



CUPERTINO

2017–2018

ADOPTED BUDGET — FISCAL YEAR 2017–2018



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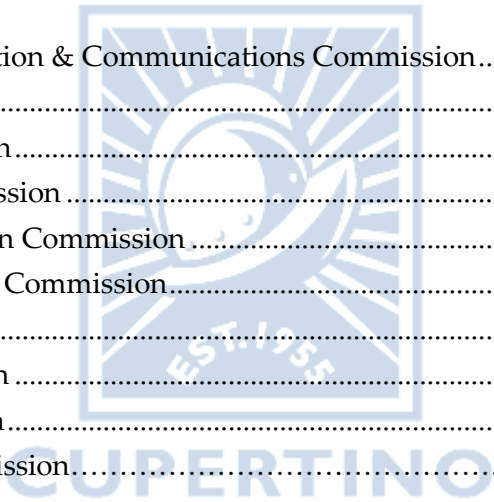


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CITY OF CUPERTINO, CALIFORNIA

Fiscal Year 2017-18

CITY COUNCIL



Savita Vaidhyanathan
Mayor



Darcy Paul
Vice Mayor



Barry Chang
Council member



Rod Sinks
Council member



Steven Scharf
Council member

DIRECTORY OF CITY OFFICIALS

David Brandt – City Manager
Aarti Shrivastava – Assistant City Manager/Director of Community Development
Randolph Stevenson Hom – City Attorney
Kristina Alfaro – Director of Administrative Services
Bill Mitchell – Chief Technology Officer
Timm Borden – Director of Public Works
Jeff Milkes – Director of Recreation and Community Services

CITY OF CUPERTINO, CALIFORNIA
Fiscal Year 2017-18
COMMISSIONS AND COMMITTEES

AUDIT COMMITTEE

Peter Shin
Eno Schmidt
Steven Scharf
Rod Sinks
Mark Zavislak

HOUSING COMMISSION

Sue Bose
Shirley Chu
Nina Daruwalla
Sanjiv Kapil
John Zhao

FINE ARTS COMMISSION

Janki Chokshi
Wenjia Chen
Rajeswari Mahalingam
Diana Matley
Michael Sanchez

PUBLIC SAFETY COMMISSION

Neha Sahai
Hymanand Nellore
Robert McCoy
Gerald Tallinger
Andy Huang

SUSTAINABILITY COMMISSION

Angela Chen	Meera Ramanathan
Gary Latshaw	Anna Weber
Vignesh Swminathan	

FISCAL STRATEGIC COMMITTEE

Kristina Alfaro	Aarti Shrivastava
Rod Sinks	Darcy Paul
Timm Borden	Lisa Taitano

PARKS AND RECREATION COMMISSION

Meenakshi Biyani	Helen Davis
Carol Stanek	Neesha Tambe
Judy Wilson	

LIBRARY COMMISSION

Rose Grymes
Liana Crabtree
Gopal Kumarappan
Amanda Wo
Christie Wang

PLANNING COMMISSION

Geoffrey Paulsen
Jerry Liu
David Fung
Don Sun
Alan Takahashi

BICYCLE PEDESTRIAN COMMISSION

Gerhard Eschelbeck
Jennifer Shearin
Peter Heller
Sean Lyn
Erik Lindskog

TEEN COMMISSION

Grace Huang	Shivani Sahn
Ankita Sahn	Sidharth Rajaram
Meesha Reisiieh	Christina Lau
Anooj Vadodkar	

ECONOMIC DEVELOPMENT

Darcy Paul	Angela Tsui
Timm Borden	Rich Abdalah
Savita Vaidhyanathan	David Brandt
Aarti Shrivastava	Anjali Kausar
Kevin McClelland	Mike Rohde
Jason Lundegaard	
Geoffrey Paulsen	

TECHNOLOGY, INFORMATION & COMMUNICATIONS COMMISSION

Rajaram Soundararajam	Rod Livingood
Keita Broadwater	Arnold de Leon
Vaishali Deshpande	



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Cupertino
California**

For the Fiscal Year Beginning

July 1, 2016

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2016-2017

Presented to the

City of Cupertino

For meeting the criteria established to achieve the Operating Budget Excellence Award.

January 31, 2017



A handwritten signature in black ink, appearing to read "John Adams".

John Adams
CSMFO President

A handwritten signature in blue ink, appearing to read "Craig Boyer".

Craig Boyer, Chair
Professional Standards and
Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

RESOLUTION NO. 17-053

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO
ADOPTING A PORTION OF THE OPERATING AND CAPITAL IMPROVEMENT
BUDGET FOR FISCAL YEAR 2017-18 RELATED TO PASS-THROUGH REVENUES
FOR THE APPLE CAMPUS 2 PROJECT**

WHEREAS, the orderly administration of municipal government is dependent on the establishment of a sound fiscal policy of maintaining a proper ratio of expenditures within anticipated revenues and available monies; and

WHEREAS, the extent of any project or program and the degree of its accomplishment, as well as the efficiency of performing assigned duties and responsibilities, is likewise dependent on the monies made available for that purpose; and

WHEREAS, the City Manager has submitted his estimates of anticipated revenues and fund balances, has determined that estimated revenues and fund balances are adequate to cover appropriations, and has recommended the allocation of monies for specified program activities; and

WHEREAS, a portion of the Public Works Department budget for fiscal year 2017-18 budget involves "pass-through" revenues paid to the City to cover the costs for various consultants needed on the Apple Campus 2 project, which have been included in the budget to provide transparency and accountability.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve the following:

Section 1: That portion of the Public Works Department's budget for fiscal year 2017-18 reflecting pass-through revenues paid to the City to cover consultant and expert costs associated with the Apple Campus 2 project, as shown in more detail on Attachment A1, attached and incorporated by reference.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 20th day of June, 2017, by the following vote:

Vote Members of the City Council

AYES: Vaidhyanathan, Chang, Scharf

NOES: None

ABSENT: Paul

ABSTAIN: Sinks

ATTEST:

APPROVED:



Grace Schmidt, City Clerk



Savita Vaidhyanathan, Mayor,
City of Cupertino

FISCAL YEAR 2017-18 PROPOSED BUDGET
 FINANCIAL OVERVIEW BY FUND

Revenue Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2017-18 Proposed Budget Total
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Transient Occupancy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Utility Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Franchise Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses & Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Use of Money & Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Charges for Services	\$ 943,069	\$ -	\$ -	\$ -	\$ -	\$ -	943,069
Fines & Forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Miscellaneous	\$ 141,460	\$ -	\$ -	\$ -	\$ -	\$ -	141,460
Transfers In/Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL REVENUE	\$ 1,084,529	\$ -	\$ -	\$ -	\$ -	\$ -	1,084,529

Appropriation Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2017-18 Proposed Budget Total
Employee Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Employee Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contract Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Cost Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Special Projects	\$ 943,069	\$ -	\$ -	\$ -	\$ -	\$ -	943,069
Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Debt Service/Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL EXPENDITURES	\$ 943,069	\$ -	\$ -	\$ -	\$ -	\$ -	943,069

RESOLUTION NO. 17-054

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO
ADOPTING AN OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR
FISCAL YEAR 2017-18 BY RATIFYING THE ADEQUACY OF ESTIMATED
REVENUES AND FUND BALANCES IN EACH FUND TO COVER
APPROPRIATED MONIES, APPROPRIATING MONIES THEREFROM FOR
SPECIFIED ACTIVITIES AND ACCOUNTS, AND SETTING FORTH
CONDITIONS OF ADMINISTERING SAID BUDGET**

WHEREAS, the orderly administration of municipal government is dependent on the establishment of a sound fiscal policy of maintaining a proper ratio of expenditures within anticipated revenues and available monies; and

WHEREAS, the extent of any project or program and the degree of its accomplishment, as well as the efficiency of performing assigned duties and responsibilities, is likewise dependent on the monies made available for that purpose; and

WHEREAS, the City Manager has submitted his estimates of anticipated revenues and fund balances, has determined that estimated revenues and fund balances are adequate to cover appropriations, and has recommended the allocation of monies for specified program activities;

WHEREAS, the City has independently studied the proposed Capital Improvements Program (CIP) and has determined that the CIP is exempt from environmental review pursuant to the exemption in 14 Cal. Code Regs. §15601(b)(3) in that it can be seen with certainty that there is no possibility that this action will have a significant effect on the environment because approval of the CIP is a budgeting action, and does not involve approval of any specific project that may have a significant effect on the environment;

WHEREAS, the City Council, using its independent judgment, before taking action on this Resolution, determines that the CIP is exempt from CEQA as stated above;

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby adopt the following sections as a part of its fiscal policy:

Section 1. The estimates of available fund balances and anticipated resources to be received in each of the several funds during fiscal year 2017-18, as submitted by the City Manager in his proposed budget and amended during the budget study sessions, are sufficient to cover appropriations.

Section 2. There is appropriated from each of the several funds the sum of money set forth as expenditures for the funds named in the Fiscal Year 2017-18 Proposed Budget Financial Overview by Fund (Attachment B1), as amended during the budget sessions, and stated for the purposes as expressed and estimated for each department.

Section 3. The City Manager is hereby authorized to administer and transfer appropriations between Budget Accounts within the Operating Budget when in his opinion such transfers become necessary for administrative purposes.

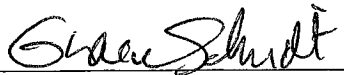
Section 4. The Director of Administrative Services shall prepare and submit to City Council quarterly a revised estimate of Operating Revenues.

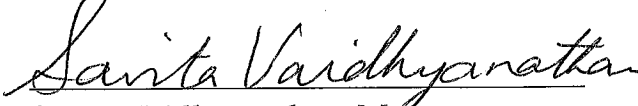
Section 5. The Director of Administrative Services is hereby authorized to carry over, from the prior fiscal year, unexpended appropriations for Capital Improvement projects.

Section 6. The Director of Administrative Services is hereby authorized to continue appropriations for operating expenditures that are encumbered or scheduled to be encumbered at year end.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 20th day of June, 2017, by the following vote:

<u>Vote</u>	<u>Members of the City Council</u>
AYES:	Vaidhyanathan, Chang, Scharf, Sinks
NOES:	None
ABSENT:	Paul
ABSTAIN:	None

ATTEST:

Grace Schmidt, City Clerk

APPROVED:

Savita Vaidhyanathan, Mayor,
City of Cupertino

Attachment B-1

FISCAL YEAR 2017-18 PROPOSED BUDGET
FINANCIAL OVERVIEW BY FUND

Revenue Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2017-18 Proposed Budget Total
Sales Tax	\$ 22,790,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,790,000
Property Tax	\$ 20,757,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,757,000
Transient Occupancy	\$ 6,708,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,708,000
Utility Tax	\$ 3,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200,000
Franchise Fees	\$ 3,040,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,040,000
Other Taxes	\$ 2,850,000	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ 4,200,000
Licenses & Permits	\$ 2,145,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,145,000
Use of Money & Property	\$ 1,647,790	\$ 2,000	\$ -	\$ -	\$ 231,200	\$ -	\$ 1,880,990
Intergovernmental	\$ 484,000	\$ 1,980,590	\$ -	\$ -	\$ 15,000	\$ -	\$ 2,479,590
Charges for Services	\$ 12,394,828	\$ 384,100	\$ -	\$ -	\$ 7,181,800	\$ 4,167,492	\$ 24,128,220
Fines & Forfeitures	\$ 600,000	\$ 6,000	\$ -	\$ -	\$ 56,000	\$ -	\$ 662,000
Miscellaneous	\$ 294,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,500
Transfers In/Other Financing Uses	\$ 2,000,000	\$ 12,772,122	\$ 3,167,538	\$ 4,546,000	\$ 400,000	\$ 5,657,077	\$ 28,542,737
TOTAL REVENUE	\$ 78,911,118	\$ 16,494,812	\$ 3,167,538	\$ 4,546,000	\$ 7,884,000	\$ 9,824,569	\$ 120,828,037

Appropriation Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2017-18 Proposed Budget Total
Employee Compensation	\$ 17,078,787	\$ 936,733	\$ -	\$ -	\$ 1,952,091	\$ 2,336,566	\$ 22,304,177
Employee Benefits	\$ 7,210,639	\$ 511,493	\$ -	\$ -	\$ 603,569	\$ 1,830,031	\$ 10,155,732
Materials	\$ 4,784,228	\$ 742,316	\$ -	\$ -	\$ 534,167	\$ 1,387,706	\$ 7,448,417
Contract Services	\$ 18,165,196	\$ 796,900	\$ -	\$ 125,000	\$ 6,135,360	\$ 2,024,155	\$ 27,246,611
Cost Allocation	\$ 7,812,849	\$ 555,816	\$ -	\$ -	\$ 759,543	\$ 733,706	\$ 9,861,914
Capital Outlays	\$ 85,000	\$ 5,638,000	\$ -	\$ 4,421,000	\$ -	\$ -	\$ 10,144,000
Special Projects	\$ 1,727,400	\$ 14,872,000	\$ -	\$ -	\$ 95,000	\$ 2,371,930	\$ 19,066,330
Contingencies	\$ 1,253,931	\$ 39,571	\$ -	\$ -	\$ 273,496	\$ 340,418	\$ 1,907,416
Transfers Out	\$ 12,590,196	\$ -	\$ -	\$ 12,184,000	\$ 223,766	\$ -	\$ 24,997,962
Debt Service/Other Uses	\$ 3,327,538	\$ -	\$ 3,167,538	\$ -	\$ -	\$ 665,551	\$ 7,160,627
TOTAL EXPENDITURES	\$ 74,035,764	\$ 24,092,829	\$ 3,167,538	\$ 16,730,000	\$ 10,576,992	\$ 11,690,063	\$ 140,293,186



CUPERTINO

Budget Message



June 20, 2017

To the Residents of Cupertino, Honorable Mayor and Members of the City Council:

I am pleased to submit a balanced FY 2018 Adopted Budget. Cupertino prides itself on being a financially stable organization, which helped the City avoid severe service level reductions and layoffs during the last economic downturn. The City has been fortunate that revenues have outpaced expenditures for the last several years. However, cities in California are expecting a 7-year ramp up of CalPERS retirement rates due to the reduction in the expected investment rate of return from 7.5% to 7%, which will increase personnel costs significantly over the forecast period. With healthy reserves and projected surpluses in all five years of the forecast period, the City is well positioned to manage these rapidly increasing costs.

The City's strong incoming financial position notwithstanding, this significant new and permanent liability warrants a response. Consequently, I propose increasing our CalPERS Retirement reserve from \$500,000 to \$4.8 million in FY 2018. Over the next several months, staff will be exploring the efficacy of transferring part or all of this reserve into a trust account similar to the one we created to fund the City's OPEB liability. Based on 10-year projections, this approach will allow the City to weather the significant increases to employer retirement rates and minimize their impacts on City operations.

Reflected in this budget are increases in salary and benefit costs resulting from three-year bargaining unit contract agreements approved by Council in October 2016. I am pleased that Cupertino employees are compensated well above median for our region allowing us to retain and attract talent. Other budget resources are proposed for maintaining existing service levels and infrastructure with few service level enhancements. The focus for next fiscal year will be on better utilizing existing resources to maximize efficiency in delivering services to our residents. I am recommending strategic investments in the areas of transportation, emergency preparedness, senior recreation services, and Council staff support. A total of 4.0 new positions were requested and approved by Council in this budget to help the City meet demands for enhanced services. However, these positions will be limited-term in order to minimize long-term impacts on the City's fiscal health. I am also recommending a one-year extension of a limited-term position that supports our sustainability programs. Finally, Staff is recommending

additional funds for contractual services in the Administrative Services Department to assist in modernizing policies and internal processes that have languished for many years.

Two new funding sources will assist with our investment in transportation maintenance and improvements. Measure B, a voter-approved county-wide transportation tax will result in approximately \$1.3 million additional revenue for local street and road maintenance. The Road Repair and Accountability Act of 2017 (SB1, Beall) signed by Governor Brown in March will provide an additional \$336,000 in FY 2018 for pavement maintenance, which will increase to \$1.3 million annually by FY 2020. Over the past four years, the City's investment in pavement maintenance has brought the City's pavement condition index from 64 (fair) in 2012 up to an improving 78 (good) today. As a city's index nears 80, more money is spent on preservation rather than rehabilitation, and consequently, maintenance costs are lower and require less effort. Public Works staff is deservedly proud of this remarkable accomplishment and the new Measure B and SB1 will help Cupertino meet and exceed its goal of an 80 pavement condition index.

The 2016 fiscal year saw significant development in the City of Cupertino. Projects included a variety of retail, residential, mixed-use and office. In 2017, we expect a drop in the level of large projects and a sustained level or a slight decrease in smaller commercial and residential projects. Below is a list of some of the major projects that have either been recently approved and/or are in the construction stage. These projects contribute to the smart and diverse growth of the city, contribute significantly to the growth in City financial resources, and provide a much desired identity for the community:

- ***Apple Park.*** Construction has been progressing with an estimated goal of occupancy from Spring 2017 through the end of the year. The project includes an approximately 3.4 million square feet of office and labs for research and development as well as a 1,000 seat theater and supporting facilities. The completion of this project is expected to focus more global interest in the city, and foster economic development by attracting businesses and supporting services.
- ***Main Street.*** Construction for the retail portion was completed with the majority of the spaces occupied. The office and flex space (which houses small businesses) are 100% occupied. The Grand Opening of the plaza was held on September 17, 2016. Community based events such as tree lighting and holiday music and dance have been planned and held at the plaza. Main Street provides a gathering place for residents and a place to host community events. Other uses that are to come in the upcoming year include a 180-room Marriot Courtyard hotel, 120 apartments and a 0.5-acre public park in addition to the already built Town Square.

- **Hamptons.** In July 2016, the City Council approved the redevelopment for the Hamptons Project located near the Apple Park. The site was identified as a “Priority Housing Element Site” in the Housing Element, proposes to replace the existing 342 apartments with a total of 942 apartments. Community benefits include \$7 million towards the Civic Center, an additional \$7 million for the I-280/Wolfe Road interchange, extension of a recycled water line to the project, and will share the cost toward the establishment and operation of Transportation Demand Association that may fund community shuttles. The project would also add 37 Below Market-rate (BMR) units for a total of 71 affordable units. The project will also pay impact fees for parks, schools and traffic improvements.
- **Marina Plaza.** In September 2016, the City Council approved the Marina Plaza project which was also identified as a “Priority Housing Site” in the Housing Element. The project replaces the existing Marina Shopping Center and Mandarin Gourmet restaurant with 23,000 square feet of new retail and restaurant uses and provides an opportunity to relocate some existing businesses as well as a small market, a new 122-room hotel along De Anza Boulevard, and 188 residential units that include 18 affordable below-market rate units. The project will increase the affordable housing stock in the city and provide a new hotel, which will bring in much needed services and revenue.
- **Target.** On September 27, 2016, the Planning Commission approved an application from Target to remodel the existing store at 20745 Stevens Creek Boulevard. The project maintains the existing building footprint but has a redesigned interior to adapt to new consumer trends and a new curbside pickup area on the west side of the building. Project goals also include adding sustainability features such as solar canopies, living walls (greenery), and drought-tolerant planting, accentuating the pedestrian link to the entry plaza. The project has been put on hold for a year and is expected to begin in January 2018. When the construction is completed, the Cupertino Target store will be one of the first new corporate stores in the country to be designed with these features, bringing economic viability and visibility to the city.

Organizational Changes

Last year, I hired the City’s first Chief Technology Officer (CTO) to lead a newly created department focused on technology services. After assessing staff skills, the CTO has renamed the department Innovation and Technology (IT) and reorganized it into five divisions: Administration, Infrastructure, Applications, GIS, and Video. The Communication program was split into the Video program, which comprises the technical audio-visual side of communications, and Public Affairs. Public Affairs has moved into the City Manager’s Office and is focused on community engagement, outreach, marketing, and branding. IT application and hardware budgets will be centralized and managed by IT. Overall, this change has

improved IT customer service, as reflected in our recent internal customer satisfaction surveys, with departments feeling more supported in making technology investments.

Organizational Accomplishments & Highlights

The City is proud of its reputation as a green city. To further its sustainability goals, the following service level enhancements were implemented in FY 2017:

Community Choice Energy

Last year, the City partnered with the cities of Sunnyvale, Mountain View, the County and with eight other Santa Clara communities to form the Silicon Valley Clean Energy Authority (SVCEA) and operate the region's first Community Choice Aggregation program. As of April 1, 2017, SVCEA is directly procuring renewable and low greenhouse gas (GHG) emitting electrical power supplies on behalf of the residents and businesses in Santa Clara County. While electric supply is handled by SVCEA, the electricity grid and customer service remain with PG&E. Service to residential customers is being phased in April-October 2017. To see the latest on SVCEA, visit www.svcleanenergy.org.

Drought and Storm Response

The beginning of the year was a peak for the multi-year State-wide drought emergency. Water conservation was a priority City-wide. Municipal facilities achieved an overall water savings of 35% as compared to 2013. These savings exceeded local area goals and resulted in the conservation of over 47.8 million gallons. Ironically, the very rains that ended the drought emergency were the cause for the State and Federal flood disaster emergencies in Santa Clara County. Fortunately, incidences of flooding and other damage were very light in Cupertino. This is attributed to good preparation, experienced staff and well-maintained infrastructure.

Minimum Wage

Per Council direction, staff worked with the Cities Association of Santa Clara County on a regional Minimum Wage Ordinance to increase the minimum wage to \$15/hour by 2019. In addition to helping craft the ordinance, staff made significant efforts to obtain feedback from business stakeholders through an employer survey, several presentations at Chamber of Commerce Legislative Action Committee, three business outreach meetings, and an online community poll. After Council adopted Ordinance No. 16-2151 establishing a citywide minimum wage on October 4, 2016, staff continued its outreach to ensure compliance with the January 1, 2017 increase to \$12/hour. Notices and postcards were sent out to every business license holder in the City and residents were informed of potential price increases. To date, the City has not received any complaints related to compliance. For more information, visit www.cupertino.org/wagewatch.

Beekeeping Ordinance

In order to address an alarming reduction of bees in the United States, the City Council joined many other cities and towns in the country to approve an amendment to the city's current Beekeeping Ordinance that had previously prohibited beekeeping within the majority of the city's 13 square miles. The amendment provides more reasonable and flexible regulations to support and encourage urban beekeeping. Community Development Department collaborated with Cupertino's Rolling Hills 4-H team to develop regulations for the ordinance. The Ordinance became effective on January 6, 2017.

