revenue Sources**

\$264,283,899

* SMaRT Station Operations Reimbursement includes the City of Mountain View and the City of Palo Alto's reimbursement for SMaRT Station operating expenditures.

** Excludes internal service fund revenues.

**CITY OF SUNNYVALE
FY 2010/2011 BUDGET SUMMARY**

EXPENDITURES:

Operating Budget:

Office of the City Attorney		\$1,851,129
Office of the City Manager:		\$3,909,208
Community Development Department:		
Building Safety	2,517,862	
Planning	2,204,780	
Housing and CDBG Program	1,238,137	
Community Development Department Management	381,811	
Total Community Development Department		\$6,342,589
NOVA Workforce Services Department		\$11,000,000
Finance Department:		
Utility Billing	2,027,980	
Accounting and Financial Services	1,701,717	
Purchasing	1,222,256	
Financial Management and Analysis	1,219,404	
Treasury Services	1,010,697	
Budget Management	770,633	
Total Finance Department		\$7,952,688
Human Resources Department		\$3,459,363
Library Department:		\$7,394,377
Community Services Department:		
Arts and Recreation Programs and Operation of Recreation Facilities	8,336,126	
Neighborhood Parks and Open Space Management	7,859,058	
Golf Course Operations	3,439,875	
Youth, Family and Child Care Resources	987,245	
Community Services Department Management	508,793	
Total Community Services Department		\$21,131,098

**CITY OF SUNNYVALE
FY 2010/2011 BUDGET SUMMARY**

Operating Budget: (Continued)

Public Safety Department:

Police Services	25,042,369	
Fire Services	23,488,861	
Public Safety Administrative Services	6,736,074	
Investigation Services	4,412,806	
Community Safety Services	3,626,347	
Communication Services	2,806,643	
Records Management and Property Services	2,017,207	
Personnel and Training Services	1,855,734	
Total Public Safety Department	1,855,734	\$69,986,041

Public Works Department:

Solid Waste Management *	30,182,322	
Water Resources	20,950,078	
Wastewater Management	11,579,223	
Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easement	4,721,469	
Transportation and Traffic Services	2,051,408	
Sanitary Sewer Collection System	1,591,644	
Street Tree Services	1,175,634	
Street Lights	1,033,175	
Land Development - Engineering Services	1,030,050	
Concrete Maintenance	912,200	
Public Works Administration	802,217	
Storm Water Collection System	377,327	
Capital Project Maintenance and Environmental Sustainability	127,148	
Downtown Parking Lot Maintenance	63,812	
Total Public Works Department	63,812	\$76,597,706

Project Operating Budget

\$35,681

Total Operating Budget**

\$209,659,880

* Solid Waste Management includes the City's share of SMaRT Station operating expenditures.

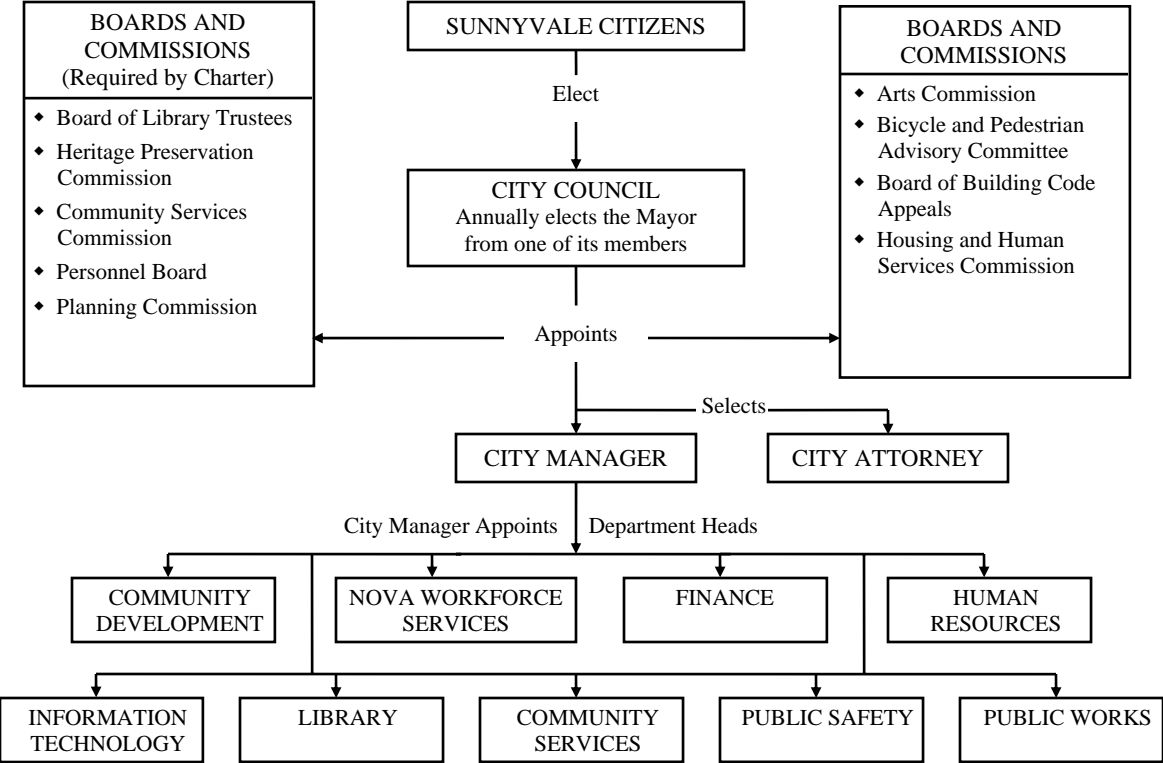
** Excludes internal service fund operating budget.

**CITY OF SUNNYVALE
FY 2010/2011 BUDGET SUMMARY**

Projects Budget:	
Capital Projects	\$5,433,523
Special Projects	12,810,561
Infrastructure Projects	\$12,685,300
Outside Group Funding	345,527
Lease Payments	\$2,037,590
Project Administration	\$1,580,233
Total Projects Budget	<u><u>\$34,892,733</u></u>
Other Expenditures:	
Debt Service	\$9,059,668
Equipment	\$1,091,355
Payment to Town Center Developer	\$2,125,639
Total Other Expenditures	<u><u>\$12,276,662</u></u>
Total Expenditures	<u><u>\$256,829,276</u></u>
Reserves	\$7,454,623
Total Adopted Budget	<u><u>\$264,283,899</u></u>

**City
Organization Chart**

CITY OF SUNNYVALE ORGANIZATION CHART



Program List by Department

Community Development Department

- Program 233 Building Safety
- Program 234 Planning
- Program 235 Housing and CDBG Program
- Program 237 Community Development Department Management

NOVA Workforce Services Department

Program 510 Employment Development

Finance Department

Program 703 Budget Management

Program 704 Purchasing

Program 705 Financial Management and Analysis

Program 706 Accounting and Financial Services

Program 707 Treasury Services

Program 708 Utility Billing

Human Resources Department

Program 754 Human Resources

General Services Operating Programs

Program 781 Employee Leave Benefits - Leave Earned/Usage Information

Program 784 Retirement, Insurances, and Taxes - Usage Information

Program 785 Workers' Compensation Excess Insurance, Cost of Claims, and Leave Hours Taken - Usage Information

Program 787 City Liability and Property Insurance and Claim Costs - Usage Information

Information Technology Department

General Services Operating Programs

Program 746 Software Application Services and Support

Program 747 IT Infrastructure Services and Support

Program 749 ITD Administration

Libraries Department

Program 620 Library

Office of the City Attorney

Program 750 Office of the City Attorney

Office of the City Manager

Program 723 Office of the City Manager

General Services Operating Programs

Program 709 Facility Services

Program 748 Print, Copy, Bindery, and Mail Services and Support

Program 763 Provision of Vehicles and Motorized Equipment

Community Services Department

Program 267 Neighborhood Parks and Open Space Management

Program 527 Youth, Family and Child Care Resources

Program 602 Community Services Department Management

Program 647 Golf Course Operations

Program 648 Arts and Recreation Programs and Operation of Recreation Facilities

Public Safety Department

Program 471 Police Services

Program 472 Fire Services

Program 473 Community Safety Services

Program 474 Personnel and Training Services

Program 475 Investigation Services

Program 476 Communication Services

Program 477 Public Safety Department Management and Support

Program 478 Records Management and Property Services

Public Works Department

Program 119 Transportation and Traffic Services

Program 120 Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easement

Program 121 Street Lights

Program 219 Street Tree Services

Program 222 Concrete Maintenance

Program 256 Downtown Parking Lot Maintenance

Public Works Department (continued)

Program 308 Public Works Administration

Program 309 Capital Project Maintenance and Environmental Sustainability

Program 310 Land Development - Engineering Services

Program 360 Water Resources

Program 361 Storm Water Collection System

Program 362 Sanitary Sewer Collection System

Program 363 Solid Waste Management

Program 365 Wastewater Management

SUNNYVALE BUDGET AND FISCAL POLICIES

BUDGET POLICIES

Planning and Management System (PAMS)

The Planning and Management System (PAMS) was designed to integrate the policymaking, service delivery, fiscal control, and evaluation activities of the City into one strategic management blueprint. Comprised of three major components - General Plan, Service Delivery, and Personnel/Program Evaluation, PAMS provides the City a structured process of managing services, assigning responsibility, and ensuring accountability.

General Plan

The General Plan is a long-term planning document that provides the City with a framework for action, as well as the direction in which to focus that action. General Plan Elements are areas in which the City has elected to administer and manage the delivery of services to its citizens and customers. The seven General Plan Elements are Land Use & Transportation, Community Development, Environmental Management, Public Safety, Socio-Economic, Cultural, and Planning & Management. Each element of the City's General Plan has a sub-element, or series of sub-elements, which make up the goals or standards desired for the future of the community. These sub-elements provide the avenue through which long-range policy is developed and ultimately implemented.

Service Delivery

The service delivery component of PAMS is the area in which the role of the program manager becomes essential. Program managers are ultimately responsible for meeting the service levels set by the Council and reflected in the operating budget. Meeting performance measures in each program contributes to accomplishing the sub-element goal to which the operating program is linked. Every program is broken down into service delivery plans. Furthermore, every service delivery plan is composed of specific activities that are performed by staff to accomplish defined products. Activities and their associated products are the actual services delivered.

Twenty-Year Resource Allocation Plan & Financial Planning

The Twenty-year Resource Allocation Plan is the backbone of the City's financial planning process. For operating expenditures, twenty planning years are forecast using assumed inflation and salary rates, based on the last year in which a detailed operating budget is presented. For capital expenditures, projects are planned out over the entire 20-year horizon. For revenues, each major source has unique characteristics that affect projections.

A fundamental part of the allocation plan is that it is balanced to the twentieth year. By utilizing a twenty-year planning horizon, the City is able to plan and manage reserves so that funds are increased in good times and drawn down in difficult financial times. In short, a balanced twenty-year plan allows the City to be proactive in its financial management, while maintaining a strong, proactive financial position when faced with dynamic circumstances.

This long-range planning methodology also provides the City Council a tool with which it can address policy. The methodology incorporates both short- and long-term perspectives for planning project revenues, operating requirements, and capital spending. It allows the cost of any policy decision to be measured in terms of long-range expenditure requirements, thereby raising "red flags" in areas where financial conditions may be significantly different in the future. The Twenty-year Resource Allocation Plan has helped the City establish a "pay-as-you-go" philosophy, allowing money to be set aside in reserve funds for future service expansion or capital projects.

Two-Year Operating & Projects Budget

Although the City reviews its budget on an annual basis, it only prepares a detailed operating budget each biennium. This means that operating budgets are not modified during the second year of the two-year budget. During the "off year" of the operating budget, the projects budget is reviewed in detail. The two-year cycle for operating and projects do not coincide.

The Projects Budget is comprised of capital, infrastructure, outside group funding, and special projects, which are "non-operating efforts." Special projects are somewhat unique to Sunnyvale because this type of project often is considered as part of the operating budgets in other cities. However, special projects are included in projects budget precisely because they are one-time special efforts and not anticipated to affect the base operating budget after they are completed. Capital and infrastructure projects are probably the most crucial area in which the City must allocate and administer limited resources. Within these projects, the City's infrastructure maintenance and replacement is managed. Outside group funding projects provide supplemental support to the City's needy residents through funding of local human services agencies. The principal source of funding is the Community Development Block Grant (CDBG). In recent years, the City has supplemented federal funding with some General Fund support.

Types of Expenditures

There are four major types of expenditures in the City's spending plan: operating, equipment, capital improvements, and debt service. Operating expenditures are related to a program's base budget and include such items as general supplies, personnel costs, and equipment rental. Major equipment expenses like computer hardware or city-owned cars are provided for separately under a general services program. Capital improvements are expenditures which affect the economic vitality and quality of life in the community. A good example would be construction of a park or resurfacing a city street. Debt service allows an improvement to be made when it is needed rather than being delayed until funds are accumulated in the City's treasury. Debt service is used like a credit card — buying something today and paying for it over time. It may be used to finance, for example, a new community center building.

Cost Accounting

Cost accounting is a method of accounting that gathers together all the elements of cost incurred to accomplish a purpose, carry on an activity, or complete a unit of work. By using this financial technique, the City is able to assess the true cost of providing a service. The City's internal users of information management, fleet and equipment, and buildings are assessed rental rates through their programs for the use and eventual replacement of services and equipment. Employee benefits such as leave usage, retirement, and insurances also are recovered by charging the programs that use personnel services. The City also uses an allocation system to distribute administrative costs to those activities that provide a service.

Basis of Budgeting

“Basis of budgeting” refers to the method used to recognize revenues and expenditures in the budget. For the City of Sunnyvale, the basis of budgeting is the same basis used for accounting. The modified accrual basis is followed in the Governmental and Agency Funds including the General Fund and special revenue funds like the Park Dedication Fund. Under this basis, revenues are recognized when they become “susceptible to accrual,” which means they are both measurable and available. Measurable means the amount of the transaction can be determined.

The City considers revenues to be available if they are collected within 60 days of the current fiscal year end for property tax and 90 days for other revenues with the exception of the County back-fill (for the loss of sales tax and Motor Vehicle License Fees (VLF) revenues) for which the City adopts a seven-month availability period so that total sales tax and VLF revenues would be most consistent with revenues reported in years before the State sales tax flip and VLF swap. Expenditures generally are recorded when a liability is incurred except for debt service expenditures, which are recorded when payment is due.

Intergovernmental revenues (primarily grants) that are received as reimbursement for specific purposes or projects are recognized based on when the related expenditures are recorded. Intergovernmental revenues which have virtually unrestricted purpose and are revocable only for failure to meet prescribed compliance requirements are reflected as revenues at the time of receipt or earlier if availability criteria are met.

The accrual basis is used in the proprietary funds which include enterprise funds and internal service funds. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report (CAFR) is prepared according to “generally accepted accounting principles” (GAAP). The City prepares its budget in accordance with GAAP with the following exceptions:

- Loans requiring the use of current resources need to be budgeted as expenditures; in the CAFR, the disbursement of loans are treated as balance sheet items.
- Appropriated budgets are not always needed for all of the City’s funds. For example, a budget is not appropriated for the advance refunding of bonds because the resulting bond proceeds are deposited into escrow accounts and are considered restricted assets.
- Principal payments on long-term debt within the enterprise funds are applied to the outstanding liability in the CAFR while such items are treated as expenses in the budget.
- Capital outlay within enterprise funds and internal service funds are capitalized as fixed assets in the CAFR in contrast to being treated as expenses in the budget.
- The budget does not record depreciation expenses.
- GAAP requires the reporting of investments at fair value. Because the City’s policy is to hold investments to maturity, the changes in fair value are not reflected in the budget.
- Transfers in from other funds are budgetary resources but not revenues for GAAP purposes; similarly, transfers out to other funds are budgetary outflows but not expenditures for GAAP purposes

The CAFR shows fund expenditures and revenues for governmental funds on both a GAAP and budget basis for comparison purposes.

Budgetary Policy & Control

The City follows procedures that enact its policy when the annual budget is adopted. These procedures involve the City management, employees, the public, boards and commissions, and the City Council throughout the year. These interactions between policy and planning culminate in the establishment of new or revised General Plan goals and objectives. The budget must implement the policies contained in the General Plan. Therefore, both must be synchronized completely. The City follows the following general procedures to establish the budgetary data reflected in its financial statements:

- During January of each year, a City Council workshop is held to discuss important fiscal issues, which may have short-term or long-term effects, on how the City provides and maintains services to its citizens and customers.
- During May of each year, the City Manager submits to the City Council a recommended budget for the fiscal year commencing July 1. The City Charter requires that the City Council receive the City Manager's recommended budget no later than thirty-five days prior to June 30.
- The City Manager's recommended budget include budgets for equipment, operating costs, debt service costs, as well as capital, infrastructure, and special projects for the ensuing year. The recommended budget also contains detailed long-term financial plans with projections for expenditures, revenues, and reserves for an additional nineteen years.
- During May of each year, the City Council holds a workshop on the budget. The workshop is open to the public.
- During June of each year, the City Council holds a public hearing in which the public may submit written or oral comments regarding the entire budget or portions thereof. This public hearing is legally required by the City Charter.
- Prior to June 30 of each year, the budget as modified by the City Council, is legally enacted by adoption of a budget resolution.
- For governmental and agency funds, the City Manager is authorized to reappropriate budgeted amounts between programs that are financed by the same fund and within the same department. Council approval is required if the reappropriation exceeds the thresholds outlined below:

• Annual Program Budget	• Reappropriation Threshold	• Maximum Reappropriation Threshold (Annual)
• ≥ \$500,000	• \$100,000 or 5%, whichever is greater	• \$250,000
• < \$500,000	• \$50,000 or 50%, whichever is less	• \$50,000

- Council approval also is required for proprietary funds and internal services funds if the expenditures for the fiscal year exceed actual revenues plus the planned, annualized appropriation from either the Rate Stabilization Reserve Account or the Resource Allocation Plan Reserve Account, whichever is applicable.
- Budgets are legally adopted for all governmental funds except for the Special Assessment Debt Service Fund. The Special Assessment Debt Service Fund does not have an adopted budget because the City is only required to make debt service payments in the event of a property owner’s default. Budgets are adopted legally for all proprietary funds. Formal budgets are employed as a management control device for all funds in which a budget has been adopted. However, it serves as the primary means of spending control for the General Fund, special revenue funds, debt service funds, and capital project funds.
- Budgets can be modified during the fiscal year if needed because of a legislative mandate, City Council or City Manager directive, or an unanticipated change in service level. Budget modifications cover one fiscal year only and must be approved by City Council. This allows management to focus on changes to the base budget during the next budget process.

Citizen Participation

Citizens have an opportunity to participate in the Twenty-year Resource Allocation Planning Process through avenues such as Council-appointed boards and commissions, study sessions, and public hearings. Each winter, citizens are provided the opportunity to speak on proposed study and budget issues at a formal public hearing. Citizens may attend study sessions dealing with upcoming Council issues, as well as Council meetings which are scheduled on Tuesdays throughout the year. At the Council meetings, citizens are given an opportunity to speak during the public hearing period. In addition, a formal public hearing on the recommended budget is held annually in June.

Budget Calendar

The City's annual budget development process begins in September each year with the initial planning of the development cycle and culminates with the adoption of the budget by the City Council in June. Below is a high-level calendar detailing some of the key milestones throughout the process. As noted previously, the City of Sunnyvale alternates years for developing operating budgets and projects budgets. The calendar below represents key milestones that take place regardless of whether the budget being developed is an operating budget or a projects budget.

September

- Department of Finance kicks off annual budget cycle with a process overview and training targeted at Department Directors and Program Managers.
- Department Directors meet with City Manager to discuss strategic overview of upcoming year's budget development. This includes any structural changes to performance-based operating budgets.

October

- Budget system opens to departments for entry of budget data. Program Managers develop baseline budgets and enter budget data into budget system.
- Budget Office initiates process developing internal service charges, revenue projections, and schedule of fees and charges.

November

- Budget system closes to departments; entry of initial data finished.
- Budget Office begins initial review of budget submittals by departments and works with Program Managers to prepare for budget pre-reviews.

December

- Department of Finance conducts pre-reviews of budget submittals with Department Directors and Program Managers.
- Based on the results of the pre-reviews, the Budget Office works with Program Managers to make necessary adjustments to budgets in preparation for the reviews with the City Manager.

January

- Budget reviews with City Manager begin.

- Expenditures are finalized for all internal services, and the Budget Office and the Internal Service Managers begin developing the allocations of internal service charges across programs.

February

- Budget reviews with City Manager completed. Budget Office makes final changes to programs/projects prior to finalizing budgets for the following fiscal year.
- Internal service charges and allocations to programs are established.
- Budget system is updated with salary/benefit information, inflation factors, cost allocation, and internal service charges.

March

- Reviews of revenue projections and service charges begin.
- City-wide overhead charges are established and allocated to the appropriate funds.
- Budget Office begins the process of developing 20-Year Long Term Financial Plans for all City funds based on final budgeted expenditure numbers.

April

- Revenue and service fee projections are finalized and reviewed with the City Manager.
- 20-Year Long Term Financial Plans are completed. Financial data for the upcoming year are utilized to develop all summary tables included in the Recommended Budget.
- Budget Transmittal Letter is prepared and finalized for inclusion into the Recommended Budget.

May

- City Manager's Recommended Budget is delivered to City Council.
- City Manager holds comprehensive Budget Workshop for Council to review major aspects of the Recommended Budget.

June

- Public Hearing is held and public comment is taken on items related to the City Manager's Recommended Budget.
- City Council adopts budget prior to the end of the Fiscal Year (June 30).

FISCAL POLICIES

The Fiscal Sub-element of the General Plan applies the following guiding fiscal policies to the City's Budget and Resource Allocation Plan:

7.1A Budget Policies

A.1: Development of the Budget and Resource Allocation Plan

- A.1.1 The public will be encouraged to participate fully in the budget process.
- A.1.2 A Fiscal Issues Workshop will be held each year prior to preparation of the City Manager's Recommended Budget to consider budget issues for the upcoming Resource Allocation Plan.
- A.1.3 A balanced Twenty-Year Resource Allocation Plan shall be presented to the City Council annually.
- A.1.4 The Twenty-Year Resource Allocation Plan shall be prepared on a two-year Operating Budget cycle.
- A.1.5 The Operating Budget shall be approved annually with the second year approved in concept.
- A.1.6 A proposed budget shall be recommended to the City Council by the City Manager no less than thirty-five days before the beginning of the fiscal year, in accordance with the City Charter.
- A.1.7 At least one public hearing shall be held after the City Manager's Recommended Budget is presented to the Council in order to solicit public input before adoption.
- A.1.8 Boards and Commissions should review the annual budget as appropriate to their area of interest and make recommendations to the City Council.
- A.1.9 The City Council shall adopt the City Manager's Recommended Budget, with any changes desired, by resolution before June 30th of each year.
- A.1.10 Resources will be allocated in direct relation to General Plan goals.

- A.1.11. The Resource Allocation Plan shall be prepared by General Plan element to link city resources with the accomplishment of General Plan goals.
- A.1.12. New or expanded services should support the priorities reflected in the General Plan.
- A.1.13. All competing requests for City resources should be weighed within the formal annual budget process.
- A.1.14. Final actions on study items with significant financial impacts should be withheld until they can be made in the full context of the annual budget process.

A.2: Long Term Financial Planning

- A.2.1. The City shall maintain a long-term fiscal perspective by annually preparing a Twenty-year Long Term Financial Plan for each fund. Those funds which account for intergovernmental grants will only include known entitlements.
- A.2.2. Major financial decisions should be made in the context of the Twenty-Year Long Term Financial Plan.
- A.2.3. Long term financial planning should enable the current service level provided to be sustained over time through the strategic use of reserves.
- A.2.4. The Long Term Financial Plans should be used to communicate the fiscal impact of City decisions to all stakeholders whenever possible.

A.3: Performance-Based Budget System

- A.3.1. The operating budget will be prepared and managed on a program basis.
- A.3.2. All costs attributable to a budgeted program will be fully reflected in program budgets (with the exception of capital costs of general-use public buildings and facilities).
- A.3.3. An emphasis should be placed on achieving maximum work productivity to ensure an optimal allocation of human and fiscal resources for Council approved services and programs.
- A.3.4. All operating programs must identify the service provided, the service level, and the resources necessary to accomplish the specific service level.

A.3.5. A performance measurement system will be maintained and used to evaluate quality of service and to report results.

A.4: Budget Monitoring and Modification

- A.4.1. Expenditures for each department are legally limited to the amount authorized by the City Council in the Budget Resolution, plus subsequent changes individually approved by the City Council through Budget Modifications.
- A.4.2. The City's annual budget may be modified at any Council meeting by a majority vote of the City Council.
- A.4.3. The City's budget appropriation control shall be by program within the same fund for operating programs in the General Fund and Special Revenue Funds. For the Proprietary and Internal Service Funds, expenditures cannot exceed actual revenues plus the planned use of reserves.
- A.4.4. Appropriations for capital and special projects shall be limited to the amounts contained on the Budget Resolution for each project. All modifications to project budgets require Council approval.
- A.4.5. Budget reappropriations among programs within a Department and Fund may be authorized by the City Manager if service levels as approved by City Council are maintained.
- A.4.6. Any unexpended appropriations shall expire at fiscal year-end unless specifically reappropriated by the City Council for expenditure during the new fiscal year.

7.1B Revenue Policies

B.1: Revenue Base

- B.1.1. The City will maintain a diversified and stable revenue base, not overly dependent on any land use or external funding source.
- B.1.2. Taxes levied by the City will be used for the purpose of financing services performed for the common benefit.
- B.1.3. Taxes should be held at their lowest possible level, while maintaining Council-approved service levels.
- B.1.4. When considering a new tax or revenue source or an increase in an existing tax or revenue source, the following criteria should be considered:
 - Community/voter acceptance

- Competitiveness with surrounding communities
- Efficiency of revenue collection and enforcement
- Effectiveness in generating sufficient revenues in the short and long-term to justify its establishment
- Enhancement of revenue diversity to promote stability and provide protection from downturns in business cycles
- Equity/Fairness in distribution of the revenue burden on various segments of the community

B.1.5. Reliance on any restricted and/or inelastic sources of revenue will be avoided.

B.1.6. One-time revenues should not be used for ongoing expenditures.

B.1.7. Revenue should not be targeted for a specific program, unless a revenue source has been established for the sole purpose of financing a particular expenditure.

B.1.8. Potential new revenue sources will be investigated periodically to ensure that the City's revenue base is stable and diversified.

B.1.9. Donations, contributions, and sponsorships may be accepted if they are in accordance with City policy and General Plan priorities.

B.2: Revenue Forecasting and Monitoring

B.2.1. All revenue estimates must be conservative, objective and reasonable.

B.2.2. Revenue forecasts should be based on detailed information regarding historical performance and economic conditions whenever possible.

B.2.3. At least ten years data for all tax revenue sources will be maintained.

B.2.4. Revenues will be estimated for the budget year and for each planning year in the Twenty-year Resource Allocation Plan.

B.2.5. Methods to maximize the accuracy of revenue forecasts will be established.

B.2.6. Estimated revenues from grant sources will be projected only to the specific date on which the entitlement will end.

- B.2.7. Estimated intergovernmental revenues for which the City is eligible (but which are not guaranteed) will be forecast to assure that local matching funds will be available if the revenues are realized.

B.3: Revenue Collection

- B.3.1. The City will seek all possible Federal and State reimbursement for mandated projects and/or programs.
- B.3.2. An aggressive collection system for all accounts receivable, including utility receivables, will be utilized to assure that monies due to the City are received in a timely fashion.
- B.3.3. Monthly reviews and periodic audits of Transient Occupancy Tax returns will be conducted.
- B.3.4. Monthly reviews and periodic audits of all major locally administered revenue sources will be conducted.
- B.3.5. Periodic point-of-sale audits for Sales Tax will be conducted.

B.4: Grants and Intergovernmental Assistance

- B.4.1. The use of intergovernmental grant assistance for routine programs will be discouraged. Intergovernmental grants may be used for special projects which strengthen a program, have a definable starting and ending date, and do not expand a service in such a way as to require the substitution of local funds to continue part or all of the service once intergovernmental assistance ends.
- B.4.2. Intergovernmental assistance may only be used to establish or expand a program when the Twenty-Year Resource Allocation Plan meets the following conditions:
- The program is eliminated at the end of the intergovernmental funding period, or
 - The program continues with the requisite local funding in the Twenty-Year Resource Allocation Plan upon completion of intergovernmental funding
- B.4.3. A uniform grants application process must be utilized to assure that the City Council has the information necessary to make a decision regarding a potential intergovernmental grant. Staff should present to Council a Notice of Intent regarding a possible grant source which shall include at least the following information:
- The grant being pursued and the use to which it would be placed
 - The objectives or goals of the City which will be achieved through use of the grant
 - The local match required, if any, plus the source of the local match

- The increased cost to be locally funded upon termination of the grant
- The ability of the City to administer the grant

B.5: User Fees

- B.5.1. User fees should be used to recover the cost of services that benefit specific segments of the community.
 - B.5.2. User fees should be reviewed and adjusted at least annually to avoid sharp changes.
 - B.5.3. User fees and charges should not exceed the City's full cost of providing the service.
 - B.5.4. User fees should be established at a level which reflects the full cost of providing those services.
 - B.5.5. The City Council may determine for any service whether a subsidy from the General Fund is in the public interest.
 - B.5.6. User fees shall only be used when the cost of providing the service can be readily calculated and administered.
 - B.5.7. User fees should be adopted by Council resolution and included in the Annual Fee Schedule.
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COMMUNITY CONDITION INDICATORS

The Community Condition Indicators (CCI) have been presented as an integral part of the City's budget for many years. The CCI is a measurement tool used to evaluate the General Plan by presenting the community conditions that require some form of direct or indirect service provided by the City. On May 8, 2007, the CCI report was modified to support and address the issue of growth and its potential effect on the economic vitality and quality of life in Sunnyvale. The underlying data were not modified, only how the data are presented. In previous years, the CCIs were included in each General Plan Element of the budget; beginning with the FY 2008/2009 Budget they are centralized in this separate section.

Data is included as available for the 1990 census, the 2000 census, and each year following.

Balanced Growth Index

The Balanced Growth Index (BGI) was developed in 2007 to monitor the City's growth and measure if that growth is being achieved in a balanced manner. Currently, the BGI presents the first four years, or 20%, of the 20-year planning horizon. The index's profile will be extended each year by adding the annual incremental growth from the preceding year. The profile is based on the assumption that Sunnyvale was in a balanced state in 2005. This assumption is supported by the high level of satisfaction expressed in the 2005 Resident Satisfaction Survey. Data show responses indicating adequate functioning of utilities, a satisfactory level of service in traffic operations, and a lack of severe overcrowding in the schools.

The BGI, itself, is presented as a bar graph. For analysis purposes, if all elements grow in a balanced manner, all bars in the profile are equal length every year and extend exactly to the current year. This scenario would present optimal balanced growth. Optimal balanced growth will not always be the case and it is important to remember an imbalance in a single year does not signify a problem. An imbalance over multiple years, however, should be noted by decision-makers so modifications of development policy can be

considered to bring the City back into a balanced growth state. As the Sunnyvale Community Vision is updated in the future, or as functional element updates result in different projected goals for 2025, the BGI will be recalibrated to reflect the revisions.

