



RECOMMENDED BUDGET AND RESOURCE ALLOCATION PLAN

Fiscal Year 2014/2015

FREMONT HIGH SCHOOL

FIREBIRD
Marching Band



Sunnyvale,
California

Volume I: Summary & Operating Budget

**Budget
Summary**

**CITY OF SUNNYVALE
FY 2014/15 BUDGET SUMMARY**

Revenue Sources:

Property Tax	51,931,017
Refuse Collection and Disposal Service Fees	41,152,243
Water Supply and Distribution Fees	34,428,925
Sales Tax	31,630,301
Wastewater Management Service Fees	30,193,447
Sale of Property	14,440,000
Bond Proceeds	11,509,541
Transient Occupancy Tax	10,674,737
Federal Grants	10,035,432
Park Dedication Fee	9,516,000
Workforce Investment Act Grant	8,740,100
Development Revenues	8,622,058
Housing Mitigation Fee	7,540,910
Utility Users Tax	6,971,420
Franchise Fees	6,790,144
Traffic Impact Fee	5,552,448
Other Taxes	4,346,423
Golf and Tennis Fees	3,613,671
State Highway Users Tax (Gas Tax)	3,572,845
Recreation Service Fees	3,401,301
Rents and Concessions	2,789,923
Other Fees and Services	2,145,883
State Shared Revenues	1,631,045
Interest Income	1,546,014
Miscellaneous Revenues	1,453,103
Permits and Licenses	1,254,277
SMaRT Station Revenues	1,161,716
Community Development Block Grant	1,017,441
Fines and Forfeitures	938,098
Reimbursement from County	935,617
Other Agencies Contributions	813,922
HOME Grant	309,091
Sense of Place Fee	213,200
Special Assessment	203,902

Total Revenue Sources*

\$321,076,196

* Excludes internal service fund revenues.

**CITY OF SUNNYVALE
FY 2014/15 BUDGET SUMMARY**

EXPENDITURES:

Operating Budget:

Office of the City Attorney		\$1,796,939
Office of the City Manager		\$3,730,546
Community Development Department		
Building Safety	3,140,491	
Planning	2,403,566	
Housing and CDBG Program	1,305,993	
Community Development Department Management	421,933	
Total Community Development Department	421,933	\$7,271,983
NOVA Workforce Services Department		\$8,103,883
Finance Department		
Utility Billing	2,281,685	
Accounting and Financial Services	1,736,311	
Purchasing	1,289,752	
Treasury Services	1,087,210	
Financial Management and Analysis	1,004,868	
Budget Management	947,761	
Total Finance Department	947,761	\$8,347,587
Human Resources Department		\$3,732,817
Library and Community Services Department		
Arts and Recreation Programs and Operation of Recreation Facilities	8,021,824	
Library	8,262,295	
Youth, Family and Child Care Resources	1,080,386	
Total Library and Community Services Department	1,080,386	\$17,364,505
Public Safety Department		
Police Services	29,463,650	
Fire Services	26,880,869	
Public Safety Administrative Services	5,320,629	
Investigation Services	4,741,370	
Community Safety Services	4,101,921	
Communication Services	3,502,538	
Records Management and Property Services	2,062,214	
Fire Prevention Services	1,899,985	
Personnel and Training Services	1,807,557	
Total Public Safety Department	1,807,557	\$79,780,734

**CITY OF SUNNYVALE
FY 2014/15 BUDGET SUMMARY**

Operating Budget: (Continued)

Public Works Department

Neighborhood Parks and Open Space Management	9,016,932	
Pavement, Traffic Signs and Markings, Street Sweeping, and Roadside Easement	5,550,282	
Golf Course Operations	3,400,864	
Transportation and Traffic Services	2,230,399	
Street Tree Services	1,894,268	
Land Development - Engineering Services	1,192,249	
Street Lights	1,142,568	
Public Works Administration	595,735	
Downtown Parking Lot Maintenance	63,521	
Total Public Works Department	63,521	\$25,086,816

Environmental Services Department

Solid Waste Management*	34,726,392	
Water Resources	28,573,474	
Wastewater Management	9,700,808	
Regulatory Programs	4,505,045	
Wastewater Collection Systems	2,557,884	
Total Environmental Department		\$80,063,602

Total Operating Budget**

\$235,279,412

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

** Excludes internal service fund operating budget.

**CITY OF SUNNYVALE
FY 2014/15 BUDGET SUMMARY**

Projects Budget:	
Capital Projects	\$18,085,857
Special Projects	\$7,711,739
Infrastructure Projects	\$39,434,273
Outside Group Funding	\$298,000
Council Service Level Set-Aside	\$100,000
Project Administration	\$2,703,345
Total Projects Budget	\$68,333,215
Other Expenditures:	
Debt Service	\$7,185,256
Lease Payments	\$2,220,500
Equipment	\$894,569
Budget Supplements	\$696,200
Total Other Expenditures	\$10,996,525
Total Expenditures	\$314,609,152
Contribution to Reserves	\$6,467,044
Total Recommended Budget	\$321,076,196

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2014/15 Recommended Budget**

	FY 2013/2014	FY 2014/2015
Appropriations:		
035. General Fund	\$ 136,804,780	\$ 142,260,151
070. Housing Fund	1,727,580	1,885,444
071. Home Fund	2,558,541	375,051
110. Community Development Block Grant Fund	1,402,437	1,871,100
141. Park Dedication Fund	594,335	670,077
175. Public Safety Forfeiture Fund	149,773	161,686
190. Police Services Augmentation Fund	229,693	229,693
210. Employment Development Fund	7,360,796	8,435,545
245. Parking District Fund	219,566	120,459
280. Gas Tax Fund	2,198,533	2,173,878
295. Youth and Neighborhood Services Fund	739,514	745,350
385. Capital Projects Fund	3,126,770	14,818,729
610. Infrastructure Renovation and Replacement Fund	11,892,564	14,717,422
Total Appropriations	169,004,882	188,464,585
Appropriation Adjustments:		
Non-Tax Revenues	(66,101,359)	(88,193,089)
Qualified Capital Outlay	(2,955,000)	(5,049,664)
Total Appropriation Adjustments	(69,056,359)	(93,242,753)
Appropriations Subject to Limit	99,948,523	95,221,832
Growth Rate Factor	1.0755	1.0127
Total Allowable Appropriations Limit <i>(Prior Year Appropriations Limit x Growth Rate Factor)</i>	185,392,477	187,740,565
Amount Under (Over) Allowable Appropriations Limit	\$ 85,443,954	\$ 92,518,733

**CITY OF SUNNYVALE
CALCULATION OF APPROPRIATIONS LIMIT
FY 2014/15 Recommended Budget**

	FY 2013/2014	FY 2014/2015
Revenues:		
Tax Revenues:		
Property Tax	\$ 49,025,162	\$ 51,931,017
Sales Tax	33,643,158	31,630,301
Other Taxes	19,801,521	21,992,580
Non-Restricted State Shared Revenues	222,000	220,400
Interest Income	625,548	683,058
Total Tax Revenues	103,317,388	106,457,356
Non-Tax Revenues:		
Federal Grants	10,205,441	19,998,788
Restricted State Shared Revenues	4,712,075	3,572,845
State Grants/Reimbursements	105,684	367,425
Other Intergovernmental Contributions	675,654	1,831,447
Franchise Fees	6,559,287	6,790,144
Permits and Licenses	6,871,518	1,254,277
Service and Development Fees	16,089,232	27,825,049
Rents and Concessions	2,400,137	2,356,734
Fines and Forfeitures	1,115,936	933,098
Housing Loan Repayments	3,314,971	517,139
Miscellaneous	7,993,417	15,315,916
Inter-Fund Loan Repayments	5,657,788	6,864,358
Interest Income	400,219	565,869
Total Non-Tax Revenues	66,101,359	88,193,089
Total Revenues	\$ 169,418,748	\$ 194,650,445

**CITY OF SUNNYVALE
 APPROPRIATIONS LIMIT
 FY 2014/15 Recommended Budget**

	<u>AMOUNT</u>	<u>SOURCE</u>
A. LAST YEAR'S LIMIT	\$ 185,392,477	Prior Year
B. ADJUSTMENT FACTORS		
1. Population (1.0231%)	1.0150	State Department of Finance
2. Inflation (5.12%)	0.9977	State Department of Finance
	1.0127	(B1*B2)
Total Adjustment %	0.0127	(B1*B2-1)
C. ANNUAL ADJUSTMENT	\$ 2,348,088	(B*A)
D. OTHER ADJUSTMENTS:		
Lost Responsibility (-)	0	
Transfer to private (-)	0	
Transfer to fees (-)	0	
Assumed Responsibility (+)	0	
Sub-total	<u>-</u>	
E. TOTAL ADJUSTMENTS	\$ 2,348,088	(C+D)
F. THIS YEAR'S LIMIT	<u><u>\$ 187,740,565</u></u>	(A+E)

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**Financial Plan -
General 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 indirect administrative fees to other City funds. Because the General Fund receives the preponderance of its revenue from taxes, it has been the most affected by voter-approved initiatives and State legislative actions. As a result of such action over the past two decades, revenues to the General Fund are significantly less than they would have otherwise been. Additionally, the 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 Youth and Neighborhood Services Fund, the Gas Tax Fund, the Internal Service Funds, the Capital Projects Fund, and the Infrastructure Renovation and Replacement Fund. In each case, the condition of these funds has a direct bearing on the General Fund because the General Fund is a significant source of financial support. The relationship between these various funds, where appropriate, will be discussed as a part of the General Fund, as well as in the review of each of these individual funds.

• General Fund Revenues

Revenue Estimation Methodology

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

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

General Fund Major Revenue Sources

Five key sources generate over 77% of the City's General Fund revenues (excluding property sale proceeds). These sources are Property Tax, Sales Tax, Transient Occupancy Tax, Utility Users Tax/Franchise Fees, and Development-related taxes and fees. FY 2012/13 results for these top five sources were mixed. Property Tax and Transient Occupancy Tax ended the prior year up from FY 2011/12, while Sales Tax, Development-related revenue, and Utility Users Tax each decreased. The FY 2013/14 Adopted Budget projected moderate growth for Sales Tax, Transient Occupancy Tax, and Utility Users Tax, over expected FY 2012/13 results. Modest decreases were projected for Property Tax and Development-related taxes and fees; however the projections were still well above historical average. The shortfall of Sales Tax revenues in FY 2012/13, along with the general volatility of most of these revenue sources, are key issues in the revenue projection efforts and will be discussed in detail below.

As FY 2013/14 has unfolded, Transient Occupancy Tax and Development-related taxes and fees continue to exceed expectations, with Transient Occupancy Tax revenues expected to finish the year up 12.5% over FY 2012/13, and Development-related taxes and fees down only slightly from the record highs of the last two years. Property Tax revenues are also expected to exceed expectations, with the updated projection to be 1.5% over the initial 3% estimated growth. On the Sales Tax side, the City is projecting revenues to

decline by 1% in FY 2013/14. Initial estimates forecasted modest growth. As a result, the updated FY 2013/14 estimate is projected to be lowered by approximately \$2.5 million. Utility Users Tax/Franchise Fees are expected to be up slightly from FY 2012/13.

Our projections for FY 2014/15 and beyond vary based on the revenue source. Transient Occupancy Tax, historically a very volatile revenue source driven by business travel, is currently tracking at an elevated level and our projection for FY 2014/15 reflects a continuation of this for two more years, with modest growth based on historical average room rates and occupancy factored in thereafter. Development-related revenue is included in the General Fund projection in FY 2013/14. However, all Development-related revenues with the exception of Construction Tax, will move into the new Enterprise Development Fund for FY 2014/15 and will be discussed in that section. Property Tax is projected to experience healthy growth over the next three years before growth returns to more historical levels. Sales Tax is expected to be flat, with very modest growth going forward. Utility Users Tax/Franchise Fees are expected to show a modest increase in FY 2014/15 and then grow at an inflation factor moving forward.

Total General Fund revenue is projected to be down 2.8% in FY 2014/15. However, this does not reflect the true picture of overall revenue as Development-related revenue is shifted to a new fund. With Development-related revenues, one-time

events and transfers excluded, FY 2013/14 revenues are projected to be \$130 million. FY 2014/15 revenue, with the same exclusions, is projected to be \$130.7 million, a 0.5% increase.

The table below reflects projected sources of General Fund revenues for FY 2014/15 and compares those sources with the FY 2013/14 revised projections. Actual revenues for FY 2011/12 and FY 2012/13 are also included.

General Fund Revenues					
Revenue Source	2011/12 Actual	2012/13 Actual	2013/14 Revised Projection	2014/15 Proposed Projection	% Change 2014/15 over 2013/14
Property Tax	43,407,026	47,555,857	49,778,401	51,931,017	4.32%
Sales Tax	30,345,514	30,028,067	29,755,382	30,184,219	1.44%
Development-Related Revenue	13,968,981	12,883,207	12,500,000	2,009,127	-83.93%
Transient Occupancy Tax	7,777,583	9,016,052	10,136,188	10,674,737	5.31%
Utility Users Tax	6,830,496	6,549,144	6,774,352	6,971,420	2.91%
Franchises	6,372,876	6,461,568	6,652,483	6,790,144	2.07%
Inter-Fund Revenues	9,492,381	11,799,352	5,657,788	6,864,358	21.33%
Service Fees	3,372,219	6,612,964	6,434,814	5,483,192	-14.79%
Rents and Concessions	2,039,816	2,530,141	2,352,431	2,316,634	-1.52%
Other Revenue	8,576,907	11,228,955	9,870,860	7,465,201	-24.37%
In-Lieu Charges and Transfers	9,438,200	8,527,166	11,066,782	9,210,438	-16.77%
SUBTOTAL	141,621,999	153,192,473	150,979,481	139,900,487	-7.34%
Sale of Property	0	0	7,400,000	14,000,000	89.19%
TOTAL RESOURCES	141,621,999	153,192,473	158,379,481	153,900,487	-2.83%

In the following sections are detailed discussions of the City’s five major revenue sources, including explanations of the revenue forecasts for FY 2014/15 and beyond. Discussions of several other revenue sources of particular note follow.

Property Tax

Property Tax represents the largest source of General Fund revenue, estimated to be about 37% of all General Fund revenues in FY 2014/15. For each dollar of Property Tax paid by property owners in Sunnyvale, approximately \$0.17 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 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.

In FY 2004/05 and FY 2005/06 the State shifted an additional \$4.1 million over those two years from Sunnyvale Property Tax to the ERAF as part of a solution to its ongoing budget crisis (ERAF III). Also included in the State Budget deal with local governments in FY 2004/05 was a permanent redistribution of two of the City's revenue sources. Under this agreement, the Vehicle License Fee (VLF) rate for cities was permanently reduced from 2% to 0.65%. For FY 2004/05, the VLF that the City would have gotten at the 2% rate was calculated and this amount was added to our Property Tax base through transfers from the ERAF. In FY 2005/06, the City began to receive our portion of VLF revenues at the lower rate of 0.65%, while the Property Tax base was adjusted to reflect its new, permanent base.

Overall FY 2014/15 Property Tax revenues are expected to be up when compared to FY 2013/14, continuing the growth seen in the prior year. The outlook for Property Tax is positive, with expectations of increased assessed valuations in both the residential and commercial sectors driving revenue growth.

Secured Tax, which accounts for approximately 87% of total Property Tax revenue, has experienced strong growth in FY 2013/14 and is expected to increase significantly over the next two fiscal years. The residential market is expected to continue to be strong with an additional year of growth at the

accelerated rate that the City has experienced in FY 2013/14. Accelerated growth is also expected in the short term for the commercial sector. Substantial assessed value has been added to the City's Property Tax roll in FY 2013/14, and the City is forecasting continued strong demand for commercial leases and a significant increase of commercial building square footage in Sunnyvale. Overall, the combined residential and commercial growth rate is expected to be 4.8% in FY 2014/15, 5.1% in FY 2015/16, and 4.1% in FY 2016/17. After that, growth is expected to continue at the historical average of approximately 4% annually. This factors in 2% growth and the maximum 2% increase in CPI.

In addition, the Secured Property Tax base has been increased with the dissolution of the RDA. After the payment of enforceable obligations, the former property tax increment will be distributed as Property Tax to all applicable taxing agencies, and \$31.1 million has been programmed into the long-term financial plan to account for the City's expected allocation. In FY 2014/15, the distribution of the former property tax increment is expected to provide \$1.2 million in revenue to the City. This source of Property Tax revenue is impacted by one significant non-recurring item. Under normal circumstances, the City expects to receive a distribution of approximately \$1.2 million, however an additional \$1.8 million is forecasted in FY 2015/16. This is the City's share of \$14 million in loan repayments it had previously received from the RDA that the State Department of Finance has determined the City was not eligible to receive. As of the publishing of the FY 2014/15 Recommended Budget, this

issue has not been resolved. Based on a worst case scenario, the General Fund's long-term financial plan reflects a \$13.9 million payment to the State, with the City receiving its share of the distribution to the taxing agencies of that payment, which is expected to be \$1.8 million.

Two other important elements of Property Tax revenue are the Unsecured Property Tax and Supplemental Property Tax rolls. Unsecured Property Tax revenue increased in FY 2012/13 due to the strong demand for commercial and office space in Sunnyvale. This revenue source remains strong in FY 2013/14, up 1.3% to \$2.68 million, before returning to the historical average of \$2.5 million for FY 2014/15, and growing modestly from there.

The Supplemental Property Tax roll reflects properties that are sold or transferred after the official lien date. Supplemental assessments pick up the higher or lower value on the property immediately by using a floating lien date, and the added or reduced assessed value is placed on a separate Property Tax bill. Revenue from the supplemental roll is dependent strictly upon timing of sales and thus is difficult to forecast. Another factor that makes this revenue source difficult to forecast is the fact that it is a pooled revenue at the County level. All Supplemental Property Tax collected by the County is allocated to the cities based on a formula and not on transactions within each jurisdiction. As such, the significant valuation declines and foreclosures in other parts of the county have impacted the City of Sunnyvale's Supplemental Property Tax revenues. Over the past several years, this revenue source has recovered

from a record low in FY 2010/11 of \$175,000. The City received \$625,000 in FY 2011/12, \$598,000 in FY 2012/13, and is projected to receive \$692,000 for FY 2013/14. While Supplemental Property Tax is expected to increase to the historical average, beginning in FY 2014/15 the City will be impacted by an updated allocation basis for the Supplemental tax calculation from the County. Our projection revises the historical average of \$1.05 million down by 25% to prepare for the base adjustment, and forecasts Supplemental Property Tax revenues to be \$788,000 in FY 2014/15, and then increase modestly from there throughout the remainder of the long-term plan.

Another component of the City's Property Tax is the administrative fee the County of Santa Clara charges to collect and distribute Property Tax. In FY 2006/07, counties throughout the State of California, including the County of Santa Clara, significantly increased their administrative fee for collecting and distributing Property Tax revenues to cities. State Revenue and Tax Code allows counties to collect an administrative fee equivalent to 1% of collections, and because two State actions, the "Triple Flip" and the Vehicle License Fee (VLF)/Property Tax swap, essentially increased the amount of Property Tax going to the cities, the counties asserted the significant increase in the administrative fee was warranted.

Widely challenged by cities throughout California, the issue came to resolution during FY 2012/13, as the California Supreme Court ruled that the counties' interpretation of SB

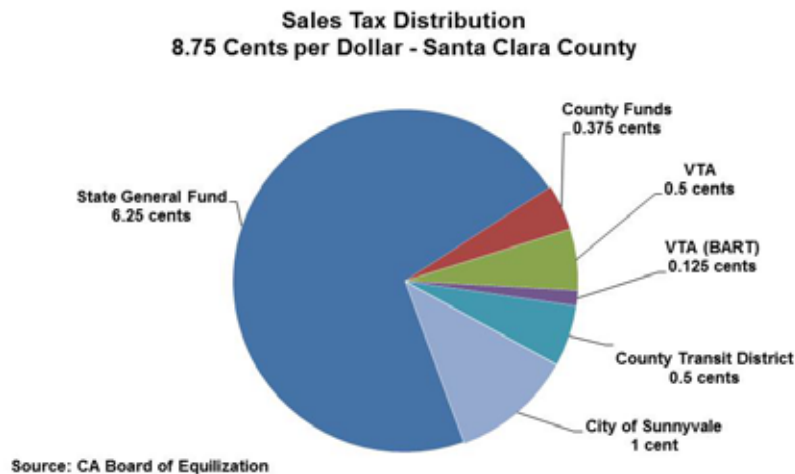
1096, which was the law implementing the Triple Flip and the VLF swap, was incorrect as it related to administrative fees. Specifically, the law stated the counties could collect actual costs to administer the Triple Flip and the VLF swap, but it did not state that the additional Property Tax revenue received by the cities could be counted toward the standard administrative fee.

The City of Sunnyvale received a \$1.2 million refund in FY 2012/13 for the inflated administrative fee it paid for the past six years. More importantly, the baseline Property Tax Administrative Fee for our 20-year plan has been reduced significantly. However, for FY 2013/14, the County estimates that administrative fees will increase 9% due to increased costs for the Assessors' Office. In addition, the County is forecasting an additional 8% increase in administrative fees in FY 2014/15. Factoring this information, the City projects the FY 2013/14 administrative fee to be \$446,000, increasing 8% in FY 2014/15 to \$481,680.

Sales and Use Tax

Sales and Use Tax (Sales Tax) represents the second largest source of revenue to the General Fund. Sales Tax is expected to make up 21% of budgeted revenues in FY 2014/15. Sales and Use Tax also represents one of the General Fund's most volatile revenue sources, with drastic swings over the past decade. Sales Tax was the General Fund's largest revenue source in FY 2000/01, constituting 32% of total revenue at \$36.3 million. Following the bust in the technology industry, Sales Tax revenue plummeted to \$22.8 million by FY 2002/03.

Sales Tax rebounded over the following four fiscal years, reaching \$30.9 million in FY 2006/07, then dropped 4% in FY 2007/08 as the initial impact of the Great Recession began to be felt. This revenue source continued to slide in FY 2008/09, finishing at \$25.1 million, before rebounding again in recent years. FY 2010/11 revenues of \$29.2 million were a 15% increase over the previous year, and FY 2011/12 revenues of \$30.3 million were a 3.8% increase over the previous year. However, in FY 2012/13 the trend reversed again, with Sales Tax revenue declining 1% to \$30 million.



The graph above shows how Sales Tax dollars are distributed within Santa Clara County. The State receives the largest share of the eight and three-quarter cents per dollar of sales, while cities receive only one cent of the rate. There have been three increases to Sales Tax implemented in recent years, and

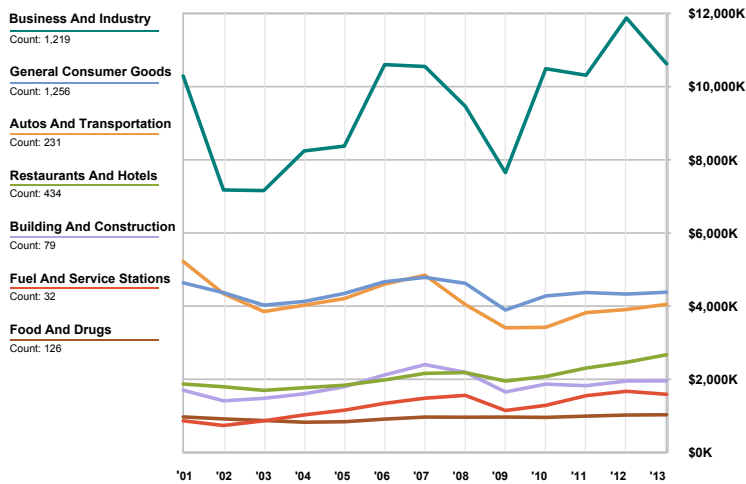
the increases have added a total of one-half cent to the Sales Tax. Measure B, which was approved by voters in 2008, added an eighth-cent Sales Tax to support the BART extension and became effective July 1, 2012. This additional eighth-cent will be effective for 30 years. In 2012, voters approved two additional Sales Tax measures. One was Proposition 30, a quarter-cent increase to the statewide base Sales Tax rate. This addition became effective on January 1, 2013 and is set to end on December 31, 2016. The other was Measure A, an eighth-cent increase to the portion of Sales Tax the County of Santa Clara receives for general County purposes. This addition became effective April 1, 2013 and is set to end on March 31, 2023. It is important to note that the City of Sunnyvale is not a beneficiary of either of these increases and continues to receive only 1% of all taxable sales.

Sales and Use Tax is composed of two different types - general retail sales and business-to-business sales. In Sunnyvale, as well as some other Silicon Valley cities, an unusually high proportion of overall Sales Tax has traditionally been business-to-business in nature. This sector currently constitutes about 40% of our aggregate, as opposed to the statewide average of approximately 17%. This makes our Sales Tax much more complicated and difficult to predict because it is often one-time in nature.

Specific year-over-year growth projections are developed by dividing Sales Tax receipts into five major categories that have similar economic characteristics: Business and Industry, General Consumer Goods, Autos and Transportation, County

Pool, and Other. The Other category includes Restaurants and Hotels, Building and Construction, Fuel and Service Stations, and Food and Drugs. As can be seen from the following graph listing Sunnyvale’s Sales Tax receipts by sector between 2001 and 2013, each category has a unique pattern:

**City of Sunnyvale
Sales Tax Receipts by Major Sector
(Calendar Year 2001 – 2013)**



While the majority of the sectors are relatively stable and experience swings within a narrow band, the business and industry sector, by its very nature, is highly volatile as can be seen above. This makes revenues in this area very unpredictable and forecasting future revenues very

challenging. As previously noted, in FY 2006/07, Sales Tax reached \$30.9 million. Two years later, by FY 2008/09, the Great Recession had taken its toll and Sales Tax had dropped to \$25.1 million, a 19% loss over two years. Sales Tax has recovered to nearly FY 2006/07 levels, as revenues of just over \$30 million were received in FY 2012/13.

Our revised Sales Tax estimate for FY 2013/14 is \$29.8 million, down slightly from the prior year. This decrease was caused by a negative adjustment in the Business and Industry category that was the result of a state audit. This adjustment will impact Sales Tax revenue over two years. Excluding the one-time adjustment, the sales tax base is projected to be up 1.3% in FY 2013/14. Modest growth is anticipated in the upcoming years, a function of sustained high activity in the Building/Construction and Auto/Transportation categories, as well as from increased projections on revenue received from the County pool. Pooled revenues are expected to increase as a percentage of the City’s overall Sales Tax revenue as e-commerce continues to become a larger and larger part of the economy. When transactions occur online for Sales Tax-eligible purchases, the 1% share received by cities instead goes into a County pool for distribution. For example, if a Sunnyvale resident goes to Target in Sunnyvale and purchases a television, the City receives 1% of the sale price in Sales Tax revenue. If that same Sunnyvale resident buys that television off of Target’s website, the 1% of the sale price instead goes to the County pool for distribution to all agencies, as the revenue from online purchases is tracked to the county where the customer is located rather than to a more precise location

due to the lack of detail in the seller's tax return. The County pool is distributed based on each jurisdiction's share of total taxable sales. For the last reporting period, Sunnyvale's share of the pool was 7.9%. This increasing trend not only makes Sales Tax revenue more-and-more difficult to project, but it also means that a larger part of this significant revenue source has little to do with activity in Sunnyvale.

Because of the volatility of this revenue source, staff has built in more conservative growth projections than prior year budgets. Sales Tax revenues are expected to be slightly up in FY 2014/15 at \$30.2 million. The City expects to see continued recovery in the economy, especially in the local area, however, the increase in Sales Tax revenues will be offset by the state audit adjustment mentioned above. Growth is anticipated at a normal rate in FY 2015/16, reaching \$31.2 million, a 3.3% increase over the FY 2014/15 projection. In total, the revised projections pull \$42 million out of the fund over the twenty-year plan. Growth projections past FY 2015/16 are very modest, averaging 2.7% annually through FY 2023/24, which is only slightly above the inflation expectation during that time period. While it is not possible to predict the next slowdown or how that slowdown will impact Sales Tax revenues, the projections for future revenues reflect overall positive growth with the expectation that some years of growth will be offset by losses in other years due to economic fluctuations.

Further, following completion of the Town Center project, it is anticipated that the City will receive additional Sales Tax

revenue of approximately \$1.5 million per year. We begin showing a portion of these funds starting in FY 2016/17, with the full \$1.5 million being recognized in FY 2017/18.

Utility Users Tax and Franchise Fees

Utility Users Tax (UUT) and Franchise Fees represent the third largest source of General Fund revenue, generating about 10% of the total for FY 2014/15. Historically, these two revenue categories have been combined because one of the primary sources of revenue for both is the 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 of 3.6% for Santa Clara County when weighted by population and significantly lower than the statewide average of 6%.

Approximately 64% of UUT revenue is derived from the sale of electricity, 26% 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). After experiencing a decline in FY 2012/13, staff anticipates FY 2013/14 revenues for this source to increase 6.3%, in-line with revenues from FY 2010/11. Staff researched the cause for the drop in FY 2012/13, including speaking with the City's liaison from PG&E. While a specific cause was not able to be identified, it was assumed that this will not be a continuing trend. This revenue source is expected to grow

based on a factor that considers rising prices and increased utilization. However, the baseline revenue amount was reduced in comparison to the baseline set for the FY 2013/14 Adopted Budget. This adjustment to the baseline is to ensure conservatism in long term revenue growth given the increased emphasis of energy efficiency in buildings and new development as a counter-weighting factor when considering the impact of new development to this revenue source. Staff will continue to closely monitor UUT and will continue to be in communication with PG&E to better understand the overall trends that can affect UUT revenue related to PG&E's sale of electricity.

The City is expecting to receive approximately \$1.67 million in FY 2013/14 from UUT on intrastate telephone usage. This is roughly flat from the \$1.69 million received in FY 2012/13. The long-term viability of this revenue source is a concern. Despite explosive growth in the overall telecommunications industry, the City is not expected to benefit from increased UUT revenue, as the bulk of the growth is related to areas that are not included in the UUT calculation, such as data transmission. As a result, revenue projections for FY 2014/15 and beyond reflect the continued degradation of this revenue source at a rate of -0.5% annually.

The City receives a one-time franchise payment from PG&E each year which represents approximately 39% of all Franchise Fee revenue. The PG&E franchise rate is 1% of gross receipts. Statewide, franchise rates range from .5% to

2%. The City's other main franchise agreements are with our cable television providers and Specialty Solid Waste. For FY 2014/15, Franchise Fees are projected to increase by approximately 2% over the current FY 2013/14 projection. This represents a slight increase in revenues from nearly all of the companies with which the City has a franchise agreement. Projections for future years include modest year-over-year increases for this aggregate revenue source.

Development-related Revenues

The fourth largest revenue source in the General Fund in FY 2013/14 is Development-related revenue. As indicated above, this revenue is being moved into the newly created Development Enterprise Fund. Construction Tax is the only component of Development-related revenue that will remain in the General Fund because it is a tax. Construction tax returns have been very strong, an indication of the high level of development activity that the City has sustained for three consecutive years. For FY 2013/14, Construction tax revenue is expected to be approximately \$2.6 million. We anticipate that this historically high level will cool off, with a decreased but still elevated amount estimated for FY 2014/15 and the 7-year historical average of \$1.7 million planned, beginning in FY 2015/16.

Transient Occupancy Tax

Transient Occupancy Tax (TOT) represents the fifth largest revenue source of the General Fund, constituting nearly 7% of the total projected revenue for FY 2014/15.

TOT revenue is expected to finish at nearly \$10.1 million in FY 2013/14. This represents a 12.4% increase over FY 2012/13. This increase in TOT revenue is the result of two factors. Effective midway through the fiscal year, on January 1, 2014, the TOT tax rate increased from 9.5% to 10.5%. The second driving factor is business-related travel, the core business of Sunnyvale's hotels, which remains at a high level. As the economic recovery has continued and business travel has picked up, Sunnyvale hotels have benefited from increasing room rates and occupancy rates, which has positively impacted the City's TOT revenues.

Projections for future years consider a number of factors, including room rates, occupancy rates, and three new hotels that are expected to begin generating revenue. One hotel, which had been included in prior year projections, is expected to begin generating revenue during FY 2014/15. When all of these factors are considered together, FY 2014/15 is expected to be up 5.3% over FY 2013/14. Projections for both FY 2015/16 and FY 2016/17 reflect slight drops in room and occupancy rates to set them at a more sustainable level based on historical results. Offsetting this reduction in room and occupancy rates in FY 2016/17 is the inclusion of the two other new hotels into the long-term plan. When fully operational, these two new hotels are expected to bring in approximately \$1.1 million in net new TOT revenue annually. Beyond FY 2016/17, growth is expected to be relatively steady, reflecting primarily flat occupancy rates with modest annual increases in room rates. This revenue is volatile due to it being correlated

with business related travel, and the modest growth forecasted reflects that there will be ups and downs.

Other Revenue Highlights

The FY 2014/15 Recommended Budget includes certain other revenue sources which warrant some discussion.

Inter-Fund Revenues

Inter-Fund Revenues are primarily loan repayments to the General Fund from the other funds, including the utility funds. Year-to-year fluctuations in this revenue source are expected, as loan repayment schedules are not always on fixed amortization periods and often change based on cash considerations. For instance, the Inter-Fund Revenue in FY 2011/12 and FY 2012/13 reflect the loan repayments from the RDA fund that have been eliminated with the dissolution of the RDA.

Service Fees

This category includes revenue collections from fees charged for services provided by City operations. The majority of revenue in this category comes from the Recreation Division in the Department of Library and Community Services, the Community Development Department, the Department of Public Works and the Department of Public Safety. The high level in FY 2012/13 actuals and FY 2013/14 projected revenue is due to the strong Development-related results. For

FY 2014/15, fees related to development activities are not included in the General Fund.

Other Revenues

The Other Revenues category includes a variety of revenues, including some of our smaller taxes like Business License Tax, Proposition 172 Public Safety Sales Tax, and Real Property Transfer Tax; grants and other funds from government agencies; fines and forfeitures; interest income; and any other miscellaneous revenue.

In-Lieu Charges and Transfers

In-Lieu Charges and Transfers are primarily funds transferred into the General Fund from other City funds to pay for the cost of City-Wide administration, including the cost of the Department of Finance, the Human Resources Department, the Office of the City Manager, and the Office of the City Attorney. The in-lieu charges were up 5.6% in FY 2013/14 from FY 2012/13. The FY 2014/15 projection reflects the ongoing baseline for in-lieu transfers.

Sale of Property

This revenue item reflects the sale of some of the City's property. There are three sales and one/long-term lease of City property included in the General Fund's long-term financial plan for the FY 2014/15 Recommended Budget. These transactions include the long-term lease of the former armory site by affordable housing providers (\$7.4 million in FY 2013/14), the sale of the Raynor Activity Center (\$14

million in FY 2014/15) the sale of the homes the City owns in the downtown area (\$2.1 million in FY 2016/17), and the sale of the margarine plant (\$11.5 million in FY 2017/18) when the lease is set to expire.

Revenues from sale of property, as one-time funds, are best utilized for one-time capital needs. As such, these revenues are segregated into the Capital Improvement Projects Reserve. The sale proceeds from the Raynor Activity Center have been programmed for the Lakewood Branch Library project (\$11.5 million total, with \$750,000 in FY 2014/15, and the remainder in FY 2015/16 – FY 2017/18), and the Washington Pool Expansion project (\$2.37 million total, starting with \$371,423 in FY 2015/16, and the remainder in FY 2016/17 – FY 2017/18). The proceeds from the other sales have not been appropriated to any projects.

▪ General Fund Expenditures

The most significant change for FY 2014/15 General Fund budgeted expenditures is the move of approximately \$7.5 million in operating expenditures out of the General Fund and into the Development Enterprise Fund. All Development-related revenues and expenditures are moved to the Development Enterprise Fund to allow greater visibility to the relationship of total Development-related costs and offsetting fee-based revenue. The remaining General Fund recommended expenditures and other requirements for FY 2014/15, including budget supplements, projects, lease payments, equipment, and transfers total \$157.3 million. Of

this amount, operating expenditures are budgeted to be \$132.7 million, which is slightly down from the revised FY 2013/14 operating budget of \$133.8 million. However, considering the expenditures moved out to the Development Enterprise, expenditures are actually up over the prior year.

Personnel costs represent approximately 82% of the total General Fund operating expenditures. To better represent this in the General Fund's twenty-year plan, operating costs have been split into three categories: *Operations - Safety Salaries/Benefits*, *Operations - Misc. Salaries/Benefits*, and *Operations - Other*.

Both Miscellaneous and Safety Salaries/Benefits reflect a significant increase over the twenty-year plan. While salary assumptions have been maintained, employee benefit rates have increased due to higher retirement and medical costs. Retirement costs have increased primarily due to higher employer contribution rates. These rates have increased because of the recent CalPERS board adopted changes to its actuarial and demographic assumptions used to calculate employer contribution rates. Medical costs have increased due to anticipated medical premium increases from geographic pricing model changes by CalPERS and impacts from the Affordable Care Act, as well as projected increases in the number of City employees, as we are currently at historically low headcount levels. This is further discussed in this volume of the FY 2014/15 Budget Document under the *Financial Plans - Internal Service and Other Funds* section.

A portion of other General Fund operating costs also moved over to the Development Enterprise. In addition, savings of approximately \$1.0 million annually are realized in the FY 2014/15 General Fund's twenty-year plan. These are mainly a result of reductions in election costs, contract/service agreements, and legal services. Election cost savings of nearly \$390,000 are due to switching from an odd-year elections to even-year elections, which was approved by voters at the November 5, 2013 General Municipal Election. Contract/service agreement savings of \$225,000 are mainly due to the elimination of budgeted costs for service agreements that have not been spent. Lastly, approximately \$113,000 in legal services currently budgeted in the General Fund have moved to the Liability and Property Fund and increased, as the recent trend has shown increases in liability-related legal costs. The budget is moved to reflect all liability-related costs in one place.

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. The amount that is used for this purpose varies depending upon funds available and project requirements. In FY 2013/14 the support was budgeted at \$2.025 million, and this amount has been held flat for FY 2014/15 through the remaining first nine years of the plan. For the last ten years of the plan, it has been decreased to \$1.4 million annually. These pavement operations costs are netted out from the General Fund operations budget and reflected in the Gas Tax Fund.

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

The *Equipment* line item contains the appropriations for equipment for the Department of Public Safety and the Library and Community Services Department. These costs are up due to the adjustment to and addition of some public safety equipment. Specifically, the Department is replacing two compressors used to fill oxygen bottles for fire fighters that were not previously captured in the equipment fund. Additionally, the funding for the replacement of tasers in the last ten years of the plan moved over from the Asset Forfeiture Fund, as revised revenue projections for the Asset Forfeiture Fund are only able to absorb the partial replacement of tasers in the first ten years.

Lease payments in the amount of \$1,202,750 are included in the appropriation for FY 2014/15 as well. These payments fulfill the City's agreement with the former Redevelopment Agency to pay lease payments equal to the annual debt service on one of the downtown parking structures.

Council Service-Level Set Aside is an annual \$100,000 set aside for Council's use at its discretion for unplanned projects, services, or other initiatives that come up over the course of the fiscal year.

The FY 2014/15 General Fund Budget includes one-time funding for six budget supplements and ongoing funding for one budget supplement. Details on each of the supplements are included in the *Budget Supplement* section in this volume of the FY 2014/15 Recommended Budget. The total one-time expenditures budget for the six supplements in FY 2014/15 is \$396,200; the ongoing supplement is budgeted at \$10,200 annually.

Transfers to Other Funds reflects transfers from the General Fund to other funds for operating and capital project purposes. These include transfers to the Youth and Neighborhood Services Fund for support of Columbia Neighborhood Center, the Liability and Property Insurance Fund for the General Fund's share of claims and insurance, and the Capital and Infrastructure Project Funds to cover project expenditures. Approximately \$6 million is budgeted to be transferred to the new Development Enterprise Fund at the beginning of FY 2014/15. This is comprised of excess Development-related revenues collected over original projected revenues in FY 2012/13 and FY 2013/14. Original projected Development-related revenues remained in the General Fund through FY 2013/14, to coincide with Development-related operating expenses also budgeted in the Fund for FY 2013/14. Other major transfers budgeted for FY 2014/15 include a total of \$5.4 million to the Infrastructure Fund for the Pavement Rehabilitation project and the Sidewalk, Curb, and Gutter Replacement project, which has been increased by \$1 million to help work through some of the backlog of repairs over the next two years. An additional \$750,000 is planned to be

transferred to the Capital Projects Fund for the design work on the Lakewood Branch Library Facility project. Through FY 2017/18 an additional \$10.75 million is programmed to be transferred to fund the Lakewood Branch Library Facility project, for a total of \$11.5 million. As established in the FY 2012/13 Budget, the long-term financial plan for the General Fund reflects an annual transfer of \$1.5 million for investment in the City's administrative infrastructure. These funds are not set aside for a specific project or set of projects at this point but will accumulate in the Infrastructure Fund and be appropriated as projects are identified and prioritized. \$1.1 million is budgeted to be transferred to the Employee Benefits Fund in FY 2014/15 to provide additional reserves for the Retirement Benefits Sub-Fund to deal with increasing contribution rate volatility.

▪ **General Fund Projects**

The FY 2014/15 Recommended Budget for the General Fund includes \$4.7 million for capital, special, and outside group funding projects. The majority of this amount, nearly \$4.2 million in FY 2014/15, is in a special project for the recruitment and training of sworn public safety officers. This category of projects also represents the majority of General Fund project expenditures over the twenty-year plan, with \$56.4 million budgeted for this purpose. The practice of budgeting for the recruitment, selection, and training of new public safety officers in a series of recurring special projects rather than in the operating budget began in FY 2006/07. This methodology allows expenditures to fluctuate each year based

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

There are five other special projects proposed for FY 2014/15 totaling approximately \$435,000. These include \$204,000 for support of the financial system replacement project, \$125,000 for Transportation and Traffic Services Staff Augmentation (\$65,250 will be funded from the Development Enterprise Fund), and \$80,000 for Emergency Medical Dispatch First Responder Incentive Funding (funded by the Santa Clara County Emergency Medical Services Agency). There is also one ongoing capital project for \$10,200 a year for minor building modifications included in the FY 2014/15 general fund long term plan.

The FY 2014/15 Budget also contains \$100,000 for Outside Group Funding per Council policy. This amount is reflected as an ongoing project cost through the entire twenty-year financial plan.

Project Administration costs in the amount of \$455,765 are included in the General Fund appropriations for FY 2014/15. This reflects costs of Public Works staff for design and inspection of General Fund supported capital projects.

Often times, one-time capital projects will result in ongoing operational costs. The *Project Operating Costs* line reflects

the future operating costs of budgeted projects. The first set of operating costs arising from projects starts in FY 2015/16, with the majority of the total being attributable to the Orchard Gardens Park Expansion (\$13,525) and the maintenance of the pay parking systems downtown (\$57,076). The ongoing operating costs for the parking systems is expected to be fully offset by revenues, which are also programmed into the General Fund long-term financial plan. Another significant increase to project operating costs comes in FY 2018/19, when approximately \$265,000 is added annually to cover the ongoing costs of the Lakewood Branch Library. Additionally, starting in FY 2019/20, approximately \$116,000 is added annually to cover the ongoing costs of the Washington Pool Expansion project. These ongoing costs are expected to be partially offset by increased revenues at Washington Pool once expansion is complete.

▪ **General Fund Reserves**

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

The City has established reserves in the General Fund that are restricted by prior policy or legal requirements to specific

uses. Most of the City's reserves are established in accordance with policies adopted by Council.

The General Fund has five reserves that are contained in the General Fund's long-term financial plan under the sub-heading, *Reserves*. The first is the *Contingencies Reserve*. By Council policy, this reserve must be equal to 15% of the operating budget in the first year of the long-term plan, in this case FY 2014/15, and then grow by the estimated change in the Consumer Price Index in each subsequent year. Prior to FY 2011/12, this reserve was set at 20% of General Fund operational expenditures annually; however, Council changed this reserve policy in 2011 to better reflect the intent and potential uses of this reserve. It is important to note that this reserve is not intended for normal unanticipated expenditures and is instead to be used for non-fiscal emergencies or disasters as determined by Council.

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

In August 2011, Council adopted a new policy governing the balance of the Budget Stabilization Fund. This policy requires that the Budget Stabilization Fund be maintained at no less than 15% of total projected revenues for the first two years of the 20-year plan and that it never go below \$0 in any year. For the FY 2014/15 Budget, the Budget Stabilization Fund balance is 25% of revenues in FY 2014/15 and 22% in FY 2015/16.

The FY 2014/15 Recommended Budget continues to maintain the short- and long-term balance. Over the twenty-year plan, *Total Available Resources* are down \$150 million, and *Total Expenditures* are down by approximately the same amount, or \$153 million. This results in an essentially unchanged budget stabilization reserve over the current budget, with an increase of \$3.8 million over the entire twenty-year plan. This overall net position is primarily attributable to the move of Development-related expenditures and revenues over to the newly established Development Enterprise Fund. It is clear that, over the long run, the General Fund has been subsidizing Development-related activities. The direct operating costs in the Development Enterprise Fund exceed the historical average level of Development revenues collected, creating a structural challenge for the Fund. Staff will work to closely monitor the status of the new Fund on both the revenue and expense side.