Cupertino Scene

The City is improving its communication tools to better engage with the public. In February, the Public Affairs team gave the Cupertino Scene a new look. The reimagined Scene is larger, has brighter colors, features more articles, and includes a Q&A section for frequently asked questions. The feedback has been very positive.

Implementation of 2016 Bicycle Transportation Plan

Following up on recommendations contained within the 2016 Bicycle Transportation Plan, a study of conceptual designs is underway for protected bike lanes on Stevens Creek Boulevard and McClellan Road, as well as for a network of bicycle boulevards on local streets throughout the City. Implementation of these improvements is anticipated to begin in summer, 2017. Also, a Request for Proposals has also been initiated for two major trail projects identified in the plan.

Pavement Management

This year, the city's street pavement asset hit a new milestone. The measurement index in which pavement condition is rated advanced from a network value of 70 out of 100 to a value of 78. The value of this is that pavement conditions are becoming very good and the future cost to maintain the network will become less. Also important is that this good condition results in less wear and tear on vehicles, and much better surfaces for biking and walking.

Safe Routes to School

Now expanded from the initial six-school pilot program to include all fourteen public schools, the Safe Routes to School (SR2S) program has continued to grow its influence among the public school community within Cupertino. Just a few of the many accomplishments include:

- Creating a library of educational materials to encourage the use of alternate modes of transportation to schools and to enhance safety for all roadway users;
- Scheduled walk audits at every Cupertino school to identify areas of improvement;
- Scheduled and coordinated bike rodeos at middle and elementary schools;
- Incorporated bike safety education at 6th-grade assemblies in CUSD;

- Oversight of the City's crossing guard and bike fleet programs; and
- Travel mode data collection at all schools to monitor overall success of program

In addition, the SR2S Program is actively seeking to identify Parent Champions at each school to advocate locally within their school community, and efforts are underway to expand in-class education to every 3rd, 5th and 6th grade student in Cupertino, a key overall goal of the Program.

Below Market Rate (BMR) Manual

Staff updated the Policy & Procedures Manual for Administering Deed Restricted Affordable Housing Units (BMR Manual), which was adopted by Council on September 20, 2016. The BMR Manual establishes guidelines and procedures for the on-going administration of affordable units. The amendments improve transparency by making the procedures more accessible and clear. The City has received over 700 applications for placement on the BMR Eligibility List for ownership and rental, which is a record high for Cupertino. While the demand for such units severely outstrips supply, the City continues to work with developers to increase affordable units in their housing projects.

Citywide Parks and Recreation System Master Plan

The Citywide Parks and Recreation System Master Plan is underway. A new consultant agreement was approved by the City Council in January 2017 with MIG. Work has resumed on the Plan, with on-site tours and interviews conducted in March and April 2017. A stakeholder group will be formed in the coming months. The project is progressing well and expected to be completed in 2018.

Stevens Creek Corridor Park Rangers

Shifting the City's Park Rangers from a contract service to in-house City employees has proved to be very beneficial for the Stevens Creek Corridor. The Rangers, hired summer 2016, have become a welcome presence in the Corridor, providing a higher level of safety, security, and customer service. The Rangers monitor and patrol the Corridor, work with the City Naturalist on habitat restoration, and engage and educate visitors and volunteers on a variety of topics including corridor restoration efforts, natural history, wildlife sightings, and leash laws.

Technology Services

The City has been leveraging software to increase efficiency and transparency, including:

- CityWorks expansion of GIS asset management to additional Public Works divisions and replacement of MapGuide with updated property information application to improve internal and community access to data.

- OpenGov budgeting module and in house Collective Budgeting tool to assist with budget development.
- NeoGov recruiting and onboarding software to assist HR.

Labor Negotiations

The City successfully negotiated three-year labor agreements with its bargaining groups, highlights include:

- Cost of living adjustments (3.5% Year 1, 3.25% Year 2, and 2.5% Year 3);
- Employees fully funding the employee contribution of retirement by July 2017 (Tier 1 – 8%, Tier 2 – 7%, Tier 3 – 6.25%);
- Increased health coverage contributions to \$810 for family coverage the equivalent of 85% of the Kaiser Plan with 5% increases in January 2018 and January 2019;
- Fully covering dental costs and moving all groups to the same \$2,500 benefit plan; and
- Adding short-term disability for employees not covered under the State Plan.

Capital Improvement Projects Completed

At the end of fiscal year 2017, ten CIP projects will have been completed, including:

- Blacksmith Shop Forge Restoration
- Quinlan Community Center Fire Alarm Control Panel Replacement
- City Hall Turf Reduction
- De Anza Boulevard Monument Sign
- Pasadena Avenue Public Improvements
- Sidewalk Renovation on Stevens Creek Boulevard
- Resurfacing of tennis courts at the Sport Center and at Memorial Park

In addition, the Pedestrian Master Plan and the New Service Center Administration Building Feasibility Study were completed. Major progress milestones were achieved on many other projects, with most of these projects expected to be complete by the end of the calendar year.

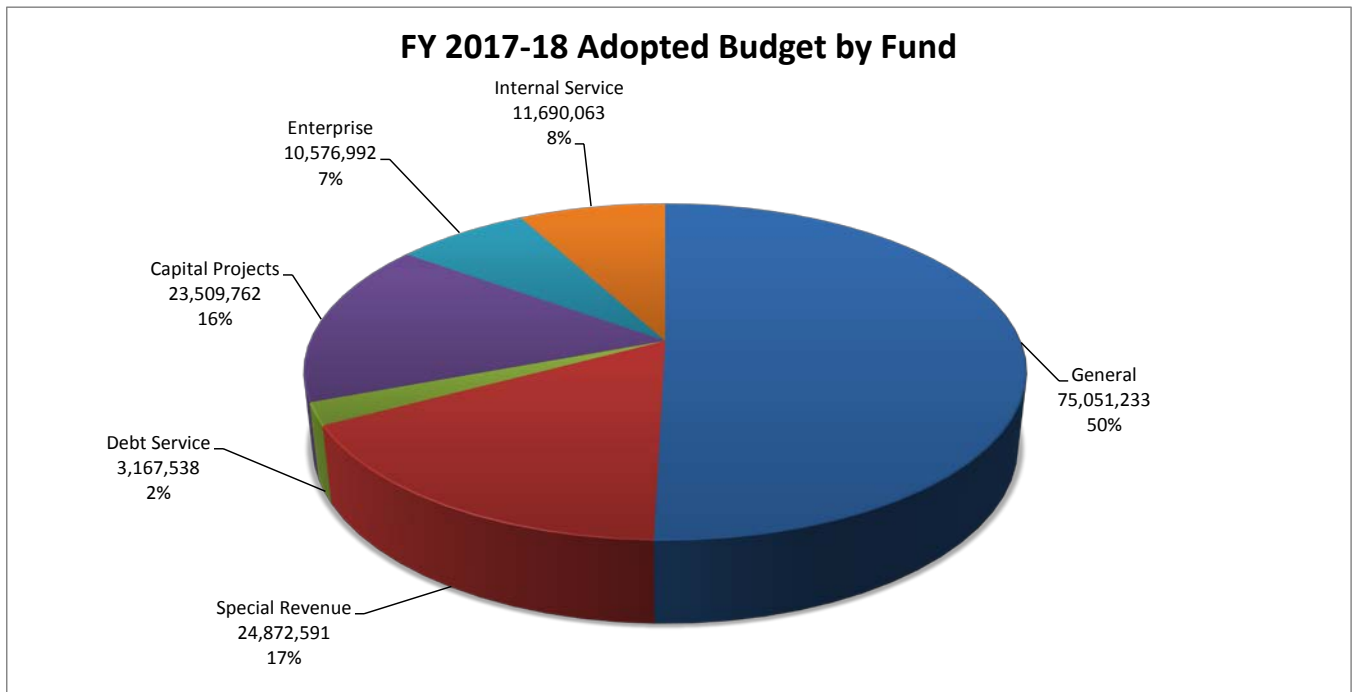
ADOPTED BUDGET OVERVIEW

The Adopted Budget reflects a total City budget of \$148.9 million, an increase of \$15.6 million or 12% when compared to the FY 2017 Adopted Budget. The City’s General Fund is at \$75.1 million, a decrease of \$2.2 million or 3% from the FY 2017 Adopted Budget. The General Fund is balanced through the use of General Fund revenue of \$80 million and is projected to end FY 2018 with approximately \$6.9 million in unassigned fund balance that may be transferred to the

Capital Reserve per the Reserve and One Time Use Policy as part of the City’s year-end process. The transfer is not reflected in the Adopted Budget.

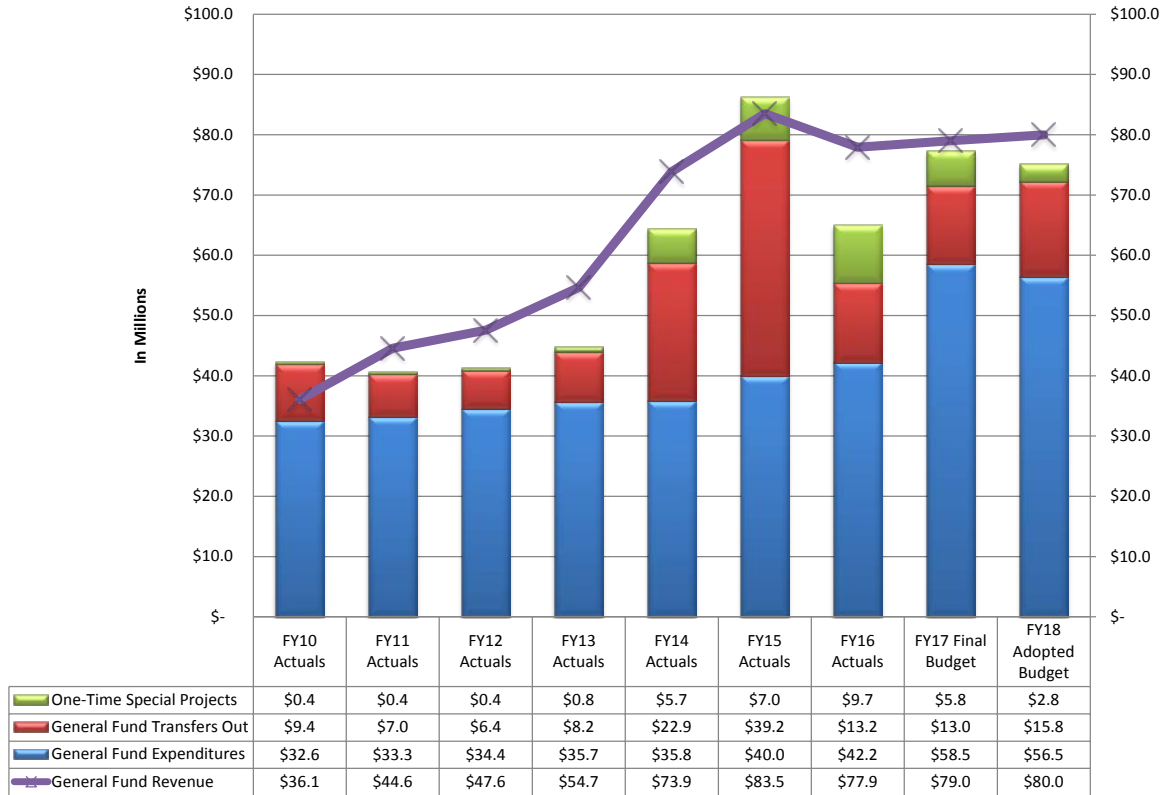
Fund Type	Total Adopted Budget Expenditures	Total Adopted Budget Revenue	1x Funding	Net Balance
General	\$75,051,233	\$79,995,647	\$2,000,000	\$4,944,414
Special Revenue	\$24,872,591	\$16,494,812	\$12,772,122	(\$8,377,779)
Debt Service	\$3,167,538	\$3,167,538	\$3,167,538	\$0
Capital Projects	\$23,509,762	\$8,325,762	\$8,325,762	(\$15,184,000)
Enterprise	\$10,576,992	\$7,884,000	\$400,000	(\$2,692,992)
Internal Service	\$11,690,063	\$9,824,569	\$5,657,077	(\$1,865,494)
Total	148,868,179	125,692,328	32,322,499	(23,175,851)

As shown in the chart below, the Adopted Budget is largely funded by the General Fund (50%):



The graph below summarizes the changes in the City’s General Fund for an eight-year period:

General Fund Revenues Expenditures and Transfers Out



A total of 197.75 positions are budgeted in FY 2018 including 4.0 new limited-term positions to: (1) improve the City’s disaster preparedness program by filling the void left by the departure of the County Fire District’s Emergency Services Coordinator 5 years ago; (2) continue investing in sustainability; (3) provide better service to Council (Executive Assistant); (4) improve Senior Center operations and (5) enhance City’s transportation planning needs (Senior Planner).

Current Authorized Positions		193.75
<i>FY 2018 Adopted Budget</i>		
Emergency Services Coordinator (3 Year Limited Term)		1.00
Environmental Program Specialist (Extend 1 Year)		0.00
Executive Assistant (with conversion of an existing position to 3 Year Limited Term)		1.00
Recreation Coordinator (3 Year Limited Term)		1.00
Senior Planner -Transportation (3 Year Limited Term)		1.00
Total FY 2018 Benefitted Positions¹		197.75

¹ Does not include City Council Members

As in the past, we continue to recommend adding positions only on a limited term basis unless, we are confident that the needed level of service will be permanent, our ongoing revenues can support the position long-term, or we cannot recruit and/or retain the staff resource on a limited term basis. Staff believe that none of these conditions exist to support permanent staff additions at this time.

Changes to the Budget and Policies

The FY 2018 budget document and process are very similar to those of the past few years. Below are a few highlights from the budget and process:

City Sponsorship of Festivals

In January 2017, the Recreation & Community Service Department introduced a new Special Event Application and Information Packet for Community and Cultural Festivals at Memorial Park, which outlines event requirements to assist event producers in planning successful events at Memorial Park, including a clearly defined process, how to submit the annual application, an event evaluation, and detailed planning requirements in one place for easy reference. All existing festival producers submitted complete applications in February 2017, which covered the period July 2017-June 2018. Having each event's facility, park, street closure, and City service requests in advance, including proposed days and times of use, allows staff to more accurately calculate the full City costs to support each festival. In FY 2018, a total of \$116,310 is budgeted to cover the cost of 11 festivals as detailed in the Recreation and Community Service's Cultural Events program. Festival producers are requesting that City Council waive fees associated with these festivals. In addition, the Department will propose Memorial Park festival permit fees in the FY 2017-2018 fee resolution.

Revised Fees and Cost Allocation Plan (CAP)

Large shifts in the category of cost allocation changes are found almost across the board in this year's Adopted Budget. These shifts are primarily due to changes in methodology. The City attempted to capture the full cost of providing services to the community in the 2017 CAP and also captured the full cost of providing internal services such as management oversight from City Manager's Office, legal services, and grounds maintenance within the same fund. Fully allocating internal service costs to internal service divisions within the General Fund required significant staff time and proved to be of little value. The City has revised the model in FY 2018, as recommended by Matrix Consulting, to align with standard industry practice. In addition, the current fiscal year charges were trued up using actual expenditures. In the prior year, budgeted appropriations were used. Both changes resulted in decreased cost allocation charges citywide. Lastly, the City changed the cost spread methodology for Information Services to be on a per device basis rather than on FTEs.

Performance Measures

In prior years, citywide performance measures have been reported by departments on a quarterly basis. However, starting in FY 2018, they will be reported bi-annually at Mid-Year and at year-end. This will allow departments more time between reports to track their progress, collect their results, and ultimately focus efforts on improving performance.

Program Budget Detail at the Account Level

The City's Audit Committee recommended a format change to the City's budget due to the success of the City's Financial Transparency Portal. The recommendation was to remove the schedules for the Program Budget Detail at the Account Level from program budget section as this account level detail and more can be found in the portal.

The City also complies with the following additional policies and limits not listed in the Financial Policy section but are updated and/or approved annually:

Investment Policy

The City Council annually updates and adopts a City Investment Policy that is in compliance with State statutes on allowable investments. By policy, the Audit Committee reviews the policy and acts as an oversight committee on investments. The policy directs that an external auditor perform agreed-upon procedures to review City compliance with the policy. The full policy is available on the City website as part of the May 16, 2017 City Council agenda packet.

GANN Appropriations Limit

The City's appropriations limit for FY 2018 is \$96,028,488, \$4,161,474, or 4.5% higher than the FY 2017 limit of \$91,867,014. For FY 2018, the City's estimated appropriations of proceeds from taxes, less statutory exclusions, are unchanged as of the Adopted Budget. If a city exceeds the legal limit, excess tax revenue must be returned to the State or citizens through a process of refunds, rebates, or other means that may be determined at that time. The appropriations limit is not expected to present a constraint on current or future budget deliberations.

Adopted Budget by Fund

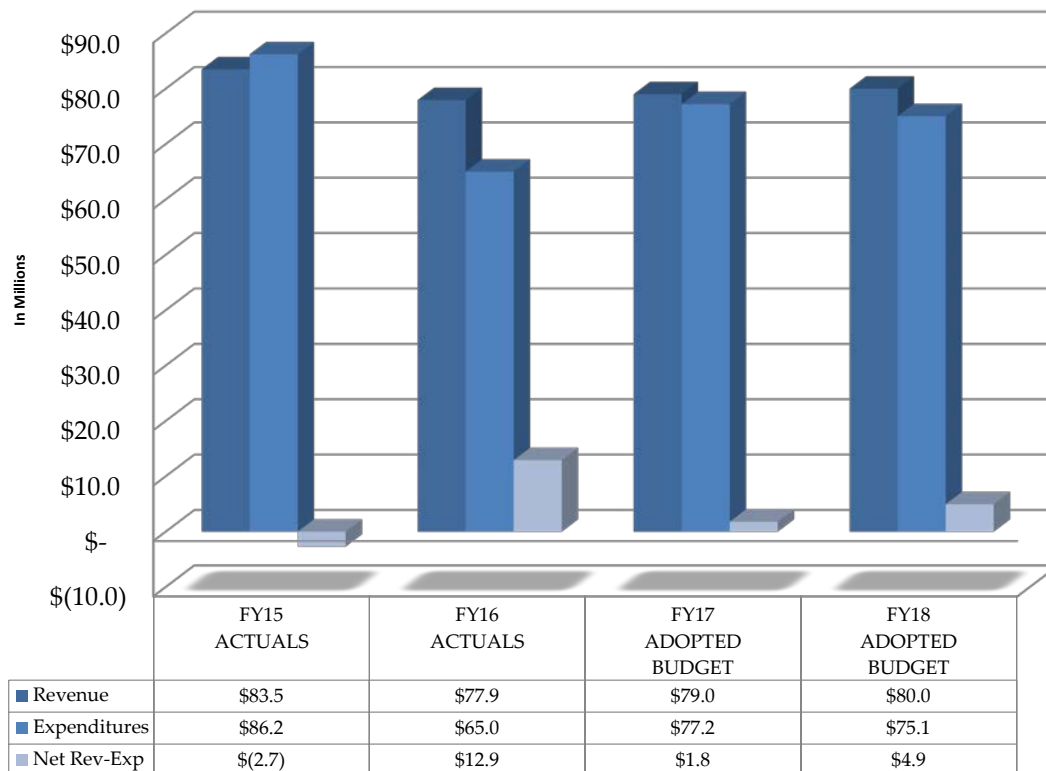
General Fund

The General Fund pays for core services such as public safety, recreation and community services, planning and community development, streets and trees, and a host of other vital services. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, transient occupancy tax, charges for service, and a variety of other discretionary sources. As illustrated in the chart below, the majority of General Fund revenue

supports funding for Public Works, Planning and Community Development, and Law Enforcement.

General Fund revenue is estimated at \$80 million in the FY 2018 Adopted Budget (excluding fund balance). This is an overall increase of \$1 million (1%) when compared to the FY 2017 Adopted Budget. Decreases in revenue are related to a one-time sales tax payment from the state to reconcile the “triple-flip” in addition to a change in the methodology for cost allocation. The local economic boom has driven strong gains in sales tax, property tax, and transient occupancy tax revenues, which have partially been offset by decreases in development-related fees and charges given the challenging political climate surrounding development in the City. The following chart shows four years of total revenue, expenditures and changes to fund balance for the General Fund:

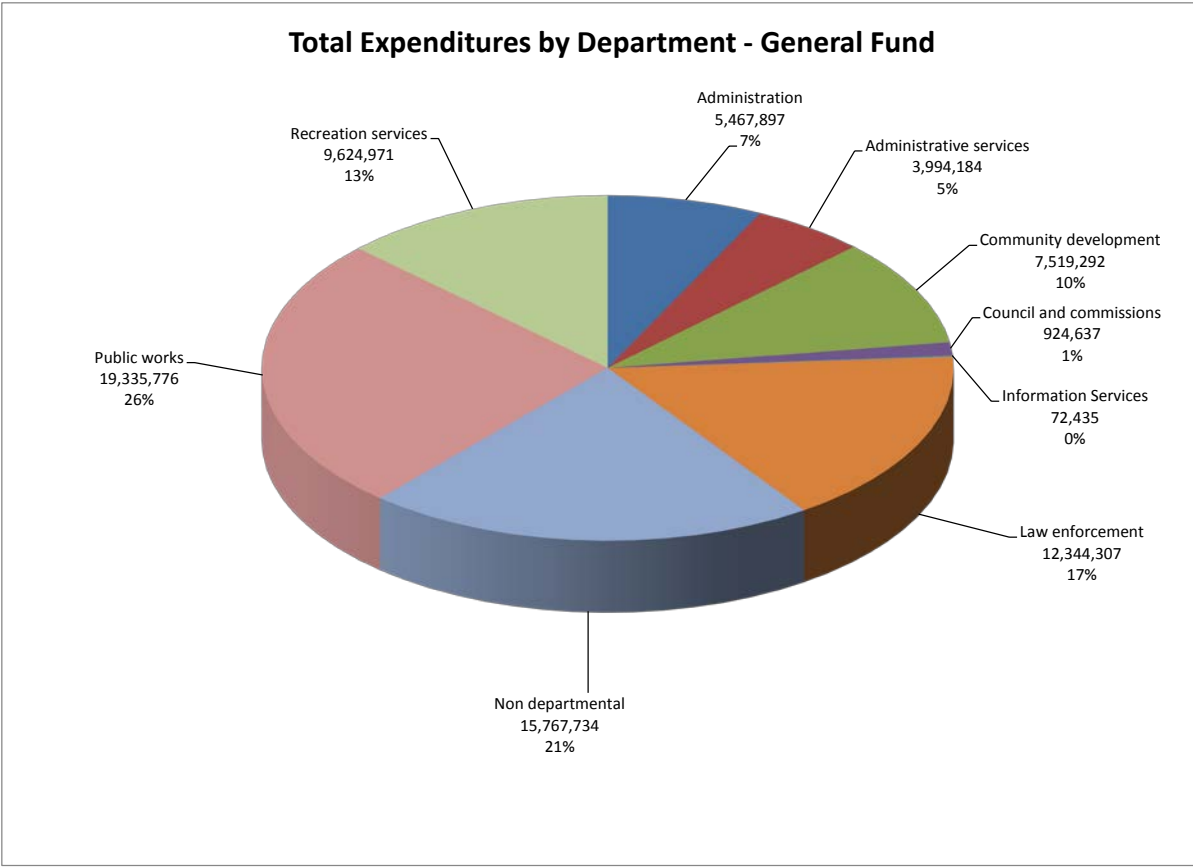
General Fund Revenue, Expenditures and Changes in Fund Balance



The General Fund unassigned fund balance is projected to increase from the current year estimate of \$6.6 million to \$7 million in FY 2018. As shown in the chart below, the FY 2018 ending fund balance is estimated to be \$45.6 million, or 12% higher than the FY 2017 year-end estimate. The increase in unassigned fund balance is due to increases in revenue sources and decreases in expenditures mostly related to salary savings, special projects and other financing uses.