Community Condition Indicators

Indicator	1990	2000	2005	2006	2007	2008	2009	Notes	
Population									
Number									
1	• Total	117,229	131,760	132,725	133,544	135,721	136,352	138,826	Updated demographics data estimates for 2008. Source: American Community Survey 2006-2008
2	✓ Under 18 years	22,457	26,897	29,996	22,035	n/a	30,084	n/a	
3	✓ 19 – 64 years	82,581	90,906	80,962	97,086	n/a	91,085	n/a	
4	✓ 65 years and older	12,191	13,957	21,767	14,423	n/a	15,183	n/a	
5	• Average household size	2.42	2.49	2.42	2.43	n/a	2.57	n/a	
6	• Sunnyvale public school enrollment	n/a	n/a	n/a	12,128	12,725	12,320	13,404	
7	• Sunnyvale private school enrollment	n/a	n/a	n/a	4,079	4,025	3,811	3,802	
Ethnicity									
8	• Caucasian (%)	71.6	53.3	45.9	45.8	n/a	46	n/a	Updated demographics data for 2008. Source: American Community Survey 2006-2008
9	• Asian / Pacific Islander (%)	19.3	25.1	40.1	36.5	n/a	38	n/a	
10	• African-American (%)	3.4	2.2	3.8	3.9	n/a	2	n/a	
11	• Other (%)	5.7	9.1	10.2	13.8	n/a	14	n/a	
12	• Foreign Born (%)	22.5	39.4	43.7	n/a	n/a	43	n/a	
13	• Hispanic Origin (%)	13.2	11.4	16.6	18.1	n/a	17	n/a	
Education									
14	• High school graduate (%)	87.1	89.4	90.2	90	n/a	90	n/a	Updated demographics data for 2008. Source: American Community Survey 2006-2008
15	• Bachelor degree (%)	37.1	50.8	54.4	52.2	n/a	55	n/a	
16	• Graduate degree (%)	n/a	21.9	24.3	24.4	n/a	26	n/a	
Income									
17	• Median household income (\$)	46,403	74,409	74,449	79,926	n/a	88,297	n/a	Updated demographics data for 2008. Source: American Community Survey 2006-2008
18	✓ Population below poverty (%)	2.5	3.8	5.4	8.2	n/a	5.7	n/a	
Community									
19	• Active neighborhood/business associations	n/a	n/a	n/a	28	30	27	26	Pg. 7 of 2009 National Citizen Survey
20	• Residents rating city good place to live (%)	n/a	92	94	n/a	93	92	87	
21	• Residents rating public services good to excellent (%)	n/a	92	89	n/a	82	85	83	Pg 28 of 2009 National Citizen Survey
22	• Part I crimes/100,000 population	n/a	n/a	2.22	2.17	2.07	2.04	2.13	Calendar Year
23	• Average emergency police response time (minutes)	n/a	3.3	3.3	2.5	4.2	4.38	4.41	Fiscal Year

Community Condition Indicators

	Indicator	1990	2000	2005	2006	2007	2008	2009	Notes
Economy									
Jobs									
24	• Total number	n/a	89,899	84,763	86,271	88,500	90,500	85,500	
	• Labor Force						75,700	74,900	
	• Employment						71,800	67,800	
Employment									
25	• Jobs/employed resident	n/a	1.24	1.26	n/a	n/a	n/a	n/a	
26	• Employed residents working in Sunnyvale (%)		23.0	n/a	n/a	n/a	n/a	n/a	
27	• Unemployed (% of workforce)	2.6	4.3	4.1	3.9	4.3	5.1	9.4%	
28	• Employed residents in service jobs (%)	n/a	8.9	13.5	n/a	n/a	7.8	n/a	Updated data for 2008. Source: American Community Survey 2006-2008
29	• Employed residents in management/professional jobs (%)	n/a	59.5	56.4	n/a	n/a	60.1	n/a	
Retail									
30	• Retail & restaurant sales volume (\$ in millions)	n/a	158.6	129.5	145.9	157.3	159.1	155.0	Corrected '07 number from 151.0 to 157.3
31	• Sales/sq. ft. (\$)	n/a	51.2	39.2	41.6	43.1	45.5	44.2	
Hospitality									
32	• Total Number of Hotel Rooms	n/a	3,835	3,851	3,930	3,923	3,378	3,394	Calendar Year
33	• Average hotel occupancy (%)	n/a	n/a	n/a	72	63.27	64	57.6	
Real Estate									
34	• Total assessed value (\$ in billions)	n/a	n/a	19.23	20.71	22.67	24.73	25.90	
35	• Vacant office, industrial, R&D (%)	11.7	2.0	15.4	12.2	13.6	17.1	20.6	
36	• Average office/industrial rent (\$/sq. ft.)	0.71	3.47	1.34	1.48	2.09	2.77	1.93	
37	• Average apartment rent (3 bedroom) (\$)	n/a	2,600	2,200	1,822	2,138	2,380	2,093	RealFacts RTC backup – January 2010, 3br/2ba
38	• Housing rental vacancy rate (%)	n/a	n/a	2.99	2.37	2.72	4.7	5.1	Source: January 2010 V/R Survey – RealFacts – RTC 10-028
39	• Median single-family detached home price (\$)	n/a	618,000	790,000	835,000	850,538	901,000	529,000	2009 data includes January to May 2009. Source: DataQuick, 2009:BAE,2009-CP
40	• Median single-family attached home (townhouse/condo) price (\$)	n/a	390,000	545,000	555,000	565,468	562,000	499,500	2009 data includes January to May 2009. Source: DataQuick, 2009:BAE,2009-CP
41	• Valuation of new construction permitted (\$ in millions)	16.3	235.9	115.1	101.4	335.7	280.3	66.7	

Community Condition Indicators

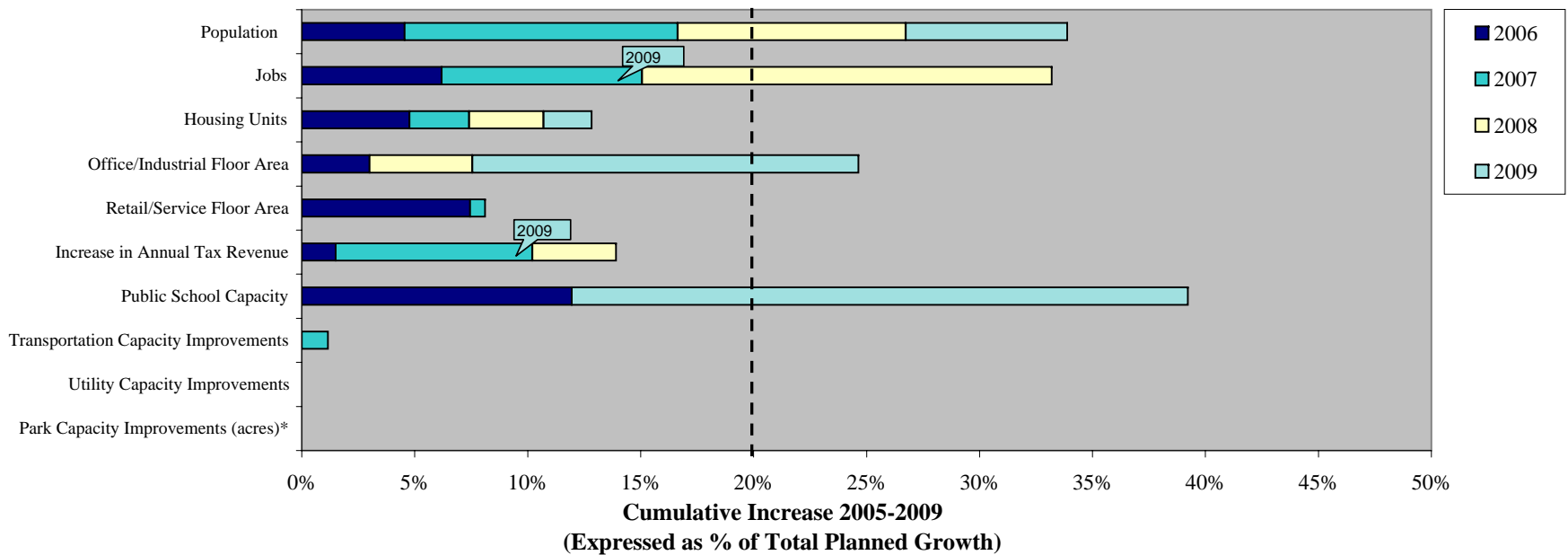
Indicator	1990	2000	2005	2006	2007	2008	2009	Notes	
Tax Base									
42	• Property tax revenue (\$ in millions)	15.8	18.7	29.5	32.0	35.8	39.95	42.26	FY 08/09
43	• Sales tax revenue (\$ in millions)	21.5	30.0	24.9	28.4	30.8	29.71	25.07	FY 08/09
44	• Transient occupancy tax revenue (\$ in millions)	3.6	9.8	5.1	5.6	6.4	7.35	5.69	FY 08/09
Physical City									
Land Use									
45	• Land area (sq. mi.)	22.81	22.82	22.86	22.86	22.86	22.86	22.86	
46	• Vacant land area (sq. mi.)	0.13	0.13	0.12	0.12	0.12	0.12	0.12	
47	• Developable land area (sq. mi.)	15.46	15.46	15.46	15.46	15.46	15.46	15.46	
48	• Residential area (%)	n/a	52.7	n/a	52.4	52.6	55.0	55.0	
49	• Office/industrial land area (%)	n/a	24.2	n/a	26.2	26.0	25.2	25.2	
50	• Retail/service land area (%)	n/a	7.5	n/a	6.8	6.8	6.5	6.5	
51	• City parks and open space (%)	n/a	7.6	n/a	7.6	7.6	7.6	7.6	Per Open Space Subelement 1.16 sq. mi.
52	• Other (%)	n/a	8.0	n/a	7.0	7.0	5.7	5.7	
Transportation									
53	• Vehicle miles traveled in weekday (millions of miles)	n/a	2.31	2.23	2.25	2.28	2.21	1.83	
54	• Intersections not meeting LOS standards	1	1	0	0	n/a	0	n/a	The last CMP monitoring was conducted in 2008.
55	• Transit boardings/de-boardings per day	n/a	25,122	19,451	19,824	22,428	24,580	21,647	LR: 2,150, Bus: 15,769, and Caltrain: 3,728
56	• Utilization of transit capacity (%)				n/a	n/a	n/a	n/a	
57	• Miles of streets	300	300	300	300	300	300	300	
58	• Miles of bikeways	n/a	65	79	79	82.9	83.1	83.8	Mary Ave. from Cascade Dr. to Fremont Ave.
Housing									
59	• Total housing units	n/a	53,441	54,769	55,012	55,141	55,381	55,537	
60	✓ Single-family detached	n/a	21,091	21,228	21,265	21,274	21,297	21,321	
61	✓ Single-family attached	n/a	4,751	5,123	5,240	5,613	5,830	5,962	
62	✓ Mobile Homes	n/a	4,023	3,956	3,965	3,927	3,927	3,927	
63	✓ Duplexes	n/a	1,598	1,598	1,598	1,598	1,598	1,598	
64	✓ Three or more attached units	n/a	20,949	21,681	21,704	21,480	21,480	21,480	
65	✓ Specialty units	n/a	1,025	1,183	1,249	1,249	1,249	1,249	
66	• Owner occupied (%)	48.9	47.6	49.1	n/a	n/a	n/a	n/a	
67	• Over 20 years old (%)	n/a	83	88	88	88	90	90	
68	• Total affordable units	n/a	n/a	1,465	1,452	1,452	1,412	1,412	Housing Sub-Element
69	• New units receiving building permits	n/a	504	199	276	305	360	118	
70	✓ Intended for ownership	n/a	57	199	276	305	360	118	
71	✓ Rental	n/a	447	0	0	0	0	0	

Community Condition Indicators

Indicator	1990	2000	2005	2006	2007	2008	2009	Notes	
Office/Industrial									
72	• Total floor area (sq. ft. in millions)	n/a	27.8	31.7	31.9	31.9	32.7	34.0	Moffett Towers, NetApp, Java
73	✓ Class A (%)	n/a	n/a	n/a	17.2	n/a	n/a	n/a	
74	• New floor area permitted (sq. ft.)	n/a	660,975	151,200	146,368	2,780,657	831,705	675	
75	• No. of patents received	n/a	n/a	3,194	3,045	3,177	3,121	3556	2009 Calendar Year
Retail/Services									
76	• Total floor area (sq. ft. in millions)	n/a	3.1	3.3	3.5	3.5	3.5	3.5	
77	• Floor area/capita (sq. ft.)	n/a	n/a	n/a	26.2	25.7	25.4	25.2	
78	• New floor area permitted (sq. ft.)	n/a	0	240,000	8,000	5,000	293,000	229,494	Excludes the parking area under the Target building.
79	• Retail sales/retail sales potential (%)	n/a	n/a	n/a	91.7	89.9	88.9	88.2	
Environment									
80	• Sunny days (average)	n/a	n/a	300	300	292	293	293	
81	• Average rainfall (in.)	n/a	13.12	13.06	8.15	6.42	9.42	10.25	
82	• Days ozone standard exceeded	n/a	n/a	1	3	0			
83	• Recycled solid waste (%)	18	56	61	63	63	63	n/a	Data no longer available; Calendar 2006 most recent calculation available
	• Disposal per resident (lbs/day)	n/a	n/a	n/a	n/a	4	4	n/a	New measures by Calrecycle as of 2007
	• Disposal per City employee (lbs/day)	n/a	n/a	n/a	n/a	6.3	6.5	n/a	
84	• Number of street trees	n/a	36,341	37,000	37,000	37,000	36,935	36,889	
85	• Average daily water consumption/capita (gal.)	n/a	161	180	139	153.18	153.7	145.42	
86	• Average daily electric energy use/capita (kwh)	n/a	n/a	n/a	33.16	71.6	81.1	79.7	Whole City
87	• Average daily gas use/capita (therms)	n/a	n/a	n/a	n/a	1.9	2.9	2.8	Whole City
88	• Average daily landings at Moffett Federal Airfield	n/a	33	25	25	26	23	19	

Balanced Growth Indices

	Base Year 2005	GOAL FOR 2025	Total Planned Growth Net Increase 2005 to 2025	2007 Actual	2008 Actual	2009 Actual	2009 Increment Increase (actual since 2008)	2008 Increment (% of Total Planned Growth)
Park Capacity Improvements (acres)*	732	740		0	0	0	0	0%
Utility Capacity Improvements				0	0	0	0	0%
Transportation Capacity Improvements		46,884,000	46,884,000	547,970	547,970	0	0	0%
Public School Capacity	5,373	6,729	1,356	5,535	5,535	5,905	370	27%
Increase in Annual Tax Revenue	72,271,030	174,748,212	102,477,182	82,731,078	86,536,989	80,080,423	-6,456,566	-6%
Retail/Service Floor Area	5,784,000	7,500,000	2,200,000	5,962,662	5,962,662	5,962,662	0	0%
Office/Industrial Floor Area	30,100,000	37,700,000	7,600,000	30,327,927	30,673,881	31,973,881	1,300,000	17%
Housing Units	54,600	61,900	7,300	55,141	55,381	55,537	240	2%
Jobs	84,763	109,570	24,807	88,500	93,000	85,500	4,500	-30%
Population	132,725	150,725	18,000	135,721	137,538	138,826	1,817	7%



Notes

FY 2004/2005 is the base year for the Balanced Growth Index. All revenues are converted to FY 2004/2005 dollars for comparison purposes.

In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2009 would be 20%.

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**Summary of Budgeted
Personnel Hours**

SUMMARY OF BUDGETED PERSONNEL HOURS

Overview

The City of Sunnyvale budgets by work hours, not by position. This enables staff to more accurately determine the amount of time required to provide a service. In order to manage the positions, staff develops a budgeted position allocation by Department after the adoption of the budget. The budgeted position allocation calculates full-time (FTE) and part-time (PTE) equivalents using the following standards:

- Management Staff 1,850 hours equals one FTE
- Non-management Staff 1,800 hours equals one FTE
- Public Safety Officers 1,900 hours equals one FTE
- Part-time Staff 1,090 hours equals one PTE

Staffing Trends

The tables presented on the following page show the total budgeted position allocation for full-time and part-time positions, by Department, and by employment status on a City-wide basis. Two years of actual data, as well as the current and budget years' data are presented.

The values reflected in the Actual FY 2007/08 and Actual FY 2008/09 columns are actual, filled positions in each department/job category as of the end of the fiscal year. The values in the Current FY 2009/10 and Budget FY 2010/11 columns are the budgeted positions in each department/job category. As of July 1st, 2010, the City had 890 active employees. The difference between the actual positions and the budgeted positions is predominantly due to citywide vacancies and unfilled positions in the Public Safety Officer Training Program. In addition, the City restructured various programs in the Office of the City Manager, the Community Development Department, Public Works and the Department of Community Services. This resulted in positions being moved amongst the departments to better align personnel with the services being provided by the different departments. The reduction of 41 budgeted positions between FY 2009/10 and FY 2010/11 reflects the impact of the recession on our headcount. These are positions that were previously vacant that have now become unbudgeted. As conditions improve, some of these positions may be reinstated; however, we will continue to look for ways to operate more efficiently within existing resources.

BUDGETED PERSONNEL HOURS
FY 2007/2008 — FY 2010/2011
Total Personnel by Department

	Actual FY 2007/08	Actual FY 2008/09	Current FY 2009/10	Budget FY 2010/11
Community Development	42	43	44	37
NOVA	56	44	52	53
Finance	45	45	46	48
Human Resources	19	19	20	17
Information Technology	22	24	24	20
Libraries	60	62	64	59
Office of the City Attorney	6	6	6	6
Office of the City Manager	21	20	20	47
Community Services	124	128	135	127
Public Safety	290	295	310	291
Public Works	206	204	217	192
Totals	891	890	938	897

BUDGETED PERSONNEL HOURS
FY 2007/2008 — FY 2010/2011
Total Personnel by Employment Status

	Actual FY 2007/08	Actual FY 2008/09	Current FY 2009/10	Budget FY 2010/11
Management	96	97	102	96
Non-Management	534	532	552	547
Part-Time Staff	51	51	58	53
Public Safety Officers	210	210	226	201
Totals	891	890	938	897

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**Financial
Graphs**

**City of Sunnyvale
FY 2010/2011 Budget
Financial Graphs**

TABLE OF CONTENTS

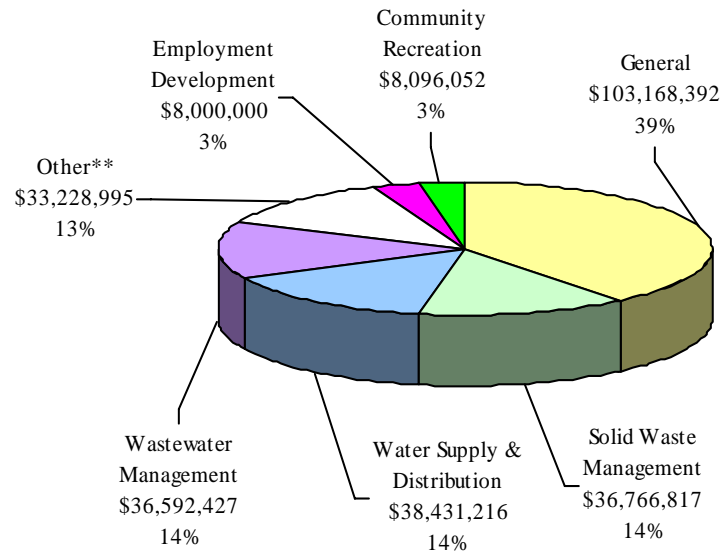
- Graph 1.1 Revenues by Fund, All Funds**
Total City-wide fiscal year 2010/2011 estimated revenues by fund.
- Graph 1.2 Expenditures by Fund, All Funds**
Total City-wide fiscal year 2010/2011 estimated expenditures by fund.
- Graph 1.3 Revenues by Source, All Funds**
Total City-wide fiscal year 2010/2011 estimated revenues by source.
- Graph 1.4 Expenditures by Type, All Funds**
Total City-wide fiscal year 2010/2011 estimated expenditures by source.
- Graph 1.5 Revenues by Source, Taxes by Category**
Total City-wide fiscal year 2010/2011 estimated major revenues by revenue source.
This graph also provides a breakdown of tax revenues by category.
- Graph 1.6 Revenues by Source, Service Fees by Category**
Total City-wide fiscal year 2010/2011 estimated major revenues by revenue source.
This graph also provides a breakdown of service fee revenue by category.
- Graph 1.7 Operating Expenditures by Department, All Funds**
Total City-wide fiscal year 2010/2011 estimated expenditures by department.
- Graph 1.8 Operating Expenditures by Character, All Funds**
Total City-wide fiscal year 2010/2011 estimated expenditures by character.
- Graph 2.1 Revenues by Source, General Fund**
Total fiscal year 2010/2011 estimated revenues by source for the General Fund.
- Graph 2.2 Expenditures by Department and Type, General Fund**
Total fiscal year 2010/2011 estimated expenditures by department and type for the General Fund.

Source of graph data is the City of Sunnyvale Department of Finance

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City of Sunnyvale FY 2010/2011 Budget Financial Graphs

Graph 1.1 Revenues by Fund - All Funds*

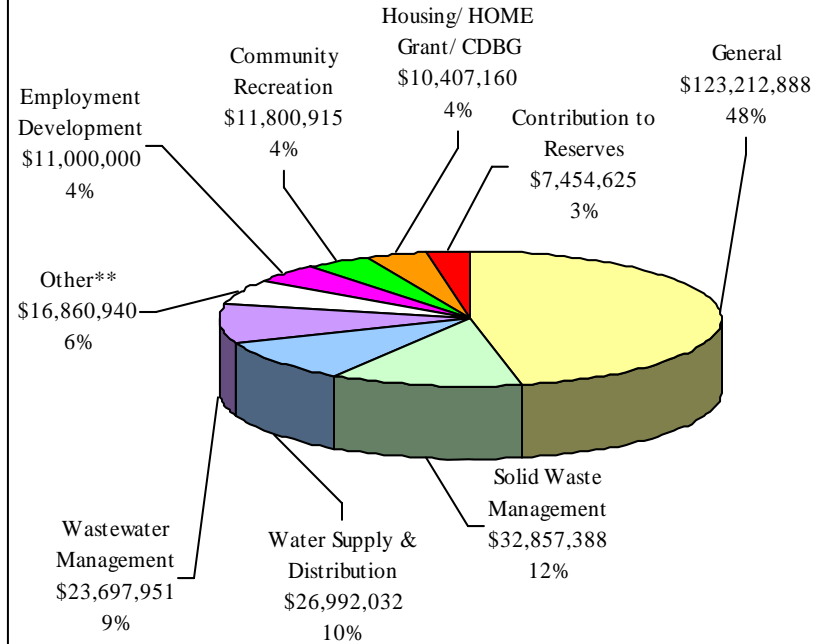


**Total Revenues
\$264,283,899**

*Excludes internal service fund charges and inter-fund transfers.

**Other includes CDBG, Housing, Gas Tax, Youth and Neighborhood Services, Park Dedication and Redevelopment Agency Funds.

Graph 1.2 Expenditures by Fund - All Funds*



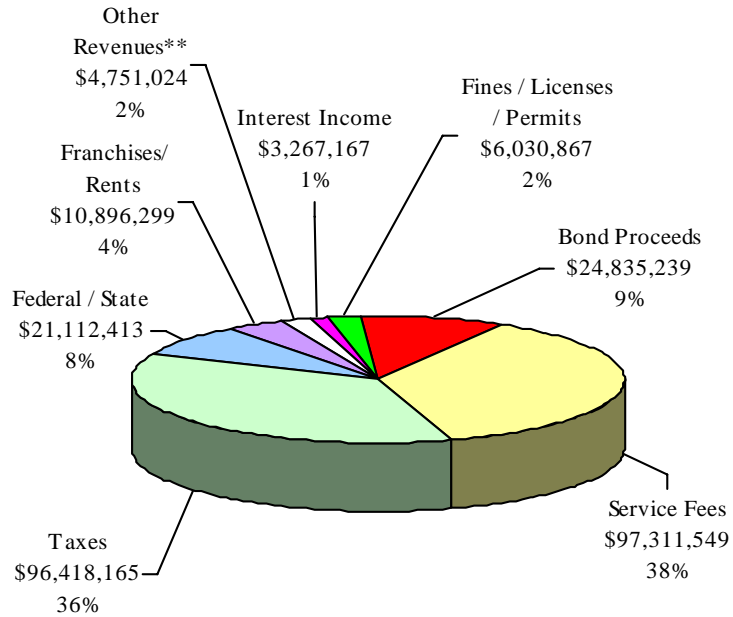
**Total Expenditures
\$264,283,899**

*Excludes internal service fund operating budgets and inter-fund transfers.

**Other includes Gas Tax, Youth and Neighborhood Services, Park Dedication and Redevelopment Agency Funds.

City of Sunnyvale FY 2010/2011 Budget Financial Graphs

Graph 1.3 Revenues By Source - All Funds*

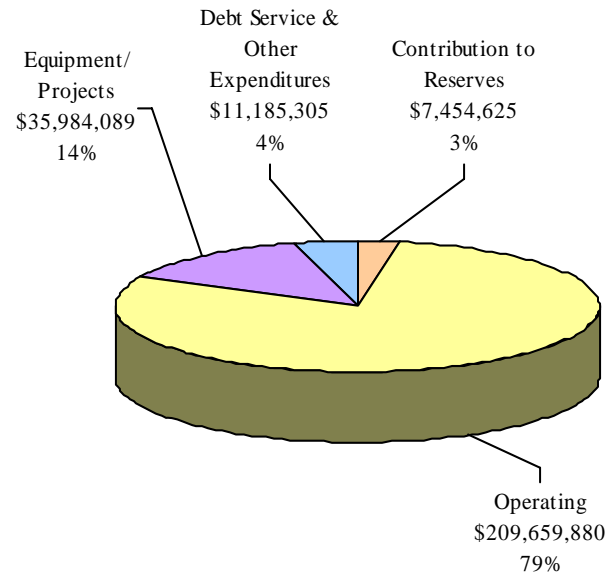


**Total Revenues
\$264,283,899**

*Excludes internal service fund charges and inter-fund transfers.

**Other Revenues includes Miscellaneous Revenues, SMaRT Station Reimbursement, Other Agencies Contributions, and Budget Supplements

Graph 1.4 Expenditures by Type - All Funds*

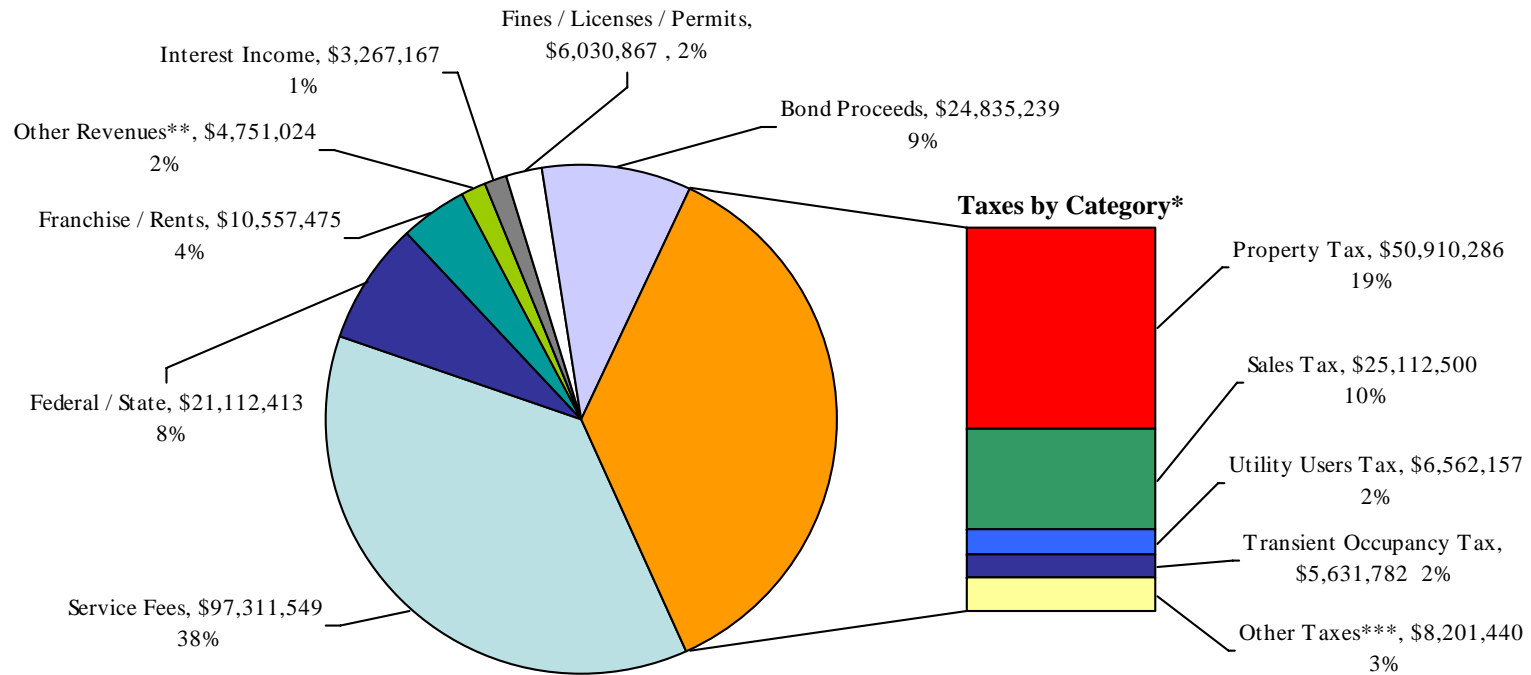


**Total Expenditures
\$264,283,899**

*Excludes internal service fund operating budgets and inter-fund transfers.

**City of Sunnyvale
FY 2010/2011 Budget
Financial Graphs**

Graph 1.5 Revenues by Source - Taxes by Category*



**Total Revenues
\$264,283,899**

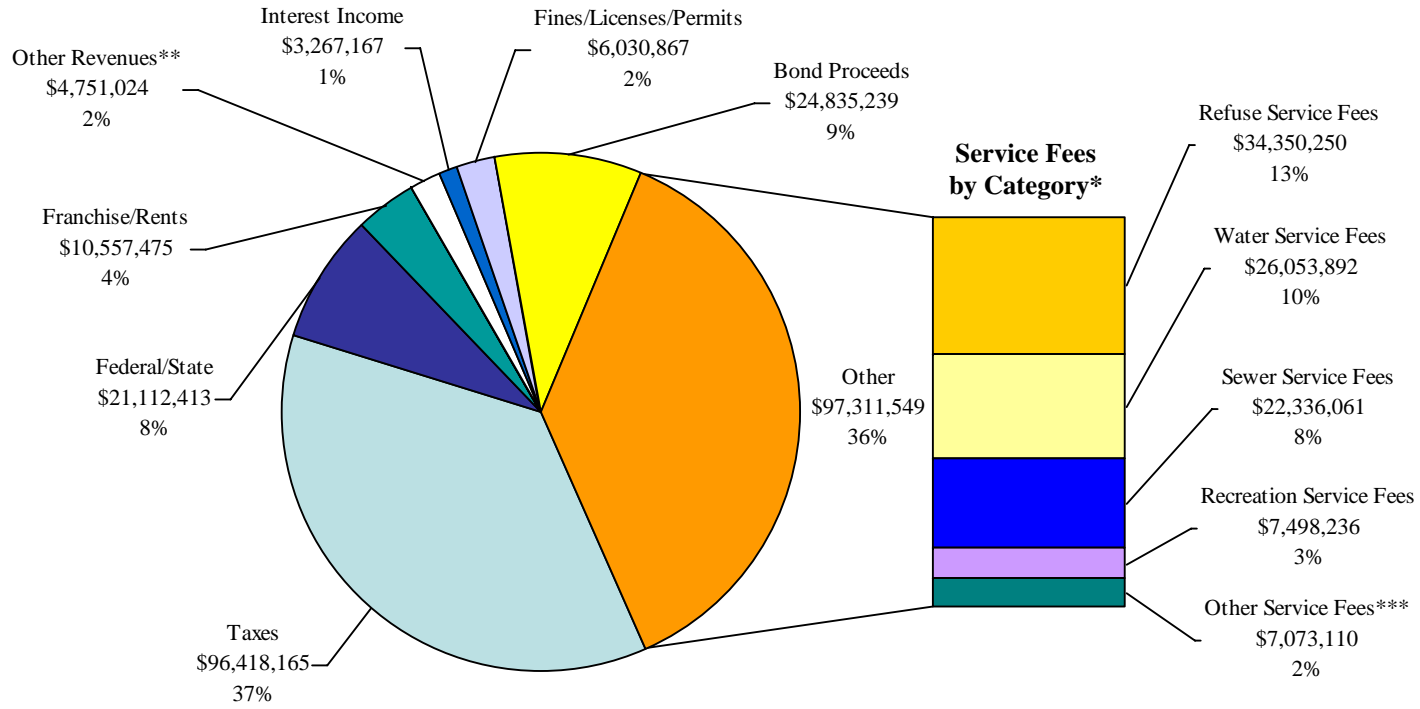
*Excludes internal service fund charges and inter-fund transfers.

**Other Revenues includes Miscellaneous Revenues, SMaRT Station Reimbursement, Other Agencies Contributions, and Budget Supplements.

***Other Taxes includes Highway Users Tax and Traffic Congestion Relief Fund.

**City of Sunnyvale
FY 2010/2011 Budget
Financial Graphs**

Graph 1.6 Revenues by Source - Service Fees by Category*



**Total Revenues
\$264,283,899**

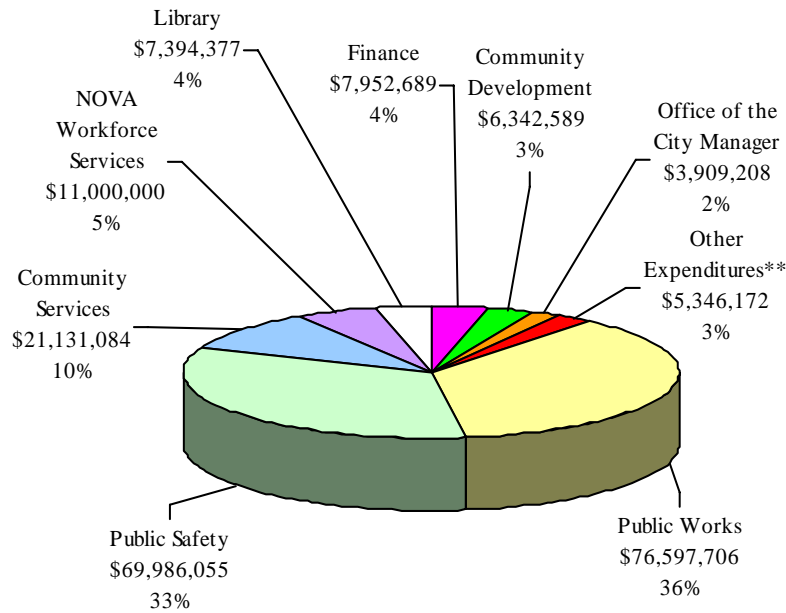
* Excludes internal service fund charges and inter-fund transfers.

** Other Revenues includes Miscellaneous Revenues, SMaRT Station Reimbursement, Other Agencies Contributions, and Budget Supplements.

*** Other Service Fees include Park Dedication Fee, Traffic Impact Fee, Sense of Place Fee, and Recreation Fees.

City of Sunnyvale FY 2010/2011 Budget Financial Graphs

**Graph 1.7 Operating Expenditures by Department
- All Funds***

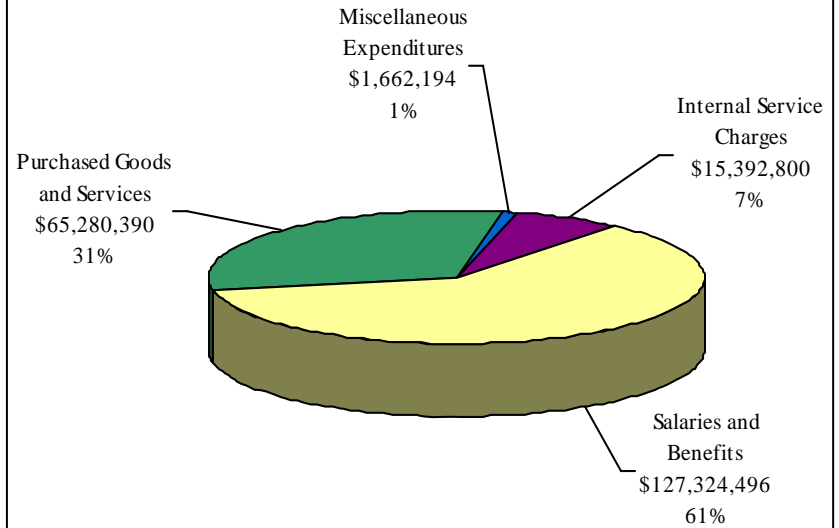


**Total Expenditures
\$209,659,880**

*Excludes internal service fund operating budgets and inter-fund transfers.