The Budget Stabilization Fund is also able to absorb the impact of annually funding a parks worker and a dispatcher starting in FY 2013/14 and a public safety officer in FY

2016/17, and is still projected to have a balance of \$13.9 million in the twentieth year. This strikes the right balance between ensuring the Budget Stabilization Fund is prudently and thoughtfully funded throughout the long-term plan, but that it is not so well-funded, especially in the latter years, that the City is not maximizing its current service delivery opportunities.

The third reserve in the General Fund is the *Reserve for Capital Improvement Projects*. Originally entitled the *Land Acquisition Reserve*, it was established in FY 1994/95 for the purpose of purchasing land or property in the downtown area with an emphasis on future income generation through economic development. In the past, it was used to purchase key parcels in the downtown area. In FY 2006/07 the reserve name was changed to *Reserve for Capital Improvement Projects* to reflect its expanded purpose. At the end of FY 2013/14, it is projected that the balance in this reserve will be \$15.4 million. This reflects the \$8 million in the reserve as of the end of FY 2012/13, as well as \$7.4 million in proceeds from the Armory Long Term Lease collected in FY 2013/14. In FY 2014/15, another \$14 million is projected from the sale of the Raynor Activity Center (RAC). The majority of the sale proceeds from the RAC will be spent on the new branch library located at Lakewood Park (\$11.5 million) and advancing the schedule of the Washington Pool Expansion Project by one year (\$2.37 million). The reserve is expected to increase with interest earnings and other sales of City property, as noted earlier.

The fourth reserve is the *Development Enterprise Reserve*. Approximately \$6 million is budgeted to be transferred from the General Fund to the Development Enterprise Fund in FY 2014/15 to fund Development-related activities. This initial transfer represents the actual Development-related revenue amounts collected over original revenue projections for FY 2012/13 and FY 2013/14. Starting in FY 2014/15, Development-related revenues are separately budgeted in the Development Enterprise Fund.

Finally, the \$13.9 million in *Reserve for RDA Payment* has been set aside, pending final determination of payments made to the City by the former Redevelopment Successor Agency (RDA) prior to the dissolution of the former RDA. The Successor Agency filed suit on May 23, 2013 challenging the California Department of Finance's (DOF) determination that the City is not entitled to reimbursement for all payments made related to the RDA's financing obligation associated to the Town Center development agreement. In response to this petition, on September 4, 2013, Santa Clara County Counsel on behalf of two affected taxing entities (the County Office of Education and Fremont Union High School District) filed a counter lawsuit against the Successor Agency, the City and DOF. Since DOF's determination on past payments contradicts the findings of the Due Diligence Review and the State Controller's Asset Transfer Review, which both determined that all payments made by the RDA to the City prior to the dissolution of the former RDA were allowable, the Successor Agency/City has not remitted the funds. Both lawsuits were heard on April 25, 2014. To prepare for the

worst case scenario, the \$13.9 million has been set aside and resolution is anticipated in FY 2015/16.

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

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2013 TO JUNE 30, 2024**

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
RESERVES/FUND BALANCE, JULY 1	88,416,604	100,047,353	102,779,636	99,373,199	78,053,359	72,135,517	76,620,256	75,081,345	74,621,902	73,932,923	75,433,190	78,087,524	100,047,353
CURRENT RESOURCES:													
Property Tax	47,555,857	49,778,401	51,931,017	56,223,228	56,506,295	57,473,654	59,833,630	63,142,412	65,761,493	68,274,383	71,019,766	73,777,979	673,722,259
Sales Tax	30,028,067	29,755,382	30,184,219	31,214,509	32,518,671	33,904,045	34,751,646	35,794,195	36,868,021	37,974,062	39,113,284	40,286,682	382,364,716
Public Safety Sales Tax	1,393,357	1,402,328	1,446,082	1,460,543	1,475,148	1,504,651	1,542,268	1,588,536	1,636,192	1,685,278	1,735,836	1,787,911	17,264,772
Business License Tax	1,588,796	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	1,656,121	1,689,244	1,723,029	1,757,489	1,792,639	1,792,639	18,217,220
Other Taxes	4,000,022	3,925,113	2,816,423	2,581,351	2,632,978	2,685,638	2,739,351	2,794,138	2,850,020	2,907,021	2,965,161	3,024,464	31,921,659
Transient Occupancy Tax	9,016,052	10,136,188	10,674,737	9,508,503	10,304,946	10,599,470	10,901,652	11,182,708	11,470,646	11,700,059	11,934,060	12,172,741	120,585,710
Utility Users Taxes	6,549,144	6,774,352	6,971,420	7,172,718	7,320,553	7,472,976	7,630,121	7,792,125	7,959,129	8,131,279	8,308,724	8,491,619	84,025,014
Franchises	6,461,568	6,652,483	6,790,144	6,900,797	7,005,402	7,120,680	7,229,511	7,363,168	7,476,395	7,601,176	7,718,978	7,848,800	79,707,531
Rents and Concessions	2,530,141	2,352,431	2,316,634	2,348,946	2,330,084	2,392,622	2,306,295	2,342,995	2,403,139	2,441,321	2,480,266	2,543,838	26,258,571
Federal, State and Intergovernmental Revenue	2,777,928	2,408,648	661,408	686,117	612,054	618,111	624,288	630,589	637,016	643,571	650,258	655,321	8,827,381
Permits and Licenses	9,478,658	8,826,255	1,254,277	1,329,347	1,355,628	1,382,435	1,409,778	1,437,667	1,466,115	1,495,131	1,524,728	1,554,917	23,036,278
Fines and Forfeitures	1,039,075	832,699	933,098	1,093,051	1,158,232	1,180,828	1,203,987	1,227,722	1,252,044	1,276,968	1,302,504	1,328,668	12,789,802
Service Fees	8,561,412	8,826,499	5,483,192	5,509,058	5,612,377	5,716,914	5,815,114	5,990,939	6,103,206	6,209,284	6,327,379	6,434,904	68,028,867
Interest Income	507,798	522,746	542,573	719,621	1,360,006	2,041,242	1,941,943	1,890,893	1,826,222	1,837,679	1,897,010	2,042,015	16,621,952
Interest from Sale of Property	0	0	144,550	245,914	390,902	877,616	912,721	949,230	987,199	1,026,687	1,067,754	1,110,464	7,713,036
Inter-Fund Revenues	11,799,352	5,657,788	6,864,358	6,533,048	6,553,820	6,574,981	6,596,539	6,204,337	6,226,712	6,249,507	6,272,731	6,296,392	70,030,212
Miscellaneous Revenues	1,378,079	561,385	145,915	148,464	151,063	153,715	149,603	152,362	155,175	158,045	160,973	160,973	2,097,673
Sale of Property	0	7,400,000	14,000,000	0	2,150,000	11,474,036	0	0	0	0	0	0	35,024,036
In-Lieu Charges	8,072,122	8,516,876	8,892,008	9,057,371	9,272,970	9,492,880	9,717,189	9,945,985	10,179,355	10,417,395	10,660,194	10,907,849	107,060,072
Transfer From Other Funds	455,044	2,549,906	318,430	202,438	162,652	77,930	78,208	145,780	147,416	161,240	79,680	80,150	4,003,831
TOTAL CURRENT RESOURCES	153,192,473	158,379,481	153,900,487	144,495,623	150,465,594	164,368,071	157,039,964	162,265,022	167,128,524	171,947,575	177,011,926	182,298,327	1,789,300,593
TOTAL AVAILABLE RESOURCES	241,609,077	258,426,834	256,680,123	243,868,822	228,518,952	236,503,588	233,660,220	237,346,366	241,750,427	245,880,498	252,445,116	260,385,851	1,889,347,946
CURRENT REQUIREMENTS:													
Operations - Safety Salaries/Benefits	56,018,520	57,408,758	59,715,759	62,760,465	65,373,954	67,904,500	70,025,690	72,120,801	74,286,258	76,322,023	78,411,750	80,559,565	764,889,523
Operations - Misc. Salaries/Benefits	49,346,259	51,763,263	47,934,990	50,163,664	51,110,359	52,488,806	53,540,888	54,783,310	55,897,163	56,940,387	58,003,750	59,086,336	591,712,916
Operations - Other	24,918,202	26,653,764	25,975,038	26,483,802	27,268,385	27,557,126	28,281,847	29,025,717	29,789,245	30,572,953	31,377,375	32,203,062	315,188,315
Operations Transfer To Gas Tax Fund	(1,906,136)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(2,025,000)	(22,275,000)
Public Safety Recruitment Projects	1,556,990	3,436,264	4,150,052	5,540,708	2,500,847	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	33,022,723
Projects and Project Administration	3,785,557	7,124,698	1,000,485	887,985	171,432	381,552	191,482	427,214	492,601	220,216	214,415	160,929	11,273,008
Project Operating Costs	0	0	0	74,346	75,834	77,349	364,510	485,782	495,499	505,412	516,724	528,301	3,123,757
Equipment	245,842	594,710	466,954	206,090	211,773	214,159	301,001	265,722	969,540	171,581	510,806	243,742	4,156,080
Lease Payments	1,212,403	1,205,689	1,202,750	1,202,750	1,200,750	1,201,625	1,200,250	1,235,625	1,242,375	1,241,250	0	0	10,933,064
Payment to State - RDA Dissolution	0	0	0	13,965,842	0	0	0	0	0	0	0	0	13,965,842
Council Service Level Set Aside	0	57,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,057,000
Budget Supplements	0	0	396,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	497,687
TOTAL EXPENDITURES	135,177,637	146,219,146	138,917,228	159,371,057	145,998,946	150,395,920	154,476,689	158,915,412	163,744,147	166,545,517	169,606,750	173,354,104	1,727,544,914

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2013 TO JUNE 30, 2024**

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
TRANSFERS TO OTHER FUNDS:													
Infrastructure Fund	905,963	5,565,687	5,836,335	1,053,493	667,820	527,144	767,307	548,441	777,812	570,598	1,378,660	593,650	18,286,947
Investment in City Facilities	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	16,500,000
Capital Projects Fund	803,407	408,776	2,346,914	2,063,633	6,539,094	5,668,847	110,408	0	0	0	0	0	17,137,672
Community Development Block Grant Fund	0	291,000	0	0	0	0	0	0	0	0	0	0	291,000
Youth and Neighborhood Services Fund	384,791	488,578	478,577	497,082	504,764	510,230	521,369	533,112	543,152	553,399	562,495	570,368	5,763,126
Golf and Tennis Fund	300,000	0	0	0	0	0	0	0	0	0	0	0	0
Development Enterprise Fund	0	0	6,019,687	0	0	0	0	0	0	0	0	0	6,019,687
General Services Fund	31,120	28,722	88,335	259,359	48,429	134,322	33,296	34,295	35,324	36,384	43,449	38,600	780,515
Employee Benefits Fund	1,550,000	310,841	1,100,000	0	0	0	0	0	0	0	0	0	1,410,841
Liability and Property Insurance Fund	908,806	834,448	1,019,848	1,070,840	1,124,383	1,146,870	1,169,807	1,193,204	1,217,068	1,241,409	1,266,237	1,291,562	12,575,676
TOTAL TRANSFERS TO OTHER FUNDS	6,384,087	9,428,052	18,389,696	6,444,407	10,384,490	9,487,412	4,102,187	3,809,052	4,073,356	3,901,790	4,750,842	3,994,180	78,765,464
TOTAL CURRENT REQUIREMENTS	141,561,724	155,647,198	157,306,924	165,815,463	156,383,436	159,883,332	158,578,876	162,724,464	167,817,503	170,447,308	174,357,592	177,348,283	1,806,310,378
RESERVES:													
Contingencies (15%)	19,256,527	20,070,118	19,740,118	20,184,271	20,688,878	21,206,100	21,736,252	22,279,658	22,836,650	23,407,566	23,992,755	24,592,574	24,592,574
Capital Improvement Projects	8,005,579	15,405,579	27,305,215	25,591,536	21,699,465	28,490,513	29,403,234	30,352,463	31,339,662	32,366,349	33,434,103	34,544,567	34,544,567
Development Enterprise Reserve	2,949,720	2,949,720	0	0	0	0	0	0	0	0	0	0	0
Reserve for RDA payment	13,965,842	13,965,842	13,965,842	0	0	0	0	0	0	0	0	0	0
Budget Stabilization Fund	55,869,685	50,388,377	38,362,024	32,277,552	29,747,175	26,923,644	23,941,859	21,989,781	19,756,612	19,659,276	20,660,667	23,900,427	23,900,427
SUB-TOTAL DESIGNATED RESERVES	100,047,353	102,779,636	99,373,199	78,053,359	72,135,517	76,620,256	75,081,345	74,621,902	73,932,923	75,433,190	78,087,524	83,037,568	83,037,568
TOTAL RESERVES	100,047,353	102,779,636	99,373,199	78,053,359	72,135,517	76,620,256	75,081,345	74,621,902	73,932,923	75,433,190	78,087,524	83,037,568	83,037,568
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Resources	153,192,473	150,979,481	139,755,937	144,249,709	147,924,692	152,016,419	156,127,243	161,315,792	166,141,325	170,920,888	175,944,172	181,187,863	
Total Current Requirements	141,561,724	155,647,198	157,306,924	165,815,463	156,383,436	159,883,332	158,578,876	162,724,464	167,817,503	170,447,308	174,357,592	177,348,283	
DIFFERENCE	11,630,749	(4,667,717)	(17,550,987)	(21,565,754)	(8,458,744)	(7,866,913)	(2,451,633)	(1,408,672)	(1,676,178)	473,580	1,586,580	3,839,579	

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034**

	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
RESERVES/FUND BALANCE, JULY 1	83,037,568	84,204,403	85,704,627	87,543,667	89,298,887	91,431,145	94,071,391	95,694,728	95,403,524	96,563,755	83,037,568	100,047,353
CURRENT RESOURCES:												
Property Tax	76,739,838	79,808,105	83,453,773	86,559,240	90,414,350	94,018,677	97,768,318	101,669,170	105,727,374	109,949,321	926,108,167	1,599,830,426
Sales Tax	41,905,481	43,167,246	44,467,014	45,805,929	47,185,171	48,605,954	50,069,532	51,577,192	53,130,263	54,730,113	480,643,892	863,008,608
Public Safety Sales Tax	1,841,548	1,896,795	1,953,699	2,012,310	2,072,679	2,134,859	2,198,905	2,264,872	2,332,818	2,402,803	21,111,287	38,376,060
Business License Tax	1,846,418	1,901,811	1,958,865	2,017,631	2,078,160	2,140,505	2,204,720	2,270,861	2,338,987	2,409,157	21,167,113	39,384,334
Other Taxes	3,115,198	3,208,654	3,304,914	3,404,061	3,506,183	3,611,369	3,719,710	3,831,301	3,946,240	4,064,627	35,712,259	67,633,918
Transient Occupancy Tax	12,537,924	12,914,061	13,301,483	13,700,528	14,111,543	14,534,890	14,970,936	15,420,065	15,882,666	16,359,146	143,733,243	264,318,953
Utility Users Taxes	8,691,860	8,959,479	9,237,894	9,527,526	9,828,814	10,142,216	10,468,203	10,807,270	11,159,928	11,526,711	100,349,901	184,374,915
Franchises	8,043,677	8,254,503	8,461,346	8,684,906	8,904,448	9,141,511	9,374,530	9,625,915	9,873,235	10,139,811	90,503,882	170,211,413
Rents and Concessions	2,605,129	2,668,222	2,758,248	2,825,221	2,894,164	2,991,468	3,064,648	3,139,985	3,245,188	3,325,152	29,517,425	55,775,996
Federal, State and Intergovernmental Revenue	670,703	681,397	692,412	703,757	682,109	694,145	706,542	719,311	732,463	746,010	7,028,849	15,856,230
Permits and Licenses	1,601,565	1,649,612	1,699,100	1,750,073	1,802,575	1,856,652	1,912,352	1,969,722	2,028,814	2,089,679	18,360,143	41,396,422
Fines and Forfeitures	1,366,294	1,405,072	1,445,034	1,486,218	1,528,658	1,572,393	1,617,462	1,663,903	1,711,759	1,761,071	15,557,864	28,347,666
Service Fees	6,618,366	6,794,448	6,969,502	7,158,021	7,350,457	7,560,649	7,766,534	7,967,924	8,183,125	8,409,988	74,779,015	142,807,882
Interest Income	2,498,274	2,497,751	2,502,180	2,502,705	2,516,407	2,561,414	2,542,468	2,415,884	2,368,679	2,405,248	24,811,010	41,432,962
Interest from Sale of Property	1,443,604	1,515,784	1,591,573	1,671,152	1,754,709	1,842,445	1,934,567	2,031,295	2,132,860	2,239,503	18,157,491	25,870,527
Inter-Fund Revenues	2,234,408	2,273,050	2,312,795	2,353,672	2,395,716	2,438,961	2,483,440	2,529,190	2,576,247	2,624,650	24,222,129	94,252,341
Miscellaneous Revenues	165,452	170,065	174,817	172,350	177,391	182,584	187,932	193,440	199,114	204,958	1,828,104	3,925,777
Sale of Property	0	0	0	0	0	0	0	0	0	0	0	35,024,036
In-Lieu Charges	11,270,564	11,644,162	12,028,968	12,425,317	12,832,150	13,252,590	13,685,643	14,131,687	14,591,113	15,064,321	130,926,515	237,986,587
Transfer From Other Funds	96,155	96,639	97,137	97,651	98,180	289,432	189,741	99,863	100,459	101,072	1,266,329	5,270,160
TOTAL CURRENT RESOURCES	185,292,459	191,506,856	198,410,753	204,858,265	212,133,865	219,572,714	226,866,181	234,328,852	242,261,333	250,553,340	2,165,784,618	3,955,085,211
TOTAL AVAILABLE RESOURCES	268,330,027	275,711,258	284,115,380	292,401,931	301,432,753	311,003,859	320,937,572	330,023,580	337,664,857	347,117,095	2,248,822,186	4,055,132,564
CURRENT REQUIREMENTS:												
Operations - Safety Salaries/Benefits	83,339,993	86,673,592	90,140,536	93,746,157	97,496,004	101,395,844	105,451,678	109,669,745	114,056,534	118,618,796	1,000,588,878	1,765,478,401
Operations - Misc. Salaries/Benefits	60,646,543	62,465,940	64,339,918	66,270,115	68,258,219	70,305,965	72,415,144	74,587,599	76,825,227	79,129,983	695,244,654	1,286,957,570
Operations - Other	33,056,254	33,932,333	34,831,919	35,755,651	36,704,186	37,678,198	38,678,379	39,705,442	40,760,118	41,843,159	372,945,638	688,133,953
Operations Transfer To Gas Tax Fund	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(14,000,000)	(36,275,000)
Public Safety Recruitment Projects	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	2,484,979	24,849,789	57,872,512
Projects and Project Administration	123,474	276,987	119,617	132,688	120,217	590,372	601,340	123,262	289,034	276,618	2,653,608	13,926,616
Project Operating Costs	554,072	570,692	587,813	605,449	623,611	642,320	661,588	681,436	701,881	722,933	6,351,795	9,475,552
Equipment	297,399	348,222	273,310	673,329	381,793	284,931	752,532	202,457	581,021	200,196	3,995,189	8,151,269
Lease Payments	0	0	0	0	0	0	0	0	0	0	0	10,933,064
Payment to State - RDA Dissolution	0	0	0	0	0	0	0	0	0	0	0	13,965,842
Council Service Level Set Aside	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000	2,057,000
Budget Supplements	12,556	12,932	13,320	13,720	14,131	14,555	14,992	15,442	15,905	16,382	143,936	641,624
TOTAL EXPENDITURES	179,215,270	185,465,677	191,491,411	198,382,089	204,783,141	212,097,164	219,760,632	226,170,361	234,414,699	241,993,046	2,093,773,488	3,821,318,403

**CITY OF SUNNYVALE
035. GENERAL FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034**

	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
TRANSFERS TO OTHER FUNDS:												
Infrastructure Fund	1,456,473	942,779	1,505,266	1,075,137	1,513,639	1,062,601	1,639,568	4,534,978	2,689,468	1,374,474	17,794,383	36,081,330
Investment in City Facilities	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	15,000,000	31,500,000
Capital Projects Fund	0	84,060	0	0	0	0	0	0	0	0	84,060	17,221,732
Community Development Block Grant Fund	0	0	0	0	0	0	0	0	0	0	0	291,000
Youth and Neighborhood Services Fund	583,429	602,148	620,292	640,138	660,591	681,670	703,392	725,779	748,849	772,625	6,738,913	12,502,038
Golf and Tennis Fund	0	0	0	0	0	0	0	0	0	0	0	0
Development Enterprise Fund	0	0	0	0	0	0	0	0	0	0	0	6,019,687
General Services Fund	40,144	41,749	43,419	52,016	46,962	48,841	50,794	52,826	62,890	57,137	496,779	1,277,295
Employee Benefits Fund	0	0	0	0	0	0	0	0	0	0	0	1,410,841
Liability and Property Insurance Fund	1,330,309	1,370,218	1,411,325	1,453,664	1,497,274	1,542,193	1,588,458	1,636,112	1,685,196	1,735,752	15,250,501	27,826,177
TOTAL TRANSFERS TO OTHER FUNDS	4,910,355	4,540,954	5,080,302	4,720,955	5,218,467	4,835,304	5,482,213	8,449,695	6,686,403	5,439,987	55,364,636	134,130,100
TOTAL CURRENT REQUIREMENTS	184,125,625	190,006,631	196,571,713	203,103,044	210,001,608	216,932,468	225,242,845	234,620,056	241,101,102	247,433,033	2,149,138,125	3,955,448,503
RESERVES:												
Contingencies (15%)	25,330,351	26,090,262	26,872,970	27,679,159	28,509,533	29,364,819	30,245,764	31,153,137	32,087,731	33,050,363	33,050,363	33,050,363
Capital Improvement Projects	35,988,171	37,503,954	39,095,527	40,766,679	42,521,388	44,363,833	46,298,400	48,329,695	50,462,555	52,702,058	52,702,058	52,702,058
Development Enterprise Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Reserve for RDA payment	0	0	0	0	0	0	0	0	0	0	0	0
Budget Stabilization Fund	22,885,881	22,110,411	21,575,170	20,853,050	20,400,223	20,342,738	19,150,564	15,920,692	14,013,469	13,931,641	13,931,641	13,931,641
SUB-TOTAL DESIGNATED RESERVES	84,204,403	85,704,627	87,543,667	89,298,887	91,431,145	94,071,391	95,694,728	95,403,524	96,563,755	99,684,062	99,684,062	99,684,062
TOTAL RESERVES	84,204,403	85,704,627	87,543,667	89,298,887	91,431,145	94,071,391	95,694,728	95,403,524	96,563,755	99,684,062	99,684,062	99,684,062
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Resources	183,848,855	189,991,072	196,819,180	203,187,113	210,379,156	217,730,269	224,931,614	232,297,557	240,128,473	248,313,837		
Total Current Requirements	184,125,625	190,006,631	196,571,713	203,103,044	210,001,608	216,932,468	225,242,845	234,620,056	241,101,102	247,433,033		
DIFFERENCE	(276,769)	(15,560)	247,467	84,069	377,548	797,802	(311,230)	(2,322,499)	(972,629)	880,804		

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
150	Secured Tax	29,884,678	32,275,453	33,824,747	35,554,245	37,009,987	38,525,385	40,102,887	41,745,039	43,454,495	45,234,013	47,086,469	49,014,855	443,827,576
152	Unitary Roll - AB454	398,601	399,350	407,337	415,484	423,793	432,269	440,915	449,733	458,728	467,902	477,260	486,805	4,859,577
153	Property Tax in Lieu of VLF	11,418,636	12,417,419	12,788,700	13,442,601	13,992,998	14,565,951	15,162,384	15,783,260	16,429,583	17,102,396	17,802,786	18,531,884	168,019,960
155	Tax Delinquencies	666,048	883,051	900,712	918,726	937,100	955,842	974,959	994,459	1,014,348	1,034,635	1,055,327	1,086,987	10,756,146
156	Unsecured Tax	2,648,393	2,682,000	2,483,697	2,533,371	2,584,038	2,635,719	2,688,433	2,742,202	2,797,046	2,852,987	2,910,047	2,968,247	29,877,786
157	Supplemental Roll	598,445	692,300	788,026	811,667	836,017	861,097	886,930	913,538	940,944	969,173	998,248	1,028,195	9,726,137
159	Administrative Fees	779,689	(446,000)	(481,680)	(491,314)	(501,140)	(511,163)	(521,386)	(531,814)	(542,450)	(553,299)	(564,365)	(575,652)	(5,720,262)
181	General Fund Share of Tax Increment	1,161,367	874,828	1,219,478	3,038,448	1,223,501	8,553	98,507	1,045,994	1,208,800	1,166,577	1,253,994	1,236,657	12,375,338
TOTAL PROPERTY TAXES		47,555,857	49,778,401	51,931,017	56,223,228	56,506,295	57,473,654	59,833,630	63,142,412	65,761,493	68,274,383	71,019,766	73,777,979	673,722,259
0300	Sales and Use Tax	30,028,067	29,755,382	30,184,219	31,214,509	31,768,671	32,404,045	33,214,146	34,210,570	35,236,887	36,293,994	37,382,814	38,504,298	370,169,536
0300	Additional Sales Tax - Downtown	0	0	0	0	750,000	1,500,000	1,537,500	1,583,625	1,631,134	1,680,068	1,730,470	1,782,384	12,195,180
TOTAL SALES AND USE TAXES		30,028,067	29,755,382	30,184,219	31,214,509	32,518,671	33,904,045	34,751,646	35,794,195	36,868,021	37,974,062	39,113,284	40,286,682	382,364,716
301	Sales and Use Tax - Public Safety	1,393,357	1,402,328	1,446,082	1,460,543	1,475,148	1,504,651	1,542,268	1,588,536	1,636,192	1,685,278	1,735,836	1,787,911	17,264,772
TOTAL SALES AND USE TAX - PUBLIC SAFETY		1,393,357	1,402,328	1,446,082	1,460,543	1,475,148	1,504,651	1,542,268	1,588,536	1,636,192	1,685,278	1,735,836	1,787,911	17,264,772
450	Business License Tax	1,588,796	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	1,656,121	1,689,244	1,723,029	1,757,489	1,792,639	1,792,639	18,217,220
TOTAL BUSINESS LICENSE TAX		1,588,796	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	1,656,121	1,689,244	1,723,029	1,757,489	1,792,639	1,792,639	18,217,220
451	Construction Tax	2,724,864	2,643,589	2,009,127	1,691,897	1,725,735	1,760,249	1,795,454	1,831,363	1,867,991	1,905,350	1,943,457	1,982,327	21,156,540
452	Real Property Transfer Tax	1,275,159	1,281,524	807,296	889,455	907,244	925,389	943,896	962,774	982,030	1,001,670	1,021,704	1,042,138	10,765,120
TOTAL OTHER TAXES		4,000,022	3,925,113	2,816,423	2,581,351	2,632,978	2,685,638	2,739,351	2,794,138	2,850,020	2,907,021	2,965,161	3,024,464	31,921,659
0453-01	Transient Occupancy Tax	9,005,676	10,136,188	10,674,737	9,508,503	10,304,946	10,599,470	10,901,652	11,182,708	11,470,646	11,700,059	11,934,060	12,172,741	120,585,710
0453-02	Transient Occupancy Tax Penalties	10,376	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSIENT OCCUPANCY TAX		9,016,052	10,136,188	10,674,737	9,508,503	10,304,946	10,599,470	10,901,652	11,182,708	11,470,646	11,700,059	11,934,060	12,172,741	120,585,710
0454-04	Utility User's Tax - Other Phone	469,334	360,980	359,175	357,379	355,592	353,814	352,045	350,285	348,534	346,791	345,057	343,332	3,872,985
0454-06	Utility User's Tax - Sprint	150,596	137,352	136,665	135,982	135,302	134,625	133,952	133,282	132,616	131,953	131,293	130,637	1,473,657
0454-07	Utility User's Tax - AT&T	834,404	998,618	993,625	988,657	983,714	978,795	973,901	969,031	964,186	959,365	954,569	949,796	10,714,256

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034		
150	Secured Tax	51,022,286	53,112,005	55,287,387	57,551,948	59,909,347	62,363,393	64,918,052	67,577,452	70,345,893	73,227,848	615,315,611	1,059,143,187
152	Unitary Roll - AB454	496,542	506,472	516,602	526,934	537,473	548,222	559,186	570,370	581,778	593,413	5,436,991	10,296,568
153	Property Tax in Lieu of VLF	19,290,867	20,080,963	20,903,447	21,759,648	22,650,950	23,578,793	24,544,677	25,550,162	26,596,873	27,686,503	232,642,883	400,662,843
155	Tax Delinquencies	1,119,597	1,153,185	1,187,780	1,223,414	1,260,116	1,297,920	1,336,857	1,376,963	1,418,272	1,460,820	12,834,922	23,591,069
156	Unsecured Tax	3,057,295	3,149,014	3,243,484	3,340,789	3,441,012	3,544,243	3,650,570	3,760,087	3,872,890	3,989,076	35,048,460	64,926,246
157	Supplemental Roll	1,069,323	1,112,096	1,156,580	1,202,843	1,250,957	1,300,995	1,353,035	1,407,156	1,463,443	1,521,980	12,838,410	22,564,547
159	Administrative Fees	(592,922)	(610,709)	(629,031)	(647,902)	(667,339)	(687,359)	(707,980)	(729,219)	(751,096)	(773,628)	(6,797,183)	(12,517,445)
181	General Fund Share of Tax Increment	1,276,851	1,305,080	1,787,524	1,601,566	2,031,834	2,072,470	2,113,920	2,156,198	2,199,322	2,243,309	18,788,074	31,163,411
TOTAL PROPERTY TAXES		76,739,838	79,808,105	83,453,773	86,559,240	90,414,350	94,018,677	97,768,318	101,669,170	105,727,374	109,949,321	926,108,167	1,599,830,426
0300	Sales and Use Tax	40,065,169	41,267,124	42,505,138	43,780,292	45,093,701	46,446,512	47,839,907	49,275,105	50,753,358	52,275,958	459,302,265	829,471,801
0300	Additional Sales Tax - Downtown	1,840,311	1,900,121	1,961,875	2,025,636	2,091,470	2,159,442	2,229,624	2,302,087	2,376,905	2,454,154	21,341,627	33,536,807
TOTAL SALES AND USE TAXES		41,905,481	43,167,246	44,467,014	45,805,929	47,185,171	48,605,954	50,069,532	51,577,192	53,130,263	54,730,113	480,643,892	863,008,608
301	Sales and Use Tax - Public Safety	1,841,548	1,896,795	1,953,699	2,012,310	2,072,679	2,134,859	2,198,905	2,264,872	2,332,818	2,402,803	21,111,287	38,376,060
TOTAL SALES AND USE TAX - PUBLIC SAFETY		1,841,548	1,896,795	1,953,699	2,012,310	2,072,679	2,134,859	2,198,905	2,264,872	2,332,818	2,402,803	21,111,287	38,376,060
450	Business License Tax	1,846,418	1,901,811	1,958,865	2,017,631	2,078,160	2,140,505	2,204,720	2,270,861	2,338,987	2,409,157	21,167,113	39,384,334
TOTAL BUSINESS LICENSE TAX		1,846,418	1,901,811	1,958,865	2,017,631	2,078,160	2,140,505	2,204,720	2,270,861	2,338,987	2,409,157	21,167,113	39,384,334
451	Construction Tax	2,041,796	2,103,050	2,166,142	2,231,126	2,298,060	2,367,002	2,438,012	2,511,152	2,586,487	2,664,081	23,406,908	44,563,448
452	Real Property Transfer Tax	1,073,402	1,105,604	1,138,772	1,172,935	1,208,123	1,244,367	1,281,698	1,320,149	1,359,753	1,400,546	12,305,351	23,070,470
TOTAL OTHER TAXES		3,115,198	3,208,654	3,304,914	3,404,061	3,506,183	3,611,369	3,719,710	3,831,301	3,946,240	4,064,627	35,712,259	67,633,918
0453-01	Transient Occupancy Tax	12,537,924	12,914,061	13,301,483	13,700,528	14,111,543	14,534,890	14,970,936	15,420,065	15,882,666	16,359,146	143,733,243	264,318,953
0453-02	Transient Occupancy Tax Penalties	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSIENT OCCUPANCY TAX		12,537,924	12,914,061	13,301,483	13,700,528	14,111,543	14,534,890	14,970,936	15,420,065	15,882,666	16,359,146	143,733,243	264,318,953
0454-04	Utility User's Tax - Other Phone	341,615	339,907	338,207	336,516	334,834	333,160	331,494	329,836	328,187	326,546	3,340,303	7,213,288
0454-06	Utility User's Tax - Sprint	129,983	129,333	128,687	128,043	127,403	126,766	126,132	125,502	124,874	124,250	1,270,974	2,744,631
0454-07	Utility User's Tax - AT&T	888,344	883,902	879,483	875,085	870,710	866,356	862,025	857,714	853,426	849,159	8,686,204	19,400,460

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
0454-08	Utility User's Tax - Other Electric	223,385	232,320	241,613	251,278	258,816	266,580	274,578	282,815	291,300	300,039	309,040	318,311	3,026,689
0454-09	Utility User's Tax - PG&E Electric	3,977,329	4,136,422	4,301,879	4,473,954	4,608,172	4,746,418	4,888,810	5,035,474	5,186,539	5,342,135	5,502,399	5,667,471	53,889,672
0454-10	Utility User's Tax - PG&E Gas	517,469	535,580	560,217	582,625	594,278	606,164	618,287	630,653	643,266	656,131	669,254	682,639	6,779,092
0454-21	Utility User's Tax - Verizon	243,430	235,220	234,044	232,874	231,709	230,551	229,398	228,251	227,110	225,974	224,844	223,720	2,523,695
0454-22	Utility User's Tax - Other Gas	133,199	137,861	144,202	149,970	152,970	156,029	159,150	162,333	165,579	168,891	172,269	175,714	1,744,968
TOTAL UTILITY USERS TAXES		6,549,144	6,774,352	6,971,420	7,172,718	7,320,553	7,472,976	7,630,121	7,792,125	7,959,129	8,131,279	8,308,724	8,491,619	84,025,014
0600-01	Franchise - Air Products	36,458	36,458	37,552	38,679	39,452	40,241	41,046	41,867	42,704	43,558	44,430	45,318	451,305
0600-02	Franchise - Cal Water Service	23,883	24,361	24,848	25,345	25,852	26,369	26,896	27,434	27,983	28,542	29,113	29,696	296,438
0600-03	Franchise - Taxicab Service	8,424	8,329	4,600	8,330	4,248	8,667	4,420	9,017	4,598	9,381	4,784	9,760	76,134
602	Franchise - Comcast Cable	1,168,427	1,172,000	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	13,009,200
603	Franchise - PG&E	2,488,141	2,616,949	2,669,288	2,722,674	2,777,128	2,832,670	2,889,324	2,947,110	3,006,052	3,066,173	3,127,497	3,190,047	31,844,914
604	Franchise - Specialty Garbage	1,726,163	1,766,037	1,811,953	1,848,192	1,885,156	1,922,859	1,961,316	2,000,543	2,040,553	2,081,364	2,122,992	2,165,452	21,606,417
606	Host Fees - Garbage	750,033	768,384	783,752	799,427	815,416	831,724	848,359	865,326	882,632	900,285	918,291	936,656	9,350,252
607	Franchise - ATT	260,039	259,964	274,430	274,430	274,430	274,430	274,430	288,152	288,152	288,152	288,152	288,152	3,072,872
TOTAL FRANCHISE FEES		6,461,568	6,652,483	6,790,144	6,900,797	7,005,402	7,120,680	7,229,511	7,363,168	7,476,395	7,601,176	7,718,978	7,848,800	79,707,531
0751-04	Rental - American Medical Response	0	0	0	0	0	19,873	20,270	20,676	21,089	21,511	21,941	22,380	147,742
0751-05	Rental - Cal West Automotive	1,302	15,600	15,600	15,600	16,068	16,068	16,068	16,068	16,068	16,068	16,068	16,068	175,344
0751-06	Rental - Excess City Land	53,009	15,400	0	0	0	0	0	0	0	0	0	0	15,400
0751-08	Rental - 5th Matador	27,700	27,700	27,700	27,700	27,700	13,850	0	0	0	0	0	0	124,650
0751-13	Rental - Raynor Artists	16,435	0	0	0	0	0	0	0	0	0	0	0	0
0751-14	Rental - Raynor Child Care	112,800	46,000	0	0	0	0	0	0	0	0	0	0	46,000
0751-17	Rental - Downtown Properties	66,600	69,025	51,000	53,550	0	0	0	0	0	0	0	0	173,575
0751-21	Rental - 239 Commercial Street	125,035	90,190	108,456	108,456	108,456	108,456	0	0	0	0	0	0	524,014
0751-23	Rental - Courthouse Parking	40,189	40,800	42,024	42,864	43,722	44,596	45,488	46,398	47,326	48,272	49,238	50,223	500,951
0751-24	Rental - Dental	26,280	28,080	28,922	29,500	30,090	30,692	31,306	31,932	32,571	33,222	33,887	34,564	344,768
0751-25	Rental - 715 San Conrado	19,200	6,400	0	0	0	0	0	0	0	0	0	0	6,400
0752-01	Rental - Indoor Sports Center	67,985	68,000	69,360	70,747	72,162	73,605	75,077	76,579	78,111	79,673	81,266	82,892	827,473

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034		
0454-08	Utility User's Tax - Other Electric	331,043	344,285	358,057	372,379	387,274	402,765	418,875	435,631	453,056	471,178	3,974,542	7,001,231
0454-09	Utility User's Tax - PG&E Electric	5,894,170	6,129,937	6,375,134	6,630,139	6,895,345	7,171,159	7,458,005	7,756,325	8,066,578	8,389,241	70,766,033	124,655,705
0454-10	Utility User's Tax - PG&E Gas	703,118	724,211	745,938	768,316	791,365	815,106	839,559	864,746	890,689	917,409	8,060,457	14,839,548
0454-21	Utility User's Tax - Verizon	222,601	221,488	220,381	219,279	218,183	217,092	216,006	214,926	213,852	212,782	2,176,592	4,700,286
0454-22	Utility User's Tax - Other Gas	180,986	186,415	192,008	197,768	203,701	209,812	216,106	222,589	229,267	236,145	2,074,797	3,819,765
TOTAL UTILITY USERS TAXES		8,691,860	8,959,479	9,237,894	9,527,526	9,828,814	10,142,216	10,468,203	10,807,270	11,159,928	11,526,711	100,349,901	184,374,915
0600-01	Franchise - Air Products	46,678	48,078	49,520	51,006	52,536	54,112	55,736	57,408	59,130	60,904	535,107	986,412
0600-02	Franchise - Cal Water Service	30,586	31,504	32,449	33,423	34,425	35,458	36,522	37,617	38,746	39,908	350,638	647,076
0600-03	Franchise - Taxicab Service	4,978	10,154	5,179	10,564	5,388	10,991	5,606	11,435	5,832	11,897	82,024	158,158
602	Franchise - Comcast Cable	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	1,183,720	11,837,200	24,846,400
603	Franchise - PG&E	3,285,748	3,384,321	3,485,850	3,590,426	3,698,139	3,809,083	3,923,355	4,041,056	4,162,288	4,287,156	37,667,421	69,512,335
604	Franchise - Specialty Garbage	2,230,415	2,297,328	2,366,247	2,437,235	2,510,352	2,585,662	2,663,232	2,743,129	2,825,423	2,910,186	25,569,210	47,175,626
606	Host Fees - Garbage	964,756	993,699	1,023,510	1,054,215	1,085,841	1,118,417	1,151,969	1,186,528	1,222,124	1,258,788	11,059,847	20,410,100
607	Franchise - ATT	296,796	305,700	314,871	324,317	334,047	344,068	354,390	365,022	375,972	387,252	3,402,434	6,475,306
TOTAL FRANCHISE FEES		8,043,677	8,254,503	8,461,346	8,684,906	8,904,448	9,141,511	9,374,530	9,625,915	9,873,235	10,139,811	90,503,882	170,211,413
0751-04	Rental - American Medical Response	23,052	23,743	24,455	25,189	25,945	26,723	27,525	28,351	29,201	30,077	264,261	412,003
0751-05	Rental - Cal West Automotive	16,550	17,047	17,558	18,085	18,627	19,186	19,762	20,354	20,965	21,594	189,728	365,072
0751-06	Rental - Excess City Land	0	0	0	0	0	0	0	0	0	0	0	15,400
0751-08	Rental - 5th Matador	0	0	0	0	0	0	0	0	0	0	0	124,650
0751-13	Rental - Raynor Artists	0	0	0	0	0	0	0	0	0	0	0	0
0751-14	Rental - Raynor Child Care	0	0	0	0	0	0	0	0	0	0	0	46,000
0751-17	Rental - Downtown Properties	0	0	0	0	0	0	0	0	0	0	0	173,575
0751-21	Rental - 239 Commercial Street	0	0	0	0	0	0	0	0	0	0	0	524,014
0751-23	Rental - Courthouse Parking	51,729	53,281	54,880	56,526	58,222	59,968	61,767	63,620	65,529	67,495	593,018	1,093,969
0751-24	Rental - Dental	35,601	36,669	37,770	38,903	40,070	41,272	42,510	43,785	45,099	46,452	408,130	752,898
0751-25	Rental - 715 San Conrado	0	0	0	0	0	0	0	0	0	0	0	6,400
0752-01	Rental - Indoor Sports Center	85,378	87,940	90,578	93,295	96,094	98,977	101,946	105,005	108,155	111,399	978,767	1,806,240

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
938	ISTEA Grant	38,900	411,100	0	0	0	0	0	0	0	0	0	0	411,100
955	Alternative Fuel User Tax Credit	8,675	0	0	0	0	0	0	0	0	0	0	0	0
0965-01	Homeland Security Grants	1,616,190	872,873	0	0	0	0	0	0	0	0	0	0	872,873
1110	Bus Shelter Advertising	6,924	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	67,210
1111	County of Santa Clara Reimbursement	84,174	161,474	80,000	80,000	0	0	0	0	0	0	0	0	321,474
1114	Other Agencies - Reimbursement	266,430	215,957	0	0	0	0	0	0	0	0	0	0	215,957
1117-04	Santa Clara Co VTA	7,047	0	0	0	0	0	0	0	0	0	0	0	0
1119-01	PCJPB Reimbursement - Multimodal	155,863	180,968	170,969	173,254	176,719	180,253	183,858	187,535	191,286	195,112	199,014	202,994	2,041,962
1121	Silicon Valley Council on Aging Grant	0	18,000	0	0	0	0	0	0	0	0	0	0	18,000
1122	Fremont Pool Cost Sharing	17,732	18,941	19,320	19,707	20,101	20,503	20,913	21,331	21,758	22,193	22,637	23,089	230,493
1123	Columbia Pool Cost Sharing	36,181	26,350	26,877	27,415	27,963	28,522	29,093	29,674	30,268	30,873	31,491	32,121	320,646
TOTAL FEDERAL & INTERGOVERNMENTAL REVENUES		2,286,484	1,951,205	303,276	306,485	230,892	235,388	239,974	244,651	249,422	254,288	259,251	264,314	4,539,146
1002-01	Office of Emergency Services	30,830	38,780	0	0	0	0	0	0	0	0	0	0	38,780
1012	Homeowner's Property Tax Relief	223,604	220,400	220,400	220,400	220,400	220,400	220,400	220,400	220,400	220,400	220,400	220,400	2,424,400
1014	Motor Vehicle License Fees	73,251	0	0	0	0	0	0	0	0	0	0	0	0
1017	Office of Traffic Safety	39,926	105,878	0	0	0	0	0	0	0	0	0	0	105,878
1018	POST Reimbursement	43,878	20,531	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,531
1025	Mandated Cost - SB 90	0	0	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874	87,874	819,472
1025	Mandated Costs PY Reimbursement	35,311	37,607	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	370,937
1027	Miscellaneous State Grants	8,675	39	0	0	0	0	0	0	0	0	0	0	39
1034	Library Services and Tech Act	17,552	6,228	0	0	0	0	0	0	0	0	0	0	6,228
1036	Booking Fee Abatement	130	0	0	0	0	0	0	0	0	0	0	0	0
1041	State Tire Enforcement Grant	16,052	27,000	27,399	27,399	27,399	27,399	27,399	27,399	27,399	27,399	27,399	27,399	300,990
1044	Department of Corrections Reimbursement	2,235	980	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,980
TOTAL STATE SHARED REVENUE		491,444	457,443	358,132	379,632	381,162	382,723	384,314	385,938	387,594	389,283	391,006	391,006	4,288,235
1349	Certified Unified Program Agency	654,350	850,000	850,000	900,000	918,000	936,360	955,087	974,189	993,673	1,013,546	1,033,817	1,054,493	10,479,166