GENERAL FUND BALANCE					
Classification	FY 14-15	FY 15-16	FY 16-17	FY 17-18	Percent
	Actual	Actual	Estimate	Proposed	Change
Unassigned	\$ 8,774,966	\$ 29,869,085	\$ 6,426,276	\$ 6,750,090	5%
All other classifications	\$ 30,549,577	\$ 22,325,755	\$ 33,964,396	\$38,657,396	14%
Total Fund Balance	\$ 39,324,543	\$ 52,194,840	\$ 40,390,672	\$45,407,486	12%

As shown in the chart below, the majority of city resources are used to support public works (26%), non-departmental expenses (21%), law enforcement (17%), recreation (13%), and community development (10%).



Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds account for 17% of the citywide expenditure budget. The largest Special Revenue Fund is the one for streets, roads, and transportation. Other funds account for storm drain management, affordable housing programs, and park development. The Adopted Budget for Special Revenue

Funds for FY 2018 is \$24.9 million, an increase of \$7.9 million from FY 2017 Adopted Budget. The increase is primarily due costs is capital projects.

Budgets within the Special Revenue Funds are funded by \$3.7 million in restricted department revenue, and \$12.8 million transfers from the General Fund, bringing total funding sources for the fund to \$16.5 million. This will result in a projected decrease to fund balance of \$8.4 million. The Special Revenue Funds are projected to end the year with fund balances of \$53.2 million.

Capital Projects Funds

The Capital Improvement Project Fund, Stevens Creek Corridor Park, and Capital Reserve are currently in the Capital Projects Fund type category. This fund type is typically used to account for financial resources that are used for the acquisition or construction of major capital facilities or to provide facilities for City departments, and are identified in the five-year Capital Improvement Program (CIP).

The Adopted Budget for the Capital Projects Funds for FY 2018 is \$23.5 million, comprised of \$8.3 million in new capital projects and \$15.2 million in transfers out to the Special Revenue and Enterprise funds to fund capital projects in addition to a \$2 million transfer to the General fund for the CalPERS assigned reserve. The FY 2018 Adopted Budget is \$8.4 million higher than FY 2017 budget expenditures based on the cost of the recommended capital projects.

Enterprise Funds

Enterprise Funds are set up for specific services that are funded directly by fees charged for goods or services. Enterprise Funds consist of Resource Recovery for the solid waste collection franchise, Blackberry Farm for the City-owned golf course, the Cupertino Sports Center, and Recreation Programs for cultural, youth, teen, sports, and physical recreation programs.

The Adopted Budget for Enterprise Funds for FY 2018 is \$10.6 million, an increase of \$0.9 million from the FY 2017 Adopted Budget. Budgets within the Enterprise Funds are funded by \$7.5 million in program revenue and \$400,000 in transfers from the General Fund. The Enterprise Funds also rely on \$2.7 million of prior year fund balance, bringing total funding sources for the funds to \$10.6 million. The Enterprise Funds are projected to begin the fiscal year with \$7.6 million in fund balance and are projected to end the year with a fund balance of \$4.9 million.

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other City departments or governments on a cost-reimbursement basis. Internal Service Funds include

funds and programs for information technology, City Channel, website, workers' compensation, equipment, compensated absence, long-term disability, and retiree medical insurance.

The Adopted Budget for the Internal Service Fund is \$11.7 million, which is \$1.2 million higher than the FY 2017 Adopted Budget. This increase is primarily attributed to increased full time staffing and purchase of software and equipment. Budgets within Internal Service Funds are funded by \$9.8 million in department revenue, \$5 million from the General Fund, and \$4.8 from a combination of depreciation reserves and retained earnings.

Special Projects

The FY 2018 Adopted Budget includes funding for several one-time Special Projects. These projects are identified as part of the Special Project section within each program and are summarized in the table below. This list excludes one-time capital outlays and ongoing pavement management costs.

Program Budget	Project Name	Expenditure	Funding Source
122 Sustainability Division	Climate Action Plan	\$160,000	General Fund
305 Government Channel	Audio Visual Technology Upgrades	\$225,000	General Fund
612 Park Facilities	Acterra Habitat Enhancement	\$68,000	General Fund
705 Economic Development	Economic Strategic Plan Imp.	\$175,000	General Fund
711 BMR Housing	Below Market Rate Affordable Housing Fund Notice of Funding Availability	\$8,000,000	Special Revenue
804 Plan Review	Wireless Facilities Master Plan	\$100,000	General Fund
804 Plan Review	Apple Campus 2	\$943,069	Pass Thru
807 Service Center Administration	Office Improvements	\$70,000	General Fund
807 Service Center Administration	City Facilities Building Assessment	\$200,000	General Fund
808 McClellan Ranch Park	Fence Replacement	\$12,000	General Fund
809 Memorial Park	Cement Work	\$50,000	General Fund
812 School Site Maintenance	Concrete Work	\$25,000	General Fund
812 School Site Maintenance	Water Supply at Collins School	\$50,000	General Fund
813 Neighborhood Parks	Concrete work and Sports Center Fence	\$110,000	General Fund
814 Sport Fields Jollyman CRK	Cement Pad	\$28,000	General Fund
825 Street Tree Maintenance	Tree Survey/Inventory Update	\$70,000	General Fund
827 Bldg Maint City Hall	AC IT Lab	\$55,000	General Fund

Program Budget	Project Name	Expenditure	Funding Source
828 Bldg Maint Library	Window and mirror replacement and floor polish	\$23,000	General Fund
829 Bldg Maint Service Center	Replace locker room floor	\$15,000	General Fund
830 Bldg Maint Quinlan Center	Various Improvement Projects	\$140,000	General Fund
831 Bldg Maint Senior Center	Various Improvement Projects	\$26,000	General Fund
832 Bldg Maint McClellan Ranch	4H Barn roof and light repairs	\$18,000	General Fund
833 Bldg Maint Monta Vista Ct	New Floor	\$25,000	General Fund
834 Bldg Maint Wilson	Snack Shack Upgrade	\$8,000	General Fund
835 Bldg Maint Portal	Ramp and door removal	\$25,000	General Fund
836 Bldg Maint Sports Center	Various Projects	\$95,000	General Fund
837 Bldg Maint Creekside	Various Projects	\$78,000	General Fund
838 Comm Hall Bldg Maint	Various Projects	\$45,000	General Fund
839 Teen Center Bldg Maint	Repaint Interior	\$5,000	General Fund
840 Park Bathrooms	Various Projects	\$20,400	General Fund
841 BBF Facilities Maintenance	Restroom and Café upgrades	\$25,000	General Fund
844 Traffic Engineering	Senior Mobility Pilot Program	\$22,000	General Fund
848 Street Lighting	Various Projects	\$118,000	General Fund
852 Franco Traffic Operations Ctr	Maintenance and Upgrades	\$18,000	General Fund
986 GIS	Cityworks logins	\$17,200	General Fund
	Total	\$11,064,669	

CURRENT ECONOMIC UPDATE

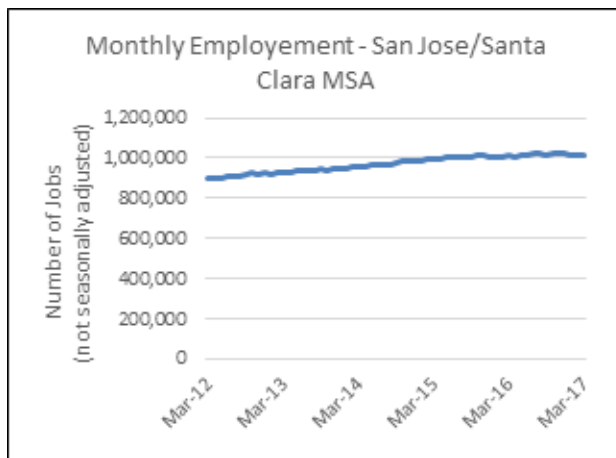
National and State Economic Conditions

The U.S. economy is continuing to show steady growth. U.S. Gross Domestic Product (GDP) increased by 1.6% in 2016 according to the Bureau of Economic Analysis, compared with an increase of 2.6% in 2015. The increase in real GDP in 2015 primarily reflected positive contributions from personal consumption, residential fixed investment, local and federal government spending, and exports that were partially offset by contractions in private inventory investment and nonresidential fixed assets.

Unemployment is falling while jobs are being created. The U.S. unemployment rate stood at 4.5% in March 2017 representing a 0.5% percentage point drop compared to the March 2016 unemployment rate of 5.0%, according to the Bureau of Labor Statistics. The unemployment rate has improved significantly from a high of 9.6% in 2010 and is at the full employment level.

Consumer confidence, as reflected by The Conference Board Consumer Confidence Index, hit the highest level since 2000 in March and now stands at 125.6 up from 116.1 last month. This month's spike was the result of consumers feeling greater optimism regarding the short-term outlook for business, jobs and personal income prospects.

The California economy is inching towards a full economic recovery. California's unemployment rate fell to 4.9% in March 2017, an improvement compared to last year's unemployment rate of 5.4%. Personal income is forecast at 3.6% in 2017 and 3.8% in 2018 mostly due to faster growth in wages. Growth in the housing market continues with the prices of single family homes up 6.8% and sales up 6.9%



compared to March of last year according to the California Association of Realtors (CAR). However, CAR predicts a small 0.8% increase in existing home sales next year. According to the December 2016 UCLA Anderson Business School Forecast, continued job growth, along with wage increases, will power consumption in 2017.

Cupertino Economic Conditions

Strong economic performance continues in Silicon Valley and Cupertino. Data from the State of California Employment Development Department paints a similar picture. Employment in the San José/Sunnyvale/Santa Clara Metropolitan Statistical Area (MSA) continues to increase. The preliminary estimate of the March 2017 employment level in the MSA was 1.0 million, virtually unchanged from the March 2016 level. The March 2017 unemployment rate of 3.6% has dropped since January and is lower than the 4.1% rate experienced a year ago. Our local unemployment rate is lower than the national unemployment rate of 4.5%.

Housing prices remain strong compared to the same period in 2016. In March 2017, single family homes sold from a median home price of \$1.8 million, a 0.4% increase over the past year. Property Tax revenue is expected to increase compared to last year given the increase in the median home price, reassessments of development projects, and additional TEA property tax share. Construction activity remains strong in Cupertino with Apple Campus 2 driving development growth.

KEY BUDGET ASSUMPTIONS

Revenue Assumptions

The FY 2018 Adopted Budget assumes moderate economic growth. Revenue projections for each category were based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. Revenue assumptions are discussed in detail in the Fund Summary section under Financial Policies and Schedules.

Personnel Assumptions

Negotiated salary increases are reflected in the FY 2018 Adopted Budget. The Council ratified three-year agreements with its two bargaining units in October 2016, including a 5.75% net salary increase and 10% increase in health benefits over the next three years. The City also conducted a comprehensive classification study resulting in the reclassification of 12 staff, which are also reflected in the budget.

In addition, budgeted personnel expenditures factor in salary step increases for approximately 43% of employees who have yet to reach the top step in their classification's salary range. Typically, a step increase is equivalent to a five percent increase in salary with a range of five salary steps.

Non-Personnel Assumptions

Non-Personnel budgets were developed based on actual expenditures in prior years, and then adjusted for FY 2018 funding needs. In addition, one-time projects have been separated out in FY 2018 to ensure that expenditure trends reflect ongoing expenditure needs. Contingency budgets are being reduced from 10% to 8% of the total General Fund budget for contractual services and supplies and materials for operating programs. Consistent with past budgets, an additional 5% is allocated to the City Manager's discretionary budget to cover unanticipated program expenses.

ONGOING CHALLENGES

Revenue Volatility

The City's revenue mix is heavily reliant on volatile business-to-business sales tax, which makes up approximately 29% of the City's annual General Fund revenues. Business-to-business sales taxes are very sensitive to economic fluctuations as evidenced by Cupertino's experience during the dotcom bust from 2000-2004. Our heavy reliance on the volatile high tech industry also makes us vulnerable. The loss of one of our top three sales tax producers in FY 2013-14 only

made the City more reliant on a single tax producer, making us more vulnerable to its business volatility.

Health Benefits

There is uncertainty around potential repeal and replacement of the Affordable Care Act (ACA) and how it would affect health care costs. Rate increases have stabilized with the implementation of the ACA.

Retirement Benefits

Significant investment losses experienced by CalPERS during the great recession resulted in the overall funded status of the retirement system dropping to 60% for public agencies. The funded status is currently estimated at 69%, down from 73% last year due to lower than expected investment returns. The desired goal is 100% funded status, where assets on hand are equal to the desired level of assets needed to pay pension benefits.

The CalPERS Board adopted revised actuarial policies that aim to return the system to 100% funded level within 30 years. The new method includes changing the asset smoothing period from 15 years to 5 years and paying gains and losses over a fixed 30 year period with a 5-year ramp up at the beginning of the 30-year period and a 5-year ramp down at the end. In December 2016, CalPERS informed agencies that it would be reducing the discount rate of return for investments by 0.5%. The result of this change is significant and will result in considerable increases in retirement well above what the City had previously forecasted for retirement expenses as noted in the table below. The FY 2018 Adopted Budget includes these additional expenses and proposes an increase to the City’s CalPERS Reserve from \$500,000 to \$4.8 million to help stabilize the budget through this ramp-up period:

Fiscal Year	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	5 Year Total
Total Rate	29.017%	31.968%	35.764%	38.001%	39.770%	
Net Rate Increase	10.9%	10.2%	11.9%	6.3%	4.7%	44.00%
Increase in \$	\$617,000	\$645,000	\$745,000	\$439,000	\$347,000	\$2,793,000

The City’s current unfunded accrued liability is \$78 million according the most recent actuarial report issued by CalPERS in August of 2016.

Plan's Funded Status

	June 30, 2014	June 30, 2015
1. Present Value of Projected Benefits	\$ 122,583,775	\$ 129,440,196
2. Entry Age Normal Accrued Liability	104,798,405	111,188,031
3. Market Value of Assets (MVA)	\$ 76,439,737	\$ 77,897,977
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	\$ 28,358,668	\$ 33,290,054
5. Funded Ratio [(3) / (2)]	72.9%	70.1%

However, these estimates are based on 7.5% discount rate, the unfunded accrued liability would be significantly higher at least \$106 million and could go higher than \$142 million if the City were to attempt to leave CalPERS. The following shows the City's Hypothetical Termination Liability based on the City's most recent actuarial report.

Market Value of Assets (MVA)	Hypothetical Termination Liability ^{1,2} @ 2.00%	Funded Status	Unfunded Termination Liability @ 2.00%	Hypothetical Termination Liability ^{1,2} @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
\$77,897,977	\$220,391,746	35.3%	\$142,493,769	\$184,092,377	42.3%	\$106,194,400

UNMET NEEDS

As the City prepared its FY 2018 Adopted Budget, some issues surfaced for which funding had not yet been identified. These items include: Capital Improvement Projects – Several Capital Projects as listed in the unfunded project section of the Capital Improvement Plan (CIP).

CONCLUSION

The FY 2018 Adopted Budget is a balanced and fiscally responsible spending plan. I want to take this opportunity to thank the budget team for their enormous effort in preparing the Adopted Budget. I also want to thank the department heads and staff for their work on this year's Adopted Budget. Lastly, I want to commend the Council for their leadership, guidance and support in making Cupertino the best community to live, work, and enjoy.

Respectfully submitted,



David Brandt
 City Manager



Budget Guide

Mission Statement

Budget Guide

Glossary

Commonly Used Acronyms

What is a Revenue, Expenditure and

Fund Balance Table

City of Cupertino

MISSION STATEMENT

The Mission of the City of Cupertino is to provide exceptional service, encourage all members of the community to take responsibility for one another, and support the values of education, innovation and collaboration.

ELEMENTS OF THE BUDGET DOCUMENT

The budget is the City's fundamental policy document. It describes the City's goals and details how resources are allocated to achieve these goals. In addition, the budget serves as the annual financial plan, an operations guide and a communications tool.

The budget guide provides an overview of the elements of the budget document. It includes a glossary of budget terminology.

ELEMENTS OF THE BUDGET DOCUMENT

The budget document includes the following key elements:

1. **Budget Message:** The Budget Message is the City Manager's transmittal letter submitting the budget to the City Council. The Budget Message summarizes the City's current and long-term financial position, highlights new programs and organizational changes addressed in the budget and outlines both short and long-term goals of our city government.
2. **Fiscal Strategic Plan:** The Fiscal Strategic Plan Committee was formed to analyze current funding gaps and present a more accurate financial picture. The committee identifies one-time, non-recurring revenue.
3. **Budget Guide:** The Budget Guide includes the City's Mission Statement and other tools to assist the reader in identify key terminology in the budget document.
4. **Community Profile:** This section describes Cupertino's history, the economic and city profiles, community statistics, recreation and community services, education, and additional areas of interest in the city.
5. **Financial and Personnel Summaries:** The Financial Summaries section provides financial information on projected revenues, expenditures, fund balances and reserves. This section includes the Budget Summary of Funds as well as detailed fund descriptions and information on all revenue sources and expenditure projections.

This section includes fund balance trends and detailed revenue and expenditure projections for the next five years.

This section includes an analysis of all City revenues by category. Our major revenue projections are based on trends, current economic indicators and other agency input. Sales tax projections are based on input from our sales tax consultants, industry trends and major company forecasts. Property tax revenues are projected by the county and adjusted by staff based on known trends. Park dedication fees are estimated based on current development

projects and other taxes are reviewed quarterly and budgets are based on this trend analysis.

7. **Departmental Operating Budgets:** The Departmental Operating Budgets section details historical and proposed expenditures by operating department. The City is organized into seven key operating functions, including Administration, Law Enforcement, Public and Environmental Affairs, Administrative Services, Recreation and Community Services, Community Development and Public Works. Each department budget includes a summary narrative, financial information regarding the department and each of its major divisions and personnel information.

Expenditures for employee compensation and benefits are based on negotiated contracts. The materials categories of expenditures are based on trends. Contract services and capital outlay are justified each year by the departments. Special Projects include any one time project or cost.

Departmental expenditures are divided into eight categories, which include the following charges:

Employee Compensation represents permanent full-time and part-time salary costs and overtime.

Employee Benefits represents PERS retirement, health insurance costs, and other benefits.

Materials represents items purchased for repair and maintenance, operational activities such as books, uniforms and recreation supplies, and office supplies.

Contract Services represents legal, consulting and other professional services, contract repair and maintenance, utility charges, training and memberships, equipment rentals, insurance and employment services.

Cost Allocation represents Cost Allocation and Internal Service charges to user departments

Appropriations for Contingency represent 10% of total budgeted materials and contract costs and is place for unexpected expenditures and/or emergencies.

Capital Outlay represents expenditures for tangible fixed assets including land, buildings, furniture, equipment and City vehicles.

Special Projects represent any one time projects or costs.

Debt Service/Other represents principal and interest payments on outstanding debt and interfund transfers.

8. **Non-Departmental Operating Budgets:** The Non-Departmental Operating Budgets section details historical and proposed expenditures for the functions of interfund transfers and debt service.
9. **Capital Improvements:** The Capital Improvements section details the proposed capital projects for 2015-16 through 2019-20. These projects are organized into five categories: Parks, Buildings, Streets, Traffic Facilities, and Storm Drainage. The five-year budget denotes funding sources and a description of each project.

The City Council approves funding of Capital Improvements on a total project basis. The project may expend the funds over multiple years.

GLOSSARY OF BUDGET TERMINOLOGY

The City's budget contains specialized and technical terminology that is unique to public finance and budgeting. To help the reader understand the terms, a glossary of budgetary terminology has been included in the document.

Adopted Budget - Revenues and appropriations approved by the City Council in June for the following fiscal year.

Allocated Costs - An expense charged by one department/division to another for services performed or expenditures of a general nature that are charged to one main account and allocated to other departments/divisions by a specified formula.

Appropriation - An authorization made by the City Council that permits the City to incur obligations and to make expenditures of resources.

Budget - A financial plan for a specific period of time (fiscal year) that matches all planned revenues and expenditures with various municipal services.

Budget Amendment - A legal procedure utilized by the City Manager to revise a budget appropriation. Adjustments to expenditures within or between departmental budgets may be accomplished administratively. City Council approval is required for additional appropriations from fund balance or new revenue sources.

Capital Improvement Program - A plan for capital expenditures to provide for the acquisition, expansion or rehabilitation of an element of the City's physical plant to be incurred over a fixed period of several future years.

Capital Outlay - Expenditures relating to the purchase of equipment, land and other fixed assets.

Cost Allocation Plan – A plan that details how indirect costs are calculated and allocated to user departments.

Cost Recovery - The establishment of user fees that is equal to the full cost of providing services.

Department - A major administrative segment of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Division - A unit of organization that reports to a department.