**Other Expenditures include Office of the City Attorney, Human Resources, and project operating budget.

**Graph 1.8 Operating Expenditures by Character
- All Funds***

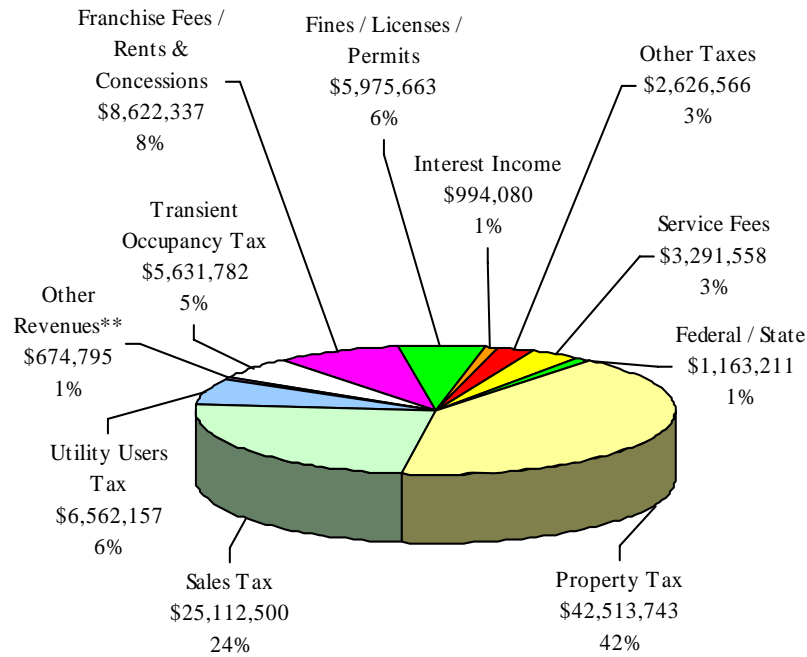


**Total Expenditures
\$209,659,880**

*Excludes internal service fund operating budgets and inter-fund transfers.

City of Sunnyvale FY 2010/2011 Budget Financial Graphs

Graph 2.1 Revenues by Source - General Fund*

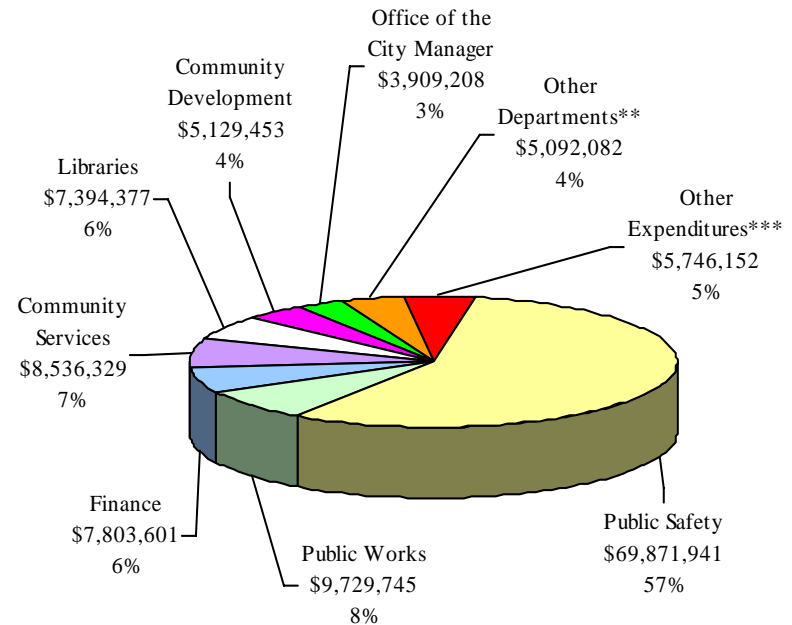


**Total Revenues
\$103,168,392**

*Excludes internal service fund charges and inter-fund transfers.

**Other Revenues includes Miscellaneous Revenues and Modular Classroom Lease Revenue

Graph 2.2 Expenditures by Department & Type - General Fund*



**Total Expenditures
\$123,212,888**

* Excludes internal service fund operating budgets and inter-fund transfers.

** Other Departments includes Office of the City Attorney and Human Resources.

***Other Expenditures includes Projects Budget, Debt Service, Equipment, and Payment to Town Center Developer.

**Debt
Service**

DEBT SERVICE

Overview

The City of Sunnyvale uses debt financing as a tool to maintain its long-term financial stability by paying for certain expenditures over time. Debt financing also is a tool for managing cashflow when large, one-time outlays are required as in the case of constructing a new building or large-scale upgrades to infrastructure. This section provides a summary of the City's debt service for the twenty-year planning horizon. Included is the Computation of Legal Debt Margin which calculates the City's debt limit as defined by the City Charter. Also included is the debt service schedule which represents the current bond issues for both the City and the Redevelopment Agency. The City does not have any general obligation debt.

Debt Policies

Section 1308 of the City Charter limits the allowable bonded indebtedness of the City at 15% of the total assessed valuation of property within the City. However, the Fiscal Sub-Element of the General Plan limits use of debt even more through the following criteria:

1. Total City debt should not exceed 5% of assessed valuation.
2. Total City debt should not exceed \$350 per capita.
3. City and overlapping debt together should not exceed 8% of assessed valuation.
4. Annual debt service should not exceed 10% of the annual budget.
5. Average outstanding bond maturities should not exceed ten years.
6. Except in the case of assessment debt, debt reserves equal to the next principal and interest payment should be maintained.

Issuer Credit Rating

Each entity that is allowed to issue bonds is rated on its ability to repay the debt. This rating is known as the Issuer Credit Rating (ICR), which is an independent gauge of the credit risk of the issuer. Credit risk is based on the issuer's solvency or ability to pay the interest and principal. The greater the credit risk, the more interest the issuer has to pay to sell its bonds. Not only does the credit rating of the issuer

determine the initial yield of the bond, but it can also affect bond prices in the secondary market if the issuer's credit rating changes.

There are five major services that rate bonds: Standard & Poors, Moody's, Fitch, A.M. Best, and Dominion Bond Rating Service. Ratings range from AAA for the highest quality bonds to D, which are bonds in default. Standard & Poors completed a review of the City's overall credit worthiness in April 2009. This resulted in an upgrade in our "Issuer Credit Rating" to AAA. Sunnyvale now stands as one of only eleven cities in California to hold a AAA rating, the highest rating possible.

Summary of FY 2010/2011 Debt Service

The FY 2010/2011 Budget includes \$12,778,658 in debt service payments (including agent fees). The level of debt associated with these payments is significantly below the legal maximum allowable of \$3.9 billion and well below each of the six policy criteria outlined above. Each bond issuance is briefly described below. The twenty-year schedule for debt service payments are shown in the table on the following two pages. It should be noted that future debt issuances are reflected in the twenty-year financial plan for planning and funding purposes. The potential issuances are discussed in detail in the City Manager's Transmittal Letter under the detailed fund reviews for the Wastewater and Solid Waste Funds.

Revenue Bonds

Water Distribution System and Wastewater Infrastructure. Revenue bonds were originally issued in 1992 to improve the City's wastewater system and treatment plant. In 2001, the bonds were refunded to reduce debt service costs. At that time, additional funds of \$12.5 million were borrowed to pay for improving the City's water treatment facility and distribution system and wastewater infrastructure projects. Debt service payments are financed by water and wastewater revenues. In June 2010, the City issued \$59 million of new water and wastewater revenue bonds. The amount of \$41 million from the 2010 bond proceeds will be used to construct and acquire new water and wastewater infrastructure projects (including a new water pollution control plan). The remaining amount, \$18 million, has been used to refund the 2001 outstanding bonds, to pay issuance costs, and to provide a debt service reserve account for the 2010 bonds.

SMaRT Station. These bonds were issued for the original cost of the Sunnyvale Materials Recovery and Transfer (SMaRT) Station. This facility receives, sorts for recycling, and transports solid waste for the cities of Sunnyvale, Mountain View, and Palo Alto. The SMaRT Station's debt service is financed by the three cities in proportion to their original investment in the SMaRT station. The debt service payments are financed by solid waste revenues.

In 2003 the bonds were refinanced in the amount of \$20.6 million to reduce debt service costs. In 2007 the three cities approved a project to replace the Materials Recovery Facility equipment. This replacement project is funded by reserves of \$5.2 million in the Capital Equipment Replacement Fund, a cash contribution of \$2.2 million by Mountain View, and an issue of revenue bonds of \$8.1 million by Palo Alto and Sunnyvale.

Redevelopment Agency Tax Allocation Bonds and Certificates of Participation

Redevelopment District. The City's redevelopment district has two bond-financed projects: The Central Core Redevelopment Project, which was for developing the City's Downtown, and the Parking Facility Project, which was used to construct the Downtown's multi-level

parking garage. Debt service on these two bond issuances is financed by tax increment revenues and lease revenue from the City.

Capital Projects Bonds

Government Center Property. In 2001, variable rate certificates of participation (COPs) were issued to reimburse the City for the cost of acquiring the property located at 505 West Olive. The property, known as the Sunnyvale Office Center, is adjacent to the Civic Center and was purchased in anticipation of future space needs of the City. The 2001 COPs were insured by Ambac, a major bond insurer that has been significantly downgraded by the rating agencies. As a result, interest rates on the 2001 COPs increased multiple times.

In late FY 2008/2009, the City issued Variable Rate Demand Refunding Certificates of Participation, Series 2009 A, to refund the 2001 COPs. The 2009 COPs are backed by an irrevocable bank letter of credit. City lease payments will reimburse the bank for monthly letter of credit draws by the trustee to pay holders of the refunding COPS. The annual payments increase each year through the twenty-year financial plan to account for potential interest rate increases over the long term. Debt service on this bond is financed by the interest on the reserve fund of the COPs and rental revenue from outside tenants and City operations.

General Fund Bonds

Modular Classrooms. In 1997, the City acted as the intermediary to issued bonds on behalf of the Sunnyvale School District. COPs were issued for \$1,935,000 in 1997 for additional modular classroom space to be used as a child care facility. The debt service is financed by lease payments from the School District.

CITY OF SUNNYVALE
Computation of Legal Debt Margin
June 30, 2010
Unaudited
(dollars in thousands)

Assessed Value	\$ 25,899,445
Add back: exempt real property	296,867
Total assessed value	<u>\$ 26,196,312</u>
 Debt Limit -- 15% of Total Assessed Value	 3,929,447
 Amount of Debt Applicable to Limit:	
Total bonded debt	112,217
Less:	
Water and Wastewater Revenue Bonds	(59,465)
Solid Waste Revenue Bonds	<u>(19,781)</u>
 Total Amount Applicable to Debt Limit	 <u>32,971</u>
 Legal Debt Margin	 <u><u>\$ 3,896,476</u></u>

Note: Section 1308 of the City Charter of the City of Sunnyvale, California, states:

"The bonded indebtedness of the City may not in the aggregate exceed the the sum of fifteen (15%) percent of the total assessed valuation of property within the City, exclusive of any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending, or maintaining municipally owned utilities, for which purposes a further indebtedness may be incurred by the issuance of bonds, subject to provisions of the State Constitution and of this Charter."

Source: City of Sunnyvale

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**CITY OF SUNNYVALE
DEBT SERVICE
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL	CURRENT	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
BOND ISSUE	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
REVENUE BONDS:													
Water and Wastewater Revenue 2001-A													
Principal	1,435,000	1,495,000	1,555,000	1,610,000	1,705,000	1,795,000	1,890,000	1,995,000	2,100,000	2,215,000	615,000	645,000	17,620,000
Interest	1,179,608	1,118,915	1,059,410	991,030	908,994	817,119	720,388	618,406	510,913	397,644	324,125	292,625	7,759,568
Subtotal - Water and Wastewater Revenue Bond	2,614,608	2,613,915	2,614,410	2,601,030	2,613,994	2,612,119	2,610,388	2,613,406	2,610,913	2,612,644	939,125	937,625	25,379,568
Water Revenue Bonds 2010													
Principal	0	0	755,000	710,000	745,000	780,000	810,000	845,000	890,000	925,000	455,000	470,000	7,385,000
Interest	0	0	902,964	1,164,900	1,136,500	1,099,250	1,069,800	1,033,300	991,050	951,550	914,550	896,350	10,160,214
Subtotal - Water Revenue Bond	0	0	1,657,964	1,874,900	1,881,500	1,879,250	1,879,800	1,878,300	1,881,050	1,876,550	1,369,550	1,366,350	17,545,214
Wastewater Revenue Bonds 2010													
Principal	0	0	1,600,000	1,190,000	1,210,000	1,255,000	1,305,000	1,375,000	1,440,000	1,515,000	1,010,000	1,060,000	12,960,000
Interest	0	0	1,257,957	1,659,503	1,652,125	1,603,725	1,553,525	1,488,275	1,419,525	1,347,525	1,271,775	1,221,275	14,475,210
Subtotal - Wastewater Revenue Bond	0	0	2,857,957	2,849,503	2,862,125	2,858,725	2,858,525	2,863,275	2,859,525	2,862,525	2,281,775	2,281,275	27,435,210
Solid Waste Revenue Refunding 2003													
Principal	1,205,000	1,255,000	1,310,000	1,370,000	1,440,000	1,520,000	1,605,000	1,695,000	1,790,000	1,890,000	0	0	13,875,000
Interest	737,600	690,063	635,350	572,850	505,300	425,700	339,763	249,013	153,175	51,975	0	0	3,623,188
Subtotal - Solid Waste Revenue	1,942,600	1,945,063	1,945,350	1,942,850	1,945,300	1,945,700	1,944,763	1,944,013	1,943,175	1,941,975	0	0	17,498,188
Solid Waste Revenue Refunding 2007													
Principal	440,000	460,000	480,000	495,000	520,000	540,000	560,000	585,000	610,000	635,000	660,000	685,000	6,230,000
Interest	317,958	299,870	280,977	261,381	240,981	219,677	197,568	174,555	150,538	125,515	99,488	72,455	2,123,005
Subtotal - Solid Waste Revenue	757,958	759,870	760,977	756,381	760,981	759,677	757,568	759,555	760,538	760,515	759,488	757,455	8,353,005
TOTAL REVENUE BONDS	5,315,166	5,318,848	9,836,658	10,024,664	10,063,900	10,055,471	10,051,043	10,058,549	10,055,201	10,054,209	5,349,938	5,342,705	96,211,185
REDEVELOPMENT AGENCY REVENUE BONDS:													
Central Core Project Refunding TABs 2003													
Principal	355,000	360,000	370,000	385,000	395,000	405,000	425,000	435,000	460,000	475,000	495,000	515,000	4,720,000
Interest	254,941	246,536	236,486	224,776	211,704	197,451	181,876	164,942	147,042	128,045	107,729	86,138	1,932,725
Agent Fee	2,725	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	32,450
Subtotal - Central Core Project Refunding	612,666	609,486	609,436	612,726	609,654	605,401	609,826	602,892	609,992	605,995	605,679	604,088	6,685,175
Parking Lease Refunding 1998													
Principal	590,000	620,000	545,000	575,000	610,000	645,000	680,000	720,000	760,000	805,000	850,000	935,000	7,745,000
Interest	618,280	590,892	561,475	530,118	496,523	460,689	422,750	382,750	340,750	296,625	250,250	200,625	4,533,447
Agent Fee	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	6,960	76,560
Subtotal - Parking Lease Refunding 1998	1,215,240	1,217,852	1,113,435	1,112,078	1,113,483	1,112,649	1,109,710	1,109,710	1,107,710	1,108,585	1,107,210	1,142,585	12,355,007
TOTAL REDEVELOPMENT AGENCY REVENUE BONDS	1,827,906	1,827,338	1,722,871	1,724,804	1,723,137	1,718,050	1,719,536	1,712,602	1,717,702	1,714,580	1,712,889	1,746,673	19,040,182
GOVERNMENT CENTER SITE BONDS:													
Government Center Site 2001-A													
Principal	455,000	0	0	0	0	0	0	0	0	0	0	0	0
Interest	778,789 *	0	0	0	0	0	0	0	0	0	0	0	0
Agent Fee *	541,381 *	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal - Government Center Site 2001-A	1,775,170	0	0	0	0	0	0	0	0	0	0	0	0
Government Center Site 2009-A													
Principal	0	510,000	470,000	490,000	510,000	535,000	555,000	575,000	605,000	630,000	655,000	680,000	6,215,000
Interest	0	425,384	410,084	395,984	381,284	365,984	349,934	333,284	316,034	297,884	278,984	259,334	3,814,173
Agent Fee and Letter of Credit	0	169,510	163,900	158,730	153,340	147,730	141,845	135,740	129,415	122,760	115,830	108,625	1,547,425
Subtotal - Government Center Site 2009-A	0	1,104,894	1,043,984	1,044,714	1,044,624	1,048,714	1,046,779	1,044,024	1,050,449	1,050,644	1,049,814	1,047,959	11,576,598
TOTAL GOVERNMENT CENTER SITE BONDS	1,775,170	1,104,894	1,043,984	1,044,714	1,044,624	1,048,714	1,046,779	1,044,024	1,050,449	1,050,644	1,049,814	1,047,959	11,576,598
<i>* includes one time fiscal charges and agent fees from</i>													
GENERAL FUND BONDS:													
Modular Classroom 1997 (ABAG 39)													
Principal	135,000	140,000	145,000	155,000	165,000	190,000	0	0	0	0	0	0	795,000
Interest	44,010	37,270	30,145	22,490	14,170	4,940	0	0	0	0	0	0	109,015
TOTAL GENERAL FUND BONDS	179,010	177,270	175,145	177,490	179,170	194,940	0	0	0	0	0	0	904,015
TOTAL	9,097,252	8,428,349	12,778,658	12,971,672	13,010,831	13,017,175	12,817,358	12,815,175	12,823,351	12,819,433	8,112,641	8,137,337	127,731,980

**CITY OF SUNNYVALE
DEBT SERVICE
JULY 1, 2020 TO JUNE 30, 2030**

BOND ISSUE	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030		
REVENUE BONDS:												
Water and Wastewater Revenue 2001-A												
Principal	675,000	710,000	750,000	785,000	825,000	870,000	915,000	0	0	0	5,530,000	23,150,000
Interest	259,625	225,000	188,500	150,125	109,875	67,500	22,875	0	0	0	1,023,500	8,783,068
Subtotal - Water and Wastewater Revenue Bond	934,625	935,000	938,500	935,125	934,875	937,500	937,875	0	0	0	6,553,500	31,933,068
Water Revenue Bonds 2010												
Principal	495,000	520,000	545,000	575,000	605,000	635,000	670,000	705,000	740,000	780,000	6,270,000	13,655,000
Interest	872,850	848,100	822,100	794,850	764,663	732,900	699,563	664,388	627,375	588,525	7,415,313	17,575,527
Subtotal - Water Revenue Bond	1,367,850	1,368,100	1,367,100	1,369,850	1,369,663	1,367,900	1,369,563	1,369,388	1,367,375	1,368,525	13,685,313	31,230,527
Wastewater Revenue Bonds 2010												
Principal	1,115,000	1,165,000	1,230,000	1,290,000	1,355,000	1,430,000	1,510,000	740,000	780,000	820,000	11,435,000	24,395,000
Interest	1,168,275	1,112,525	1,054,275	992,775	925,050	853,913	778,838	699,563	660,713	619,763	8,865,688	23,340,897
Subtotal - Wastewater Revenue Bond	2,283,275	2,277,525	2,284,275	2,282,775	2,280,050	2,283,913	2,288,838	1,439,563	1,440,713	1,439,763	20,300,688	47,735,897
Solid Waste Revenue Refunding 2003												
Principal	0	0	0	0	0	0	0	0	0	0	0	13,875,000
Interest	0	0	0	0	0	0	0	0	0	0	0	3,623,188
Subtotal - Solid Waste Revenue	0	0	0	0	0	0	0	0	0	0	0	17,498,188
Solid Waste Revenue Refunding 2007												
Principal	715,000	745,000	0	0	0	0	0	0	0	0	1,460,000	7,690,000
Interest	44,317	14,973	0	0	0	0	0	0	0	0	59,290	2,182,295
Subtotal - Solid Waste Revenue	759,317	759,973	0	0	0	0	0	0	0	0	1,519,290	9,872,295
TOTAL REVENUE BONDS	5,345,067	5,340,598	4,589,875	4,587,750	4,584,588	4,589,313	4,596,275	2,808,950	2,808,088	2,808,288	42,058,790	138,269,975
REDEVELOPMENT AGENCY REVENUE BONDS:												
Central Core Project Refunding TABs 2003												
Principal	535,000	560,000	585,000	0	0	0	0	0	0	0	1,680,000	6,400,000
Interest	63,296	38,926	13,163	0	0	0	0	0	0	0	115,385	2,048,110
Agent Fee	2,950	2,950	2,950	0	0	0	0	0	0	0	8,850	41,300
Subtotal - Central Core Project Refunding	601,246	601,876	601,113	0	0	0	0	0	0	0	1,804,235	8,489,410
Parking Lease Refunding 1998												
Principal	995,000	1,050,000	1,150,000	0	0	0	0	0	0	0	3,195,000	10,940,000
Interest	147,375	91,250	31,250	0	0	0	0	0	0	0	269,875	4,803,322
Agent Fee	6,960	6,960	6,960	0	0	0	0	0	0	0	20,880	97,440
Subtotal - Parking Lease Refunding 1998	1,149,335	1,148,210	1,188,210	0	0	0	0	0	0	0	3,485,755	15,840,762
TOTAL REDEVELOPMENT AGENCY REVENUE BONDS	1,750,581	1,750,086	1,789,323	0	0	0	0	0	0	0	5,289,990	24,330,172
GOVERNMENT CENTER SITE BONDS:												
Government Center Site 2001-A												
Principal	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0
Agent Fee *	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal - Government Center Site 2001-A	0	0	0	0	0	0	0	0	0	0	0	0
Government Center Site 2009-A												
Principal	710,000	740,000	770,000	800,000	835,000	870,000	905,000	945,000	985,000	1,025,000	8,585,000	14,800,000
Interest	238,934	217,634	195,434	172,334	148,334	123,284	97,184	70,034	41,684	12,134	1,316,989	5,131,162
Agent Fee and Letter of Credit	101,145	93,335	85,195	76,725	67,925	58,740	49,170	39,215	36,949	24,772	633,171	2,180,596
Subtotal - Government Center Site 2009-A	1,050,079	1,050,969	1,050,629	1,049,059	1,051,259	1,052,024	1,051,354	1,054,249	1,063,633	1,061,906	10,535,160	22,111,758
TOTAL GOVERNMENT CENTER SITE BONDS	1,050,079	1,050,969	1,050,629	1,049,059	1,051,259	1,052,024	1,051,354	1,054,249	1,063,633	1,061,906	10,535,160	22,111,758
<i>* includes one time fiscal charges and agent fees from</i>												
GENERAL FUND BONDS:												
Modular Classroom 1997 (ABAG 39)												
Principal	0	0	0	0	0	0	0	0	0	0	0	795,000
Interest	0	0	0	0	0	0	0	0	0	0	0	109,015
TOTAL GENERAL FUND BONDS	0	0	0	0	0	0	0	0	0	0	0	904,015
TOTAL	8,145,727	8,141,653	7,429,827	5,636,809	5,635,846	5,641,336	5,647,629	3,863,199	3,871,720	3,870,193	57,883,940	185,615,920

**City Budget and
Appropriations Limit
Resolutions**

CITY BUDGET RESOLUTION AND APPROPRIATIONS LIMIT RESOLUTION

The City Council annually adopts by resolution the budget for the upcoming fiscal year. The report to the Mayor and Council presents a summary of major expenditure and revenue categories. This report also details any changes to the recommended budget.

In conjunction with the adoption of the budget, the City is required to establish an appropriation limit and spending limitation in accordance with Article XIII-B of the California Constitution. The City Council annually adopts by resolution the appropriation limit and spending limitation.

THIS PAGE NOT USED

RESOLUTION NO. 437-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF SUNNYVALE ADOPTING THE BUDGET OF THE CITY
OF SUNNYVALE FOR THE FISCAL YEAR JULY 1, 2010 TO
JUNE 30, 2011**

WHEREAS, the proposed budget of the City of Sunnyvale for the fiscal year 2010-2011 was prepared and submitted to the City Council by the City Manager on May 7, 2010, which date was at least thirty-five (35) days prior to the beginning of the 2010-2011 fiscal year as required by Section 1302 of the Charter; and

WHEREAS, the City Council reviewed the proposed budget, and thereafter caused a public hearing to be held concerning the proposed budget on June 15, 2010; and

WHEREAS, upon conclusion of the public hearing the City Council further considered the proposed budget as provided for in Section 1304 of the Charter;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The budget of the City of Sunnyvale for the fiscal year beginning on July 1, 2010 and ending on June 30, 2011, as submitted to the City Council by the City Manager on May 7, 2010, and as amended by the City Council on June 29, 2010, is hereby approved and adopted as the budget of the City of Sunnyvale for the 2010-2011 fiscal year.

2. Expenditures of the City of Sunnyvale for the 2010-2011 fiscal year, appropriations to reserves and inter-fund transfers/loans shall be governed and controlled according to the amounts specified in this resolution for each of the classifications of the General Fund and Special Revenue Funds, and for the total thereof, it being intended that the expenditure of the total amount budgeted and appropriated by this resolution for each fund, reserve or department shall be limited only by the amount specified herein and in the budget for each of such classifications.

a. For reappropriations between programs where the annual program budget is equal to or greater than \$500,000, Council approval is required for reappropriations between programs that exceed \$100,000 or 5% of the annual program budget, whichever is greater, up to a maximum of \$250,000.

b. For reappropriations between programs where the annual program budget is less than \$500,000, the maximum reappropriation threshold is limited to \$50,000 or 50% of the annual program budget, whichever is less.

3. The specified sums of money set forth opposite the names of the funds, reserves, departments and programs set forth in Exhibits A, B, C, and D, attached and incorporated by reference, are hereby appropriated to the funds, reserves, departments and programs based upon the adopted budget.

4. If the expenditures for the Proprietary Funds and Internal Services Funds for the fiscal year exceed actual revenues plus the planned appropriation from the Rate Stabilization Reserve Account or the Resource Allocation Plan Reserve Account, as the case may be, on an annualized basis, Council approval shall be required.

5. The goals for the seven planning elements and the budget estimates for the twenty-year period shown in the 2010-2011 to 2029-2030 Resource Allocation Plan are approved for financial planning purposes.

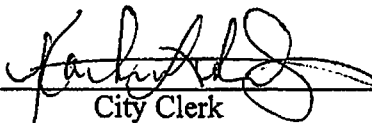
6. If the appropriations for the General Fund and Special Revenue Funds for the 2010-2011 fiscal year exceed the expenditures from the funds for the fiscal year, the excess shall be allocated to the Budget Stabilization Fund Account for the General Fund and to the Resource Allocation Plan Reserve Account for the Special Revenue Funds. If the expenditures from the General Fund and Special Revenue Funds for the 2010-2011 fiscal year exceed the appropriations for the funds for the fiscal year then the difference shall be deducted from the Budget Stabilization Fund Account for the General Fund and from the Resource Allocation Plan Reserve Account for the Special Revenue Funds. If the appropriations for the Proprietary Funds and Internal Services Funds for the fiscal year exceed the expenditures from the funds for the fiscal year, or if the expenditures from the funds for the fiscal year exceed the appropriations for the funds, the excess shall be allocated to or deducted from the Resource Allocation Plan Reserve Account or the Rate Stabilization Reserve Account, as the case may be.

7. A copy of the budget hereby adopted, certified by the City Clerk, shall be filed with the City Manager or designated representative, and a further copy so certified shall be placed and shall remain on file in the Office of the City Clerk where it shall be available for inspection. Copies of the certified budget shall be made available for the use of departments, offices and agencies of the City.

Adopted by the City Council at a regular meeting held on June 29, 2010, by the following vote:

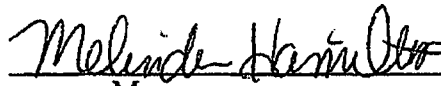
AYES: LEE, GRIFFITH, MOYLAN, HAMILTON, SPITALERI, WHITTUM
NOES: NONE
ABSTAIN: NONE
ABSENT: SWEGLES

ATTEST:



City Clerk
(SEAL)

APPROVED:



Mayor

APPROVED AS TO FORM AND LEGALITY:



David Kahn, City Attorney

CITY OF SUNNYVALE
APPROPRIATIONS
GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS
FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND										
	035. General	070. Housing	71 HOME	110. Community Development Block Grant	141. Park Dedication	175. Public Safety Forfeiture	190. Police Services Aug.	210. Employment Development	245. Parking District	280. Gas Tax	281. Traffic Congestion Relief Fund
Human Resources											
754 Human Resources	3,459,362	0	0	0	0	0	0	0	0	0	0
Total Human Resources	3,459,362	0	0	0	0	0	0	0	0	0	0
Community Development											
233 Building Safety	2,517,862	0	0	0	0	0	0	0	0	0	0
234 Planning	2,204,780	0	0	0	0	0	0	0	0	0	0
235 Housing and CDBG Program	25,000	621,244	96,439	495,454	0	0	0	0	0	0	0
237 Department Management	381,811	0	0	0	0	0	0	0	0	0	0
Total Community Development	5,129,453	621,244	96,439	495,454	0	0	0	0	0	0	0
<i>* Does not include 8.94% Indirect Cost Allocation for General Fund administrative support services for Funds 71 and 110; this expense is covered as a fund transfer</i>											
Finance											
703 Budget Management	770,633	0	0	0	0	0	0	0	0	0	0
704 Purchasing	1,222,256	0	0	0	0	0	0	0	0	0	0
705 Financial Management and Analysis	1,070,318	0	0	0	0	0	0	0	0	0	0
706 Accounting and Financial Services	1,701,716	0	0	0	0	0	0	0	0	0	0
707 Treasury Services	1,010,697	0	0	0	0	0	0	0	0	0	0
708 Utility Billing	2,027,981	0	0	0	0	0	0	0	0	0	0
Total Finance	7,803,601	0	0	0	0	0	0	0	0	0	0
Library											
620 Library	7,394,377	0	0	0	0	0	0	0	0	0	0
Total Library	7,394,377	0	0	0	0	0	0	0	0	0	0
Community Services											

CITY OF SUNNYVALE
 APPROPRIATIONS
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS
 FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND										All Funds FY 2010/2011 Total
	285 TDA Fund	295. Youth and Neighbor. Services	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Management	485. Solid Waste Management	490. SMaRT Station Operations	490/200. SMaRT Station Replacement	525. Community Recreation	610. Infrastructure Renov. and Replacement	
219 Street Tree Services	0	0	0	0	0	0	0	0	0	0	1,175,634
222 Concrete Maintenance	0	0	0	0	0	0	0	0	0	0	912,200
256 Downtown Parking Lot Maintenance	0	0	0	0	0	0	0	0	0	0	63,812
308 Public Works Administration	0	0	0	0	0	0	0	0	0	0	802,217
309 General Engineering and Capital Project Management	0	0	0	0	0	0	0	0	0	0	127,148
310 Land Development - Engineering Services	0	0	0	0	0	0	0	0	0	0	1,030,051
360 Water Resources	0	0	0	20,950,078	0	0	0	0	0	0	20,950,078
361 Storm Water Collection System	0	0	0	0	377,327	0	0	0	0	0	377,327
362 Sanitary Sewer Collection System	0	0	0	0	1,591,644	0	0	0	0	0	1,591,644

CITY OF SUNNYVALE
 APPROPRIATIONS
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS
 FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND										All Funds FY 2010/2011 Total
	285 TDA Fund	295. Youth and Neighbor. Services	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Management	485. Solid Waste Management	490. SMaRT Station Operations	490/200. SMaRT Station Replacement	525. Community Recreation	610. Infrastructure Renov. and Replacement	
363 Solid Waste Management	0	0	0	0	0	30,182,322	0	0	0	0	30,182,322
364 SMaRT Station	0	0	0	0	0	0	26,086,571	0	0	0	26,086,571
365 Wastewater Management	0	0	0	0	11,579,223	0	0	0	0	0	11,579,223
Total Public Works	0	0	0	20,950,078	13,548,194	30,182,322	26,086,571	0	0	0	102,684,279
<i>* Sunnyvale's share of SMaRT Station Operations appears in both the Solid Waste Management Fund and the SMaRT Station Operations Fund due to their interrelated nature.</i>											
Employment Development*											
510 Employment Development	0	0	0	0	0	0	0	0	0	0	11,000,000
Total Employment Development	0	0	0	0	0	0	0	0	0	0	11,000,000
<i>*Does not include 3.18% Indirect Cost Allocation for General Fund administrative support services; this amount is captured as a fund transfer</i>											
TOTAL OPERATING PROGRAMS	0	741,650	0	20,950,078	13,578,194	30,183,352	26,092,333	0	11,976,001	0	235,580,069
Project Operating	0	0	0	30,000	0	0	0	0	5,681	0	35,681
PROJECTS											
800851 Support Network for Battered Women	0	0	0	0	0	0	0	0	0	0	18,842
801351 Sunnyvale Contribution to SMaRT Station Equipment Rep. Fund	0	0	0	0	0	176,896	0	0	0	0	176,896

CITY OF SUNNYVALE
APPROPRIATIONS
GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS
FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND										All Funds FY 2010/2011 Total	
	285	295.	385.	460.	465.	485.	490.	490/200.	525.	610.		
	TDA Fund	Youth and Neighbor. Services	Capital Projects	Water Supply and Distribution	Wastewater Management	Solid Waste Management	SMaRT Station Operations	SMaRT Station Replacement	Community Recreation	Infrastructure Renov. and Replacement		
802150 Utility Undergrounding Cost Sharing	0	0	0	0	0	0	0	0	0	0	0	10,000
802500 City Share of Development Costs - Streets	0	0	0	0	0	0	0	0	0	0	0	10,000
803601 Sunnyvale Community Services	0	0	0	0	0	0	0	0	0	0	0	77,019
803700 Leadership Sunnyvale	0	0	0	0	0	0	0	0	0	0	0	6,000
804201 City-Wide Aerial Photos	0	0	0	0	0	0	0	0	0	0	0	60,000
804703 Storm Drain Pipes, Manholes, and Laterals Replacement	0	0	0	0	10,000	0	0	0	0	0	0	10,000
804751 Catholic Charities - Long Term Ombudsman Program	0	0	0	0	0	0	0	0	0	0	0	18,775
805253 Sewer Pipes, Manholes, and Laterals Emergency Replacement	0	0	0	0	20,000	0	0	0	0	0	0	20,000
806303 Water Pipes, Manholes, and Laterals Replacement	0	0	0	20,000	0	0	0	0	0	0	0	20,000
806351 Water Meters for New Developments	0	0	0	60,000	0	0	0	0	0	0	0	60,000
806401 Detector Checks & Backflow Prevention Devices - New Dvlpmnts	0	0	0	20,000	0	0	0	0	0	0	0	20,000
808350 Morse Avenue Neighborhood Park Development	0	0	1,061,536	0	0	0	0	0	0	0	0	1,061,536
811250 SMaRT Station Equipment Replacement	0	0	0	0	0	0	0	1,378,647	0	0	0	1,378,647
811351 First United Methodist Church- Sr. Nutrition Program	0	0	0	0	0	0	0	0	0	0	0	20,432
812701 Home Access, Paint and Emergency Repair Program	0	0	0	0	0	0	0	0	0	0	0	50,000
816000 Future Traffic Signal Construction/Modification	0	0	485,000	0	0	0	0	0	0	0	0	485,000
816050 Minor Repair of City Bridges and Culverts	0	0	0	0	0	0	0	0	0	0	0	10,000
818450 Community Center Buildings - HVAC	0	0	0	0	0	0	0	0	0	0	175,017	175,017
818550 Park Buildings - Rehabilitation	0	0	0	0	0	0	0	0	0	0	308,000	308,000
818700 Corporation Yard Buildings - Rehabilitation	0	0	0	0	0	0	0	0	0	0	25,142	25,142
819630 Community Center Buildings - Roof Replacement and Repair	0	0	0	0	0	0	0	0	0	0	549,593	549,593