**035. GENERAL FUND
REVENUES BY SOURCE**

											FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL	
	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034			
938	ISTEA Grant	0	0	0	0	0	0	0	0	0	0	411,100	
955	Alternative Fuel User Tax Credit	0	0	0	0	0	0	0	0	0	0	0	
0965-01	Homeland Security Grants	0	0	0	0	0	0	0	0	0	0	872,873	
1110	Bus Shelter Advertising	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	6,110	61,100	128,310	
1111	County of Santa Clara Reimbursement	0	0	0	0	0	0	0	0	0	0	321,474	
1114	Other Agencies - Reimbursement	0	0	0	0	0	0	0	0	0	0	215,957	
1117-04	Santa Clara Co VTA	0	0	0	0	0	0	0	0	0	0	0	
1119-01	PCJPB Reimbursement - Multimodal	209,084	215,357	221,817	228,472	235,326	242,386	249,657	257,147	264,862	272,807	2,396,915	4,438,878
1121	Silicon Valley Council on Aging Grant	0	0	0	0	0	0	0	0	0	0	18,000	
1122	Fremont Pool Cost Sharing	23,782	24,496	25,230	25,987	26,767	27,570	28,397	29,249	30,127	31,030	272,636	503,128
1123	Columbia Pool Cost Sharing	33,084	34,077	35,099	36,152	37,236	38,354	39,504	40,689	41,910	43,167	379,272	699,918
	TOTAL FEDERAL & INTERGOVERNMENTAL REVENUES	272,060	280,039	288,257	296,721	305,440	314,419	323,669	333,195	343,008	353,115	3,109,923	7,649,070
1002-01	Office of Emergency Services	0	0	0	0	0	0	0	0	0	0	38,780	
1012	Homeowner's Property Tax Relief	220,400	220,400	220,400	220,400	220,400	220,400	220,400	220,400	220,400	220,400	2,204,000	4,628,400
1014	Motor Vehicle License Fees	0	0	0	0	0	0	0	0	0	0	0	
1017	Office of Traffic Safety	0	0	0	0	0	0	0	0	0	0	105,878	
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	450,531
1025	Mandated Cost - SB 90	90,511	93,226	96,023	98,903	101,871	104,927	108,074	111,317	114,656	118,096	1,037,604	1,857,075
1025	Mandated Costs PY Reimbursement	33,333	33,333	33,333	33,333	0	0	0	0	0	0	133,332	504,269
1027	Miscellaneous State Grants	0	0	0	0	0	0	0	0	0	0	39	
1034	Library Services and Tech Act	0	0	0	0	0	0	0	0	0	0	6,228	
1036	Booking Fee Abatement	0	0	0	0	0	0	0	0	0	0	0	
1041	State Tire Enforcement Grant	27,399	27,399	27,399	27,399	27,399	27,399	27,399	27,399	27,399	27,399	273,990	574,980
1044	Department of Corrections Reimbursement	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	40,980
	TOTAL STATE SHARED REVENUE	398,643	401,358	404,155	407,035	376,670	379,726	382,873	386,116	389,455	392,895	3,918,926	8,207,161
1349	Certified Unified Program Agency	1,086,128	1,118,712	1,152,273	1,186,842	1,222,447	1,259,120	1,296,894	1,335,801	1,375,875	1,417,151	12,451,243	22,930,409

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL	
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
1350	Bicycle Licenses	84	0	0	0	0	0	0	0	0	0	0	0	
1351-01	Major Permit Application Fees	103,881	71,679	0	0	0	0	0	0	0	0	0	71,679	
1352-01	Minor Permit Application Fees	62,065	29,319	0	0	0	0	0	0	0	0	0	29,319	
1353	Permit - Bingo	250	0	0	0	0	0	0	0	0	0	0	0	
1354	Permit - Building	3,586,960	3,282,651	0	0	0	0	0	0	0	0	0	3,282,651	
1355	Permit - Electrical	907,308	775,228	0	0	0	0	0	0	0	0	0	775,228	
1356	Permit - Fire Prevention	2,104,572	1,964,749	0	0	0	0	0	0	0	0	0	1,964,749	
1358	Permit - Grading	62,200	38,757	0	0	0	0	0	0	0	0	0	38,757	
1359	Permit - Hazardous Materials	140,473	85,000	70,000	70,000	71,400	72,828	74,285	75,770	77,286	78,831	80,408	82,016	837,824
1360	Permit - Mechanical	712,476	671,304	0	0	0	0	0	0	0	0	0	0	671,304
1361	Permit - Miscellaneous	3,527	4,123	0	0	0	0	0	0	0	0	0	0	4,123
1362	Permit - Fire Operations	175,818	200,000	225,000	250,000	255,000	260,100	265,302	270,608	276,020	281,541	287,171	292,915	2,863,657
1363	Permit - Plumbing and Gas	820,704	717,972	0	0	0	0	0	0	0	0	0	0	717,972
1364	Permit - Sign	15,128	11,515	0	0	0	0	0	0	0	0	0	0	11,515
1365	Permit - Street Cut	822	0	0	0	0	0	0	0	0	0	0	0	0
1366	Permit - Temporary Building	820	2,551	0	0	0	0	0	0	0	0	0	0	2,551
1368	Permit - Transportation	16,662	15,289	15,289	15,289	15,289	15,289	15,289	15,289	15,289	15,289	15,289	15,289	168,179
1369	Permit - Art in Private Development	15,243	10,180	0	0	0	0	0	0	0	0	0	0	10,180
1370	Permit - Taxi Driver and Vehicle	57,902	62,000	62,000	62,000	63,240	64,505	65,795	67,111	68,453	69,822	71,219	72,643	728,787
1371	Permit - Misc. Public Safety	16,587	16,500	16,500	16,500	16,830	17,167	17,510	17,860	18,217	18,582	18,953	19,332	193,951
1372	Permit - Liquidambar Street	704	1,343	0	0	0	0	0	0	0	0	0	0	1,343
1373	Adult Entertainment Permits	15,988	12,389	12,000	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	141,445
1374	OCM Special Event Permit Fee	4,136	3,706	3,488	3,558	3,629	3,701	3,776	3,851	3,928	4,007	4,087	4,168	41,899
TOTAL PERMITS AND LICENSES		9,478,658	8,826,255	1,254,277	1,329,347	1,355,628	1,382,435	1,409,778	1,437,667	1,466,115	1,495,131	1,524,728	1,554,917	23,036,278
1502-01	Fines - Overdue Material - Circulation Desk	81,684	74,295	69,837	65,647	64,334	63,047	61,786	60,551	59,340	58,153	56,990	55,850	689,830
1502-02	Fines - Overdue/Lost & Damaged-Internet	164,042	173,194	183,586	194,601	200,439	206,452	212,646	219,025	225,596	232,364	239,335	246,515	2,333,752

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL	
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034		
1350	Bicycle Licenses	0	0	0	0	0	0	0	0	0	0	0	
1351-01	Major Permit Application Fees	0	0	0	0	0	0	0	0	0	0	71,679	
1352-01	Minor Permit Application Fees	0	0	0	0	0	0	0	0	0	0	29,319	
1353	Permit - Bingo	0	0	0	0	0	0	0	0	0	0	0	
1354	Permit - Building	0	0	0	0	0	0	0	0	0	0	3,282,651	
1355	Permit - Electrical	0	0	0	0	0	0	0	0	0	0	775,228	
1356	Permit - Fire Prevention	0	0	0	0	0	0	0	0	0	0	1,964,749	
1358	Permit - Grading	0	0	0	0	0	0	0	0	0	0	38,757	
1359	Permit - Hazardous Materials	84,477	87,011	89,621	92,310	95,079	97,932	100,870	103,896	107,012	110,223	968,430	1,806,254
1360	Permit - Mechanical	0	0	0	0	0	0	0	0	0	0	0	671,304
1361	Permit - Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	4,123
1362	Permit - Fire Operations	301,702	310,753	320,076	329,678	339,569	349,756	360,248	371,056	382,187	393,653	3,458,679	6,322,336
1363	Permit - Plumbing and Gas	0	0	0	0	0	0	0	0	0	0	0	717,972
1364	Permit - Sign	0	0	0	0	0	0	0	0	0	0	0	11,515
1365	Permit - Street Cut	0	0	0	0	0	0	0	0	0	0	0	0
1366	Permit - Temporary Building	0	0	0	0	0	0	0	0	0	0	0	2,551
1368	Permit - Transportation	15,748	16,220	16,707	17,208	17,724	18,256	18,804	19,368	19,949	20,547	180,529	348,708
1369	Permit - Art in Private Development	0	0	0	0	0	0	0	0	0	0	0	10,180
1370	Permit - Taxi Driver and Vehicle	74,822	77,067	79,379	81,760	84,213	86,739	89,342	92,022	94,782	97,626	857,752	1,586,539
1371	Permit - Misc. Public Safety	19,912	20,510	21,125	21,759	22,412	23,084	23,776	24,490	25,224	25,981	228,273	422,224
1372	Permit - Liquidambar Street	0	0	0	0	0	0	0	0	0	0	0	1,343
1373	Adult Entertainment Permits	14,482	14,916	15,364	15,825	16,299	16,788	17,292	17,811	18,345	18,895	166,017	307,461
1374	OCM Special Event Permit Fee	4,294	4,422	4,555	4,692	4,832	4,977	5,127	5,281	5,439	5,602	49,221	91,119
TOTAL PERMITS AND LICENSES		1,601,565	1,649,612	1,699,100	1,750,073	1,802,575	1,856,652	1,912,352	1,969,722	2,028,814	2,089,679	18,360,143	41,396,422
1502-01	Fines - Overdue Material - Circulation Desk	55,292	54,739	54,191	53,649	53,113	52,582	52,056	51,535	51,020	50,510	528,686	1,218,516
1502-02	Fines - Overdue/Lost & Damaged-Internet	253,910	261,527	269,373	277,454	285,778	294,351	303,182	312,277	321,646	331,295	2,910,796	5,244,548

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
1503	Fines - Parking	437,259	350,000	400,000	475,000	484,500	494,190	504,074	514,155	524,438	534,927	545,626	556,538	5,383,449
1504	Fines - Traffic and Criminal	301,780	180,000	225,000	300,000	350,000	357,000	364,140	371,423	378,851	386,428	394,157	402,040	3,709,039
1506	Juvenile Diversion	2,800	2,300	2,300	2,300	2,346	2,393	2,441	2,490	2,539	2,590	2,642	2,695	27,036
1507	Late Payment Penalties	1,947	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877	30,475	304,218
1509	Returned Check Charge	6,488	5,760	5,875	5,993	6,113	6,235	6,360	6,487	6,617	6,749	6,884	7,022	70,095
1514	CUPA Fines	0	3,250	1,000	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	14,005
1516	Neighborhood Preservation Code Violations	43,075	18,900	20,000	22,500	22,950	23,409	23,877	24,355	24,842	25,339	25,845	26,362	258,379
TOTAL FINES AND FORFEITURES		1,039,075	832,699	933,098	1,093,051	1,158,232	1,180,828	1,203,987	1,227,722	1,252,044	1,276,968	1,302,504	1,328,668	12,789,802
1650	Administrative Request Fees	159,802	144,410	0	0	0	0	0	0	0	0	0	0	144,410
1652	Demolition Fees	38,821	34,685	0	0	0	0	0	0	0	0	0	0	34,685
1653	Energy Plan Check Fees	190,717	242,889	0	0	0	0	0	0	0	0	0	0	242,889
1654	Environmental Review Fees	136,049	147,071	0	0	0	0	0	0	0	0	0	0	147,071
1655	Legislative Actions	66,648	4,119	0	0	0	0	0	0	0	0	0	0	4,119
1667-01	General Plan Maintenance Fees	756,907	734,310	528,718	469,971	479,369	488,957	498,736	508,711	518,885	529,263	539,848	550,645	5,847,412
1670	Plan Check Fees	1,718,910	2,114,111	0	0	0	0	0	0	0	0	0	0	2,114,111
1673-01	Subdivision Map Filing Fees - Planning	86,995	73,480	0	0	0	0	0	0	0	0	0	0	73,480
1677	State Certified Access Specialist Fee	3,606	3,569	3,500	3,500	3,500	0	0	0	0	0	0	0	14,069
1676	Special Inspection Reimbursement	15,614	13,250	0	0	0	0	0	0	0	0	0	0	13,250
TOTAL COMMUNITY DEVELOPMENT FEES		3,174,068	3,511,894	532,218	473,471	482,869	488,957	498,736	508,711	518,885	529,263	539,848	550,645	8,635,495
1801-01	Business License Processing-New Applications	17,597	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	186,181
1801-02	Business License Processing - Renewals	3,089	0	0	0	0	0	0	0	0	0	0	0	0
3100-05	Internet & Phone Credit Card Fee	285	6	0	0	0	0	0	0	0	0	0	0	6
3101	Notary Fee	140	30	0	0	0	0	0	0	0	0	0	0	30
TOTAL FINANCE FEES		21,111	15,336	15,606	15,918	16,236	16,561	16,892	17,230	17,575	17,926	18,285	18,651	186,217
2102	Library- Lost/Damaged Materials	12,616	9,473	8,905	8,371	8,455	8,539	8,625	8,711	8,798	8,886	8,975	9,065	96,802

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034		
1503	Fines - Parking	573,234	590,431	608,144	626,389	645,180	664,536	684,472	705,006	726,156	747,941	6,571,489	11,954,938
1504	Fines - Traffic and Criminal	414,101	426,524	439,320	452,500	466,075	480,057	494,458	509,292	524,571	540,308	4,747,206	8,456,245
1506	Juvenile Diversion	2,776	2,859	2,945	3,033	3,124	3,218	3,314	3,414	3,516	3,622	31,820	58,855
1507	Late Payment Penalties	31,389	32,331	33,301	34,300	35,329	36,389	37,480	38,605	39,763	40,956	359,841	664,059
1509	Returned Check Charge	7,232	7,449	7,673	7,903	8,140	8,384	8,636	8,895	9,162	9,437	82,911	153,005
1514	CUPA Fines	1,207	1,243	1,280	1,319	1,358	1,399	1,441	1,484	1,529	1,575	13,835	27,839
1516	Neighborhood Preservation Code Violations	27,153	27,968	28,807	29,671	30,561	31,478	32,422	33,395	34,397	35,429	311,281	569,660
TOTAL FINES AND FORFEITURES		1,366,294	1,405,072	1,445,034	1,486,218	1,528,658	1,572,393	1,617,462	1,663,903	1,711,759	1,761,071	15,557,864	28,347,666
1650	Administrative Request Fees	0	0	0	0	0	0	0	0	0	0	0	144,410
1652	Demolition Fees	0	0	0	0	0	0	0	0	0	0	0	34,685
1653	Energy Plan Check Fees	0	0	0	0	0	0	0	0	0	0	0	242,889
1654	Environmental Review Fees	0	0	0	0	0	0	0	0	0	0	0	147,071
1655	Legislative Actions	0	0	0	0	0	0	0	0	0	0	0	4,119
1667-01	General Plan Maintenance Fees	567,164	584,179	601,704	619,756	638,348	657,499	677,224	697,540	718,467	740,020	6,501,901	12,349,312
1670	Plan Check Fees	0	0	0	0	0	0	0	0	0	0	0	2,114,111
1673-01	Subdivision Map Filing Fees - Planning	0	0	0	0	0	0	0	0	0	0	0	73,480
1677	State Certified Access Specialist Fee	0	0	0	0	0	0	0	0	0	0	0	14,069
1676	Special Inspection Reimbursement	0	0	0	0	0	0	0	0	0	0	0	13,250
TOTAL COMMUNITY DEVELOPMENT FEES		567,164	584,179	601,704	619,756	638,348	657,499	677,224	697,540	718,467	740,020	6,501,901	15,137,396
1801-01	Business License Processing-New Applications	19,210	19,786	20,380	20,991	21,621	22,270	22,938	23,626	24,335	25,065	220,223	406,404
1801-02	Business License Processing - Renewals	0	0	0	0	0	0	0	0	0	0	0	0
3100-05	Internet & Phone Credit Card Fee	0	0	0	0	0	0	0	0	0	0	0	6
3101	Notary Fee	0	0	0	0	0	0	0	0	0	0	0	30
TOTAL FINANCE FEES		19,210	19,786	20,380	20,991	21,621	22,270	22,938	23,626	24,335	25,065	220,223	406,440
2102	Library- Lost/Damaged Materials	9,246	9,431	9,619	9,812	10,008	10,208	10,412	10,621	10,833	11,050	101,240	198,042

**035. GENERAL FUND
REVENUES BY SOURCE**

														FY 2013/2014 TO FY 2023/2024 TOTAL
	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024		
2105	Miscellaneous Library Charges	2,773	2,556	2,607	2,659	2,712	2,766	2,822	2,878	2,936	2,994	3,054	3,115	31,101
TOTAL LIBRARY AND COMMUNITY SERVICES FEES		15,389	12,029	11,512	11,030	11,167	11,306	11,446	11,589	11,734	11,880	12,029	12,180	127,902
2310	Recreation Credit (Net)	5,765	0	0	0	0	0	0	0	0	0	0	0	0
2347	Senior Adult Services	2,889	0	0	0	0	0	0	0	0	0	0	0	0
2351	Vending	3,000	6,000	6,000	6,000	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,615	68,715
2357	Youth Basketball League	128,445	131,013	133,633	136,306	139,032	141,813	144,649	147,542	150,493	153,503	156,573	159,704	1,594,260
2359	Adult Basketball	64,717	65,280	65,933	66,592	67,258	67,931	68,610	69,296	69,989	70,689	71,396	72,110	755,083
2360	Adult Volleyball	35,992	36,720	37,087	37,458	37,833	38,211	38,593	38,979	39,369	39,762	40,160	40,562	424,734
2361	Adult Drop-In Sports	39,378	38,500	40,000	40,400	40,804	41,212	41,624	42,040	42,461	42,885	43,314	43,747	456,989
2364	Youth Sports Classes	243,426	270,300	275,000	280,500	286,110	291,832	297,669	303,622	309,695	315,889	322,206	328,650	3,281,473
2365	Adult Sports Activities	110,974	107,100	109,242	111,427	113,655	115,928	118,247	120,612	123,024	125,485	127,994	130,554	1,303,269
2367	Youth Sports Camp	131,339	138,500	141,000	143,820	146,696	149,630	152,623	155,675	158,789	161,965	165,204	168,508	1,682,411
2370	Special Events HOTS	12,508	13,060	13,060	13,060	14,060	14,060	14,060	15,060	15,060	15,060	16,060	16,060	158,660
2375	Gymnastics - Youth	395,710	320,000	328,800	338,664	348,824	359,289	370,067	381,169	392,604	404,383	416,514	429,009	4,089,324
2381	Swim Pool Rentals	21,856	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	269,368
2383	Washington Pool Adult Swim Lessons	18,957	18,500	18,872	19,061	19,251	19,444	19,638	19,835	20,033	20,233	20,436	20,640	215,943
2385	Special Interest - Youth	42,844	50,000	83,106	84,768	86,463	88,193	89,957	91,756	93,591	95,463	97,372	99,319	959,988
2388	Visual Arts - Youth	56,808	57,222	58,366	59,533	60,724	61,938	63,177	64,441	65,730	67,044	68,385	69,753	696,313
2391	Visual Arts - Adult	14,996	13,525	13,796	14,072	14,353	14,640	14,933	15,232	15,537	15,847	16,164	16,487	164,587
2392	Dance Classes - Child	79,018	79,000	99,117	101,099	103,121	105,184	107,287	109,433	111,622	113,854	116,131	118,454	1,164,303
2393	Dance Classes - Adult	86,281	87,000	90,000	91,800	93,636	95,509	97,419	99,367	101,355	103,382	105,449	107,558	1,072,475
2394	Drama - Youth	50,347	45,000	17,231	17,576	17,927	18,286	18,651	19,024	19,405	19,793	20,189	20,593	233,675
2396	Cultural Arts Theater Tickets	29,304	28,800	28,800	28,800	28,800	30,528	30,528	30,528	30,528	32,360	32,360	32,360	334,391
2397	Preschool Programs	245,279	234,978	297,432	303,381	309,448	315,637	321,950	328,389	334,957	341,656	348,489	355,459	3,491,775
2401	Neighborhood Recreation	299,793	364,010	358,571	365,742	373,057	380,518	388,129	395,891	403,809	411,885	420,123	428,526	4,290,262
2406	Senior Adults Dances	3,449	2,640	2,640	2,640	2,640	3,960	4,158	4,366	4,584	4,813	5,054	5,054	42,550

**035. GENERAL FUND
REVENUES BY SOURCE**

												FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034			
												0	
2105	Miscellaneous Library Charges	3,209	3,305	3,404	3,506	3,612	3,720	3,832	3,947	4,065	4,187	36,787	67,887
												0	
	TOTAL LIBRARY AND COMMUNITY SERVICES FEES	12,455	12,736	13,024	13,318	13,620	13,928	14,244	14,567	14,898	15,237	138,026	265,929
2310	Recreation Credit (Net)	0	0	0	0	0	0	0	0	0	0	0	0
2347	Senior Adult Services	0	0	0	0	0	0	0	0	0	0	0	0
2351	Vending	6,615	6,615	6,615	6,946	7,293	7,293	7,293	7,293	7,658	7,658	71,278	139,993
2357	Youth Basketball League	164,495	169,430	174,513	179,748	185,141	190,695	196,416	202,308	208,378	214,629	1,885,754	3,480,013
2359	Adult Basketball	74,273	76,501	78,796	81,160	83,595	86,103	88,686	91,346	94,087	96,909	851,457	1,606,540
2360	Adult Volleyball	41,779	43,032	44,323	45,653	47,022	48,433	49,886	51,382	52,924	54,512	478,945	903,679
2361	Adult Drop-In Sports	53,147	53,147	53,147	53,147	53,147	62,547	62,547	62,547	62,547	62,547	578,474	1,035,463
2364	Youth Sports Classes	338,510	348,665	359,125	369,899	380,996	392,426	404,199	416,325	428,814	441,679	3,880,637	7,162,111
2365	Adult Sports Activities	134,471	138,505	142,660	146,940	151,348	155,889	160,565	165,382	170,344	175,454	1,541,559	2,844,828
2367	Youth Sports Camp	173,563	178,770	184,133	189,657	195,347	201,207	207,244	213,461	219,865	226,461	1,989,709	3,672,119
2370	Special Events HOTS	16,060	17,060	17,060	17,060	18,060	18,060	18,060	19,060	19,060	19,060	178,600	337,260
2375	Gymnastics - Youth	441,880	455,136	468,790	482,854	497,340	512,260	527,627	543,456	559,760	576,553	5,065,656	9,154,979
2381	Swim Pool Rentals	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	244,880	514,248
2383	Washington Pool Adult Swim Lessons	21,259	21,897	22,554	23,231	23,927	24,645	25,385	26,146	26,931	27,738	243,713	459,656
2385	Special Interest - Youth	102,299	105,368	108,529	111,785	115,138	118,593	122,150	125,815	129,589	133,477	1,172,743	2,132,730
2388	Visual Arts - Youth	71,845	74,001	76,221	78,507	80,863	83,288	85,787	88,361	91,012	93,742	823,626	1,519,940
2391	Visual Arts - Adult	16,982	17,492	18,016	18,557	19,114	19,687	20,278	20,886	21,512	22,158	194,681	359,268
2392	Dance Classes - Child	122,008	125,668	129,438	133,321	137,321	141,440	145,683	150,054	154,556	159,192	1,398,681	2,562,984
2393	Dance Classes - Adult	110,785	114,109	117,532	121,058	124,690	128,430	132,283	136,252	140,339	144,549	1,270,027	2,342,502
2394	Drama - Youth	21,210	21,847	22,502	23,177	23,873	24,589	25,326	26,086	26,869	27,675	243,154	476,828
2396	Cultural Arts Theater Tickets	32,360	32,360	34,301	34,301	34,301	34,301	34,301	36,359	36,359	36,359	345,304	679,695
2397	Preschool Programs	366,123	377,106	388,419	400,072	412,074	424,436	437,169	450,285	463,793	477,707	4,197,185	7,688,960
2401	Neighborhood Recreation	441,381	454,623	468,261	482,309	496,779	511,682	527,032	542,843	559,129	575,902	5,059,942	9,350,204
2406	Senior Adults Dances	5,206	5,206	5,362	5,362	5,523	5,523	5,688	5,688	5,859	5,859	55,276	97,825

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
2407	Senior Adult Programs	115,683	127,500	130,000	132,600	135,252	137,957	140,716	143,531	146,401	149,329	152,316	155,362	1,550,964
2408	Senior Adult Trips	117,075	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,320,000
2409	Senior Adult Special Events	7,263	7,915	8,070	8,231	8,643	8,816	9,257	9,442	9,914	10,112	10,618	10,830	101,847
2410	Therapeutic Services Program	8,222	9,000	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	227,994
2411	Senior Center Membership	72,266	83,500	89,900	89,900	89,900	98,890	98,890	98,890	108,779	108,779	108,779	108,779	1,084,986
2412	Senior Adult Lunch Program	22,659	21,000	25,812	25,812	25,812	25,812	25,812	25,812	25,812	25,812	25,812	25,812	279,120
2413	Teen Programs Co-OP	44,988	46,000	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	511,000
2417	Registration Service Fees	11,519	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
2418	Fremont Pool User Fees	46,312	50,000	51,250	52,531	53,845	55,191	56,294	57,420	58,569	59,740	60,935	60,935	616,710
2422	Elementary After School and Summer Programs	46,402	32,785	56,893	58,600	58,600	58,600	58,600	60,358	60,358	60,358	62,169	62,169	629,488
2423	Pottery - Adult	144,252	160,600	163,812	167,088	170,430	173,839	177,315	180,862	184,479	188,168	191,932	195,771	1,954,296
2424	Music - Child	132,475	132,472	135,291	137,997	140,757	143,572	146,443	149,372	152,360	155,407	158,515	161,685	1,613,871
2425	Music - Adult	13,609	14,000	15,670	15,983	16,303	16,629	16,962	17,301	17,647	18,000	18,360	18,727	185,582
2455	Teen Programs	35,476	31,000	36,725	37,460	38,209	38,973	39,752	40,547	41,358	42,185	43,029	43,890	433,129
2465	Columbia Co-Op Sports	34,447	36,000	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	401,000
2484	Washington Pool Swim Lessons	100,977	102,230	104,274	106,359	108,487	110,656	112,870	115,127	117,429	119,778	122,174	124,617	1,244,001
2485	SMS Pool Swim Lessons	37,462	37,837	37,000	37,740	38,495	39,265	40,050	40,851	41,668	42,501	43,351	44,218	442,977
2486	Columbia Pool Swim Lessons	13,253	13,386	13,500	13,770	14,045	14,326	14,613	14,905	15,203	15,507	15,817	16,134	161,207
2490	Washington Pool Drop-In Swim	15,875	15,600	16,000	16,000	16,000	16,000	16,000	16,800	16,800	16,800	16,800	16,800	179,600
xxxx	Washington Pool Expansion - Add'l Revenue	0	0	0	0	0	0	0	63,400	63,400	63,400	63,400	63,400	317,000
2491	SMS Pool Drop-In Swim	1,272	1,176	1,250	1,250	1,250	1,250	1,250	1,563	1,563	1,563	1,563	1,563	15,239
2492	Columbia Pool Drop-In Swim	1,411	1,350	1,688	1,688	1,688	1,688	1,688	2,110	2,110	2,110	2,110	2,110	20,340
TOTAL RECREATION FEES		3,146,014	3,184,987	3,362,309	3,423,597	3,486,005	3,560,219	3,623,919	3,756,418	3,832,794	3,902,262	3,974,474	4,043,914	40,150,898
2750	Abandoned Vehicles	178,170	190,610	192,000	194,000	197,880	201,838	205,874	209,992	214,192	218,476	222,845	227,302	2,275,008
2751	Animal Control Fees	110,074	105,000	105,000	105,000	107,100	109,242	111,427	113,655	115,928	118,247	120,612	123,024	1,234,236
2754	Emergency Response	29,666	28,344	28,911	29,489	30,079	30,680	31,294	31,920	32,558	33,210	33,874	34,551	344,910

**035. GENERAL FUND
REVENUES BY SOURCE**

												FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
		PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034		
2407	Senior Adult Programs	160,023	164,824	169,768	174,861	180,107	185,510	191,076	196,808	202,712	208,794	1,834,483	3,385,447
2408	Senior Adult Trips	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,200,000	2,520,000
2409	Senior Adult Special Events	11,155	11,490	11,834	12,189	12,555	12,932	13,320	13,719	14,131	14,555	127,879	229,727
2410	Therapeutic Services Program	24,619	25,357	26,118	26,902	27,709	28,540	29,396	30,278	31,186	32,122	282,228	510,223
2411	Senior Center Membership	119,657	119,657	119,657	131,623	131,623	131,623	144,785	144,785	144,785	159,263	1,347,456	2,432,442
2412	Senior Adult Lunch Program	25,812	25,812	25,812	25,812	25,812	25,812	25,812	25,812	25,812	25,812	258,120	537,240
2413	Teen Programs Co-OP	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	46,500	465,000	976,000
2417	Registration Service Fees	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	118,078	228,078
2418	Fremont Pool User Fees	62,763	64,646	66,585	68,583	70,640	72,759	74,942	77,191	79,506	81,891	719,507	1,336,217
2422	Elementary After School and Summer Programs	62,169	62,169	64,034	64,034	64,034	65,955	65,955	65,955	65,955	67,933	648,189	1,277,677
2423	Pottery - Adult	201,644	207,693	213,924	220,341	226,952	233,760	240,773	247,996	255,436	263,099	2,311,618	4,265,914
2424	Music - Child	166,536	171,532	176,678	181,978	187,438	193,061	198,852	204,818	210,963	217,291	1,909,147	3,523,017
2425	Music - Adult	19,289	19,868	20,464	21,078	21,710	22,361	23,032	23,723	24,435	25,168	221,126	406,708
2455	Teen Programs	45,206	46,563	47,960	49,398	50,880	52,407	53,979	55,598	57,266	58,984	518,241	951,370
2465	Columbia Co-Op Sports	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	36,500	365,000	766,000
2484	Washington Pool Swim Lessons	128,356	132,206	136,172	140,258	144,465	148,799	153,263	157,861	162,597	167,475	1,471,453	2,715,454
2485	SMS Pool Swim Lessons	45,545	46,911	48,319	49,768	51,261	52,799	54,383	56,015	57,695	59,426	522,122	965,099
2486	Columbia Pool Swim Lessons	16,618	17,116	17,630	18,159	18,703	19,265	19,842	20,438	21,051	21,682	190,504	351,711
2490	Washington Pool Drop-In Swim	17,640	17,640	17,640	17,640	17,640	18,522	18,522	18,522	18,522	18,522	180,810	360,410
xxxx	Washington Pool Expansion - Add'l Revenue	63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400	63,400	634,000	951,000
2491	SMS Pool Drop-In Swim	1,953	1,953	1,953	1,953	1,953	2,441	2,441	2,441	2,441	2,441	21,973	37,211
2492	Columbia Pool Drop-In Swim	2,638	2,638	2,638	2,638	2,638	3,297	3,297	3,297	3,297	3,297	29,672	50,012
	TOTAL RECREATION FEES	4,169,060	4,276,108	4,389,299	4,514,102	4,631,491	4,764,199	4,900,465	5,030,149	5,161,109	5,311,904	47,147,885	87,298,783
2750	Abandoned Vehicles	234,121	241,145	248,379	255,830	263,505	271,410	279,553	287,939	296,577	305,475	2,683,935	4,958,943
2751	Animal Control Fees	126,715	130,516	134,432	138,465	142,619	146,897	151,304	155,843	160,519	165,334	1,452,645	2,686,881
2754	Emergency Response	35,588	36,655	37,755	38,888	40,054	41,256	42,494	43,768	45,081	46,434	407,973	752,883

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034		
2756	False Burglar Alarm Fees	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,800,000	3,780,000
2760	Police Contract Overtime	90,511	93,226	96,023	98,903	101,871	104,927	108,074	111,317	114,656	118,096	1,037,604	1,868,769
2763	Vehicle Release Fee	160,819	165,644	170,613	175,731	181,003	186,433	192,026	197,787	203,721	209,832	1,843,609	3,402,239
2765	Other DPS	36,204	37,290	38,409	39,561	40,748	41,971	43,230	44,527	45,862	47,238	415,041	757,680
2766	False Alarm Fee - Fire Alarm	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000	1,050,000
2767	Fire Contract Reimbursement	0	0	0	0	0	0	0	0	0	0	0	19,052
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	20,471
2770	DPS Alarm Permit Fees	217,226	223,742	230,455	237,368	244,489	251,824	259,379	267,160	275,175	283,430	2,490,249	4,591,082
2772-01	Fire Inspection Fees	355,102	365,756	376,728	388,030	399,671	411,661	424,011	436,731	449,833	463,328	4,070,852	7,512,444
TOTAL PUBLIC SAFETY FEES		1,487,286	1,524,974	1,563,793	1,603,777	1,644,961	1,687,379	1,731,071	1,776,073	1,822,425	1,870,168	16,711,907	31,400,444
2355	Baylands Picnic Reservation	75,246	79,008	79,008	79,008	82,958	87,106	87,106	87,106	91,462	91,462	839,469	1,604,698
2356	Baylands Vehicle Entry Fee	104,186	109,396	109,396	109,396	114,865	120,609	120,609	120,609	126,639	126,639	1,162,342	2,221,890
2900	Engineering Fees	0	0	0	0	0	0	0	0	0	0	0	690,000
2901	Mathilda/237 Maintenance	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	33,700	337,000	705,000
2904	Street Tree Fees	24,860	25,606	26,374	27,165	27,980	28,820	29,684	30,575	31,492	32,437	284,995	526,590
2909	Temporary Traffic Controls	2,154	2,219	2,285	2,354	2,425	2,497	2,572	2,649	2,729	2,811	24,695	45,607
2912	Parking Meter Fees	123,045	126,736	130,538	134,454	138,488	142,643	146,922	151,330	155,870	160,546	1,410,571	2,505,105
TOTAL PUBLIC WORKS FEES		363,191	376,664	381,301	386,077	400,417	415,375	420,593	425,969	441,891	447,594	4,059,073	8,298,890
TOTAL SERVICE FEES		6,618,366	6,794,448	6,969,502	7,158,021	7,350,457	7,560,649	7,766,534	7,967,924	8,183,125	8,409,988	74,779,015	142,807,882
3355	Interest	2,498,274	2,497,751	2,502,180	2,502,705	2,516,407	2,561,414	2,542,468	2,415,884	2,368,679	2,405,248	24,811,010	41,432,962
xxxx	Interest - Sale of Property	1,443,604	1,515,784	1,591,573	1,671,152	1,754,709	1,842,445	1,934,567	2,031,295	2,132,860	2,239,503	18,157,491	25,870,527
TOTAL INTEREST INCOME		3,941,878	4,013,535	4,093,753	4,173,856	4,271,116	4,403,859	4,477,035	4,447,179	4,501,539	4,644,751	42,968,501	67,303,489
xxxx	Reimbursement From County - Lease Payments	0	0	0	0	0	0	0	0	0	0	0	0
3601	Water Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	703,400
3601/3602	Sewer Loan Repayment	850,216	850,216	850,216	850,216	850,216	850,216	850,216	850,216	850,216	850,216	8,502,156	20,339,516

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
3601-90/96	General Services Loan Repayment	177,373	0	0	0	0	0	0	0	0	0	0	0	0
3602-42	Refuse Loan Repayment	3,388,304	2,913,002	4,099,556	4,099,556	4,099,556	4,099,556	4,099,556	4,099,556	4,099,556	4,099,556	4,099,556	4,099,556	43,908,562
3602-90/96	Gen Services - Interest	12,416	0	0	0	0	0	0	0	0	0	0	0	0
3604	Sunnyvale Office Center	253,354	255,887	258,446	261,030	263,641	266,277	268,940	271,629	274,345	277,089	279,860	282,658	2,959,803
3605	Power Generation Facility	855,705	872,819	890,275	908,081	926,243	944,767	963,663	982,936	1,002,595	1,022,647	1,043,100	1,063,962	10,621,087
xxxx	Redevelopment Agency	4,510,795	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERFUND REVENUES		11,799,352	5,657,788	6,864,358	6,533,048	6,553,820	6,574,981	6,596,539	6,204,337	6,226,712	6,249,507	6,272,731	6,296,392	70,030,212
1214	Contributions	18,526	300,000	0	0	0	0	0	0	0	0	0	0	300,000
1216	Miscellaneous Grants - Other	7,870	30,875	0	0	0	0	0	0	0	0	0	0	30,875
3801-01	Personal Property Sale	24,409	14,386	9,260	9,445	9,634	9,826	10,023	10,223	10,428	10,636	10,849	10,849	115,559
2764	Unclaimed Property	7,643	63	0	0	0	0	0	0	0	0	0	0	63
2774	DPS Property Revenue	13,698	1,984	0	0	0	0	0	0	0	0	0	0	1,984
4100	Miscellaneous Revenues	4,171	5,463	5,306	5,412	5,520	5,631	5,743	5,858	5,975	6,095	6,217	6,217	63,438
4102	Damage to City Property	100,854	53,600	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899	124,337	124,337	1,213,106
4104	Jury Duty Reimbursement	150	45	0	0	0	0	0	0	0	0	0	0	45
4114	Cash Overage & Shortage	(87)	(468)	0	0	0	0	0	0	0	0	0	0	(468)
4116-02	Photocopies - Public Safety	116	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
4116-04	Photocopies - Other Departments	5,611	4,111	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,111
4117-01	Printed Material Sales	951	476	634	646	659	672	686	700	714	728	742	742	7,399
4117-05	Printed Material Sale - PW/Plans & Specs	9,509	4,439	6,105	6,227	6,352	6,479	6,608	6,741	6,875	7,013	7,153	7,153	71,145
4120	Litigation Settlement Proceeds	1,139,897	54,282	0	0	0	0	0	0	0	0	0	0	54,282
4121	Miscellaneous Reimbursement	6,782	76,376	0	0	0	0	0	0	0	0	0	0	76,376
4123-03	Bankruptcy Recovery - Other	38	263	0	0	0	0	0	0	0	0	0	0	263
4460-02	Repayments - Conway Property Owners	37,940	15,490	15,490	15,490	15,490	15,490	8,674	8,674	8,674	8,674	8,674	8,674	129,494
TOTAL MISCELLANEOUS		1,378,079	561,385	145,915	148,464	151,063	153,715	149,603	152,362	155,175	158,045	160,973	160,973	2,097,673

**035. GENERAL FUND
REVENUES BY SOURCE**

	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
3601-90/96 General Services Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0
3602-42 Refuse Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	43,908,562
3602-90/96 Gen Services - Interest	0	0	0	0	0	0	0	0	0	0	0	0
3604 Sunnysvale Office Center	288,312	294,078	299,959	305,959	312,078	318,319	324,686	331,179	337,803	344,559	3,156,932	6,116,734
3605 Power Generation Facility	1,095,880	1,128,757	1,162,620	1,197,498	1,233,423	1,270,426	1,308,539	1,347,795	1,388,229	1,429,875	12,563,041	23,184,129
xxxx Redevelopment Agency	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERFUND REVENUES	2,234,408	2,273,050	2,312,795	2,353,672	2,395,716	2,438,961	2,483,440	2,529,190	2,576,247	2,624,650	24,222,129	94,252,341
1214 Contributions	0	0	0	0	0	0	0	0	0	0	0	300,000
1216 Miscellaneous Grants - Other	0	0	0	0	0	0	0	0	0	0	0	30,875
3801-01 Personal Property Sale	11,175	11,510	11,855	12,211	12,577	12,954	13,343	13,743	14,156	14,580	128,103	243,662
2764 Unclaimed Property	0	0	0	0	0	0	0	0	0	0	0	63
2774 DPS Property Revenue	0	0	0	0	0	0	0	0	0	0	0	1,984
4100 Miscellaneous Revenues	6,403	6,595	6,793	6,997	7,207	7,423	7,646	7,875	8,112	8,355	73,408	136,846
4102 Damage to City Property	128,068	131,910	135,867	139,943	144,141	148,465	152,919	157,507	162,232	167,099	1,468,151	2,681,257
4104 Jury Duty Reimbursement	0	0	0	0	0	0	0	0	0	0	0	45
4114 Cash Overage & Shortage	0	0	0	0	0	0	0	0	0	0	0	(468)
4116-02 Photocopies - Public Safety	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	20,000
4116-04 Photocopies - Other Departments	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	20,000	44,111
4117-01 Printed Material Sales	765	788	811	836	861	886	913	940	969	998	8,766	16,165
4117-05 Printed Material Sale - PW/Plans & Specs	7,368	7,589	7,816	8,051	8,292	8,541	8,797	9,061	9,333	9,613	84,463	155,608
4120 Litigation Settlement Proceeds	0	0	0	0	0	0	0	0	0	0	0	54,282
4121 Miscellaneous Reimbursement	0	0	0	0	0	0	0	0	0	0	0	76,376
4123-03 Bankruptcy Recovery - Other	0	0	0	0	0	0	0	0	0	0	0	263
4460-02 Repayments - Conway Property Owners	8,674	8,674	8,674	1,313	1,313	1,313	1,313	1,313	1,313	1,313	35,213	164,707
TOTAL MISCELLANEOUS	165,452	170,065	174,817	172,350	177,391	182,584	187,932	193,440	199,114	204,958	1,828,104	3,925,777

**035. GENERAL FUND
REVENUES BY SOURCE**

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL	
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
3800	Real Property Sale	0	0	0	0	2,150,000	11,474,036	0	0	0	0	0	0	13,624,036
xxxx	Armory Long-Term Lease	0	7,400,000	0	0	0	0	0	0	0	0	0	0	7,400,000
xxxx	Raynor Activity Center Sale	0	0	14,000,000	0	0	0	0	0	0	0	0	0	14,000,000
TOTAL SALE OF PROPERTY		0	7,400,000	14,000,000	0	2,150,000	11,474,036	0	0	0	0	0	0	35,024,036
4400	Transfers In	8,527,166	11,066,782	9,210,438	9,259,809	9,435,622	9,570,810	9,795,398	10,091,765	10,326,771	10,578,635	10,739,874	10,987,999	111,063,903
TOTAL TRANSFERS IN		8,527,166	11,066,782	9,210,438	9,259,809	9,435,622	9,570,810	9,795,398	10,091,765	10,326,771	10,578,635	10,739,874	10,987,999	111,063,903
FUND TOTAL		153,192,473	158,379,481	153,900,487	144,495,623	150,465,594	164,368,071	157,039,964	162,265,022	167,128,524	171,947,575	177,011,926	182,298,327	1,789,300,593

**035. GENERAL FUND
REVENUES BY SOURCE**

		PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL	
		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	TOTAL	TOTAL
3800	Real Property Sale	0	0	0	0	0	0	0	0	0	0	0	13,624,036
xxxx	Armory Long-Term Lease	0	0	0	0	0	0	0	0	0	0	0	7,400,000
xxxx	Raynor Activity Center Sale	0	0	0	0	0	0	0	0	0	0	0	14,000,000
TOTAL SALE OF PROPERTY		0	0	0	0	0	0	0	0	0	0	0	35,024,036
4400	Transfers In	11,366,719	11,740,801	12,126,105	12,522,968	12,930,329	13,542,022	13,875,383	14,231,551	14,691,572	15,165,393	132,192,844	243,256,747
TOTAL TRANSFERS IN		11,366,719	11,740,801	12,126,105	12,522,968	12,930,329	13,542,022	13,875,383	14,231,551	14,691,572	15,165,393	132,192,844	243,256,747
FUND TOTAL		185,292,459	191,506,856	198,410,753	204,858,265	212,133,865	219,572,714	226,866,181	234,328,852	242,261,333	250,553,340	2,165,784,618	3,955,085,211

**Financial Plans -
Special Revenue Funds**

SPECIAL REVENUE FUNDS

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

▪ Housing Fund

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

Housing Mitigation

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

Revenue projections are based on a number of factors, including: current projects in the pipeline, historical collections, total development square footage eligible to pay this fee, and the current and projected per square foot Housing Mitigation Fee. Due to the recent surge of development activity in the City, \$4.4 million in Housing Mitigation Fees are expected in FY 2013/14, which represents a \$2.4 million increase over the \$2.0 million originally budgeted. For FY 2014/15, revenue of \$6.8 million is projected based on three large, commercial development projects that have received planning approval. Beginning in FY 2015/16 the revenue projection is revised downward to the six-year average of \$2.5 million per year. This historical average is notably higher than the baseline used in the prior year due to the peak levels in recent years. Over the twenty year plan, total revenue from Housing Mitigation Fees is estimated to be up by \$15.1 million over the prior year’s plan.