Enterprise Fund - A fund established to account for activities that are financed and operated in a manner similar to private business enterprises, in which costs of providing services are primarily recovered through user fees.

Estimated Budget - The status of appropriations between July 1 and June 30 includes the adopted budget, budget amendments, prior year encumbrances, approved carryovers, and transfers between objects, divisions and departments.

Expenditure - Utilization of fund resources. Expenditures include operating expenses, debt service and capital outlays.

Expenditure Category - A basis for distinguishing types of expenditures. The major expenditure categories used by the City are: employee compensation, employee benefits, materials, contract services, appropriations for contingency, special projects, capital outlay and debt service.

Fiscal Year - A twelve-month time period signifying the beginning and ending period for recording financial transactions. The City has specified July 1 through June 30 for its fiscal year.

Fund - A fiscal and accounting entity for which the recording of financial transactions is made for the purpose of carrying on specific activities in accordance with the requirements placed upon the use of financial resources.

Fund Balance - The net effect of assets less liabilities at any given point in time.

General Fund - The fund used to account for the major operating revenues and expenditures of the City, except for those financial resources that are required to be accounted for in another fund category. General Fund revenues are derived primarily from property and other taxes.

Goal - Broad mission statements that define the purpose of a department.

Infrastructure – Long lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples include roadways, bridges, and drainage systems.

Internal Service Fund - A fund used to account for the services provided by one department to other departments on a cost-reimbursement basis.

Operating Budget - A financial plan for the provision of direct service and support functions that provide basic governmental services. The operating budget contains appropriations for such expenditures as employee compensation, materials, contract services, capital outlay and debt service. It does not include Capital Improvement Project expenditures.

Reserve - An account used to designate a portion of the fund balance for a specific future use and is, therefore, not available for general appropriation.

Revenue - Increases in fund resources. Revenues include income from user fees, taxes, permits, and other sources.

Section - A unit or organization that reports to a division.

Self-Supporting Activity - An enterprise activity where all service costs (including principal and interest debt payments) are primarily covered solely from the earnings of the enterprise.

Subsidy - Supplemental resources provided to ensure adequate funding when anticipated expenditures exceed revenues.

User Fees - Fees charged to users of a particular service provided by the City.

COMMONLY USED ACRONYMS

ABAG	Association of Bay Area Governments
AYSO	American Youth Soccer Organization
B/PAC	Bicycle/Pedestrian Advisory Committee
BAAQMD	Bay Area Air Quality Management District
BMR	Below Market Rate
CAFR	Comprehensive Annual Financial Report
CAP	Cost Allocation Plan
CMTA	California Municipal Treasures Association
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance
CYSA	California Youth Soccer Association
EAP	Employee Assistance Program
EIR	Environmental Impact Statement
EOC	Emergency Operations Center
ERAF	Education Revenue Augmentation Fund
FEMA	Federal Emergency Management Agency
FLSA	Fair Labor Standards Act
FPPC	Fair Political Practices Commission
FSA	Flexible Spending Account
GASB	Governmental Accounting Standards Board
GFOA	Governmental Finance Officers Association
HVAC	Heating Ventilation and Air Conditioning
IPM	Integrated Pest Management
JPA	Joint Powers Authority
LTD	Long Term Disability
MOU	Memorandum of Understanding
MTC	Metropolitan Transportation Commission
OES	Office of Emergency Services
OPEB	Other-Post Employment Benefits
PC	Planning Commission
PEMHCA	Public Employees' Medical and Hospital Care Act
PERS	(aka Calpers) Public Employees' Retirement Systems
PIO	Public Information Officer
PTA	Parent Teacher Association
RDA	Redevelopment Agency
RFP	Request for Proposals
RFQ	Requests for Qualifications
RHNA	Regional Housing Needs Allocation
RMS	Records Management System
RWQCB	Regional Water Quality Control Board
UBC	Uniform Building Code
YAC	Youth Advisory Commission
VSP	Vision Service Plan

WHAT IS A REVENUE, EXPENDITURE AND FUND BALANCE TABLE?

Administration - City Manager

Category	2010-2011	2011-2012	2012-2013	2013-2014
	Actual	Actual	Legal Budget	Recommended Budget
<u>Revenue</u>				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	138,497
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ 138,497
<u>Expenditures</u>				
Employee Compensation	240,187	253,346	267,696	341,585
Employee Benefits	74,550	83,477	89,514	136,310
Materials	35,838	24,391	51,750	32,203
Contract Services	313	-	10,000	10,000
Appropriations for Contingency	-	-	-	4,220
Cost Allocation	3,000	2,900	22,900	131,050
Capital Outlay	-	-	14,500	-
Special Projects	-	-	-	-
TOTAL EXPENDITURES	\$ 353,888	\$ 364,114	\$ 456,360	\$ 655,368
Fund Balance (Use of)	-	-	-	-
General Fund Costs	\$ 353,888	\$ 364,114	\$ 456,360	\$ 516,871

REVENUE	EXPENDITURE	TOTALS
Taxes – Money received from tax revenue	Employee Compensation – Full time and part time salaries	Total Revenue – Total all revenue categories
Licenses and Permits – Money received from these sources	Employee Benefits – Employee benefits including health insurance and retirement	Total Expenditures – Total all expenditure categories
Use of Money and Property – Interest earnings, facility and concession rents	Materials – All material, conference and training costs	Fund Balance – Revenue not spent in the previous year
Intergovernmental Revenue – Funds received from Federal, State or Local government such as grants	Contract Services – All contracted goods and services	General Fund Costs – Total Expenditures minus Total Revenue minus fund balance equals General Fund Costs
Charges for Services – Fees collected for services provided by the department	Appropriations for Contingency – Fund for unexpected expenses and emergencies	
Fines and Forfeitures – Money received from fines and penalties	Cost Allocation – Cost of services from other City departments and depreciation expenses	
Miscellaneous Revenue – Money received from various sources such as donations, salvage and legal settlement	Capital Outlay – Land, Buildings, vehicles, infrastructure & assets used in operation beyond 1 yr	
Interdepartmental Revenue – Interdepartmental service charges and transfers	Special Projects – One time projects or costs	



CUPERTINO

Community Profile

History

Cupertino owes its name and earliest mention in recorded history to the 1776 expedition led by the Spanish explorer Captain Juan Bautista de Anza. Starting in Sonora, Mexico, Anza led a group up the coast of California, aiming to establish a presidio (fort) on San Francisco Bay.



In late March, Anza left the majority of his party of men, women, and children in Monterey to rest and pressed on through the Santa Clara Valley to his San Francisco destination with 18 men and Pedro Font, a diarist, cartographer, and Franciscan priest.

With the expedition encamped in what is now Cupertino, Font christened the creek next to the encampment the Arroyo San Joseph Cupertino in honor of his patron, San Guiseppe (San Joseph) of Cupertino, Italy. The arroyo is now known as Stevens Creek.

The village of Cupertino sprang up at the crossroads of Saratoga-Sunnyvale Road (now DeAnza Boulevard) and Stevens Creek Boulevard. It was first known as West Side, but by 1898, the post office at the Crossroads needed a more unique name. John T. Doyle, a San Francisco lawyer and historian, had given the name Cupertino to his winery in recognition of the name bestowed on the nearby creek – likewise, in 1904, the same name was applied to the Crossroads and to the post office as the Home Union Store in the northeast corner of the Crossroads changed its name to The Cupertino Store.



Although Cupertino's pioneer settlers planted grapes in the late 1800s, many switched to keeping orchards when phylloxera, a root louse, struck the thriving wine industry in 1895. As the orchards flourished, the valley became known for the spring profusion of blossoms.

In the late 1940's Cupertino was swept up in Santa Clara Valley's postwar population explosion. Concerned by unplanned development, higher taxes, and piecemeal annexation to adjacent cities, Cupertino's community leaders began a drive for incorporation in 1954. The incorporation was approved in the September 27, 1955 election, and Cupertino officially became Santa Clara County's 13th City on October 10, 1955.

A major milestone in Cupertino's development was the creation of Vallco Business and Industrial Park by some of the city's largest landowners in the early 1960's. Of the 25 property owners, 17 decided to pool their land to form Vallco Park and six sold their land to Varian Associates, a thriving young electronics firm founded by Russell Varian. The name Vallco was derived from the names of the principal developers: Varian Associates and the Leonard, Lester, Craft, and Orlando families.

2017 Community Economic Profile

Cupertino, with a population of 60,572 and the city limits stretching across 13 square miles, is considered one of the most prestigious cities to live and work in the San Francisco Bay Area.

Economic health is an essential component to maintaining a balanced city, which provides high-level opportunities and services that create and help sustain a sense of community and quality of life. Public and private interests must be mutual so that our success as a partnership is a direct reflection of our success as a community. The cornerstone of this partnership is a cooperative and responsive government that fosters business and residential prosperity and strengthens working relationships among all sectors of the community.

Cupertino is considered one of the most prestigious cities in which to live and work within Silicon Valley and the San Francisco Bay Area. Because Cupertino is a mature, 90% built-out city, we focus on business retention and revitalization. Cupertino is world renowned as the home of high-tech giants, such as Apple, Inc. and Seagate Technologies, and as a community with stellar public schools. DeAnza College, one of the largest single-campus community colleges in the country, is another major employer and a magnet for attracting local and international students. The City's proactive economic development efforts have resulted in an innovative environment for start-ups and growing companies to thrive. The City strives to retain and attract local companies through active outreach and a responsive and customer-oriented entitlement process.

Cupertino is excited to have a number of new mixed-use development projects in final construction phases and almost fully leased, which will provide more retail and dining options, as well as provide additional housing opportunities to meet the needs of the growing community.



The Main Street and Nineteen800 mixed-use developments have created a vibrant downtown area for Cupertino offering a large selection of restaurants and retailers, including Alexander's Steakhouse, Eureka!, Rootstock Wine Bar, Oren's Hummus, Lazy Dog, LYFE Kitchen, 85 Degree Bakery, Target Express, Kula Sushi, Vitality Bowls, Fit 36, Doppio Zero, and Icool In2 Ice Cream. Housing, office, and hotel rooms are available to support the area. The AMC Theater, Bowlmore, Ice Rink, and Silicon Valley Bay Club serve as anchors to the downtown area.

The construction of new retail and commercial development strengthens existing popular venues in Cupertino, including the Cupertino Marketplace. The Marketplace has a variety of stores and restaurants popular with students, families, and working professionals, including Daiso, Marukai Groceries, Super Cue, La Patisserie Bakery, Beard Papa's, Legend's Pizza, Aloha Fresh, Merlion Restaurant, Wingstop, and Erik's Deli Café.



Cupertino Village is undergoing renovations to upgrade buildings, parking, and open courtyard space. The shopping center is home to 99 Ranch Market, Ten Ren Tea, Fantasia Coffee & Tea, Joy Luck Palace, Kee Wah Bakery, and other Asian restaurants, bakeries, and shops.



Cupertino features many other stores, including TJ Maxx and Home Goods, Whole Foods, Target, and over 180 restaurants to serve the local workforce and residents. Cupertino features five hotels: Cupertino Inn, Hilton Garden Inn, Marriott Courtyard, Juniper Hotel operated by Curio, and The Aloft Cupertino Hotel. The Residence Inn by Marriott and Hyatt House are under construction.

The redevelopment of the Homestead Square Shopping Center, located at Homestead Road and De Anza Boulevard, includes a 24-hour Safeway, Ulta Beauty, Ross Stores, Stein Mart, Michael's, Rite Aid, FedEx Kinko's and numerous restaurants, such as Fish's Wild, 1000 Degrees Neapolitan Pizzeria, and Chipotle, to complement the area.

Apple Inc.'s plans for a new corporate campus is almost complete and will include approximately 2.8 million square feet of office and R&D space north of Highway 280 between Wolfe Road and Tantau Avenue. The City of Cupertino continues to provide high-level municipal services to complement the sense of community and quality of life enjoyed by our residents.



2017 City Profile

The City of Cupertino operates as a general law city with a City Council-City Manager form of government. Five council members serve four year, overlapping terms, with elections held every two years. The council meets twice a month on the first and third Tuesday at 6:45 p.m. in the Community Hall. The meetings can be viewed on the City website.

The City has 197.75 authorized full-time benefited employee positions. City departments include Administration (City Council, Commissions, City Clerk, City Manager, City Attorney, Environmental Affairs, Economic Development, Code Enforcement); Administrative Services (Finance, Human Resources); Community Development (Planning, Building, Housing Services); Recreation and Community Services (Neighborhood Watch, Emergency Preparedness); Public Works (Engineering, Maintenance, Transportation, Solid Waste, and Storm Drain Management); and Innovation & Technology (IT, GIS, Communications). Police service is provided by the Santa Clara County Sheriff's Department, and fire service is provided through the Santa Clara County Fire District.

Assisting the City Council are several citizen advisory commissions/committees including housing, telecommunications, fine arts, library, planning, audit, parks and recreation, bicycle and pedestrian, teens, economic development, strategic planning, public safety and sustainability. Members of the volunteer boards are appointed by the City Council and vacancies are announced so that interested residents can apply for the positions. Residents are kept informed about city services and programs through the *Cupertino Scene*, a monthly newsletter; the *City Channel*, Cupertino's government access cable TV channel; and the city's website.

Housing

The median sales price for an existing single-family home is \$1,635,000 for the time between July and October 2016. For housing programs in Cupertino, please see "Programs & Applications."

Community Health Care Facilities

Cupertino is served by the Cupertino Medical Clinic, NovaCare Occupational Health Services. Nearby hospitals include Kaiser Permanente Medical Center in Santa Clara, El Camino Hospital in Mountain View, O'Connor Hospital in San Jose, Community Hospital of Los Gatos, Stanford Hospital in Palo Alto, and the Saratoga Walk-in Clinic in Saratoga.

Utilities

Gas & Electric

Phone

Cable

Solid Waste & Recycling

Pacific Gas and Electric, 800-743-5000

AT&T residential service, 800-894-2355

AT&T business service, 800-750-2355

Comcast, 800- 945-2288

Recology, 408-725-0420

Water

San Jose Water Company, 408-279-7900

California Water Service, 650-917-0152

Sewer Service

Cupertino Sanitary District, 408-253-7071

Tax Rates and Government Services

Residential, commercial, and industrial property is appraised at full market value as it existed on March 1, 1975, with increases limited to a maximum of 2% annually. Property created or sold since March 1, 1975 bears full cash value as of the time created or sold, plus the 2% annual increase. The basic tax rate is \$1.00 per \$100 (full cash value) plus any tax levied to cover bonded indebtedness for county, city, school, and other taxing agencies. Assessed valuations and tax rates are published annually after July 1.

Assessed Valuation (Secured and Unsecured)

Cupertino: \$19,395,507,127 (8/1/16)

County: \$373,922,973 (7/1/16)

Retail Sales Tax

Grand Total = 9.00%.

Breakdown = Cupertino 1.00%, State 6%, County Transportation 0.25%, County General .125%, Local District (Valley Transportation Authority) 1.625%.

Transportation

Rail: The CalTrain station is four miles north of city. The Amtrak station is 10 miles south.

Air: The San Francisco International Airport is located roughly 30 miles north, and the Mineta San Jose International Airport is located approximately 11 miles south.

Bus: Cupertino is served by the Santa Clara Valley Transportation Authority. The routes listed below pass through the City. For Cupertino-specific schedules and maps visit their online website:

Route 23 San Jose – Mountain View/Palo Alto

Route 25 San Jose – De Anza College

Route 26 Eastridge – Lockheed

Route 36 East San Jose – Vallco

Route 51 Vallco – Moffett/Ames

Route 53 Westgate – Sunnyvale

Route 54 West Valley – Fair Oaks/ Tasman

Route 55 De Anza – Great America

Route 81 East San Jose – Vallco

Express 101 Camden/Branham – Palo Alto

Express 501 Palo Alto – I.B.M Bailey

Car: The City of Cupertino is in the heart of the world renowned Silicon Valley. The major highway transportation facilities are Interstate Route 280 and State Route 85 freeways. The City is linked internally by several principal arterials and Santa Clara County expressways. Principal arterials are De Anza Boulevard, Stevens Creek Boulevard, and Wolfe Road. Nearby expressways are Lawrence Expressway and Foothill Expressway.

Sister Cities

City of Cupertino recognizes the value of developing people-to-people contacts by strengthening the partnerships between the city and its four sister cities of Copertino, Italy; Hsinchu, Taiwan; Toyokawa, Japan, and Bhubaneswar, India. Cupertino's sister city partnerships have proven successful in fostering educational, technical, economic and cultural exchanges. Over the years, there have been many delegations visiting both the cities as well as many local students participated in annual student exchange programs.

Education

Winner of numerous state and national awards for excellence, our city's schools are widely acknowledged as models of quality instruction.

Cupertino Union School District serves over 18,000 students in a 26 square mile area that includes Cupertino and portions of five other cities. The district has 20 elementary schools and five middle schools, including several choice programs. Eighteen schools have received state and/or national awards for educational excellence.



Student achievement is exceptionally high. Historically, district test scores place Cupertino among the premier public school districts in California. The district is a leader in the development of standards-based system of education and is nationally recognized for leadership in the use of technology as an effective tool for learning. Quality teaching and parent involvement are the keys to the district's success.

The Fremont Union High School District serves 10,000 students in a 42 square mile area covering all of Cupertino, most of Sunnyvale, and portions of San Jose, Los Altos, Saratoga, and Santa Clara. The five high schools of the district have garnered many awards and recognition based on both the achievement of students and the programs designed to support student achievements. Many high schools in the district exceed their established achievement targets for the State Academic Performance Index. District students are encouraged to volunteer and provide service to organizations within the community. During their senior year, if students complete 80 hours of service to a non-profit community organization, they are recognized with a "Community Service Award" medal that may be worn at their graduation ceremonies.

High Transfer Rates to 4-Year Universities and Colleges

(2012-2013):

- University of California: 727
- California State Universities: 1,225
- Private Colleges & Universities: 452

Building on its tradition of excellence and innovation, DeAnza College challenges students of every background to develop their intellect, character, and abilities; to achieve their educational goals; and to serve their community in a diverse and changing world.

DeAnza College offers a wide range of quality programs and services to meet the work force development needs of our region. The college prepares current and future employees of Silicon Valley in traditional classroom settings and customized training arranged by employers. Several DeAnza programs encourage economic development through college credit courses, short-term programs, services for manufacturers, technical assistance, and/or recruitment and retention services.

Programs & Applications

Community Outreach Programs

Leadership 95014

Leadership 95014 is a program designed by the City of Cupertino, Wilfred Jarvis Institute, and other local sponsors to offer an exciting adult program that is guaranteed to enhance the participants' leadership skills. The ten full-day sessions feature inside looks at local governments, the social sector, local non-profit organizations, and educational institutions. This 9-month program is offered annually, September to May, and applications can be found online.



Neighborhood Block Leader Program

Good neighborhoods are those where neighbors work together on common issues and look out for each other. Block leaders take extra steps to connect neighbors and build community, making our neighborhoods safer and more harmonious. The Block Leader Program teaches residents how to get to know their neighbors and how to organize activities so neighbors can more easily communicate with each other. Block leaders are vital links between City Hall and the neighborhoods, and leaders gain the inside track on neighborhood development activities.



Neighborhood Watch

Neighborhood Watch is a crime prevention program that enlists the active participation of citizens in cooperation with law enforcement to reduce crime in our communities. It involves: neighbors getting to know each other and working together in a program of mutual assistance; citizens being trained to recognize and report suspicious activities in their neighborhoods; and implementation of crime prevention techniques such as home security and operation identification. To organize a Neighborhood Watch program in your neighborhood, please contact the Neighborhood Watch Coordinator at 408.777.3177.

eCAP

Email Community Alert Program (eCAP) was created by the Santa Clara County Sheriff's Office to prevent and reduce crime by raising community awareness, minimizing opportunities for crime, and increasing the possibility of solving crimes with the public's help. Cupertino residents may voluntarily register their email addresses with the Sheriff's Office for community alert messages. Citizens can sign-up at a Neighborhood Watch meeting or log-on to the City of Cupertino's eCAP online registration.

Affordable Housing: BMR (Below Market Rate) Program

The City of Cupertino requires 15% of all new construction be affordable to households below 120% of the County median income. Rental units are affordable to very low and low-income households while ownership units are affordable to median and moderate-income households.

The City of Cupertino contracts with West Valley Community Services (WVCS) to screen and place qualified households in most of the city's BMR units. WVCS maintains a waiting list of interested persons for these BMR units. If interested, please call 408.255.8033. More information can be found online.

Smart Phone Applications



Mobile 95014

City of Cupertino's Mobile 95014 app offers latest listing of Cupertino news and events as well as local parks, schools, and recreation offerings in the city. This app showcases environmental services and community services such as Block Leaders and Neighborhood Watch programs. Users can learn about public safety and contact City Council members and City officials. The app also offers links to Cupertino's social media sites.

Trees 95014

Trees 95014 is an iPhone/iPad and Android app which provides details about the city-planted trees in Cupertino. Users can search for trees by street name or by current location. The search results show the picture of the tree and details such as location, height, diameter, and species. Cupertino residents can also sign up their tree, name their tree, and request tree service through this app.



Eats 95014

Eats 95014 is the local restaurant app that showcases Cupertino's dining options such as restaurants, grocery stores, farmers' markets, and vineyards. The app provides information on the services offered at such eating places including store hours, parking information, noise level, directions, and website link.

Ready 95014



Ready 95014 is an app that puts safety information into the hands of Cupertino residents. Steps to prepare and respond to emergencies including earthquakes, floods, fires, and pandemics are outlined in an easy-to-understand format. The app also streams Cupertino's own AM radio station (1670 AM) and has a map of the City's Area Resource Centers, satellite locations opened after disasters to provide public assistance.



The Geographic Information System (GIS) Division captures, manages, analyzes, and displays all forms of geographically referenced information for the City of Cupertino. Through maps, globes, reports, and charts we provide ways to view, understand, question, interpret, and visualize, our City in ways that reveal relationships, patterns, and trends. The GIS Program works to help our staff, citizens, business and development communities answer questions and solve problems by looking at our data in a way that is quickly understood and easily shared – on a map!

Cupertino.org/GIS has been redesigned to better showcase our department's services. Among those services is our new **Open Data Portal**. This site offers the ability to Search, Filter, Download and use API Access to over 50 GIS layers gis.cupertino.opendata.arcgis.com.