CITY OF SUNNYVALE
APPROPRIATIONS
GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS
FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND										All Funds FY 2010/2011 Total
	285 TDA Fund	295. Youth and Neighbor. Services	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Management	485. Solid Waste Management	490. SMaRT Station Operations	490/200. SMaRT Station Replacement	525. Community Recreation	610. Infrastructure Renov. and Replacement	
824351 The Health Trust - Meals on Wheels	0	0	0	0	0	0	0	0	0	0	8,520
824370 Friends for Youth - Mentoring	0	0	0	0	0	0	0	0	0	0	10,913
824700 Downtown Parking Maintenance Assessment	0	0	0	0	0	0	0	0	0	0	5,530
825141 Air Floatation Tanks Rehabilitation	0	0	0	0	730,750	0	0	0	0	0	730,750
825201 Remodel Community Center Kitchen and Serving Area	0	0	0	0	0	0	0	0	10,000	0	10,000
825241 Equipment Replacement at Six (6) Hetch-Hetchy Connections	0	0	0	130,000	0	0	0	0	0	0	130,000
825251 Mary/Carson Water Plan Mechanical Reconstructions	0	0	0	156,953	0	0	0	0	0	0	156,953
825271 Well House Emergency Generator - Ortega Well	0	0	0	90,900	0	0	0	0	0	0	90,900
825290 Pavement Rehabilitation	0	0	0	0	0	0	0	0	0	666,566	666,566
825301 Pressure Reducing Valve Replacement & Relocation for SCADA	0	0	0	60,000	0	0	0	0	0	0	60,000
825321 Replacement/Rehabilitation of Sanitary Manholes	0	0	0	0	75,000	0	0	0	0	0	75,000
825331 Replacement/Rehabilitation of Sewer Pipes	0	0	0	0	700,000	0	0	0	0	0	700,000
825340 Street Lights Conduit Replacement	0	0	0	0	0	0	0	0	0	50,000	50,000
825451 City-wide Water Line Replacement	0	0	0	595,337	0	0	0	0	0	0	595,337
825461 Interior Coating of Water Tanks	0	0	0	20,000	0	0	0	0	0	0	20,000
825501 Wright Ave Water Plant Mechanical Reconstruction	0	0	0	108,243	0	0	0	0	0	0	108,243
825521 Pond Sediment Removal	0	0	0	0	1,652,372	0	0	0	0	0	1,652,372
825570 239 - 241 Commercial Street Property Maintenance	0	0	0	0	0	0	0	0	0	0	5,000
825710 Update of Non-Mandated General Plan Sub-elements	0	0	0	0	0	0	0	0	0	0	140,000
825740 Battery Backup System for Traffic Signals Maintenance	0	0	0	0	0	0	0	0	0	44,800	44,800
825751 Sewer Lift Stations Rebuild	0	0	0	0	50,000	0	0	0	0	0	50,000

CITY OF SUNNYVALE
APPROPRIATIONS
GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS
FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND										
	035. General	070. Housing	71 HOME	110. Community Development Block Grant	141. Park Dedication	175. Public Safety Forfeiture	190. Police Services Aug.	210. Employment Development	245. Parking District	280. Gas Tax	281. Traffic Congestion Relief Fund
828820 Infill Infrastructure Grant for Fair Oaks Sr. Housing	0	6,600,000	0	0	0	0	0	0	0	0	0
828830 Homestead Park	0	0	0	577,300	0	0	0	0	0	0	0
828880 Community Events Grant Funding	12,250	0	0	0	0	0	0	0	0	0	0
828890 Neighborhood Grants	6,125	0	0	0	0	0	0	0	0	0	0
TOTAL PROJECTS	1,806,792	6,838,239	662,825	2,270,262	15,000	81,000	0	0	5,530	20,000	0
Project Administration	186,945	0	0	0	177,241	0	0	0	0	10,244	0
Payment to Town Center Developer	2,125,639	0	0	0	0	0	0	0	0	0	0
Equipment	345,155	0	0	0	0	0	0	0	0	0	0
Lease Payments	1,106,475	0	0	0	0	0	0	0	0	0	0
Future Projects	0	0	0	0	0	0	0	0	0	0	0
Operations Cost Savings	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	123,212,888	7,459,484	759,264	2,765,715	192,241	83,100	112,000	11,000,000	150,365	780,244	1,369,653

CITY OF SUNNYVALE
 APPROPRIATIONS
 GENERAL FUND, SPECIAL REVENUE FUNDS, ENTERPRISE FUNDS
 FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND										All Funds FY 2010/2011 Total
	285 TDA Fund	295. Youth and Neighbor. Services	385. Capital Projects	460. Water Supply and Distribution	465. Wastewater Management	485. Solid Waste Management	490. SMaRT Station Operations	490/200. SMaRT Station Replacement	525. Community Recreation	610. Infrastructure Renov. and Replacement	
828820 Infill Infrastructure Grant for Fair Oaks Sr. Housing	0	0	0	0	0	0	0	0	0	0	6,600,000
828830 Homestead Park	0	0	0	0	0	0	0	0	0	0	577,300
828880 Community Events Grant Funding	0	0	0	0	0	0	0	0	0	0	12,250
828890 Neighborhood Grants	0	0	0	0	0	0	0	0	0	0	6,125
TOTAL PROJECTS	0	0	4,606,536	3,197,558	5,399,252	351,036	0	1,378,647	0	4,375,505	31,008,182
Project Administration	0	0	12,761	433,555	581,441	13,261	0	0	0	164,785	1,580,233
Payment to Town Center Developer	0	0	0	0	0	0	0	0	0	0	2,125,639
Equipment	0	0	0	0	726,966	0	0	0	19,234	0	1,091,355
Lease Payments	0	0	0	0	327,538	603,577	0	0	0	0	2,037,590
Future Projects	80,000	0	2,017,675	0	0	0	0	0	0	0	2,097,675
Operations Cost Savings	0	0	0	0	0	0	0	0	(200,000)	0	(200,000)
GRAND TOTAL	80,000	741,650	6,636,972	26,992,032	23,697,950	32,857,388	28,042,683	2,139,624	11,800,914	4,540,290	285,414,458

CITY OF SUNNYVALE
APPROPRIATIONS
INTERNAL SERVICE FUNDS
FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND							All Funds FY 2010/2011 Total
	595/100. Fleet Services	595/200. Facilities Mgmt	595/210. Sunnyvale Office Center	595/350 Technology Services	595/800. Project Management Services	640. Employee Benefits	645. Property Liability & Insur. Fund	
DEBT SERVICE								
Sunnyvale Office Center	0	0	835,187	0	0	0	0	835,187
TOTAL DEBT SERVICE	0	0	835,187	0	0	0	0	835,187
EQUIPMENT								
Furniture	0	247,736	0	0	0	0	0	247,736
Equipment	2,794,762	100,282	0	3,734,311	0	0	0	6,629,355
TOTAL EQUIPMENT	2,794,762	348,018	0	3,734,311	0	0	0	6,877,091
OPERATING PROGRAMS								
City Attorney								
750 Comprehensive Legal Services	0	0	0	0	0	0	51,500	51,500
Total City Attorney	0	0	0	0	0	0	51,500	51,500
Human Resources								
754 Human Resources	0	0	0	0	0	0	123,199	123,199
781 Employee Leave Benefits - Leave Earned / Usage Information	0	0	0	0	0	13,202,197	0	13,202,197
784 Retirement, Insurances, and Taxes - Usage Information	0	0	0	0	0	72,682,393	0	72,682,393
785 Workers' Compensation Excess Insurance, Cost of Claims, and Leave Hours Taken - Usage Information	0	0	0	0	0	3,265,094	0	3,265,094
787 City Liability and Property Insurance and Claim Costs - Usage Information	0	0	0	0	0	0	1,020,974	1,020,974
Total Human Resources	0	0	0	0	0	89,149,684	1,144,173	90,293,857

CITY OF SUNNYVALE
APPROPRIATIONS
INTERNAL SERVICE FUNDS
FY 2010/2011 BUDGET

Program/Project Description	FUND/SUB-FUND							All Funds FY 2010/2011 Total
	595/100. Fleet Services	595/200. Facilities Mgmt	595/210. Sunnyvale Office Center	595/350 Technology Services	595/800. Project Management Services	640. Employee Benefits	645. Property Liability & Insur. Fund	
Information Technology								
746 Software Application Services and Support	0	0	0	2,266,719	0	0	0	2,266,719
747 IT Infrastructure Services and Support	0	0	0	2,388,580	0	0	0	2,388,580
749 ITD Administration	0	0	0	1,449,551	0	0	0	1,449,551
Total Information Technology	0	0	0	6,104,850	0	0	0	6,104,850
Office of the City Manager								
748 Print, Copy, Bindery and Mail Services and Support	0	0	0	683,963	0	0	0	683,963
Total Office of the City Manager	0	0	0	683,963	0	0	0	6,788,813
Community Services								
709 Facility Services	0	3,549,783	215,986	0	0	0	0	3,765,769
Total Community Services	0	3,549,783	215,986	0	0	0	0	3,765,769
Public Works								
309 Capital Projects Administration	0	0	0	0	1,943,176	0	0	1,943,176
763 Provision of Vehicles and Motorized Equipment	2,732,416	0	0	0	0	0	0	2,732,416
Total Public Works	2,732,416	0	0	0	1,943,176	0	0	4,675,592
Finance								
706 Accounting and Financial Services	0	0	0	0	62,427	0	0	62,427
Total Finance	0	0	0	0	62,427	0	0	62,427
TOTAL OPERATING PROGRAMS	2,732,416	3,549,783	215,986	6,788,813	2,005,603	89,149,684	1,195,673	111,742,808
PROJECTS								
825400 Update of Standard Specification	0	0	0	0	20,000	0	0	20,000
TOTAL PROJECTS	0	0	0	0	20,000	0	0	20,000
GRAND TOTAL	5,527,178	3,897,801	1,051,173	10,523,124	2,025,603	89,149,684	1,195,673	119,475,087

CITY OF SUNNYVALE
TRANSFERS TO/FROM
ALL FUNDS *
FY 2010/2011 BUDGET

		TRANSFERS TO FUND/SUB-FUND									
		035.	295.	385.	490/100.	525.	595.	595/210.	610.	645.	All Funds
TRANSFERS FROM FUND/SUB-FUND		General	Youth and Neighborhood Services	Capital Projects	SMaRT Station	Community Recreation	General Services	Sunnyvale Office Center	Infrastructure Renovation and Replacement	Liability and Property Insurance	FY 2010/2011 Total
TRANSFERS											
035.	General	0	532,100	0	0	4,471,833	28,772	0	0	643,588	5,676,293
070.	Housing	50,265	0	0	0	0	0	0	0	0	50,265
071.	HOME Grant	8,622	0	0	0	0	0	0	0	0	8,622
110.	CDBG	44,293	0	0	0	0	0	0	0	0	44,293
141.	Park Dedication	0	0	1,061,536	0	0	0	0	2,203,690	0	3,265,226
175.	Asset Forfeiture	89,000	0	0	0	0	0	0	0	0	89,000
210.	Employment Development	349,800	0	0	0	0	0	0	0	0	349,800
245.	Parking District	12,584	0	0	0	0	0	0	0	0	12,584
280.	Gas Tax	0	0	0	0	0	5,000	0	1,246,143	0	1,251,143
385.	Capital Projects	12,095	0	0	0	0	0	0	0	0	12,095
460.	Water Supply and Distribution	2,864,578	0	0	0	0	250,600	0	1,760	138,831	3,255,769
465.	Wastewater Management	3,947,297	0	0	0	0	145,000	0	25,754	206,598	4,324,649
485.	Solid Waste Management	3,779,997	0	0	101,443	0	0	0	285	7,438	3,889,163
525.	Community Recreation	1,003,657	0	0	0	0	0	0	0	3,545	1,007,202
595.	General Services	898,478	0	0	0	0	0	101,623	14,656	0	1,014,757
727.	Fremont Pool	0	0	0	0	18,195	0	0	0	0	18,195
730.	Dorolou Swirsky Youth Opportunity Fund	0	0	0	0	11,038	0	0	0	0	11,038
TOTAL TRANSFERS		13,060,666	532,100	1,061,536	101,443	4,501,066	429,372	101,623	3,492,288	1,000,000	24,280,094

* FUNDS WITH NO TRANSFERS ARE NOT SHOWN.

This Schedule Includes In-Lieu Transfers but not Project Administration and Debt Service Transfers; Project Administration Charges and Debt Service are reflected in Exhibit A

CITY OF SUNNYVALE
APPROPRIATIONS TO/DEDUCTION FROM RESERVES
ALL FUNDS *
FY 2010/2011 BUDGET AS COMPARED TO FY 2009/2010 BUDGET

Reserve	FUND/SUB-FUND									
	035. -	070. -	071. -	110. -	141. -	175. -	210. -	245. -	280. -	385. -
	General	Housing	HOME Grant	Community Development Block Grant	Park Dedication	Asset Forfeiture	Employment Development	Parking District	Gas Tax	Capital Projects
20 Year RAP										
Budget Stabilization Fund	0	0	0	530,163	278,302	0	(3,349,800)	(397)	209,102	0
BMR In-Lieu	(5,514,997)	0	0	0	0	0	0	0	0	0
Capital Replacement	0	(174,778)	0	0	0	0	0	0	0	0
Capital Reserve	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	1,061,565
Debt Service	217,617	0	0	0	0	0	0	0	0	0
Enhanced Retirement	0	0	0	0	0	0	0	0	0	0
Equipment Replacement	0	0	0	0	0	0	0	0	0	0
Equipment Replacement — KSUN (Restricted)	0	0	0	0	0	0	0	0	0	0
Federal Department of Justice	0	0	0	0	0	0	0	0	0	0
Federal Department of Treasury	0	0	0	0	0	(5,335)	0	0	0	0
Future Land Use & Transportation Projects	0	0	0	0	0	(135,071)	0	0	0	0
HOME Grant	0	0	0	0	0	0	0	0	0	(448,272)
Housing Mitigation	0	0	9,003	0	0	0	0	0	0	0
Infrastructure Reserve	0	241,452	0	0	0	0	0	0	0	0
Insurance Rate Uncertainty	0	0	0	0	0	0	0	0	0	0
Liability and Property Insurance	0	0	0	0	0	0	0	0	0	0
OPEB Trust	0	0	0	0	0	0	0	0	0	0
PERS Rate Uncertainty	0	0	0	0	0	0	0	0	0	0
Rate Stabilization	0	0	0	0	0	0	0	0	0	0
State Department of Justice	0	0	0	0	0	0	0	0	0	0
Tech Surcharge Reserve (Restricted)	0	0	0	0	0	(10,175)	0	0	0	0
Workers' Compensation	0	0	0	0	0	0	0	0	0	0
Total	(5,297,380)	66,674	9,003	530,163	278,302	(150,581)	(3,349,800)	(397)	209,102	613,293

(*) FUNDS/RESERVES WITH NO CHANGES ARE NOT SHOWN.

CITY OF SUNNYVALE
APPROPRIATIONS TO/DEDUCTION FROM RESERVES
ALL FUNDS *
FY 2010/2011 BUDGET AS COMPARED TO FY 2009/2010 BUDGET

Reserve	FUND/SUB-FUND									Total
	460 Water Supply and Distribution	465 Wastewater Management	485 Solid Waste Management	490/200. SMaRT Station Replacement	525. Community Recreation	595. General Services	610. Infrastructure Renovation and Replacement	640. Employee Benefits	645. Liability and Property Insurance	
20 Year RAP										
Budget Stabilization Fund	0	1,301,725	156,380	0	(211,000)	(21,863)	0	0	0	(1,107,388)
BMR In-Lieu	0	0	0	0	0	0	0	0	0	(5,514,997)
Capital Replacement	0	0	0	0	0	0	0	0	0	(174,778)
Capital Reserve	0	0	0	(1,011,701)	0	(403,092)	0	0	0	(1,414,793)
Contingency	5,800	(3,226,000)	0	0	0	0	0	0	0	(2,158,635)
Debt Service	411,492	190,137	141,491	0	0	0	0	0	0	960,737
Enhanced Retirement	1,184,467	1,573,283	0	(12,325)	0	0	0	0	0	2,745,425
Equipment Replacement	0	0	0	0	0	0	0	(462,087)	0	(462,087)
Equipment Replacement — KSUN (Restricted)	0	0	0	0	0	(3,438,707)	0	0	0	(3,438,707)
Federal Department of Justice	0	0	0	0	0	138,252	0	0	0	138,252
Federal Department of Treasury	0	0	0	0	0	0	0	0	0	(5,335)
Future Land Use & Transportation Projects	0	0	0	0	0	0	0	0	0	(135,071)
HOME Grant	0	0	0	0	0	0	0	0	0	(448,272)
Housing Mitigation	0	0	0	0	0	0	0	0	0	9,003
Infrastructure Reserve	0	0	0	0	0	0	0	0	0	241,452
Insurance Rate Uncertainty	0	0	0	0	0	0	(743,514)	0	0	(743,514)
Liability and Property Insurance	0	0	0	0	0	0	0	2,403,862	0	2,403,862
OPEB Trust	0	0	0	0	0	0	0	0	(171,033)	(171,033)
PERS Rate Uncertainty	0	0	0	0	0	0	0	(28,854,035)	0	(28,854,035)
Rate Stabilization	0	0	0	0	0	0	0	(74,295)	0	(74,295)
State Department of Justice	(498,343)	0	0	0	0	0	0	0	0	(498,343)
Tech Surcharge Reserve (Restricted)	0	0	0	0	0	0	0	0	0	(10,175)
Workers' Compensation	0	0	0	0	0	57,143	0	0	0	57,143
	0	0	0	0	0	0	0	(624,122)	0	(624,122)
Total	1,103,416	(160,855)	297,871	(1,024,026)	(211,000)	(3,668,267)	(743,514)	(27,610,677)	(171,033)	(39,279,706)

(*) FUNDS/RESERVES WITH NO CHANGES ARE NOT SHOWN.

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RESOLUTION NO. 438-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010-2011 PURSUANT TO ARTICLE XIII-B OF THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIII-B of the California Constitution provides that the State and each local government shall be subject to an appropriations limit, to govern the maximum amount of each entity's appropriations subject to limitation, in any fiscal year, as the same are defined in Article XIII-B; and

WHEREAS, California Government Code Section 7910 provides for the annual establishment by local jurisdictions of their appropriations limit for each fiscal year, and further provides that upon establishment of such appropriations limit any judicial action or proceeding to attack, review, set aside, void, or annul such action by the City Council must be commenced within forty-five (45) days of the effective date of the resolution establishing the appropriations limit; and

WHEREAS, pursuant to Government Code Section 7910, in Report to Council (RTC) No. 10-160, dated June 15, 2010, the Director of Finance has computed the appropriations limit applicable to the City of Sunnyvale for the fiscal year 2010-2011 and transmitted the same to the City Council in RTC 10-171, dated June 29, 2010; and

WHEREAS, documentation used in determining the appropriations limit has been made available to the public for a period of not less than fifteen (15) days prior to City Council consideration of this resolution;

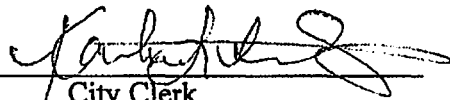
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The appropriations limit established for the City of Sunnyvale pursuant to Article XIII-B of the Constitution for fiscal year 2010-2011 is \$158,372,179.
2. Pursuant to Government Code Section 7910, no judicial action or proceeding to attack, review, set aside, void, or annul the action of the City Council in establishing the appropriations limit for fiscal year 2010-2011 shall be brought unless such action or proceeding shall have been commenced within forty-five (45) days of the date of adoption of this resolution.

Adopted by the City Council at a regular meeting held on June 29, 2010, by the following vote:

AYES: LEE, GRIFFITH, MOYLAN, HAMILTON, SPITALERI, WHITTUM
NOES: NONE
ABSTAIN: NONE
ABSENT: SWEGLES

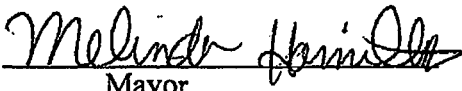
ATTEST:



City Clerk

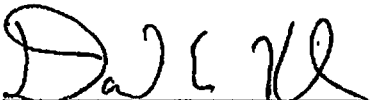
(SEAL)

APPROVED:



Mayor

APPROVED AS TO FORM AND LEGALITY:



David Kahn, City Attorney

**CITY OF SUNNYVALE
 APPROPRIATIONS LIMIT
 FY 2010/2011 Adopted Budget**

	AMOUNT	SOURCE
A. LAST YEAR'S LIMIT	\$ 160,477,652	Prior Year
B. ADJUSTMENT FACTORS		
1. Population (1.26%)	1.0126	State Department of Finance
2. Inflation (-2.54%)	0.9746	State Department of Finance
	0.9869	(B1*B2)
Total Adjustment %	(0.0131)	(B1*B2-1)
C. ANNUAL ADJUSTMENT	\$ (2,105,473)	(B*A)
D. OTHER ADJUSTMENTS:		
Lost Responsibility (-)	0	
Transfer to private (-)	0	
Transfer to fees (-)	0	
Assumed Responsibility (+)	0	
Sub-total	0	
E. TOTAL ADJUSTMENTS	\$ (2,105,473)	(C+D)
F. THIS YEAR'S LIMIT	\$ 158,372,179	(A+E)

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2010/2011 Adopted Budget**

	FY 2009/2010	FY 2010/2011
Appropriations:		
035. General Fund	\$ 120,285,767	\$ 115,961,210
070. Housing Fund	1,463,071	7,509,746
071. Home Fund	2,283,504	767,886
110. Community Development Block Grant Fund	3,433,292	2,232,708
141. Park Dedication Fund	139,393	192,241
175. Public Safety Forfeiture Fund	129,030	172,100
190. Police Services Augmentation Fund	232,503	112,000
210. Employment Development Fund	11,968,167	11,349,800
245. Parking District Fund	144,990	162,948
280. Gas Tax Fund	2,096,903	2,154,897
285. Transportation Development Act Fund	207,000	80,000
295. Youth and Neighborhood Services Fund	745,807	741,650
385. Capital Projects Fund	8,141,790	6,649,067
610. Infrastructure Renovation and Replacement Fund	5,056,118	4,540,290
	156,327,335	152,626,543
Total Appropriations		
Appropriation Adjustments:		
Non-Tax Revenues	(51,981,546)	(59,544,776)
Debt Service Appropriation	(177,270)	(175,145)
Capital Outlay	(475,000)	(640,000)
	(52,633,816)	(60,359,921)
Total Appropriation Adjustments		
Adjusted Appropriations Subject to Limit	103,693,518	92,266,622
Growth Rate Factor	1.0219	0.9869
	160,477,652	158,372,179
Total Allowable Appropriations Limit <i>(Prior Year Appropriations Limit x Growth Rate Factor)</i>		
Amount Under (Over) Allowable Appropriations Limit	\$ 56,784,134	\$ 66,105,557

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2010/2011 Adopted Budget**

	FY 2009/2010	FY 2010/2011
Revenues:		
Tax Revenues:		
Property Tax	\$ 41,834,737	\$ 42,513,743
Sales Tax	27,100,000	25,112,500
Other Taxes	15,703,058	14,820,506
Non-Restricted State Shared Revenues	563,500	693,000
Interest Income	2,065,794	1,242,943
Total Tax Revenues	87,267,089	84,382,692
Non-Tax Revenues:		
Federal Grants	18,106,772	13,388,315
Restricted State Shared Revenues	3,701,346	3,723,031
State Grants/Reimbursements	731,000	8,733,675
Other Government Contributions	284,258	357,021
Franchise Fees	6,227,378	6,110,996
Permits and Licenses	4,355,724	4,825,633
Service and Development Fees	5,956,100	7,144,755
Rents and Concessions	2,623,656	2,648,310
Fines and Forfeitures	1,139,833	1,150,030
Housing Loan Repayments	257,146	980,094
Miscellaneous	285,426	729,999
Inter-Fund Revenues	7,082,396	8,976,276
Interest Income	1,230,511	776,641
Total Non-Tax Revenues	51,981,546	59,544,776
Total Revenues	\$ 139,248,635	\$ 143,927,468

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**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVES/FUND BALANCE, JULY 1	98,724,584	78,925,683	60,247,296	54,949,919	52,427,301	50,586,320	51,595,011	52,146,706	51,154,196	49,838,859	61,207,952	61,845,953	78,925,683
CURRENT RESOURCES:													
Property Tax	42,259,090	43,270,592	42,513,743	42,623,880	43,562,177	45,758,454	48,079,704	50,533,834	52,587,918	54,726,573	56,953,314	59,271,802	539,881,991
Triple Flip - Property Tax Increase	6,267,979	5,875,000	6,021,875	6,312,500	6,875,000	7,320,000	7,614,317	7,842,746	8,078,028	8,320,369	8,574,078	8,831,300	81,665,213
Sales Tax	25,071,916	23,500,000	24,087,500	25,250,000	27,500,000	29,280,000	30,457,266	31,370,984	32,312,113	33,281,477	34,296,312	35,325,201	326,660,854
Triple Flip - Sales Tax Reduction	(6,267,979)	(5,875,000)	(6,021,875)	(6,312,500)	(6,875,000)	(7,320,000)	(7,614,317)	(7,842,746)	(8,078,028)	(8,320,369)	(8,574,078)	(8,831,300)	(81,665,213)
Public Safety Sales Tax	1,129,169	1,000,000	1,025,000	1,074,468	1,148,936	1,194,894	1,232,224	1,269,191	1,307,267	1,346,485	1,386,879	1,428,485	13,413,828
Business License Tax	1,199,364	1,250,000	1,427,000	1,275,000	1,300,500	1,326,510	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574	1,493,866	15,114,151
Other Taxes	1,807,301	1,153,910	1,376,567	1,689,113	1,857,203	1,894,347	1,932,234	1,970,879	2,010,296	2,050,502	2,091,512	2,143,556	20,170,119
Transient Occupancy Tax	5,686,217	5,513,241	5,631,782	5,982,420	6,606,653	7,273,941	7,814,119	8,504,708	8,759,849	9,022,644	9,293,324	9,572,123	83,974,804
Utility Users Taxes	6,841,270	6,622,865	6,562,157	6,970,986	7,244,275	7,450,903	7,663,639	7,882,669	8,108,184	8,340,381	8,579,463	8,825,639	84,251,159
Franchises	6,127,049	5,975,125	6,110,996	6,308,249	6,466,029	6,624,865	6,791,282	6,959,100	7,134,664	7,311,935	7,497,329	7,684,590	74,864,164
Rents and Concessions	2,366,161	2,594,417	2,511,341	1,713,265	1,765,513	1,740,265	1,786,177	1,833,499	1,874,928	1,907,902	1,802,785	1,844,948	21,375,040
Federal & Intergovernmental Revenues	617,735	1,207,095	368,378	152,121	155,037	158,014	161,053	164,155	167,322	170,555	173,856	177,226	3,054,814
State Shared Revenues	998,831	776,321	794,833	788,663	918,541	925,968	933,495	941,122	948,851	956,684	969,802	973,181	9,937,461
Permits and Licenses	5,434,527	4,385,352	4,825,633	5,623,555	5,752,798	5,878,095	6,001,085	6,123,930	6,249,316	6,376,559	6,506,407	6,684,600	64,407,330
Fines and Forfeitures	1,177,675	1,128,841	1,150,030	1,184,125	1,202,656	1,222,359	1,243,265	1,261,528	1,280,604	1,300,493	1,321,198	1,342,722	13,637,820
Service Fees	3,684,986	2,975,808	3,441,558	3,574,568	3,654,281	3,726,627	3,795,632	3,864,114	3,933,360	4,003,376	4,077,448	4,121,749	41,214,749
Interest Income	1,862,894	789,257	994,080	1,648,498	2,097,092	2,023,453	2,063,800	2,085,868	2,046,168	1,993,554	2,448,318	2,473,838	20,663,927
Inter-Fund Revenues	6,834,277	5,537,998	8,976,276	12,048,776	12,453,111	13,312,047	14,859,657	13,681,921	13,309,267	13,451,498	13,613,615	13,737,192	134,981,357
Repayment to City - Town Center Developer	552,231	1,769,490	2,125,639	1,981,561	2,136,884	3,209,633	4,198,136	3,751,243	3,554,433	3,607,443	3,661,614	3,719,884	33,715,961
Miscellaneous Revenues	254,274	231,717	163,651	146,141	148,682	151,273	153,916	156,612	159,362	162,167	155,583	158,501	1,787,606
Modular Classroom Lease Revenue	184,144	184,144	184,144	184,144	92,072	0	0	0	0	0	0	0	644,504
Sale of Property	0	0	0	0	0	2,130,818	0	0	0	11,474,036	0	0	13,604,854
In-Lieu Charges	8,448,074	8,967,279	9,023,982	9,246,412	9,551,304	9,938,838	10,236,623	10,532,683	10,816,079	11,102,067	11,381,795	11,667,868	112,464,933
Transfers From Other Funds	210,214	966,062	297,509	105,787	110,706	115,864	121,272	126,943	172,306	139,950	14,171	14,596	2,185,165
TOTAL CURRENT RESOURCES	122,747,399	119,799,515	123,591,798	129,571,733	135,724,449	145,337,167	150,877,619	154,395,083	158,139,990	174,162,138	167,689,299	172,717,798	1,632,006,590
TOTAL AVAILABLE RESOURCES	221,471,983	198,725,198	183,839,094	184,521,652	188,151,750	195,923,487	202,472,630	206,541,790	209,294,186	224,000,998	228,897,251	234,563,751	1,710,932,273
CURRENT REQUIREMENTS:													
Equipment	2,051	333,475	345,155	283,946	280,666	295,098	228,139	310,399	107,126	244,969	114,213	237,279	2,780,465
Debt Service	179,010	177,270	175,145	177,490	179,170	194,940	0	0	0	0	0	0	904,015
Operations	119,695,255	118,488,734	119,586,384	123,819,468	128,974,662	133,173,999	137,305,610	141,405,947	145,333,088	149,293,331	153,163,554	157,044,218	1,507,588,996
Operations Transfer To Gas Tax/Prop 42	(2,078,713)	(1,988,395)	(2,119,653)	(2,160,743)	(2,062,720)	(2,118,511)	(2,173,251)	(2,223,065)	(2,278,305)	(2,347,079)	(2,418,947)	(2,494,050)	(24,384,719)
Public Safety Recruitment Projects	0	500,000	728,083	0	0	1,207,320	2,316,947	3,255,652	3,741,858	2,510,539	2,913,656	2,914,415	20,088,470
Projects and Project Administration	5,998,625	5,449,600	1,265,654	454,410	311,539	300,044	280,446	385,100	397,311	541,007	436,966	373,697	10,195,774
Project Operating Costs	0	5,760	10,841	19,380	25,073	25,575	132,552	135,203	143,651	173,979	155,430	827,445	
Payment To Town Center Developer	552,231	1,769,490	2,125,639	1,981,561	2,136,884	3,209,633	4,198,136	3,751,243	3,554,433	3,607,443	3,661,614	3,719,884	33,715,961
Lease Payments	1,208,280	1,210,893	1,106,475	1,105,118	1,106,523	1,105,689	1,102,750	1,102,750	1,100,750	1,101,625	1,100,250	1,135,625	12,278,447
Service Level Increases	0	0	0	570,000	586,131	598,850	610,827	623,044	635,504	648,215	661,179	661,179	5,594,928
TOTAL EXPENDITURES	125,556,739	125,946,827	123,212,882	126,242,091	131,532,234	137,992,136	143,895,179	148,743,622	152,726,969	155,743,701	159,806,465	163,747,678	1,569,589,782