This revenue stream has allowed the City to assist a number of important housing projects. The most notable of these projects include the provision of over \$5 million to assist in the development of affordable apartments for seniors, and over \$8 million for the development of 124 low-income rental housing units at the City’s Armory site. Assistance to affordable housing developments is provided in the form of a loan, with payments amortized, deferred, or based on residual receipts of the project’s anticipated operating cash flow. Interest rates

vary and are set forth in each loan agreement. Payments received on these loans are consistent with City policy for the use of Housing Mitigation funds, and are deposited into this fund and re-used for additional housing activities.

By the end of FY 2013/14, the Housing Mitigation Program will receive a \$748,000 loan repayment on a loan made to Habitat for Humanity and a \$530,373 loan repayment related to a loan made for the Aster Park Apartments property. During the first ten years of the planning period, staff projects the program will receive another \$1.7 million in loan repayments, which includes payments on loans made for the Garland and Tenaka Place sites.

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

In FY 2012/13, Council approved the sale of two City-owned properties to Habitat for Humanity (Habitat). The Housing Mitigation Fund funded this project in FY 2013/14 with a bridge loan to Habitat for \$870,000, which will be paid back at \$748,000 when the homes are resold to the home buyers, using the sales proceeds. The difference of \$122,000 is the City assistance from Housing Mitigation Reserves needed to make the project financially feasible. Project expenditures total approximately \$15.0 million for FY 2013/14, consisting primarily of the Charities and Mid Pen Affordable Housing projects at the Armory site, \$5 million for the Homestead Park

(Final Phase) project, \$880,000 for the bridge loan to Habitat mentioned above, and \$500,000 for the 1st Time Homebuyer Loans Program. The other notable project includes a \$250,000 for a contribution to the Housing Trust Fund of Santa Clara County. In FY 2014/15 there is \$1.0 million budgeted for the Morse Court Rental Rehabilitation project.

By the end of FY 2014/15 the Housing Mitigation Reserve is expected to have balance of approximately \$18.9 million. These funds are available for future affordable housing projects in the City when they are identified. A placeholder entitled *Future Housing Projects* is included in the long-term financial plan for such projects.

Below Market Rate (BMR) Housing

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

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

The BMR Housing Program has a BMR Reserve for the deposit of BMR In-Lieu Fees which are paid by developers in accordance with project-specific developer agreements, in lieu of providing actual BMR homes for sale, and/or to fulfill fractional BMR unit requirements. The fee revenues are intended to be used by the City to provide a comparable or greater number of affordable housing units elsewhere in the City. Since the Municipal Code was amended in 2012 to allow greater application of the in-lieu fee option, no projects have opted to pay in-lieu fees for the entire BMR obligation, so the fee revenues to date are not substantial enough to finance a stand-alone BMR housing project. However, based on developer agreements approved to date, a stream of smaller fractional in-lieu fee payments have begun to be received and this revenue source is projected to grow in the coming years. Once a significant amount of funds have accumulated in the reserve, staff will issue an RFP to solicit affordable housing proposals to utilize these funds for developing additional affordable units, based on the priorities established by the City in the Housing Element, Consolidated Plan, and/or various adopted land use plans such as station area plans and/or specific plans.

• HOME Grant Fund

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

The recommended long-term financial plan for the HOME Grant Fund includes an estimated grant allocation for FY 2014/15 of \$309,091, and shows ongoing estimated HOME grant revenues of the same amount as a placeholder for future allocations. This is a decrease of 2% from the FY 2013/14 allocation, which is due to the current federal budget deficit and sequestration actions.

The City also receives loan repayments on loans that had been made with HOME grant funds for affordable housing. Approximately \$7.5 million in loan payments are expected throughout the twenty-year plan, including \$1.4 million for repayment on a loan made for the Aster Park Apartments property in FY 2013/14. These repayments will be utilized for future HOME projects, to be identified and approved by Council.

Funds in FY 2014/15 are primarily allocated to one special project, Tenant Based Rental Assistance, for \$278,182. Also included in the long-term financial plan is a line item for *Future HOME/Housing Projects* beginning in FY 2015/16. As specific projects are identified, they will be brought to Council for approval.

▪ **Community Development Block Grant (CDBG) Fund**

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

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

[Community Development Block Grant \(CDBG\)](#)

The CDBG Program is funded by Community Development Block Grants from the federal government. The Housing

division staff estimates that the FY 2014/15 entitlement amount will be \$1,017,441. Since the City has received CDBG funds annually over a number of years, we are showing future grant receipts at the FY 2014/15 entitlement level throughout the twenty year financial plan. The estimated allocation is 4.3% less than the allocation from prior year. As the federal government continues to address its sizeable deficit, recent sequestration actions have impacted CDBG funding. However, staff believes the program will continue over the long term.

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

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

Additionally, by regulation, up to 15% of the annual CDBG allocation plus prior year program income may be used for public (human) services. The FY 2014/15 Recommended Budget includes \$198,000 for granting to qualified human services providers or “sub-recipients”. Outside groups are allocated funds on a two-year cycle and FY 2014/15 is the second year of the current cycle.

CDBG funds may also be used for projects that benefit groups with special needs, such as senior or handicapped citizens, or for targeted geographical areas that meet certain income requirements. FY 2014/15 projects include \$65,000 for Home Access, Paint and Emergency Repair, and Energy-Efficiency, \$322,000 for the Sunnyvale Workforce Development Program, and \$338,000 for Americans with Disabilities Act (ADA) Curb Retrofits.

CDBG Revolving Loan

The CDBG Revolving Loan Fund allows the City to account for program income from housing loans made with CDBG funds and reuse those funds for the same purpose (housing rehabilitation), pursuant to HUD regulations. This Fund has two sources of revenue: loan payments on prior CDBG housing loans and transfers in from the CDBG Fund. The current CDBG loan portfolio includes approximately 140 loans with a total outstanding debt of over \$12.4 million. Staff projects \$250,000 in revenue for FY 2014/15 from the CDBG loan payments. Expenditures for FY 2014/15 include one project in the amount of \$500,000 to provide rehabilitation

loans to low-income residents and staff costs to administer the program.

▪ Park Dedication Fund

State law allows local communities to require developers of housing units to offset the impact of those new housing units on the City’s ratio of open space per 1,000 population by providing additional open space or paying a comparable fee. The Park Dedication Fund was established to meet statutory requirements regarding the accounting for Park Dedication Fees paid by developers. In general, the City collects park in-lieu fees for housing projects that do not dedicate land for use as parks or open space. This fee is calculated on an average fair market value per square foot as determined by the Community Development Department annually. In prior years, the fee was based on a park facility standard of 1.25 acres per 1,000 population. In November 2009, Council raised the standard to 3.0 acres per 1,000 population over a three-year period. In April 2011, Council moved to raise the standard to 5.0 acres per 1,000 population, also to be phased in over three years. In FY 2013/14 the standard is 4.25 acres per 1,000 population, and the fee is \$69 per square foot. For the FY 2014/15 Recommended Budget, Park Dedication Fees have been held flat at the current rate of \$69, pending completion of the land valuation study.

Park Dedication Fee revenues are accounted for in the Park Dedication Fund as legally required, and then available

resources are appropriated directly to projects in the fund or transferred to the Capital Projects Fund or the Infrastructure Fund for park-related projects.

Authorizing language in the State Quimby Act 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. For the last several years, Park Dedication Fees were also used to pay for golf course rehabilitation projects. In April 2011, however, Council acted to cease that practice for projects that were not already programmed to be funded in this manner, determining instead that golf course revenues associated with the Golf and Tennis Enterprise Fund would pay for these improvements.

Park in-lieu fees must be committed within a five-year period, 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 \$5.9 million in Park Dedication Fees will be received during FY 2013/14. Based on current development projects in process, revenues for FY 2014/15

through FY 2016/17 are expected to be \$9.5 million annually. For FY 2017/18 through the end of the first ten years of the plan, revenues are held flat at \$7.6 million, based on the historical average of an additional 200 fee eligible dwelling units per year at the current fee of \$69 per square foot, and an estimated 5% increase in land value. These projections yield approximately \$81.5 million in revenue over the first ten years, and an additional \$84.4 million during the second ten years of the long-term plan.

In April 2013, Council approved the sale of three City-owned homes adjacent to Murphy Park on Jackson Street. These homes had originally been purchased in anticipation of expanding Murphy Park. However, the homes were not adjacent to each other, and the City was unable to acquire the remaining four homes along the block. These three homes, along with three homes near Orchard Gardens Park that are scheduled for demolition to facilitate that park’s expansion, had previously provided rental income to the Park Dedication Fund. The rental income from all six properties end in FY 2013/14, with the sale of two of the three Jackson Street homes for \$870,000; the sale of the third home is anticipated in FY 2014/15 for \$440,000.

The Park Dedication Fund provides funding for capital and infrastructure projects at community parks and recreational facilities. A total of \$103.9 million in transfers to the Capital and Infrastructure Funds is programmed throughout the long-term financial plan to ensure that park and recreational facilities are in good working condition and able to meet the

demands of increased public use. \$5.1 million is programmed for transfers to projects in FY 2014/15, the largest of which is \$4.3 million for the Lakewood Park Renovation and Enhancement project, which will provide a major renovation to the facility which was originally built in 1964. Other notable projects include \$306,000 for infrastructure repairs and renovations to existing park buildings, and \$408,000 for the repair and renovation of existing golf buildings at both the Sunnyvale and Sunken Gardens golf courses. Additionally, as part of the \$14 million in sale proceeds from the Raynor Activity Center in FY 2014/15, approximately \$2.4 million will fund the Washington Pool Expansion project. This will allow the project to be advanced by one year to FY 2015/16, and free up \$2.4 million from Park Dedication Fees for other park capital project needs or land acquisition.

A budget supplement of \$300,000 has also been programmed in FY 2014/15 for the design and construction of a restroom building to be installed at Las Palmas Park near the Sunnyvale Tennis Center. Staff has recommended approval based on current needs at both facilities. Operating costs are estimated to be \$11,000 annually and will be absorbed by the operating budget in the Neighborhood Parks and Open Space program.

The Capital Projects Reserve includes funds that have not yet been appropriated to projects. While significantly more Park Dedication Fee revenue is projected in this financial plan as compared to last year, because this is not a projects budget year, staff has not updated the twenty-year parks

capital projects plan. This will be done for the FY 2015/16 Recommended Budget.

In addition to the Capital Projects Reserve, the twenty-year plan includes a second reserve fund that is specifically designated for Land Acquisition funds. This reserve collects twenty percent of the annual revenue from Park Dedication Fees and allocates the funds to acquire and develop new land for the purpose of parks, open space, trails and other recreational facilities. Proceeds from the sale of the Jackson Street properties are also placed in this reserve. In FY 2016/17 and FY 2017/18, funds in this reserve are earmarked for the Plaza del Sol Phase II project.

▪ **Asset Forfeiture Fund**

The Asset Forfeiture Fund was established to account for monies received through drug and other law enforcement activities as allowed under Federal and State asset forfeiture guidelines. For the FY 2014/15 Recommended Budget, current projected revenues of \$400,000 for FY 2013/14 and FY 2014/15 have been adjusted down to \$200,000 for each of the two years. These revenues are for the Department of Public Safety's participation in a regional task force operated by the Drug Enforcement Agency (DEA), and the original estimates were preliminary figures. Because these funds are received sporadically, future revenue is not budgeted. The purposes for which asset forfeiture can be used are limited, and funds are drawn down for new one-time expenses targeted

for law enforcement services. As this is done, caution should be used to assure that these expenses are ones that fit into the City's priorities and that do not lead to unnecessary future liabilities.

The FY 2014/15 Recommended Budget includes a continuing transfer to the General Fund to support juvenile diversion activities within the Police Services program. The City currently has an agreement with the County of Santa Clara to pay for the direct salary, excluding benefits, of one Deputy Probation Officer. For FY 2014/15, this amount is \$98,867. This transfer is reflected through FY 2016/17, at which point there are not enough funds to support this expenditure along with other priorities. At that time, the Public Safety Department will need to evaluate the juvenile diversion activities in relationship to other departmental priorities to determine whether to continue funding the program within the City's General Fund.

The FY 2014/15 Recommended Budget also includes \$45,390 for the Police Services Equipment - Cell Phones project, which supports the cost of specialized cellular phones used for police services. This project has been programmed to end in FY 2021/22, at which point the ending twenty-year reserve is unable to fund the project. It also reflects approximately \$373,000 budgeted in the Police Services Equipment Acquisition project for replacement of tasers every five years, starting in FY 2017/18. Due to limitations in Asset Forfeiture funding, the next replacement of tasers in FY 2022/23 reflects

only a partial amount (\$115,251) for the replacement in that year. The remaining budget for the replacement of tasers in FY 2022/23, and every five years thereafter throughout the twenty-year plan, is funded from the General Fund.

▪ **Police Services Augmentation Fund**

The Police Services Augmentation Fund accounts for 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 1996/97. Over the years, the amounts of both grants have decreased or varied significantly. BJA decreased from a high of \$70,158 to a low of \$0 in FY 2011/12. SLES funding has also fluctuated over the years, with a high of nearly \$300,000 in FY 1996/97 and a low of \$100,000 in FY 2008/09 and again in FY 2010/11. After initially being eliminated, funding for FY 2011/12 was restored to a level of nearly \$230,000, which was the result of the State shifting Motor Vehicle License funds away from local agency general funds into the grants that provide SLES funding. This was intended to be a permanent shift, and as such, funding in the amount of \$229,693 has been programmed for the entire twenty-year plan starting with the

FY 2013/14 budget. The FY 2014/15 budget continues to keep funding at this same level of \$229,693 in the budget year and through the end of the twenty-year plan. Because of the stable funding, SLES monies will fund nearly one full-time officer for the Department of Public Safety, with the remaining cost being funded by the General Fund. This is in keeping with past use of these funds, which has been for staffing for most of the years. Because BJA funds are uncertain, they are not projected in the long-term plan and instead will be appropriated as they become available.

▪ **Employment Development Fund**

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

NOVA, formed in 1983, serves the cities of Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, Santa Clara and Sunnyvale. The City of Sunnyvale, through its NOVA Workforce Services Department, administers NOVA's programs on behalf of the consortium cities. NOVA has a wide variety of programs funded through various sources, with baseline funding originating from the federal government and passing through the State of California. A significant amount of additional grant money is received through competitive

grants from federal and state sources. Since July 1, 2000, the primary funding source for the NOVA Workforce Services Department has been federal Workforce Investment Act (WIA) appropriations and competitive grants.

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

The FY 2014/15 Recommended 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, funded from the State's Additional Assistance pool. NOVA has a long history of being very competitive for additional federal and state resources and intends to submit several grant applications during the year. Any additional revenues and expenditures as a result of new grants obtained, including the need to budget casual staff for those short-term projects, will be reflected in a cumulative budget modification submitted each fiscal year. For the purposes of the City's FY 2014/15 Recommended Budget, NOVA has taken the total funding estimates as described and used these as the basis for NOVA's FY 2014/15 program and service levels. This budget incorporates guidance received from the state, which provided specific planning goals.

It is important to note that, as different grants come and go, various programs and activities operated by NOVA often have a short lifespan relative to programs operated by other City departments. Therefore, the current listings of programs that have been operated by NOVA during the last several years are not included in the budget document. Rather, a base funding level will be carried into the new fiscal year and the budget will be modified for planned activities, outcomes, and expenditures during the course of the year as new funding is secured and new contract goals and obligations are agreed upon.

In the past, the NOVA Workforce Services Fund's long-term financial plan reflected grant revenues only for the immediate planning period. To recognize NOVA's long tenure in the City, grant funding of \$8.7 million has been projected for FY 2014/15, and an average resource level of \$7 million per year has been programmed for the remaining 19 years of the twenty-year planning period.

▪ **Parking District Fund**

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

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 2009/10 assessment rate was set as the base rate that would be adjusted annually by the previous year's change in the Consumer Price Index going forward. For FY 2014/15, the special assessment is held flat to the FY 2013/14 assessment of \$180,307 for planning purposes. Total project costs of \$1.3 million are planned over the twenty-year plan to install gutters and rehabilitate existing pavement in the downtown lots, and for various maintenance activities, including periodic asphalt patching, slurry seals, curb painting, sign replacement, and re-striping as necessary.

Annual operations costs represent the ongoing maintenance of the Parking District by the City for personnel, utilities, materials, contractual services and other items necessary or

appropriate for the parking facilities and administration of the district and assessment.

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

▪ Gas Tax Fund

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

In March 2010 the legislature passed a bill that repealed the State Sales Tax on gasoline, which had been the funding source for Proposition 42, and replaced it with an increased excise tax on gasoline. In effect, this increased the Gas Tax rate to 35.3 cents per gallon. The intention was to replace the revenues expected from Proposition 42. As such, it includes an annual index which ensures that it will keep pace with the repealed sales tax revenue. It should be noted that only the State Sales Tax on gasoline was repealed; the local 1% rate remains intact. Starting with the adopted FY 2011/12 budget, revenues and expenditures that were formerly in the Traffic Congestion Relief Fund (Proposition 42) were incorporated into the Gas Tax Fund to reflect this legislation.

Combined Gas Tax revenues have been projected at approximately \$3.6 million each year throughout the twenty-year plan. Because these revenues are based on the number of gallons sold and not on the price of gasoline, no growth in revenue is projected. This is assumed because staff expects advancements in fuel economy to offset increases in population that will increase the total number of vehicles on the road.

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 Public Works Department street maintenance in this Fund are approximately \$2 million annually for FY 2014/15 and the remainder of the first ten years of the long-term plan. Operating expenses covered by the Gas Tax Fund are \$1.4 million annually in the second ten years of the long-term plan. The reduced level reflects the slow decline in Gas Tax revenue that is anticipated over the long term.

The FY 2014/15 Recommended Budget for the Gas Tax Fund has transfers to the Capital and Infrastructure Funds of \$2.2 million. Of this amount, \$1.3 million is for the Pavement

Rehabilitation project and \$357,000 is for the Traffic Signal Hardware and Wiring project. Approximately \$300,000 is also programmed to be transferred to the Capital Projects Fund for the Calabazas Creek Bridge Replacement project to upgrade the safety of the structure. The Gas Tax Fund also transfers funds to replace the controls, LED arrays, and backup battery systems of traffic signals, as well as the replacement of street light conduit.

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

▪ **Transportation Development Act (TDA) Fund**

In FY 2003/04 a small special revenue fund was established to account for activities related to Transportation Development Act (TDA) funds. These funds were created by State legislation that annually returns to each region in the State ¼ of 1% of State Sales Tax revenues to be used for transportation projects. These funds are restricted for pedestrian and bicycle facilities and bicycle safety education programs and must be segregated for those purposes. The TDA, in accordance with Public Utilities Code Section 99245, must submit a report of a fiscal and compliance audit made by an independent auditor at the end of each fiscal year.

The FY 2014/15 Recommended Budget does not include any new appropriations; however, as TDA-eligible projects are identified, revenues will be recognized and appropriated to those projects. FY 2013/14 appropriations are primarily for the Residential and School Area Sidewalks project (\$133,000), the Duane Avenue Bicycle Lanes project (\$94,000), and the Mary Avenue Bike Lanes project (\$347,000).

▪ **Vehicle Registration Fee Fund**

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

In 2012, the VRF provided \$14.8 million to the County, and 80 percent of this amount was distributed to the cities based on population. In August 2012, the City of Sunnyvale received its first allocation of VRF funds in the amount of \$797,394. For FY 2014/15, the City has received \$843,000 in VRF funds, and it is expected that the City's share will remain constant throughout the twenty-year planning period. In general, VRF funds are distributed based on each jurisdiction's population in the county, and a small percentage is available based on a

competitive County-wide program. The remainder is reserved for Program Administration.

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

▪ **Youth and Neighborhood Services Fund**

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

The operating program expenditures for Columbia Neighborhood Center and related projects are accounted for in this fund, along with the associated program revenues. As outlined in the partnership agreement, the City is reimbursed by the Sunnyvale School District for a portion of the cost of services provided at the Columbia Neighborhood Center. For

FY 2014/15 this reimbursement is projected to be \$189,699 and considers the additional reimbursement related to the recently completed Center expansion. Other revenues to the Fund are recreation fees, rental fees for the facilities, interest earnings on the endowment, and an annual subsidy from the General Fund. For FY 2014/15, this subsidy is expected to be \$478,577.

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

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**CITY OF SUNNYVALE
175. ASSET FORFEITURE FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2013 TO JUNE 30, 2024**

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
RESERVES/FUND BALANCE, JULY 1	975,600	844,962	839,987	884,448	741,309	597,419	300,873	259,367	215,116	167,989	117,849	0	844,962

CURRENT RESOURCES:													
Asset Forfeitures	17,509	0	0	0	0	0	0	0	0	0	0	0	0
Asset Forfeiture Task Force Participation	0	200,000	200,000	0	0	0	0	0	0	0	0	0	400,000
Interest Income	5,161	3,981	6,148	9,152	14,571	11,572	9,976	8,274	6,461	4,533	0	0	74,667
TOTAL CURRENT RESOURCES	22,670	203,981	206,148	9,152	14,571	11,572	9,976	8,274	6,461	4,533	0	0	474,667

TOTAL AVAILABLE RESOURCES	998,270	1,048,943	1,046,135	893,600	755,881	608,991	310,848	267,640	221,577	172,522	117,849	0	1,319,629

CURRENT REQUIREMENTS:													
Operations - Audit	1,780	2,102	2,129	2,182	2,237	2,293	2,350	2,410	2,471	2,534	2,598	0	23,304
Capital Projects	62,836	112,695	60,690	46,298	47,224	305,825	49,132	50,115	51,117	52,139	115,251	0	890,486
Transfer To General Fund	88,692	94,160	98,867	103,811	109,001	0	0	0	0	0	0	0	405,839
TOTAL CURRENT REQUIREMENTS	153,307	208,957	161,686	152,291	158,462	308,118	51,482	52,524	53,588	54,673	117,849	0	1,319,629

RESERVES:													
Asset Forfeiture	844,962	839,987	884,448	741,309	597,419	300,873	259,367	215,116	167,989	117,849	0	0	0
TOTAL RESERVES	844,962	839,987	884,448	741,309	597,419	300,873	259,367	215,116	167,989	117,849	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
190. POLICE SERVICES AUGMENTATION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2013 TO JUNE 30, 2024**

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
RESERVES/FUND BALANCE, JULY 1	272,582	29,080	0	0	0	0	0	0	0	0	0	0	29,080

CURRENT RESOURCES:													
SLES Fund (AB3229)	214,445	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,526,623
BJA Block Grant	28,682	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	922	229	0	0	0	0	0	0	0	0	0	0	229

TOTAL CURRENT RESOURCES	244,049	229,922	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,526,852

TOTAL AVAILABLE RESOURCES	516,631	259,002	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,555,932

CURRENT REQUIREMENTS:													
Operations	0	214,100	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,511,030
Special Projects	487,552	44,902	0	0	0	0	0	0	0	0	0	0	44,902

TOTAL CURRENT REQUIREMENTS	487,552	259,002	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,555,932

RESERVES:													
20 Year RAP	29,080	0	0	0	0	0	0	0	0	0	0	0	0

TOTAL RESERVES	29,080	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
190. POLICE SERVICES AUGMENTATION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034**

	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034		
RESERVES/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	29,080

CURRENT RESOURCES:												
SLES Fund (AB3229)	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,296,930	4,823,553
BJA Block Grant	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0	0	229
TOTAL CURRENT RESOURCES	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,296,930	4,823,782
TOTAL AVAILABLE RESOURCES	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,296,930	4,852,862

CURRENT REQUIREMENTS:												
Operations	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,296,930	4,807,960
Special Projects	0	0	0	0	0	0	0	0	0	0	0	44,902
TOTAL CURRENT REQUIREMENTS	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	229,693	2,296,930	4,852,862

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
210. EMPLOYMENT DEVELOPMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034**

	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034		
RESERVE/FUND BALANCE, JULY 1	0	0	0	0	0	0	0	0	0	0	0	153,033

CURRENT RESOURCES:												
Federal Grant	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	70,000,000	149,140,100
Other Grants and Contributions	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT RESOURCES	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	70,000,000	149,140,100
TOTAL AVAILABLE RESOURCES	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	70,000,000	149,293,133

CURRENT REQUIREMENTS:												
Operations	6,685,000	6,685,000	6,685,000	6,685,000	6,685,000	6,685,000	6,685,000	6,685,000	6,685,000	6,685,000	66,850,000	142,644,706
In-Lieu Charges	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	315,000	3,150,000	6,648,427
TOTAL CURRENT REQUIREMENTS	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	70,000,000	149,293,133

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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**Financial Plans –
Capital and Infrastructure
Funds**

CAPITAL AND INFRASTRUCTURE PROJECTS FUNDS

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

▪ Capital Projects Fund

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

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

General Assets Sub-Fund

The General Assets Sub-Fund is the largest Capital Projects sub-fund. In FY 2014/15 it accounts for \$8.4 million in appropriations to projects. Of this amount, \$6 million is planned for the Fair Oaks Ave Overhead Bridge renovation, with another \$13 million planned for FY 2015/16 for that project. The Lakewood Branch Library Facility is also accounted for in this Fund. A total of \$11.5 million is budgeted over the next four years for design and construction of the branch library. This project is contingent on the final sale of the Raynor Activity Center, and the recommended project budget has been adjusted to accommodate the sale timeline accordingly. Proceeds from the sale of the Raynor Activity Center are significant enough to also accelerate the funding of the Washington Pool Expansion project. The project was previously scheduled to begin in FY 2016/17, but has been accelerated to begin in FY 2015/16.

There are also a significant number of projects funded in FY 2013/14, that will not fully expend their appropriations, in FY 2013/14, and these unspent funds will be carried over into FY 2014/15. Projects that are currently underway include the Orchard Gardens Park Expansion project, which is funded by a \$869,000 transfer from the Park Dedication Fund, the Safe routes to School and Neighborhood Guided Bike Routes project which is funded by a federal grant, the installation of pay parking systems in the downtown area (funded by a \$95,000 transfer from the General Fund), the Hendy Avenue Complete Street Project, Downtown Streetscape

Improvements, and design work on the repair of the Fair Oaks Overhead Bridge. Beyond FY 2014/15, significant projects in this Sub-Fund include Downtown Wayfinding and Gateways, Downtown Murphy Avenue Streetscape Revitalization, and the Plaza Del Sol Phase II project.

Gas Tax Sub-Fund

The Gas Tax Sub-Fund accounts for capital projects funded partially or fully by Gas Tax revenues. There are no new appropriations in FY 2014/15. However, carryover from FY 2013/14 is expected for the design phase of the Calabazas Creek Bridge project, with construction scheduled for FY 2014/15.

Calabazas Creek Bridge Sub-Fund

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

Traffic Mitigation and Traffic Impact Fees Sub-Funds

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

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

The Traffic Mitigation Sub-Fund contains one capital project, Future Traffic Signal Construction/Modification, which is expected to be complete in FY 2013/14. Outside of the Future Traffic Signal Construction/Modification project, these funds have also been utilized to provide the local match for grant funding. Because these funds have been available, the City has been able to leverage significant grant dollars to several current traffic and transportation projects including the Old San Francisco Road/Sunnyvale Avenue Left Turn project, the Bicycle Lanes on Mathilda Avenue and Wildwood Avenue projects, the Safety Improvements at the intersections of Mathilda and Maude and Sunnyvale-Saratoga and Fremont projects, the Remington Drive and Bernardo Ave Traffic Signal, and Hendy Ave Street Improvements. It is estimated that the Traffic Mitigation Fund will have a balance of approximately \$716,000 available for grant matching purposes at the end of FY 2013/14.

The Traffic Impact Sub-Fund was created to account for the Traffic Impact Fee that was adopted in November 2003 to be

applied to traffic-generating development Citywide. As noted above, this Traffic Impact Fee replaced the interim Cumulative Traffic Mitigation Fee. The City began collecting Traffic Impact Fees on new developments in January 2004. Traffic Impact Fees are to be applied to a specific list of roadway capacity improvement projects that were identified using a Citywide transportation model. The Transportation Strategic Program consists of 11 projects totaling \$290 million. These projects are largely unfunded and will move into the City's twenty-year Projects Budget as funds are received and improvements are needed. A comprehensive listing of these projects can be found under *Traffic and Transportation in Volume II – Projects Budget of the FY 2014/15 Recommended Budget*.

As the local economy continues to recover, the City is seeing larger development projects that are generating significant Traffic Impact Fee revenue. \$3.5 million is anticipated in FY 2013/14 and \$5.6 million in FY 2014/15. Beginning in FY 2015/16, revenues are budgeted at the six year historical average of \$1.82 million annually, adjusted for inflation. For the twenty-year planning period, a total of approximately \$52 million in Traffic Impact Fee revenue is expected.

There are no new projects in the Traffic Impact Sub-Fund in FY 2014/15. Funds are currently appropriated to the design and construction of Interchange Improvements at Mathilda/237/101. The design phase is 50 percent funded by a grant from the VTA. Construction costs in the amount of \$16.5 million are planned for FY 2015/16. It is estimated

that the City's share of construction will be \$8.25 million. A project to improve the Washington Ave and Mathilda Ave intersection is also included in FY 2014/15. Beginning in FY 2015/16, funds have been set aside in a *Future Transportation Strategic Plan Projects* expenditure line item to reflect the fact that the purpose of these funds is to accumulate and be used for major roadway projects, as identified in the Transportation Strategic Program.

Sense of Place Sub-Fund

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

Sense of Place Fee revenues are projected to total \$938,000 over the next three years through FY 2016/17, and then decrease to \$145,000 annually, adjusted for inflation, throughout the long-term plan. Approximately \$4 million is expected over the entire twenty-year planning period.

Staff believes that Sense of Place Fees could become more widespread in coming years. The fees would be required in areas where desired public improvements exceed the

requirements of other areas of the City. Developers are normally responsible for frontage improvements, and Sense of Place Fees would help pay for other amenities that are not project-specific and benefit the entire area (e.g. special signage, area entry treatments, aesthetic enhancements, etc.). Sense of Place Fees could also be required in areas with special land use or public improvement plans (Specific Plans, Precise Plans, Pedestrian and Bicycle area plans, etc.). Specific projects for future fee revenues have not yet been identified. Anticipated future expenditures are shown as *Future Sense of Place Projects* in the long-term plan.

State Infrastructure Bond Sub-Fund

An additional revenue source reflected in a Sub-Fund of the Capital Projects Fund beginning in FY 2008/09 is the State Infrastructure Bond (Proposition 1B) for Local Streets and Roads, which was passed by the voters in November 2006. These funds have been used for the Wolfe Road Caltrain Overcrossing project, a major sidewalk and curb reconstruction project, and on various slurry seal/street resurfacing projects. The City received two allocations of Proposition 1B funds of \$2.1 million for a total of \$4.2 million. With the final expenditures of these funds, the fund was closed at the end of FY 2012/13.

VTA Local Program Reserve Sub-Fund

A new Sub-Fund was established in the Capital Projects Fund in FY 2012/13 to account for a \$2 million VTA Local Program Reserve funds grant. This grant was awarded to provide 50%

of the funds for the design costs of the Mathilda/237/101 Interchange Improvement project. The entire project design budget, as well as the City's 50% share of the cost, is included in the Traffic Impact Fee Sub-Fund. The purpose of this Sub-Fund is to account for the interest allocation from the VTA grant funds that the City will be managing and administering.

▪ Infrastructure Renovation and Replacement Fund

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

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

There are 22 projects in the General Sub-Fund recommended for funding in FY 2014/15 totaling \$14.2 million.

Approximately \$5.8 million will be funded by a transfer from the General Fund, \$4.4 million of which is associated Pavement Rehabilitation, a long-term project that enhances service levels for street maintenance. This project is discussed in more detail below. The FY 2014/15 budget also contains an additional \$1 million over two years for concrete and sidewalk replacement, bringing the total for the next two years to just over \$2 million. Strategies and funding to address the backlog of side walk repairs will be considered as part of the FY 2015/16 capital projects budget cycle. Another \$1.8 million is funded with Gas Tax funds, including \$1.3 million for pavement rehabilitation and the remainder for traffic-related projects. \$5.1 million is funded by the Park Dedication Fund, almost all of which is for the rehabilitation of parks and park amenities.

In the Golf and Tennis Sub-Fund, there is \$408,000 budgeted in FY 2014/15 for minor renovation of golf buildings. This fund provides for projects related to golf and tennis through FY 2033/34. It is then expected that the Golf and Tennis Enterprise Fund will fund its own infrastructure and capital projects. However, given the many challenges that the enterprise is facing, a discussion of the long-term funding model will begin in the next year.

As has been noted in the last two budget documents, the City's lack of ongoing funding to address the City's infrastructure needs remains a particular area of concern. The City has a vast and wide array of infrastructure assets to maintain, including buildings, streets, parks, sidewalks, and utility-

related infrastructure. These assets are an important part of the foundation of our service provision to the community. The City has long recognized the importance of maintaining these assets, as evidenced by the City policy of prioritizing the repair and replacement of existing infrastructure before the provision of new or expanded facilities. To this end, starting with the adopted FY 2011/12 Budget, the City has been setting aside funding for investment in its infrastructure. A total of \$47.7 million is currently earmarked for an investment in pavement rehabilitation, which provides the funding to return the City's Pavement Condition Index (PCI) to a level of 80, and then provides sufficient funding to maintain that level going forward. With the passage of Measure B in 2011, additional funding has become available annually for streets and roads improvements. This new funding stream allowed the City to reallocate an equivalent portion of infrastructure funding to other needs. Beginning in FY 2012/13, the reallocated portion provided additional annual funding for increases to tree trimming services and concrete rehabilitation. The FY 2014/15 budget maintains this commitment to infrastructure rehabilitation.

While these actions have made significant progress to funding the City's core infrastructure needs, there are still areas that need to be addressed, predominantly the rehabilitation and/or reconstruction of our administrative facilities such as City Hall, the City Hall Annex, the Department of Public Safety, the Library, and the Corporation Yard. While the exact needs, and the best way to fund these needs, are still being evaluated, the FY 2014/15 Recommended Budget continues to provide \$1.5

million per year from the General Fund, totaling \$30 million over 20 years, and increases a previous contribution from the General Services Fund by \$800,000 to begin to address the rehabilitation of the City's administrative facilities.

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**Financial Plans -
Enterprise Funds**

ENTERPRISE FUNDS

Utility Enterprise Funds and Utility Rate Process

The following across-the-board changes to current rates for the Water, Wastewater, and Solid Waste Utility enterprises are recommended for Council approval for FY 2014/15:

Utility	Rate Change
Water	5.0%
Wastewater	9.0%
Solid Waste	6.0%

Each increase and the contributing factors are discussed below. The major reasons for the required increases in rates are the continued and substantial rise in costs of purchased water, major wastewater infrastructure needs, particularly at the City’s Water Pollution Control Plant, and increases in the City’s cost for providing solid waste collection and disposal.

As a result of these increases, monthly costs associated with water, solid waste, and wastewater services for an average residential customer will increase by \$7.78 per month. It is important to note that even with these increases, Sunnyvale utility rates and services are competitive with our surrounding communities.

• Water Supply and Distribution Fund

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

The largest expense of the Water Fund is the cost of purchasing water. Sunnyvale currently receives water from four different sources, the San Francisco Public Utilities Commission (SFPUC), the Santa Clara Valley Water District (SCVWD), City-owned wells, and recycled water. The majority of supply is provided by the SFPUC and SCVWD, set by contracts. Only about half a percent will come from well water, which is adequate to keep the wells fresh and operating. Any remaining amount above the contractual minimums will come from recycled water. The total cost of water makes up 58% of the FY 2014/15 budget and is projected to stabilize at approximately 68% of budget within the first ten years of the Long-Term Financial Plan.

Overall the City’s water demand grew 11% in FY 2012/13 after several years of decline. Due to improvements in the plumbing code and water use efficiency, only moderate growth is expected each year over the next twenty years. Additionally, as the region is currently experiencing a drought, a reduction in demand is projected for FY 2013/14 and FY 2014/15. FY 2013/14 is a reduction of 4% from FY 2012/13, and FY 2014/15 projections are a reduction of 10% from the prior fiscal year. This anticipated reduction affects both the revenue and expenses of the Fund. To the extent that the City’s suppliers reduce their contractual minimums to accommodate decreased demand, the City is projecting savings from water purchases. However, buying less also translates to selling less, and therefore the financial plan anticipates a 10% revenue reduction as well. These are reflected as separate line items titled “drought reduction.”

The City is currently paying the SFPUC approximately \$1,096 per acre foot of water, including meter charges, and paying SCVWD \$780 per acre foot, including a treated water charge. The City is also paying approximately \$1.5 million in FY 2013/14 to the SFPUC for the Bay Area Water Supply and Conservation Agency (BAWSCA) Surcharge which makes up Sunnyvale’s share of the debt service on bonds issued by BAWSCA in FY 2012/13. BAWSCA issued the bonds on behalf of its 26 member agencies in its effort to restructure capital debt owed to the SFPUC for facilities constructed by the SFPUC that benefit the regional customers.

Both the SFPUC and the SCVWD provided wholesale rate projections for the next ten years. These projections are in the base rate for the long term rate projections in the twenty-year financial plan and are reflected in the table below. The projected increases in the table do not reflect changes in the BAWSCA Surcharge or any other costs related to purchasing water. Additionally, the SFPUC is projecting a rate decrease in FY 2020/21. It is the City’s practice not to recognize decreases, as they are unlikely to actually occur, and instead hold the rate flat for that year. The estimated decrease is significant enough that the rate is projected flat for two years.

Projected Increases in Base Wholesale Rates		
Fiscal Year	SFPUC	SCVWD
2014/15	20.2%	9.9%
2015/16	11.0%	9.8%
2016/17	0.3%	9.9%
2017/18	5.5%	9.9%
2018/19	12.4%	9.8%
2019/20	5.2%	9.8%
2020/21	0.0%	8.4%
2021/22	0.0%	5.8%
2022/23	1.6%	5.6%
2023/24	3.0%	5.5%

The SFPUC just announced it is considering lowering its rate for FY 2014/15 to approximately a 16% increase. If that

occurs, this will result in approximately one-time savings of \$600,000. These funds will be programmed in infrastructure projects or reserved to offset future rate increases as appropriate.

The projected well water total unit cost for FY 2014/15 is \$858 per acre foot, an increase of 8.7% over the current year unit cost of \$789. This cost includes a charge from SCVWD for pumping ground water from City wells (pump tax), as well as the power costs associated with running the pumps.

The City attempts to purchase water at the lowest possible cost. The City's water system allows the movement of water from one portion of the City to another, and this allows staff to monitor and adjust water purchases to utilize the most cost effective source, while still meeting our minimum contractual requirements for purchases. Despite these efforts and the drought-related supply reductions, the rate increases by the City's water suppliers result in the City's total purchased water costs for FY 2014/15 increasing by 5.5% in comparison to FY 2013/14.

Lastly, the City's Water Pollution Control Plant (WPCP) provides recycled water, which is wastewater that has been treated to very high standards. Recycled water is currently sold at 90% of water rates to encourage its use. In prior years, the City received a \$115 per acre foot rebate from SCVWD to encourage its use, but this ended in August 2009. Staff and SCVWD have ongoing discussions to partner in significant

capital improvement projects that may bring recycled water to more areas of the City.

Operations and Capital Expenses

The FY 2014/15 budget for the Water Fund includes approximately \$5.8 million for personnel and other costs related to operating and maintaining the water supply and distribution system. The Water Fund contains annual debt service of approximately \$2.0 million in FY 2014/15. This consists of two components, the majority of which is \$1.9 million for debt service on the City's 2010 Water Revenue Bonds. The remainder of the debt service is the Water Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property. This latter debt service ends in FY 2029/30. The Fund also has a small interfund loan repayment that terminates in FY 2014/15 for the purchase of the property adjacent to the Corporation Yard.

Like all municipalities in the state and the country, Sunnyvale's water storage and distribution systems are over fifty years old and in need of significant rehabilitation. The Environmental Services Department prioritizes projects to address this aging water utility infrastructure, as well as spend bond proceeds in a timely manner. Over the past few fiscal years, the highest priority was placed on water pipe replacements. By mid FY 2014/15, the City will complete almost \$10 million in accelerated replacements. The City will begin in FY 2014/15 to replace all the mechanical and electrical components of

the Wolfe-Evelyn Water Plant. The mechanical and electrical systems associated with this Plant were built in 1959 and are beyond their 40 year life expectancy. Staff will also continue addressing the most pressing needs of the City's water storage tanks and water wells, as well as evaluating how to operate these facilities within the context of the overall distribution system.

Additionally, a renewed emphasis has been placed on the City's recycled water production and distribution system. Funding for this effort crosses both the water utility and the wastewater utility. \$2.1 million has been budgeted for Sunnyvale's share of a regional project that includes upgrades to the San Lucar Pump Station and extension of the recycled water system along Wolfe Road to Homestead Road. Sunnyvale is working with SCVWD to partner in funding this significant expansion of the recycled water system. If such an agreement is approved by Council, staff will return with suggested revisions to the projects budget that reflects the changes. No significant impacts on water rates are anticipated as a result of any revisions to the projects.

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

▪ **Wastewater Management Fund**

The Wastewater Management Fund (Wastewater Fund) accounts for revenues and expenses related to the provision of the safe and reliable removal of wastewater from all residences and businesses in Sunnyvale. Wastewater rates also pay for half of the City's street sweeping services, plus storm water management, non-point source pollution prevention and other critical public services.

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

Operations and Capital Expenses

The proposed FY 2014/15 operations expenses in the Wastewater Fund reflect personnel, chemicals, and other costs. Additionally, the City's street sweeping program is funded equally by the Wastewater and Solid Waste Funds to reflect the benefits that street sweeping provides in clearing

litter and debris off the streets and preventing that debris from entering the storm drainage system.

The Wastewater Utility is facing even larger infrastructure challenges than the Water Utility and the FY 2014/15 Recommended Budget includes planned infrastructure expenditures of approximately \$384 million over twenty years. The most significant undertaking is the renovation of the City's WPCP, which constitutes 86% of the planned infrastructure costs (\$331 million). WPCP replacement costs are \$15 million greater than FY 2013/14 projections due in part to the addition of two full-time employees dedicated to this effort.

The most significant of the WPCP renovation projects to date is approximately \$51 million to design and construct new primary treatment facilities. This includes a new head works facility, which removes large debris from incoming sewage and pumps the sewage into new primary treatment tanks which, in turn, slow down the wastewater to settle out large solids. The current influent sewage pump station has reached the end of its useful life and the gas-powered influent engines will be non-compliant with air regulations effective January 2016. The City anticipates building the new head works and primary facilities at the current bio-solids drying operation location, adjacent to the current influent pump station. As a result, this project displaces the current bio-solids drying operations and will likely require alternate operation (such as vendor contracted drying operations) until new bio-solids facilities are constructed.

Additional WPCP renovation projects include \$29 million for Program Management Services and \$7 million for the WPCP Master Plan. These projects will fund the identification of future secondary and tertiary treatment processes, the development of conceptual designs for future projects within the reconstruction program, the preparation of the programmatic environmental impact report, and oversight of the implementation of the reconstruction program over the next 12 years. The remaining \$238 million will be appropriated to specific, related projects as they are identified.

Critical projects previously identified as necessary in the short-term to address the most advanced areas of WPCP deterioration, or where there is an increasing danger for failure remain in progress. These infrastructure needs fall primarily in two categories: 1) technology has not changed significantly since they were originally built and will therefore become part of the new plant, and 2) may be replaced again with different technology or processes as part of the larger WPCP replacement project, but will not last in the interim period. Examples include a project to replace the gaseous chlorine disinfection system with a much safer liquid hypochlorite system and the rehabilitation of the WPCP's digester facilities.

In addition to the work on the WPCP, replacement of sewer and storm pipe and facilities are a high priority. The wastewater collection system consists of approximately 613 miles of sewer and storm mains, and seven pump or lift stations. The system has five major sewer trunk lines that terminate at the WPCP, where sewage is treated.

The City's wastewater collection systems are in need of significant rehabilitation due to their age. The FY 2014/15 Recommended Budget includes approximately \$29 million in the first 10 years in projects related to sewer and storm water collection and an additional \$14 million of fully identified projects in the second 10 years of the plan. Major projects over the first 10 years include \$11 million for sewer and storm pipe improvements, \$7 million for rehabilitation of the Lawrence Expressway trunk line, \$6 million for sewer and storm pump and lift station rebuilds, and \$5 million for storm system trash capture devices installed throughout the storm water collection system to meet new permit requirements. This project, new in FY 2013/14, funds the installation of two devices every other year for 10 years.

The Wastewater Fund has two inter-fund loans advanced from the General Fund. The first loan was to finance the remodel of the primary facilities of the WPCP, expanding the capacity from 22.5 million gallons per day to 29.5 million gallons per day. The loan was made by the General Fund in FY 1980/81 for a total of \$10.7 million at 7% interest. The original term was for 20 years; however payments were periodically deferred or delayed to help balance cash needs in the Wastewater Fund. Regular payments have been made as scheduled since FY 2004/05. The second loan was made to assist the Wastewater Fund with cash flow issues by providing needed cash to stabilize rates. The loan was advanced in FY 1995/96 for a total of \$2.4 million at 7% interest. The term was for 20 years with ongoing payments also periodically

deferred until FY 2004/05. No changes have been made to the loan payoff schedule as part of the FY 2014/15 Recommended Budget.