The GIS Division also manages and deploys Cupertino’s GIS-centric asset management system, Cityworks. Cupertino Fleet, Trees, Median/ROWs, Storm Drain, Streetlights, Traffic Signals, Streets and Sidewalk/EOP divisions utilize Cityworks to manage, track, and analyze Cupertino’s infrastructure assets in the office and in the field.

Cupertino Green

Cupertino is committed to maintaining the City as a sustainable place to live, learn, work, and play for all the community members. To achieve this goal of safeguarding the community’s well-being and environmental health, Cupertino is actively working to implement its first Climate Action Plan (CAP) and provide residents, businesses, and schools with clear and easy-to-access programs and services to jumpstart green leadership. More information can be found online at

<http://www.cupertino.org/green>



Social Media Sites

Facebook Sites

- City of Cupertino Facebook
- Cupertino Rec & Comm. Services
- Cupertino Teen Center Facebook
- Cupertino Teens & Teen Programs
- McClellan Ranch Preserve Facebook
- Cupertino Senior Center Facebook
- Cupertino Sports Center Facebook
- Cupertino Block Leader Facebook

Twitter Sites

- City of Cupertino Twitter
- Cupertino Fields Twitter
- Cupertino Rec & Comm. Services

YouTube Site – City of Cupertino, City Channel

Community Statistics

Facts and Figures¹

Population in City Limits	60,572
Median Household Income	\$136,940
Median Age	40
Registered Voters	27,489
Democrats	10,291
Republicans	6,256
American Independent	144
Other	256
No Political Party designated	10,209

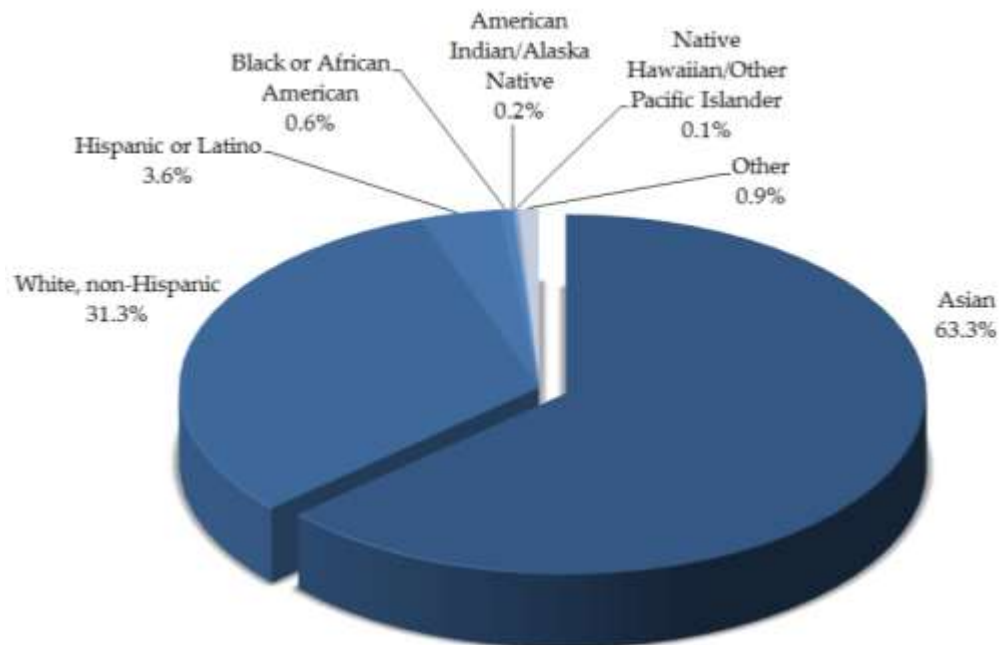
¹ U.S. Census Bureau

Top 40 Sales Tax Producers

Third Quarter 2016, in Alphabetical Order

A2Z Development	Goodfellow Top Grade	Scandinavian Designs
Alamillo Bear	Granite Rock Company	Seagate Technology
Alexander's Steakhouse	Huawei Enterprise	Seele
Apple Inc.	Insight Solutions Inc.	Shane Co.
Argonaut Window & Door	J C Penney Company	Shell Service Stn.
BJ's Restaurant & Brewhouse	Kamran & Company	Superior Air Handling
Benihana	Lazy Dog Rest. & Bar	Target Stores
California Dental Arts	Mirapath	Teknion
CEMEX const. materials	Mitsubishi Consumer El.	TJ Maxx
Chevron Service Stations	Permasteelisa	The Wiremold Co.
Columbia Stone	Powersecure	TJ Maxx
De Anza College Campus Ctr.	Rosendin Electric	Valero Service Stn.
Dynasty Chinese Food	Rotten Robbie Service Stn.	Whole Foods Market
Frener & Reifer	Safeway	99 Ranch Markets

Demographic Information



Community and Recreation Services

Blackberry Farm

Blackberry Farm has been upgraded and restored to improve the natural habitat for native trees, animals, and fish. Improvements to the park include construction of a new ticket kiosk, re-plastered pools, a new water slide, bocce ball, horseshoe courts, and numerous upgrades to the west bank picnic area. The park is located at 21979 San Fernando Avenue. Telephone: 408-777-3140.



The Blackberry Farm Golf Course is located at 22100 Stevens Creek Boulevard. Telephone: 408-253-9200.

The Quinlan Community Center

The City of Cupertino's Quinlan Community Center is a 27,000 square foot facility that provides a variety of recreational opportunities.

Most prominent is the Cupertino Room - a multi-purpose room that can accommodate 300 people in a banquet format. Telephone: 408-777-3120.

Cupertino Sports Center

The Sports Center is a great place to meet friends. The facility features 17 tennis courts, complete locker room facilities, and a fully-equipped fitness center featuring free weights, Cybex, and cardio equipment. A teen center and a child-watch center are also included. The center is located at the corner of Stevens Creek Boulevard and Stelling Road. Telephone: 408-777-3160.

Cupertino Senior Center

The Senior Center provides a welcome and friendly environment for adults over age 50. There is a full calendar of opportunities for learning, volunteering, and enjoying life. There are exercise classes, computer lab classes, and English as a second language classes, and cultural and special interest classes. The center also coordinates trips and socials.

The Senior Center is located at 21251 Stevens Creek Boulevard and is open Monday through Friday, 8 a.m. to 5 p.m. Telephone: 408-777-3150.

Civic Center and Library

The complex has a 6,000 square foot Community Hall, plaza with fountain, trees, and seating areas. City Council meetings, Planning Commission sessions, and Parks and Recreation Commission sessions are held in the Community Hall.

The 54,000 square foot library continues to be one of the busiest libraries in the Santa Clara County Library system. For more information, call 408-446-1677.

McClellan Ranch Park

A horse ranch during the 1930's and 40's, this 18-acre park has the appearance of a working ranch. Preserved on the property are the original ranch house, milk barn, livestock barn, and two historic buildings: Baer's Blacksmith Shop, originally located at DeAnza and Stevens Creek, and the old water tower from the Parish Ranch, now the site of Memorial Park. Rolling Hills 4-H Club members raise rabbits, chickens, sheep, swine, and cattle. The Junior Nature

Museum, which features small live animal exhibits and dispenses information about bird, animal, and plant species of the area, is also located at the ranch. The newly opened Environmental Education Center has Open House hours on Friday, Saturday, and Sunday. McClellan Ranch is located at 22221 McClellan Road. Telephone: 408-777-3120.



Things to Do and See

Euphrat Museum of Art

The highly regarded Euphrat Museum of Art, at its new location next to the new Visual Arts and Performance Center at DeAnza College, presents one-of-a-kind exhibitions, publications, and events reflecting the rich diverse heritage of our area. The Museum prides itself on its changing exhibitions of national and international stature emphasizing Bay Area artists. Museum hours are 10 a.m. – 3 p.m. Monday through Thursday. Telephone: 408-864-5464.

Fujitsu Planetarium

The Fujitsu Planetarium on the DeAnza College campus is a must-visit Cupertino facility for stargazers. It hosts a variety of planetarium shows and events, including educational programs for school groups and family astronomy evenings. For more information, visit the website at <http://planetarium.deanza.edu> or call 408-864-8814.

Flint Center

The cultural life of the Peninsula and South Bay is enhanced by programs presented at the Flint Center for Performing Arts located at 21250 Stevens Creek Boulevard in the DeAnza College campus. The center opened in 1971 and was named in honor of Calvin C. Flint, the first chancellor of the Foothill-DeAnza Community College District. The box office is open 10 a.m. – 4 p.m. Tuesday through Friday and 1.5 hours prior to any performance. Box office: 408-864-8816; administrative office: 408-864-8820.

Cupertino Historical Society

The Cupertino Historical Society was founded in 1966 by a group of 177 longtime residents and is dedicated to the preservation and exhibition of the city's history. Their museum, located at the Quinlan Community Center, develops and expands the learning opportunities that it offers to the ethnically diverse community of the City of Cupertino. Telephone: 408-973-1495.

Farmers' Market

There are two farmers' markets located in the City of Cupertino. One is held on Fridays from 9:00 a.m. to 1:00 p.m. at Creekside Park, and the other is held every Sunday from 9:00 a.m. to 1:00 p.m. at the Cupertino Oaks Shopping Center, 21275 Stevens Creek Blvd.

California History Center

The California History Center and Foundation is located on the DeAnza College campus. The center has published 37 volumes on California history and has a changing exhibit program. The center's Stockmeir Library Archives boast a large collection of books, pamphlet files, oral history tapes, videotapes, and a couple thousand student research papers. The library's collection is for reference only.



Heritage events focusing on California's cultural and/or natural history are offered by the center each quarter. For more information, call 408-864-8987. The center is open September through June, Tuesday through Thursday, from 9:30 a.m. to noon and 1:00 p.m. to 4:00 p.m.



CUPERTINO

Financial Policies and Schedules

THE ANNUAL BUDGET PROCESS

The City's annual budget is prepared on a July 1 to June 30 fiscal year basis. The budget process is an ongoing process that includes the phases of development, proposal, adoption, monitoring and budget amendments.

The budget development phase begins in December with the preparation of budget instructions and work program development by the City Council and City Manager. During March, departments prepare the budgets for which they are responsible. These proposed department budgets are reviewed by the Finance Division using current and prior year trends data. The City Manager then reviews the proposals with the Director of Administrative Services and departmental staff and makes final decisions which form the basis of the City Managers Proposed Budget. The proposed budget is then submitted to the City Council in May.

During the months of May and June, the City Council considers the budget proposals at a study session and public hearing. At these times, the Council hears from Boards, Commissions, community groups, and the public regarding budget requests and recommendations. The final budget is adopted by resolution in June and takes effect on July 1.

Budget Amendment Process

After the budget is adopted, the City enters the budget monitoring phase. Throughout the year, expenditures are monitored by the Finance Division staff and department managers to ensure that funds are used in an approved manner. Adjustments to expenditures within or between departmental budgets are accomplished on an as-needed basis administratively throughout the year. The City Manager and Department Heads can transfer funds between their line items and/or divisions as needed.

City Council approval is required for additional appropriations from fund balances or for new revenue sources.

STRUCTURE OF CITY FINANCES

COST ACCOUNTING

The City of Cupertino has six internal service funds that account for innovation & technology, city channel and website, equipment replacement, workers compensation, long-term disability and compensated absence, and retiree health costs experienced by City departments. Fund costs are allocated to user departments or operating funds based on salaries, equipment and software purchase price, actuarial studies and actual and projected service level. Please view the Cost Allocation Plan and Changes to the Internal Service Fund section of this document for details.

Other employee fringe benefits such as medical, dental, life insurance, and pensions are directly added to department costs as a percentage of salaries. Staff salary and benefit costs are split among departments and related funds based on the anticipated percentage of time spent working in various departments.

OVERHEAD COST ALLOCATION

All overhead costs are allocated to the appropriate program within the limits of local, State and federal laws. The City will utilize a two-step method (double step down method) where costs are first allocated among the central service department support programs to arrive at the total costs of central service programs. Beginning in FY 2014 overhead/indirect costs associated with service department in the General Fund will be allocated based on Cost Allocation Plan (CAP).

These total costs are then allocated to the departments and funds that are benefiting from these expenses. The corresponding revenue is collected by the General Fund for indirect/overhead costs associated with Cost Allocation Plan (CAP) and Internal Service Funds and allocated directly to the department providing the service.

BASIS OF BUDGETING

Basis of Budgeting refers to the method used to recognize revenues and expenditures in the budget. For the City of Cupertino, the basis of budgeting is the same basis used for accounting. The modified accrual basis is followed in the Governmental Funds, including the General, Capital, Debt Service, and Special Revenue funds. Under this basis, revenues are recognized when they become “susceptible to accrual”, which means they are both measurable and available. Measurable means the transaction can be determined.

The budget is split into nine divisions: City Council and Commissions, Administration, Law Enforcement, Innovation & Technology, Administrative Services, Parks and Recreation, Planning and Community Development, Public Works and Non Departmental (includes budget that are not attributable to any specific division). These divisions are further split into department then programs. The programs within the divisions are balanced at the department level within a given fund.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The Comprehensive Annual Financial Report (CAFR) is prepared by Maze and Associates according to “Generally Accepted Accounting Principles” (GAAP).

CITIZEN PARTICIPATION

Every two years the City of Cupertino has a Community Survey completed by Godbe Research to measure resident’s satisfaction with living in the City, City Services and to identify issues facing the City. In addition, the budget study session and budget hearings are public meetings where citizen are given the opportunity to comment on the budget. The public can also provide feedback to two Council sub-committees, the Fiscal Strategic Planning and Audit Committees.

FUND STRUCTURE

For accounting purposes, a state or local government is not treated as a single, integral entity. Rather, a government is viewed as a collection of smaller separate businesses known as ‘funds’. Fund accounting is an accounting system emphasizing accountability rather than profitability. In this system, a fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

The City’s finances are structured in a variety of funds that are the basic accounting and reporting entities in governmental accounting. The funds that comprise the FY 2017-18 budget are grouped into two major categories, Governmental Funds and Proprietary Funds. The purpose of each of the various funds within these two categories is described below:

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City’s expendable financial resources and the related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. Governmental funds include Tax Supported Funds, Special Revenue Funds and Federal Grant Funds. They are accounted for under the modified accrual basis of accounting.

Tax Supported Funds

Tax Supported Funds include the General and Capital Improvement Funds. The General Fund is the primary operating fund for governmental services. The Capital Improvements Fund is utilized for the acquisition or construction of major capital facilities.

Tax Supported Funds	Purpose
General	The General Fund is used to pay for core services such as public safety, parks and recreation, planning and community development, public works, and a host of other vital services. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, franchise fees, charges for services, and a variety of other discretionary sources.
Capital Improvement	
Capital Improvement Projects	This fund pays for the acquisition and/or construction of major capital facilities.
Stevens Creek Corridor Park Capital Projects	This fund pays for the design and construction of the Stevens Creek Corridor Park projects.

Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Park Dedication, Transportation, Storm Drain, and Environmental Management/Clean Creeks funds.

Special Revenue Funds	Purpose
Storm Drain Improvement	This fund pays for the construction and maintenance of storm drain facilities, including drainage and sanitary sewer facilities.
Park Dedication	This fund pays for the activity granted by the business and professions code of the State of California in accordance with the open space and conservation element of the City's General Plan.
Environmental Management/Clean Creek/ Storm Drain	This fund pays for all activities related to operating the Non-Point Source pollution program.
Transportation	This fund pays for expenditures related to the maintenance and construction of City streets.
Housing & Community Development	This fund pays for the Federal Housing and Community Development Grant Program activities administered by the City. This fund also pays for activities related to the Below Market Rate Housing Program.

Federal Grant Funds

Federal Grant Funds include the Community Development Block Grant program. The Community Development Block Grant is a federally funded program for housing assistance and public improvements.

Federal Grant Funds	Purpose
Community Development Block Grant	This fund pays for activities related to the Community Development Block Grant (CDBG).

PROPRIETARY FUNDS

Proprietary Funds are used to account for “business-type” activities. Proprietary Funds include Enterprise Funds and Internal Service funds. They are accounted for under the full accrual basis of accounting.

Enterprise Funds

Enterprise Funds are set up for specific services that are funded directly by fees charged for goods or services. Enterprise Funds include the Resource Recovery, Sports Center, Blackberry Farm Golf Course and Recreation funds.

Enterprise Fund	Purpose
Resource Recovery	This fund pays for operating costs related to the collection, disposal, and recycling of solid waste performed under a franchise agreement with Recology.
Blackberry Farm Golf Course	This fund pays for operating costs related to the Blackberry Farm Golf Course.
Sports Center	This fund pays for operating costs related to the Sports Center.
Recreation Programs	This fund pays for operating costs related to the City’s community centers and park facilities.

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other departments or governments on a cost-reimbursement basis. Internal Service Funds include the Innovation & Technology, City Channel and Website, Equipment, Workers Compensation, Long-Term Disability/Compensated Absence, and Retiree Medical funds.

Internal Service Funds	Purpose
Information Technology	This fund pays for all technology related expenses for the citywide management of information services. This fund pays for the replacement of existing hardware and software and the funding of new hardware and software needs city-wide. Equipment is depreciated based on the acquisition or historical costs for the useful life of the asset using the straight line method.
City Channel and Website	This fund pays for all operating and equipment costs related to City Channel and the City Website.
Workers’ Compensation	This fund pays for claims and insurance premiums related to workers’ compensation.

Internal Service Funds	Purpose
Equipment Maintenance and Fixed Asset Acquisition	This fund pays for the purchase and maintenance of fleet and general equipment having a value greater than \$5,000 and expected life of more than one year. Assets are depreciated based on the acquisition or historical costs for the useful life of the asset and using the straight line method.
Compensated Absences & Long Term Disability	This fund pays for liabilities associated with employees retiring or leaving service and claims and premiums associated with long term disability.
Retiree Medical	This fund pays for Retiree Medical costs.

FISCAL POLICES –Revenue Policies

PURPOSE

To establish revenue polices that assist the City in striving for and maintaining a diversified and stable revenue system to prevent undue or unbalanced reliance on any one source of funds. This revenue diversity will shelter the City from short-run fluctuations in any one revenue source.

SCOPE

All revenue sources across all funds.

POLICY

To the extent possible, maximize investment yield while maintaining a high level of liquidity for the City's anticipated capital costs.

Identify and recommend sources of revenue necessary to maintain the services desired by the community and to maintain the City's quality of life.

Perform ongoing evaluations of existing sources of revenue to maximize the City's revenue base.

Recover costs of special services through user fees.

Pursue full cost recovery and reduce the General Fund fee subsidy to the degree feasible.

Allocate all internal service and Cost Allocation Plan charges to appropriate user departments and

Ensure that Enterprise activities remain self-supporting in the long term.

FISCAL POLICES – Expenditure Policies

PURPOSE

To establish expenditure control polices through the appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted or amended budget.

SCOPE

All expenditure categories across all funds.

POLICY

Each Department or Division Manager will be responsible for the administration of their department/division budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limits.

Accurately charge expenditures to the appropriate chart of accounts;

Maintain operating activities at levels which are offset by revenues;

The City will make every effort to control expenditures to ensure City services and programs provided to its citizens and tax payers are cost effective and efficient;

Evaluate expenditures at the department and project levels to ensure control;

Before the City purchases any major asset or undertakes any operating or capital arrangements that create fixed assets or ongoing operational expenses, the implications of such purchases or arrangements will be fully determined for current and future years;

All compensation planning and collective bargaining will include analysis of total cost of compensation which includes analysis of salary increases, health benefits, pension contributions, fringe benefits and other personnel costs. The City will only propose operating personnel costs which can be sustained by on-going operating revenues;

Reduce costs and improve productivity through the use of efficiency and effective measures and

Structure debt financing to provide the necessary capital while minimizing future debt service costs.

FISCAL POLICES – Capital Improvement Policy

PURPOSE

To establish a Capital Improvement Policy to assist in future planning.

SCOPE

All anticipated Capital Improvement Projects for the current fiscal year plus four additional fiscal years.

POLICY

The City will prepare and update a five year Capital Improvement Plan (CIP) encompassing all City facilities

Projects included in the CIP will have complete information on the need for the project (project justification), description and scope of work, total cost estimates, future cost estimates, future operating and maintenance costs and how the project will be funded.

An objective process for evaluating CIP projects with respect to the overall needs of the City will be established through a priority ranking of CIP projects. The ranking of projects will be used to allocate resources to ensure priority projects are completed effectively and efficiently.

Changes to the CIP such as addition of new projects, changes in scope and costs of a project or reprioritization of projects will require City Manager and City Council approval.

The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future operating maintenance and replacement costs. The City recognizes that deferred maintenance increases future capital costs, thus placing a burden on future residents. Therefore, the budget will provide for adequate maintenance and the orderly replacement of capital plant and equipment from current revenues when possible.

The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low cost state or federal loans whenever possible.

The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature. The City may also utilize "pay-as-you-go" funding for capital improvements when current revenues and adequate fund balances are available or when issuing debt would adversely affect the City's credit rating.

The City will consider the use of debt financing for capital projects under the following circumstances:

- When the project's useful life will exceed the terms of the financing
- When resources are deemed sufficient and reliable to service the long-term debt
- When market conditions present favorable interest rates for City financing
- When the issuance of debt will not adversely affect the City's credit rating and debt coverage ratios.

FISCAL POLICES –Pension and Retirement Funding Policy

PURPOSE

To establish a policy for the funding of Retirement and Retiree health.

SCOPE

Retirement and Retiree Health costs citywide, across all funds.

POLICY

Fund all current pension liabilities shall be funded on an annual basis.

Monitor certain health and dental care benefits for retired employees. Funding the liability for future retiree benefits will be determined by City Council action.

FISCAL POLICES –Long Term Financial Stability Policies

PURPOSE

To establish a policy for Long Term Financial Stability

SCOPE

All programs across all funds

POLICY

Ensure ongoing productivity through employee training and retention programs.

Pursue consolidation of resources and activities with other agencies and jurisdictions where beneficial.

Ensure financial planning flexibility by maintaining adequate fund balances and reserves.

Provide for major maintenance and repair of City buildings and facilities on a timely basis.

Provide for infrastructure asset preservation that maximizes the performance of these assets at minimum life-cycle costs.

Continually evaluate and implement long-term financial planning including technology automation, multiple year capital improvement programs, revenue and expenditure forecasting, automating and streamlining service delivery, stabilizing and repositioning revenue sources, and decreasing expenditures and risk exposure.