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
RESERVES/FUND BALANCE, JULY 1	63,484,094	64,132,456	61,003,784	61,936,288	63,868,809	65,476,653	67,332,820	69,875,248	73,598,657	70,535,405	63,484,094	78,925,683
CURRENT RESOURCES:												
Property Tax	61,179,252	63,805,531	66,545,963	69,405,568	72,389,588	75,503,497	78,753,017	82,144,119	85,683,044	89,376,310	744,785,889	1,284,667,880
Triple Flip - Property Tax Increase	0	0	0	0	0	0	0	0	0	0	0	81,665,213
Sales Tax	36,738,210	38,207,738	39,736,047	41,325,489	42,978,509	44,697,649	46,485,555	48,344,977	50,278,777	52,289,928	441,082,879	767,743,733
Triple Flip - Sales Tax Reduction	0	0	0	0	0	0	0	0	0	0	0	(81,665,213)
Public Safety Sales Tax	1,485,625	1,545,050	1,606,852	1,671,126	1,737,971	1,807,490	1,879,789	1,954,981	2,033,180	2,114,507	17,836,571	31,250,399
Business License Tax	1,538,682	1,584,842	1,632,387	1,681,359	1,731,800	1,783,754	1,837,266	1,892,384	1,949,156	2,007,631	17,639,261	32,753,412
Other Taxes	2,207,862	2,274,098	2,342,321	2,412,591	2,484,968	2,559,517	2,636,303	2,715,392	2,796,854	2,880,759	25,310,666	45,480,785
Transient Occupancy Tax	9,665,057	10,051,659	10,453,725	10,871,874	11,306,749	11,759,019	12,229,380	12,718,555	13,227,297	13,756,389	116,039,704	200,014,507
Utility Users Taxes	9,079,125	9,340,145	9,608,926	9,885,707	10,170,730	10,464,248	10,766,520	11,077,813	11,398,402	11,728,572	103,520,188	187,771,348
Franchises	7,911,235	8,142,366	8,384,104	8,630,701	8,888,591	9,151,744	9,426,924	9,707,801	10,001,490	10,301,348	90,546,305	165,410,469
Rents and Concessions	1,909,497	1,979,465	2,052,039	2,127,318	2,205,404	2,286,403	2,370,425	2,457,586	2,548,003	2,641,801	22,577,940	43,952,980
Federal & Intergovernmental Revenues	182,753	188,018	193,445	199,040	204,808	210,753	216,882	223,200	229,713	236,427	2,085,040	5,139,854
State Shared Revenues	998,264	1,013,691	1,029,472	1,045,613	1,028,792	1,045,683	1,062,961	1,080,636	1,098,717	1,117,215	10,521,044	20,458,505
Permits and Licenses	6,889,703	7,101,143	7,319,115	7,543,824	7,775,479	8,014,298	8,260,504	8,514,327	8,776,005	9,045,783	79,240,181	143,647,511
Fines and Forfeitures	1,380,020	1,418,484	1,458,150	1,499,058	1,541,246	1,584,756	1,629,627	1,675,905	1,723,634	1,772,859	15,683,739	29,321,559
Service Fees	4,283,343	4,402,342	4,525,089	4,650,641	4,781,218	4,914,817	5,053,730	5,195,900	5,343,690	5,496,149	48,646,919	89,861,668
Interest Income	3,174,205	3,206,623	3,050,189	3,096,814	3,193,440	3,273,833	3,366,641	3,493,762	3,679,933	3,526,770	33,062,211	53,726,137
Inter-Fund Revenues	13,506,440	9,006,176	10,862,236	9,613,692	9,758,866	9,964,639	14,162,578	14,422,389	2,815,221	2,893,996	97,006,232	231,987,589
Repayment to City - Town Center Developer	3,776,638	3,834,225	3,895,642	3,835,652	3,896,799	3,959,169	0	0	0	0	23,198,125	56,914,086
Miscellaneous Revenues	162,966	167,565	172,301	177,180	174,844	180,020	185,351	190,843	196,499	202,324	1,809,893	3,597,499
Modular Classroom Lease Revenue	0	0	0	0	0	0	0	0	0	0	0	644,504
Sale of Property	0	0	0	0	0	0	0	0	0	0	0	13,604,854
In-Lieu Charges	12,006,578	12,355,381	12,714,579	13,084,480	13,465,405	13,857,681	14,261,647	14,677,651	15,106,052	15,547,220	137,076,675	249,541,608
Transfers From Other Funds	15,034	62,112	15,485	15,950	16,428	16,921	68,871	17,951	18,490	19,045	266,287	2,451,452
TOTAL CURRENT RESOURCES	178,090,487	179,686,651	187,598,067	192,773,677	199,731,635	207,035,890	214,653,972	222,506,172	218,904,156	226,955,033	2,027,935,740	3,659,942,330
TOTAL AVAILABLE RESOURCES	241,574,581	243,819,107	248,601,851	254,709,965	263,600,444	272,512,544	281,986,792	292,381,420	292,502,813	297,490,437	2,091,419,833	3,738,868,013
CURRENT REQUIREMENTS:												
Equipment	551,997	399,244	291,970	251,096	291,133	591,034	227,900	365,543	89,948	371,287	3,431,152	6,211,617
Debt Service	0	0	0	0	0	0	0	0	0	0	0	904,015
Operations	161,707,637	166,524,213	171,484,315	176,592,224	181,852,344	187,269,214	192,847,506	198,592,034	204,507,751	210,599,764	1,851,977,002	3,359,565,998
Operations Transfer To Gas Tax/Prop 42	(2,197,532)	(2,284,109)	(2,365,239)	(2,444,849)	(2,522,468)	(2,624,473)	(2,742,570)	(2,878,706)	(3,028,928)	(3,161,624)	(26,250,498)	(50,635,217)
Public Safety Recruitment Projects	3,476,809	3,917,059	2,867,929	3,118,899	1,831,314	2,715,095	4,296,220	3,791,181	3,086,845	3,258,960	32,360,311	52,448,781
Projects and Project Administration	477,488	542,426	404,663	306,416	315,868	509,913	434,286	553,728	638,913	520,630	4,704,331	14,900,106
Project Operating Costs	160,093	171,235	176,372	188,389	194,040	206,997	213,207	227,173	233,988	241,008	2,012,501	2,839,946
Payment To Town Center Developer	3,776,638	3,834,225	3,895,642	3,835,652	3,896,799	3,959,169	0	0	0	0	23,198,125	56,914,086
Lease Payments	1,142,375	1,112,500	1,181,250	0	0	0	0	0	0	0	3,436,125	15,714,572
Service Level Increases	681,014	701,445	722,488	744,163	766,487	789,482	813,167	837,562	862,688	888,569	7,807,065	13,401,993
TOTAL EXPENDITURES	169,776,519	174,918,237	178,659,391	182,591,989	186,625,518	193,416,430	196,089,717	201,488,514	206,391,206	212,718,594	1,902,676,114	3,472,265,897

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL	
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
0150	Secured Tax	26,995,042	28,227,019	28,297,587	28,094,550	28,279,069	29,772,109	31,352,554	33,026,019	34,408,901	35,849,882	37,351,410	38,916,038	353,575,138
0152	Unitary Roll - AB454	397,485	378,090	385,652	393,365	401,232	409,257	417,442	425,791	434,307	442,993	451,853	460,890	4,600,870
0153	Property Tax in Lieu of VLF	10,497,465	10,995,483	11,022,972	10,943,882	11,015,758	11,597,354	12,212,996	12,864,874	13,403,558	13,964,874	14,549,776	15,159,257	137,730,783
0155	Tax Delinquencies	1,610,512	1,200,000	769,153	784,536	800,227	816,231	832,556	849,207	866,191	883,515	901,185	919,209	9,622,011
0156	Unsecured Tax	2,306,443	2,421,000	2,000,000	2,060,000	2,398,475	2,470,430	2,544,542	2,620,879	2,699,505	2,780,490	2,863,905	2,949,822	27,809,048
0157	Supplemental Roll	957,984	580,000	580,000	900,000	1,230,917	1,267,845	1,305,880	1,345,057	1,385,408	1,426,970	1,469,780	1,513,873	13,005,730
0159	Administrative Fees	(505,841)	(531,000)	(541,620)	(552,452)	(563,501)	(574,771)	(586,267)	(597,992)	(609,952)	(622,151)	(634,594)	(647,286)	(6,461,588)
TOTAL PROPERTY TAXES		42,259,090	43,270,592	42,513,743	42,623,880	43,562,177	45,758,454	48,079,704	50,533,834	52,587,918	54,726,573	56,953,314	59,271,802	539,881,991
0300	Sales and Use Tax	25,071,916	23,500,000	24,087,500	25,250,000	27,000,000	28,080,000	28,957,266	29,825,984	30,720,763	31,642,386	32,591,658	33,569,408	315,224,966
0300	Additional Sales Tax - Downtown	0	0	0	0	500,000	1,200,000	1,500,000	1,545,000	1,591,350	1,639,091	1,704,654	1,755,794	11,435,888
TOTAL SALES AND USE TAXES		25,071,916	23,500,000	24,087,500	25,250,000	27,500,000	29,280,000	30,457,266	31,370,984	32,312,113	33,281,477	34,296,312	35,325,201	326,660,854
0301	Sales and Use Tax - Public Safety	1,129,169	1,000,000	1,025,000	1,074,468	1,148,936	1,194,894	1,232,224	1,269,191	1,307,267	1,346,485	1,386,879	1,428,485	13,413,828
TOTAL SALES AND USE TAX - PUBLIC SAFETY		1,129,169	1,000,000	1,025,000	1,074,468	1,148,936	1,194,894	1,232,224	1,269,191	1,307,267	1,346,485	1,386,879	1,428,485	13,413,828
0450	Business License Tax	1,199,364	1,250,000	1,427,000	1,275,000	1,300,500	1,326,510	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574	1,493,866	15,114,151
TOTAL BUSINESS LICENSE TAX		1,199,364	1,250,000	1,427,000	1,275,000	1,300,500	1,326,510	1,353,040	1,380,101	1,407,703	1,435,857	1,464,574	1,493,866	15,114,151
0451	Construction Tax	1,259,444	653,910	726,567	889,113	906,895	925,033	943,534	962,404	981,652	1,001,285	1,021,311	1,051,950	10,063,655
0452	Real Property Transfer Tax	547,857	500,000	650,000	800,000	950,308	969,314	988,700	1,008,474	1,028,644	1,049,217	1,070,201	1,091,605	10,106,464
TOTAL OTHER TAXES		1,807,301	1,153,910	1,376,567	1,689,113	1,857,203	1,894,347	1,932,234	1,970,879	2,010,296	2,050,502	2,091,512	2,143,556	20,170,119
0453-01	Transient Occupancy Tax	5,683,032	5,492,770	5,631,782	5,982,420	6,606,653	7,273,941	7,814,119	8,504,708	8,759,849	9,022,644	9,293,324	9,572,123	83,954,333
0453-02	Transient Occupancy Tax Penalties	3,185	4,092	0	0	0	0	0	0	0	0	0	0	4,092
0453-03	Transient Occupancy Tax - Audit	0	13,659	0	0	0	0	0	0	0	0	0	0	13,659
0453-04	Transient Occupancy Tax - Audit	0	2,720	0	0	0	0	0	0	0	0	0	0	2,720
TOTAL TRANSIENT OCCUPANCY TAX		5,686,217	5,513,241	5,631,782	5,982,420	6,606,653	7,273,941	7,814,119	8,504,708	8,759,849	9,022,644	9,293,324	9,572,123	83,974,804
0454-03	Utility User's Tax - NSC	1,137	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793	1,828	18,253
0454-04	Utility User's Tax - Other Phone	279,697	294,193	300,077	306,078	312,200	318,444	324,813	331,309	337,935	344,694	351,588	358,620	3,579,951

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL	
		2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030		
0150	Secured Tax	40,605,424	42,368,891	44,209,719	46,131,338	48,137,331	50,231,439	52,417,573	54,699,820	57,082,449	59,569,919	495,453,903	849,029,041
0152	Unitary Roll - AB454	470,107	479,510	489,100	498,882	508,859	519,037	529,417	540,006	550,806	561,822	5,147,545	9,748,414
0153	Property Tax in Lieu of VLF	15,181,397	15,840,715	16,528,956	17,247,404	17,997,396	18,780,333	19,597,677	20,450,954	21,341,762	22,271,768	185,238,362	322,969,145
0155	Tax Delinquencies	946,785	975,189	1,004,445	1,034,578	1,065,615	1,097,584	1,130,511	1,164,427	1,199,359	1,235,340	10,853,832	20,475,843
0156	Unsecured Tax	3,067,815	3,190,528	3,318,149	3,450,875	3,588,910	3,732,466	3,881,765	4,037,035	4,198,517	4,366,457	36,832,517	64,641,565
0157	Supplemental Roll	1,574,428	1,637,405	1,702,901	1,771,017	1,841,858	1,915,532	1,992,154	2,071,840	2,154,713	2,240,902	18,902,750	31,908,480
0159	Administrative Fees	(666,705)	(686,706)	(707,307)	(728,526)	(750,382)	(772,893)	(796,080)	(819,963)	(844,561)	(869,898)	(7,643,021)	(14,104,609)
TOTAL PROPERTY TAXES		61,179,252	63,805,531	66,545,963	69,405,568	72,389,588	75,503,497	78,753,017	82,144,119	85,683,044	89,376,310	744,785,889	1,284,667,880
0300	Sales and Use Tax	34,912,184	36,308,671	37,761,018	39,271,459	40,842,317	42,476,010	44,175,050	45,942,052	47,779,735	49,690,924	419,159,422	734,384,387
0300	Additional Sales Tax - Downtown	1,826,025	1,899,067	1,975,029	2,054,030	2,136,192	2,221,639	2,310,505	2,402,925	2,499,042	2,599,004	21,923,458	33,359,346
TOTAL SALES AND USE TAXES		36,738,210	38,207,738	39,736,047	41,325,489	42,978,509	44,697,649	46,485,555	48,344,977	50,278,777	52,289,928	441,082,879	767,743,733
0301	Sales and Use Tax - Public Safety	1,485,625	1,545,050	1,606,852	1,671,126	1,737,971	1,807,490	1,879,789	1,954,981	2,033,180	2,114,507	17,836,571	31,250,399
TOTAL SALES AND USE TAX - PUBLIC SAFETY		1,485,625	1,545,050	1,606,852	1,671,126	1,737,971	1,807,490	1,879,789	1,954,981	2,033,180	2,114,507	17,836,571	31,250,399
0450	Business License Tax	1,538,682	1,584,842	1,632,387	1,681,359	1,731,800	1,783,754	1,837,266	1,892,384	1,949,156	2,007,631	17,639,261	32,753,412
TOTAL BUSINESS LICENSE TAX		1,538,682	1,584,842	1,632,387	1,681,359	1,731,800	1,783,754	1,837,266	1,892,384	1,949,156	2,007,631	17,639,261	32,753,412
0451	Construction Tax	1,083,509	1,116,014	1,149,495	1,183,979	1,219,499	1,256,084	1,293,766	1,332,579	1,372,557	1,413,733	12,421,215	22,484,870
0452	Real Property Transfer Tax	1,124,353	1,158,084	1,192,826	1,228,611	1,265,470	1,303,434	1,342,537	1,382,813	1,424,297	1,467,026	12,889,451	22,995,915
TOTAL OTHER TAXES		2,207,862	2,274,098	2,342,321	2,412,591	2,484,968	2,559,517	2,636,303	2,715,392	2,796,854	2,880,759	25,310,666	45,480,785
0453-01	Transient Occupancy Tax	9,665,057	10,051,659	10,453,725	10,871,874	11,306,749	11,759,019	12,229,380	12,718,555	13,227,297	13,756,389	116,039,704	199,994,036
0453-02	Transient Occupancy Tax Penalties	0	0	0	0	0	0	0	0	0	0	0	4,092
0453-03	Transient Occupancy Tax - Audit	0	0	0	0	0	0	0	0	0	0	0	13,659
0453-04	Transient Occupancy Tax - Audit	0	0	0	0	0	0	0	0	0	0	0	2,720
TOTAL TRANSIENT OCCUPANCY TAX		9,665,057	10,051,659	10,453,725	10,871,874	11,306,749	11,759,019	12,229,380	12,718,555	13,227,297	13,756,389	116,039,704	200,014,507
0454-03	Utility User's Tax - NSC	1,865	1,902	1,940	1,979	2,019	2,059	2,100	2,142	2,185	2,229	20,422	38,675
0454-04	Utility User's Tax - Other Phone	365,792	373,108	380,570	388,181	395,945	403,864	411,941	420,180	428,584	437,155	4,005,321	7,585,271

**035. GENERAL FUND
REVENUES BY SOURCE**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
1114 Other Agencies - Reimbursement	8,467	0	0	0	0	0	0	0	0	0	0	0	0
1118 Bay Area Air Quality Management	37,032	18,518	0	0	0	0	0	0	0	0	0	0	18,518
1119-01 PCJPB Reimbursement - Multimodal	113,986	117,800	130,717	133,331	135,998	138,718	141,492	144,322	147,208	150,153	153,156	156,219	1,549,114
TOTAL FEDERAL & INTERGOVERNMENTAL REVENUES	617,735	1,207,095	368,378	152,121	155,037	158,014	161,053	164,155	167,322	170,555	173,856	177,226	3,054,814
1002 Office of Emergency Services	60,632	23,155	0	0	0	0	0	0	0	0	0	0	23,155
1012 Homeowner's Property Tax Relief	218,185	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	2,310,000
1014 Motor Vehicle License Fees	468,356	365,700	483,000	487,830	492,708	497,635	502,612	507,638	512,714	517,841	528,198	538,762	5,434,639
1017 Office of Traffic Safety	42,393	24,200	11,000	0	0	0	0	0	0	0	0	0	35,200
1018 POST Reimbursement	54,490	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	275,000
1022 State Library Grant	46,830	49,171	0	0	0	0	0	0	0	0	0	0	49,171
1025 Mandated Cost - SB 90	(2,560)	0	0	0	125,000	127,500	130,050	132,651	135,304	138,010	140,770	143,586	1,072,871
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	50,691	4,879	0	0	0	0	0	0	0	0	0	0	4,879
1034 Library Services and Tech Act	40,661	8,000	0	0	0	0	0	0	0	0	0	0	8,000
1041 State Tire Enforcement Grant	19,153	32,883	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	357,883
TOTAL STATE SHARED REVENUE	998,831	776,321	794,833	788,663	918,541	925,968	933,495	941,122	948,851	956,684	969,802	983,181	9,937,461
1349 Certified Unified Program Agency	167,652	173,747	175,485	178,995	182,575	186,226	189,951	193,750	197,625	201,577	205,609	209,721	2,095,259
1351 Major Permit Application Fees	51,832	56,603	74,099	98,903	110,779	119,038	124,621	128,779	133,070	137,062	141,174	145,409	1,269,537
1352 Minor Permit Application Fees	58,249	40,301	51,457	68,682	76,929	82,664	86,542	89,429	92,409	95,181	98,037	100,978	882,609
1353 Permit - Bingo	250	400	0	0	0	0	0	0	0	0	0	0	400
1354 Permit - Building	1,924,519	1,359,319	1,510,355	1,848,247	1,885,212	1,922,916	1,961,375	2,000,602	2,040,614	2,081,426	2,123,055	2,186,746	20,919,867
1355 Permit - Electrical	384,964	323,281	359,201	439,561	448,352	457,319	466,466	475,795	485,311	495,017	504,917	520,065	4,975,285
1356 Permit - Fire Prevention	968,131	652,842	725,381	887,661	905,414	923,523	941,993	960,833	980,049	999,650	1,019,643	1,050,233	10,047,223
1358 Permit - Grading	11,427	12,019	13,355	16,342	16,669	17,002	17,342	17,689	18,043	18,404	18,772	19,335	184,972
1359 Permit - Hazardous Materials	776,858	828,464	861,934	879,173	896,756	914,691	932,985	951,645	970,678	990,091	1,009,893	1,030,091	10,266,401
1360 Permit - Mechanical	329,014	271,518	301,687	369,179	376,563	384,094	391,776	399,611	407,603	415,756	424,071	436,793	4,178,650
1361 Permit - Miscellaneous	139	150	153	156	159	162	166	169	172	176	179	183	1,825

**035. GENERAL FUND
REVENUES BY SOURCE**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
1114 Other Agencies - Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0
1118 Bay Area Air Quality Management	0	0	0	0	0	0	0	0	0	0	0	18,518
1119-01 PCJPB Reimbursement - Multimodal	160,905	165,733	170,704	175,826	181,100	186,533	192,129	197,893	203,830	209,945	1,844,600	3,393,713
TOTAL FEDERAL & INTERGOVERNMENTAL REVENUES	182,753	188,018	193,445	199,040	204,808	210,753	216,882	223,200	229,713	236,427	2,085,040	5,139,854
1002 Office of Emergency Services	0	0	0	0	0	0	0	0	0	0		23,155
1012 Homeowner's Property Tax Relief	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	210,000	2,100,000	4,410,000
1014 Motor Vehicle License Fees	549,537	560,528	571,739	583,173	594,837	606,734	618,868	631,246	643,871	656,748	6,017,281	11,451,921
1017 Office of Traffic Safety	0	0	0	0	0	0	0	0	0	0	0	35,200
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	525,000
1022 State Library Grant	0	0	0	0	0	0	0	0	0	0	0	49,171
1025 Mandated Cost - SB 90	147,893	152,330	156,900	161,607	166,455	171,449	176,592	181,890	187,347	192,967	1,695,431	2,768,302
1025 Mandated Costs PY Reimbursement	33,333	33,333	33,333	33,333	0	0	0	0	0	0	133,332	499,995
1027 Miscellaneous State Grants	0	0	0	0	0	0	0	0	0	0	0	4,879
1034 Library Services and Tech Act	0	0	0	0	0	0	0	0	0	0	0	8,000
1041 State Tire Enforcement Grant	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	32,500	325,000	682,883
TOTAL STATE SHARED REVENUE	998,264	1,013,691	1,029,472	1,045,613	1,028,792	1,045,683	1,062,961	1,080,636	1,098,717	1,117,215	10,521,044	20,458,505
1349 Certified Unified Program Agency	216,012	222,493	229,168	236,043	243,124	250,418	257,930	265,668	273,638	281,847	2,476,341	4,571,599
1351 Major Permit Application Fees	151,226	157,275	163,566	170,108	176,913	183,989	191,349	199,003	206,963	215,241	1,815,630	3,085,167
1352 Minor Permit Application Fees	105,017	109,218	113,586	118,130	122,855	127,769	132,880	138,195	143,723	149,472	1,260,844	2,143,453
1353 Permit - Bingo	0	0	0	0	0	0	0	0	0	0	0	400
1354 Permit - Building	2,252,349	2,319,919	2,389,517	2,461,202	2,535,039	2,611,090	2,689,422	2,770,105	2,853,208	2,938,804	25,820,656	46,740,523
1355 Permit - Electrical	535,667	551,737	568,289	585,338	602,898	620,985	639,614	658,803	678,567	698,924	6,140,821	11,116,106
1356 Permit - Fire Prevention	1,081,740	1,114,192	1,147,618	1,182,046	1,217,508	1,254,033	1,291,654	1,330,403	1,370,316	1,411,425	12,400,934	22,448,157
1358 Permit - Grading	19,915	20,512	21,128	21,762	22,415	23,087	23,780	24,493	25,228	25,985	228,303	413,275
1359 Permit - Hazardous Materials	1,060,994	1,092,823	1,125,608	1,159,376	1,194,158	1,229,982	1,266,882	1,304,888	1,344,035	1,384,356	12,163,103	22,429,504
1360 Permit - Mechanical	449,897	463,393	477,295	491,614	506,363	521,553	537,200	553,316	569,915	587,013	5,157,559	9,336,209
1361 Permit - Miscellaneous	188	194	200	206	212	218	225	232	239	246	2,159	3,984

**035. GENERAL FUND
REVENUES BY SOURCE**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
1362 Permit - Fire Operations	152,002	172,298	175,744	179,259	182,844	186,501	190,231	194,036	197,916	201,875	205,912	210,030	2,096,646
1363 Permit - Plumbing and Gas	346,086	286,904	318,783	390,100	397,902	405,860	413,977	422,257	430,702	439,316	448,102	461,545	4,415,449
1364 Permit - Sign	17,684	16,483	18,315	22,412	22,860	23,317	23,784	24,259	24,745	25,240	25,744	26,517	253,676
1365 Permit - Street Cut	131,334	94,137	131,600	134,232	136,917	139,655	142,448	145,297	148,203	151,167	154,190	157,274	1,535,120
1366 Permit - Temporary Building	712	1,799	1,998	2,445	2,494	2,544	2,595	2,647	2,699	2,753	2,809	2,893	27,675
1368 Permit - Transportation	24,535	14,341	24,000	24,480	24,970	25,469	25,978	26,498	27,028	27,568	28,120	28,682	277,134
1370 Permit - Taxi Driver and Vehicle	58,341	58,140	59,303	60,489	61,699	62,933	64,191	65,475	66,785	68,121	69,483	70,873	707,491
1371 Permit - Misc. Public Safety	11,232	5,221	5,202	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	62,181
1372 Permit - Liquidambar Street	75	150	0	0	0	0	0	0	0	0	0	0	150
1373 Adult Entertainment Permits	19,291	17,135	17,478	17,827	18,184	18,547	18,918	19,297	19,683	20,076	20,478	20,887	208,511
1374 OCM Special Event Permit Fee	200	100	103	106	109	113	116	119	123	127	124	128	1,268
TOTAL PERMITS AND LICENSES	5,434,527	4,385,352	4,825,633	5,623,555	5,752,798	5,878,095	6,001,085	6,123,930	6,249,316	6,376,559	6,506,407	6,684,600	64,407,330
1502-01 Fines - Library Overdue Material - Circulation Desk Paymen	141,876	123,693	129,878	123,384	117,215	111,354	105,786	100,497	95,472	90,698	86,163	81,855	1,165,995
1502-02 Fines - Overdue/Lost & Damaged - Internet Payments	46,139	62,068	71,378	77,088	83,255	89,915	97,108	100,992	105,032	109,233	113,602	118,146	1,027,817
1503 Fines - Parking	422,067	422,854	422,854	422,854	431,311	439,937	448,736	457,711	466,865	476,202	485,726	495,441	4,970,492
1504 Fines - Traffic and Criminal	562,795	454,230	463,315	472,581	482,033	491,674	501,507	511,537	521,768	532,203	542,847	553,704	5,527,400
1505 Hazardous Material Recovery	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
1506 Juvenile Diversion	6,685	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	66,000
1507 Late Payment Penalties	17,050	27,000	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877	300,743
1509 Returned Check Charge	5,200	5,495	5,605	5,717	5,832	5,948	6,067	6,189	6,313	6,439	6,568	6,699	66,873
1512 Community Dev Code Violations	32,996	17,500	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	492,500
1514 CUPA Fines	(57,133)	9,000	0	0	0	0	0	0	0	0	0	0	9,000
TOTAL FINES AND FORFEITURES	1,177,675	1,128,841	1,150,030	1,184,125	1,202,656	1,222,359	1,243,265	1,261,528	1,280,604	1,300,493	1,321,198	1,342,722	13,637,820
1650 Administrative Request Fees	56,121	50,067	65,543	87,482	97,988	105,293	110,231	113,909	117,705	121,236	124,873	128,619	1,122,947
1652 Demolition Fees	15,264	16,298	18,109	22,161	22,604	23,056	23,517	23,988	24,468	24,957	25,456	26,220	250,834
1653 Energy Plan Check Fees	65,456	68,086	75,651	92,575	94,427	96,315	98,241	100,206	102,210	104,254	106,340	109,530	1,047,835

**035. GENERAL FUND
REVENUES BY SOURCE**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
1362 Permit - Fire Operations	218,432	227,169	236,256	245,706	255,534	265,755	276,386	287,441	298,939	310,896	2,622,513	4,719,159
1363 Permit - Plumbing and Gas	475,392	489,653	504,343	519,473	535,058	551,109	567,643	584,672	602,212	620,278	5,449,833	9,865,282
1364 Permit - Sign	27,312	28,132	28,975	29,845	30,740	31,662	32,612	33,591	34,598	35,636	313,103	566,780
1365 Permit - Street Cut	161,992	166,852	171,858	177,013	182,324	187,794	193,427	199,230	205,207	211,363	1,857,061	3,392,182
1366 Permit - Temporary Building	2,980	3,069	3,161	3,256	3,354	3,454	3,558	3,665	3,774	3,888	34,158	61,833
1368 Permit - Transportation	29,543	30,429	31,342	32,282	33,251	34,248	35,276	36,334	37,424	38,547	338,674	615,808
1370 Permit - Taxi Driver and Vehicle	72,999	75,189	77,444	79,768	82,161	84,626	87,164	89,779	92,473	95,247	836,849	1,544,340
1371 Permit - Misc. Public Safety	6,403	6,595	6,793	6,997	7,207	7,423	7,646	7,875	8,112	8,355	73,408	135,589
1372 Permit - Liquidambar Street	0	0	0	0	0	0	0	0	0	0	0	150
1373 Adult Entertainment Permits	21,514	22,160	22,824	23,509	24,214	24,941	25,689	26,460	27,253	28,071	246,635	455,146
1374 OCM Special Event Permit Fee	133	138	144	150	156	162	168	175	182	189	1,597	2,865
TOTAL PERMITS AND LICENSES	6,889,703	7,101,143	7,319,115	7,543,824	7,775,479	8,014,298	8,260,504	8,514,327	8,776,005	9,045,783	79,240,181	143,647,511
1502-01 Fines - Library Overdue Material - Circulation Desk Paymen	81,855	81,855	81,855	81,855	81,855	81,855	81,855	81,855	81,855	81,855	818,550	1,984,545
1502-02 Fines - Overdue/Lost & Damaged - Internet Payments	122,872	127,787	132,898	138,214	143,743	149,492	155,472	161,691	168,159	174,885	1,475,212	2,503,029
1503 Fines - Parking	510,304	525,613	541,382	557,623	574,352	591,582	609,330	627,610	646,438	665,831	5,850,064	10,820,556
1504 Fines - Traffic and Criminal	570,315	587,425	605,048	623,199	641,895	661,152	680,986	701,416	722,459	744,132	6,538,027	12,065,427
1505 Hazardous Material Recovery	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	21,000
1506 Juvenile Diversion	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	60,000	126,000
1507 Late Payment Penalties	30,774	31,697	32,648	33,627	34,636	35,675	36,745	37,848	38,983	40,153	352,785	653,528
1509 Returned Check Charge	6,900	7,107	7,320	7,540	7,766	7,999	8,239	8,486	8,741	9,003	79,100	145,972
1512 Community Dev Code Violations	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000	992,500
1514 CUPA Fines	0	0	0	0	0	0	0	0	0	0	0	9,000
TOTAL FINES AND FORFEITURES	1,380,020	1,418,484	1,458,150	1,499,058	1,541,246	1,584,756	1,629,627	1,675,905	1,723,634	1,772,859	15,683,739	29,321,559
1650 Administrative Request Fees	133,764	139,115	144,679	150,467	156,485	162,745	169,254	176,025	183,066	190,388	1,605,987	2,728,934
1652 Demolition Fees	27,006	27,816	28,651	29,511	30,396	31,308	32,247	33,214	34,211	35,237	309,597	560,431
1653 Energy Plan Check Fees	112,816	116,200	119,686	123,277	126,975	130,784	134,708	138,749	142,911	147,199	1,293,305	2,341,140

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
1654	Environmental Review Fees	39,799	16,152	21,144	28,222	31,611	33,968	35,561	36,747	37,972	39,111	40,284	41,493	362,266
1655	Legislative Actions	6,810	18,835	24,657	32,910	36,862	39,610	41,468	42,852	44,280	45,608	46,977	48,386	422,445
1667-01	Plan Maintenance Fees	115,706	65,391	217,970	266,734	272,069	277,510	283,060	288,721	294,496	300,386	306,393	315,585	2,888,314
1670	Plan Check Fees	913,583	837,540	930,600	1,138,791	1,161,567	1,184,798	1,208,494	1,232,664	1,257,317	1,282,464	1,308,113	1,347,356	12,889,704
1673-01	Subdivision Map Filing Fees - Planning	21,198	11,228	14,699	19,620	21,976	23,614	24,722	25,546	26,398	27,190	28,006	28,846	251,845
1673-02	Subdivision Map Filing Fees - Final	22,302	11,364	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	230,358
1676	Special Inspection Reimbursement	32,979	10,737	27,147	27,690	28,244	28,809	29,385	29,972	30,572	31,183	31,807	32,443	307,989
TOTAL COMMUNITY DEVELOPMENT FEES		1,289,218	1,105,698	1,415,520	1,736,585	1,788,155	1,834,197	1,876,328	1,916,687	1,957,941	1,999,363	2,041,682	2,102,380	19,774,537
1801-01	Business License Processing - New Applications	87,932	100,000	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	1,194,972
1801-02	Business License Processing - Renewals	96,606	97,920	99,878	101,876	103,913	105,992	108,112	110,274	112,479	114,729	117,023	119,364	1,191,561
3100-05	Internet & Phone Credit Card Fee	10,772	11,095	11,317	11,543	11,774	12,010	12,250	12,495	12,745	13,000	13,260	13,525	135,014
3101	Notary Fee	131	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL FINANCE FEES		195,441	209,015	211,195	215,419	219,728	224,122	228,605	233,177	237,840	242,597	247,449	252,398	2,521,547
2102	Library- Lost/Damaged Materials	13,354	12,846	12,331	11,838	11,364	10,909	10,473	10,054	9,652	9,266	8,895	8,539	116,168
2105	Miscellaneous Library Charges	3,965	3,129	2,537	2,562	2,588	2,614	2,640	2,666	2,693	2,720	2,747	2,775	29,672
TOTAL LIBRARY FEES		17,319	15,975	14,868	14,400	13,952	13,523	13,113	12,721	12,345	11,986	11,642	11,314	145,840
2355	Baylands Picnic Reservation	51,120	55,000	55,000	55,000	56,650	58,350	60,100	60,100	61,903	63,760	65,673	67,643	659,179
2356	Baylands Vehicle Entry Fee	79,099	80,000	80,000	80,000	82,400	82,400	82,400	84,872	84,872	84,872	87,418	87,418	916,652
TOTAL PARKS AND RECREATION FEES		130,219	135,000	135,000	135,000	139,050	140,750	142,500	144,972	146,775	148,632	153,091	155,061	1,575,831
2750	Abandoned Vehicles	203,334	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	2,035,000
2751	Animal Control Fees	91,097	75,000	79,591	81,183	82,806	84,463	86,152	87,875	89,632	91,425	93,254	95,119	946,499
2752	Court Ordered Reimbursement	275	400	0	0	0	0	0	0	0	0	0	0	400
2754	Emergency Response	17,664	30,900	31,518	32,148	32,791	33,447	34,116	34,798	35,494	36,204	36,928	37,667	376,013
2756	False Burglar Alarm Fees	246,091	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	2,233,000
2760	Police Contract Overtime	29,533	30,000	0	0	0	0	0	0	0	0	0	0	30,000
2763	Vehicle Release Fee	164,566	120,000	151,768	154,803	157,899	161,057	164,279	167,564	170,915	174,334	177,820	181,377	1,781,817