Approximately \$3 million annual debt service payments are largely for the Wastewater Revenue Bonds, issued in 2010 for \$35 million, to refund the existing bonds and provide \$22.5 million in new funds for capital and infrastructure projects. Some bond proceeds are funding the initial efforts for the renovation of the WPCP. Future debt is reflected in the *New WPCP Debt Service* line item; the actual amount and structure of the financing will be determined as the plan is further defined. However, it is important to note that over time, the City will be issuing bonds to fund the WPCP renovation. At its completion, the City will be paying significant annual debt service, anticipated to be approximately \$23 million each year, almost 30% of the Fund's total expenses. This level of debt service will require multiple years of high single digit rate increases to fund. Debt service is also included for the Wastewater Fund's portion of the Certificates of Participation issued in 2001 for purchase of the 505 West Olive Avenue Government Center property.

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

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

▪ **Solid Waste Management Fund**

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

The City's franchise with Specialty is the largest single expense within the Solid Waste Fund and makes up 45% of the total expenses in the FY 2014/15 Recommended Budget for the solid waste system. The City's payment for the following fiscal year is driven primarily by actual expenditures from the last full fiscal year, adjusted by various indexes as identified in the contract. The projected FY 2014/15 contractor payment is \$20 million, an increase of about \$530,000 or only 2.7% over

the current FY 2013/14 contractor payment. However, over the last four years the contractor payment has risen 15%, placing a significant strain on the Fund. The bulk of that increase was due to an accounting error made by Specialty regarding an incentive payment for extending the useful lives of equipment and inventory. This error resulted in an additional \$1 million dollars in FY 2012/13 than originally planned, and increased the base payment. This required a drawing down the Fund's reserves over the near term, driving proposed solid waste rates in the short term higher than planned.

The Solid Waste Fund has two inter-fund loans from the General Fund. The first loan provided a total of \$3.68 million during 1985, 1988 and 1989 for construction of a system to convert methane gas to a marketable form of energy. The second loan, for \$10.5 million, was to stabilize solid waste rates between FY 1994/95 and FY 1998/99. Both loans bear interest of 7%. No changes have been made to the loan payoff schedule as part of the FY 2014/15 Recommended Budget.

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

Debt service expenditures reflect Sunnyvale's portion of the debt service for the original cost of the SMaRT Station facility

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

The Fund also reflects a new project for implementing the City's Zero Waste policy. The project, which totals \$500,000 over two years, is only sufficient to begin implementation. It is anticipated that to fully implement Zero Waste, rates will need to increase significantly above current projections.

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

▪ Sunnyvale Materials Recovery and Transfer (SMaRT) Station Fund

The Sunnyvale Materials Recovery and Transfer (SMaRT) Station began operations in October 1993. The costs of building, maintaining, and operating the SMaRT Station are shared by the cities of Sunnyvale, Mountain View and Palo Alto as specified by a Memorandum of Understanding (MOU) among the cities. Operating costs and revenues from the sale

of recyclables are charged to or distributed to the cities based on the total tons of solid waste each community brings to the SMaRT Station for materials recovery, transfer, and disposal. At current garbage delivery rates, Sunnyvale is responsible for about half of the SMaRT Station operating expenditures and receives about half of the revenues earned by the cities from recyclables removed from the garbage. The capital cost of the SMaRT Station was financed by the sale of revenue bonds by Sunnyvale. The debt service on the bonds is shared among the three cities as specified in the MOU. The SMaRT Station MOU expires in FY 2021/22.

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

The SMaRT Station is operated by a private company under contract with the City. The City Council awarded the current agreement on February 13, 2007 to Bay Counties Waste Services, who began operations on January 1, 2008. To date, the City has issued seven-year operator agreements, and is currently completing a Request for Proposals (RFP) for a new

contract. The FY 2014/15 Recommended Budget includes additional funding in anticipation that the cost for this contract will increase.

The three cities that participate in the SMaRT Station have individual agreements with Kirby Canyon for landfill services that require 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 2012, the cities had the ability under the contract to modify the level of put or pay required, and Sunnyvale’s exercised its right, lowering its solid waste minimum quantity by the maximum allowable 10%. In December 2013, the City executed a Second Amendment to the Specialty franchise (RTC 13-300). In exchange for lengthening the franchise by ten years, the three cities will save between \$4 and \$7 million through reduced landfill costs between 2014 and 2021.

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

Staff projects that while most of the facility’s equipment and the overall SMaRT Station can be maintained in good working order through the term of the MOU, there will come

a point when the facility and equipment will need replacement or rehabilitation. In order to allow for the cost impact of this eventuality, funding is projected for a new materials recovery system and, any other improvements needed to the SMaRT Station Facility in FY 2021/22, with annual debt service of \$2 million. Funding is also provided for planning and inter-jurisdictional coordination in FY 2016/2017 through FY 2019/20. Funds for design and construction are scheduled for FY 2020/21 through FY 2022/23, either to replace the SMaRT Station or to implement some other solution for the management of solid waste and recyclables in the City. The recommended budget is based on the initial construction cost of the SMaRT Station. It is anticipated that the cost for the ultimate replacement will be refined during the planning phase of the project.

▪ **Development Enterprise Fund**

This new fund is being established for the FY 2014/15 Recommended Budget. In the past, development-related activities and associated revenues have been included in the General Fund across a range of operating activities, focused primarily within the Building and Planning divisions of the Community Development Department. As the level of development activity in the City increases and decreases in cycles, the City has created this new fund to better align development-related revenues and expenses.

In the FY 2013/14 Adopted Budget it was anticipated that the Development Enterprise Fund would be established for the

FY 2014/15 budget. A reserve was established in the General Fund to account for unplanned development-related revenue in FY 2012/13. These funds would then be transferred to the new fund. It is projected that the development revenues will exceed budget again in FY 2013/14, such that the Development Enterprise Reserve will reach just over \$6.0 million. At the beginning of FY 2014/15, staff projects that the Development Enterprise Fund will have a Transfer In from the General Fund of \$6,019,687.

Development-related revenue includes the major fees for permits and licenses that the City collects, as well as from Plan Check Fees and Engineering Fees. Over the past five years the General Fund has seen significant fluctuations in the amount of development-related revenue that has been received. When the recession hit in FY 2008/09, activity slowed considerably with revenues dropping all the way to \$5.2 million in FY 2009/10. The rebound, however, began in FY 2009/10 and continued to accelerate through FY 2011/12, with revenues approaching \$14 million. FY 2012/13 total development-related revenues came in at about \$12.8 million, and revenues for FY 2013/14 are expected to remain strong. Beginning in FY 2014/15, most of these revenues will be accounted for in the new Development Enterprise Fund. The one exception is Construction Tax; as a tax, it will remain in the General Fund. Staff is projecting that the anticipated level of activity will remain high, with FY 2014/15 revenues of \$8.62 million before returning to the historical average of \$7.35 million. It should be noted that this historical average has increased, with three consecutive years of record high development activity.

On the expenditures side, a specific set of operating activities that City staff perform in order to enable and support development in the City have been identified. As mentioned above, Building Safety and Planning activities in the Community Development Department make up approximately 64% of the total operating costs in this fund. Operations are also budgeted for the following activities: particular Fire Prevention and Hazardous Material Service program activities in the Department of Public Safety; development-related Transportation and Traffic Services and Land Development-Engineering Services in the Department of Public Works; as well as very specific operating activities in the Environmental Services Department, Department of Library and Community Services, Office of the City Attorney and Office of the City Manager that relate to supporting development in the City. To ensure a careful, methodological approach, identifying the direct costs was the focus for the first year. Over the next year, staff will identify the indirect costs that should be charged to this fund.

The *Program In-Lieu Charges* fund direct labor overhead costs of the Community Development Department management program. The full indirect cost to the fund is not yet included in the Fund. *Transfer to the General Fund* is to provide the portion of funding for the Transportation and Traffic Services Augmentation project that is attributable to development-related activity. The *Transfer to the General Services Fund* of \$21,000 is for the Fleet program to purchase a new car to be used for compliance inspections.

The direct operating costs in this Fund exceed the historical average level of development revenues collected, creating a structural challenge for the Fund. The operating expenses are predominantly fixed. However, some of the costs are variable and will fluctuate with the level of development activity. Fund balance will be drawn down, as intended, in years where the development revenue declines to the historical average or lower. However, the fee levels need to be reviewed and adjusted on an ongoing basis to ensure full cost recovery over the long term. This new fund enables visibility toward the actual revenue and expenses over time. Staff will work to closely monitor the status of the new fund on both the revenue and expense side, as the new fund comes into effect this year.

▪ **Golf and Tennis Operations Fund**

Beginning in FY 2012/13, golf and tennis operations have been operating as a stand-alone enterprise fund, with all activities intended to be self-supporting. With almost two years completed, the Fund continues to struggle, even after a transfer of \$300,000 from the General Fund in FY 2012/13. The transfer was necessary after the golf course restaurant operator abruptly terminated its operations at both golf courses. Not only did this reduce rental income, but rounds played decreased, reducing golf fee revenue as well.

The Fund began FY 2013/14 with a reserve balance of \$246,475. Revenue for the year has rebounded more slowly than anticipated after a new restaurant operator came in; FY 2013/14 revenues are anticipated to come in less than projected

by 4.3%. As a result, most of the reserves will be drawn down by the end of FY 2013/14. FY 2014/15 revenues are projected to increase by 5.4%, which factors in increased rent, increases in green fees and growth in rounds played in the near term due to temporary closings of nearby courses and an influx of new employees to nearby companies. In addition, a new stream of revenue is expected starting in 2014/15 with the lease of a cell tower in Sunken Gardens. Over the long term, revenues are projected to grow at a rate of 2% over the first ten years, then under 2% over the long term. Staff is projecting very modest growth in revenue as the popularity of golf declines. Unless there is a change in the sport's popularity, the number of golf players is finite and the core group of golfers continues to age.

Over the past year, staff has made good progress in reducing the operating budget by restructuring the program and eliminating positions as vacancies occur. However, the slow growth in revenue is not keeping pace with expenditures, resulting in an ongoing structural deficit of \$100,000 throughout the twenty-year planning period. Staff continues to look for additional opportunities to reduce costs. To better evaluate the viability of the enterprise fund, in-lieu charges have been broken out into program and citywide charges to give more insight into what administrative overhead expenses would be directly affected by changes in the golf business and those expenditures of a Citywide nature that would remain in any scenario.

The modest increases in revenue relative to rising operations costs will cause the Golf and Tennis Fund to run a deficit

in FY 2017/18 if no action is taken. Furthermore, in the longer term, existing capital improvement projects at the golf courses will only be funded by Park Dedication Fees until FY 2032/33. After this, golf and tennis revenues are expected to fund any new capital or infrastructure projects. Given the many challenges, staff continues to review golf course operations and staffing levels, and will explore all options for increasing revenues, implementing operational efficiencies, and developing a funding plan for capital and infrastructure improvements. A discussion of the long term viability of the golf course operations and the current funding model needs to also begin this year.

CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2013 TO JUNE 30, 2024

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
RESERVE/FUND BALANCE, JULY 1	25,308,484	20,147,945	17,567,900	14,232,613	14,372,673	16,203,602	17,236,237	15,534,843	13,200,195	14,050,525	15,764,944	16,682,314	20,147,945
CURRENT RESOURCES:													
Water Sales and Water Service Fees	33,724,459	33,758,928	35,446,875	37,219,218	39,080,179	41,034,188	43,085,898	44,809,333	46,601,707	48,465,775	49,919,748	51,417,341	470,839,191
Public Works Fees	687,359	584,563	354,756	319,048	325,429	331,938	338,577	345,348	352,255	359,300	366,486	373,816	4,051,518
Recycled Water	1,374,929	1,636,308	1,718,124	1,804,030	1,894,231	1,988,943	2,088,390	2,171,926	2,258,803	2,349,155	2,419,629	2,492,218	22,821,756
Miscellaneous Revenues	284,318	258,884	227,545	234,755	242,241	250,017	258,095	265,411	272,959	280,749	287,575	294,575	2,872,805
Interest Income	105,901	87,402	86,186	71,506	80,615	85,752	77,288	65,673	69,903	78,433	82,997	91,270	877,025
Transfer From Other Funds	116,568	174,000	522,000	503,897	0	0	0	0	0	0	0	0	1,199,897
Drought Reductions	0	0	(3,090,830)	0	0	0	0	0	0	0	0	0	(3,090,830)
TOTAL CURRENT RESOURCES	36,293,534	36,500,085	35,264,655	40,152,454	41,622,696	43,690,838	45,848,247	47,657,691	49,555,627	51,533,412	53,076,436	54,669,220	499,571,361
TOTAL AVAILABLE RESOURCES	61,602,018	56,648,030	52,832,555	54,385,067	55,995,369	59,894,439	63,084,485	63,192,534	62,755,822	65,583,936	68,841,380	71,351,534	519,719,306
CURRENT REQUIREMENTS:													
OPERATING REQUIREMENTS:													
Operations	5,762,358	5,961,637	5,817,800	5,979,068	6,102,069	6,250,204	6,297,687	6,449,101	6,590,854	6,727,974	6,868,014	7,011,270	70,055,678
Purchased Water	21,836,436	21,245,416	24,591,079	27,017,920	26,982,831	28,777,228	32,077,055	34,242,674	35,407,028	36,353,634	37,679,397	39,443,333	343,817,595
In-Lieu Charges	3,325,489	3,336,312	3,175,458	3,019,769	2,992,768	3,260,926	3,699,937	3,816,968	3,496,395	3,525,544	3,682,390	3,550,640	37,557,107
Drought Reductions	0	(139,945)	(1,958,410)	0	0	0	0	0	0	0	0	0	(2,098,355)
TOTAL OPERATING REQUIREMENTS	30,924,283	30,403,421	31,625,927	36,016,757	36,077,668	38,288,357	42,074,680	44,508,743	45,494,277	46,607,153	48,229,801	50,005,243	449,332,025
NON-OPERATING REQUIREMENTS:													
Interfund Loan Repayment	351,700	351,700	351,700	0	0	0	0	0	0	0	0	0	703,400
Debt Service	1,931,673	1,958,235	1,958,642	1,956,938	1,960,163	1,955,678	1,448,616	1,445,279	1,446,936	1,447,252	1,446,227	1,448,861	18,472,826
Transfer To Capital Projects Fund	0	0	0	0	0	0	0	563,081	0	0	0	0	563,081
Transfer To Employee Benefits Fund	0	33,790	0	0	0	0	0	0	0	0	0	0	33,790
Transfer To General Fund	0	0	130,000	0	0	0	0	23,086	23,548	0	0	0	176,634
Transfer To General Services Fund	3,235	32,500	56,540	0	3,555	25,554	0	0	0	0	5,976	0	124,125
Transfer To Infrastructure Fund	8,024	108,858	35,011	6,180	6,303	6,430	18,979	6,689	6,823	6,960	7,099	8,463	217,795
Transfer To Wastewater Fund	0	16,666	0	0	0	0	0	0	0	0	0	0	16,666
TOTAL NON-OPERATING REQUIREMENTS	2,294,632	2,501,749	2,531,893	1,963,118	1,970,021	1,987,662	1,467,595	2,038,135	1,477,307	1,454,212	1,459,302	1,457,324	20,308,317
CAPITAL AND INFRASTRUCTURE REQ.:													
Projects - Debt Funded	7,818,109	5,497,909	1,717,591	0	0	0	0	0	0	0	0	0	7,215,500
Projects - Revenue Funded	417,049	677,051	2,724,532	2,032,519	1,744,078	2,382,183	4,007,367	3,445,461	1,733,713	1,757,628	2,469,964	1,543,672	24,518,168
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	8,235,158	6,174,960	4,442,123	2,032,519	1,744,078	2,382,183	4,007,367	3,445,461	1,733,713	1,757,628	2,469,964	1,543,672	31,733,668
TOTAL CURRENT REQUIREMENTS	41,454,073	39,080,130	38,599,942	40,012,393	39,791,767	42,658,202	47,549,642	49,992,339	48,705,298	49,818,992	52,159,067	53,006,238	501,374,011
RESERVES:													
Debt Service	1,008,708	1,008,192	1,008,444	1,008,651	1,009,552	1,007,764	754,819	755,166	755,827	756,418	756,940	757,394	757,394
Contingencies	6,899,699	6,801,763	7,602,220	8,249,247	8,271,225	8,756,858	9,593,686	10,172,944	10,499,471	10,770,402	11,136,853	11,613,651	11,613,651
Capital and Infrastructure Reserve	677,051	2,724,532	2,032,519	1,744,078	2,382,183	4,007,367	3,445,461	1,733,713	1,757,628	2,469,964	1,543,672	2,673,490	2,673,490
Bond Proceeds	7,215,500	1,717,591	0	0	0	0	0	0	0	0	0	0	0
Rate Stabilization Reserve	4,346,987	5,315,822	3,589,429	3,370,697	4,540,642	3,464,248	1,740,877	538,372	1,037,599	1,768,160	3,244,849	3,300,761	3,300,761
TOTAL RESERVES	20,147,945	17,567,900	14,232,613	14,372,673	16,203,602	17,236,237	15,534,843	13,200,195	14,050,525	15,764,944	16,682,314	18,345,295	18,345,295
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Recommended Water Rate Increase			5.0%	5.0%	5.0%	5.0%	5.0%	4.0%	4.0%	4.0%	3.0%	3.0%	
Prior Year Water Rate Increase			5.0%	5.0%	5.0%	5.0%	5.0%	4.0%	4.0%	3.0%	3.0%	3.0%	

CITY OF SUNNYVALE
460. WATER SUPPLY AND DISTRIBUTION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034

	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
RESERVE/FUND BALANCE, JULY 1	18,345,295	19,151,512	16,932,761	17,768,304	18,242,130	19,764,880	21,463,289	22,707,279	22,398,931	20,571,440	18,345,295	20,147,945
CURRENT RESOURCES:												
Water Sales and Water Service Fees	53,004,690	54,376,027	55,782,848	57,226,073	58,706,643	60,225,526	61,783,712	63,073,301	64,389,814	65,733,813	594,302,447	1,065,141,637
Public Works Fees	385,031	396,582	408,479	420,733	433,355	446,356	459,747	472,844	487,029	500,923	4,411,078	8,462,597
Recycled Water	2,566,985	2,631,159	2,696,938	2,764,362	2,833,471	2,904,308	2,976,915	3,036,454	3,097,183	3,159,126	28,666,901	51,488,657
Miscellaneous Revenues	303,525	312,083	320,884	329,935	339,243	348,815	358,657	368,007	377,609	387,468	3,446,227	6,319,032
Interest Income	95,281	84,243	88,400	0	0	0	0	0	0	0	267,924	1,144,949
Transfer From Other Funds	0	0	0	0	0	0	0	0	0	0	0	1,199,897
Drought Reductions	0	0	0	0	0	0	0	0	0	0	0	(3,090,830)
TOTAL CURRENT RESOURCES	56,355,511	57,800,094	59,297,550	60,741,103	62,312,713	63,925,004	65,579,032	66,950,605	68,351,634	69,781,330	631,094,577	1,130,665,938
TOTAL AVAILABLE RESOURCES	74,700,807	76,951,605	76,230,311	78,509,407	80,554,843	83,689,884	87,042,321	89,657,884	90,750,565	90,352,770	649,439,872	1,150,813,883
CURRENT REQUIREMENTS:												
OPERATING REQUIREMENTS:												
Operations	7,186,646	7,397,968	7,615,527	7,839,508	8,070,101	8,307,501	8,551,910	8,624,972	8,878,672	8,955,940	81,428,746	151,484,424
Purchased Water	40,426,909	41,497,455	42,697,284	43,926,176	45,244,988	46,732,814	48,295,933	49,845,598	51,757,848	53,747,192	464,172,197	807,989,792
In-Lieu Charges	3,805,287	4,521,169	4,197,307	4,305,474	4,230,578	4,334,987	4,499,145	4,898,863	5,013,116	5,178,188	44,984,113	82,541,221
Drought Reductions	0	0	0	0	0	0	0	0	0	0	0	(2,098,355)
TOTAL OPERATING REQUIREMENTS	51,418,841	53,416,592	54,510,118	56,071,159	57,545,667	59,375,302	61,346,989	63,369,434	65,649,636	67,881,320	590,585,056	1,039,917,082
NON-OPERATING REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	703,400
Debt Service	1,448,836	1,447,130	1,448,743	1,446,316	1,442,770	1,446,076	1,367,575	1,364,525	1,369,375	1,369,375	14,150,722	32,623,548
Transfer To Capital Projects Fund	0	0	0	0	0	0	0	0	0	0	0	563,081
Transfer To Employee Benefits Fund	0	0	0	0	0	0	0	0	0	0	0	33,790
Transfer To General Fund	0	0	0	0	0	30,131	31,035	0	0	0	61,166	237,800
Transfer To General Services Fund	0	0	0	6,860	0	0	0	0	7,953	0	14,813	138,938
Transfer To Infrastructure Fund	8,128	8,204	9,173	9,510	9,211	9,331	9,439	10,575	11,995	12,355	97,921	315,716
Transfer To Wastewater Fund	0	0	0	0	0	0	0	0	0	0	0	16,666
TOTAL NON-OPERATING REQUIREMENTS	1,456,964	1,455,334	1,457,916	1,462,686	1,451,981	1,485,538	1,408,049	1,375,100	1,389,323	1,381,730	14,324,622	34,632,939
CAPITAL AND INFRASTRUCTURE REQ.:												
Projects - Debt Funded	0	0	0	0	0	0	0	0	0	0	0	7,215,500
Projects - Revenue Funded	2,673,490	5,146,919	2,493,973	2,733,432	1,792,315	1,365,755	1,580,004	2,514,419	3,140,167	1,576,487	25,016,961	49,535,129
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	2,673,490	5,146,919	2,493,973	2,733,432	1,792,315	1,365,755	1,580,004	2,514,419	3,140,167	1,576,487	25,016,961	56,750,629
TOTAL CURRENT REQUIREMENTS	55,549,295	60,018,845	58,462,007	60,267,277	60,789,963	62,226,595	64,335,042	67,258,953	70,179,126	70,839,537	629,926,639	1,131,300,650
RESERVES:												
Debt Service	758,055	758,679	759,274	760,070	761,458	762,059	762,059	762,059	762,059	762,059	762,059	762,059
Contingencies	11,903,389	12,223,856	12,578,203	12,941,421	13,328,772	13,760,079	14,211,961	14,617,643	15,159,130	15,675,783	15,675,783	15,675,783
Capital and Infrastructure Reserve	5,146,919	2,493,973	2,733,432	1,792,315	1,365,755	1,580,004	2,514,419	3,140,167	1,576,487	2,000,000	2,000,000	2,000,000
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Rate Stabilization Reserve	1,343,149	1,456,252	1,697,395	2,748,324	4,308,895	5,361,148	5,218,840	3,879,063	3,073,764	1,075,391	1,075,391	1,075,391
TOTAL RESERVES	19,151,512	16,932,761	17,768,304	18,242,130	19,764,880	21,463,289	22,707,279	22,398,931	20,571,440	19,513,233	19,513,233	19,513,233
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Recommended Water Rate Increase	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%		
Prior Year Water Rate Increase	3.0%	2.5%	2.5%	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	n/a		

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

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
1507 Late Payment Penalties	86,792	84,397	88,617	93,048	97,700	102,585	107,715	112,023	116,504	121,164	124,799	128,543	1,177,095
3050 Water Connection Fees	477,367	449,827	210,632	179,419	183,007	186,668	190,401	194,209	198,093	202,055	206,096	210,218	2,410,625
3052 Water Hydrant Fees	2,594	1,932	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	29,306
3054 Water Meter Sales	178,044	113,014	125,850	120,990	123,410	125,878	128,396	130,963	133,583	136,254	138,979	141,759	1,419,076
3055 Water Meter Use Fees	4,633,523	4,325,475	4,541,749	4,768,836	5,007,278	5,257,642	5,520,524	5,741,345	5,970,999	6,209,839	6,396,134	6,588,018	60,327,838
3056 Water Sales - Metered	29,090,935	29,433,453	30,905,126	32,450,382	34,072,901	35,776,546	37,565,374	39,067,989	40,630,708	42,255,936	43,523,614	44,829,323	410,511,353
3057 Water Tapping Fees	29,355	19,790	15,774	16,089	16,411	16,739	17,074	17,416	17,764	18,119	18,482	18,851	192,511
3058 Water Turn On Fees	179,770	160,121	138,928	141,707	144,541	147,432	150,380	153,388	156,455	159,585	162,776	166,032	1,681,344
3060 Water Recycled	1,374,929	1,636,308	1,718,124	1,804,030	1,894,231	1,988,943	2,088,390	2,171,926	2,258,803	2,349,155	2,419,629	2,492,218	22,821,756
3089 Hydrant Meter Deposits Forfeited	2,146	2,198	0	0	0	0	0	0	0	0	0	0	2,198
3355 Interest Income	105,901	87,402	86,186	71,506	80,615	85,752	77,288	65,673	69,903	78,433	82,997	91,270	877,025
4100 Miscellaneous Revenues	15,610	12,168	0	0	0	0	0	0	0	0	0	0	12,168
4400 Transfer From Other Funds	116,568	174,000	522,000	503,897	0	0	0	0	0	0	0	0	1,199,897
xxxx Drought Reductions	0	0	(3,090,830)	0	0	0	0	0	0	0	0	0	(3,090,830)
FUND TOTAL	36,293,534	36,500,085	35,264,655	40,152,454	41,622,696	43,690,838	45,848,247	47,657,691	49,555,627	51,533,412	53,076,436	54,669,220	499,571,361

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**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2013 TO JUNE 30, 2024**

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
RESERVE/FUND BALANCE, JULY 1	41,130,944	40,614,663	26,314,177	17,309,354	14,592,343	15,810,825	17,391,648	19,518,126	22,788,145	24,005,507	28,639,642	29,315,891	40,614,663
CURRENT RESOURCES:													
Service Fees	25,677,909	26,782,979	29,193,447	31,528,923	34,051,237	36,605,080	39,350,461	42,301,745	45,262,868	47,299,697	49,428,183	51,652,451	433,457,072
Connection and Development Fees	3,316,662	2,800,000	1,000,000	700,000	714,000	728,280	742,846	757,703	772,857	788,314	804,080	820,162	10,628,240
Other Revenues	258,365	123,636	171,573	180,125	187,890	187,890	195,768	204,112	212,956	221,868	228,795	243,410	2,206,105
Interest Income	173,484	218,049	120,323	168,144	385,630	527,129	750,697	755,991	923,289	1,101,525	997,394	1,137,909	7,086,080
Transfer From Solid Waste Management Fund	0	16,666	0	462,407	462,407	462,407	462,407	462,407	462,407	0	0	0	2,791,108
Transfer From Water Fund	0	16,666	0	0	0	0	0	0	0	0	0	0	16,666
New WPCP Bond Proceeds	0	0	11,509,541	14,374,082	62,633,020	48,292,382	9,710,202	32,527,795	51,141,714	64,039,148	11,851,382	24,987,486	331,066,753
TOTAL CURRENT RESOURCES	29,426,421	29,957,996	41,994,885	47,413,681	98,434,184	86,811,046	51,220,725	77,018,597	98,785,002	113,457,479	63,317,011	78,841,418	787,252,023
TOTAL AVAILABLE RESOURCES	70,557,365	70,572,659	68,309,062	64,723,035	113,026,527	102,621,871	68,612,373	96,536,723	121,573,147	137,462,986	91,956,653	108,157,309	827,866,686
CURRENT REQUIREMENTS:													
OPERATING REQUIREMENTS:													
Operations	14,323,748	14,770,465	16,098,993	16,468,962	17,106,975	17,540,942	17,921,406	18,350,747	18,752,707	19,141,278	19,538,267	19,943,593	195,634,335
In-Lieu Charges and Fund Transfers	3,272,602	4,562,676	3,767,740	3,641,777	4,236,010	3,683,090	3,577,371	3,836,595	3,595,745	3,343,929	3,758,211	3,658,031	41,661,176
TOTAL CURRENT OPERATING REQUIREMENTS	17,596,350	19,333,141	19,866,733	20,110,739	21,342,985	21,224,032	21,498,777	22,187,342	22,348,453	22,485,207	23,296,478	23,601,624	237,295,511
NON-OPERATING REQUIREMENTS:													
Interfund Loan Repayment	1,264,380	1,264,380	1,264,380	1,264,380	1,264,380	1,264,380	1,264,380	850,216	850,216	850,216	850,216	850,216	11,837,359
Debt Service	2,897,177	2,912,947	2,912,649	2,917,259	2,913,835	2,916,845	2,336,053	2,335,459	2,337,566	2,331,862	2,338,594	2,337,015	28,590,084
New WPCP Debt Service	0	0	0	1,945,363	1,945,363	9,317,968	9,317,968	15,582,746	15,582,746	15,582,746	22,350,047	22,350,047	113,974,993
Water Pollution Control Plant Rent	344,112	350,994	358,014	365,174	372,478	379,927	387,526	395,277	403,182	411,246	419,471	427,860	4,271,149
Transfer To Water Supply and Distribution Fund	116,568	191,866	522,000	503,897	0	0	0	0	0	0	0	0	1,217,763
Wastewater Equipment Replacement	279,762	432,969	427,615	431,311	414,236	1,125,326	617,987	510,359	783,046	507,721	512,199	632,904	6,395,673
Transfer To General Fund (Power Generation Facility)	855,705	872,819	890,275	908,081	926,243	944,767	963,663	982,936	1,002,595	1,022,647	1,043,100	1,063,962	10,621,087
Transfer To Solid Waste Management Fund	2,533	12,155	0	0	0	0	0	0	0	0	0	0	12,155
TOTAL NON-OPERATING REQUIREMENTS	5,760,237	6,038,131	6,374,933	8,335,466	7,836,535	15,949,214	14,887,576	20,656,992	20,959,351	20,706,437	27,513,626	27,662,003	176,920,264
CAPITAL AND INFRASTRUCTURE REQ.:													
Projects - Debt Funded	5,906,842	9,685,391	0	0	0	0	0	0	0	0	0	0	9,685,391
Projects - Revenue Funded	513,131	3,981,359	12,672,369	7,695,434	4,803,755	2,839,502	2,374,069	872,742	2,469,305	930,758	2,687,898	1,632,036	42,959,228
Replacement of WPCP	166,142	5,070,459	11,509,541	13,401,400	62,633,020	44,606,080	9,710,202	29,395,406	51,141,714	64,039,148	8,467,731	24,987,486	324,962,188
Replacement of WPCP - Revenue Funded	0	150,000	576,131	587,654	599,407	611,395	623,623	636,095	648,817	661,793	675,029	688,530	6,458,474
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	6,586,115	18,887,209	24,758,042	21,684,487	68,036,182	48,056,977	12,707,894	30,904,243	54,259,837	65,631,700	11,830,659	27,308,052	384,065,281
TOTAL CURRENT REQUIREMENTS	29,942,702	44,258,482	50,999,708	50,130,692	97,215,701	85,230,223	49,094,247	73,748,578	97,567,641	108,823,343	62,640,763	78,571,679	798,281,057
RESERVES:													
Debt Service	1,458,629	1,458,629	1,458,629	2,431,311	2,431,104	6,117,406	5,830,581	8,962,970	8,962,970	8,962,970	12,346,620	12,346,620	12,346,620
Contingencies	3,580,937	3,692,616	4,024,748	4,117,240	4,276,744	4,385,235	4,480,351	4,587,687	4,688,177	4,785,320	4,884,567	4,985,898	4,985,898
Capital and Infrastructure Reserve	4,131,359	12,672,369	7,695,434	4,803,755	2,839,502	2,374,069	872,742	2,469,305	930,758	2,687,898	1,632,036	2,867,003	2,867,003
Bond Proceeds	9,685,391	0	0	0	0	0	0	0	0	0	0	0	0
Rate Stabilization Reserve	21,758,346	8,490,562	4,130,542	3,240,036	6,263,475	4,514,937	8,334,452	6,768,183	9,423,602	12,203,455	10,452,667	9,386,108	9,386,108
TOTAL RESERVES	40,614,663	26,314,177	17,309,354	14,592,343	15,810,825	17,391,648	19,518,126	22,788,145	24,005,507	28,639,642	29,315,891	29,585,629	29,585,629
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Sewer Rate Increase			9.0%	8.0%	8.0%	7.5%	7.5%	7.5%	7.0%	4.5%	4.5%	4.5%	
Prior Year Sewer Rate Increase			7.0%	8.0%	8.0%	7.5%	7.5%	7.5%	7.0%	4.5%	4.5%	4.5%	

**CITY OF SUNNYVALE
465. WASTEWATER MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034**

	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
RESERVE/FUND BALANCE, JULY 1	29,585,629	31,413,521	35,345,155	36,034,439	38,583,281	37,164,904	37,179,011	34,519,153	33,145,088	30,410,286	29,585,629	40,614,663
CURRENT RESOURCES:												
Service Fees	53,718,549	54,524,328	55,342,192	56,172,325	57,014,910	57,870,134	58,738,186	59,619,259	60,513,548	61,421,251	574,934,681	1,008,391,753
Connection and Development Fees	844,766	870,109	896,213	923,099	950,792	979,316	1,008,695	1,038,956	1,070,125	1,102,229	9,684,300	20,312,540
Other Revenues	251,849	257,632	263,561	269,642	275,877	282,272	288,831	295,557	302,457	309,533	2,797,212	5,003,317
Interest Income	1,495,882	1,683,103	1,715,926	1,837,299	1,769,757	1,770,429	1,643,769	1,578,338	1,448,109	1,380,640	16,323,252	23,409,332
Transfer From Solid Waste Management Fund	0	0	0	0	0	0	0	0	0	0	0	2,791,108
Transfer From Water Fund	0	0	0	0	0	0	0	0	0	0	0	16,666
New WPCP Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	331,066,753
TOTAL CURRENT RESOURCES	56,311,047	57,335,172	58,217,892	59,202,365	60,011,337	60,902,151	61,679,481	62,532,110	63,334,238	64,213,653	603,739,445	1,390,991,468
TOTAL AVAILABLE RESOURCES	85,896,676	88,748,693	93,563,048	95,236,805	98,594,618	98,067,055	98,858,491	97,051,263	96,479,326	94,623,939	633,325,075	1,431,606,131
CURRENT REQUIREMENTS:												
OPERATING REQUIREMENTS:												
Operations	20,447,652	21,054,773	21,679,956	22,323,740	22,986,678	23,669,342	24,372,319	25,096,216	25,841,654	26,609,277	234,081,607	429,715,942
In-Lieu Charges and Fund Transfers	3,789,967	3,713,433	4,099,981	3,972,574	4,321,320	4,441,367	4,597,125	4,629,183	4,827,840	5,000,530	43,393,320	85,054,497
TOTAL CURRENT OPERATING REQUIREMENTS	24,237,619	24,768,206	25,779,937	26,296,314	27,307,998	28,110,709	28,969,445	29,725,398	30,669,494	31,609,808	277,474,927	514,770,438
NON-OPERATING REQUIREMENTS:												
Interfund Loan Repayment	850,216	850,216	850,216	850,216	850,216	850,216	850,216	850,216	850,216	850,216	8,502,156	20,339,515
Debt Service	2,334,401	2,338,302	2,343,193	1,492,373	1,492,470	1,493,000	1,441,713	1,441,300	1,438,525	1,438,525	17,253,803	45,843,887
New WPCP Debt Service	22,350,047	22,350,047	22,350,047	22,350,047	22,350,047	22,350,047	22,350,047	22,350,047	22,350,047	22,350,047	223,500,468	337,475,461
Water Pollution Control Plant Rent	440,696	453,917	467,534	481,560	496,007	510,887	526,214	542,000	558,260	575,008	5,052,084	9,323,233
Transfer To Water Supply and Distribution Fund	0	0	0	0	0	0	0	0	0	0	0	1,217,763
Wastewater Equipment Replacement	307,293	688,948	706,662	1,111,138	746,651	376,152	447,550	636,516	618,363	753,955	6,393,227	12,788,900
Transfer To General Fund (Power Generation Facility)	1,095,880	1,128,757	1,162,620	1,197,498	1,233,423	1,270,426	1,308,539	1,347,795	1,388,229	1,429,875	12,563,041	23,184,129
Transfer To Solid Waste Management Fund	0	0	0	0	0	0	0	0	0	0	0	12,155
TOTAL NON-OPERATING REQUIREMENTS	27,378,532	27,810,186	27,880,272	27,482,832	27,168,813	26,850,728	26,924,278	27,167,873	27,203,639	27,397,626	273,264,779	450,185,043
CAPITAL AND INFRASTRUCTURE REQ.:												
Projects - Debt Funded	0	0	0	0	0	0	0	0	0	0	0	9,685,391
Projects - Revenue Funded	2,867,003	825,145	3,868,400	2,874,378	6,952,902	5,926,608	8,445,616	7,012,903	8,195,908	6,623,056	53,591,919	96,551,148
Replacement of WPCP	0	0	0	0	0	0	0	0	0	0	0	324,962,188
Replacement of WPCP - Revenue Funded	0	0	0	0	0	0	0	0	0	0	0	6,458,474
TOTAL CAPITAL AND INFRASTRUCTURE REQ.	2,867,003	825,145	3,868,400	2,874,378	6,952,902	5,926,608	8,445,616	7,012,903	8,195,908	6,623,056	53,591,919	437,657,201
TOTAL CURRENT REQUIREMENTS	54,483,155	53,403,538	57,528,609	56,653,524	61,429,713	60,888,045	64,339,339	63,906,174	66,069,040	65,630,489	604,331,625	1,402,612,682
RESERVES:												
Debt Service	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620	12,346,620
Contingencies	5,111,913	5,263,693	5,419,989	5,580,935	5,746,670	5,917,335	6,093,080	6,274,054	6,460,414	6,652,319	6,652,319	6,652,319
Capital and Infrastructure Reserve	825,145	3,868,400	2,874,378	6,952,902	5,926,608	8,445,616	7,012,903	8,195,908	6,623,056	5,000,000	5,000,000	5,000,000
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Rate Stabilization Reserve	13,129,843	13,866,442	15,393,452	13,702,823	13,145,006	10,469,439	9,066,550	6,328,507	4,980,196	4,994,510	4,994,510	4,994,510
TOTAL RESERVES	31,413,521	35,345,155	36,034,439	38,583,281	37,164,904	37,179,011	34,519,153	33,145,088	30,410,286	28,993,450	28,993,450	28,993,450
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Sewer Rate Increase	4.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Prior Year Sewer Rate Increase	4.0%	1.5%	0.5%	0.5%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	n/a	

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

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
1114 Other Agencies - Reimbursement	50,000	0	51,107	52,130	53,172	54,236	55,320	56,427	57,555	58,706	59,881	61,078	559,613
1367 Permit - Waste Discharge	102,617	14,000	14,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082	16,403	16,731	167,296
1507 Late Payment Penalties	56,055	69,636	64,226	69,364	74,913	80,531	86,571	93,064	99,578	104,059	108,742	113,635	964,319
3066 Sewer Fees - City	24,934,325	26,000,197	28,340,215	30,607,432	33,056,026	35,535,228	38,200,370	41,065,398	43,939,976	45,917,275	47,983,552	50,142,812	420,788,481
3067 Sewer Fees - Non-City	756,222	782,782	853,233	921,492	995,211	1,069,852	1,150,091	1,236,347	1,322,892	1,382,422	1,444,631	1,509,639	12,668,590
3068 Sewer Connection Fees	3,316,662	2,800,000	1,000,000	700,000	714,000	728,280	742,846	757,703	772,857	788,314	804,080	820,162	10,628,240
3090 Sales from PGF Electricity	40,708	40,000	42,240	44,352	45,239	46,144	47,067	48,008	48,968	49,948	50,947	51,965	514,877
3355 Interest Income	173,484	218,049	120,323	168,144	385,630	527,129	750,697	755,991	923,289	1,101,525	997,394	1,137,909	7,086,080
4121 Miscellaneous Remib	8,985	0	0	0	0	0	0	0	0	0	0	0	8,985
4400 Transfer From Water Fund	0	16,666	0	0	0	0	0	0	0	0	0	0	16,666
4400 Transfer From Solid Waste Mgmt Fund	0	16,666	0	462,407	462,407	462,407	462,407	462,407	462,407	0	0	0	2,791,108
4490 Bond Proceeds	0	0	11,509,541	14,374,082	62,633,020	48,292,382	9,710,202	32,527,795	51,141,714	64,039,148	11,851,382	24,987,486	331,066,753
FUND TOTAL	29,426,421	29,957,996	41,994,885	47,413,681	98,434,184	86,811,046	51,220,725	77,018,597	98,785,002	113,457,479	63,317,011	78,841,418	787,252,023

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**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2013 TO JUNE 30, 2024**

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
RESERVE/FUND BALANCE, JULY 1	7,688,491	7,903,947	5,914,486	4,692,681	4,179,541	4,428,201	5,261,174	7,018,874	7,829,943	8,306,483	7,543,113	7,545,895	7,903,947
CURRENT RESOURCES:													
Rental Income	164,355	190,729	195,525	194,483	198,373	202,340	206,387	210,515	214,725	219,020	223,400	227,868	2,283,365
Service Fees	38,022,787	39,022,871	41,152,243	42,844,455	43,701,345	44,575,371	45,021,125	45,471,336	45,926,050	46,385,310	46,849,163	47,317,655	488,266,925
Miscellaneous Revenues	529,470	381,077	390,931	380,576	386,055	391,625	395,922	400,271	404,673	409,130	413,641	418,208	4,372,109
SMaRT Station Revenues	1,437,675	1,289,783	1,161,716	1,173,939	1,181,225	1,193,667	1,206,246	1,218,964	1,231,822	1,244,823	1,257,966	1,271,256	13,431,408
County Wide AB939 Fee	262,135	117,663	128,971	128,971	124,559	124,559	124,559	124,559	124,559	124,559	124,559	124,559	1,372,073
Interest Income	47,066	41,114	32,620	51,599	108,005	202,353	269,957	301,152	319,480	290,120	290,227	268,076	2,174,703
TOTAL CURRENT RESOURCES	40,463,488	41,043,237	43,062,006	44,774,024	45,699,561	46,689,915	47,224,196	47,726,797	48,221,309	48,672,961	49,158,956	49,627,621	511,900,584
TOTAL AVAILABLE RESOURCES	48,151,980	48,947,184	48,976,492	49,466,705	49,879,103	51,118,117	52,485,370	54,745,671	56,051,252	56,979,444	56,702,069	57,173,516	519,804,531
CURRENT REQUIREMENTS:													
Interfund Loan Repayment	3,388,304	2,913,002	4,099,556	4,504,300	4,504,300	4,504,300	4,504,300	4,504,300	4,504,300	4,504,300	4,099,556	4,099,556	46,741,770
Debt Service	1,626,964	1,706,788	1,704,989	1,705,802	1,706,531	1,705,866	628,774	627,167	628,671	1,734,339	1,186,036	1,186,010	14,520,974
Operations	2,301,552	2,523,475	2,617,764	2,626,226	2,698,936	2,766,292	2,829,146	2,898,235	2,964,625	3,029,954	3,096,755	3,165,139	31,216,546
Solid Waste Collection Contract	18,078,154	19,453,981	19,985,242	20,467,687	20,661,846	20,581,159	20,954,720	21,768,721	22,594,111	23,271,934	23,970,092	24,689,195	238,398,688
Special Projects	13,354	238,397	538,204	255,285	0	48,709	0	172,942	0	0	53,779	0	1,307,316
Infrastructure Projects	64,328	746,625	0	0	0	0	0	0	0	0	0	0	746,625
Project Administration	31,155	48,103	4,900	0	0	0	0	0	0	0	0	0	53,003
SMaRT Capital Replacement	110,560	107,658	107,658	109,811	167,287	225,913	230,431	178,486	82,920	84,578	86,270	87,995	1,469,008
In-Lieu Charges	2,206,287	2,390,011	2,429,546	2,480,934	2,543,418	2,606,930	2,671,713	2,737,792	2,805,192	2,873,940	2,944,063	3,015,589	29,499,128
SMaRT Expense Share (Sunnyvale)	11,793,257	12,133,192	12,136,216	12,464,187	12,482,193	12,707,252	12,933,291	13,280,538	13,402,451	13,179,456	12,946,637	13,171,614	140,837,028
Long Term Rent - SMaRT and Landfill	634,118	646,800	659,736	672,931	686,390	700,118	714,120	728,402	742,970	757,830	772,986	788,446	7,870,730
Transfer To General Fund	0	0	0	0	0	0	0	19,145	19,528	0	0	0	38,673
Transfer To Wastewater Fund	0	16,666	0	0	0	0	0	0	0	0	0	0	16,666
Transfer To Infrastructure Fund	0	0	0	0	0	10,404	0	0	0	0	0	0	10,404
Transfer To General Services Fund	0	108,000	0	0	0	0	0	0	0	0	0	0	108,000
TOTAL CURRENT REQUIREMENTS	40,248,033	43,032,698	44,283,811	45,287,163	45,450,902	45,856,943	45,466,495	46,915,729	47,744,769	49,436,331	49,156,175	50,203,543	512,834,559
RESERVES:													
Contingencies	3,217,296	3,411,065	3,473,922	3,555,810	3,584,298	3,605,470	3,671,716	3,794,749	3,896,119	3,948,134	4,001,348	4,102,595	4,102,595
20 Year RAP	4,686,650	2,503,421	1,218,758	623,731	843,904	1,655,703	3,347,159	4,035,193	4,410,364	3,594,978	3,544,546	2,867,377	2,867,377
TOTAL RESERVES	7,903,947	5,914,486	4,692,681	4,179,541	4,428,201	5,261,174	7,018,874	7,829,943	8,306,483	7,543,113	7,545,895	6,969,972	6,969,972
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:													
Refuse Rate Increase			6.0%	5.0%	2.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Prior Year Refuse Rate Increase			4.0%	4.0%	4.0%	3.0%	2.0%	1.0%	1.0%	1.0%	1.0%	1.0%	