FISCAL POLICIES – Assigned and Unassigned Fund Balance and Use of One Time Funds Policy

PURPOSE

To establish assigned and unassigned fund balance and one time use policies.

SCOPE

The General Fund and Capital Funds.

POLICY

To maintain sufficient assigned and unassigned fund balance (general fund only) in each fund for the ability to meet following economic uncertainties:

Economic Uncertainty I –\$19,000,000 and represents two months of General Fund (GF) operating expenditures excluding transfers out plus a two year drop in total general fund revenue of 13% or approximately 1.5 months, excluding the use of reserves. Transfers out are primarily used to fund Capital Projects and do not represent on going expenditures. This assignment will change from year to year based on budgeted general fund expenditures and revenues.

- Mitigate short-term economic downturns and volatility in revenues (2 years or less)
- Sustain city services in the event of an emergency
- Meet requirements for debt reserves
- Meet operating cash flow requirements as a result of delay in the receipt of taxes, grant proceeds and other operating revenues

Economic Fluctuations – \$1,400,000 and represents the most recent transfer of local funds to the State. This reserve may change from year to year based on the Consumer Price Index (CPI).

- For shifts of City funds to the state to address State budget deficits.

PERS– \$100,000 and represents the highest retirement rate increase based on the most recent five years of rate increases. This assignment may change from year to year based on retirement rates and citywide budgeted retirement costs.

- For pension cost increases

Unassigned – \$500,000 and represents 1% of the total general fund operating budget. This assignment may change from year to year based on budgeted general fund expenditures.

- Absorb unanticipated operating needs that arise during the fiscal year that were not anticipated during the budget process
- Absorb unexpected claims or litigation settlements

Capital Improvement – \$5,000,000 and represents average dollars spent for capital projects in the last three fiscal years. This assignment may change from year to year based on actuals dollars spent on capital projects and anticipated future capital project needs.

- Meet future capital project needs so as to minimize future debt obligations

The City shall not use fund balances/reserves in lieu of revenues to pay for ongoing expenses except as specifically provided in the City’s reserve policy.

The chart below summarizes reserve policy levels as described above:

Funding Priority	Reserve	Reserve Level	Escalator ¹	Description
GENERAL FUND				
1	Economic Uncertainty	\$19,000,000	GF Budgeted Operating Expenditures ² GF Budget Revenue ³	For economic downturns and major revenue changes.
2	Economic Fluctuations	\$1,400,000	CPI	For shifts of City funds to the state to address state budget deficits.
3	PERS	\$100,000	Budgeted Citywide retirement costs	For pension cost increases.
4	Unassigned	\$500,000	Budgeted GF Operating Expenditures ⁴	For mid-year budget adjustments and redeployment into the five year budget.
CAPITAL PROJECT FUNDS				
5	Capital Improvement	\$5,000,000	None	Reserves set aside for future capital projects.

¹ Rounded to the nearest hundred thousand

² Excludes Transfers Out

³ Excludes the use of reserves

⁴ Excludes Transfers Out

Changes to Assigned Fund Balance – All reserves listed in this policy are classified as Assigned Fund Balance under Government Accounting Standards Board (GASB) Statement 54. Assigned fund balance is comprised of amounts intended to be used by the government for specific purposes that are neither committed nor restricted. Intent can be expressed by the governing body or by an official body to which the governing body delegates the authority. Changes to assigned fund balances must be approved by City Council. This policy will be reviewed annually as part of the budget process.

Replenishment process – Should the City need to utilize any of the assigned fund balances listed in this policy, with the exception of the annual Infrastructure assignment, a plan to replenish the assignment will be developed in conjunction with its use.

Excess – Funding of these reserves will come generally from one-time revenues, annual net income, and transfers from other reserves that exceed policy levels. They will be funded in the following priority order with any remaining funds to be placed in the Capital Reserve:

- 1) Economic Uncertainty
- 2) Economic Fluctuations
- 3) PERS
- 4) Unassigned

FISCAL POLICIES – Investment Policy

The City Council annually updates and adopts a City Investment Policy that is in compliance with State statutes on allowable investments. By policy, the Audit Committee reviews the policy and acts as an oversight committee on investments. The policy directs that an external auditor perform agreed-upon procedures to review City compliance with the policy. The full policy is available on the City website as part of the May 6, 2014 City Council agenda packet.

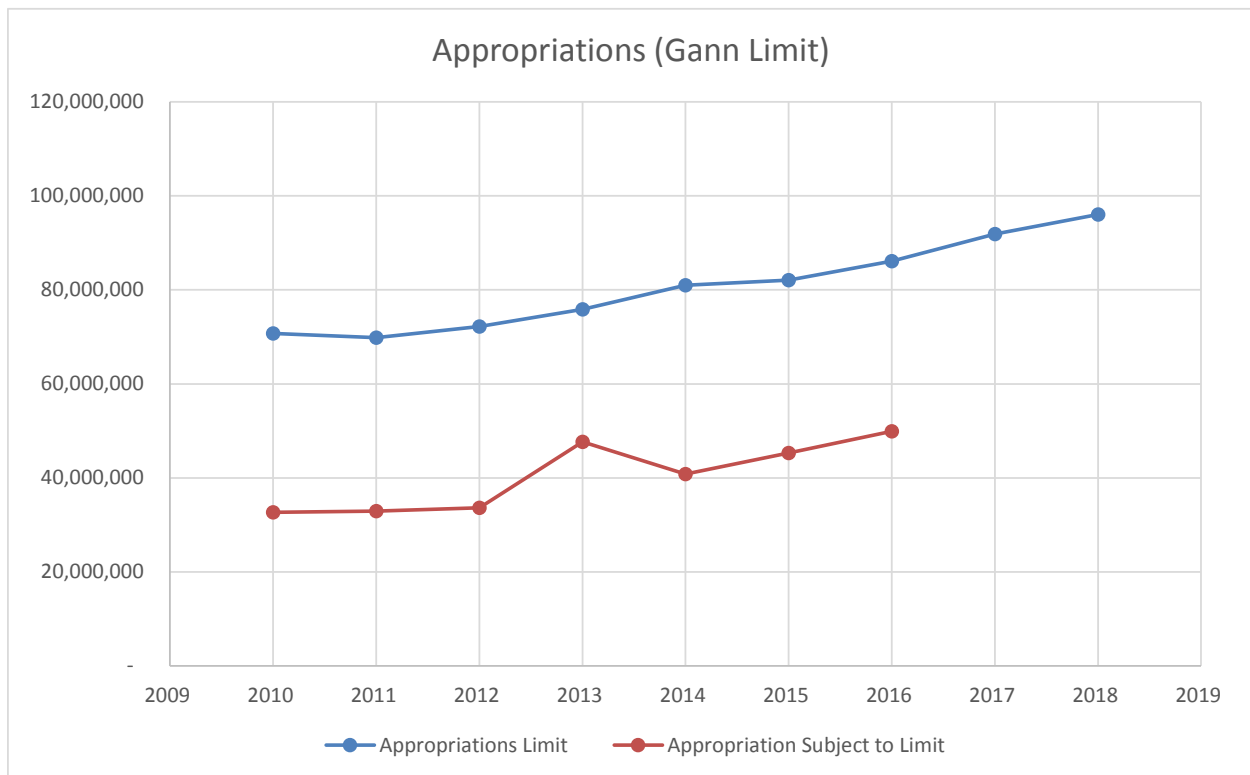
DEBT LIMIT

GANN APPROPRIATIONS LIMIT

Fiscal Year 2017-18

Article XIII B of the California State Constitution as enacted by Proposition 4, the Gann initiative of 1979, mandates a limit on the amount of proceeds of taxes that state and local governments can receive and appropriate (authorize to spend) each year. The purpose of this law is to limit government spending by putting a cap on the total proceeds of taxes that may be appropriated each year. The original Article XIII B was further modified by Proposition 111 and SB 88 approved by California voters in June of 1990. Proposition 111 allows cities more flexibility in choosing certain inflation and population factors to calculate the limit.

Appropriations Subject to Limit



The limit is different for each agency and the limit changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 has modified those factors to allow cities to choose either the growth in California Per Capita Income or the growth in non-residential assessed valuation due to new construction in

the city. Alternatively, the city could select a population growth factor represented by the population growth in Santa Clara County. Each year the city establishes its appropriations limit for the following fiscal year.

The City's appropriations limit for FY 2018 is \$96,028,488, \$4,161,474, or 4.5% higher than the FY 2017 limit of \$91,867,014. For FY 2018, the City's estimated appropriations of proceeds from taxes, less statutory exclusions, are unchanged as of the Final Budget. If a city exceeds the legal limit, excess tax revenue must be returned to the State or citizens through a process of refunds, rebates, or other means that may be determined at that time. The appropriations limit is not expected to present a constraint on current or future budget deliberations.

Information Technology Replacement and Capitalization Policy

Purpose

The purpose of this policy is to establish guidelines for replacing and capitalizing technology equipment and systems. Replacement is indicated when a product has run its useful life and updating/upgrading is no longer an option. Capitalization of equipment requires the set aside of funding for future replacement.

Generally, technology equipment with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized. Software with an expected life of at least 7 years or a cost of over \$10,000 shall also be capitalized.

Technology upgrades are determined by the Information Technology Division (IT) and user departments based on functionality, vendor support, and industry standards.

Scope

This policy covers the City of Cupertino: network infrastructure (routers, switches, firewalls, security appliances); server infrastructure (files servers, database servers, mail servers, web servers, etc); user laptops and workstations; mission-critical systems, telephone system (telephone equipment not already listed previously); desktop software; enterprise software; workgroup software; and broadcast video and audiovisual equipment.

Cell phones, printers, and tablet devices are not covered by this policy as these items do not meet the minimum criteria for capitalization. Replacement of these items are at the discretion of the department.

Policy

All technology shall be replaced according to the following:

Network infrastructure (routers, switches, firewalls) shall be replaced when no longer functional, as determined by the Information Services Division (IS), or when parts or support are no longer available from the manufacturer. Replacement needs will be determined by IS annually as part of the operating budget process. Network infrastructure with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized.

Server infrastructure shall be replaced when it is no longer functional (defined as not being able to meet its intended purpose), or when parts or support are no longer available from the manufacturer. These needs are evaluated annually by IT and user departments as part of the operating budget process. Servers are evaluated as they approach 3 years in service, and placed

on the schedule accordingly. Server lifetime may be extended by the purchase of additional memory or disk. Server infrastructure with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized.

User workstations shall be replaced, on average, after 4 years as is industry standard. Zero Client work stations shall be replaced, on average, every 8 years. IS will determine the need for specific replacements. User workstations shall not be capitalized as they do not meet the minimum criteria for capitalization.

Interoperable systems are defined as a group of interdependent and/or interoperable components that together form a single functional unit. These components may be interconnected by their structural relationships, their common functional behavior, or by both. Generally, for a system to be eligible for capitalization, the cumulative value of its components should be at least \$5,000 and have a life expectancy of five years or more.

Telephone system components (desktop and user equipment) is either repaired or replaced when determined no longer functional; telephone servers may be leased over 5 years and replaced at those times; the replacement period may exceed 5 years if the products are supported by vendors and parts are readily available. Telephone system components shall not be capitalized as they do not meet the minimum criteria for capitalization. Telephone system software is maintained under agreement with vendors and kept within 2 major versions to ensure functionality and vendor support.

Enterprise Software replacement shall be determined individually by IS and the end users. Only those large enterprise systems with an expected life of at least 7 years or a cost of over \$10,000 shall be capitalized.

Desktop Software is replaced/updated according to Microsoft's releases of Windows and Office. Software shall not be more than one version out of date to ensure functionality and vendor support. I&T will generally wait at least 90 days after a new release to roll out new versions. Only software with an expected life of at least 7 years or a cost of over \$10,000 shall be capitalized. Desktop software generally does not meet this criterion.

Broadcast Video and Audiovisual Equipment/Systems shall be repaired or replaced when determined no longer functional. Replaced will occur on average after 10 years. Broadcast video and audiovisual equipment/systems with a life expectancy of at least 5 years and a total cost of over \$5,000 shall be capitalized. Equipment that does not meet these criteria may still be capitalized if the item is a component of interoperable systems.

COMMUNITY FUNDING POLICY

Purpose

The City of Cupertino currently provides funding to local non-profit organizations in the areas of social services, fine arts and other programs for the general public. This policy establishes a standard application process whereby funding decisions of non-profit requests can be addressed on a fair and consistent basis by establishing a set of criteria for evaluating requests, ensuring that all entities follow a formal application process and pre-approving a dollar limit for those requests.

Scope

All requests for funding must comply with this policy.

Policy

The applicant should identify the services provided, purpose for the funds, how the expenditure aligns to City priorities and how the funds will be used to benefit the Cupertino community.

A recurring organization should state how prior year funds, if any, were used.

The applicant should include information about the organization, its budget and its purpose.

Non-profit organizations which serve multi-jurisdictions should state what they have requested from other cities/organizations they service in regards to this program request.

Cupertino does not fund ongoing operational costs. Requests should be for one-time, project specific needs.

The organization must show that their staff has the experience to implement and manage the project. More than 75% of the budget must go to direct service costs versus administrative costs.

Staff should include all requests and funding recommendations for Council consideration. Staff report will reference City rules and regulations.

Non-profits will be notified of our process in advance and no proposals will be entertained after **March 1 of each year**.

City Council will make the final decision as part of the budget process

**FISCAL YEAR 2017-18 FINAL BUDGET
FINANCIAL OVERVIEW BY FUND**

Revenue Categories	2017-18 Final Budget						2017-18 Final Budget Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	
Sales Tax	\$ 22,790,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,790,000
Property Tax	\$ 20,757,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,757,000
Transient Occupancy	\$ 6,708,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,708,000
Utility Tax	\$ 3,200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,200,000
Franchise Fees	\$ 3,040,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,040,000
Other Taxes	\$ 2,850,000	\$ 1,350,000	\$ -	\$ -	\$ -	\$ -	\$ 4,200,000
Licenses & Permits	\$ 2,145,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,145,000
Use of Money & Property	\$ 1,647,790	\$ 2,000	\$ -	\$ -	\$ 231,200	\$ -	\$ 1,880,990
Intergovernmental	\$ 484,000	\$ 1,980,590	\$ -	\$ -	\$ 15,000	\$ -	\$ 2,479,590
Charges for Services	\$ 13,337,897	\$ 384,100	\$ -	\$ -	\$ 7,181,800	\$ 4,167,492	\$ 25,071,289
Fines & Forfeitures	\$ 600,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 606,000
Miscellaneous/Other Financing Uses	\$ 435,960	\$ -	\$ -	\$ -	\$ 56,000	\$ -	\$ 491,960
Transfers In	\$ 2,000,000	\$ 12,772,122	\$ 3,167,538	\$ 8,325,762	\$ 400,000	\$ 5,657,077	\$ 32,322,499
TOTAL REVENUE	\$ 79,995,647	\$ 16,494,812	\$ 3,167,538	\$ 8,325,762	\$ 7,884,000	\$ 9,824,569	\$ 125,692,328

Appropriation Categories	2017-18 Proposed Budget Total						
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	
Employee Compensation	\$ 17,078,787	\$ 936,733	\$ -	\$ -	\$ 1,952,091	\$ 2,336,566	\$ 22,304,177
Employee Benefits	\$ 7,210,639	\$ 511,493	\$ -	\$ -	\$ 603,569	\$ 1,830,031	\$ 10,155,732
Materials	\$ 4,784,228	\$ 742,316	\$ -	\$ -	\$ 534,167	\$ 1,387,706	\$ 7,448,417
Contract Services	\$ 18,165,596	\$ 796,900	\$ -	\$ -	\$ 6,135,360	\$ 2,024,155	\$ 27,122,011
Cost Allocation	\$ 7,812,849	\$ 555,816	\$ -	\$ 125,000	\$ 759,543	\$ 733,706	\$ 9,986,914
Capital Outlays	\$ 85,000	\$ 5,638,000	\$ -	\$ 8,200,762	\$ -	\$ -	\$ 13,923,762
Special Projects	\$ 2,742,469	\$ 14,872,000	\$ -	\$ -	\$ 95,000	\$ 2,371,930	\$ 20,081,399
Contingencies	\$ 1,253,931	\$ 39,571	\$ -	\$ -	\$ 273,496	\$ 340,418	\$ 1,907,416
Transfers Out	\$ 12,590,196	\$ 779,762	\$ -	\$ 15,184,000	\$ -	\$ -	\$ 28,553,958
Debt Service/Other Uses	\$ 3,327,538	\$ -	\$ 3,167,538	\$ -	\$ 223,766	\$ 665,551	\$ 7,384,393
TOTAL EXPENDITURES	\$ 75,051,233	\$ 24,872,591	\$ 3,167,538	\$ 23,509,762	\$ 10,576,992	\$ 11,690,063	\$ 148,868,179

Net Increase (Decrease) in Fund Balance/Retained Earnings \$ 4,944,414 \$ (8,377,779) \$ - \$ (15,184,000) \$ (2,692,992) \$ (1,865,494) \$ (23,175,851)

FISCAL YEAR 2017-18 ADOPTED BUDGET

FLOW OF FUNDS CHART

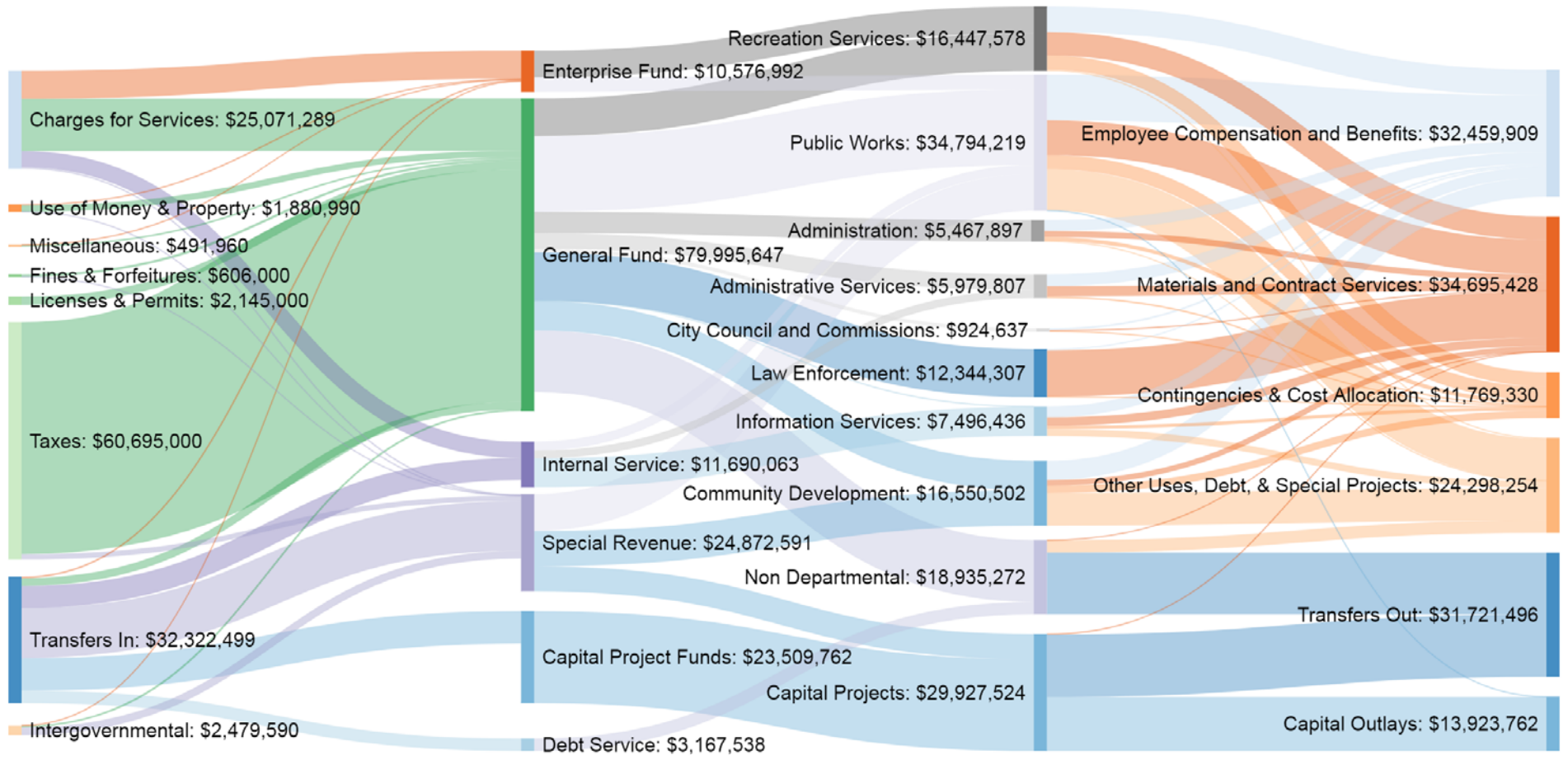
SOURCE OF FUNDS

Revenue by Object
↓

Revenue by Fund
↓

Expenditures by Department
↓

Expenditures by Object
↓



**FISCAL YEAR 2017-18 FINAL BUDGET
GENERAL FUND CONTRIBUTION SCHEDULE**

Fund Type	Final Budget Expenditures	Projected Program Revenues	Final Budget Fund Balance/ Retained Earnings (Usage) /	Final General Fund Contribution
<u>General Fund</u>				
10 City Council				
100 City Council	442,623	535,636	-	(93,013)
101 Community Funding	52,811	-	-	52,811
110 Sister Cities	43,750	-	-	43,750
11 Commissions				
131 Telecommunication Commission	10,925	-	-	10,925
140 Library Commission	23,894	-	-	23,894
142 Fine Arts Commission	43,037	-	-	43,037
150 Public Safety Commission	17,052	-	-	17,052
155 Bike/Ped Safety Commission	4,912	-	-	4,912
160 Recreation Commission	29,736	-	-	29,736
165 Teen Commission	59,018	-	-	59,018
170 Planning Commission	135,379	-	-	135,379
175 Housing Commission	33,621	-	-	33,621
180 Sustainability Commission	27,879	-	-	27,879
12 City Manager				
120 City Manager	952,399	319,142	-	633,257
122 Sustainability Division	778,875	31,452	-	747,423
126 Public Affairs	470,946	150,355	-	320,591
13 City Clerk				
130 City Clerk	599,962	80,947	-	519,015
132 Duplicating/Mail Services	85,018	-	-	85,018
133 Elections	288	-	-	288
14 City Manager Discretion				
123 City Manager Contingency	540,821	-	-	540,821
15 City Attorney				
141 City Attorney	2,039,588	263,033	-	1,776,555
20 Law Enforcement				
200 Law Enforcement SC Sherif	11,635,886	450,000	-	11,185,886
201 Interoperability Project	48,813	-	-	48,813
202 Code Enforcement	659,608	250,000	-	409,608
31 Government Channel				
307 Public Access Support	72,435	-	-	72,435
40 Administrative Services				
400 Admin Services Administration	790,510	67,899	-	722,611
41 Finance				
405 Accounting	1,134,474	906,996	-	227,478
406 Business Licenses	213,935	-	-	213,935
44 Human Resources				
412 Human Resources	978,882	708,222	-	270,660
417 Insurance Administration	876,383	718,112	-	158,271
60 Recreation & Community Service				
601 Rec & Comm Svcs Administration	495,907	42,000	-	453,907
634 Park Planning and Restoration	253,235	-	-	253,235
636 Library Services	788,892	-	-	788,892
61 Business and Community Services				
602 Administration	919,005	-	-	919,005
605 Cultural Events	438,337	5,000	-	433,337
630 Facilities	579,747	631,379	-	(51,632)
632 Comm Outreach & Neigh Watch	292,247	-	-	292,247
62 Recreation and Education				