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL	
		2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030		
1654	Environmental Review Fees	43,153	44,879	46,674	48,541	50,483	52,502	54,602	56,786	59,058	61,420	518,097	880,362
1655	Legislative Actions	50,321	52,334	54,428	56,605	58,869	61,224	63,673	66,220	68,868	71,623	604,164	1,026,609
1667-01	Plan Maintenance Fees	325,053	334,804	344,848	355,194	365,850	376,825	388,130	399,774	411,767	424,120	3,726,365	6,614,679
1670	Plan Check Fees	1,387,777	1,429,410	1,472,293	1,516,461	1,561,955	1,608,814	1,657,078	1,706,791	1,757,994	1,810,734	15,909,308	28,799,012
1673-01	Subdivision Map Filing Fees - Planning	29,711	30,603	31,521	32,466	33,440	34,443	35,477	36,541	37,637	38,766	340,606	592,451
1673-02	Subdivision Map Filing Fees - Final	24,619	25,357	26,118	26,902	27,709	28,540	29,396	30,278	31,186	32,122	282,228	512,587
1676	Special Inspection Reimbursement	33,416	34,419	35,452	35,452	36,515	36,515	37,611	37,611	38,739	39,901	365,630	673,619
TOTAL COMMUNITY DEVELOPMENT FEES		2,167,637	2,234,938	2,304,349	2,374,874	2,448,677	2,523,700	2,602,175	2,681,988	2,765,438	2,851,511	24,955,286	44,729,823
1801-01	Business License Processing - New Applications	123,095	126,787	130,591	134,509	138,544	142,700	146,981	151,391	155,932	160,610	1,411,141	2,606,113
1801-02	Business License Processing - Renewals	122,945	126,633	130,432	134,345	138,376	142,527	146,803	151,207	155,743	160,415	1,409,425	2,600,986
3100-05	Internet & Phone Credit Card Fee	13,931	14,349	14,779	15,222	15,679	16,149	16,634	17,133	17,647	18,176	159,700	294,714
3101	Notary Fee	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL FINANCE FEES		259,970	267,769	275,802	284,076	292,599	301,377	310,418	319,730	329,322	339,202	2,980,266	5,501,812
2102	Library- Lost/Damaged Materials	8,539	8,539	8,539	8,539	8,539	8,539	8,539	8,539	8,539	8,539	85,394	201,563
2105	Miscellaneous Library Charges	2,886	3,001	3,121	3,246	3,376	3,511	3,651	3,797	3,949	4,107	34,646	64,317
TOTAL LIBRARY FEES		11,425	11,541	11,661	11,785	11,915	12,050	12,191	12,337	12,489	12,647	120,040	265,880
2355	Baylands Picnic Reservation	70,349	73,163	76,089	79,133	82,298	85,590	89,014	92,574	96,277	100,128	844,615	1,503,794
2356	Baylands Vehicle Entry Fee	90,915	94,551	98,333	102,267	106,357	110,612	115,036	119,638	124,423	129,400	1,091,532	2,008,184
TOTAL PARKS AND RECREATION FEES		161,264	167,714	174,423	181,400	188,656	196,202	204,050	212,212	220,700	229,528	1,936,147	3,511,978
2750	Abandoned Vehicles	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	185,000	1,850,000	3,885,000
2751	Animal Control Fees	97,972	100,911	103,939	107,057	110,269	113,577	116,984	120,493	124,108	127,831	1,123,141	2,069,640
2752	Court Ordered Reimbursement	0	0	0	0	0	0	0	0	0	0	0	400
2754	Emergency Response	38,797	39,961	41,160	42,394	43,666	44,976	46,326	47,715	49,147	50,621	444,763	820,777
2756	False Burglar Alarm Fees	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	203,000	2,030,000	4,263,000
2760	Police Contract Overtime	0	0	0	0	0	0	0	0	0	0	0	30,000
2763	Vehicle Release Fee	186,818	192,423	198,195	204,141	210,265	216,573	223,071	229,763	236,656	243,755	2,141,660	3,923,478

**035. GENERAL FUND
REVENUES BY SOURCE**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
2765-01 Other DPS - Address Search	700	2,806	530	541	551	562	574	585	597	609	621	633	8,609
2765-02 Other DPS - Copy of Incident Report	19,421	10,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	50,000
2765-03 Other DPS - Copy of Video Tape	96	212	216	221	225	229	234	239	244	248	253	258	2,580
2765-04 Other DPS- Violation Citation Correction	23,032	4,500	34,590	35,282	35,987	36,707	37,441	38,190	38,954	39,733	40,528	41,338	383,251
2765-05 Other DPS - Subpoena Duces Tecum	666	500	500	500	500	500	500	500	500	500	500	500	5,500
2765-07 Other DPS - Photographs	2,987	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868	2,926	29,205
2765-08 Other DPS - Copy of Audio Recording	177	431	440	448	457	467	476	485	495	505	515	525	5,245
2765-09 Other DPS - Crim. Hist. Clearance Letter	9,150	7,105	7,247	7,392	7,540	7,691	7,844	8,001	8,161	8,325	8,491	8,661	86,459
2766-01 False Alarm Fee - Fire Alarm	40,225	33,175	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	333,175
2767 Fire Contract Reimbursement	651,549	122,391	0	0	0	0	0	0	0	0	0	0	122,391
2768 Criminal Justice Administration Fee	65	0	0	0	0	0	0	0	0	0	0	0	0
2769 Civil Subpoena Fees	5,033	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000
2770 DPS Alarm Permit Fees	31,075	38,000	188,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	568,000
2771 Extraordinary Public Safety Response	2,898	0	0	0	0	0	0	0	0	0	0	0	0
2772 Apartment Inspections - Fire	328,436	270,000	275,400	280,908	286,526	292,257	298,102	304,064	310,145	316,348	322,675	329,128	3,285,553
TOTAL PUBLIC SAFETY FEES	1,868,070	1,136,820	1,195,248	1,056,923	1,068,831	1,080,978	1,093,368	1,106,005	1,118,895	1,132,043	1,145,454	1,159,133	12,293,697
2900 Engineering Fees	161,156	350,000	444,000	390,000	397,800	405,756	413,871	422,149	430,592	439,203	447,987	456,947	4,598,305
2901 Mathilda/237 Maintenance	18,228	17,000	17,340	17,687	18,041	18,401	18,769	19,145	19,528	19,918	20,317	20,723	206,868
2904 Street Tree Fees	4,485	2,000	4,000	4,080	4,162	4,245	4,330	4,416	4,505	4,595	4,687	4,780	45,799
2909 Temporary Traffic Controls	850	1,600	1,632	1,665	1,698	1,732	1,767	1,802	1,838	1,875	1,912	1,950	19,470
2910 Shopping Cart Fee	0	2,700	2,754	2,809	2,865	2,923	2,981	3,041	3,101	3,163	3,227	3,291	32,856
TOTAL PUBLIC WORKS FEES	184,719	373,300	469,726	416,241	424,565	433,057	441,718	450,552	459,563	468,754	478,130	487,692	4,903,298
TOTAL SERVICE FEES	3,684,986	2,975,808	3,441,558	3,574,568	3,654,281	3,726,627	3,795,632	3,864,114	3,933,360	4,003,376	4,077,448	4,167,978	41,214,749
3355 Interest	1,862,894	789,257	994,080	1,648,498	2,097,092	2,023,453	2,063,800	2,085,868	2,046,168	1,993,554	2,448,318	2,473,838	20,663,927
TOTAL INTEREST INCOME	1,862,894	789,257	994,080	1,648,498	2,097,092	2,023,453	2,063,800	2,085,868	2,046,168	1,993,554	2,448,318	2,473,838	20,663,927
3601-31 Redevelopment Agency Repayment	(21,031)	2,286,760	5,214,109	5,687,499	6,369,277	7,384,250	7,401,196	6,539,352	6,129,817	6,234,061	6,357,050	6,440,326	66,043,698

**035. GENERAL FUND
REVENUES BY SOURCE**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
2765-01 Other DPS - Address Search	659	685	712	741	771	801	834	867	902	938	7,909	16,518
2765-02 Other DPS - Copy of Incident Report	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	47,231	97,231
2765-03 Other DPS - Copy of Video Tape	269	280	291	302	314	327	340	354	368	383	3,227	5,807
2765-04 Other DPS- Violation Citation Correction	42,992	44,711	46,500	48,360	50,294	52,306	54,398	56,574	58,837	61,191	516,164	899,415
2765-05 Other DPS - Subpoena Duces Tecum	500	500	500	500	500	500	500	500	500	500	5,000	10,500
2765-07 Other DPS - Photographs	3,043	3,164	3,291	3,423	3,559	3,702	3,850	4,004	4,164	4,331	36,530	65,735
2765-08 Other DPS - Copy of Audio Recording	546	568	591	615	639	665	691	719	748	778	6,560	11,805
2765-09 Other DPS - Crim. Hist. Clearance Letter	9,007	9,368	9,742	10,132	10,537	10,959	11,397	11,853	12,327	12,820	108,144	194,602
2766-01 False Alarm Fee - Fire Alarm	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000	633,175
2767 Fire Contract Reimbursement	0	0	0	0	0	0	0	0	0	0	0	122,391
2768 Criminal Justice Administration Fee	0	0	0	0	0	0	0	0	0	0	0	0
2769 Civil Subpoena Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	21,000
2770 DPS Alarm Permit Fees	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	38,000	380,000	948,000
2771 Extraordinary Public Safety Response	0	0	0	0	0	0	0	0	0	0	0	0
2772 Apartment Inspections - Fire	339,002	349,172	359,648	370,437	381,550	392,997	404,787	416,930	429,438	442,321	3,886,282	7,171,835
TOTAL PUBLIC SAFETY FEES	1,180,725	1,202,987	1,225,940	1,249,604	1,274,003	1,299,159	1,325,096	1,351,839	1,379,413	1,407,844	12,896,611	25,190,309
2900 Engineering Fees	470,656	484,775	499,318	514,298	529,727	545,619	561,987	578,847	596,212	614,099	5,395,539	9,993,844
2901 Mathilda/237 Maintenance	21,345	21,985	22,644	23,324	24,024	24,744	25,487	26,251	27,039	27,850	244,692	451,560
2904 Street Tree Fees	4,924	5,071	5,224	5,380	5,542	5,708	5,879	6,056	6,237	6,424	56,446	102,245
2909 Temporary Traffic Controls	2,009	2,069	2,131	2,195	2,261	2,329	2,399	2,471	2,545	2,621	23,030	42,500
2910 Shopping Cart Fee	3,390	3,492	3,596	3,704	3,816	3,930	4,048	4,169	4,294	4,423	38,863	71,718
TOTAL PUBLIC WORKS FEES	502,323	517,393	532,914	548,902	565,369	582,330	599,800	617,794	636,328	655,417	5,758,569	10,661,866
TOTAL SERVICE FEES	4,283,343	4,402,342	4,525,089	4,650,641	4,781,218	4,914,817	5,053,730	5,195,900	5,343,690	5,496,149	48,646,919	89,861,668
3355 Interest	3,174,205	3,206,623	3,050,189	3,096,814	3,193,440	3,273,833	3,366,641	3,493,762	3,679,933	3,526,770	33,062,211	53,726,137
TOTAL INTEREST INCOME	3,174,205	3,206,623	3,050,189	3,096,814	3,193,440	3,273,833	3,366,641	3,493,762	3,679,933	3,526,770	33,062,211	53,726,137
3601-31 Redevelopment Agency Repayment	6,568,393	6,663,771	8,459,968	7,149,167	7,229,593	7,368,028	11,495,936	11,682,914	0	0	66,617,768	132,661,466

**035. GENERAL FUND
REVENUES BY SOURCE**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
4123-03 Bankruptcy Recovery - Other	206	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MISCELLANEOUS	254,274	231,717	163,651	146,141	148,682	151,273	153,916	156,612	159,362	162,167	155,583	158,501	1,787,606
3204 Modular Classroom Lease	184,144	184,144	184,144	184,144	92,072	0	0	0	0	0	0	0	644,504
TOTAL MODULAR CLASSROOM LEASE	184,144	184,144	184,144	184,144	92,072	0	0	0	0	0	0	0	644,504
3800 Real Property Sale	0	0	0	0	0	2,130,818	0	0	0	11,474,036	0	0	13,604,854
TOTAL SALE OF PROPERTY	0	0	0	0	0	2,130,818	0	0	0	11,474,036	0	0	13,604,854
4400 Transfers In	8,658,288	9,933,341	9,321,491	9,352,199	9,662,010	10,054,702	10,357,895	10,659,626	10,988,385	11,242,017	11,395,966	11,682,464	114,650,098
TOTAL TRANSFERS IN	8,658,288	9,933,341	9,321,491	9,352,199	9,662,010	10,054,702	10,357,895	10,659,626	10,988,385	11,242,017	11,395,966	11,682,464	114,650,098
FUND TOTAL	122,747,399	119,799,515	123,591,798	129,571,733	135,724,449	145,337,167	150,877,619	154,395,083	158,139,990	174,162,138	167,689,299	172,717,798	1,632,006,590

**035. GENERAL FUND
REVENUES BY SOURCE**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
4123-03 Bankruptcy Recovery - Other	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL MISCELLANEOUS	162,966	167,565	172,301	177,180	174,844	180,020	185,351	190,843	196,499	202,324	1,809,893	3,597,499
3204 Modular Classroom Lease	0	0	0	0	0	0	0	0	0	0	0	644,504
TOTAL MODULAR CLASSROOM LEASE	0	0	0	0	0	0	0	0	0	0	0	644,504
3800 Real Property Sale	0	0	0	0	0	0	0	0	0	0	0	13,604,854
TOTAL SALE OF PROPERTY	0	0	0	0	0	0	0	0	0	0	0	13,604,854
4400 Transfers In	12,021,612	12,417,493	12,730,064	13,100,430	13,481,833	13,874,602	14,330,518	14,695,602	15,124,542	15,566,265	137,342,962	251,993,059
TOTAL TRANSFERS IN	12,021,612	12,417,493	12,730,064	13,100,430	13,481,833	13,874,602	14,330,518	14,695,602	15,124,542	15,566,265	137,342,962	251,993,059
FUND TOTAL	178,090,488	179,686,652	187,598,068	192,773,678	199,731,636	207,035,891	214,653,973	222,506,173	218,904,157	226,955,034	2,027,935,750	3,659,942,340

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**CITY OF SUNNYVALE
190. POLICE SERVICES AUGMENTATION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVES/FUND BALANCE, JULY 1	10,656	8,033	0	0	0	0	0	0	0	0	0	0	8,033

CURRENT RESOURCES:													
SLES Fund (AB3229)	100,000	100,000	100,000	0	0	0	0	0	0	0	0	0	200,000
Federal Economic Stimulus Grants	0	74,979	0	0	0	0	0	0	0	0	0	0	74,979
BJA Block Grant	0	17,605	12,000	0	0	0	0	0	0	0	0	0	29,605
Interest Income	0	307	0	0	0	0	0	0	0	0	0	0	307
Transfer From General Fund	34,205	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT RESOURCES	134,205	192,891	112,000	0	0	0	0	0	0	0	0	0	304,891

TOTAL AVAILABLE RESOURCES	144,861	200,924	112,000	0	0	0	0	0	0	0	0	0	312,924

CURRENT REQUIREMENTS:													
Operations	136,828	200,924	112,000	0	0	0	0	0	0	0	0	0	312,924
TOTAL CURRENT REQUIREMENTS	136,828	200,924	112,000	0	0	0	0	0	0	0	0	0	312,924

RESERVES:													
20 Year RAP	8,033	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	8,033	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
210. EMPLOYMENT DEVELOPMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030**

	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030		
RESERVE/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	178,725

CURRENT RESOURCES:												
Federal Grant	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	172,545,960
Other Grants and Contributions	0	0	0	0	0	0	0	0	0	0	0	0
ARRA Stimulus Funds	0	0	0	0	0	0	0	0	0	0	0	4,458,861

TOTAL CURRENT RESOURCES	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	177,004,821

TOTAL AVAILABLE RESOURCES	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	177,183,546

CURRENT REQUIREMENTS:												
Operations	7,753,441	7,753,441	7,753,441	7,753,441	7,753,441	7,753,441	7,753,441	7,753,441	7,753,441	7,753,441	77,534,406	171,582,595
In-Lieu Charges	246,559	246,559	246,559	246,559	246,559	246,559	246,559	246,559	246,559	246,559	2,465,594	5,600,951

TOTAL CURRENT REQUIREMENTS	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	80,000,000	177,183,546

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

FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
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**CITY OF SUNNYVALE
281. TRAFFIC CONGESTION RELIEF FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030**

	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030		
RESERVE/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	0

CURRENT RESOURCES:												
Prop. 42:												
Transportation Congestion Imprvmt Act	1,822,532	1,909,103	1,990,239	2,069,849	2,147,468	2,249,473	2,367,570	2,503,706	2,653,928	2,786,624	22,500,493	38,635,213
TOTAL CURRENT RESOURCES	1,822,532	1,909,103	1,990,239	2,069,849	2,147,468	2,249,473	2,367,570	2,503,706	2,653,928	2,786,624	22,500,493	38,635,213
TOTAL AVAILABLE RESOURCES	1,822,532	1,909,103	1,990,239	2,069,849	2,147,468	2,249,473	2,367,570	2,503,706	2,653,928	2,786,624	22,500,493	38,635,213

CURRENT REQUIREMENTS:												
Operations (Street Recon and Resurfacing)	1,822,532	1,909,103	1,990,239	2,069,849	2,147,468	2,249,473	2,367,570	2,503,706	2,653,928	2,786,624	22,500,493	38,635,213
TOTAL CURRENT REQUIREMENTS	1,822,532	1,909,103	1,990,239	2,069,849	2,147,468	2,249,473	2,367,570	2,503,706	2,653,928	2,786,624	22,500,493	38,635,213

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

FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
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CITY OF SUNNYVALE
385/970. CAPITAL PROJECTS FUND/SENSE OF PLACE FEES SUB-FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030

	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030		
RESERVE/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	69,370

CURRENT RESOURCES:												
Sense of Place Fees	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,355,321
Interest Income	0	0	0	0	0	0	0	0	0	0	0	4,557

TOTAL CURRENT RESOURCES	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,359,878

TOTAL AVAILABLE RESOURCES	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,429,248

CURRENT REQUIREMENTS:												
Future Sense of Place Projects	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,362,532
Transfer To Cap. Proj./General Assets	0	0	0	0	0	0	0	0	0	0	0	66,716

TOTAL CURRENT REQUIREMENTS	59,157	60,932	62,760	64,643	66,582	68,580	70,637	72,756	74,939	77,187	678,172	1,429,248

RESERVES:												
Capital Reserve	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
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVE/FUND BALANCE, JULY 1	10,479,204	11,074,577	7,235,013	8,338,429	9,707,408	11,199,001	11,803,773	12,827,482	12,011,205	13,041,143	14,087,041	13,994,238	11,074,577
CURRENT RESOURCES:													
Service Fees	23,587,322	23,638,563	25,127,609	27,609,549	30,599,859	32,741,631	34,903,418	37,069,592	39,038,060	40,175,857	40,184,267	41,440,284	372,528,690
Recycled Water	797,832	861,659	926,283	1,010,102	1,111,113	1,188,890	1,266,168	1,342,138	1,409,245	1,444,476	1,473,366	1,502,833	13,536,274
Miscellaneous Revenues	447,445	561,021	572,241	583,686	558,410	569,578	580,969	592,589	604,441	616,529	616,529	628,860	6,484,854
SCVWD Recycled Water Rebate	188,944	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	240,199	269,997	617,525	1,044,293	1,560,766	1,718,477	1,832,717	1,977,616	2,027,059	2,115,698	2,159,024	2,207,226	17,530,398
Transfer From Other Funds	0	56,000	0	0	0	0	0	0	0	0	0	0	56,000
Bond Proceeds	0	0	11,187,558	5,009,559	3,001,853	0	0	0	0	0	0	0	19,198,969
TOTAL CURRENT RESOURCES	25,261,742	25,387,240	38,431,217	35,257,189	36,832,000	36,218,577	38,583,273	40,981,935	43,078,805	44,352,561	44,433,186	45,779,203	429,335,186
TOTAL AVAILABLE RESOURCES	35,740,946	36,461,816	45,666,230	43,595,618	46,539,408	47,417,578	50,387,046	53,809,418	55,090,010	57,393,704	58,520,227	59,773,442	440,409,763
CURRENT REQUIREMENTS:													
OPERATING REQUIREMENTS:													
Operations	5,110,244	5,031,186	5,794,754	6,021,011	6,229,024	6,440,987	6,655,918	6,863,112	7,049,524	7,237,699	7,287,297	7,463,484	72,073,996
Purchased Water	13,897,146	14,272,926	15,155,324	16,581,176	19,914,018	21,170,580	23,472,163	27,216,737	28,117,395	29,056,300	29,936,148	30,739,864	255,632,631
Project Operating Costs	0	0	30,000	30,600	31,212	31,836	32,473	33,122	33,785	34,461	35,150	35,853	328,492
In-Lieu Charges	2,763,078	2,710,755	3,085,264	3,218,067	3,123,426	3,208,820	3,192,577	3,510,088	3,471,415	3,580,279	3,662,400	3,814,400	36,577,492
TOTAL OPERATING REQUIREMENTS	21,770,468	22,014,868	24,065,342	25,850,854	29,297,680	30,852,223	33,353,131	37,623,060	38,672,118	39,908,738	40,920,995	42,053,600	364,612,610
NON-OPERATING REQUIREMENTS:													
Interfund Loan Repayment	351,700	351,700	351,700	351,700	351,700	351,700	351,700	0	0	0	0	0	2,110,200
Debt Service	1,189,233	1,185,140	1,180,841	1,175,247	1,180,714	1,180,224	1,179,350	1,180,421	1,180,897	1,179,858	1,179,797	1,179,660	12,982,150
2010 Debt Service	0	0	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	12,000,000
Transfer To General Services Fund	10,519	0	250,600	0	213,553	0	0	5,521	0	0	0	0	469,674
Transfer To Infrastructure Fund	26,691	1,750	1,760	5,050	11,676	5,254	5,359	5,466	5,576	5,687	5,801	5,917	59,296
TOTAL NON-OPERATING REQUIREMENTS	1,578,143	1,538,590	2,984,901	2,731,997	2,957,643	2,737,178	2,736,409	2,391,408	2,386,473	2,385,545	2,385,598	2,385,577	27,621,320
CAPITAL & INFRASTRUCTURE REQ:													
Projects - Debt Funded	0	0	9,987,558	5,009,559	3,001,853	0	0	0	0	0	0	0	17,998,969
Projects - Revenue Funded	1,317,758	5,673,345	290,000	295,800	83,232	2,024,403	1,470,023	1,783,745	990,276	1,012,380	1,219,395	1,237,667	16,080,266
TOTAL CAPITAL & INFRASTRUCTURE REQ.	1,317,758	5,673,345	10,277,558	5,305,359	3,085,085	2,024,403	1,470,023	1,783,745	990,276	1,012,380	1,219,395	1,237,667	34,079,236
TOTAL CURRENT REQUIREMENTS	24,666,369	29,226,803	37,327,801	33,888,210	35,340,407	35,613,804	37,559,564	41,798,212	42,048,867	43,306,663	44,525,989	45,676,845	426,313,166
RESERVES:													
Debt Service	1,147,041	1,145,166	2,329,633	2,330,035	2,330,391	2,331,071	2,331,324	2,331,531	2,332,432	2,332,894	2,333,298	2,333,646	2,333,646
Contingencies	4,751,848	4,826,028	5,237,520	5,650,547	6,535,760	6,902,892	7,532,020	8,519,962	8,791,730	9,073,500	9,305,861	9,550,837	9,550,837
Reserved for Capital and Infrastructure Projects	0	290,000	295,800	83,232	2,024,403	1,470,023	1,783,745	990,276	1,012,380	1,219,395	1,237,667	1,652,529	1,652,529
Utility Rate Stabilization Reserve	5,175,688	973,819	475,476	1,643,594	308,447	1,099,787	1,180,394	1,69,436	904,602	1,461,252	1,117,411	559,585	559,585
TOTAL RESERVES	11,074,577	7,235,013	8,338,429	9,707,408	11,199,001	11,803,773	12,827,482	12,011,205	13,041,143	14,087,041	13,994,238	14,096,597	14,096,597
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Recommended Water Rate Increase	10.0%	8.0%	7.5%	9.0%	10.0%	7.0%	6.5%	6.0%	5.0%	2.5%	2.0%	2.0%	
Prior Year Water Rate Increase	9.0%	8.0%	7.5%	7.5%	7.5%	7.0%	5.0%	4.0%	2.0%	1.0%	1.0%	1.0%	

**CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
RESERVE/FUND BALANCE, JULY 1	14,096,597	14,747,412	15,324,795	15,271,672	16,085,636	16,415,107	16,948,070	16,990,059	17,043,985	16,774,811	14,096,597	11,074,577
CURRENT RESOURCES:												
Service Fees	42,813,431	43,600,432	44,448,446	45,360,604	46,340,313	47,391,275	48,517,513	49,723,392	51,013,650	52,648,493	471,857,548	844,386,238
Recycled Water	1,517,862	1,533,040	1,548,371	1,563,854	1,579,493	1,595,288	1,611,241	1,627,353	1,643,627	1,668,281	15,888,409	29,424,683
Miscellaneous Revenues	647,726	667,158	687,172	707,787	729,021	750,892	773,418	796,621	820,520	845,135	7,425,450	13,910,304
SCVWD Recycled Water Rebate	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	2,834,141	2,963,200	3,035,819	3,078,628	3,172,491	3,243,026	3,328,258	3,392,596	3,461,768	3,532,509	32,042,436	49,572,834
Transfer From Other Funds	0	0	0	0	0	0	0	0	0	0	0	56,000
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	19,198,969
TOTAL CURRENT RESOURCES	47,813,159	48,763,830	49,719,808	50,710,874	51,821,318	52,980,481	54,230,430	55,539,962	56,939,564	58,694,418	527,213,843	956,549,029
TOTAL AVAILABLE RESOURCES	61,909,757	63,511,242	65,044,603	65,982,546	67,906,954	69,395,587	71,178,499	72,530,021	73,983,549	75,469,229	541,310,440	967,623,606
CURRENT REQUIREMENTS:												
OPERATING REQUIREMENTS:												
Operations	7,661,479	7,865,114	8,074,554	8,289,971	8,511,538	8,739,437	8,973,852	9,214,976	9,463,005	9,718,142	86,512,067	158,586,063
Purchased Water	31,535,761	32,479,092	33,334,094	34,257,785	35,311,412	36,470,706	37,637,997	38,960,953	40,327,671	41,806,053	362,121,523	617,754,154
Project Operating Costs	36,928	38,036	39,177	40,353	41,563	42,810	44,094	45,417	46,780	48,183	423,342	751,834
In-Lieu Charges	3,882,851	4,209,598	4,300,744	4,248,158	4,314,321	4,648,520	4,452,897	4,697,796	4,810,890	4,983,831	44,549,606	81,127,098
TOTAL OPERATING REQUIREMENTS	43,117,019	44,591,839	45,748,569	46,836,266	48,178,834	49,901,473	51,108,842	52,919,143	54,648,346	56,556,208	493,606,538	858,219,148
NON-OPERATING REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	2,110,200
Debt Service	1,180,548	77,771	77,746	77,630	77,793	77,850	77,800	78,014	78,709	78,581	1,882,442	14,864,592
2010 Debt Service	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	12,000,000	24,000,000
Transfer To General Services Fund	6,155	0	0	47,078	0	7,135	0	0	0	0	60,368	530,042
Transfer To Infrastructure Fund	6,094	6,277	14,657	6,659	6,859	7,065	7,277	7,495	7,720	7,952	78,055	137,351
TOTAL NON-OPERATING REQUIREMENTS	2,392,797	1,284,048	1,292,403	1,331,367	1,284,652	1,292,050	1,285,077	1,285,509	1,286,429	1,286,533	14,020,865	41,642,185
CAPITAL & INFRASTRUCTURE REQ:												
Projects - Debt Funded	0	0	0	0	0	0	0	0	0	0	0	17,998,969
Projects - Revenue Funded	1,652,529	2,310,559	2,731,959	1,729,277	2,028,361	1,253,995	1,794,522	1,281,384	1,273,963	1,616,082	17,672,632	33,752,898
TOTAL CAPITAL & INFRASTRUCTURE REQ.	1,652,529	2,310,559	2,731,959	1,729,277	2,028,361	1,253,995	1,794,522	1,281,384	1,273,963	1,616,082	17,672,632	51,751,867
TOTAL CURRENT REQUIREMENTS	47,162,345	48,186,446	49,772,931	49,896,910	51,491,847	52,447,517	54,188,440	55,486,036	57,208,738	59,458,824	525,300,035	951,613,201
RESERVES:												
Debt Service	2,334,306	1,271,493	1,272,015	1,272,469	1,273,224	1,273,898	1,274,492	1,275,376	1,276,770	1,277,371	1,277,371	1,277,371
Contingencies	9,799,310	10,086,051	10,352,162	10,636,939	10,955,737	11,302,536	11,652,962	12,043,982	12,447,669	12,881,049	12,881,049	12,881,049
Reserved for Capital and Infrastructure Projects	2,310,559	2,731,959	1,729,277	2,028,361	1,253,995	1,794,522	1,281,384	1,273,963	1,616,082	1,664,565	1,664,565	1,664,565
Utility Rate Stabilization Reserve	303,237	1,235,292	1,918,218	2,147,867	2,932,151	2,577,114	2,781,220	2,450,663	1,434,290	187,420	187,420	187,420
TOTAL RESERVES	14,747,412	15,324,795	15,271,672	16,085,636	16,415,107	16,948,070	16,990,059	17,043,985	16,774,811	16,010,405	16,010,405	16,010,405
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Recommended Water Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.5%		
Prior Year Water Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.0%		

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

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL	
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
1103	SCVWD Reclaimed Water Rebate	188,944	0	0	0	0	0	0	0	0	0	0	0	
1507	Late Payment Penalties	79,491	79,491	81,081	82,702	80,000	81,600	83,232	84,897	86,595	88,326	88,326	90,093	926,343
3050	Water Connection Fees	73,439	140,000	142,800	145,656	148,569	151,541	154,571	157,663	160,816	164,032	164,032	167,313	1,696,993
3052	Water Hydrant Fees	11,952	11,952	12,191	12,435	12,684	12,937	13,196	13,460	13,729	14,004	14,004	14,284	144,875
3053	Water Frontage Fees	3,382	3,382	3,450	3,519	3,589	3,661	3,734	3,809	3,885	3,963	3,963	4,042	40,995
3054	Water Meter Sales	154,287	154,287	157,373	160,520	163,731	167,005	170,345	173,752	177,227	180,772	180,772	184,387	1,870,171
3055	Water Meter Use Fees	2,674,075	3,124,566	3,358,908	3,662,856	4,029,142	4,311,182	4,591,408	4,866,893	5,110,238	5,237,993	5,212,442	5,342,753	48,848,382
3056	Water Sales - Metered	20,913,247	20,513,997	21,768,701	23,946,693	26,570,718	28,430,450	30,312,010	32,202,699	33,927,822	34,937,864	34,971,824	36,097,531	323,680,308
3057	Water Tapping Fees	9,270	9,270	9,455	9,645	9,837	10,034	10,235	10,440	10,648	10,861	10,861	11,079	112,365
3058	Water Turn On Fees	162,639	162,639	165,892	169,210	140,000	142,800	145,656	148,569	151,541	154,571	154,571	157,663	1,693,111
3060	Water Recycled	797,832	861,659	926,283	1,010,102	1,111,113	1,188,890	1,266,168	1,342,138	1,409,245	1,444,476	1,473,366	1,502,833	13,536,274
3089	Hydrant Meter Deposits Forfeited	1,961	0	0	0	0	0	0	0	0	0	0	0	0
3355	Interest Income	240,199	269,997	617,525	1,044,293	1,560,766	1,718,477	1,832,717	1,977,616	2,027,059	2,115,698	2,159,024	2,207,226	17,530,398
4100	Miscellaneous Revenues	(48,976)	0	0	0	0	0	0	0	0	0	0	0	0
4490	Bond Proceeds	0	0	11,187,558	5,009,559	3,001,853	0	0	0	0	0	0	0	19,198,969
4400	Transfer From Wastewater Fund	0	24,000	0	0	0	0	0	0	0	0	0	0	24,000
4400	Transfer From Solid Waste Fund	0	32,000	0	0	0	0	0	0	0	0	0	0	32,000
FUND TOTAL		25,261,742	25,387,240	38,431,217	35,257,189	36,832,000	36,218,577	38,583,273	40,981,935	43,078,805	44,352,561	44,433,186	45,779,203	429,335,186