**CITY OF SUNNYVALE
485. SOLID WASTE MANAGEMENT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034**

	PLAN 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	FY 2024/2025 TO FY 2033/2034 TOTAL	FY 2013/2014 TO FY 2033/2034 TOTAL
RESERVE/FUND BALANCE, JULY 1	6,969,972	9,841,743	12,238,231	13,766,776	13,959,534	13,922,710	13,585,840	12,727,408	11,623,078	10,113,303	6,969,972	7,903,947
CURRENT RESOURCES:												
Rental Income	234,704	225,590	232,358	239,329	246,509	253,904	261,521	269,367	277,448	285,771	2,526,499	4,809,865
Service Fees	47,790,832	48,268,740	48,751,427	49,238,942	49,731,331	50,725,958	51,740,477	53,033,989	54,359,838	55,718,834	509,360,367	997,627,292
Miscellaneous Revenues	420,674	419,660	424,934	430,296	435,746	442,811	450,014	458,151	466,470	474,974	4,423,730	8,795,839
SMaRT Station Revenues	1,285,415	1,299,760	1,314,293	1,329,018	1,343,937	1,359,054	1,374,373	1,389,896	1,405,629	1,421,574	13,522,949	26,954,358
County Wide AB939 Fee	124,559	124,559	124,559	124,559	124,559	124,559	124,559	124,559	124,559	124,559	1,245,586	2,617,659
Interest Income	468,654	582,773	655,561	664,740	662,986	646,945	606,067	553,480	481,586	394,495	5,717,287	7,891,990
TOTAL CURRENT RESOURCES	50,327,538	50,923,782	51,505,832	52,029,582	52,547,767	53,555,930	54,559,710	55,832,142	57,118,229	58,422,906	536,823,418	1,048,724,002
TOTAL AVAILABLE RESOURCES	57,297,510	60,765,525	63,744,064	65,796,358	66,507,301	67,478,640	68,145,550	68,559,550	68,741,308	68,536,209	543,793,390	1,056,627,949
CURRENT REQUIREMENTS:												
Interfund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	46,741,770
Debt Service	1,185,892	1,186,058	1,186,115	1,186,064	1,183,776	1,182,217	1,184,409	1,105,600	1,105,600	1,105,600	11,611,331	26,132,305
Operations	3,248,838	3,105,840	3,197,988	3,292,877	3,390,587	3,491,202	3,594,810	3,701,499	3,811,360	3,924,489	34,759,490	65,976,036
Solid Waste Collection Contract	25,429,871	26,192,767	26,978,550	27,787,906	28,621,543	29,480,190	30,364,595	31,275,533	32,213,799	33,180,213	291,524,968	529,923,656
Special Projects	44,661	0	0	307,102	0	51,774	0	0	71,573	0	475,110	1,782,426
Infrastructure Projects	0	0	47,448	0	0	0	0	0	0	0	47,448	794,073
Project Administration	0	0	11,041	0	0	0	0	0	0	0	11,041	64,044
SMaRT Capital Replacement	90,635	93,354	96,155	99,040	102,011	105,071	108,223	111,470	114,814	118,258	1,039,031	2,508,039
In-Lieu Charges	3,120,093	3,227,732	3,338,601	3,452,795	3,575,841	3,697,173	3,822,146	3,950,869	4,083,453	4,220,014	36,488,717	65,987,845
SMaRT Expense Share (Sunnyvale)	13,521,957	13,885,081	14,259,098	14,821,861	14,794,891	14,942,576	15,348,318	15,766,233	16,196,685	16,640,050	150,176,750	291,013,778
Long Term Rent - SMaRT and Landfill	812,099	836,462	861,556	887,403	914,025	941,446	969,689	998,780	1,028,743	1,059,606	9,309,810	17,180,539
Transfer To General Fund	0	0	0	0	0	0	24,987	25,736	0	0	50,723	89,396
Transfer To Wastewater Fund	0	0	0	0	0	0	0	0	0	0	0	16,666
Transfer To Infrastructure Fund	1,721	0	735	1,777	1,916	1,151	964	752	1,977	3,589	14,582	24,986
Transfer To General Services Fund	0	0	0	0	0	0	0	0	0	0	0	108,000
TOTAL CURRENT REQUIREMENTS	47,455,767	48,527,294	49,977,288	51,836,825	52,584,591	53,892,800	55,418,142	56,936,471	58,628,004	60,251,819	535,509,001	1,048,343,559
RESERVES:												
Contingencies	4,220,067	4,318,369	4,443,564	4,590,264	4,680,702	4,791,397	4,930,772	5,074,326	5,222,184	5,374,475	5,374,475	5,374,475
20 Year RAP	5,621,676	7,919,862	9,323,212	9,369,269	9,242,008	8,794,443	7,796,635	6,548,752	4,891,119	2,909,915	2,909,915	2,909,915
TOTAL RESERVES	9,841,743	12,238,231	13,766,776	13,959,534	13,922,710	13,585,840	12,727,408	11,623,078	10,113,303	8,284,390	8,284,390	8,284,390
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
STATISTICS:												
Refuse Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.5%	2.5%	2.5%		
Prior Year Refuse Rate Increase	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%	2.0%	2.0%		

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

		ACTUAL	CURRENT	BUDGET	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2013/2014 TO FY 2023/2024 TOTAL
		2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
0751-06	Long Term Rent	164,355	190,729	195,525	194,483	198,373	202,340	206,387	210,515	214,725	219,020	223,400	227,868	2,283,365
0955	0955 Alternative Fuel User Tax Credit	110,319	0	0	0	0	0	0	0	0	0	0	0	0
1004	County Wide AB939 Fee	262,135	117,663	128,971	128,971	124,559	124,559	124,559	124,559	124,559	124,559	124,559	124,559	1,372,073
1027	Misc. State Grants/Reimbursements	5,552	0	0	0	0	0	0	0	0	0	0	0	0
1507	Late Payment Penalties	102,468	117,871	124,943	131,190	133,814	136,490	137,855	139,234	140,626	142,032	143,453	144,887	1,492,397
1508	Liquidated Damages	21,000	0	0	0	0	0	0	0	0	0	0	0	0
1519	Code Violations	5,031	0	0	0	0	0	0	0	0	0	0	0	0
2764	Unclaimed Property	12,893	0	0	0	0	0	0	0	0	0	0	0	0
2906	Battery/Oil/Paint Drop Off Fee	19,420	19,420	19,420	0	0	0	0	0	0	0	0	0	38,840
3061	Refuse Service Fees - City	36,955,570	38,022,871	40,304,243	42,319,455	43,165,845	44,029,161	44,469,453	44,914,148	45,363,289	45,816,922	46,275,091	46,737,842	481,418,320
3062	Refuse Service Fees - Specialty	1,067,217	1,000,000	848,000	525,000	535,500	546,210	551,672	557,189	562,761	568,388	574,072	579,813	6,848,605
3071	MRF Revenues - SMaRT	318,829	306,308	215,715	217,872	214,979	217,129	219,300	221,493	223,708	225,945	228,205	230,487	2,521,141
3080	Kirby Canyon SMaRT Operator	326,548	336,564	345,248	352,153	359,196	366,380	373,707	381,182	388,805	396,581	404,513	412,603	4,116,932
3083	Curbside	1,063,007	876,683	885,450	894,305	903,248	912,280	921,403	930,617	939,923	949,322	958,816	968,404	10,140,450
3084	Curbside Sales - General	187,160	189,032	190,922	192,831	194,760	196,707	198,674	200,661	202,668	204,694	206,741	208,809	2,186,498
3086	Yardwaste Sales - SMaRT	(270,709)	(229,773)	(284,696)	(290,390)	(296,198)	(302,122)	(308,164)	(314,327)	(320,614)	(327,026)	(333,567)	(340,238)	(3,347,114)
3091	Green Ticket Revenue	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	29,700
3355	Interest Income	47,066	41,114	32,620	51,599	108,005	202,353	269,957	301,152	319,480	290,120	290,227	268,076	2,174,703
3073-01	Sale of Garbage Tags - Retailer	7,548	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	77,000
3073-02	Sale of Garbage Tags - In House	2,968	500	500	500	500	500	500	500	500	500	500	500	5,500
4100	Miscellaneous Revenues	2,620	0	0	0	0	0	0	0	0	0	0	0	0
4105	Misc. Revenues - Special Events	2,703	0	0	0	0	0	0	0	0	0	0	0	0
4190	Third Party Compressed Natural Gas Sales	44,555	44,555	45,446	46,355	47,282	48,227	49,192	50,176	51,179	52,203	53,247	54,312	542,174
4400	Transfer From Wastewater Mgmt Fund	2,533	0	0	0	0	0	0	0	0	0	0	0	0
FUND TOTAL		40,463,489	41,043,237	43,062,006	44,774,024	45,699,561	46,689,915	47,224,196	47,726,797	48,221,309	48,672,961	49,158,956	49,627,621	511,900,584

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

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
0750-01 License Fee Tennis Center	106,256	106,251	111,255	116,256	121,256	126,256	131,256	136,256	141,256	146,256	151,256	156,256	1,443,810
0750-04 Lookout Rental	12,000	76,080	98,409	100,377	102,385	104,432	106,521	108,651	110,825	113,041	115,302	117,608	1,153,631
0752-08 Facilities Rent - Rec Tennis Co	0	18,600	0	0	0	0	0	0	0	0	0	0	18,600
0754-xx Tower/Antenna Rental - Verizon	0	0	28,000	28,560	29,131	29,714	30,308	30,914	31,533	32,163	32,806	33,463	306,592
TOTAL RENTS AND CONCESSIONS	118,256	200,931	237,664	245,193	252,772	260,402	268,085	275,822	283,613	291,460	299,364	307,326	2,922,633
1950-11 Sunnyvale Weekday	498,235	518,103	542,753	548,481	559,451	570,640	582,052	593,693	605,567	617,679	630,032	642,633	6,411,084
1950-12 Sunnyvale Weekday Twilight	256,295	259,108	272,519	275,245	280,750	286,365	292,092	297,934	303,893	309,971	316,170	322,493	3,216,540
1950 -13 Sunnyvale Weekend/Holiday	630,771	640,308	671,761	678,478	692,048	705,889	720,006	734,406	749,095	764,076	779,358	794,945	7,930,370
1950-14 Sunnyvale W/E Holiday Twilight	189,726	190,855	200,734	202,741	206,796	210,932	215,150	219,453	223,842	228,319	232,886	237,543	2,369,252
1950-15 Sunnyvale S.A.C.	18,975	21,344	22,449	22,674	23,127	23,590	24,062	24,543	25,034	25,535	26,045	26,566	264,969
1950-16 Sunnyvale Golf Discount	172,900	159,975	168,256	169,938	173,337	176,803	180,340	183,946	187,625	191,378	195,205	199,109	1,985,913
1950-17 Sunnyvale 10-Play Card	33,705	19,757	20,779	20,987	21,407	21,835	22,272	22,717	23,171	23,635	24,107	24,590	245,256
1950-18 Smart Card Fee Sunnyvale	1,460	872	917	927	946	964	984	1,003	1,023	1,044	1,065	1,086	10,832
1950-19 Weekday Super Twilight	82,022	96,947	101,965	102,985	105,045	107,146	109,289	111,474	113,704	115,978	118,297	120,663	1,203,492
1950-20 Weekend Super Twilight	27,020	31,154	32,767	33,094	33,756	34,431	35,120	35,822	36,538	37,269	38,015	38,775	386,741
1951 SM Gift Certificates	1,752	6,599	2,118	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139	27,968
1952 School Group Play	2,000	1,500	2,118	2,139	2,182	2,225	2,270	2,315	2,362	2,409	2,457	2,506	24,483
1954-01 Tournament Fee - Sunnyvale	4,272	3,452	3,630	3,667	3,740	3,815	3,891	3,969	4,049	4,130	4,212	4,296	42,852
1954-02 Tournament Fee - Sunken Gardens	687	739	777	785	801	817	833	850	867	884	902	920	9,173
1963-11 Sunken Garden Weekday	321,531	302,010	315,004	318,154	324,517	331,007	337,628	344,380	351,268	358,293	365,459	372,768	3,720,488
1963-12 Sunken Garden Weekday Twilight	0	8,046	8,462	8,547	8,718	8,892	9,070	9,252	9,437	9,625	9,818	10,014	99,881
1963-13 Sunken Garden Weekend/Holiday	261,525	239,196	246,577	249,043	254,024	259,104	264,286	269,572	274,964	280,463	286,072	291,794	2,915,095
1963-14 Sunken Garden Weekend Twilight	308	18,030	18,963	19,153	19,536	19,927	20,325	20,732	21,146	21,569	22,001	22,441	223,823

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

	ACTUAL 2012/2013	CURRENT 2013/2014	BUDGET 2014/2015	PLAN 2015/2016	PLAN 2016/2017	PLAN 2017/2018	PLAN 2018/2019	PLAN 2019/2020	PLAN 2020/2021	PLAN 2021/2022	PLAN 2022/2023	PLAN 2023/2024	FY 2013/2014 TO FY 2023/2024 TOTAL
1963-15 Sunken Garden 10 Play	22,680	24,343	25,603	25,859	26,376	26,904	27,442	27,991	28,550	29,121	29,704	30,298	302,191
1963-16 Sunken Garden Golf Discount	63,184	69,062	74,740	75,487	76,997	78,537	80,107	81,710	83,344	85,011	86,711	88,445	880,150
1963-17 Sunken Garden Advantage Card	9,120	5,400	5,679	5,736	5,851	5,968	6,087	6,209	6,333	6,460	6,589	6,721	67,032
1963-18 Sunken Garden Smart Card Fee	1,070	735	773	781	797	813	829	845	862	880	897	915	9,126
1964 Sunken Gardens Gift Certificates	340	4,912	1,324	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337	1,337	18,269
TOTAL GOLF FEES	2,599,578	2,622,447	2,740,668	2,768,377	2,823,675	2,880,079	2,937,611	2,996,294	3,056,150	3,117,204	3,179,478	3,242,998	32,364,981
1955 Golf Cart Rental	340,382	381,857	401,622	405,638	413,751	422,026	430,466	439,076	447,857	456,814	465,951	475,270	4,740,327
1956 Driving Range Fees	202,121	220,022	231,410	233,724	238,398	243,166	248,030	252,990	258,050	263,211	268,475	273,845	2,731,323
1957 Golf Miscellaneous Rentals	34,494	39,814	41,875	42,294	43,140	44,003	44,883	45,780	46,696	47,630	48,583	49,554	494,251
4114 Miscellaneous Golf Revenues	70	0	0	0	0	0	0	0	0	0	0	0	0
4175 Golf Merchandise Sales	185,207	180,432	189,771	191,669	195,502	199,412	203,401	207,469	211,618	215,850	220,167	224,571	2,239,863
4180 Golf Instruction	19,960	7,884	8,325	8,334	8,501	8,671	8,844	9,021	9,201	9,385	9,573	9,765	97,504
TOTAL GOLF AND TENNIS SHOP REVENUE	782,235	830,009	873,003	881,659	899,292	917,278	935,624	954,336	973,423	992,891	1,012,749	1,033,004	10,303,268
3355 Interest Income	480	147	427	890	4,348	8,906	2,152	4,941	7,624	10,409	13,093	25,158	78,095
TOTAL INTEREST INCOME	480	147	427	890	4,348	8,906	2,152	4,941	7,624	10,409	13,093	25,158	78,095
4400-03 Transfer From General Fund	300,000	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSFERS IN	300,000	0	0	0	0	0	0	0	0	0	0	0	0
FUND TOTAL	3,800,549	3,653,534	3,851,762	3,896,119	3,980,087	4,066,665	4,143,472	4,231,393	4,320,810	4,411,964	4,504,684	4,608,487	45,668,977

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

INTERNAL SERVICE FUNDS

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

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

The four other funds presented in this section include the Dorolou P. Swirsky Youth Opportunity Fund, the Fremont Pool Endowment (Trust) Fund, the Redevelopment Successor

Agency Fund, and the Community Facilities District No. 3 Fund. While these funds are not internal service funds, they are grouped with the internal service funds just for presentation purposes in the budget document. These are funds that separately account for assets that the City holds in a trustee or agency capacity and uses to benefit a specified purpose.

▪ General Services Fund

Fleet, Facilities, and Technology Services

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

Aggregate rental rate increases for the combined General Services Fund activities in FY 2014/15 are 3.4%, which is flat to what had been projected for FY 2014/15 during last year's budget cycle. For the remainder of the front ten years of the plan, the average annual rental rate increase is 2.6%, which is up from the 2.4% average increase in the prior budget. This is primarily due to the addition of personnel and increases in maintenance and support costs in Information Technology

Services, and increases to the front ten years of the fleet equipment replacement schedule. In the final ten years of the long-term plan, rates are scheduled to increase 2.6% annually, which is slightly above the 2.4% annual increase estimated last year. This is mainly the result of increases to the Fleet replacement schedule and Information Technology equipment schedule. A more detailed narrative on changes in rental rates is provided in the sections below that cover the individual sub-funds.

Fleet Services Sub-Fund

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

The main source of funding within this sub-fund is derived from Fleet Services rentals to other programs, which is primarily based on specific vehicle usage. Fleet Services rental rates are scheduled to increase by 3.0% for FY 2014/15 and have an average annual increase of 3.3% for the duration of the first ten years of the long-term plan. These rates have increased relative to the prior year's budget mainly due to the shifting of high cost equipment from the back ten to the front ten years of the plan. Rate increases in the second ten years are set at 3.9% annually, equal to the same period in the prior year.

The *Sale of Property* line item of the Financial Plan represents the sale of surplus or replaced vehicles or pieces of equipment.

The projection for FY 2014/15 is based on historical averages for the surplus of vehicles and equipment. Increases are projected for FY 2015/16 and FY 2016/17 when two fire trucks are scheduled for replacement and staff anticipates some resale value from the old fire trucks.

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

The multiple transfer line items found within the *Current Resources* section of the financial plan through FY 2017/18 represent the funding mechanisms for the Upgrading of the City's Fuel Stations capital project. In addition, total transfers of \$71,540 have been programmed in FY 2014/15 from the Utilities Funds for adding a new truck to the fleet for the water program, and \$21,000 from the Development Enterprise Fund to acquire a car for the Community Development Department that will be used for inspections.

The two major current requirements deal with equipment replacement and operation of the Fleet Services program.

The *Equipment Replacement* line item fluctuates each year, as various items of equipment reach the end of their useful life and must be replaced. Overall equipment replacement expenditures are up approximately \$1.1 million in the first ten years of the twenty-year plan in comparison to the prior twenty-year plan. This is predominantly the result of increased costs for the replacements of assets that were deferred in prior years and for special purpose trucks. The replacement schedule for special purpose trucks increased 17% over the twenty year plan, driven by accelerating the replacement year for two aerial fire rigs as well as increasing the cost estimate for each by 42%. Cost escalations on the fire truck aeri- als are primarily due to significant manufacturing cost increases for the chassis, which include the frame rails and power train, as well as complex exhaust retrofits required to meet stringent Tier 4 emission standards. In addition to the new cars for the Utilities and Development Enterprise Fund mentioned above, there were also two cars added to the replacement schedule in FY 2014/15 for the Department of Public Safety.

Operations expenditures in FY 2014/15 are up slightly over the twenty year of the long-term plan compared to prior year, due to additional hours budgeted in the fleet operating program for a Golf Course Equipment Mechanic that had previously been budgeted in the Golf and Tennis Fund.

The *Equipment Replacement Reserve* represents the accumulation of annual rental rates received from City programs, net of replacements purchased during the current fiscal year, for future replacement of vehicles and equipment.

This reserve works in tandem with the Equipment Replacement line item under the *Current Requirements* section of the Sub-Fund. For example, when a large-value item is scheduled to be replaced such as a street sweeper or a fire apparatus, the equipment replacement reserve will be drawn down as funds are used to purchase the vehicle or apparatus. In this manner, operating programs do not experience large swings in expenditures due to fleet replacement.

Facilities Management Services Sub-Fund

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

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

The aggregate rental rate for Facilities Management is scheduled to increase 3.0% for FY 2014/15, with annual increases declining to 2.5% starting in FY 2023/24. It should be noted that in FY 2017/18 of the plan, facility rental rates are

expected decrease by 6.4%, as Facilities Services will have paid off its loan to Fleet Services and funds will no longer need to be collected to cover that liability. This will result in a reduction in rental rates that will lower the base rental rate charged for the remainder of the plan years. Rental rate increases in the FY 2014/15 Recommended Budget are flat in comparison with what was programmed in the FY 2013/14 Adopted Budget. While there is uncertainty on a plan for rehabilitation or replacement of the City's large administrative facilities, limited funds have been expended on these facilities. This is not a realistic long-term plan and therefore rental rate increases have been set at an appropriate level. As a result, until plans are determined, additional revenue will be collected. Over the twenty years, a total of \$9.2 million in additional facility rental collections will be transferred to the Infrastructure Fund to increase funding for the future infrastructure needs of the City; this additional collection is shown as *Additional Transfer to Infrastructure* in the long-term plan.

The major current requirements deal with operation of the Facilities Services Program. The *Operations* line item increased slightly for FY 2014/15 in comparison to the FY 2013/14 budget, primarily due to the anticipated increase in the cost of utilities in the near future. PG&E has indicated to the City that they project rate increases of between 3% and 7% for the next two years. The FY 2014/15 budget for electricity

within the Facilities Subfund reflects a 12% increase from the prior year.

Equipment Replacement costs have been established based on the asset depreciation schedules for carpets and blinds, large equipment, and modular furniture. The FY 2014/15 long-term plan reflects slight savings over the 20-year plan for facilities-related equipment in comparison to the long-term plan from FY 2013/14. This is primarily the result of a continuing effort to replace only what is necessary as the future of all City facilities, including the Civic Center and Library, is being determined.

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

The *Transfer to Sunnyvale Office Center* line item in the long-term financial plan represents a transfer of rental rate revenues received from City programs currently housed at the 505 W. Olive Sunnyvale Office Center. These funds are collected in this sub-fund and then transferred to the Sunnyvale Office Center sub-fund to partially fund the facility management costs associated with that facility. Transfers are also made

to the General Fund to cover the cost of management and administrative support services for the Facilities program. Lastly, transfers to the Infrastructure Fund have been programmed for the Facilities Services' contribution to various capital projects, such as improvements at the Corporation Yard.

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

Technology and Communications Services Sub-Fund

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

The aggregate rental rate increase for Technology and Communications Services is scheduled to be 3.8% in FY 2014/15 and then 2.5% annually for the remaining first ten years of the plan. These increases are unchanged from the 2.5% annual average projected for the first ten years of last year's plan. Increases average 2.0% annually in the second ten years of the plan, which is higher than the 1.5% annual

increases that was previously planned for the second ten years in last year's plan. This is due to increases in equipment replacement costs that are scheduled in the second ten years.

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

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

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

The major current requirements of the Technology and Communications Services Sub-Fund deal with equipment

replacement and operation of the programs in the Information Technology Department and the Office of the City Manager. Equipment replacement for technology, communications, and office assets reflect the equipment replacement schedules for each type of equipment, and equipment replacement costs will fluctuate year-over-year based on the useful lives of the individual pieces of equipment on the replacement schedules. Overall, equipment replacement costs over the 20-year plan are slightly higher in comparison to last year's long-term plan, primarily due to hardware costs for installation of a fiber optic system system and higher replacement costs on software for the financial system.

Total operating costs for the Technology and Communications programs are up 1% in the FY 2014/15 long-term plan in comparison to the prior long-term plan. This is predominantly the result of increased Salary and Benefit expenses due to the addition of one net new position for a Programmer Analyst. The fiscal impact of the additional position is an annual expense of \$156,000, equating to an additional \$3.1 million in costs over the long term financial plan.

The Transfer to General Fund line has two main components. \$2.1 million is scheduled in FY 2013/14 to pay for the Silicon Valley Regional Communication System project. Transfers are also made to the General Fund to cover the cost of management and administrative support services for the Print Shop. Additionally, transfers to the Infrastructure Fund have been programmed throughout the long-term plan for the Technology and Communications Services' contribution to

various capital projects, including improvements at the City Hall Annex and the emergency generator installations.

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

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

The *Restricted Tech Surcharge Reserve* reflects funds collected from the Technology Surcharge that is added to development fees that have not been appropriated for specific expenditures. Funds are collected in this reserve to cover the cost of ongoing maintenance and eventual system replacement of the permit system.

[Sunnyvale Office Center Sub-Fund](#)

This sub-fund accounts for the activities of the Sunnyvale Office Center located at 505 W. Olive Avenue, across from the main City Hall. The Sunnyvale Office Center was purchased in April 2001 by the issuance of variable rate Certificates of Participation (COPs) to provide expansion opportunities for the Civic Center Complex. Activities included in this fund

are maintenance and operations of the office facility, capital projects, and debt service. Revenues to this sub-fund consist of rental from outside tenants and City operations, and interest on reserves.

When the sub-fund was established, it was projected that the existing office buildings would be operated and leased through FY 2005/06, when a long-term solution to the City's office space problem would be in place. Subsequently, plans for a new civic center complex were put on hold because of the City's financial situation. Currently, options for the development and implementation of a long-term solution to the City's office space issues are continuing to be explored. As such, the FY 2014/15 long-term financial plan continues to reflect the complex being operated for the entire twenty-year planning period. Increasing the length of operation causes the office complex to generate more net income than originally anticipated, and this allows the Sunnyvale Office Center Fund to give a rebate to the General Fund of about \$258,000 annually, increasing at the rate of growth in rental income, over the entire planning period.

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

The interest paid on our COPs is variable and based on market conditions, but since their issuance has averaged 3% annually.

More recently, interest rates have been extremely low, resulting in lower than projected debt service payments. The assumption for FY 2014/15 is that interest rates will increase but remain low at 1%, before returning to the 3% historical average in FY 2015/16. The remaining principal amount is \$13.4 million as of the end of FY 2013/14, with the balance scheduled to be fully repaid by 2031.

This Sunnyvale Office Center Sub-Fund has two reserves. The first is the required Debt Service Reserve, which maintains a balance of approximately \$1.2 million. The second reserve is the Capital Projects Reserve. This reserve was funded by an \$11 million transfer of surplus revenues from the General Fund in 2002. These funds were originally to be used to purchase the Office Center before the City decided to finance the purchase. The purpose of this reserve is to generate interest to offset debt service, as well as to fund ongoing capital improvements. The reserve balance at the end of FY 2013/14 is projected to be \$9.5 million.

[Project Management Sub-Fund](#)

The Project Management Sub-Fund represents project management services provided by staff within the Department of Public Works Capital Project Management Program. These services are associated with the various capital and infrastructure projects currently incorporated within the City's projects budget. The transfers into this fund represent a fund's proportionate share based on the current schedule of projects budgeted for a given year in that fund.

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

Operations for the Project Administration Sub-Fund are budgeted to increase by approximately 2% in FY 2014/15. In FY 2012/13, the Program added three additional full-time positions and one additional full-time position was added in FY 2013/14, reflecting the emphasis the City is putting on the capital projects program to address the backlog of projects requiring this group's services. As budgeted project costs taper off starting in FY 2019/20, the budget for this program is reduced accordingly.

▪ **Employee Benefits and Insurance Fund**

The Employee Benefits and Insurance Fund provides a mechanism to cover expenditures related to pension costs, insurance plans, workers' compensation costs, and leave time while applying the principles of full-cost accounting. This is accomplished by charging an additive rate to staff salaries wherever personnel hours are budgeted and expended. To

better track and analyze expenditures, the Fund is separated into four sub-funds: Leaves, Retirement Benefits, Workers' Compensation, and Insurance and Other Benefits.

In general, the additive rate that is charged to cover the costs of employee benefits is calculated by determining the amount of the benefit to be accrued, and dividing that amount into total budgeted salaries. Depending on total hours worked over the course of the fiscal year, the Employee Benefits Fund may over-collect in some years and under-collect in other years in comparison to budgeted amounts. Annual rate adjustments take this into account, and reserves in this Fund are set to factor in year-over-year fluctuations. Combined reserves are projected to end FY 2013/14 at \$13.7 million, and build to a total of \$41.3 million at the end of the twenty-year plan. Over the twenty-year plan, the overall additive rate for Miscellaneous employees is on average 3.2% higher than the rate set in the prior plan; for Safety employees, the overall additive rate is 3.9% higher. This is primarily due to higher retirement and insurance costs, which are discussed in further detail below. With the strategic setting of rates over the twenty-year plan, the City is on track to pay off its Other Post-Employment Benefits (OPEB) liability by FY 2030/31, and maintain a reserve for potential increases to future retirement contribution rates, which is explained in detail in the *Retirement Benefits* section below.

Leaves Benefits

The Leaves program accounts for all City employees' leave time, including accrual of leave benefits earned but not taken.

This method of accruing for leave benefits as they are earned and recognizing the liability up-front is fiscally prudent, as it provides the City with adequate funding to pay off significant earned leave amounts at employee separations.

Beginning in FY 2014/15, Floating Holiday Leave and Management Administrative Leave will no longer be budgeted in the City's operating programs, but will be budgeted in the Leave Benefits sub-fund with all the other City leaves. Overall, this is an additional \$1 million per year in costs that has been factored into the overall leave additive rate, which increases the leave additive in FY 2014/15 by nearly 2% over FY 2013/14 rates. It should be noted, however, that the net impact to the City's total budget is flat since these leave hours have been removed from program operating budgets.

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

Retirement Benefits

Retirement Benefits consists of the costs for the City's retirement plans. By City Charter, Sunnyvale has contracted with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for its employees. With the California Public Employees' Pension Reform Act of 2013 (PEPRA), effective January 1, 2013, the City now has three pension tiers for Miscellaneous and Safety employees. The first tier consists of existing employees who were employed with the City prior to December 23, 2012. These employees remain on the Miscellaneous 2.7% @ 55 plan, or

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

The cost to fund the CalPERS retirement benefit is broken down into two contributions, the employer contribution and the employee contribution. For current Miscellaneous and Safety employees (tiers one and two), the employee contribution rate is set by law: 8% of pay for the Miscellaneous 2.7% @ 55 plan, 7% for the Miscellaneous 2% @ 60 plan, and 9% for the Safety 3% at 50 plan. For many years, the City has paid the employee contribution but employees have begun to pick up a part of their contribution in the last several years. For FY 2014/15, the City's contribution for the employee share will be 4% (Miscellaneous) and 8.25% (Safety) of pay. The FY 2014/15 Budget, consistent with the prior year budget, assumes tier one and two employees will contribute their full employee share by FY 2018/19 (Miscellaneous) and FY 2019/20 (Safety, excluding a 2.25% employee cost share paid by the City). It should be noted that these increases must be negotiated with the bargaining units. However, beginning on January 1, 2018, PEPRA allows a public agency to unilaterally require all members to pay up to 50% of the normal cost of their pension benefits, after bargaining in good faith and impasse procedures have completed. The employee

contribution rate can be increased up to 8% for miscellaneous members and 12% for Safety members. Tier three employees, under PEPR, must pay half their normal cost at the end of any existing contracts, or by January 1, 2018.

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

Over the past decade, employer contribution rates have increased significantly, predominantly due to the significant market losses experienced in the early 2000s and in FY 2008/09. Other factors contributing to the sharp increase in contribution rates have been enhanced pension benefits for employees, applied retroactively, and changes in actuarial experience (i.e. employees retiring earlier at higher salaries and living longer in retirement). In March 2012, CalPERS lowered the long-term rate of return from 7.75% to 7.5%. In February 2014, the CalPERS board adopted future mortality improvements to be included in actuarial assumptions. The improved mortality assumptions will significantly increase the cost of pensions, impacting the contribution rates beginning in FY 2016/17.

As significantly as rates were increasing over the last several years, staff also realized they were not going up enough. CalPERS' actuarial methodology amortized investment gains

and losses over a rolling thirty-year period calculated on the actuarial value of assets. While this reduced fluctuations in employer rates, it also meant that the City not paying down our unfunded liability and in fact the liability was growing as the amortization schedule was reset every year. In order to more aggressively pay down the unfunded liability, the City has been paying CalPERS more than the required contribution with rates developed with the City's consulting actuary. For FY 2013/14, staff requested a "fresh start" with CalPERS that took all the unfunded liability to date and amortized it over a set number of years. For the City's Miscellaneous Plans it was 18 years and for the Safety Plans it was 28 years.

CalPERS also had concerns with their amortization and rate smoothing policies and in April 2013, changed its policies to employ a fixed thirty-year amortization period with increases and decreases in the rate spread directly over a five-year period. These policy changes will go into effect with the FY 2015/16 rates. With the City's consulting actuary, staff incorporated the estimated impacted of these changes, as well as the changes for mortality improvement, into the long-term financial plan last year. As a result, the City has already started to build to the anticipated increases in rates that will be coming over the next six years.

Because of the fresh start and CalPERS' new amortization and rate smoothing policies, the City no longer needs to contribute more than the required contribution. Therefore, the FY 2014/15 employer rates are set to the CalPERS required contribution. This rate is less than the estimated assumption

last year for FY 2014/15; however, rates over the long-term will be higher than last year’s assumptions. This is because the consulting actuary estimated the impacts of the policy changes being made by CalPERS which are now known and slightly different than estimated.

As the chart below shows, over the next six years (by FY 2019/20), this budget includes employer contribution rates that are estimated to increase 37% for Miscellaneous plans and 41% for Safety plans.

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate Paid by City	Total City Paid
Miscellaneous			
FY 2014/15	23.0%	4%	27.0%
FY 2015/16	24.2%	3%	27.2%
FY 2016/17	27.3%	2%	29.3%
FY 2017/18	28.8%	1%	29.8%
FY 2018/19	30.2%	0%	30.2%
FY 2019/20	31.6%	0%	31.6%
Safety			
FY 2014/15	35.2%	8.25%	43.45%
FY 2015/16	37.3%	6.25%	43.55%
FY 2016/17	42.4%	5.25%	47.65%
FY 2017/18	44.9%	4.25%	49.15%
FY 2018/19	47.4%	3.25%	50.65%
FY 2019/20	49.7%	2.25%	51.95%

Projected City Paid Retirement Contribution Rate

While the new CalPERS policies set retirement plans on the appropriate funding path, they will also increase volatility on a year-to-year basis. Because of this volatility, as well as uncertainty about other possible future rate increases, staff has set the retirement additive rate slightly higher than the budgeted contribution rates over the twenty-year plan in order to build reserves.

The PERS Rate Uncertainty Reserve is budgeted to end with \$17 million over the twenty-year plan to mitigate for any further unanticipated increases to the contribution rates. While these are one-time funds that are gone once drawn down, they do allow large rate increases to be smoothed in over several years, which helps maintain stable operating costs.

Workers’ Compensation

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

Since FY 2004/05, the number of claims was on a decreasing trend, but began to increase beginning in FY 2012/13. In FY 2013/14, the expected number of claims is expected to be 143, which represents a 39% increase to the 103 claims submitted in FY 2012/13. While there is not one overriding reason for this increase in the number of claims, most injuries in FY 2013/14 to date occurred in the Department of Public Safety. As such, the Risk Management division is working closely with the Department of Public Safety to reduce the frequency and severity of workplace injuries.

In addition to the number of claims, the cost per claim has risen due to rising medical costs and severity of the claims. The FY 2014/15 Recommended Budget projects the cost of claims will be approximately \$2.3 million in FY 2014/15. The FY 2014/15 claims estimate is based upon the City's most recent actuarial analysis. Going forward, the long-term plan reflects a 2.5% annual increase in the cost of claims, which aligns with current actuarial assumptions.

Workers' compensation leave costs are projected throughout the long-term financial plan based on historical actual usage. Leave hours have fluctuated historically and underscore the importance of managing these leaves closely to minimize time off and ensure timely resolution of issues. With the adoption of the latest Sunnyvale Employees' Association (SEA) Memorandum of Understanding (MOU), Workers' Compensation leave usage will be minimal for most

miscellaneous employees. As such, beginning with FY 2014/15, ongoing projected leave hours are decreased significantly to reflect this minimal usage. Therefore, the majority of leave hours, 96%, are budgeted for Safety employees. The expense related to these leave hours increases with projected salary increases, weighted by employee group, throughout the twenty-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 approximately 3% annually based on the contract.

Due to the continuing trend of increasing average claim costs, FY 2014/15 reserve requirements continue to remain at the level budgeted for in FY 2013/14. The Worker's Compensation reserve requirement is based on the most recent actuarial analysis, completed in December 2013, and has been set at \$13.5 million for FY 2014/15; this is relatively flat to the \$13.4 million reserve requirement in the FY 2013/14 budget. Similar to the FY 2013/14 budget, this reserve is gradually increased to that amount by FY 2017/18 to avoid a significant increase to additive rates for FY 2014/15. Actuarial valuations of the Workers' Compensation Program are conducted each year in order to satisfy the City's financial

reporting requirements, and future reserve amounts will be adjusted as appropriate.

Insurance and Other Benefits

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

The largest cost in this program is medical insurance for City employees, which is provided by CalPERS. Over the twenty-year plan, the cost for medical insurance is expected to be nearly \$12.1 million higher in the FY 2014/15 Recommended Budget compared to the prior long-term plan. This is primarily due to higher than historical medical cost increase assumptions in 2015 and 2016. A 10% increase is budgeted for both calendar years 2015 and 2016 (compared to a historical increase of 8%). These increases are built into this plan to account for anticipated medical premium increases, as well as projected increases in the number of City employees, as we are currently at historically low headcount levels. Medical premium increases are anticipated from geographic pricing model changes by CalPERS and impacts from the Affordable Care Act. Additionally, an anticipated increase in the number of employees over the next two years will result in more employees needing insurance coverage. Medical cost

increases are set lower after the two years to 8%, and then 5% beginning FY 2017/18 to the end of the twenty-year plan.

Conversely, the twenty-year plan projects a savings of \$8.5 million in retiree healthcare premiums. For calendar year 2014 premiums, CalPERS implemented a new risk adjustment process that eliminated premium differences that existed because of member health status. This resulted in a 33.5% decrease in premiums to a plan in which many retirees are enrolled. As this new risk adjustment process will remain in effect for future years, CalPERS does not anticipate the premiums will adjust back upward. The number of retirees is estimated to grow by an average of 25 new retirees each year in the twenty-year plan. Staff has taken steps to contain medical costs in recent years for both active and retired employees. Caps on City contributions were placed on both active and retired management employees beginning in FY 2007/08, and a 5% cap on increases to medical premiums is in effect for Sunnyvale Employees Association (SEA) retirees.

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. To address the growing long-term medical costs seen in our actuarial valuations for our retiree medical liability, the City began funding a retiree medical trust fund in FY 2010/11 with an initial \$32.6 million contribution. Through

FY 2013/14, the City has contributed a total of \$45.7 million to the trust. As of February 2014, the City has earned \$5.8 million on the contributions, and the trust has a market value of \$53.8 million. By contributing to a retiree medical trust fund, the City will derive many benefits, including the reduction of future employer OPEB costs, as the earnings generated from trust fund investments will eventually be utilized to offset ongoing costs for the retiree medical insurance. Additionally, it will prevent OPEB obligations from being a significant liability on our balance sheets.

As of the latest actuarial valuation dated June 30, 2012, the City's OPEB liability is expected to be 42% funded by the end of FY 2013/14 and remains on track to be fully paid off by FY 2030/31.

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

▪ **Liability and Property Insurance Fund**

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

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

In the FY 2013/14 budget, a total of approximately \$346,000 was budgeted for legal costs in the Liability Fund (\$82,000 for tort litigation) and General Fund (\$264,000 for non-tort litigation). For the FY 2014/15 budget, the total budget for legal costs has increased to approximately \$564,000, with \$453,100 budgeted for tort litigation in the Liability Fund, and \$111,000 in the General Fund for non-tort litigation. The decrease in the non-tort litigation budget and the increase in the tort-litigation budget is based on actual expenditures in the past five years, resulting in a net increase of \$218,000. The \$453,100 budgeted in the Liability Fund for FY 2014/15 consists of an annual budget for tort litigation of \$313,100 and a one-time legal contingency of \$140,000. While actual

expenditures on tort litigation in the past five years have averaged \$313,100 a year, there can be significant variances in any single year. As such, a legal contingency of \$140,000 has been budgeted to help absorb cost overages in any given year. This is intended to be a lump sum appropriation to be used when legal costs exceed the \$310,000 annual budget, with the remaining amount to be carried over annually until it is completely expended.

The reserve in this fund meets the recommended actuarially acceptable funding level as provided in an actuarial review of the program completed in December 2013.

▪ **Community Facilities District No. 3 Fund**

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

The developer contribution in FY 2012/13 totaled \$49,455. These were appropriated to a new project, Formation of Community Facilities District No. 3 to cover any non-contingent startup costs of forming the CFD, as well as the first six months of the annual operations, maintenance, and servicing costs of the bio-retention basins and associated facilities. Actual expenditures during FY 2012/13 totaled only \$21,907. This was primarily due to certain startup costs that

were budgeted in FY 2012/13 that were not incurred until FY 2013/14. Currently, the infrastructure has not been completed and it is anticipated that the facilities will be transferred to the City by the end of June 2014.

Ongoing annual operating costs of \$18,423 are included in the operating budget starting in FY 2014/15. These will be funded by annual assessment revenues, which will cover the annual operating cost and also provide for replacement costs scheduled in ten, thirty, and sixty year intervals. For the FY 2014/15 twenty-year plan, the reserves are strategically increased to cover two ten-year infrastructure replacement improvements, the first of which is planned for FY 2022/23 and the second in FY 2032/33.

▪ **Redevelopment Successor Agency Fund**

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

The City elected to serve as the Successor Agency to the former RDA, overseeing the wind down process, subject to the control of a newly established Sunnyvale Oversight Board. The Oversight Board consists of seven representatives made up of members from the City of Sunnyvale, the County of Santa Clara and local education and special districts within the Redevelopment Project Area. The actions of the Oversight

Board are overseen by the State Department of Finance (DOF) and are subject to disapproval or modification.

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

Obligations of the 2010 Amended Disposition and Development and Owner Participation Agreement (ADDOPA), the current development agreement for the Town Center project, are enforceable obligations. This includes cost sharing for the environmental remediation of the site and the property tax sharing agreement. As part of the ADDOPA, the RDA agreed to return to the developer up to \$4.5 million per year of property tax increment generated by the project plus 50% of any receipts above this amount, in return for construction of the public infrastructure (streets and parking structures), through FY 2025/26.

A final determination has not been made on the loan repayments to the General Fund. The Dissolution Law specifically excludes most types of agreements between a redevelopment agency and its sponsoring community as an enforceable obligation after it is dissolved. However, follow-up dissolution legislation adopted in June of 2012, may allow the City to recover some of the loan repayments. Because a determination has not been made at the time the budget was being prepared, the FY 2014/15 Recommended Budget does not include loan repayments.

On May 23, 2013, the Successor Agency filed suit challenging DOF's interpretation that the City is not entitled to reimbursement of loan payments related to the financing of the original Town Center parking facilities. In response, Santa Clara County Counsel on behalf of two school districts filed a counter lawsuit against the Successor Agency. As a result, \$14 million in repayments that were made to the City prior to dissolution of the RDA are at risk in addition to future repayments. Both lawsuits are scheduled to be heard together on April 25, 2014. The City's General Fund sets aside the full amount to be prepared for the worst case scenario.

The FY 2014/15 Recommended Budget presents a financial plan for the Redevelopment Successor Agency's approved enforceable obligations. The plan includes debt service payments for the TABs, amounts owing to the Housing Fund, funding for special projects related to wind down process, environmental remediation payments and projected property tax sharing payments (past accrued tax sharing payments and

on-going) under the terms of the ADDOPA. The developer is not eligible to receive tax sharing payments until a milestone is met, projected in FY 2017/18.