**FISCAL YEAR 2017-18 FINAL BUDGET
GENERAL FUND CONTRIBUTION SCHEDULE**

Fund Type	Final Budget Expenditures	Projected Program Revenues	Final Budget Fund Balance/ Retained Earnings (Usage) /	Final General Fund Contribution
608 Administration	1,082,488	49,125	-	1,033,363
623 Youth, Teen and Senior Adult Rec	2,206,884	735,750	-	1,471,134
63 Sports, Safety & Outdoor Rec				-
612 Park Facilities	1,968,178	469,000	-	1,499,178
615 Administration	243,820	-	-	243,820
633 Disaster Preparedness	356,231	10,500	-	345,731
70 Planning & Community Development				-
700 Community Development Admin	345,677	-	-	345,677
71 Planning				-
701 Current Planning	2,151,008	2,795,000	-	(643,992)
702 Mid Long Term Planning	725,588	1,057,500	-	(331,912)
704 Annexations	10,141	-	-	10,141
705 Economic Development	508,547	-	-	508,547
72 Housing Services				-
712 Human Service Grants	41,836	-	-	41,836
73 Building				-
713 General Building	791,962	721,000	-	70,962
714 Construction Plan Check	1,283,854	335,000	-	948,854
715 Building Code Enforcement	1,349,597	1,225,000	-	124,597
718 Muni-Bldg Code Enforcement	311,082	-	-	311,082
80 PW Admin				-
800 Public Works Admin	766,715	-	-	766,715
82 Developmental Services				-
804 Plan Review	2,117,716	1,374,529	-	743,187
806 CIP Administration	854,429	-	-	854,429
83 Service Center				-
807 Service Center Administration	1,804,912	69,000	-	1,735,912
84 Grounds				-
808 McClellan Ranch Park	82,847	-	-	82,847
809 Memorial Park	747,097	14,000	-	733,097
812 School Site Maintenance	996,892	135,000	-	861,892
813 Neighborhood Parks	1,554,798	-	-	1,554,798
814 Sport Fields Jollyman CRK	593,604	-	-	593,604
815 Civic Center Ground Maint	191,442	175,467	-	15,975
85 Streets				-
818 Storm Drain Maintenance	449,950	1,700	-	448,250
848 Street Lighting	605,360	-	-	605,360
850 Environmental Materials	185,216	-	-	185,216
86 Trees and Right of Way				-
824 Overpasses and Medians	1,453,793	-	-	1,453,793
825 Street Tree Maintenance	1,251,142	10,000	-	1,241,142
826 Weekend Work Program	441,278	-	-	441,278
87 Facilities and Fleet				-
827 Bldg Maint City Hall	629,738	382,657	-	247,081
828 Bldg Maint Library	334,605	293,621	-	40,984
829 Bldg Maint Service Center	314,654	429,314	-	(114,660)
830 Bldg Maint Quinlan Center	504,647	228,304	-	276,343
831 Bldg Maint Senior Center	248,657	241,641	-	7,016
832 Bldg Maint McClellan Ranch	146,444	-	-	146,444
833 Bldg Maint Monta Vista Ct	150,687	151,450	-	(763)
834 Bldg Maint Wilson	67,491	-	-	67,491
835 Bldg Maint Portal	58,766	-	-	58,766

**FISCAL YEAR 2017-18 FINAL BUDGET
GENERAL FUND CONTRIBUTION SCHEDULE**

Fund Type	Final Budget Expenditures	Projected Program Revenues	Final Budget Fund Balance/ Retained Earnings (Usage) /	Final General Fund Contribution
837 Bldg Maint Creekside	135,913	81,781	-	54,132
838 Comm Hall Bldg Maint	267,259	250,130	-	17,129
839 Teen Center Bldg Maint	47,033	97,866	-	(50,833)
840 Park Bathrooms	154,965	-	-	154,965
841 BBF Facilities Maintenance	298,208	568,674	-	(270,466)
852 Franco Traffic Operations Center	18,000	-	-	18,000
88 Transportation				-
844 Traffic Engineering	1,001,024	282,000	-	719,024
845 Traffic Signal Maintenance	713,733	-	-	713,733
846 Safe Routes 2 School	146,761	-	-	146,761
90 Citywide - Non Departmental				-
001 No Department	15,757,734	-	-	15,757,734
502 EE Housing Loan	10,000	-	-	10,000
GENERAL FUND SUBTOTAL I	\$ 75,051,233	\$ 17,345,182	\$ -	\$ 57,706,051
<u>General Fund Revenue/Fund Balance</u>				
General Fund Revenue	-	62,650,465	-	(62,650,465)
Unassigned Fund Balance	-	-	\$ -	-
GENERAL FUND SUBTOTAL II	\$ -	\$ 62,650,465	\$ -	\$ (62,650,465)
TOTAL GENERAL FUND	\$ 75,051,233	\$ 79,995,647	\$ -	\$ (4,944,414)
<u>Special Revenue Fund</u>				
Minor Storm Drain Improvement	-	100,000	300,000	200,000
Non Point Source	761,720	386,000	(291,598)	84,122
HCD General Administration	88,814	62,918	(25,896)	-
CDBG- Capital Grants	284,484	204,484	(80,000)	-
Public Service Grants	47,188	47,188	-	-
Below Market Rate Housing	8,610,724	1,000,000	(7,610,724)	-
Sidewalk, Curb and Gutter Maint	1,085,525	210,800	(24,725)	850,000
Street Pavement Maintenance	6,744,384	1,328,100	583,716	6,000,000
Street Signs/Markings	831,990	133,200	(698,790)	-
Parkland Fund	-	250,000	250,000	-
CIP - Storm Drain Impv Orange and Byrne	3,388,000	3,388,000	-	-
CIP - Bicycle Pedestrian Facility Improvements	779,762	-	(779,762)	-
CIP - Storm Drain Impv Byrne and SCB	1,500,000	1,500,000	-	-
CIP - Street Median Irrigation Replacement	750,000	750,000	-	-
TOTAL SPECIAL REVENUE FUNDS	\$ 24,872,591	\$ 9,360,690	\$ (8,377,779)	\$ 7,134,122
<u>Debt Service</u>				
Public Facilities Corporation	3,167,538	-	-	3,167,538
TOTAL DEBT SERVICE	\$ 3,167,538	\$ -	\$ -	\$ 3,167,538
<u>Capital Funds</u>				
CIP - McClellan Ranch Community Garden Improvements	70,000	70,000	-	-
CIP - ADA Improvements	95,000	95,000	-	-
CIP - SC Bank Repair Concept	100,000	100,000	-	-
CIP - Tennis Court Resurfacing	515,000	515,000	-	-
CIP - Traffic Signal Foothill-I280 SB	100,000	100,000	-	-
CIP - McClellan West Parking Lot Improvements	550,000	550,000	-	-
CIP - Service Center Shed	400,000	400,000	-	-
CIP - Bike Plan Implementation	4,779,762	4,779,762	-	-

**FISCAL YEAR 2017-18 FINAL BUDGET
GENERAL FUND CONTRIBUTION SCHEDULE**

Fund Type	Final Budget Expenditures	Projected Program Revenues	Final Budget Fund Balance/ Retained Earnings (Usage) /	Final General Fund Contribution
CIP - Prelim Planning and Design	125,000	125,000	-	-
CIP - Capital Project Support	50,000	50,000	-	-
CIP - Inclusive Play Area	30,000	30,000	-	-
CIP - Senior Center Walkway	64,000	64,000	-	-
CIP - Outfall Repair Slope Stblz-Regnart	400,000	400,000	-	-
CIP - Annual Street Light Install	30,000	30,000	-	-
CIP - McClellan Sidewalk -RB to Hwy85	430,000	430,000	-	-
CIP - Retaining Wall Repair Regnart Rd	367,000	367,000	-	-
CIP - New Admin Building Feasibility Study	200,000	200,000	-	-
CIP - International Cricket Ground Feasibility Study	20,000	20,000	-	-
Transfer Out	15,184,000	-	(15,184,000)	-
TOTAL CAPITAL FUNDS	\$ 23,509,762	\$ 8,325,762	\$ (15,184,000)	\$ -
<u>Enterprise Funds</u>				
Resources Recovery	3,269,762	2,246,000	(1,023,762)	-
Golf Course	708,461	403,000	(5,461)	300,000
Sports Center	2,448,037	2,286,200	(61,837)	100,000
Sports Center Maintenance	484,623	-	(484,623)	-
Youth Teen Recreation	2,214,409	1,510,300	(704,109)	-
Outdoor Recreation	1,451,700	1,038,500	(413,200)	-
TOTAL ENTERPRISE FUNDS	\$ 10,576,992	\$ 7,484,000	\$ (2,692,992)	\$ 400,000
<u>Internal Service Funds</u>				
Information Services Admin	515,134	-	(515,134)	-
Information Technology	2,812,304	2,361,792	99,193	549,705
Information Tech Equip Acquisition	-	-	-	-
GIS	863,088	-	(863,088)	-
Government Channel	1,569,256	-	(205,109)	1,364,147
City Web Site	1,664,219	-	-	1,664,219
Equipment Maintenance	1,251,239	1,416,325	165,086	-
Equipment Fixed Asset Acquisition	1,029,200	305,500	(723,700)	-
Workers' Compensation Claims	498,240	601,003	102,763	-
Disability Claims	83,883	83,875	(8)	-
Leave Payouts	435,014	-	74,503	509,517
Retiree Medical Insurance	968,486	-	-	968,486
TOTAL INTERNAL SERVICE FUNDS	\$ 11,690,063	\$ 4,768,495	\$ (1,865,494)	\$ 5,056,074
TOTAL ALL FUNDS	\$ 148,868,179	\$ 109,934,594	\$ (28,120,265)	\$ 10,813,320

FISCAL YEAR 2017-18 FINAL BUDGET

FUND BALANCE REPORT

FUND	Fund		Projected Program Revenue	Final Budget Expenditures	Projected Fund	
	Balance 7/1/2016	Balance 7/1/2017			Balance 7/1/2018	Balance 7/1/2018
100	GENERAL FUND					
	52,233,358	40,575,190	79,995,647	75,051,233		45,519,604
	SPECIAL REVENUE					
210, 215	Storm Drain Improvement	1,175,023	377,358	1,800,000	1,500,000	677,358
230	Environmental Management/ Clean Creek / Storm Drain	445,753	346,506	470,122	761,720	54,908
260, 261 265	Housing & Community Development	12,840,591	23,316,195	1,314,590	9,031,210	15,599,575
270	Transportation	10,080,754	979,762	12,660,100	13,579,661	60,201
280, 281	Park Dedication	9,091,485	18,658,277	250,000	0	18,908,277
	TOTAL SPECIAL REVENUE FUNDS	\$ 33,633,606	\$ 43,678,098	\$ 16,494,812	\$ 24,872,591	\$ 35,300,319
	Debt Service					
365	Public Facilities Corporation	\$ 1,596,982	\$ 1,596,982	\$ 3,167,538	\$ 3,167,538	\$ 1,596,982
	Capital Funds					
420	Capital Improvement Fund	5,528,752	2,678,899	8,325,762	8,325,762	2,678,899
427	Stevens Creek Corridor Park	264,009	47,882	-	-	47,882
429	Capital Reserve	9,546,057	15,841,449	-	15,184,000	657,449
	TOTAL CAPITAL FUNDS	\$ 15,338,818	\$ 18,568,230	\$ 8,325,762	\$ 23,509,762	\$ 3,384,230
	Enterprise Funds					
520	Resource Recovery	5,454,012	4,129,458	2,246,000	3,269,762	3,105,696
560	Blackberry Farm	572,586	105,116	703,000	708,461	99,655
570	Sports Center	886,843	931,500	2,386,200	2,932,660	385,040
580	Recreation Programs	2,170,187	1,644,921	2,548,800	3,666,109	527,612
	TOTAL ENTERPRISE FUNDS	\$ 9,083,628	\$ 6,810,995	\$ 7,884,000	\$ 10,576,992	\$ 4,118,003
	Internal Service Funds					
610	Information Technology	2,821,765	1,395,586	2,911,497	4,190,526	116,557
615	City Channel and Website	532,383	396,773	3,028,366	3,233,475	191,664
620	Workers' Compensation	1,162,066	1,162,385	601,003	498,240	1,265,148
630	Equipment	3,756,710	2,503,351	1,721,825	2,280,439	1,944,737
641	Compensated Absence & LTD	288,013	3,340	593,392	518,897	77,835
642	Retiree Medical	10,129,806	9,198,471	968,486	968,486	9,198,471
	TOTAL INTERNAL SERVICE FUNDS	\$ 18,690,743	\$ 14,659,906	\$ 9,824,569	\$ 11,690,063	\$ 12,794,412
	TOTAL ALL FUNDS	\$ 130,577,135	\$ 125,889,401	\$ 125,692,328	\$ 148,868,179	\$ 102,713,550

GENERAL FUND SUMMARY

The General Fund is the City's primary operating fund. It accounts for basic services such as public safety, public works, planning and development, park maintenance, code enforcement, and the administrative services required to support them. The fund also accounts for the City's discretionary funding sources (e.g., property tax, sales tax, transient occupancy tax and utility tax). As a rule, general fund resources are used only to fund operations that do not have other dedicated (restricted) funding sources. Operations that rely heavily upon non-general fund resources, such as street maintenance, solid waste collection, and recreation are accounted for in other funds. Information on these funds may be found in the Other Funds section of this document.

For FY 2017-18, final General Fund revenue estimates (excluding fund balance) total \$80 million, representing a 1% increase from the FY 2016-17 adopted budget, mostly due to transfer in of \$2 million back to the General Fund from the Capital Reserve to assist in funding the CalPERS assigned reserve. When fund balance carryover is included, General Fund resources total \$45.6 million, which is 38% above FY 2016-17 adopted budget. Final General Fund expenditure estimates total \$75 million, representing a 3% decrease from FY 2016-17 projections, mostly due to decreases in costs allocation of due to a change in methodology as described in the budget message. The General Fund's ending fund balance is projected to increase by 1% from FY 2016-17 adopted budget. This is due to a strong revenue forecast that exceeds budgeted expenditures in FY 2017-18.

GENERAL FUND OPERATING SUMMARY					
	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Adopted	FY 17-18 Adopted	Percent Change
Beginning Fund Balance	42,960,443	39,324,543	52,194,840	40,390,672	-23%
Operating Revenue	83,505,137	77,932,145	79,004,004	79,995,647	1%
Operating Expenditures	(86,202,200)	(65,023,330)	(77,222,454)	(75,051,233)	-3%
Net Revenue/Expenditures	(2,697,063)	12,908,815	1,781,550	4,944,414	178%
Assigned/Other	30,549,577	22,325,755	28,261,693	38,657,396	37%
Unassigned	8,774,966	29,869,085	16,692,979	6,750,090	-60%
Total Ending Fund Balance	39,324,543	52,194,840	44,954,672	45,407,486	1%

This section provides information on the FY 2017-18 General Fund budget including, expenditure and revenue highlights, transfers to other funds, reserve funds and the financial forecast.

General Fund Revenue

Estimates for the FY 2017-18 beginning fund balance and for the individual General Fund revenue accounts are based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. FY 2017-18 revenue estimates are based on the anticipated increase or decrease in activity and receipts over the current year. Each source of revenue can be influenced by external (outside of the City's control) and/or internal factors. The FY 2017-18 revenue estimates are built on the assumption that the economic recovery continues to positively impact on the City's tax revenues, while uncertainty surrounding development activities will reduce development-related fees and charges.

As shown in the chart below, FY 2017-18 revenues are estimated at \$80 million, a 1.3% increase above the FY 2016-17 Adopted Budget.

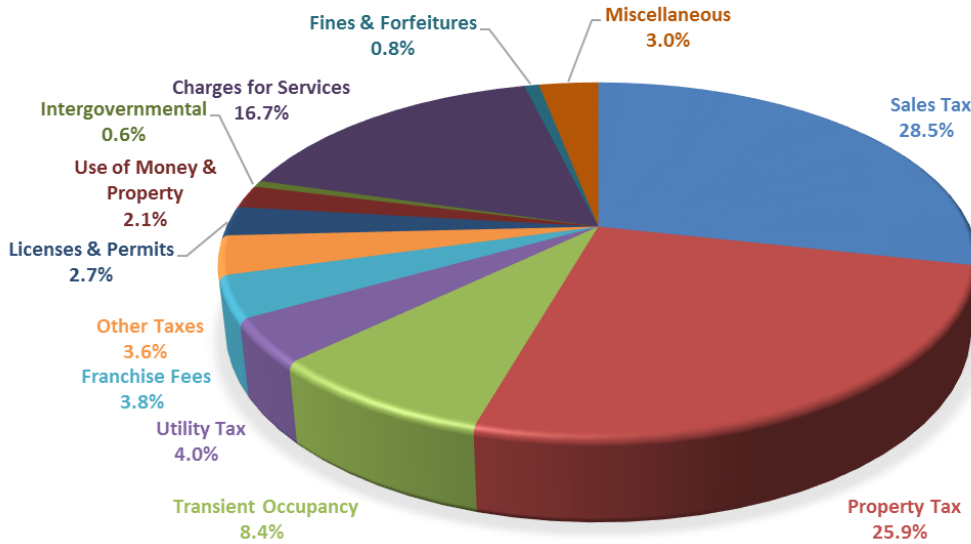
GENERAL FUND REVENUE SUMMARY					
REVENUES	FY 15-16 Actuals	FY 16-17 Adopted	FY 16-17 Estimate	FY 17-18 Adopted	Percent Change*
Sales Tax	21,350,056	22,440,000	25,940,000	22,790,000	1.6%
Property Tax	18,139,368	18,741,000	20,741,000	20,757,000	10.8%
Transient Occupancy	5,852,244	6,708,000	6,708,000	6,708,000	0.0%
Utility Tax	3,370,830	3,122,000	3,122,000	3,200,000	2.5%
Franchise Fees	3,478,024	2,900,000	2,900,000	3,040,000	4.8%
Other Taxes	2,595,773	1,600,000	2,200,000	2,850,000	78.1%
Licenses & Permits	3,073,109	2,499,000	2,499,000	2,145,000	-14.2%
Use of Money & Property	1,400,899	776,980	896,980	1,647,790	112.1%
Intergovernmental	428,991	230,500	230,500	484,000	110.0%
Charges for Services	15,454,535	19,003,224	36,024,574	13,337,897	-29.8%
Fines & Forfeitures	558,517	600,000	600,000	600,000	0.0%
Miscellaneous	2,229,799	383,300	3,205,977	2,435,960	535.5%
TOTAL REVENUE	77,932,145	79,004,004	105,068,031	79,995,647	1.3%

*FY17-18 Adopted to FY 16-17 Adopted

Approximately 54% of Cupertino's General Fund operating revenues are generated by sales and property taxes followed by charges for service and the transient occupancy tax. The chart on the next page illustrates the sources of General Fund revenue by category.

FY 2017-18 Estimated Operating General Fund Revenue

Total Revenue: \$79,995,647



The FY 2017-18 General Fund revenue estimates are discussed by category in the material that follows.

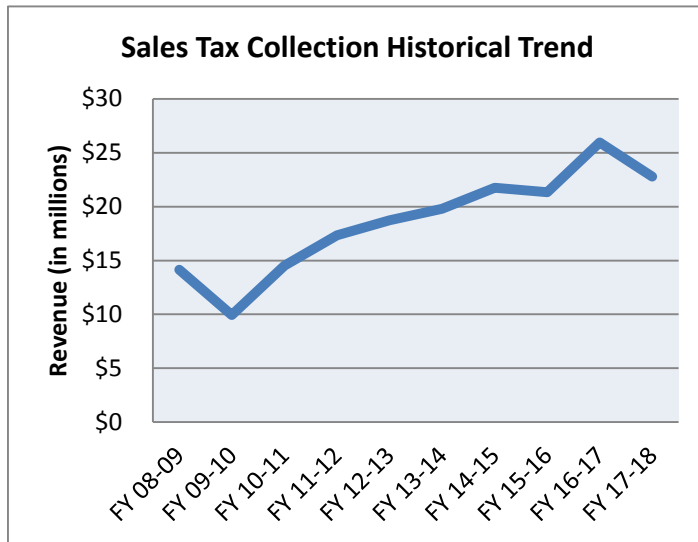
SALES & USE TAX	
FY 15-16 Actual	21,350,056
FY 16-17 Adopted	22,440,000
FY 16-17 Estimate	25,940,000
FY 17-18 Adopted	22,790,000
% of General Fund	28.5%
% Change from FY 16-17 Adopted	1.6%

Sales tax is an excise tax imposed on retailers for the privilege of selling tangible personal property. The Use Tax is an excise tax imposed on a person for the storage use, or other consumption of tangible personal property purchased from any retailer. The proceeds of sales and use taxes imposed within the boundaries of Cupertino are distributed by the State to various agencies, with the City of Cupertino receiving one percent, as shown in the chart to the right.