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**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVE/FUND BALANCE, JULY 1	19,575,798	21,757,235	15,643,191	15,482,336	16,213,746	13,747,429	12,116,563	13,032,439	15,127,482	15,628,420	18,188,969	18,686,148	21,757,235
CURRENT RESOURCES:													
Service Fees	20,657,045	20,831,932	21,769,369	23,628,993	25,761,794	27,957,692	30,194,307	32,609,852	35,055,591	37,684,760	40,511,117	43,346,895	339,352,303
Connection and Development Fees	409,557	754,697	566,692	578,026	589,587	601,378	613,406	625,674	638,188	650,951	663,970	677,250	6,959,819
Other Revenues	177,334	151,636	131,847	138,614	146,201	153,999	161,944	170,437	179,047	188,219	197,994	207,828	1,827,766
Interest Income	467,571	601,661	476,838	623,606	528,747	466,022	501,248	581,826	601,093	699,576	718,698	689,859	6,489,174
Transfer From General Services Fund	3,291,855	0	0	0	0	0	0	0	0	0	0	0	0
New WPCP Bond Proceeds	0	0	0	0	2,565,530	12,107,215	21,441,745	33,560,495	32,874,380	25,946,475	32,772,840	39,934,955	201,203,635
Bond Proceeds	0	0	13,647,681	6,691,870	5,271,075	0	0	0	0	0	0	0	25,610,626
TOTAL CURRENT RESOURCES	25,003,362	22,339,925	36,592,427	31,661,110	34,862,934	41,286,307	52,912,650	67,548,283	69,348,298	65,169,981	74,864,619	84,856,787	581,443,322
TOTAL AVAILABLE RESOURCES	44,579,160	44,097,161	52,235,619	47,143,446	51,076,680	55,033,735	65,029,213	80,580,722	84,475,780	80,798,402	93,053,588	103,542,935	603,200,557
CURRENT REQUIREMENTS:													
OPERATING REQUIREMENTS:													
Operations	12,651,356	12,817,648	13,578,194	14,034,584	14,453,031	14,933,432	15,420,287	15,889,187	16,310,383	16,735,241	17,139,538	17,543,815	168,855,339
In-Lieu Charges and Fund Transfers	2,442,462	3,255,934	3,541,598	3,790,197	4,110,789	3,587,927	3,737,991	3,464,074	3,709,227	3,838,734	3,922,277	3,916,042	40,874,792
TOTAL CURRENT OPERATING REQUIREMENTS	15,093,818	16,073,582	17,119,792	17,824,781	18,563,821	18,521,359	19,158,278	19,353,261	20,019,609	20,573,974	21,061,816	21,459,857	209,730,131
NON-OPERATING REQUIREMENTS:													
Interfund Loan Repayment	3,458,638	450,000	550,000	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	1,259,994	12,339,944
Debt Service	1,570,988	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	33,930,154
New WPCP Debt Service	0	0	0	0	2,360,500	2,363,250	2,364,500	8,443,250	8,446,250	8,444,000	16,678,000	16,679,750	65,779,500
Water Pollution Control Plant Rent	311,763	321,116	327,538	337,364	347,485	357,910	368,647	379,707	391,098	402,831	414,916	427,363	4,075,975
Transfer to Water Supply and Distribution Fund	0	24,000	0	0	0	0	0	0	0	0	0	0	24,000
Wastewater Equipment Replacement	282,349	547,440	726,966	551,393	845,572	667,159	353,252	486,562	493,928	617,265	877,505	366,543	6,533,586
Transfer To General Fund (Power Generation Facility)	782,864	798,521	814,492	838,926	864,094	890,017	916,718	944,219	972,546	1,001,722	1,031,774	1,062,727	10,135,756
TOTAL NON-OPERATING REQUIREMENTS	6,406,601	5,225,636	5,503,556	6,072,237	8,762,205	8,622,889	8,347,671	14,598,291	14,648,376	14,810,371	23,346,748	22,880,936	132,818,915
CAPITAL AND INFRASTRUCTURE REQ.:													
Projects - Debt Funded	0	0	10,563,122	6,691,870	5,271,075	0	0	0	0	0	0	0	22,526,067
Projects - Revenue Funded	1,321,506	7,154,751	3,566,813	340,813	3,346,871	3,667,084	3,049,705	980,567	1,306,494	1,277,487	1,303,037	1,331,722	27,325,345
Replacement/ Rehabilitation of WPCP	0	0	0	0	1,385,280	12,105,840	21,441,120	30,521,120	32,872,880	25,947,600	28,655,840	39,934,080	192,863,760
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	1,321,506	7,154,751	14,129,935	7,032,683	10,003,226	15,772,924	24,490,825	31,501,687	34,179,374	27,225,087	29,958,877	41,265,802	242,715,172
TOTAL REQUIREMENTS	22,821,925	28,453,970	36,753,283	30,929,700	37,329,251	42,917,172	51,996,774	65,453,240	68,847,360	62,609,433	74,367,440	85,606,596	585,264,218
RESERVES:													
Debt Service	1,566,961	1,565,309	3,138,592	3,138,592	4,318,842	4,320,217	4,320,842	7,360,217	7,361,717	7,360,592	11,477,592	11,478,467	11,478,467
Contingencies	3,162,839	3,204,412	3,394,549	3,508,646	3,613,258	3,733,358	3,855,072	3,972,297	4,077,596	4,183,810	4,284,885	4,385,954	4,385,954
Capital and Infrastructure Reserve	0	3,566,813	340,813	3,346,871	3,667,084	3,049,705	980,567	1,306,494	1,277,487	1,303,037	1,331,722	1,371,674	1,371,674
Rate Stabilization Reserve	17,027,435	7,306,658	8,608,383	6,219,637	2,148,245	1,013,283	3,875,958	2,488,474	2,911,621	5,341,530	1,591,949	700,244	700,244
TOTAL RESERVES	21,757,235	15,643,191	15,482,336	16,213,746	13,747,429	12,116,563	13,032,439	15,127,482	15,628,420	18,188,969	18,686,148	17,936,339	17,936,339
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Sewer Rate Increase	0.0%	7.5%	4.5%	7.5%	8.5%	8.0%	8.0%	8.0%	7.5%	7.5%	7.5%	7.0%	
Prior Year Sewer Rate Increase	8.5%	8.0%	7.5%	7.0%	7.0%	4.0%	4.0%	4.0%	4.0%	6.0%	6.0%	6.0%	

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2020 TO JUNE 30, 2030**

	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	FY 2020/2021 TO FY 2029/2030 TOTAL	FY 2009/2010 TO FY 2029/2030 TOTAL
RESERVE/FUND BALANCE, JULY 1	17,936,339	19,708,905	20,518,109	20,890,655	21,588,463	22,792,149	24,109,200	24,366,106	24,554,516	24,374,211	17,936,339	21,757,235
CURRENT RESOURCES:												
Service Fees	45,947,709	48,704,571	51,626,846	52,659,383	53,712,570	54,518,259	55,063,441	55,614,076	56,170,217	56,731,919	530,748,991	870,101,294
Connection and Development Fees	697,567	718,494	740,049	762,250	785,118	808,672	832,932	857,920	883,657	910,167	7,996,826	14,956,645
Other Revenues	217,834	228,366	239,455	245,141	250,968	256,161	260,684	265,310	270,044	274,888	2,508,852	4,336,617
Interest Income	938,519	977,053	994,793	1,028,022	1,085,340	1,148,057	1,160,291	1,169,263	1,160,677	1,132,846	10,794,861	17,284,035
Transfer From General Services Fund	0	0	0	0	0	0	0	0	0	0	0	0
New WPCP Bond Proceeds	58,182,080	47,937,580	38,394,080	0	0	0	0	0	0	0	144,513,740	345,717,375
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	25,610,626
TOTAL CURRENT RESOURCES	105,983,709	98,566,065	91,995,223	54,694,796	55,833,997	56,731,148	57,317,348	57,906,569	58,484,595	59,049,819	696,563,270	1,278,006,592
TOTAL AVAILABLE RESOURCES	123,920,048	118,274,970	112,513,332	75,585,452	77,422,460	79,523,298	81,426,548	82,272,675	83,039,111	83,424,030	714,499,608	1,299,763,827
CURRENT REQUIREMENTS:												
OPERATING REQUIREMENTS:												
Operations	18,067,584	18,607,003	19,162,539	19,734,674	20,323,905	20,930,742	21,555,712	22,199,358	22,862,238	23,544,926	206,988,680	375,844,020
In-Lieu Charges and Fund Transfers	3,886,551	4,100,870	4,387,827	4,363,558	4,653,636	4,766,753	4,838,893	5,067,906	5,153,758	5,305,980	46,525,733	87,400,525
TOTAL CURRENT OPERATING REQUIREMENTS	21,954,135	22,707,873	23,550,365	24,098,232	24,977,541	25,697,495	26,394,605	27,267,264	28,015,996	28,850,906	253,514,413	463,244,544
NON-OPERATING REQUIREMENTS:												
Interfund Loan Repayment	845,829	845,829	845,829	845,829	845,829	845,829	845,829	845,829	845,829	845,829	8,458,290	20,798,234
Debt Service	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	3,084,559	30,845,594	64,775,748
New WPCP Debt Service	16,675,750	21,882,750	21,880,500	21,883,000	21,884,250	21,878,500	21,875,250	21,873,500	21,887,250	21,884,750	213,605,500	279,385,000
Water Pollution Control Plant Rent	444,458	462,236	480,725	499,954	519,953	540,751	562,381	584,876	608,271	632,602	5,336,207	9,412,182
Transfer to Water Supply and Distribution Fund	0	0	0	0	0	0	0	0	0	0	0	24,000
Wastewater Equipment Replacement	545,421	877,264	674,531	777,373	413,463	362,177	901,242	849,487	972,807	972,807	7,346,571	13,880,158
Transfer To General Fund (Power Generation Facility)	1,105,236	1,149,445	1,195,423	1,243,240	1,292,970	1,344,689	1,398,476	1,454,415	1,512,592	1,573,095	13,269,581	23,405,337
TOTAL NON-OPERATING REQUIREMENTS	22,701,254	28,302,084	28,161,567	28,333,955	28,041,024	28,056,505	28,667,737	28,692,666	28,911,309	28,993,643	278,861,744	411,680,660
CAPITAL AND INFRASTRUCTURE REQ.:												
Projects - Debt Funded	0	0	0	0	0	0	0	0	0	0	0	22,526,067
Projects - Revenue Funded	1,371,674	1,412,824	1,516,664	1,564,801	1,611,745	1,660,098	1,998,099	1,758,229	1,737,596	1,789,724	16,421,454	43,746,798
Replacement/ Rehabilitation of WPCP	58,184,080	45,334,080	38,394,080	0	0	0	0	0	0	0	141,912,240	334,776,000
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	59,555,754	46,746,904	39,910,744	1,564,801	1,611,745	1,660,098	1,998,099	1,758,229	1,737,596	1,789,724	158,333,694	401,048,865
TOTAL REQUIREMENTS	104,211,143	97,756,861	91,622,677	53,996,988	54,630,310	55,414,098	57,060,441	57,718,159	58,664,900	59,634,273	690,709,851	1,275,974,069
RESERVES:												
Debt Service	11,476,467	14,079,967	14,078,842	14,080,092	14,080,717	14,077,842	14,076,217	14,075,342	14,082,217	14,080,879	14,080,879	14,080,879
Contingencies	4,516,896	4,651,751	4,790,635	4,933,668	5,080,976	5,232,685	5,388,928	5,549,840	5,715,559	5,886,232	5,886,232	5,886,232
Capital and Infrastructure Reserve	1,412,824	1,516,664	1,564,801	1,611,745	1,660,098	1,998,099	1,758,229	1,737,596	1,789,724	1,842,879	1,842,879	1,842,879
Rate Stabilization Reserve	2,302,718	269,728	456,377	962,958	1,970,359	2,800,574	3,142,732	3,191,739	2,786,711	1,979,768	1,979,768	1,979,768
TOTAL RESERVES	19,708,905	20,518,109	20,890,655	21,588,463	22,792,149	24,109,200	24,366,106	24,554,516	24,374,211	23,789,758	23,789,758	23,789,758
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Sewer Rate Increase	6.0%	6.0%	6.0%	2.0%	2.0%	1.5%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Prior Year Sewer Rate Increase	6.0%	6.0%	6.0%	5.0%	2.0%	2.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%

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

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
1114 Other Agencies - Reimbursement	22,409	43,806	44,130	45,013	45,913	46,831	47,768	48,723	49,698	50,691	51,705	52,739	527,017
1367 Permit - Waste Discharge	33,117	33,117	10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	142,614
1507 Late Payment Penalties	60,387	60,413	63,131	68,524	74,709	81,077	87,563	94,569	101,661	109,286	117,482	125,706	984,122
2902 Storm Drain Fees	72,929	54,697	46,492	47,422	48,371	49,338	50,325	51,331	52,358	53,405	54,473	55,563	563,774
3066 Sewer Fees - City	20,106,392	20,200,000	21,109,000	22,919,097	24,991,556	27,125,835	29,295,902	31,639,574	34,012,542	36,563,483	39,305,744	42,057,146	329,219,878
3067 Sewer Fees - Non-City	587,817	631,932	660,369	709,897	770,238	831,857	898,406	970,278	1,043,049	1,121,277	1,205,373	1,289,749	10,132,425
3068 Sewer Connection Fees	336,628	700,000	520,200	530,604	541,216	552,040	563,081	574,343	585,830	597,546	609,497	621,687	6,396,045
3090 Sales from PGF Electricity	61,421	14,300	14,586	14,878	15,175	15,479	15,788	16,104	16,426	16,755	17,090	17,432	174,013
3355 Interest Income	467,571	601,661	476,838	623,606	528,747	466,022	501,248	581,826	601,093	699,576	718,698	689,859	6,489,174
4400 Transfer From General Services Fund	3,291,855	0	0	0	0	0	0	0	0	0	0	0	0
4490 Bond Proceeds	0	0	13,647,681	6,691,870	7,836,605	12,107,215	21,441,745	33,560,495	32,874,380	25,946,475	32,772,840	39,934,955	226,814,261
FUND TOTAL	25,003,362	22,339,925	36,592,427	31,661,110	34,862,934	41,286,307	52,912,650	67,548,283	69,348,298	65,169,981	74,864,619	84,856,787	581,443,322

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**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVE/FUND BALANCE, JULY 1	4,376,796	3,801,721	3,285,651	3,583,522	3,896,255	4,969,282	6,848,523	7,055,724	6,762,808	6,402,556	6,161,941	7,399,446	3,801,721
CURRENT RESOURCES:													
Rental Income	165,395	170,211	170,211	173,615	177,087	180,629	184,242	187,927	191,685	195,519	199,429	203,418	2,033,973
Service Fees	30,997,529	31,950,000	34,350,250	37,098,270	38,582,201	40,125,489	40,952,730	41,797,075	42,638,401	43,496,714	44,372,359	45,265,689	440,629,177
Miscellaneous Revenues	372,288	258,202	262,039	272,114	278,340	284,770	289,013	293,329	297,658	302,059	306,535	311,087	3,155,145
Transfer From SMaRT Station Fund	0	0	527,605	0	0	0	0	0	0	0	0	0	527,605
SMaRT Station Revenues	1,432,832	1,628,850	1,775,015	1,396,044	1,417,992	1,440,320	1,463,035	1,486,145	1,509,657	1,533,577	1,555,599	1,582,676	16,788,910
County Wide AB939 Fee	149,914	110,711	106,200	100,474	101,437	102,409	103,391	104,383	105,385	106,396	107,418	108,449	1,156,652
Landfill Gas Revenue	35,263	34,028	32,837	31,688	30,579	29,509	28,476	27,479	26,517	25,589	24,694	23,829	315,226
Interest Income	114,807	126,371	70,265	113,483	191,126	263,405	271,374	260,108	246,252	236,998	284,594	326,460	2,390,436
TOTAL CURRENT RESOURCES	33,268,026	34,278,373	37,294,422	39,185,687	40,778,762	42,426,531	43,292,261	44,156,447	45,015,554	45,896,852	46,850,628	47,821,608	466,997,124
TOTAL AVAILABLE RESOURCES	37,644,822	38,080,094	40,580,073	42,769,209	44,675,017	47,395,813	50,140,784	51,212,171	51,778,362	52,299,408	53,012,568	55,221,054	470,798,846
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	976,440	600,000	1,300,000	3,157,302	3,157,302	3,157,302	4,653,203	4,653,203	4,653,203	4,653,203	4,653,203	4,653,203	39,291,122
Debt Service	84,993	83,088	78,507	78,562	78,555	78,863	78,717	78,510	78,993	79,008	78,946	78,806	870,556
SMaRT Station Debt Service	1,025,497	1,077,995	1,078,153	1,076,771	1,078,126	1,078,347	1,077,828	1,077,414	1,076,951	1,076,288	0	0	9,697,874
Estimated Future SMaRT Station Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0
New MRF Debt Service	543,837	548,702	549,502	546,183	549,504	548,562	547,040	548,475	549,184	549,168	548,426	546,958	6,031,705
Operations	2,069,767	2,235,695	2,230,871	2,320,722	2,385,916	2,458,456	2,532,047	2,603,553	2,669,151	2,735,455	2,808,984	2,872,662	27,853,510
Solid Waste Collection Contract	16,726,065	15,811,254	16,672,538	16,944,422	17,591,051	18,132,206	18,726,703	19,687,602	20,167,742	20,465,202	20,693,521	21,314,326	206,206,568
Capital Projects	0	50,000	150,000	150,000	0	0	0	0	0	0	0	0	350,000
Special Projects	28,398	313,687	100,000	0	113,674	37,142	43,503	0	0	91,895	0	126,051	825,952
Infrastructure Projects	53,726	114,332	174,140	300,000	0	0	0	0	0	0	0	0	588,472
Project Administration	1,805	23,093	13,261	0	0	0	0	0	0	0	0	0	36,354
SMaRT Capital Replacement	207,300	182,424	176,896	180,434	184,043	187,723	191,478	195,307	199,214	203,198	207,262	211,407	2,119,386
In-Lieu Charges	2,261,920	2,410,989	2,487,435	2,568,655	2,668,919	2,780,813	2,866,903	2,952,520	3,034,422	3,117,085	3,197,757	3,280,318	31,365,816
SMaRT Expense Share (Sunnyvale)	9,509,435	10,721,495	11,279,943	10,928,219	11,258,311	11,428,331	11,687,883	11,953,069	12,186,827	12,424,642	12,660,164	12,861,653	129,390,537
Long Term Rent - SMaRT and Landfill	353,918	589,536	603,577	621,684	640,335	659,545	679,331	699,711	720,702	742,323	764,593	787,531	7,508,867
Transfer To General Fund	0	0	0	0	0	0	0	0	39,416	0	0	0	39,416
Transfer To Infrastructure Fund	0	153	285	0	0	0	423	0	0	0	268	183	1,312
Transfer To SMaRT Station Fund	0	0	101,443	0	0	0	0	0	0	0	0	0	101,443
Transfer To Water Supply & Distribution Fund	0	32,000	0	0	0	0	0	0	0	0	0	0	32,000
TOTAL CURRENT REQUIREMENTS	33,843,101	34,794,443	36,996,551	38,872,954	39,705,735	40,547,290	43,085,060	44,449,364	45,375,805	46,137,467	45,613,123	46,733,098	462,310,890
RESERVES:													
Debt Service	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914	62,914
Contingencies	2,830,527	2,876,844	3,018,335	3,019,336	3,123,528	3,201,899	3,294,663	3,424,422	3,502,372	3,562,530	3,616,267	3,704,864	3,704,864
20 Year Resource Allocation Plan	908,281	345,893	502,273	814,005	1,782,840	3,583,710	3,698,147	3,275,471	2,837,270	2,536,497	3,720,265	4,720,178	4,720,178
TOTAL RESERVES	3,801,721	3,285,651	3,583,522	3,896,255	4,969,282	6,848,523	7,055,724	6,762,808	6,402,556	6,161,941	7,399,446	8,487,956	8,487,956
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Refuse Rate Increase	5.5%	5.5%	7.5%	7.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
PRIOR YEAR STATISTICS:													
Refuse Rate Increase	5.5%	5.2%	5.5%	5.0%	3.5%	3.0%	3.0%	3.0%	2.0%	1.5%	1.0%	1.0%	

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

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
0751	Long Term Rent	165,395	170,211	170,211	173,615	177,087	180,629	184,242	187,927	191,685	195,519	199,429	203,418	2,033,973
955	0955 Alternative Fuel User Tax Credit	96,805	0	0	0	0	0	0	0	0	0	0	0	0
957	REPI	7,073	0	0	0	0	0	0	0	0	0	0	0	0
1004	County Wide AB939 Fee	149,914	110,711	106,200	100,474	101,437	102,409	103,391	104,383	105,385	106,396	107,418	108,449	1,156,652
1507	Late Payment Penalties	93,947	97,805	105,140	113,552	118,094	122,817	125,334	127,902	130,460	133,069	135,731	138,445	1,348,349
2906	Battery/Oil/Paint Drop Off Fee	20,622	20,000	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	238,994
3061	Refuse Service Fees - City	30,713,616	31,550,000	33,916,250	36,629,550	38,094,732	39,618,521	40,430,305	41,258,722	42,083,896	42,925,574	43,784,086	44,659,767	434,951,403
3062	Refuse Service Fees - Specialty	283,912	400,000	434,000	468,720	487,469	506,968	522,425	538,354	554,504	571,139	588,274	605,922	5,677,774
3071	MRF Revenues - SMaRT	83,471	561,477	687,904	592,182	603,837	615,723	627,844	640,206	652,812	665,668	678,779	692,150	7,018,584
3080	Kirby Canyon SMaRT Operator	151,554	182,400	187,209	189,739	193,891	198,131	202,460	206,881	211,396	216,006	220,713	225,519	2,234,345
3083	Curbside	1,614,500	1,196,158	1,216,338	830,068	838,369	846,753	855,220	863,772	872,410	881,134	889,946	898,845	10,189,013
3084	Curbside Sales - General	123,908	125,147	126,398	127,662	128,939	130,228	131,530	132,846	134,174	135,516	136,871	138,240	1,447,551
3086	Yardwaste Sales - SMaRT	(416,693)	(311,186)	(316,436)	(215,946)	(218,105)	(220,286)	(222,489)	(224,714)	(226,961)	(229,231)	(233,838)	(233,838)	(2,653,031)
3091	Green Ticket Revenue	35,263	34,028	32,837	31,688	30,579	29,509	28,476	27,479	26,517	25,589	24,694	23,829	315,226
3355	Interest Income	114,807	126,371	70,265	113,483	191,126	263,405	271,374	260,108	246,252	236,998	284,594	326,460	2,390,436
3703-01	Sale of Garbage Tags - Retailer	12,672	11,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	111,000
3703-02	Sale of Garbage Tags - In House	912	500	500	500	500	500	500	500	500	500	500	500	5,500
4100	Miscellaneous Revenues	6,970	3,600	0	0	0	0	0	0	0	0	0	0	3,600
4105	Misc. Revenues - Special Events	3,044	150	0	0	0	0	0	0	0	0	0	0	150
4190	Third Party Compressed Natural Gas Sales	6,335	0	0	0	0	0	0	0	0	0	0	0	0
xxxx	Accrued Franchise Depreciation Savings	0	0	527,605	0	0	0	0	0	0	0	0	0	527,605
FUND TOTAL		33,268,026	34,278,373	37,294,422	39,185,687	40,778,762	42,426,531	43,292,261	44,156,447	45,015,554	45,896,852	46,850,628	47,821,608	466,997,124

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**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
2351	Vending	3,666	3,200	3,200	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	38,909
TOTAL VENDING		3,666	3,200	3,200	3,200	3,296	3,395	3,497	3,602	3,710	3,821	3,936	4,054	38,909
0750-01	License Fee Tennis Center	79,728	79,728	81,323	81,323	81,323	83,763	83,763	83,763	86,276	86,276	86,276	88,864	922,676
0750-02	Concessions - Tennis Center	12,791	11,665	11,898	12,255	12,255	12,623	13,002	13,002	13,392	13,793	13,793	14,207	141,886
0750-04	Lookout Rental	63,600	66,780	66,780	66,780	66,780	66,780	66,780	66,780	66,780	66,780	66,780	66,780	734,580
0750-05	Percent Over Gross Lookout	21,496	21,822	21,822	22,704	23,158	23,621	24,094	24,576	25,067	25,569	26,080	26,602	265,115
0752-01	Rental - Indoor Sports Ctr	62,418	59,000	62,000	62,000	63,860	63,860	63,860	65,776	65,776	65,776	67,749	67,749	707,406
0752-05	Rental - Performing Arts Ctr	122,935	110,000	113,000	116,390	116,390	116,390	119,882	119,882	119,882	123,478	123,478	123,478	1,302,250
0752-06	Rental - Recreation Ctr	113,211	80,000	81,600	81,600	84,048	84,048	86,569	86,569	89,167	89,167	91,842	91,842	946,451
0752-09	Rental - Equipment	16,095	16,000	16,000	16,000	16,480	16,480	16,480	16,974	16,974	16,974	17,484	17,484	183,330
0752-10	Rental - Senior Center	87,059	60,000	60,000	60,000	61,800	61,800	61,800	63,654	63,654	63,654	65,564	65,564	687,489
0752-14	Rental - Creative Arts Center	2,465	2,000	2,040	2,101	2,164	2,229	2,296	2,365	2,436	2,509	2,584	2,662	25,386
0752-15	Rental - Banner Installation	0	800	800	824	849	874	900	927	955	984	1,013	1,044	9,971
0752-16	Rental - Non-Profits	5,323	1,000	1,020	1,051	1,082	1,115	1,148	1,182	1,218	1,254	1,292	1,331	12,693
TOTAL RENTS AND CONCESSIONS		587,121	508,795	518,283	523,028	530,189	533,583	540,574	545,450	551,576	556,214	563,935	567,605	5,939,232
1027	Miscellaneous State Grants	0	24,805	0	0	0	0	0	0	0	0	0	0	24,805
1109	Sunnyvale School Dist Reimbursement	2,650	0	0	0	0	0	0	0	0	0	0	0	0
1121	Silicon Valley Council on Aging Grant	0	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
1120	Advertising	1,050	796	820	844	870	896	923	950	979	1,008	1,039	1,070	10,195
1122	Fremont Pool Cost Sharing	8,398	18,000	18,540	18,911	19,289	19,675	20,068	20,470	20,879	21,297	21,723	22,157	221,008
1123	Columbia Pool Cost Sharing	27,944	28,000	28,840	29,417	30,005	30,605	31,217	31,842	32,479	33,128	33,791	34,466	343,790
OTHER INTERGOV REVENUES		40,042	81,601	58,200	59,172	60,164	61,176	62,208	63,262	64,337	65,433	66,552	67,693	709,798
1369	Art in Private Development	2,158	4,668	4,761	4,904	5,051	5,202	5,359	5,519	5,685	5,855	6,031	6,212	59,248
TOTAL ART IN PRIVATE DEVELOPMENT		2,158	4,668	4,761	4,904	5,051	5,202	5,359	5,519	5,685	5,855	6,031	6,212	59,248

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
2310/11	Recreation Credit (Net)	(2,347)	0	0	0	0	0	0	0	0	0	0	0	0
2347	Senior Adult Services	749	0	0	0	0	0	0	0	0	0	0	0	0
2357	Youth Basketball League	104,664	116,283	118,609	122,167	125,832	129,607	133,495	137,500	141,625	141,625	141,625	141,625	1,449,996
2358	Adult Leagues - Softball	38,186	37,500	37,500	37,500	38,625	38,625	39,784	39,784	40,977	40,977	42,207	42,207	435,685
2359	Adult Leagues - Basketball	61,068	64,787	64,787	64,787	66,731	66,731	68,733	68,733	70,795	70,795	72,918	72,918	752,713
2360	Physical Rec - Volleyball	44,770	35,200	35,200	36,256	36,256	37,344	37,344	38,464	38,464	39,618	39,618	40,806	414,570
2361	Physical Rec- Open Gym	38,349	41,000	41,000	42,230	42,230	43,497	43,497	44,802	44,802	46,146	46,146	47,530	482,879
2364	Fitness/Sports Youth	228,858	240,000	240,000	247,200	254,616	254,616	262,254	270,122	270,122	278,226	286,573	286,573	2,890,302
2365	Fitness/Sports Adult	91,829	96,800	96,800	96,800	99,704	99,704	102,695	102,695	105,776	105,776	108,949	108,949	1,124,649
2367	Sports Camps Youth	119,233	135,000	135,000	135,000	139,050	139,050	143,222	143,222	147,518	147,518	151,944	151,944	1,568,467
2370	Special Events HOTS	7,535	10,000	10,000	10,000	10,300	10,300	10,300	10,609	10,609	10,609	10,927	10,927	114,582
2375	Gymnastics Youth	288,664	297,258	297,258	306,176	315,361	324,822	334,566	344,603	354,942	365,590	376,558	387,854	3,704,988
2377	Swim Classes Youth	159,007	170,529	170,529	175,645	180,914	180,914	186,342	191,932	197,690	197,690	203,621	209,729	2,065,534
2379	Rec Swim Youth - Drop In	15,574	13,268	13,268	13,666	14,076	14,076	14,498	14,933	15,381	15,381	15,843	16,318	160,709
2381	Pool Rental Youth	35,328	54,000	35,327	35,327	36,387	36,387	37,478	37,478	38,603	38,603	39,761	39,761	429,112
2383	Aquatics Classes Adult	14,536	16,000	16,000	16,000	16,480	16,480	16,974	16,974	17,484	17,484	18,008	18,008	185,892
2385	Special Interest Child	64,319	60,000	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006	78,286	747,833
2387	After School Recreation	37,320	25,347	25,347	25,347	25,347	26,107	26,107	26,107	26,891	26,891	26,891	27,697	288,079
2388	Visual Arts Child	56,590	56,590	56,590	58,288	60,036	61,837	63,693	65,603	67,571	69,599	71,687	73,837	705,331
2391	Visual Arts Adult	10,457	9,000	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743	112,175
2392	Dance Classes Child	133,740	125,000	130,000	133,900	137,917	142,055	146,316	150,706	155,227	159,884	164,680	169,621	1,615,304
2393	Dance Classes Adult	96,877	94,000	94,000	96,820	99,725	102,716	105,798	108,972	112,241	115,608	119,076	122,649	1,171,605
2394	Performing Arts Child	25,315	32,900	32,900	33,887	34,904	35,951	37,029	38,140	39,284	40,463	41,677	42,927	410,062
2396	Cultural Arts Theater Tickets	26,846	26,400	32,700	32,700	32,700	32,700	32,700	32,700	32,700	32,700	26,000	32,700	346,700

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
2397	Preschool Programs	148,844	222,600	222,600	229,278	236,156	243,241	250,538	258,054	265,796	273,770	281,983	290,443	2,774,460
2401	Neighborhood Rec Summer	255,958	269,935	269,935	278,033	286,374	294,965	303,814	312,929	322,317	331,986	341,946	352,204	3,364,437
2403	Summer Activities	1,856	2,800	2,800	2,884	2,971	3,060	3,151	3,246	3,343	3,444	3,547	3,653	34,899
2404	Non Academic Summer School	102,560	115,472	115,472	118,936	122,504	126,179	129,965	133,864	137,880	142,016	146,276	150,665	1,439,229
2406	Senior Adults Dances	3,650	3,320	3,320	3,420	3,522	3,628	4,664	4,804	4,948	5,096	5,249	5,407	47,378
2407	Senior Adult Programs	47,478	62,815	62,815	64,699	66,640	68,640	70,699	72,820	75,004	77,255	79,572	81,959	782,919
2408	Senior Adult Trips	163,868	157,728	157,728	162,460	167,334	172,354	177,524	182,850	188,335	193,986	199,805	205,799	1,965,903
2409	Senior Adult Special Events	9,946	12,270	12,270	12,638	13,017	13,408	13,810	14,224	14,651	15,091	15,543	16,010	152,932
2410	Therapeutic Services Programs	18,643	16,780	16,780	17,283	17,802	18,336	18,886	19,453	20,036	20,637	21,256	21,894	209,144
2411	Senior Center Membership	71,800	68,450	68,450	70,504	72,619	74,797	77,041	79,352	81,733	84,185	86,710	89,312	853,153
2412	Senior Adult Lunch Program	35,189	39,600	39,600	40,788	42,012	43,272	44,570	45,907	47,284	48,703	50,164	51,669	493,570
2413	Teen Programs Co-Op	41,449	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	451,000
2414	Teen Programs Summer	38,188	45,214	45,214	46,570	47,968	49,407	50,889	52,415	53,988	55,608	57,276	58,994	563,542
2415	Teen Programs Middle School	8,790	10,400	10,400	10,712	11,033	11,364	11,705	12,056	12,418	12,791	13,174	13,570	129,624
2416	Teen Programs High School	21,839	28,639	28,639	29,498	30,383	31,295	32,233	33,200	34,196	35,222	36,279	37,367	356,953
2417	Registration Service Fees	8,840	8,820	8,820	9,085	9,357	9,638	9,927	10,225	10,532	10,847	11,173	11,508	109,931
2421	Adult Sports Camps	750	0	0	0	0	0	0	0	0	0	0	0	0
2422	School-Year Rec. Enrichment Programs	43,386	43,386	43,386	43,386	44,688	44,688	44,688	46,028	46,028	46,028	47,409	47,409	497,123
2423	Pottery - Adult	84,395	84,000	84,000	86,520	89,116	91,789	94,543	97,379	100,300	103,309	106,409	109,601	1,046,966
2424	Music - Child	151,027	149,000	149,500	153,985	158,605	163,363	168,264	173,311	178,511	183,866	189,382	195,064	1,862,850
2425	Music - Adult	14,347	14,000	14,000	14,420	14,853	15,298	15,757	16,230	16,717	17,218	17,735	18,267	174,494
2455	SMS After-school Programs	9,941	12,000	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	149,567
2465	Columbia Co-Op Sports	36,455	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	88,000
4114	Miscellaneous Recreation Revenues	38	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RECREATION FEES		3,016,704	3,173,091	3,168,544	3,247,225	3,339,076	3,409,750	3,505,661	3,595,330	3,688,438	3,770,859	3,867,211	3,960,073	38,725,256

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
1950-11	Sunnyvale Weekday	586,495	614,110	632,870	666,676	687,812	716,780	738,283	760,431	783,244	806,741	830,943	855,872	8,093,763
1950-12	Sunnyvale Weekday Replay	356,980	356,957	356,957	371,592	385,798	402,047	414,108	426,531	439,327	452,507	466,082	480,065	4,551,971
1950-13	Sunnyvale Weekend/Holiday	716,899	776,046	790,498	827,015	849,244	885,012	911,562	938,909	967,076	996,088	1,025,971	1,056,750	10,024,171
1950-14	Sunnyvale W/E Holiday Replay	215,739	231,257	232,416	243,367	252,149	262,768	270,651	278,771	287,134	295,748	304,620	313,759	2,972,641
1950-15	Sunnyvale S.A.C.	39,680	43,840	48,805	51,544	53,270	55,514	57,179	58,894	60,661	62,481	64,355	66,286	622,830
1950-16	Sunnyvale Golf Discount	258,390	249,223	251,900	267,500	277,478	289,164	297,839	306,774	315,977	325,456	335,220	345,276	3,261,808
1950-17	Sunnyvale 10-Play Card	51,411	54,883	65,370	68,862	71,046	74,037	76,258	78,546	80,902	83,329	85,829	88,404	827,466
1950-18	Smart Card Fee Sunnyvale	2,160	1,708	1,708	1,750	3,541	3,583	3,625	3,666	3,708	5,624	5,624	5,624	40,161
1951	SM Gift Certificates	1,751	0	0	0	0	0	0	0	0	0	0	0	0
1952	School Group Play	900	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	14,850
1954-01	Tournament Fee - Sunnyvale	6,357	8,093	8,485	9,673	9,788	10,313	11,449	11,581	12,137	13,325	13,325	13,725	121,894
1954-02	Tournament Fee - Sunken Gardens	1,031	1,043	1,140	1,334	1,355	1,443	1,630	1,654	1,748	1,946	1,946	2,004	17,243
1963-11	Sunken Garden Weekday	361,472	355,664	381,277	405,765	420,895	440,191	453,397	466,999	481,009	495,439	510,302	525,611	4,936,549
1963-12	Sunken Garden Weekday Replay	5,669	5,244	5,487	5,907	6,175	6,458	6,652	6,852	7,058	7,270	7,488	7,713	72,303
1963-13	Sunken Garden Weekend/Holiday	296,291	299,053	321,705	340,447	351,799	367,927	378,965	390,334	402,044	414,105	426,528	439,324	4,132,232
1963-14	Sunken Garden Weekend Replay	8,090	7,614	7,956	8,530	8,891	9,299	9,578	9,865	10,161	10,466	10,780	11,103	104,243
1963-15	Sunken Garden Syvale Advant	28,305	26,200	33,603	35,761	37,095	38,796	39,960	41,159	42,394	43,666	44,976	46,325	429,934
1963-16	Sunken Garden Golf Discount	99,766	102,345	107,605	117,652	124,233	129,928	133,826	137,841	141,976	146,235	150,622	155,141	1,447,404
1963-17	Sunken Garden 10-Play	11,176	10,898	11,447	12,476	13,148	13,751	14,164	14,589	15,027	15,478	15,942	16,421	153,339
1963-18	Sunken Garden Smart Card Fee	1,605	1,313	1,357	1,401	2,846	2,889	2,933	2,977	3,021	4,597	4,597	4,597	32,528
1964	Sunken Gardens Gift Certificates	935	0	0	0	0	0	0	0	0	0	0	0	0
1950/1955	Additional Revenue - Project 827170	0	0	0	79,000	80,580	82,192	83,835	85,512	87,223	88,967	90,746	92,561	770,616
TOTAL GOLF FEES		3,051,102	3,146,841	3,261,936	3,517,602	3,638,493	3,793,443	3,907,244	4,023,235	4,143,177	4,270,819	4,397,247	4,527,910	42,627,947