The financial plan also includes administrative expenses. The Dissolution Law allows for reimbursement of administrative expenses, up to a cap. It should also be noted that administrative expenses are the last in line to be reimbursed from the former property tax increment allocation. Therefore, if there are not enough funds to cover the administrative expenses, the General Fund would have to absorb these costs. Further, once the Redevelopment Successor Agency is fully wound down, all administrative costs that had previously been paid by tax increment will revert to the General Fund. These additional costs have been reflected in the General Fund long-term financial plan.

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

The Fremont Pool Trust Fund was established by the City in FY 2002/03 to account for the receipt of monies raised by The Friends of Fremont Pool, a group of residents who lobbied City Council regarding the need for a new pool in Sunnyvale. The Fund has an Endowment Reserve balance of \$1,048,435 as of the fiscal year ending June 30, 2014. The basic premise of this fund is that the corpus, or principal, is never expended, but invested with the interest generated each year used to help offset the City’s cost of operating the 50-meter pool constructed in partnership with the Fremont Union High School District at Fremont High School. The City

has contracted with California Sports Center (CSC), which has operated the Fremont Pool under a license agreement since 2002. City staff conducted a competitive Request for Proposals (RFP) to select a provider for pool operations beginning September 2013 and found CSC to be the most qualified operator for continuing pool operations.

The City’s cost is determined by adding 50% of the cost of maintaining the pool itself (performed by the School District, which subsequently bills the City), 100% of the City’s cost of maintaining the public shower/locker facility, and staff costs related to oversight of the contract. The City’s projected cost for Fremont Pool maintenance for FY 2014/15 is \$207,311. Interest earnings on the Fremont Pool Trust Fund are projected to be \$7,339 and reflect the continued extremely low interest environment that we are currently experiencing. The Trust earnings pay approximately 3.5% of the City’s annual costs. Revenues from operation of the Fremont Pool are projected to be \$51,250 for FY 2014/15 or 24.7% of total cost. The General Fund makes up the difference. In addition to operations and maintenance costs, the City also funds a project for the City’s share of Fremont Pool infrastructure improvements.

It should also be noted that while the corpus of this fund may grow a bit in future years (assuming continued contributions), it is not expected to increase markedly over time. As a result, it is not expected to keep up with inflation and the purchasing power of the interest it generates will likely erode over time. In this context, it is critical to note the importance of allowing the pool’s operator to charge market rates for use of the pool.

It is also important to allow the operator to determine effective revenue-producing programming. The net revenue received by the City, and the interest generated by the Fremont Pool Trust Fund, are critical factors in allowing the pool to partially support itself financially.

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

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

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

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

For FY 2014/15, it is recommended that the full amount of interest earned from the Swirsky Trust (approximately \$3,864)

be used toward youth at-risk programming in the Columbia Neighborhood service area, operated by the Department of Library and Community Services.

CITY OF SUNNYVALE
595. COMBINED GENERAL SERVICES FUND
FLEET/FACILITIES/TECHNOLOGY AND COMMUNICATIONS
LONG TERM FINANCIAL PLAN
JULY 1, 2024 TO JUNE 30, 2034

	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	PLAN	FY 2024/2025 TO FY 2033/2034	FY 2013/2014 TO FY 2033/2034
	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	2032/2033	2033/2034	TOTAL	TOTAL
RESERVES/FUND BALANCE, JULY 1	6,721,983	6,211,249	7,172,977	7,399,291	5,747,594	5,953,557	6,243,423	8,148,677	10,031,211	10,025,599	6,721,983	13,336,400
CURRENT RESOURCES:												
Intergovernmental Revenues	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Rental	17,911,628	18,384,142	18,870,583	19,371,407	19,887,080	20,418,089	20,964,938	21,528,146	22,108,254	22,705,819	202,150,085	370,586,044
Facilities Rental	5,746,670	5,890,337	6,037,596	6,188,535	6,343,249	6,501,830	6,664,376	6,830,985	7,001,760	7,176,804	64,382,143	119,018,162
SUNGIS - Equipment and Maintenance	117,978	121,517	125,163	128,917	132,785	136,768	140,872	145,098	149,451	153,934	1,352,482	2,469,498
Utility Fees	0	0	0	0	0	0	0	0	0	0	0	0
Comcast PEG Channel Grant	231,704	231,704	231,704	231,704	231,704	231,704	231,704	231,704	231,704	231,704	2,317,040	4,865,784
Sale of Property	88,959	91,628	94,377	97,208	100,124	103,128	106,222	109,408	112,691	116,071	1,019,814	2,015,772
Miscellaneous Revenues	0	0	0	0	0	0	0	0	0	0	0	1,140
Interest Income	339,478	365,975	383,892	320,722	323,511	323,251	411,524	499,045	511,062	475,937	3,954,397	6,240,490
Intrafund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	1,944,292
Transfer From Other Funds	40,144	41,749	43,419	45,156	46,962	48,841	50,794	52,826	54,939	57,137	481,968	1,974,934
TOTAL CURRENT RESOURCES	24,476,560	25,127,052	25,786,733	26,383,650	27,065,415	27,763,611	28,570,429	29,397,213	30,169,860	30,917,406	275,657,929	509,116,115
TOTAL AVAILABLE RESOURCES	31,198,543	31,338,301	32,959,710	33,782,940	32,813,009	33,717,168	34,813,852	37,545,890	40,201,071	40,943,005	282,379,913	522,452,514
CURRENT REQUIREMENTS:												
Equipment Replacement	5,552,985	3,841,227	4,631,585	6,826,028	5,021,766	5,002,332	3,532,492	3,697,224	5,646,163	7,001,318	50,753,120	99,570,975
SUNGIS - Equipment and Maintenance	64,153	389,082	401,421	72,163	75,050	78,052	81,174	84,421	87,797	91,309	1,424,621	2,223,491
Operations	18,487,919	19,035,382	19,599,176	20,179,789	20,777,729	21,393,515	22,027,682	22,680,784	23,353,387	24,046,080	211,581,444	389,170,601
Capital Projects	0	0	0	0	0	0	0	0	0	0	0	865,184
Transfer To SV Office Center Sub-Fund	132,880	136,202	139,607	143,097	146,674	150,341	154,100	157,952	161,901	165,948	1,488,701	2,752,545
Intrafund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	1,944,292
General Fund Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0
Transfer To Other Funds	264,353	267,197	280,908	294,791	306,730	305,699	313,333	325,024	343,774	352,774	3,054,583	8,062,728
Additional Transfer To Infrastructure	485,004	496,234	507,723	519,478	531,504	543,807	556,395	569,274	582,450	595,931	5,387,799	9,173,054
TOTAL CURRENT REQUIREMENTS	24,987,295	24,165,324	25,560,419	28,035,346	26,859,452	27,473,745	26,665,175	27,514,678	30,175,473	32,253,360	273,690,268	513,762,870
RESERVES:												
Equipment Replacement	2,751,378	3,752,571	4,108,826	2,172,496	2,092,960	2,103,719	3,721,750	5,671,395	5,376,860	3,751,144	3,751,144	3,751,144
Restricted KSUN Equipment Reserve	2,881,367	3,109,466	3,255,784	3,483,664	3,711,428	3,931,818	4,159,342	4,031,554	4,258,824	4,485,961	4,485,961	4,485,961
Restricted Tech Surcharge Reserve	578,504	310,939	34,680	91,435	149,170	207,887	267,585	328,262	389,915	452,540	452,540	452,540
TOTAL RESERVES	6,211,249	7,172,977	7,399,291	5,747,594	5,953,557	6,243,423	8,148,677	10,031,211	10,025,599	8,689,644	8,689,644	8,689,644
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0
FY 2014/2015 Rental Rate Increase	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.7%	

**Community Condition
Indicators**

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COMMUNITY CONDITION INDICATORS AND BALANCED GROWTH PROFILE

COMMUNITY CONDITION INDICATORS

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

BALANCED GROWTH PROFILE

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

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

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

GROWTH INDICATORS

POPULATION – HOUSING UNITS

JOBS – INDUSTRIAL/OFFICE/COMMERCIAL

INFRASTRUCTURE

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

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

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

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

UTILITIES – The Water Utility Master Plan was adopted in 2010; the companion Sanitary Sewer Master Plan is expected in 2014.

READING THE PROFILE

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

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

Entitled projects will be reflected in the Current BGP once they are constructed; in the meantime they are reported on the Approved Not Built profile. The Approved Not Built profile includes projects that may take several years to complete—for example the Juniper Networks Campus in Moffett Park, approved in 2002, has only three of 10 buildings completed.

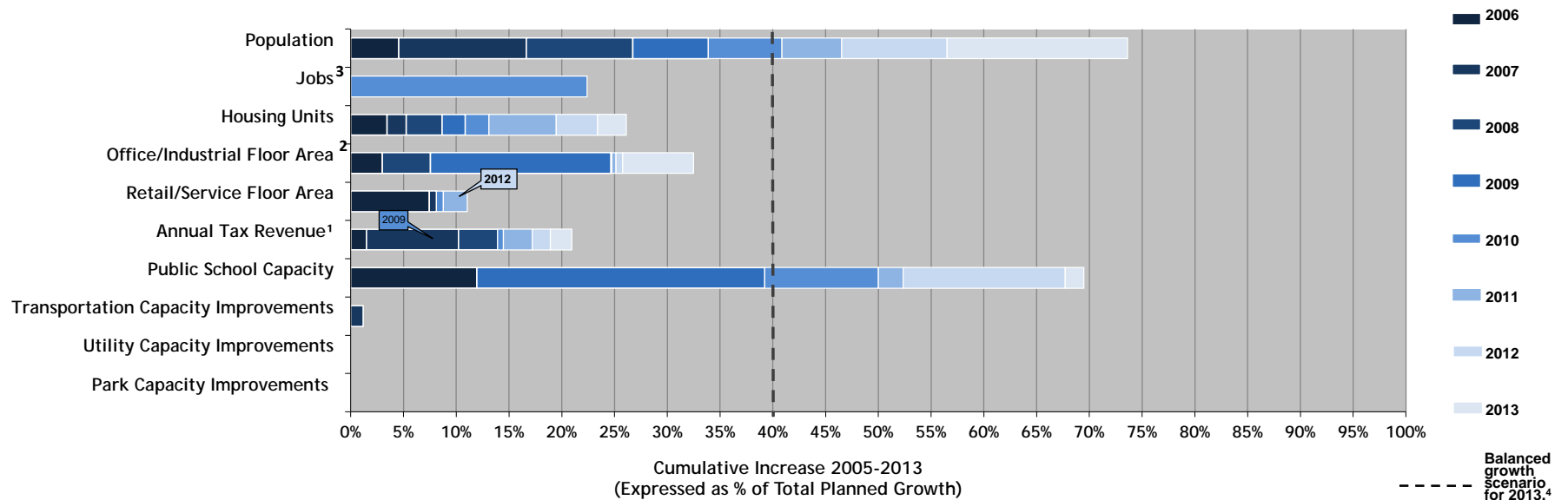
ACTUAL GROWTH VS. APPROVED GROWTH

Two profiles are available for information. Only the actual growth and infrastructure improvements that have occurred are reflected in the first chart—as originally requested by Council. Development projects that have received entitlement as well as actual construction are shown on the second chart (as requested more recently by Councilmembers). Care should be taken when examining the charts.

- Not all approved projects are built (some expire, others are superseded); or projects may be built over long periods of time (over ten years in some cases)
- Growth in population or jobs may suggest priorities on infrastructure improvement different from infrastructure improvement priorities suggested by growth in housing units and I/O/C square footage. The Community Condition Indicators may also suggest slightly different nuances to priorities.

CURRENT BALANCED GROWTH PROFILE (to December 31, 2013)

Balanced Growth Indices	Base Year 2005	GOAL FOR 2025	Total Planned Growth Net Increase 2005 to 2025	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Increment Increase (actual since 2012)	2013 Increment (% of Total Planned Growth)
Park Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transportation Capacity Improvements		\$46,884,000	\$46,884,000	\$547,970	\$547,970	0	0	0	0	0	0	0%
Public School Capacity	5,373	6,729	1,356	5,535	5,535	5,905	6,051	6,083	6,291	6,315	24	2%
Annual Tax Revenue ¹	\$72,271,030	\$174,748,212	\$102,477,182	\$82,731,078	\$86,536,989	\$80,080,423	\$80,640,616	\$83,447,216	\$85,189,946	\$87,277,140	\$2,087,194	2%
Retail/Service Floor Area ²	5,784,000	7,500,000	2,200,000	5,962,662	5,962,662	5,962,662	5,976,840	6,027,052	6,005,338	6,000,788	-4,550	0%
Office/Industrial Floor Area	30,100,000	37,700,000	7,600,000	30,327,927	30,673,881	31,973,881	31,979,928	32,009,556	32,058,721	32,568,435	509,714	7%
Housing Units	54,800	61,900	7,100	55,174	55,414	55,570	55,730	56,183	56,462	56,653	191	3%
Jobs ³	73,630	92,650	19,020	n/a	n/a	n/a	77,890	n/a	n/a	n/a	n/a	n/a
Population	132,725	150,725	18,000	135,721	137,538	138,826	140,081	141,099	142,896	145,973	1,797	17%



Notes

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

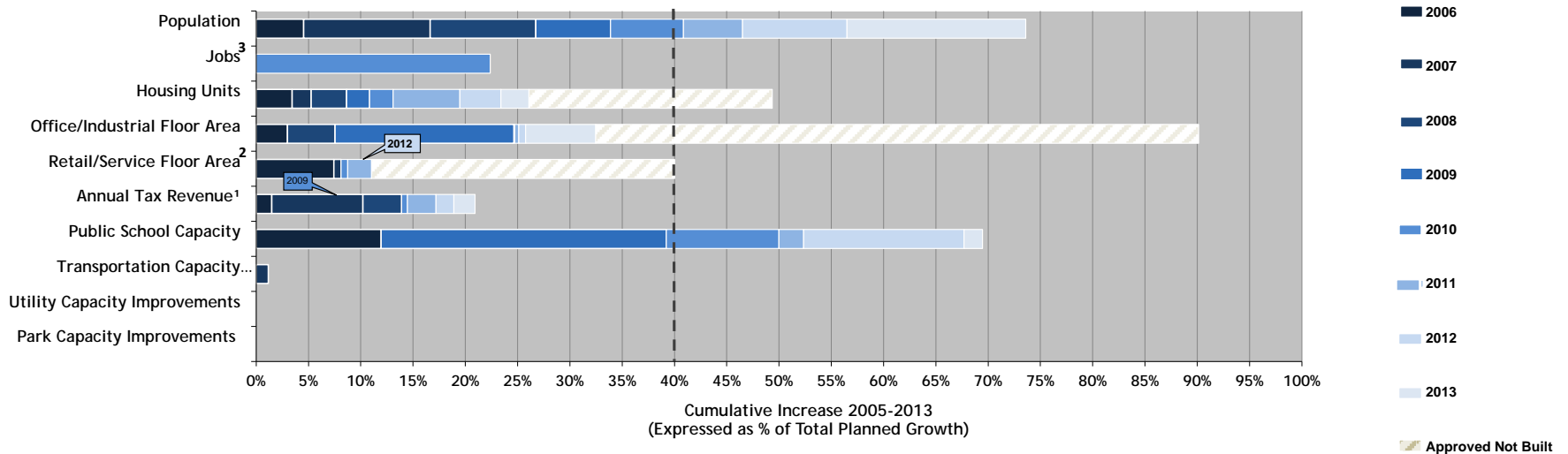
2. This index only represents net new floor area, and does not reflect tenant improvements to existing floor area.

3. Data has been modified resulting in a decrease in base year, projections, and current year estimates. There is a significant challenge in finding reliable estimates of Sunnyvale jobs. This version of the Balanced Growth Profile provides Association of Bay Area Governments (ABAG) data from most recent publications while staff explores a more reliable annual estimate of jobs. Data for 2011 or 2012 is not yet available.

4. In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2013 would be 40%.

PROJECTED BALANCED GROWTH PROFILE (INCLUDES NONRESIDENTIAL FLOOR AREA AND HOUSING UNITS APPROVED BUT NOT YET BUILT)

Balanced Growth Indices	Base Year 2005	GOAL FOR 2025	Total Planned Growth Net Increase 2005 to 2025	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2013 Increment Increase (actual since 2012)	2013 Increment (% of Total Planned Growth)	Approved Not Yet Built as of December 2013
Park Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Utility Capacity Improvements		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transportation Capacity Improvements		\$46,884,000	\$46,884,000	\$547,970	\$547,970	0	0	0	0	0	0	0%	n/a
Public School Capacity	5,373	6,729	1,356	5,535	5,535	5,905	6,051	6,083	6,291	6,315	24	2%	n/a
Annual Tax Revenue ¹	\$72,271,030	\$174,748,212	\$102,477,182	\$82,731,078	\$86,536,989	\$80,080,423	\$80,640,616	\$83,447,216	\$85,189,946	\$87,277,140	\$2,087,194	2%	n/a
Retail/Service Floor Area ²	5,784,000	7,500,000	2,200,000	5,962,662	5,962,662	5,962,662	5,976,840	6,027,052	6,005,338	6,000,788	-4,550	0%	637,309
Office/Industrial Floor Area	30,100,000	37,700,000	7,600,000	30,327,927	30,673,881	31,973,881	31,979,928	32,009,556	32,058,721	32,568,435	509,714	7%	4,381,368
Housing Units	54,800	61,900	7,100	55,174	55,414	55,570	55,730	56,183	56,462	56,653	191	3%	1,652
Jobs ³	73,630	92,650	19,020	n/a	n/a	n/a	n/a	77,890	n/a	n/a	n/a	n/a	n/a
Population	132,725	150,725	18,000	135,721	137,538	138,826	140,081	141,099	142,896	145,973	1,797	17%	n/a



Notes

1. FY 2004/2005 is the base year for the Balanced Growth Index. All revenues are converted to FY 2004/2005 dollars for comparison purposes.
2. This index only represents net new floor area, and does not reflect tenant improvements to existing floor area.
3. Data has been modified resulting in a decrease in base year, projections, and current year estimates. There is a significant challenge in finding reliable estimates of Sunnyvale jobs. This version of the Balanced Growth Profile provides Association of Bay Area Governments (ABAG) data from most recent publications while staff explores a more reliable annual estimate of jobs. Data for 2011 or 2012 is not yet available.
4. In a "balanced growth scenario" each profiled item would increase 5% each year. Cumulative "balanced growth" to the end of 2013 would be 40%.

COMMUNITY CONDITION INDICATORS 2013

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	SOURCE/NOTES
	Income												
17	• Median household income (\$)	46,403	74,409	74,449	79,926	87,417	89,543	88,364	95,582	93,836	101,611	n/a	2012 updated with 2012 American Community Survey 1-Year Estimates; 2013 American Community Survey 1-Year Estimates not yet available
18	▫ Population below poverty (%)	2.5	3.8	5.4	8.2	5.0	4.3	6.8	8.0	8.5	7.8	n/a	
	Community												
19	• Active neighborhood and business associations	n/a	n/a	n/a	28	30	30	29	28	28	30	29	LCS; Data from 2008 and on corrected; 3 active business associations (Sunnyvale Downtown Association, Auto Dealers Association and Moffett Park Business Group).
20	• Residents rating city good place to live (%)	n/a	92	94	n/a	93	92	87	n/a	92	n/a	94.0	National Citizen Survey; Available every 2 years from 2009
21	• Residents rating public services good to excellent (%)	n/a	92	89	n/a	82	85	83	n/a	85	n/a	86.0	
22	• Part I crimes	n/a	n/a	2,220	2,170	2,070	2,040	2,130	2,444	2,150	2,752	2,574	DPS; Calendar Year as reported to DOJ
23	• Average emergency police response time (minutes)	n/a	n/a	4:19	4:06	4:17	4:38	4:41	4:35	4:57	4:47	5:06	DPS; Fiscal Year
	ECONOMY												
	Jobs												
24	• Total number	n/a	99,290	73,630	n/a	n/a	n/a	n/a	77,890	n/a	n/a	n/a	There is a significant challenge in finding reliable estimates of Sunnyvale jobs. Data has been modified using Association of Bay Area Governments (ABAG) 2009 Projections data while staff explores a more reliable annual estimate of jobs.

COMMUNITY CONDITION INDICATORS 2013

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

COMMUNITY CONDITION INDICATORS 2013

#	INDICATOR	1990	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	SOURCE/NOTES
	Transportation												
53	• Vehicle miles traveled in weekday (millions of miles)	n/a	2.31	2.23	2.25	2.28	2.21	1.83	1.97	2.28	1.86	2.05	DPW Traffic
54	• Intersections not meeting LOS standards	1	1	0	0	n/a	0	n/a	0	n/a	0	n/a	DPW Traffic; CMP intersections monitoring conducted every 2 years
55	• Transit boardings/de-boardings per day	n/a	25,122	19,451	19,824	22,428	24,580	21,647	22,405	22,158	25,426	30,698	VTA & Caltrain
56	• Miles of streets	300	300	300	300	300	300	300	300	300	300	300.8	DPW Traffic
57	• Miles of bikeways	n/a	65	79	79	82.9	83.1	83.8	84.2	85.2	87.9	88.2	
	Housing												
58	• Total housing units	n/a	53,474	54,802	55,045	55,174	55,414	55,570	55,730	56,183	56,798	56,989	CDD SunGIS (2011 and 2012 corrected); "Townhome and Condos" formerly 'Single-Family Attached'
59	▫ Single-family detached (includes accessory living units)	n/a	21,091	21,228	21,265	21,274	21,297	21,321	21,348	21,358	21,373	21,422	
60	▫ Townhomes and Condos	n/a	4,755	5,123	5,240	5,613	5,830	5,962	6,095	6,223	6,395	6,535	
61	▫ Mobile Homes	n/a	4,056	3,989	3,989	3,960	3,960	3,960	3,960	3,960	3,960	3,960	
62	▫ Duplexes	n/a	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,600	
63	▫ Three or more attached units (apartments)	n/a	20,949	21,681	21,704	21,480	21,480	21,480	21,480	21,672	22,100	22,100	
64	▫ Specialty units (i.e. senior/affordable housing developments)	n/a	1,025	1,183	1,249	1,249	1,249	1,249	1,249	1,373	1,373	1,373	
65	• Owner occupied (%)	48.9	47.6	49.1	50.2	48.9	52.3	49.6	48.0	47.0	47.4	n/a	2012 updated with 2012 American Community Survey 1-Year Estimates; 2013 American Community Survey 1-Year Estimates not yet available
66	• Over 20 years old (%)	n/a	83	88	88	88	90	90	90	92	92	90.0	CDD SunGIS
67	• Total affordable units	n/a	n/a	1,465	1,452	1,452	1,412	1,688	1,774	1,753	1,845	1,860	CDD Housing Div (Data for 2009-2013 corrected to include BMR homeowner units. Data for each year shown is as of end of FY) (2013 is as of June 2013)
68	• New units receiving building permits	n/a	504	199	276	305	360	118	853	490	217	661	CDD SunGIS
69	▫ Intended for ownership	n/a	57	199	276	305	360	118	109	211	217	145	
70	▫ Rental	n/a	447	0	0	0	0	0	744	279	0	516	

COMMUNITY CONDITION INDICATORS 2013

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

**Budget
Supplements**

FY 2014/15 Budget Supplements

Budget Supp. No.	Description	Fund	One- Time	On- Going	20-Year Impact	City Manager's Recommendation
1.	Funding for Dispute Resolution Services	General Fund	X		\$20,000	Yes
2.	Comprehensive Update of the Precise Plan for El Camino Real	General Fund	X		\$80,000	Yes
3.	Las Palmas Park/Tennis Center Auxiliary Restroom	Park Dedication Fund	X		\$300,000	Yes
4.	Wolfe Road Corridor Traffic Improvement Study – El Camino Real to Homestead Rd	General Fund	X		\$250,000	Yes
5.	Captioning for Council Meeting Broadcasts	General Fund		X	\$10,200	Yes
6.	Public Access Programming for KSUN2 (Channel 26)	General Fund		X	\$65,800 - \$73,000	No
7.	Funding for Leadership Sunnyvale	General Fund	X		\$6,000	Yes
8.	Funding for Study of Community Choice Aggregation	General Fund	X		\$30,000	Yes
9.	Downtown Sunnyvale Business Improvement District (BID) Funding Request	General Fund	X		\$30,000	No

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May 2, 2014

SUBJECT: Funding for Dispute Resolution Services

BUDGET SUPPLEMENT REQUEST SUMMARY

This supplement would provide one-time FY 2014/15 funding for dispute resolution and mediation services by the contractor currently providing these services, Project Sentinel. The focus of this service is on tenant/landlord disputes, but other types of community disputes would also be accommodated to the extent possible. Approval of this request would allocate \$20,000 from the General Fund for this purpose.

BACKGROUND

For many years, the City funded dispute resolution services provided by an outside agency. These services were funded by the General Fund. Most of the disputes handled were related to housing issues, primarily tenant/landlord disputes; however other types of cases were also handled, many of which were referred by Department of Public Safety staff, particularly from the Neighborhood Preservation Division, such as disputes between neighbors, or between residents and adjacent businesses. In 2009, a three-year services contract for these services ended. Recognizing the growing need for dispute resolution services, in FY 2013/14 the City Council allocated \$20,000 from the General Fund for this service. A contract was subsequently awarded to Project Sentinel.

So far this fiscal year, Project Sentinel has met or exceeded its year-to-date goals under the Sunnyvale contract, and reports that the level of demand for these services is increasing. Most of the cases relate to tenant/landlord disputes, due mainly to sharply increasing rents, with the remainder relating to disputes between other community members, such as between neighbors, resident/business issues, or issues with mobile home park managers and tenants. Although the County of Santa Clara also provides a community mediation program to all county residents, they have reported to City staff that they do not have the capacity to handle the volume of calls they have been receiving from community members throughout the county.

EXISTING POLICY

General Plan, Housing Sub-Element

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

Policy E.1 Support the provision of fair housing services and tenant/landlord mediation to residents.

DISCUSSION

Sunnyvale has a long tradition of supporting tenant/landlord mediation and dispute resolution services to help local renters and landlords, as well as other community members, resolve disputes in an amicable manner, as much as possible. Some cases require the services of a professional attorney-mediator, which is also provided under the current contract. Administrative tasks, including: contract renewal, invoice

processing, performance monitoring, and referring residents to the agency, would be performed by staff in the Department of Community Development, Housing Division.

SERVICE LEVEL IMPACT

Council approval of this supplement would fund this program for FY 2014/15 only. Renewal may be considered by Council in subsequent years if the need for this service continues to exist. A professional dispute resolution agency or firm has the capacity and expertise to provide specialized dispute resolution and mediation services that City staff does not have the ability to provide directly. City staff can continue to provide general referrals to affordable housing resources and various informational resources available online. The requested supplement would be targeted to the specialized, professional dispute resolution and mediation services that can be provided only by trained professionals, such as attorney mediators and/or conflict resolution specialists with expertise in tenant/landlord law and in general conflict resolution.

Approval of this budget supplement would result in maintaining the current level of service through next fiscal year by providing dispute resolution services which are frequently requested by many residents, as well as some property owners and related agencies, such as Sunnyvale Community Services and Tri-Counties Apartment Association, and the City's Neighborhood Preservation staff on occasion. To support this program, staff activities include: maintaining the service provider's current contact information on the City's website, making printed referral materials available to the public and staff, updating the scope of work and contract, and processing reimbursement requests.

FISCAL IMPACT

This supplement proposes \$20,000 from the General Fund for FY 2014/15 only. Associated administrative costs would be absorbed by the Department of Community Development, Housing Division. This funding request may be brought to Council annually, or not, depending on the perceived level of need for this service, measured by the number of requests for service received by staff throughout the year. This annual process enables Council to allocate funding for the upcoming year's budget based on the current economic and financial environment, and the level of community need for this service.

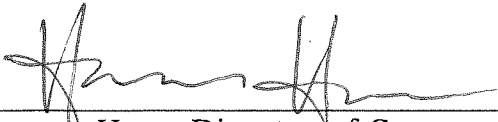
ALTERNATIVES

1. Approve the budget supplement for \$20,000 to fund dispute resolution and mediation services, to be reviewed on an annual basis.
2. Approve a budget supplement for a different amount to fund dispute resolution services.
3. Do not approve a budget supplement to fund these services.
4. Other direction as provided by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 1, Approve the budget supplement for \$20,000 to fund dispute resolution services, to be reviewed on an annual basis.

Reviewed by:



Hanson Hom, Director of Community Development
Prepared by: Suzanne Isé, Housing Officer

Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

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



Robert Walker, Interim City Manager

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May 2, 2014

SUBJECT: Comprehensive Update of the Precise Plan for El Camino Real (Study Issue)

BUDGET SUPPLEMENT REQUEST SUMMARY

Recent interest in large mixed-use projects along El Camino Real has shown a need to update the Precise Plan. The Precise Plan update will address issues that have arisen since the plan was adopted in 2007. The updated Plan requires \$80,000 for consultant services to prepare a market and economic analysis to assess the viability of commercial uses for the corridor and to prepare an environmental document and supporting technical studies as needed, depending on the level of plan amendments.

BACKGROUND

The City Council combined and highly ranked two study issues in January 2014 to update and clarify policies in the El Camino Precise Plan (CDD 14-09 and CDD 14-14.) The original Precise Plan for El Camino Real was completed in 1993 and updated in 2007. Since that time, significant redevelopment interest has been focused on the El Camino Real corridor, and issues present today were not clearly defined in 2007. The proposed revisions will provide better guidance to the public, developers, decision-makers and staff.

EXISTING POLICY

GOAL LT-4 Quality Neighborhoods and Districts — Preserve and enhance the quality character of Sunnyvale’s industrial, commercial, and residential neighborhoods by promoting land use patterns and related transportation opportunities that are supportive of the neighborhood concept.

Policy LT-4.3 Support a full spectrum of conveniently located commercial, public, and quasi-public uses that add to the positive image of the City.

Policy LT-4.11 Recognize El Camino Real as a primary retail corridor with a mix of uses.

DISCUSSION

The current Precise Plan for El Camino Real was prepared and adopted in 2007. Since that time, development interest has increased along the El Camino Real corridor, and the Precise Plan’s policies do not provide clear guidance on the issues that have arisen. The design guidelines are useful, but could also be reviewed, specifically to address mixed-use projects. Additionally, the Grand Boulevard Initiative was at its initial formation when the Precise Plan was written, and the Guiding Principles (which have been adopted as Council Policy) could be more specifically included in the Precise Plan. Economic and market conditions, particularly for the retail industry, have also changed significantly since the Precise Plan was prepared. An allocation of \$50,000 was proposed in study issue CDD 14-09 to prepare an update of the Precise Plan. While the study would primarily be prepared by staff, the proposed budget supplement would be used

for consultant services to prepare the environmental document and other technical studies that may be necessary.

Additionally, the Council recently discussed whether commercial uses should be required for both commercial and residential-zoned property, and what level of commercial uses would be reasonable. The current Precise Plan is not clear on this issue, and study issue CDD 14-14 was ranked by the Council in 2014 to specifically address this issue with the intent to provide standards and/or guidelines to clarify and implement the policy. Similar to CDD 14-09, this study issue would be prepared by staff, but a budget supplement of \$30,000 was proposed for a market and economic analysis to assess the future viability of commercial uses along the corridor.

Staff reviewed whether combining the two study issues could gain some cost efficiency. The conclusion was that staff efficiency would be realized but the cost for consultant services for each study issue involves a different service. Thus, the proposed budget supplement would be for a combined amount of \$80,000.

The combined study issues would include the following tasks:

- Determine appropriate proportion of commercial and residential uses for mixed-use sites;
- Determine what level of mixed use development can occur in node and non-node locations;
- Market analysis to determine expected changes and trends in the land use demands;
- Appropriate densities, heights and other development standards for mixed use projects;
- Appropriate mix of uses; commercial and residential;
- Sidewalk standards along the street;
- Specific requirements for Node versus non-Node locations;
- Updated implementation measures;
- Clarification of policies on certain uses, such as child care centers, fast food restaurants, and residential projects in mid-block locations;
- Review the sign design guidelines to ensure they meet current sign code and the aesthetic goals for the street;
- Complete necessary environmental review.

The City has also submitted applications to the Metropolitan Transportation Commission (MTC) and Valley Transportation Authority (VTA) for two planning grants to reexamine the policies and land use plans for the El Camino Real corridor. If approved, these grants would be used to complete a comprehensive update of the Precise Plan and would allow for a much broader study with a more thorough analysis of land use and economic/market conditions than anticipated in the two study issues. A revised Precise Plan document would be produced to define the land use policies, streetscape standards, development standards, design guidelines and implementation measures. Zoning Code amendments would also be prepared to support the Precise Plan, and the grant would allow the City to prepare an environmental impact report for the revised

Precise Plan and associated zoning amendments. The grant programs are highly competitive and the City will be notified of the outcome in early FY 2014/15. If either grant is awarded to Sunnyvale, the budget supplement could be used for contingencies to complete the plan and environmental document.

SERVICE LEVEL IMPACT

Staff has prioritized the two study issues for completion in FY 2014/15 based on available staff resources.

FISCAL IMPACT

This supplement requires \$80,000 in funding for FY 2014/15 only. Funding would be provided by the General Fund. Associated staff costs would be absorbed within the Community Development Department operating budget.

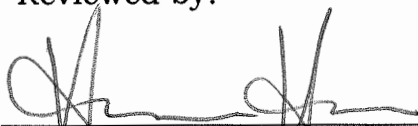
ALTERNATIVES

Approval of the budget supplement would allow the completion of the update to the Precise Plan to include a market analysis and environmental review. If the budget supplement is less than the proposed amount, staff may need to reduce the scope of the study and correspondingly reduce the level of consultant assistance. While staff is pursuing grant funding opportunities, the success in obtaining these grants will not be known until after this budget supplement is considered by the City Council.

STAFF RECOMMENDATION

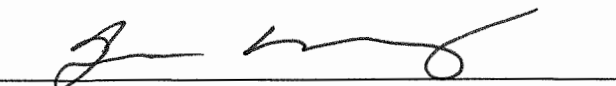
Staff recommends approving a budget supplement for \$80,000 to complete the economic and market analysis and environmental review for the Precise Plan update.

Reviewed by:



Hanson Hom, Director of Community Development
Prepared by: Trudi Ryan, Planning Officer

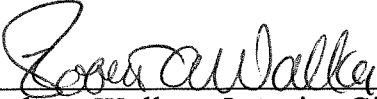
Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

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



Robert Walker, Interim City Manager

May 2, 2014

SUBJECT: Las Palmas Park/Tennis Center Auxiliary Restroom

BUDGET SUPPLEMENT REQUEST SUMMARY

This budget supplement provides for the design and construction of a modular type restroom building to be installed in the northeast corner of Las Palmas Park near the Sunnyvale Tennis Center. Staff recommends approval based on current needs at both facilities.

BACKGROUND

Public interest in an additional or “auxiliary” restroom facility located in Las Palmas Park and near the Tennis Center has recently been expressed by representatives of the Sunnyvale Tennis Club and attendees of public meetings that were part of the study issue titled “DPW 13-14 Feasibility of Establishing Additional Dog Parks and Alternatives in Sunnyvale’s Park System”. Both groups have a twofold concern including restroom capacity and distance from facilities to existing restrooms at Las Palmas Park and the Sunnyvale Tennis Center. This interest resulted in a proposed budget issue that Council voted on February 7, 2014, at the annual Budget/Study Issues workshop to refer to the recommended budget.

EXISTING POLICY

General Plan

Goal LT-8 Adequate and Balanced Open Space. Provide and maintain adequate and balanced open space and recreation facilities for the benefit of maintaining a healthy community based on community needs and the ability of the city to finance, construct, maintain and operate these facilities now and in the future.

DISCUSSION

Features

Proposed building amenities include separate men’s and women’s areas with the men’s side having one toilet stall, one urinal and one sink and the women’s area having two toilet stalls (one for handicapped and one for regular use) and one sink. General standards for park restrooms would be met and newer features would be utilized including low energy and low water use fixtures as well as compliance with all laws and codes including the Americans with Disability Act.

Capacity

There are no national, state or local standards concerning how many restrooms are required at a public park and recreation facility. Sunnyvale currently requires a minimum of one individual restroom per 250 people at a community special event and that is based on Federal Emergency Management Agency requirements for outdoor special events, but this does not directly relate to park use. Las Palmas Park has one restroom facility that is part of the recreation building and contains separate areas for men and women with each having one toilet stall and the men’s also having one urinal. The park may serve up to 500 people at one time on the weekends from May to October when all building, picnic and athletic field facilities are permitted and there is also significant drop-in or casual use by the public. Although no statistics

have been kept, there are usually a few customer concerns related to the limited amount of restrooms each year at this site. The Tennis Center has separate men's and women's restrooms to serve up to 200 people during a tournament.

Usability/Convenience

It can be inconvenient for children and elderly facility users to have to walk too far to access a restroom. Distances from a restroom would be significantly reduced for park users at the dog park, playgrounds and picnic areas and for Tennis Center patrons utilizing the east side of the site. Although the reduction would be measured in feet and not miles, even short distances can prove challenging for those who are elderly or with small children. At the Tennis Center the existing restroom is at the top of a hill that also makes it difficult for those with handicaps to access.

SERVICE LEVEL IMPACT

An additional restroom building at Las Palmas Park that would also serve the Tennis Center would increase the combined service level for restroom availability at both sites by 33%.

FISCAL IMPACT

The estimated cost to design and build the project is \$300,000 and is funded by the Park Dedication Fund. Project design would be scheduled for FY 2014/15 with construction completed in FY 2015/16. Park Dedication Fee revenues have exceeded budgeted levels; therefore the project can be accommodated without affecting other project budgets currently planned in the Park Dedication Fund. Operating costs are estimated to be \$11,000 annually and will be absorbed by the current operating budget for program 267 Neighborhood Parks and Open Space.

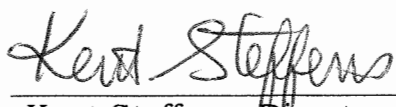
ALTERNATIVES

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

STAFF RECOMMENDATION

Staff recommends approval of the supplement as proposed based on current and future capacity needs at Las Palmas Park and the Tennis Center. There is already an approved capital project to provide a major renovation to Las Palmas Park in FY 2023/24 that includes an additional restroom building within the scope of work. Staff recommends adding the restroom building earlier than planned to meet current needs and improve the usability of both facilities.

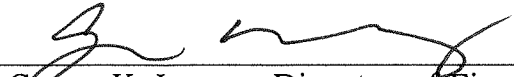
Reviewed by:



Kent Steffens, Director of Public Works

Prepared by: Scott Morton, Superintendent of Parks and Golf

Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

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



Robert Walker, Interim City Manager

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May 2, 2014

SUBJECT: Wolfe Road Corridor Traffic Improvement Study – El Camino Real to Homestead Road (Study Issue)

BUDGET SUPPLEMENT REQUEST SUMMARY

This budget supplement is the result of combining two 2014 Council Study Issues: DPW 14-14 – Optimization of Wolfe Road for Neighborhood and Commuter Reconfiguration and Signalization; and DPW 14-17 – Analysis of Reconfiguration or Other Capacity Improvement Alternatives for the Wolfe Road/El Camino Real/Fremont Avenue Intersection Complex. Combining these two study issues could result in a more efficient and coordinated analysis of traffic issues along the Wolfe Road Corridor.

BACKGROUND

The Wolfe Road Corridor currently experiences congestion during the peak hours due to heavy commute traffic particularly at the El Camino/Fremont Avenue intersection complex and at Homestead Road. This condition is projected to get worse over time as growth occurs in the area. Development of the Apple Campus II located at Wolfe Road and Homestead will add trips to the corridor and is currently under construction which has raised concerns from area residents, as have preliminary plans for the development of parcels contiguous to the El Camino/Wolfe intersection.

EXISTING POLICY

General Plan

Policy LT-5.1d Study and implement physical and operational improvements to optimize roadway and intersection capacities.

DISCUSSION

This City had previously studied alternatives for widening Wolfe Road at El Camino in 1991 and 2000. Studies found that in order to widen Wolfe Road significant amounts of right-of-way would have been required from private property owners. Public sentiment was opposed to the widening project and Council ultimately decided not to pursue road widening.

This proposed study would take a fresh look at traffic patterns and develop alternatives to a road widening project at Wolfe/El Camino that could reduce congestion but have fewer impacts than the previously studied projects. A detailed evaluation of ways to optimize traffic operations at the Wolfe/El Camino/Fremont intersection complex would be included.

Another element of the study would be to analyze the Wolfe Road corridor between Fremont Avenue and Homestead Road. Alternative lane configurations would be studied including a three lane concept with a reversible lane that would change to match the predominant commute direction. Alternatives to the current bike lane transitions around parking areas would also be studied.

Another component of the study that was not included in the original two study issues was the possibility of a grade separation at the Wolfe/El Camino intersection. Council members enquired at the study issues workshop about the additional cost of adding this to the overall study. Staff responded that a basic grade separation analysis would likely add \$100,000 to the cost of the study. Grade separations would likely require road widening which was previously considered and determined infeasible due to the need for extensive right-of-way acquisitions.

For all of the alternatives developed, the study would include preliminary layouts, cost estimates, an analysis of roadway capacity increases or decreases, and a public outreach component to get preliminary feedback from the community on the alternatives being evaluated.

SERVICE LEVEL IMPACT

Completing the proposed study will not impact current service levels.

FISCAL IMPACT

Completing the proposed study is estimated to cost \$350,000 for consulting services from an outside traffic engineering firm. This would include the scope of work outlined in Study Issues DPW 14-14 and 14-17 and a basic grade separation analysis. Funding would be provided from the General Fund.

ALTERNATIVES

Council may elect to exclude the analysis of grade separation alternatives. Without this additional work, the budget needed is \$250,000.

STAFF RECOMMENDATION

Approve a budget supplement in the amount of \$250,000. Wolfe Road is an important north-south corridor that is already experiencing congestion. Existing congestion will continue to get worse over time if no changes are made. The proposed study will evaluate a range of alternatives that could improve travel time through the Wolfe Road Corridor. Because of the very high cost of constructing grade separations, staff does not recommend including this analysis as part of the study.

Prepared by:



Kent Steffens, Director of Public Works

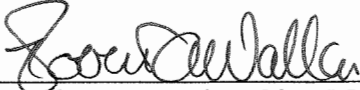
Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

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



Robert Walker, Interim City Manager

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May 2, 2014

SUBJECT: Captioning for Council Meeting Broadcasts

BUDGET SUPPLEMENT REQUEST SUMMARY

This supplement would provide ongoing funding to include closed captioning service for City Council meeting broadcasts on the City's cable channel KSUN-15. Approval of this request would allocate \$10,200 from the General Fund for this purpose.

BACKGROUND

Currently, Sunnyvale broadcasts its City Council meetings on the City's cable channel KSUN-15 without a captioning feature. Councilmember Whittum noted that providing captions for Council meetings would improve the ability of hearing-impaired viewers to follow the meetings as well as provide a transcript of the meeting for people wishing to review the details of conversations not recorded in the official Council meeting minutes.

EXISTING POLICY

Policy 7.2.1 Community Engagement— Goals and Policies

Goal A: Achieve a community in which all community members are well informed about local issues, City Programs and Services.

Policy A.1 Assure that all community members have reasonable access to City information, services and programs within budgeted resources.

Policy A.3 Ensure an integrated approach to informing community members about local issues, City programs and services that reaches segments of a diverse community.

Goal B: Achieve a community in which all community members can be actively involved in shaping the quality of life and participate in local community and government activities.

Policy B.2 Simplify processes and procedures to make it easy and convenient for community members to participate in City activities and programs.

DISCUSSION

There are two technical options to consider – live versus recorded (also known as archived or offline) captioning. Live captioning displays a real-time transcription of the meeting dialogue on the viewer's screen as the meeting is occurring. Recorded captioning is typically used to apply captions to recorded television shows. The service provider would use the recording of the meeting to transcribe the dialogue and then create the captioning feature for display when the meetings are re-broadcast. Live captioning has about a 98% accuracy rate which means that viewers would see an average of three to four errors every minute if a speaker is talking at about 250 words per minute. Recorded captioning would yield near 100% accuracy;

however, this service costs significantly more and takes several days to complete depending upon the length of the meeting.

SERVICE LEVEL IMPACT

Council approval of this budget supplement would result in an increased level of service to the community by providing additional access to information and making it easier for community members to participate in City government activities.

FISCAL IMPACT

Staff gathered some initial price quotes and estimated the City's annual costs based upon an average of 30 Council meetings per year at four hours per meeting (120 hours of meetings annually). With both live and recorded options, a written transcript of the captioned material is provided and could be archived with other meeting materials in the City's agenda management system. The price range for recorded captioning reflects options for how the captioned information is displayed for viewers.

- Live captioning: \$85/hour; \$10,200 (annual)
- Recorded captioning: \$350 - \$400/hour; \$42,000 - \$48,000 (annual)

This supplement proposes \$10,200 from the General Fund annually for the live closed captioning service to be managed through the Office of the City Manager.