**525. COMMUNITY RECREATION FUND
REVENUES BY CATEGORY**

		ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
		2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	
1955	Golf Cart Rental	342,469	360,655	370,665	381,785	381,785	381,785	393,239	393,239	393,239	405,036	405,036	405,036	4,271,500
1956	Driving Range Fees	269,901	275,901	307,384	307,384	316,606	316,606	316,606	316,606	316,606	316,606	316,606	316,606	3,423,517
1957	Golf Miscellaneous Rentals	37,512	37,512	43,557	43,557	44,864	44,864	44,864	44,864	44,864	44,864	44,864	46,210	484,884
4175	Golf Merchandise Sales	237,988	236,228	262,044	269,905	278,002	286,342	294,932	303,780	312,893	322,280	331,948	341,907	3,240,262
4180	Golf Instruction	31,635	35,019	35,719	36,791	37,895	39,032	40,203	41,409	42,651	43,931	45,249	43,931	441,829
TOTAL GOLF SHOP REVENUE		919,505	945,315	1,019,370	1,039,422	1,059,151	1,068,629	1,089,844	1,099,898	1,110,254	1,132,716	1,143,703	1,153,690	11,861,991
3355	Interest Income	55,085	10,000	18,133	22,132	29,479	28,162	24,529	21,993	16,529	8,953	5,240	2,334	187,484
TOTAL INTEREST INCOME		55,085	10,000	18,133	22,132	29,479	28,162	24,529	21,993	16,529	8,953	5,240	2,334	187,484
3801	Personal Property Sale	100	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERSONAL PROPERTY SALE		100	0	0	0	0	0	0	0	0	0	0	0	0
4400-70	Fremont Pool Endowment	21,812	11,353	18,195	27,292	36,390	36,390	36,390	36,390	36,390	36,390	36,390	36,390	347,960
2418	Fremont Pool User Fees	42,770	43,625	43,625	44,498	45,387	46,295	47,221	48,166	49,129	50,111	51,114	52,136	521,307
TOTAL FREMONT POOL REVENUES		64,582	54,978	61,820	71,790	81,777	82,685	83,611	84,556	85,519	86,501	87,504	88,526	869,267
4400-03	Transfer From General Fund	4,067,299	4,193,385	4,102,958	4,226,047	4,352,828	4,483,413	4,617,916	4,756,453	4,899,147	5,046,121	5,197,505	5,353,430	51,229,202
4400-03	Additional Transfer From General Fund	179,476	181,203	187,020	54,732	56,374	58,065	59,807	61,602	63,450	65,353	67,314	69,333	924,253
4400-03	Expense Reimbursement	173,175	176,541	117,269	121,994	124,434	126,922	129,461	132,050	134,691	137,385	140,133	142,935	1,483,815
4400-36	Transfer From Dorolou Swirsky Fund	13,269	6,900	11,038	16,559	22,079	22,079	22,079	22,079	22,079	22,079	22,079	22,079	211,129
4400-03	Care Management	63,753	72,357	64,586	67,629	68,982	70,361	71,768	73,204	74,668	76,161	77,684	79,238	796,639
4400-97	Transfer from General Services	187,295	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSFERS IN		4,684,267	4,630,386	4,482,871	4,486,961	4,624,697	4,760,841	4,901,031	5,045,387	5,194,034	5,347,099	5,504,714	5,667,015	54,645,037
FUND TOTAL		12,424,332	12,558,875	12,597,118	12,975,435	13,371,373	13,746,866	14,123,557	14,488,231	14,863,257	15,248,271	15,646,073	16,045,113	155,664,169

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CITY OF SUNNYVALE
595. COMBINED GENERAL SERVICES FUND
FLEET/FACILITIES/TECHNOLOGY AND COMMUNICATIONS
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVES/FUND BALANCE, JULY 1	10,754,002	9,560,898	7,721,856	4,456,682	4,711,124	4,656,285	5,660,351	6,429,897	7,890,588	10,000,014	10,644,218	10,625,300	9,560,898
CURRENT RESOURCES:													
Intergovernmental Revenues	51,683	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental	11,569,330	12,090,276	12,394,477	12,708,999	13,100,348	13,478,652	13,868,125	14,283,303	14,724,979	15,155,081	15,607,043	16,072,506	153,483,789
Facilities Rental	3,872,267	3,975,998	4,095,278	4,218,136	4,344,680	4,483,710	4,622,705	4,766,009	4,878,010	4,438,989	4,549,964	4,663,713	49,037,194
SUNGIS - Equipment and Maintenance	0	0	97,143	100,057	103,059	106,151	109,335	112,615	115,994	119,474	123,058	126,750	1,113,636
Utility Fees	17,069	20,000	20,400	20,808	21,224	21,648	22,081	22,523	22,973	23,432	23,901	24,379	243,369
Comcast PEG Channel Grant	147,160	141,534	141,090	143,912	146,790	149,726	152,720	155,775	158,890	162,068	165,309	168,616	1,686,430
Sale of Property	115,581	46,350	47,741	49,173	50,648	52,167	53,732	55,344	57,005	58,715	60,476	62,291	593,641
Miscellaneous Revenues	13,173	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	244,703	182,014	96,210	145,582	196,493	232,599	260,959	317,772	390,219	432,980	438,456	373,782	3,067,066
Intrafund Loan Repayment	0	0	0	0	500,000	500,000	500,000	500,000	415,226	0	0	0	2,415,226
Transfers From Other Funds	77,299	194,720	409,372	238,038	238,773	239,529	26,756	27,558	88,385	29,237	30,114	31,017	1,553,498
TOTAL CURRENT RESOURCES	16,108,265	16,650,892	17,301,711	17,624,706	18,702,015	19,264,183	19,616,413	20,240,900	20,851,681	20,419,976	20,998,321	21,523,053	213,193,849
TOTAL AVAILABLE RESOURCES	26,862,267	26,211,790	25,023,567	22,081,388	23,413,139	23,920,468	25,276,765	26,670,797	28,742,269	30,419,990	31,642,539	32,148,353	222,754,747
CURRENT REQUIREMENTS:													
Equipment Replacement	3,887,402	5,424,088	6,837,091	3,046,329	3,780,612	3,065,661	3,441,465	2,943,987	2,061,312	3,639,551	4,480,175	6,394,641	45,114,912
SUNGIS - Equipment and Maintenance	0	0	40,000	41,200	42,436	43,709	45,020	46,821	49,232	50,642	52,667	54,774	909,902
Unspent Equipment/Carryover	0	(300,000)	150,000	0	0	0	0	0	0	0	0	0	(150,000)
Operations	12,289,128	12,338,627	13,071,011	13,553,791	13,963,786	14,394,856	14,832,882	15,259,704	15,653,653	16,052,695	16,438,628	16,827,108	162,386,741
Capital Projects	212,428	68,596	0	213,553	213,553	213,553	0	0	60,000	0	0	0	769,255
Special Projects	37,919	128,304	0	0	0	0	0	0	0	0	0	0	128,304
Transfer To SV Office Center Sub-Fund	112,800	116,522	101,623	104,672	107,812	111,262	114,711	118,267	121,046	110,152	112,906	115,729	1,234,701
Intrafund Loan Repayment	0	0	0	0	500,000	500,000	500,000	500,000	415,226	0	0	0	2,415,226
General Fund Loan Repayment	500,000	500,000	500,000	500,000	189,789	0	0	0	0	0	0	0	1,689,789
Transfer To Other Funds	261,691	213,797	167,159	210,718	258,866	231,076	212,788	211,430	238,386	222,733	232,865	237,029	2,436,848
Anticipated Equipment Savings	0	0	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(3,000,000)
TOTAL CURRENT REQUIREMENTS	17,301,368	18,489,934	20,566,885	17,370,263	18,756,854	18,260,117	18,846,866	18,780,209	18,742,256	19,775,773	21,017,240	23,329,281	213,935,678
RESERVES:													
Equipment Replacement	9,393,907	7,551,940	4,113,233	4,176,283	3,921,804	4,718,275	5,344,662	6,588,214	8,919,761	9,340,745	9,090,410	7,321,370	7,321,370
Restricted KSUN Equipment Reserve	85,933	116,423	254,675	395,706	536,459	683,217	763,546	916,263	1,072,051	1,227,614	1,389,727	1,281,570	1,281,570
Restricted Tech Surcharge Reserve	0	0	57,143	116,000	176,623	239,065	303,380	369,174	(7,464)	61,368	131,758	203,734	203,734
20 Year RAP	81,058	53,493	31,630	23,135	21,400	19,795	18,310	16,937	15,666	14,491	13,405	12,399	12,399
TOTAL RESERVES	9,560,898	7,721,856	4,456,682	4,711,124	4,656,285	5,660,351	6,429,897	7,890,588	10,000,014	10,644,218	10,625,300	8,819,073	8,819,073
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2010/2011 Rental Rate Increase		4.0%	2.6%	2.7%	3.1%	3.0%	2.9%	3.0%	2.9%	0.0%	2.9%	2.9%	

CITY OF SUNNYVALE
595/200. GENERAL SERVICES FUND/FACILITIES MANAGEMENT SERVICES SUB-FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVES/FUND BALANCE, JULY 1	(492,814)	(263,821)	52,129	183,800	567,478	683,939	591,023	766,542	882,542	930,373	1,026,670	1,043,205	(263,821)
CURRENT RESOURCES:													
Facilities Rental	3,872,267	3,975,998	4,095,278	4,218,136	4,344,680	4,483,710	4,622,705	4,766,009	4,878,010	4,438,989	4,549,964	4,663,713	49,037,194
Equipment Rental	202,998	217,938	244,091	273,381	306,187	315,373	324,834	334,579	358,669	358,669	367,635	376,826	3,478,182
Utility Reimbursement Raynor	17,069	20,000	20,400	20,808	21,224	21,648	22,081	22,523	22,973	23,432	23,901	24,379	243,369
Interest Income	17,556	3,171	5,310	18,464	27,158	26,073	30,621	36,105	39,755	41,898	43,476	51,964	323,995
Miscellaneous Revenues	6,623	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT RESOURCES	4,116,513	4,217,107	4,365,079	4,530,790	4,699,250	4,846,804	5,000,241	5,159,216	5,299,407	4,862,988	4,984,976	5,116,882	53,082,740
TOTAL AVAILABLE RESOURCES	3,623,699	3,953,286	4,417,208	4,714,589	5,266,727	5,530,743	5,591,265	5,925,758	6,181,949	5,793,361	6,011,647	6,160,087	52,818,918
CURRENT REQUIREMENTS:													
Carpets and Blinds	0	492,122	247,736	186,842	63,582	90,917	39,842	130,069	284,540	172,353	15,381	88,988	1,812,373
Equipment Replacement	74,876	36,800	100,282	78,915	25,096	256,532	78,619	94,692	128,487	78,404	333,279	23,501	1,234,606
Modular Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0
Furniture	55,886	50,000	0	0	0	0	0	0	0	0	0	0	50,000
Unspent Equipment/Carryover	0	(300,000)	150,000	0	0	0	0	0	0	0	0	0	(150,000)
Operations	3,480,318	3,352,638	3,549,783	3,682,571	3,773,822	3,879,617	3,987,158	4,092,804	4,192,015	4,292,611	4,390,851	4,490,037	43,683,908
Intrafund Loan Repayment	0	0	0	0	500,000	500,000	500,000	500,000	415,226	0	0	0	2,415,226
Transfer To SV Office Ctr Sub-Fund	112,800	116,522	101,623	104,672	107,812	111,262	114,711	118,267	121,046	110,152	112,906	115,729	1,234,701
Transfer To General Fund (In-Lieu)	124,667	129,074	79,961	82,568	85,788	89,382	92,144	94,890	97,519	100,171	102,766	105,366	1,059,629
Transfer To Infrastructure Fund	38,973	24,000	4,023	11,543	26,689	12,009	12,249	12,494	12,744	12,999	13,259	13,524	155,533
TOTAL CURRENT REQUIREMENTS	3,887,520	3,901,156	4,233,408	4,147,111	4,582,789	4,939,720	4,824,722	5,043,216	5,251,576	4,766,690	4,968,442	4,837,144	51,495,975
RESERVES:													
Equipment Reserve	(263,821)	52,129	183,800	567,478	683,939	591,023	766,542	882,542	930,373	1,026,670	1,043,205	1,322,943	1,322,943
TOTAL RESERVES	(263,821)	52,129	183,800	567,478	683,939	591,023	766,542	882,542	930,373	1,026,670	1,043,205	1,322,943	1,322,943
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2010/2011 Rental Rate Increase			3.5%	3.5%	3.5%	3.2%	3.1%	3.1%	2.7%	-8.4%	2.5%	2.5%	

CITY OF SUNNYVALE
595/350. GENERAL SERVICES FUND/TECHNOLOGY & COMMUNICATION SERVICES SUB-FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVES/FUND BALANCE, JULY 1	6,864,405	7,339,318	5,313,238	3,004,521	3,147,151	3,110,519	3,531,080	3,355,656	3,747,260	4,415,851	5,744,799	5,270,537	7,339,318
CURRENT RESOURCES:													
Equipment Rental Technology	5,048,765	5,210,385	5,908,918	6,027,096	6,213,936	6,406,568	6,605,172	6,803,327	7,007,427	7,217,650	7,434,180	7,657,205	72,491,863
Equipment Rental Comm. and Office	2,720,293	2,938,865	2,402,965	2,451,025	2,500,045	2,550,046	2,601,047	2,673,876	2,748,745	2,825,710	2,904,830	2,986,165	29,583,319
Miscellaneous Revenue	6,550	0	0	0	0	0	0	0	0	0	0	0	0
Cable PEG Channel Grant	147,160	141,534	141,090	143,912	146,790	149,726	152,720	155,775	158,890	162,068	165,309	168,616	1,686,430
Technology Surcharge (Development)	0	0	97,143	100,057	103,059	106,151	109,335	112,615	115,994	119,474	123,058	126,750	1,113,636
Sale of Property	1,625	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	173,720	153,907	59,891	92,851	125,533	135,552	129,765	145,490	167,343	218,173	216,300	161,209	1,606,014
Transfer From General Fund	56,261	66,416	23,772	24,485	25,220	25,976	26,756	27,558	28,385	29,237	30,114	31,017	338,935
TOTAL CURRENT RESOURCES	8,154,374	8,511,107	8,633,779	8,839,426	9,114,583	9,374,019	9,624,795	9,918,641	10,226,784	10,572,311	10,873,791	11,130,961	106,820,197
TOTAL AVAILABLE RESOURCES	15,018,779	15,850,425	13,947,017	11,843,947	12,261,734	12,484,537	13,155,875	13,274,298	13,974,044	14,988,162	16,618,590	16,401,499	114,159,515
CURRENT REQUIREMENTS:													
Equipment Technology	611,053	2,363,270	1,152,624	1,138,849	1,612,734	996,557	1,121,120	1,215,455	839,814	836,922	2,566,516	2,058,500	15,902,360
Equipment Communications and Office	332,334	1,209,335	2,538,849	64,559	110,875	490,340	900,746	381,498	135,985	53,863	225,335	1,339,388	7,450,774
KSUN Equipment	0	111,044	2,838	2,881	6,038	2,968	72,391	3,057	3,103	6,504	3,197	276,773	490,794
SUNGIS - Equipment and Maintenance	0	0	40,000	41,200	42,436	43,709	45,020	46,821	492,632	50,642	52,667	54,774	909,902
Operations	6,033,872	6,274,341	6,788,812	7,034,311	7,273,762	7,503,650	7,737,012	7,962,972	8,168,947	8,377,237	8,577,124	8,777,645	84,475,813
Capital Projects	193,578	68,596	0	0	0	0	0	0	0	0	0	0	68,596
Transfer To General Fund (In-Lieu)	0	0	14,523	14,996	15,581	16,234	16,736	17,235	17,712	18,194	18,665	19,137	169,013
Transfer To Infrastructure Fund	8,624	10,601	4,850	0	0	0	7,192	0	0	0	4,549	3,109	30,301
General Fund Loan Repayment	500,000	500,000	500,000	500,000	189,789	0	0	0	0	0	0	0	1,689,789
Anticipated Equipment Savings	0	0	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(1,000,000)
TOTAL CURRENT REQUIREMENTS	7,679,461	10,537,186	10,942,496	8,696,796	9,151,215	8,953,458	9,800,218	9,527,038	9,558,193	9,243,362	11,348,053	12,429,327	110,187,342
RESERVES:													
Equipment Reserve	7,187,273	5,157,148	2,673,861	2,624,139	2,386,979	2,599,125	2,279,783	2,453,546	3,343,608	4,448,736	3,742,502	2,480,810	2,480,810
Restricted KSUN Equipment Reserve	85,933	116,423	254,675	395,706	536,459	683,217	763,546	916,263	1,072,051	1,227,614	1,389,727	1,281,570	1,281,570
Restricted Tech Surcharge Reserve	0	0	57,143	116,000	176,623	239,065	303,380	369,174	(7,464)	61,368	131,758	203,734	203,734
20 Year RAP	66,112	39,667	18,842	11,305	10,457	9,673	8,947	8,276	7,656	7,081	6,550	6,059	6,059
TOTAL RESERVES	7,339,318	5,313,238	3,004,521	3,147,151	3,110,519	3,531,080	3,355,656	3,747,260	4,415,851	5,744,799	5,270,537	3,972,172	3,972,172
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2010/2011 Rental Rate Increase		4.9%	2.0%	2.0%	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%	2.9%	

CITY OF SUNNYVALE
640/100. EMPLOYEE BENEFITS FUND/LEAVES BENEFIT SUB-FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020

	ACTUAL	CURRENT	BUDGET	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2009/2010 TO FY 2019/2020 TOTAL
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	TOTAL
RESERVE/FUND BALANCE, JULY 1	0	410	0	0	0	0	0	0	0	0	0	0	410

CURRENT RESOURCES:													
Employee Leaves	12,147,181	12,764,183	12,943,099	13,159,708	13,302,191	13,567,529	13,838,880	14,115,657	14,397,971	14,685,930	14,979,649	15,279,242	153,034,037
Transfer From Other Funds	1,070,721	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	269,096	129,926	259,098	398,071	544,614	556,211	567,336	578,682	590,256	602,061	614,102	626,384	5,466,741

TOTAL CURRENT RESOURCES	13,486,998	12,894,109	13,202,197	13,557,778	13,846,804	14,123,741	14,406,215	14,694,340	14,988,226	15,287,991	15,593,751	15,905,626	158,500,778

TOTAL AVAILABLE RESOURCES	13,486,998	12,894,518	13,202,197	13,557,778	13,846,804	14,123,741	14,406,215	14,694,340	14,988,226	15,287,991	15,593,751	15,905,626	158,501,187

CURRENT REQUIREMENTS:													
Employee Leave Benefits	13,486,588	12,894,518	13,202,197	13,557,778	13,846,804	14,123,741	14,406,215	14,694,340	14,988,226	15,287,991	15,593,751	15,905,626	158,501,187

TOTAL CURRENT REQUIREMENTS	13,486,588	12,894,518	13,202,197	13,557,778	13,846,804	14,123,741	14,406,215	14,694,340	14,988,226	15,287,991	15,593,751	15,905,626	158,501,187

RESERVES:													
20 Year RAP	410	0	0	0	0	0	0	0	0	0	0	0	0

TOTAL RESERVES	410	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
730. DOROLOU SWIRSKY YOUTH OPPORTUNITY FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2009 TO JUNE 30, 2020**

	ACTUAL 2008/2009	CURRENT 2009/2010	BUDGET 2010/2011	BUDGET 2011/2012	PLAN 2012/2013	PLAN 2013/2014	PLAN 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	FY 2009/2010 TO FY 2019/2020 TOTAL
RESERVE/FUND BALANCE, JULY 1	551,911	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971

CURRENT RESOURCES:													
Miscellaneous Reimbursement	60	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	13,270	6,900	11,039	16,559	22,079	22,079	22,079	22,079	22,079	22,079	22,079	22,079	211,129
TOTAL CURRENT RESOURCES	13,330	6,900	11,039	16,559	22,079	22,079	22,079	22,079	22,079	22,079	22,079	22,079	211,129

TOTAL AVAILABLE RESOURCES	565,241	558,871	563,011	568,530	574,050	574,050	574,050	574,050	574,050	574,050	574,050	574,050	763,100

CURRENT REQUIREMENTS:													
Transfer To Community Recreation Fund	13,270	6,900	11,039	16,559	22,079	22,079	22,079	22,079	22,079	22,079	22,079	22,079	211,129
TOTAL CURRENT REQUIREMENTS	13,270	6,900	11,039	16,559	22,079	22,079	22,079	22,079	22,079	22,079	22,079	22,079	211,129

RESERVES:													
Endowment Reserve	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971
20 Year RAP	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971	551,971

FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
=====													

GLOSSARY OF BUDGET TERMS

<i>Activity</i>	Under the City's Performance Based Budget structure, an activity is the lowest level cost center within an operating program. It incorporates everything that goes into providing a specific service.
<i>Allocated Costs</i>	A method for allocating overhead time and other expenses to activities that provide direct services.
<i>Appropriations</i>	Expenditure authority created by City Council.
<i>Asset Forfeiture Fund</i>	This fund accounts for the proceeds from sale of assets seized primarily from illegal narcotics activities. Asset Forfeiture funds are used for law enforcement purposes.
<i>Basis of Budgeting</i>	Basis of budgeting refers to the method used for recognizing revenues and expenditures in the budget. The City uses the modified accrual basis of accounting for budgetary purposes, which is in compliance with Generally Accepted Accounting Principles.
<i>Base Budget</i>	Those resources necessary to meet an established and existing service level.
<i>Budget</i>	A financial plan consisting of an estimate of proposed expenditures, the proposed means of financing those expenditures and the corresponding purposes for a given time period.
<i>Budget Issue</i>	A request to add a new service or increase/decrease an existing service level. Budget Issues referred for consideration by City Council to the City Manager become Budget Supplements.

GLOSSARY OF BUDGET TERMS

Budget Modification

A change in expenditure levels and corresponding resources needed to accomplish an existing service level or unanticipated service. All budget modifications are reflected in the current year budget and have been approved by City Council.

Budget Supplement

A proposal for an increase or decrease in an existing service level (Over and above the base budget) or to add a new service. All Budget Supplements are considered with the City Manager's Recommended Budget.

Business License Tax

This two-year tax is based on the number of employees or rental units (for rental properties). This tax will be annually adjusted for inflation beginning in 2010.

Capital Project

A capital improvement that usually requires a major initial investment, and results in a new asset for the City.

Capital Projects Fund

Funds that are used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by enterprise funds).

Community Condition Indicator

A statistical measure of existing conditions within the City. These provide tangible and quantitative expressions of the General Plan's goals, while some indicators directly impact City services.

Community Development Block Grant Fund (CDBG)

This fund accounts for use of community development block grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.

GLOSSARY OF BUDGET TERMS

Construction Tax

The City's construction tax is levied by City ordinance at a rate of \$0.0054 of the building permit valuation.

Community Recreation Fund

This fund is used to account for all of the revenues and expenses related to the two city-operated golf courses, the tennis center, and the recreation classes and services offered by the City.

Debt Service

Principal and interest requirements on outstanding debt.

Element (General Plan)

There are seven elements of the General Plan which assist the City in delivering high quality services to its constituency as well as in meeting State requirements of a charter city. These seven elements are LAND USE & TRANSPORTATION, COMMUNITY DEVELOPMENT, ENVIRONMENTAL MANAGEMENT, LAW ENFORCEMENT, SOCIO-ECONOMIC, CULTURAL, PLANNING & MANAGEMENT.

Employment Development Fund

This fund accounts for various Federal funds and program revenues used for workforce development activities conducted by the North Valley Job Training Consortium.

Employee Benefits Fund

This fund accounts for charges to City salary expenditures for leave time, employee benefits, workers compensation benefits and retirement benefits on a cost reimbursement basis.

GLOSSARY OF BUDGET TERMS

Enterprise Fund

These funds are used to account for operations that are financed and operated in a manner similar to private business where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be finance or recovered primarily through user charges. Activities such as water, wastewater, solid waste, and community recreation are established as enterprise funds.

Expenditure

The actual outlay of funds from the City treasury.

Fiscal Year

A 12-month period of time, from July 1 through June 30.

Full Cost Accounting

A branch of managerial accounting concerned with accumulating both direct and indirect costs for financial reporting and decision making purposes. By using this accounting technique, the City is able to assess the true cost of providing a service and its associated benefits.

Fund

A fiscal and accounting entity that has a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Funding Sources

Identifies resources that will support City expenditures.

Gas Tax Fund

This fund is required by state law to account for gas tax revenues received from the state and expended for construction and maintenance of City streets.

GLOSSARY OF BUDGET TERMS

General Fund

A fund that accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in another fund. The General Fund supports essential City services such as police and fire protection, street maintenance, libraries, and parks and open space maintenance. Revenues to support the General Fund are derived from sources such as property tax, sales tax, franchise fees and service fees.

General Plan

The General Plan is a long range planning document that provides the City a framework for action and the direction in which to focus that action. General Plan Elements are areas in which the City has elected to administer and manage the delivery of services to its community.

General Plan Goal

A long-term condition or end result that the City will work toward. Broad goals are set to maintain or affect community conditions. Each goal expresses a general and immeasurable value and is tracked by at least one indicator.

General Services Fund

This fund accounts for charges to City Programs for use of fleet equipment, building space, office equipment, print shop services and computer services on a cost reimbursement basis.

Grant

A contribution by a government or other organization to support a particular function.

Housing Fund

This fund is used to account for housing mitigation revenue and Below Market Rate (BMR) program funds for the City's affordable housing needs. Funds are expended on special and capital projects designed to achieve the City's goal of affordable housing and community development.

GLOSSARY OF BUDGET TERMS

Infrastructure Renovation and Replacement Fund

A fund used to account for resources used for the City's long-term infrastructure renovation and replacement program.

Infrastructure Project

A project that is designed for the renovation and/or replacement of infrastructure assets.

Interfund Transfer

Amounts transferred from one fund to another.

Internal Service Funds

These are funds used to account for the financing of goods or services provided by one department or program to other departments or programs of the City on a cost-reimbursement basis.

Liability and Property Insurance Fund

This fund accounts for charges to City Funds for property and liability insurance on a cost reimbursement basis.

Legislative Issues

Major policy decisions made by the City Council on matters such as General Plan Sub-Elements, ordinances, and resolutions requiring study that need to be scheduled on Council's calendar.

Operating Budget

A financial plan for the provision of direct services and support functions.

Operating Program

The City manages under a performance budget concept organized by programs, service delivery plans and activities. The program is the highest operational level and falls under a sub-element of the City's General Plan. There are two fundamental types of programs - direct services, which produce results directly affecting constituents or the environment; and support, which serve the direct services programs.

GLOSSARY OF BUDGET TERMS

Origination Year

The origination year is the fiscal year a project and its related costs were put into the Resource Allocation Plan. This is not necessarily the year the project is started.

Outside Group Funding Project

A project that captures City contributions made to local community-based organizations. These projects are funded from Community Development Block Grant (CDBG) and General funds.

Park Dedication Fund

This fund is used to account for funds that developers contribute towards the acquisition, construction, or renovation of neighborhood and community parks and park facilities.

Parking District Fund

This fund accounts for special assessments levied on the real property located in the City's downtown parking district. The revenues in this fund are used to maintain parking lots located within the district.

Performance Based Budget

A budget wherein expenditures are based primarily upon measurable performance of activities.

Planning and Management System (PAMS)

This management system was designed to integrate the policymaking, service delivery, fiscal control and evaluation activities of the City into one strategic management blueprint. Comprised of three major components - General Plan, Service Delivery and Personnel and Program Evaluation - PAMS provides the City a more structured process of managing services, assigning responsibility and ensuring accountability.

Police Services Augmentation Fund

This fund accounts for monies received from the federal and state governments, which are expended to enhance law enforcement services.

GLOSSARY OF BUDGET TERMS

<i>Products</i>	In the City's Performance Based Budget structure, products are the end results of activities that support program statements and measures.
<i>Program Performance Measures</i>	Define the program's quantifiable and measurable results that are expected to be produced by completing the work or activities included in the program.
<i>Program Manager</i>	A supervisor or manager who plans and manages the execution of one or more of the City's operating programs.
<i>Project Category</i>	Projects are categorized into four areas: Capital, Special, Outside Group Funding, and Infrastructure.
<i>Project Coordinator</i>	A person who coordinates the project for the user department.
<i>Project Costs</i>	All the costs associated with a project. These costs include prior year actual expenditures, current year budgeted expenditures and future year planned expenditures over a 20 year planning period.
<i>Project Description/Scope/Purpose</i>	Provides a summary description of a project, including the results to be accomplished, timeframe and basis for project costs.

GLOSSARY OF BUDGET TERMS

Project Evaluation and Analysis

Provides a discussion of the financial and operational justifications for the project. Addresses any cost savings or efficiency gains by completing this project and any other alternatives that were considered in the decision to fund the project.

Project Manager

A supervisor or manager who plans and manages the execution of one or more of the City's projects.

Project Number/Name

Existing number and title in the City's financial system that identifies a particular project.

Project Operating Costs /Savings

If applicable, estimated operating costs or savings associated with the completion of a project are budgeted into the resource allocation plan.

Property Tax

California State Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount has been approved by voters. Santa Clara County assesses properties, bills and collects these property taxes. The City's share including all penalties and interest is remitted by the County.

Property Transfer Tax

This tax is levied at a rate of \$0.55 per \$500 of equity value transferred. The County collects the tax and the City receives one-half. Revenues are dependent on how frequently the property is transferred and on the accrued value at the time of transfer.

Redevelopment Agency Fund

This fund accounts for the activities of the Redevelopment Agency of the City, which was created by the City Council to prepare and carry out redevelopment plans for designated areas of the City.

GLOSSARY OF BUDGET TERMS

<i>Reserve</i>	Reserve amounts in a fund represent fund balance amounts that are legally identified or set aside for specific purposes.
<i>Revenue</i>	Funds the City receives as income such as tax payments, fees for services, grants, fines, forfeitures and interest income.
<i>Sales Tax</i>	The City receives one percent of the County taxes on retail sales. The sales tax is one of the City's largest General Fund revenue sources.
<i>Service Delivery Plans</i>	Under the Performance Based Budget structure, these plans describe specific programming of targeted services to meet the program goals and measures.
<i>SMaRT® Station Fund</i>	This fund was established to account for the revenues and expenses of the Sunnyvale Materials and Recovery and Transfer (SMaRT®) Station operations. The SMaRT® Station is a three way partnership between the cities of Sunnyvale, Palo Alto and Mountain View.
<i>Solid Waste Management Fund</i>	This fund accounts for the revenues and expenses related to refuse collection and solid waste disposal services.
<i>Special Assessment Fund</i>	A fund used to account for the financing of public improvements or services deemed to benefit primarily the properties against which special assessments are levied.
<i>Special Revenue Funds</i>	These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

GLOSSARY OF BUDGET TERMS

***Spending Limitation
(GANN LIMIT)***

Article XIII B of the California Constitution establishes a spending limitation on government agencies within California. The spending limit is a mandated calculation of how much the City is allowed to expend in one fiscal year. Annually, local governments may increase the appropriation limit by a factor comprised of the change in population combined with the California inflation rate and determined by the State finance department.

Sub-Element

Each element of the City's General Plan has a sub-element or series of sub-elements which make up the goals or standards desired for the future of the community. These sub-elements provide the avenue for which long-range policy making of the General Plan is developed and ultimately implemented.

Sub-Element Goal

Sub-element goals are established to further define policy areas. It is a statement describing a general community condition the City wants to achieve or maintain through its operating programs, projects or cooperation with other entities.

Sub-Fund Number

A three-digit number attached to a fund number that identifies a sub-division of the fund, thus capturing specific information as required.

Planned Completion Year

This is the fiscal year a project is planned to be finished. For projects that are continuous, "ongoing" is the designated planned completion year.

Transient Occupancy Tax

A 9.0 percent tax is levied on charges for occupancy of hotel and motel rooms for stays. The City's lodging industry is largely dedicated to serving its industrial base. This tax increased one-half percent to 9.5 percent in 2009.

GLOSSARY OF BUDGET TERMS

20-Year Resource Allocation Plan

The 20-Year Resource Allocation Plan is the backbone of the City's financial planning process. This long-range planning gives the Council a tool with which it can project revenues, operating requirements and capital spending and identify trends. It allows the cost of any policy decision to be measured in terms of long-range expenditure requirements, thereby raising "red flags" in areas where financial conditions may be unacceptable in the future. The 20-Year Resource Allocation Plan has helped the City fund a pay-as-you-go philosophy, allowing money to be set aside in reserve funds for future service expansion or major projects.

User Department

The department that initiated the project.

User Fee

The payment of a fee for direct receipt of a service by the party benefiting from the service.

Utility Users Tax

A two-percent tax is levied on utility billings for gas and electric and intra-state telephone services.

Water Supply and Distribution Fund

This fund accounts for all revenues and expenses related to the City-operated water utility.

Wastewater Management Fund

This fund accounts for all the revenues and expenses related to the city-operated sewer collection and Water Pollution Control Plant systems.

Youth and Neighborhood Services Fund

This fund accounts for revenues and operating program expenditures of the Columbia Neighborhood Center, a partnership between the City of Sunnyvale, the Sunnyvale School District and a private corporation (Advanced Micro Devices).