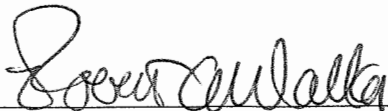
ALTERNATIVES

1. Approve the budget supplement for \$10,200 annually to fund live closed captioning services for City Council meetings on an ongoing basis.
2. Approve a budget supplement for an alternate captioning service:
 - a. Recorded captioning: \$350 - \$400/hour; \$42,000 - \$48,000 (annual)
 - b. Transcript Only: \$200/hour; \$24,000 (annual)
3. Do not approve a budget supplement to fund this service.
4. Other direction as provided by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 1, Approve the budget supplement for \$10,200 to fund live closed captioning services for City Council meetings annually.

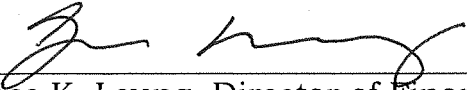
Reviewed by:



Robert Walker, Interim City Manager

Prepared by: Jennifer Garnett, Communications Officer

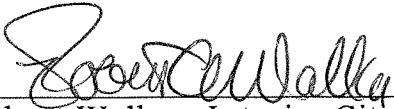
Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

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



Robert Walker, Interim City Manager

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May 2, 2014

SUBJECT: Public Access Programming for KSUN2 (Channel 26)

BUDGET SUPPLEMENT REQUEST SUMMARY

This supplement would provide \$63,500 annually from the General Fund to implement additional programming on the City's cable channel 26 (KSUN2) on Comcast to include Public Access content. There is also an option to add \$7,200 to provide up to six producers with no cost access to a production studio for producing their shows; other cities have done this to encourage local producers and programming. Based on staff's research and legal counsel, if approved, staff would contract with a third party for the operation and programming for KSUN2. The operator would likely be a non-profit organization that specializes in this service. This is consistent with the approach taken by neighboring jurisdictions.

BACKGROUND

The City currently operates two cable channels, KSUN-15 and KSUN2 on Comcast channels 15 and 26, respectively. Currently, KSUN2 is broadcasting the same content airing on KSUN-15, which is used to televise City Council and Planning Commission meetings. In June 2009 (RTC 09-151), the City Council determined the station designation for KSUN2 as a Government Access station with a focus on City and other government agency programming, satellite-fed programming and other content that would be available and appropriate. The Council voted to designate the station as Government Access to provide the City with the widest range of options in program content versus restricting it to just Public or Educational Access; however, the intent was to show both Government and Public access programming. To that end, the Council also approved criteria for producers of Public Access programming wanting to air their programs on KSUN2.

Subsequently, the City embarked on rebuilding its broadcast control room to upgrade the equipment and broadcast capabilities. The installation and follow up technical work has been completed and staff resumed the task of exploring various means of implementing programming on KSUN2.

EXISTING POLICY

Policy 7.2.1 Community Engagement— Goals and Policies

Goal A Achieve a community in which all community members are well informed about local issues, City Programs and Services.

Policy A.1 Assure that all community members have reasonable access to City information, services and programs within budgeted resources.

Policy A.3 Ensure an integrated approach to informing community members about local issues, City programs and services that reaches segments of a diverse community.

Goal B Achieve a community in which all community members can be actively involved in shaping the quality of life and participate in local community and government activities.

Policy B.3 Promote the importance and benefits of community involvement.

Policy B.6 Provide opportunities for and encourage involvement from community members that reflect the diversity of the City.

DISCUSSION

Staff contacted neighboring jurisdictions with Public Access channels to determine their approaches to station programming. Staff also researched the City's role, particularly as it relates to first amendment considerations such as controlling the type of Public Access content that can be aired and avoiding the City's implied endorsement of the Public Access content.

Based on staff's research and legal counsel, if approved, staff is recommending that the operation of and programming for KSUN2 be handled by a third party which is typically a non-profit organization specializing in this area. This is consistent with the approach taken by neighboring jurisdictions, all of which cited concerns about potential issues surrounding a government agency making Public Access programming decisions as well as a lack of City staff resources and technical expertise to successfully manage and operate the station.

SERVICE LEVEL IMPACT

Council approval of this supplement would fund public access programming annually on the City's KSUN2 cable channel which would allow opportunities for and encourage involvement from community members that reflect the diversity of the City. However, this is an increase in service level that is ongoing, and should therefore be considered in the context of all other City service priorities.

FISCAL IMPACT

This supplement proposes \$65,800 annually from the General Fund, managed through the Office of the City Manager, for a third-party service provider to operate and manage KSUN2. There is also an option to add \$7,200 to provide up to six producers with no cost access to a production studio for producing their shows. KMVT is the non-profit organization currently providing broadcast services for Sunnyvale's City Council and Planning Commission meetings. They also provide similar services for Mountain View, Cupertino, Los Altos and Foster City. Based on contracts they already have with other cities, KMVT provided the City with a preliminary cost proposal to operate and manage KSUN2 as the City's community channel, which includes selecting and scheduling all programming, providing training to Sunnyvale residents to become producers, and covering two local origination programming events selected by the City (e.g., sports, festivals). From a content perspective, KMVT would be able to show programs from all of its other community channels on KSUN2 as well as display this programming on its YouTube channel which has nearly 1.7 million hits. The cost for these services would be \$65,800 annually. In addition, KMVT could also provide up to six producers with no cost access to their facility and studio for producing their shows at an annual cost to

the City of \$7,200; other cities have done this to encourage local producers and programming.

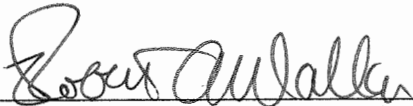
ALTERNATIVES

1. Approve the budget supplement for \$65,800 annually to fund the operation and management of KSUN2.
2. Approve a budget supplement for \$73,000 annually to fund the operation and management of KSUN2 as well as provide up to six producers with no cost access to the KMVT facility and studio for producing their shows.
3. Do not approve a budget supplement to fund these services.
4. Other direction as provided by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 3, Do not approve a budget supplement to fund these services. While the proposed programming services would enhance opportunities for the public and the City to share information, they are not a core service provided by the City. Given the City’s inability to fund certain core services at a desired level, staff cannot recommend this particular expenditure at this time.

Reviewed by:



Robert Walker, Interim City Manager

Prepared by: Jennifer Garnett, Communications Officer

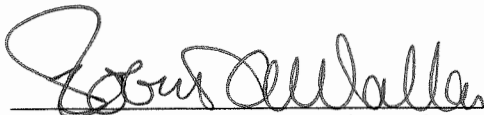
Reviewed by:



Grace K. Leung, Director of Finance

City Manager’s Recommendation

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



Robert Walker, Interim City Manager

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May 2, 2014

SUBJECT: Funding for Leadership Sunnyvale

BUDGET SUPPLEMENT REQUEST SUMMARY

Silicon Valley Leadership (SVL) is an independent, nonprofit community-based organization that has submitted an outside group funding request to continue providing Leadership Sunnyvale in FY 2014/15. Approval of this request would provide \$6,000 to SVL from the General Fund.

BACKGROUND

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

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

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

EXISTING POLICY

Council Policy 7.2.1 Community Engagement

Goal B: Achieve a community in which all community members can be actively involved in shaping the quality of life and participate in local community and government activities.

Policy B.1: Encourage community involvement in the development and implementation of City and community activities, programs and services.

Council Policy 7.2.4 - Relationships with Outside Groups

DISCUSSION

SVL is requesting \$6,000 in Outside Group Funding (OGF) for FY 2014/15 and anticipates enrolling 18 participants in the program. Similar to the FY 2013/14

agreement in place, staff is recommending that funding will be provided commensurate with the actual number of enrolled participants in Quarter 1. In FY 2013/14, SVL requested \$6,000 yet only had 15 enrolled participants; based on the pro-rated award per participant, the program will receive \$5,000 total.

In addition to this request, on October 23, 2013, the City Manager approved an In-Kind Services Agreement between the City and SVL. In-kind services include use of City facilities and City staff presentations at leadership classes. For more information on Leadership Sunnyvale, go to www.leadershipsunnyvale.org.

SERVICE LEVEL IMPACT

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

FISCAL IMPACT

This Budget Supplement would allocate \$6,000 from the General Fund for SVL to continue Leadership Sunnyvale in FY 2014/15.

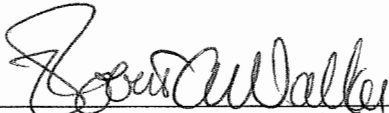
ALTERNATIVES

1. Approve the SVL funding request for \$6,000 of Outside Group Funding for FY 2014/15 commensurate with the actual number of enrolled participants; and authorize the City Manager to enter into an Outside Group Funding Agreement for disbursement of the funds in substantially the same format as presented in Attachment 1.
2. Reject the SVL funding request for \$6,000 of Outside Group Funding for FY 2014/15.
3. Other direction as provided by Council.

STAFF RECOMMENDATION

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

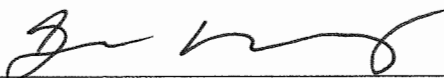
Reviewed by:



Robert Walker, Interim City Manager

Prepared by: Jennifer Garnett, Communications Officer

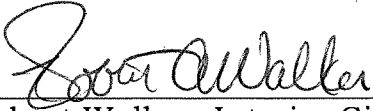
Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

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



Robert Walker, Interim City Manager

Attachments

- A. Outside Group Funding Agreement

OUTSIDE GROUP FUNDING AGREEMENT

THIS AGREEMENT dated July 1, 2014 is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY"), and a non-profit corporation Silicon Valley Leadership ("SVL" or "CONTRACTOR")

WITNESSETH

WHEREAS, SVL has applied to CITY for and has been appropriated City funds in the amount up to \$6,000 for the purpose of providing public affairs and leadership training to community members for fiscal year 2014/15 ("Program").

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

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

I. PROGRAM COORDINATION

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

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

CONTRACTOR: SVL
Board President
P.O. Box 61435
Sunnyvale, CA 94088

This agreement shall be for the period of July 1, 2014, through June 30, 2015.

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

APPROVED AS TO FORM: ("CITY")

City Attorney

BY: _____
City Manager

ATTEST: ("CONTRACTOR")

City Clerk

BY: _____
Board President

("CONTRACTOR")

BY: _____

EXHIBIT "A"

STANDARD PROVISIONS

I. OBLIGATIONS OF CONTRACTOR

CONTRACTOR shall be responsible for the following:

A. Organization

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

B. Program Operations

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

C. Fiscal Responsibilities of CONTRACTOR

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

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

D. Records, Reports and Audits of CONTRACTOR

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

E. Insurance

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

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

4. The liability insurance shall include, but shall not be limited to:
 - a) Protection against claims arising from bodily and personal injury and damage to property, resulting from CONTRACTOR'S OR CITY'S operations and use of owned or non-owned vehicles.
 - b) Coverage on an "occurrence" basis.
 - c) Notice of cancellation to CITY'S Program Manager at least thirty (30) days prior to the cancellation effective date.

5. The following endorsements shall be attached to the liability insurance policy, and copies shall be submitted with the Certificate(s) of Insurance:
 - a) The policy must cover complete contractual liability. Exclusions of contractual liability as to bodily injuries, personal injuries and property damage must be eliminated.
 - b) CITY must be named as additional insured with respect to the services being performed under the contract.
 - c) The coverage shall be primary insurance so that no other insurance effected by CITY will be called upon to contribute to a loss under this coverage.

F. Assignability and Independent Contractor Requirements

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

G. Nondiscrimination

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

H. Surveys

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

II. OBLIGATIONS OF CITY

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

B. Monitoring and Evaluation

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

C. Payment of Invoices

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

III. DISCLOSURE OF CONFIDENTIAL INFORMATION

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

IV. HOLD HARMLESS

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

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

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

V. CONTRACT NON-COMPLIANCE

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

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

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

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

VI. TERMINATION

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

- C. Upon suspension or termination, CONTRACTOR shall:
1. Be paid for all services actually rendered to CITY to the date of such suspension or termination; provided, however, if this agreement is suspended or terminated for fault of CONTRACTOR, CITY shall be obligated to compensate CONTRACTOR only for that portion of CONTRACTOR's services which are determined by CITY to be of benefit to CITY.
 2. Turn over to CITY promptly any and all copies of studies, reports and other data, whether or not completed, prepared by CONTRACTOR or its subcontractors, if any, in connection with this agreement. Such materials shall become property of CITY. CONTRACTOR, however, shall not be liable for CITY's use of incomplete materials or for CITY's use of complete documents if used for other than the services contemplated by this agreement.
- D. Unless sooner terminated by the parties, or by CITY pursuant to paragraph VI.A. of this Exhibit "B", this agreement shall terminate upon completion of the PROGRAM and final payment by CITY to CONTRACTOR.

VII. TERMS AND AMENDMENTS

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

VIII. COSTS AND ATTORNEY'S FEES

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

IX. WHEN RIGHTS AND REMEDIES WAIVED

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

X. INTEGRATED DOCUMENT

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

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

XI. AGREEMENT BINDING

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

XII. GENERAL ASSURANCES

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

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

EXHIBIT "B"

BUDGET, METHOD OF PAYMENT, AND REPORTING

I. BUDGET

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

II. METHOD OF PAYMENT

A. Payment for Substantial Compliance with Program Objectives - Payments will be made *quarterly* upon receipt of the Quarterly Performance Report and Request for Reimbursement with sufficient documentation of services provided. CONTRACTOR shall submit Quarterly Performance Report and Request for Reimbursement within fifteen (15) days of the end of payment period (with the exception of quarter four which must be submitted by June 30, 2014). Total reimbursement under this agreement shall not exceed actual allowable documented expenses.

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

III. REPORTING

Within fifteen (15) days of the end of quarters one, two and three the CONTRACTOR agrees to provide written reports to the CITY which detail PROGRAM performance in the attached Quarterly Performance Report and Request for Reimbursement. **The written report for quarter four must be submitted by June 30, 2014.** Such reports must include the following information:

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

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

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

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

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

Forms for quarterly reports are provided by the CITY.

Due Dates for Reports

<u>Period</u>	<u>Date</u>
July – September	October 15, 2014
October - December	January 15, 2015
January – March	April 15, 2015
April - June	June 30, 2015

EXHIBIT "C"

**City of Sunnyvale – Outside Group Funding
Quarterly Performance Report and Request for Reimbursement**

AGENCY: SVL

ACTIVITY NAME: Leadership Training

ADDRESS: P.O. Box 61435

CITY & ZIP: Sunnyvale CA 94088

PHONE: (408) 716-1837

FAX: (775) 521-0417

REPORT PERIOD: FY 2014-15

FISCAL SUMMARY					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
Actual Expenditures	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
<i>Planned Expenditures</i>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
PERFORMANCE Indicators <i>Please indicate as appropriate: Households, Individuals, other (specify.)</i>					
Indicators (noted in Application) -- Actual and Plan	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Cumulative
1 Actual					
<i>1 Plan</i>					
2 Actual					
<i>2 Plan</i>					
3 Actual					
<i>3 Plan</i>					
4 Actual					
<i>4 Plan</i>					

<u>Reporting Period</u>	<u>Due</u>	<u>Reimbursement Requested*</u>
___ 1 st Quarter	10/15/14	\$ _____
___ 2 nd Quarter	1/15/15	\$ _____
___ 3 rd Quarter	4/15/15	\$ _____
___ 4 th Quarter	6/30/15	\$ _____

**Based on award amount, including any provisions in this Agreement to pro-rate the reimbursement amount.*

1. NARRATIVE.

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

2. PROBLEM IDENTIFICATION AND CORRECTIVE ACTION.

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

3. IDENTIFICATION OF OPERATIONAL PROBLEMS.

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

Performance Report Expenditures

Program Administrative Cost	Activity Name:	
	Annual Budget (7/1/13-6/30/14)	Expenditures to Date
Salaries		
Employee Benefits		
Professional Fees		
Supplies		
Telephone / Communication		
Occupancy		
Equipment Costs		
Printing / Publications		
Insurance		
Travel		
Other		
Total Budget		

NOTE: Budgeted amount should reflect the amounts submitted in your application.
Attach additional sheets if there are more than two activities.

Program Director: _____
(sign)

Date: _____

Board President: _____
(sign)

Date: _____

May 2, 2014

SUBJECT: Funding for Study of Community Choice Aggregation (Study Issue)

BUDGET SUPPLEMENT REQUEST SUMMARY

In February 2014, the City Council prioritized Study Issue ESD 14-02 which would serve as a preliminary evaluation of the feasibility of establishing a Community Choice Aggregation program, either specifically for Sunnyvale or as a part of a regional, multi-city program. The study is estimated to cost \$30,000. Staff applied for grant funding from the World Wildlife Fund for the study and was notified in March that the City's proposal was not selected for award.

BACKGROUND

In development of Sunnyvale's Draft Climate Action Plan (CAP), it was identified that electricity use was the 2nd largest factor (after transportation) in Green House Gas (GHG) emissions in the City. The draft CAP identifies that significantly shifting energy consumption away from traditional electricity and natural gas would achieve over 50% of the targeted emission reduction goal. This can be done by creating or joining a Community Choice Aggregation (CCA) program. CCA is a system enabled by State legislation, which allows cities and counties to aggregate the buying power of individual customers in order to secure alternative or renewable energy supplies.

This Study Issue was initiated by the Sustainability Commission and would evaluate and quantify multiple unknowns including:

- Which communities would likely join and partner in a South Bay CCA
- Costs and risks to the City should Sunnyvale participate in the establishment of a CCA
- Which actions of the draft CAP that might be assigned and implemented through the charter of a CCA to facilitate emission reductions for the City
- How would a CCA best be established (what agency or founding of an agency could lead the effort) and framework that would guide CCA establishment

EXISTING POLICY

7.1A.1 Development of Budget and Resource Allocation Plan

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.

Policy 3.5.1 Energy The City of Sunnyvale finds that the preservation of natural resources through the use of energy efficient activities is of great importance to the citizens and businesses of Sunnyvale. It is the purpose of this Energy Policy to:

- Promote economic development
- Maintain a healthy environment
- Maximize limited natural resources
- Encourage alternative forms of transportation
- Encourage cost reduction in City operations

Policy Statement: It is the policy of the City of Sunnyvale that the City will:

- Support Federal State, and other local agency energy-related legislation when consistent with this policy
- Support efforts to provide affordable, reliable, diverse, safe, and environmentally acceptable power to the citizens and businesses of Sunnyvale

DISCUSSION

Establishing a CCA is one action in the draft Climate Action Plan that can achieve more emission reductions than all other actions combined. It is a model that has been successfully implemented in Marin and is now going into effect in Sonoma County. CCA offers an opportunity for community choice, and it has the potential to create permanent local jobs, fund local renewable energy projects (including accelerating local solar installations), and help fund energy efficiency programs for the community.

There is growing interest in a CCA among South Bay communities. On March 14, 2014, the Board of Directors of the Cities Association of Santa Clara County received an overview presentation on Community Choice Aggregation from the non-profit group LEAN Energy, and as a result the Cities Association added CCA to its list of priorities for the year and formed a subcommittee. In addition to Sunnyvale, the subcommittee includes several neighboring communities including Mountain View, Cupertino, Monte Sereno, and Los Altos Hills. Staff is reaching out to the interested communities to explore a potential study partnership including the possibility of contributing funding towards the study. The scope of this partnership and joint study is still to be determined. The City of Mountain View has expressed preliminary interest in contributing funding towards a study.

SERVICE LEVEL IMPACT

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

FISCAL IMPACT

The cost of this budget supplement is \$30,000. Staff tried and was unable to secure grant funding for the study and does not foresee additional grant opportunities in the near future, which means that this study would need to be funded by the General Fund. Staff will engage interested cities who may be willing to contribute towards a joint study. Upon determination and agreement of the study scope and financial contribution, such contributions may offset the requested funds from the General Fund.

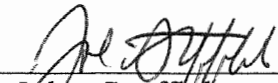
ALTERNATIVES

1. Approve funding \$30,000 from the General Fund for Study Issue ESD 14-02.
2. Do not approve the funding for Study Issue ESD 14-02.
3. Other actions as directed by Council.

STAFF RECOMMENDATION

Staff recommends approval of Alternative 1, Approve funding \$30,000 from the General Fund for Study Issue ESD 14-02.

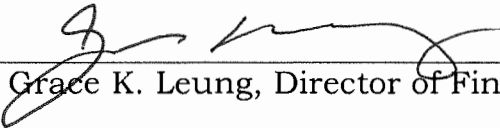
Reviewed by:



John Stufflebean, Director of Environmental Services

Prepared by: Melody Tovar, Regulatory Programs Division Manager

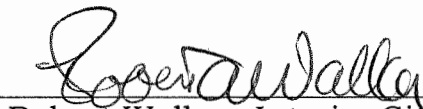
Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

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



Robert Walker, Interim City Manager

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May 2, 2014

**SUBJECT: Downtown Sunnyvale Business Improvement District (BID) \$30,000
Funding Request**

BUDGET SUPPLEMENT REQUEST SUMMARY

As part of the BID's annual reauthorization, the Sunnyvale Downtown Association (SDA), on behalf of the BID, requested \$30,000 from the City to support promotional efforts such as special events and an updated visitor's guide. Approval of this request would provide \$30,000 to the BID from the General Fund.

BACKGROUND

The SDA requested that the City provide matching funds to augment the revenue they receive in BID assessments. The request was received as part of the BID's Annual Report and BID reauthorization request for FY 2014/15. On April 8, 2014, Council directed to staff to prepare a Budget Supplement for Council review, only if the SDA provided additional information to justify the request, during the City's budget process.

On April 10, 2014, the SDA submitted additional justification (Attachment A) for their request. The SDA states that the funding is needed due to three main reasons:

1. Past City funding to the SDA has decreased while City fees have increased
2. Everything the SDA does is a reflection of the City
3. The City is one of few cities that does not partner, fund, nor produce large community events for a downtown area

Funding History

Prior to the SDA asking the City to help them form a BID, the City provided a significant amount of funding as well as in-kind services and staff support to the SDA. The main reason the City agreed to financially support the SDA in forming a BID was to make the SDA a self-funded/stand-alone organization. The intention was for the SDA to leverage the BID assessment revenue with additional sponsorships from downtown businesses for all events. Most recently, the City has provided the following grants to the SDA:

- FY 2012/13
 - \$ 7,500 (for Jazz & Beyond, Holiday Tree Lighting, and Summer Series)
 - \$10,000 as approved by City Council on April 24, 2012
- Fiscal Year 2013/14
 - \$5,500 (for Holiday Tree Lighting, Jazz & Beyond, and Summer Series).

For FY 2012/13, the City invoiced the SDA \$8,721 for police services for the Summer Music + Market Series. For FY 2013/14, the City invoiced the SDA \$10,642 for police services as well as fire prevention inspections. The City does not require the SDA to provide police services for the Jazz & Beyond nor the Holiday Tree Lighting events. The City has worked with the SDA to keep costs at a reasonable level and only requires the SDA to use City services when truly needed.

Economic Development staff contacted several neighboring communities to inquire whether or not those cities provide direct financial assistance to their respective BIDs or partner with the BIDs to host special events. Staff found that while most cities do not provide direct financial assistance to the BIDs, some cities such as Palo Alto and Mountain View support their BIDs and Chambers of Commerce by providing in-kind services such as not charging for processing the BIDs and not charging for some city services required during special events. Los Gatos and San Jose have contracts with SDAs or Chambers to provide marketing materials that the cities use to promote their communities.

The City of Mountain View's Recreation Department organizes and sponsors several annual events in their downtown area. These events include a Holiday Tree Lighting, Summer Concert Series, and the Spring Family Parade. The City of Mountain View rotates its Summer Concert Series between Castro Street and two city parks.

EXISTING POLICY

Council Policy 7.2.18 Special Events

POLICY STATEMENT (excerpt):

The City is committed to encouraging privately sponsored special events while providing for the protection of residents, visitors and event participants. It is the intent of the City to protect the quality of life of its residents and provide careful stewardship of City resources by establishing:

- The least restrictive and most reasonable manner of regulation to maximize the benefits and minimize the burdens of special events;
- Streamlined event application and approval processes;
- Policies and regulations that allow for the advance planning and management of City personnel and resources.

DISCUSSION

According to the SDA the funding will allow them to increase the number of Summer Music + Market Series from nine to eleven events, reinstate the Magic of Sunnyvale Wine Stroll, coordinate a "game day" 49ers celebration event, and update its visitors guide to be distributed to Sunnyvale hotels and other businesses to attract people to the downtown.

Staff notes that the budget submitted by the BID shows a deficit of \$11,689 without the matching funds for FY 2014/15. Staff is concerned that the additional funds may be used to offset the deficit and the SDA may not be able to accomplish all the activities promised on the request for matching funds.

Staff asked the SDA to provide additional detailed information regarding the expenditures for the proposed events to be funded with the \$30,000. On April 17, 2014, the SDA provided an addendum to their original request (Attachment B). The SDA provided a breakdown of the projected expenses for "Game Day" and a breakdown of the projected expenses and revenue for a typical Summer Series Music + Market event. The SDA did not provide a summary or projected budget for the "Wine Stroll" or the proposed revised visitor's guide.

SERVICE LEVEL IMPACT

This budget supplement request would provide General Fund monies to support the SDA's promotional efforts. Use of General Fund resources should be considered in the context of all other City service priorities.

FISCAL IMPACT

This budget supplement would allocate \$30,000 from the General Fund to the SDA to provide about four special events in the downtown and a visitor's guide, or require Council to reduce services in another area by a corresponding amount. An additional eight (8) hours of staff support needed per year for processing this request and managing documentation would be absorbed within the existing operating budget.

ALTERNATIVES

1. Do not approve the \$30,000 requested by the Sunnyvale Downtown Association.
2. Approve the \$30,000 requested by the Sunnyvale Downtown Association and distribute on a reimbursement basis \$15,000 during the first quarter of the fiscal year with the remaining \$15,000 distributed during the third quarter of the fiscal year, based on the timing of the events.
3. Approve a portion of the \$30,000 requested by the Sunnyvale Downtown Association, to be disbursed on a reimbursement basis and for specific purposes only, as directed by City Council.
4. Consider this request in the context of all other requests for City support of Community Events via the City's established Community Event Grant process.
5. Other direction as provided by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 4, Consider this request in the context of all other requests for City support of Community Events via the City's established Community Event Grant process.

Staff does not recommend approval of General Fund support for BID activities other than special events (e.g., revisions to the SDA's visitor guide) for several reasons. First, prior to the BID being formed, the City funded many of the SDA's operations such as envelopes and letterhead, and provided financial assistance and staff support during the Summer Music + Market Series. In 2006, the SDA asked the City to fund a consultant and a part-time executive director to form a BID. The City provided \$47,050 and about 100 hours of staff time to help the SDA form a BID. The main reason the City provided the funding was to support the SDA to become a self-funded and stand alone organization whose main purpose was to organize events and market the downtown area.

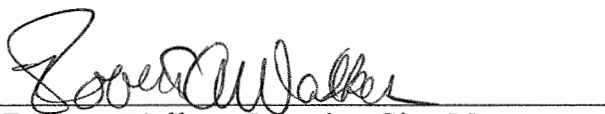
Second, the SDA has listed an increased cost of doing business as a reason for needing the City's financial support, yet it has not increased association fees for member businesses since the BID was created in 2007.

Third, the City believes it provides a reasonable level of support to the BID in numerous ways. City staff continues to work hard to attract new businesses to the downtown. Currently, staff is working closely with the brokers representing the Solstice and Carmel projects. Both of these projects are located at the former Town & Country site. The Solstice project is almost complete and has confirmed several leases. Some of the signed leases are with Kabul Afghan Restaurant, Flywheel, The Prolific Oven Bakery & Coffeehouse, Nom Burger, Beach Hut Deli, and Japan Center (JRC). The Solstice project expects to have an additional five to ten new businesses in the near future. The Carmel Lofts project will have room for about five new businesses with one tenant, Philz Coffee, already confirmed. The businesses in these two projects are planning to open by the end of 2014. The BID will have an opportunity to work with these new businesses to generate additional revenue.

Lastly, the type of support detailed above is provided not only to the SDA, but to businesses throughout the City. Staff believes it is important to be consistent in its support of City businesses, and would not recommend financial support for such activities as visitor guides or letterhead for any private business, regardless of City location. Support for a community event, however, is something that any private business could apply for through the Community Event Grant process.

Recommending the Community Event Grant process as the appropriate vehicle with which to consider the SDA's request maintains the integrity of that process as the one distribution center for all such requests, and ensures that all businesses throughout the City have access to the same funding opportunities. Staff has encouraged the SDA to submit its \$30,000 request via the City's special event grant funding process as well, to ensure it does not miss that window of opportunity.

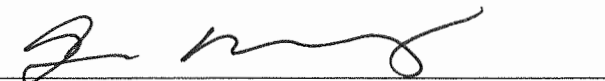
Reviewed by:



Robert Walker, Interim City Manager

Prepared by: Connie Verceles, Economic Development Manager

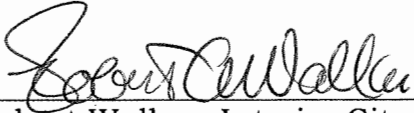
Reviewed by:



Grace K. Leung, Director of Finance

City Manager's Recommendation

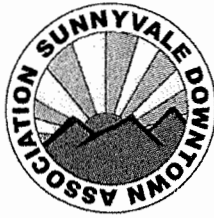
- Approve Budget Supplement for funding
 Do Not Approve Budget Supplement for funding



Robert Walker, Interim City Manager

Attachments

- A. Funding Request Submitted by the SDA on April 10, 2014
- B. Additional Information on Funding Request Submitted by the SDA on April 17, 2014



April 10, 2014

City of Sunnyvale
Mayor and City Council
456 W. Olive Ave.
Sunnyvale, CA 94086

Dear Mayor and Council Members,

Thank you for the opportunity to go into further detail of possibility of the City of Sunnyvale approving a matching funds partnership between the Sunnyvale Downtown Association (SDA) and the City of Sunnyvale. As you know, the (SDA) is a non-profit membership based organization whose mission is to promote, advocate and enhance the vitality of downtown Sunnyvale. The SDA is funded by a business improvement district (BID) with member voted assessments, city grants, sponsorships, and revenue producing events.

The SDA serves as the voice of downtown Sunnyvale by:

- Advocating for policies, programs and events that support the economic growth of the downtown core
- Acting as the downtown marketing arm, voice and ambassador for the City of Sunnyvale
- Producing attractive events for the community
- Promoting downtown as a premier venue for other groups to produce events
- Working with other community based organization's that share in the growth, beautification, and continual vitality of downtown Sunnyvale
- Serving as the primary information portal to all events, attractions and programs stemming from the downtown core

There are three reasons why we request matching funds:

1. Past Funding has decreased while city fees have increased.

Four years ago we received \$17,500.00 from the City of Sunnyvale through the community grants program. At that time the City had a pool of \$30,000.00 in the fund. The SDA received roughly 60% of the fund (\$17,500.00) the grant pool monies have declined over the years and as of last year SDA received only \$5,000.00. Despite the decline in funding from the City, the City has increased their City service fees due to the cost of living increase. Event application, public safety, fire inspections have all increased. Police services for the summer series alone have gone up to over \$3,000,00 a year from four years ago. Taking these factors into consideration, in essence our city funding has decreased over \$15,000.00 a year.

2. Everything we do is a reflection and benefit to City of Sunnyvale.

When we talk with the residents and guests at our events most of them believe that the City of Sunnyvale's staff produces all of our events, Facebook page, website, visitors guide etc. There isn't a time during each event that someone doesn't come up to staff and volunteers of the SDA and thank the City of Sunnyvale for doing such a wonderful job putting on these events. We represent the City in a positive way that makes our residents proud to live here. Not only do we continue to produce creative, fun and safe events we do this at a fraction of the cost if the City were to produce these events themselves. Our part time staff are exceptional at what they do and don't receive exorbitant pay. Total annual contracted staff pay is under \$40,000.00 for the year. Arguably, where we shine most is our hard working volunteer/board staff. Our board members and community volunteers believe in their events and our mission. They put in many hours to see things come to fruition. For just the Tree lighting alone there are over 80 volunteers for this one-day event donating their time to make this community event successful. Total volunteer hours during the year exceed well over 1000 community hours for our events, who help with support, planning, marketing and event production.

3. Sunnyvale is one of the few cities who doesn't partner, fund or produce large community events for their downtown.

The importance of city marketing/promotion is paramount, especially now. Every day we are competing with other cities for visitor and resident dollars. We struggle to compete with our neighboring cities as these same cities set aside marketing dollars in an attempt to lure patrons to their downtown. For example:

San Jose Downtown Association receives an annual \$300,000.00 marketing contract from the city of San Jose. San Jose has four BIDs. Downtown BID (\$720,000.00 budget) and also has a Downtown property based improvement district; Willow Glen CBID (\$223,000.00 budget) Japantown (\$32,000.00 budget), and a Hotel BID (\$1,900,000.00 budget). Staff spends about three hours per month attending their meetings and spends one to three hours per month on supporting the BIDs. The City of San Jose absorbs the BIDs administrative costs for invoicing. San Jose will also support events through grants.

Mountain View summer music series is 100% funded and produced by city staff. Their downtown association and chamber assists with vendor booths and beverage sales. Mountain View has two BIDs. The BIDs budget is between \$40,000.00-\$48,000.00 a year. City staff spends about 30 hours per year to prepare Council reports and for invoicing. The City absorbs staff time. The City will also fund special events. Funding depends on events. Events are also hosted by the Chamber and Central Business Association

Los Gatos

Los Gatos does not have a BID. But they do have a marketing agreement with the Chamber of Commerce for \$35,000.00 a year to develop marketing and outreach materials. Chamber staff also coordinates special events. City staff will support Chamber for about 30 hours per year and this includes assistance with special event coordination.

Overview & Budget comments

Our partnership becomes even more critical as we are the closest city with a downtown to the new 49er stadium. This fiscal impact to our downtown can be tremendous if we market and brand ourselves accordingly. Through well thought out marketing and event planning we can be the downtown to go to before and after any event that comes to the stadium. With the City matching funds we can accomplish this. As per the revised budget, (attached) part of the funds would be used for "Game Day" a 49er celebration event during pre-season or at season opener in with the intent of establishing downtown Sunnyvale as the downtown of the 49ers and any other event taking place at the stadium. Strategic advertising through sites like Google and Facebook will be used to direct pre and post traffic to downtown Sunnyvale. Matching funds is a crucial component to make this happen, as this year is the only time we can make that first impression. A tentative budget for the event is \$11,000.00 projected.

Matching funds will enable us to meet the cost of living expenses and continue our 11 week Summer Music Series instead of reducing it to 9 weeks and reinstate the Wine Stroll, which was cancelled for lack of funds. If we don't receive funding will not be able to print our Visitor's Guide for our hotels, libraries, businesses and other public places. Updated material is critical for the newbies arriving at the stadium because our current guide is antiquated due to the new downtown business influx from Solstice and Lofthouse developments.

With all that being said without the matching funds the SDA will still have a shortfall. In addition to the 5% contingency, set aside in our budget for wiggle room we will ask any paid staff member to take a voluntary 20% cut in pay in order to stay within budget. The Executive Director has already agreed to do this if need be in lieu of any further event or service cuts.

If the City decides to match funds we would ask to receive half of the funding during the first quarter of the fiscal year and the second payment during the second quarter as most of the events fall under these two quarters. The SDA will submit support documentation using the current community grants format.

Sunnyvale has succeeded exceptionally in creating a vital business environment, has put substantial efforts in fostering a modern downtown through its redevelopment efforts; why not give us the financial tools to promote our downtown in equal measure?

If council is has any further questions or need any additional information please reach out to the SDA as we would be more than happy to update or answer any follow up questions you may have,

Thank you for your past support and once again please support our request for matching the BID assessments.

Yours in community spirit,



Joe Antuzzi
Chairman of the Board
Sunnyvale Downtown Association
408-733-9600



April 17, 2014

Sunnyvale City Council,

Please accept this additional information regarding the possibility of our city providing matching funds to the BID. I have enclosed the Game Day! projections and summary.

It's obvious that the businesses benefit from the events and the efforts of the SDA. Just one Wednesday night summer series event generates over 30k a night to our local economy. (based on 2,000 people spending \$15 per person on food, drinks, arts & crafts etc.)

What may be overlooked or not often talked about is the impact on the residents of Sunnyvale – our community.

These events help or local community non-profits. Over 150 volunteers a year are needed to man the beverage booths of our events. Any non-profit may request... "to reserve an evening to work in the beverage booth" These non-profits are allowed to display and disseminate information about their organization along with the placement of a tip/donation jar stating that all tips and donations will go to said non-profit. Like most food & beverage services patrons tip the staff after receiving their drinks. These non-profits earn \$300 - \$500 per night! Over 5k per year goes towards the aid of Sunnyvale neighborhood associations and city non-profits!

In addition to raising money for our community groups, our events provide not only visibility to our city but visibility for our non-profits, schools and businesses residing outside of our downtown. For example: every year the Holiday Tree lighting event features performances by Columbia Middle School, Fremont High, Homestead High and Dance Attack!. These schools rehearse for many hours in preparation to perform at this event. The tree lighting gives an opportunity for over 100 of our Sunnyvale kids a platform to show off their talents in front our families and friends.

As it has been said many times before...most Sunnyvale residents think these events are put on by the city. These FREE events are a reflection of you, we... us; these events bring pride to our community. The city of Sunnyvale needs to be more proactive in branding our downtown as downtown is our heart to our city and our community.

If you have any additional questions or concerns please do not hesitate to call the SDA at 408 516-7217.

Yours in community spirit,

A handwritten signature in black ink, appearing to read "Joel Wyrick", written in a cursive style.

Joel Wyrick
Executive Director - Sunnyvale Downtown Association

WEEKLY SUMMER SERIES PROJECTED REPORT 20

Notes & Comments

Attachment B

		Projected	
EXPENSES			
City Services			
Banners			
El Camino & Wolfe Roads			
Permits			
Application Permit			
		\$ -	
Street Closure			
		\$ 546.00	unless city lets us do it ourselves
Plaza del Sol Closure			
Building & Electrical			
		\$ -	
Fire Inspection			
		\$ -	
Police			
		\$ 1,328.00	
Subtotal - City Services		\$ 1,874.00	
County Services			
Permits			
ABC			
		\$ 50.00	
Health			
		\$ -	
Subtotal - County Services		\$ 50.00	
Entertainment & Hospitality			
Bands & Entertainment			
		\$ 650.00	
Sound Company			
		\$ -	
Costs of Goods Sold (beverages)			
Beer			
		\$ 550.00	
Cups for Beer & Wine			
		\$ 333.00	
Wine			
		\$ 150.00	
Water & Soft Drinks			
		\$ 30.00	
Street Performers			
Balloon Artist			
Face Painter			
VIP/Hospitality Suite (catered food)			
Subtotal - Entertainment		\$ 1,713.00	
Equipment Rentals & Purchases			
		\$ -	
Booths, Tables & Chairs			
		\$ 500.00	
Generators &/or Electrical Boxes			
		\$ -	
Signage			
		\$ -	A-frames (no alcohol, coolers, glass)
Sound System & Lighting			
Porta Potties			
Radios			
Staging & Lights			
		\$ 1,000.00	
Subtotal - Equipment Rentals		\$ 1,500.00	
Marketing & Advertising			
Artwork & Design			
		\$ -	
Banners			
		\$ -	
Posters (18 x 24) @ 200			
		\$ -	
Flyers (business card size) @ 10k			
		\$ -	
Print Advertising			
		\$ -	
Signage (additional)			
Street Marketing			
		\$ -	
Subtotal - Marketing & Advertising		\$ -	
Subcontractors			
Dumpsters & Recycling			
		\$ 150.00	
Fencing			
		\$ -	
Security			
		\$ 200.00	

Staff/Production Crew		
Event Coordinator		Joel
Beverage Coordinator	\$ 150.00	
Vendor Coordinator		
Volunteer Coordinator		
Set up & clean up	\$ 300.00	
Power Washing		
Subtotal - Subcontractors	\$ 800.00	
Other		
Insurance		
Ice	\$ 70.00	
Garbage Bags	\$ 63.00	
Misc (tape, chalk, rope etc.)	\$ 30.00	
Contingency 5%	\$ 305.00	
Subtotal - Other	\$ 163.00	
TOTAL EXPENSES	\$ 6,100.00	
REVENUE		
CONTRIBUTED INCOME		
Grants		
City/Government		
Subtotal - Grants	\$ -	
Space Rentals - Vendors		
Food & beverage	\$ 200.00	
Arts & Crafts	\$ 350.00	
Subtotal - Space Rentals	\$ 550.00	
Sponsorships		
Presenting Sponsor		
Stage Sponsor		
Community Sponsors		
Friends of Sponsors		
Subtotal - Sponsorships	\$ -	
Ticket & Beverage Sales		
Drinks	\$ 2,750.00	
Subtotal - Sponsorships	\$ 2,750.00	
Additional Income		
Subtotal - Additional Income	\$ -	
TOTAL REVENUE	\$ 3,300.00	
NET PROFIT / LOSS	\$ (2,800.00)	

Game Day! Summary

Downtowns in general, receive many benefits when there is an arena, stadium or convention center near or within its core. It's no secret that San Jose businesses enjoy huge financial gain because of the "shark tank" and convention center proximity. Santa Clara has a brand new stadium... "Levi Stadium", unlike cities like San Jose and San Francisco, Santa Clara doesn't have a downtown. There's no nightlife or restaurant/bar density near the stadium; this is where Sunnyvale comes in. Half of the 49er fan base will come from the North Bay. These San Franciscans will not be traveling any further south of the stadium... they will ask themselves, "Where is the nearest downtown or area to congregate before or after the game?" If we position ourselves accordingly we can brand Sunnyvale as the place to be before and after events.

This fiscal impact to our downtown can be tremendous. With the city matching funds, we can accomplish this. Part of the funds would be used for "Game Day!" a 49er celebration event during pre-season or at season opener with the intent of establishing downtown Sunnyvale as the downtown of the 49ers and any other event taking place at the stadium! Strategic advertising through sites like Google and Facebook will be used to direct pre and post traffic to downtown Sunnyvale.

Sunnyvale has a rare opportunity to take advantage of the San Francisco Forty Niners moving to the south bay.

Game Day! will follow our Summer Series model. This would include closure of Murphy Avenue with live entertainment and vendors. Where Game Day! is different... it will be held on Sunday and the vendors will support the look and feel of the event. Sports memorabilia, possible past NFL football players signing autographs, trading card vendors... anything football. Football décor is plentiful and free as the national beer companies have already expressed an interest in supporting our event with more than enough point of sale football decorum. We will also attempt to secure past NFL football players as our stage MC's during the event.

The SDA feels this is a one shot deal as you only get one chance to make a first impression. People are creatures of habit and if we strike first we can make an impact on the fans branding Sunnyvale as the place before or after a Levi Stadium event.

GAME DAY!		Projected	Notes & Comments
EXPENSES			
City Services			
Permits			
Street Closure	\$	500.00	
Building & Electrical	\$	92.00	
Fire Inspection	\$	210.00	
Police	\$	1,992.00	
Subtotal - City Services	\$	2,794.00	
County Services			
Permits			
ABC	\$	50.00	
Health	\$	-	
Subtotal - County Services	\$	50.00	
Entertainment & Hospitality			
Bands/Entertainment	\$	1,000.00	joel
Costs of Goods Sold (beverages)	\$	750.00	
Sales Tax (alcohol & carb. drinks)	\$	-	
Street Performers			
Balloon Artist	\$	-	
Face Painter			
VIP/Hospitality Suite (catered food)	\$	-	
Subtotal - Entertainment	\$	1,750.00	
Equipment Rentals & Purchases			
Booths, Tables & Chairs	\$	500.00	
Generators &/or Electrical Boxes	\$	-	
Sound System & Lighting			bands are supplying
Staging & Lights	\$	1,000.00	
Subtotal - Equipment Rentals	\$	1,500.00	
Marketing & Advertising			
Artwork & Design	\$	800.00	
Posters (18 x 24) @ 200	\$	550.00	
Flyers (4x6) @ 10k	\$	750.00	
Print Advertising	\$	2,000.00	sunnyvale sun metro
Signage			
Street Marketing	\$	300.00	
Subtotal - Marketing & Advertising	\$	4,400.00	
Subcontractors			
Dumpsters			not needed using gary and joe a's dumpster
Fencing			not needed
Security			not needed (see city services police)
Staff/Production Crew			
Event Coordinator	\$	-	joel wyrick
Beverage Coordinator	\$	150.00	adam andrews
General Staff (bev booth/volunteers)			12 people for 6 hours/volunteers
Set up & clean up	\$	300.00	
Power Washing			not needed
Subtotal - Subcontractors	\$	450.00	
Other			
Insurance			joel
Ice	\$	125.00	
Misc (tape, chalk, rope etc.)	\$	200.00	balloons joel & helium/gary
Subtotal - Other	\$	325.00	
TOTAL EXPENSES	\$	11,269.00	

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