Agency	Sales Tax Distribution
State	6.250%
Valley Transportation Authority	1.125%
City of Cupertino	1.000%
County Transportation	0.500%
County General Purpose	0.125%
Total:	9.000%

The City's sales tax revenues are generated from five principal economic categories: business-to-business 67.0% (includes electronic equipment and software manufacturers and distributors), construction 13.2%, general retail 8.2%, food products 8.2%, and transportation 3.0%.

Our two largest sales tax payers in the business-to-business category represent a large part of that sector and therefore can significantly affect sales tax trends. The top tax payer's corporate growth and increased business technology spending has driven growth in this sector. Sales tax activity has increased across all sectors, particularly business-to-business and construction. Given this trend, the City's FY 2016-17 sales tax revenue is expected to increase modestly.



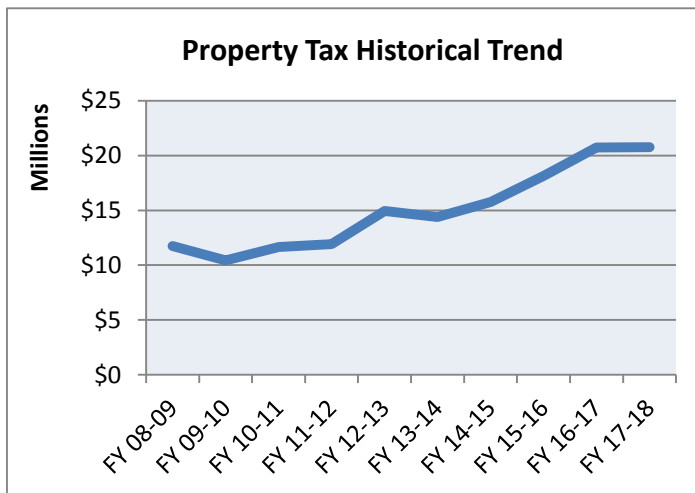
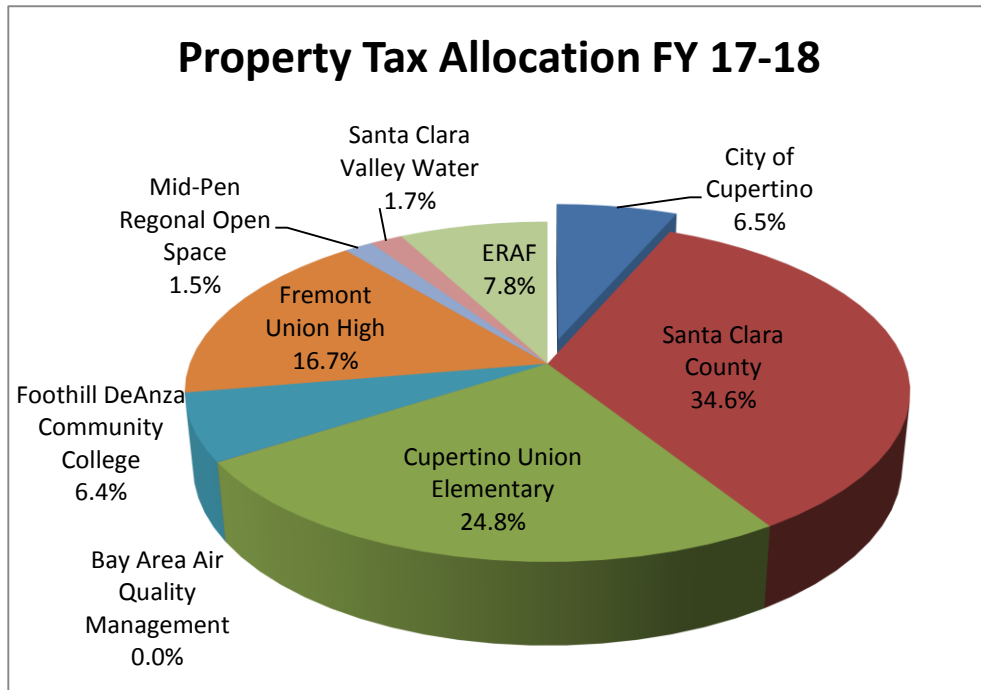
Sales and Use Tax receipts increased 9.9% in FY 2014-15 and took a slight dip of 1.8% in FY 2015-16. This chart reflects the FY 2016-17 actuals are expected to increase by 21.5% this increase is due to a onetime \$3.5 mil payment related to the close out of the triple flip. Sales Tax revenues are estimated to generate \$22.8 million in FY 2017-18, which is down 12.1% from the FY 2016-17 estimate due to the close out of the triple flip.

PROPERTY TAX	
FY 15-16 Actual	18,139,368
FY 16-17 Adopted	18,741,000
FY 16-17 Estimate	20,741,000
FY 17-18 Adopted	20,757,000
% of General Fund	25.9%
% Change from FY 16-17 Adopted	10.8%

Under current law, property is assessed at actual full cash value with the maximum levy being 1% of the assessed valuation. The assessed value of real property that has not changed ownership can be adjusted by the change in the California Consumer Price Index (CCPI) up to a maximum of 2% per year. Property which changes ownership, property which is substantially altered, newly-constructed property, State-assessed property, and personal property are assessed at the full market value in the first year and subject to the two percent cap, thereafter.

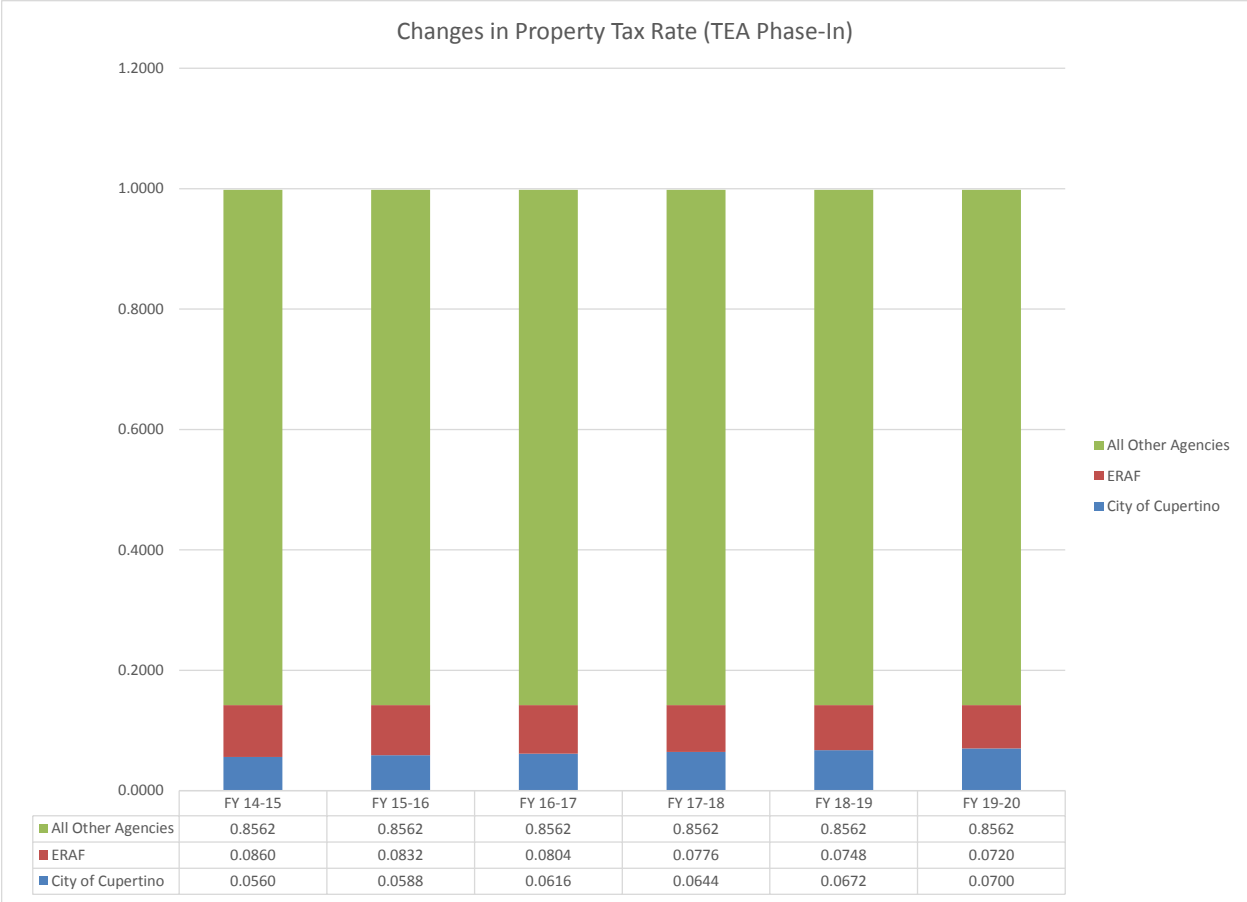
In 1978, voters approved the passage of Proposition 13, which froze property tax rates and limited the amount that rates could increase each year. Cupertino had one of the lowest property tax rates in Santa Clara County receiving \$.02 for every \$1.00 paid. Subsequent

legislation required Counties to provide “no/low tax” cities with a Tax Equity Allocation (TEA) equal to 7% of the property tax share, however, the property tax distribution for the no/low tax cities in Santa Clara County was limited to 55% of what other TEA cities in the state received.



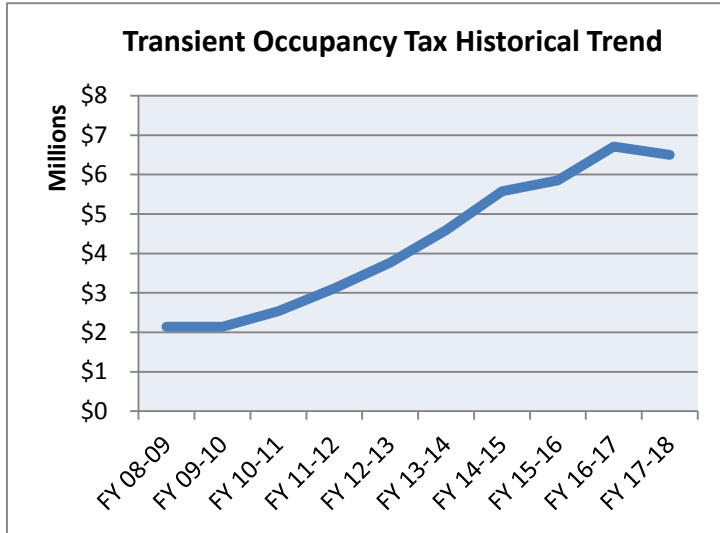
In FY 2006-07 West Valley cities won the passage of State legislation which restored a portion of TEA property tax revenue. This TEA change provided an additional \$1.35 million in property tax annually and increased the City’s share of property taxes to 5.6%. Cupertino, in conjunction with three other West Valley cities, continued its legislative efforts to gain parity with other no/low property tax cities in the state. In FY 2015-16, Governor Brown agreed to restore TEA revenues over a five-year

period. As shown in the graph above, Cupertino will keep 6.44% of property tax revenues compared to 6.16% in FY 2016-17. TEA will be fully restored to 7% by FY 19-2020 as shown in the following chart.



Property Tax receipts increased 15.2% in FY 2015-16. Similar gains are anticipated in FY 2016-17 due in part to the restoration of TEA funds and the changes in valuation for Apple Campus 2. Property Tax revenues are estimated to generate \$20.8 million in FY 2017-18, which is up 10.8% from the FY 2016-17 Budget.

TRANSIENT OCCUPANCY TAX	
FY 15-16 Actual	5,852,244
FY 16-17 Adopted	6,708,000
FY 16-17 Estimate	6,708,000
FY 17-18 Adopted	6,708,000
% of General Fund	8.4%
% Change from FY 16-17 Adopted	0%



Transient occupancy taxes (TOT) are levied on five hotels located in the City at the rate of 12% of room revenues. In November 2011, 83% of voters approved increasing the rate from 10% to 12%. This rate increase contributed to the upwards trend shown in the TOT Tax Historical Trend graph to the right. In addition, the new Hyatt House, which due to open in September 2018, should increase ongoing TOT collections significantly.

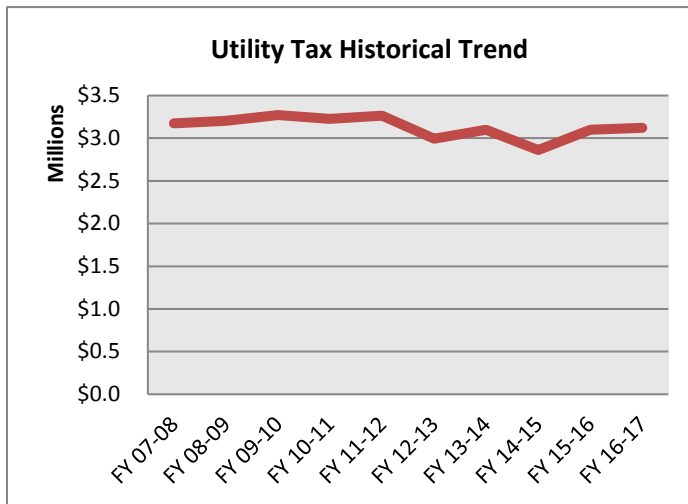
UTILITY TAX	
FY 15-16 Actual	3,370,830
FY 16-17 Adopted	3,122,000
FY 16-17 Estimate	3,122,000
FY 17-18 Adopted	3,200,000
% of General Fund	4.0%
% Change from FY 16-17 Adopted	2.5%

The utility user tax (UUT), approved by voters in 1990, is assessed on gas, electricity and telecommunication service provided within the City’s jurisdiction at a rate of 2.4% of billed charges. Revenues generated from this tax can be used for general City purposes.

Utility User Tax Comparison				
	Gas/Electric	Cable	Water	Telecom
Sunnyvale	2.00%	--	--	2.00%
Cupertino	2.40%	--	--	2.40%
Mountain View	3.00%	--	--	3.00%
Los Altos	3.50%	3.20%	3.50%	3.20%
Palo Alto	5.00%	--	5.00%	5.00%
Gilroy	5.00%	4.50%	--	4.50%
San Jose	5.00%	--	5.00%	4.50%

The City’s tax rate is generally lower than that of other cities within Santa Clara County, as shown in the chart above. In March 2002, voters approved extending the utility tax’s sunset date from 2015 to 2030. This extension corresponded with the extended debt maturity date resulting from the refinancing of debt for capital improvement projects. To maintain tax revenues currently received from telecom services, voters passed a measure in 2009 to update the ordinance to the changing technology in this area.

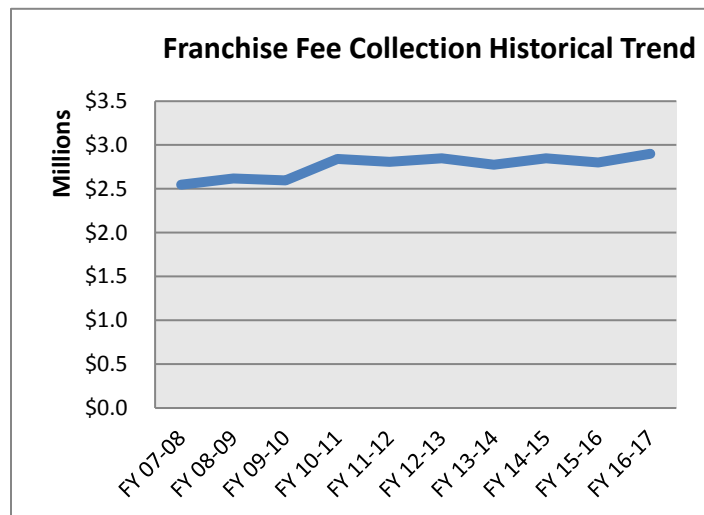
In FY 2015-16, UUT revenues increased by 17.8% compared to FY 2014-15, primarily due to the settlement payout that was taken from UUT receipts.



UUT revenues are anticipated to make a slight increase in FY 2017-18 with an 4.1% increase. Further decreases are not anticipated for UUT and budgeted revenues will remain at \$3.2 million for FY 2017-18 and beyond. This revenue source will be monitored closely as the fiscal year progresses.

FRANCHISE FEES	
FY 15-16 Actual	3,478,024
FY 16-17 Adopted	2,900,000
FY 16-17 Estimate	2,900,000
FY 17-18 Adopted	3,040,000
% of General Fund	3.8%
% Change from FY 16-17 Adopted	4.8%

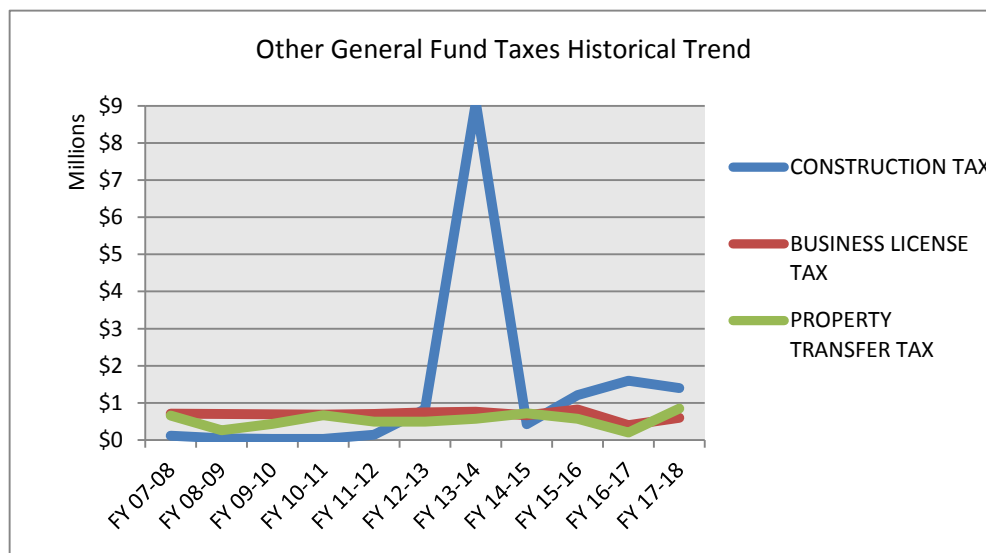
Franchise fees are received from cable, solid waste, water, gas and electricity franchisees that operate in the City. The fees range from 1% to 12% of the franchisee’s gross revenues depending on each particular agreement. As shown in the graph below, these revenues are relatively steady and not sensitive to economic fluctuations.



Franchise fee revenues increased by 22% in FY 2015-16 from the previous year and but are expected to decline in FY 2016-17. Budgeted revenues are expected to remain at approximately \$3 million for FY 2017-18. This revenue source will be monitored closely as the fiscal year progresses.

OTHER TAXES	
FY 15-16 Actual	2,595,773
FY 16-17 Adopted	1,600,000
FY 16-17 Estimate	2,200,000
FY 17-18 Adopted	2,850,000
% of General Fund	3.6%
% Change from FY 16-17 Adopted	78.1%

Other taxes are comprised mainly of business license taxes, construction taxes, and property transfer taxes. As shown in the graph, business license taxes are relatively steady while construction and property transfer taxes are extremely volatile and sensitive to economic fluctuations.



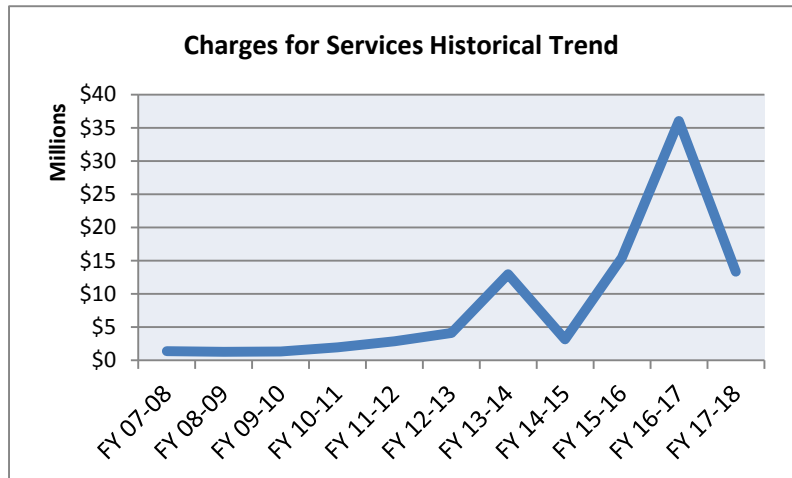
With the influx of several major construction projects beginning in 2012, revenues began increasing. The largest of the projects included the Apple Campus 2 and Main Street developments. These projects coupled with a strong housing recovery created a record year for revenues in FY 2013-14. These revenues have since returned to historic levels. In FY 2017-18 revenues are expected to be at \$2.9 million.

CHARGES FOR SERVICES	
FY 15-16 Actual	15,454,535
FY 16-17 Adopted	19,003,224
FY 16-17 Estimate	36,024,574
FY 17-18 Adopted	13,337,897
% of General Fund	16.7%
% Change from FY 16-17 Adopted	-29.8%

This category accounts for charges to users of City services funded by the General Fund as well as internal City-wide overhead. The City attempts to recover the cost of the services, including planning, zoning, and engineering permit processing for new property development as well as some recreation-related fees. As such, this revenue source is sensitive to economic fluctuations, as shown in the graph below. The Apple Campus 2 generated large one-time revenues in FY 2013-14 and is expected to continue bringing in healthy revenue in FY 2016-17 though not to the same levels as previously seen.

Large development projects attributed to a spike in revenues in this category in FY 2013-14. In addition, beginning in FY 2013-14, enterprise funds, internal service funds, and special funds began charging for overhead services previously subsidized by the General Fund. Some internal strategic support services (HR, Finance, City Clerk, etc.) also began charging internal departments for their services to accurately capture the true cost of providing various programs and services within City operations. After a comprehensive cost allocation plan (CAP) was approved by Council in April 2016, new CAP charges are included to capture internal strategic support services that were previously excluded (City Council, Facilities, Maintenance, etc.). In FY 2015-16, the City’s administration changed its methodology for tracking developer deposits driven by increased developer activity and, as a result, both budgets for revenues and expenses were increased by anticipated deposit amounts leading to another large increase in revenue.

For FY 2017-18, Charges for Services will decrease to \$13.3 million due largely to the removal of charges from strategic support that were added in the prior year. In addition, revised fees approved by Council in June will go into effect beginning in August FY 17-18 and will result in increased revenue estimates.

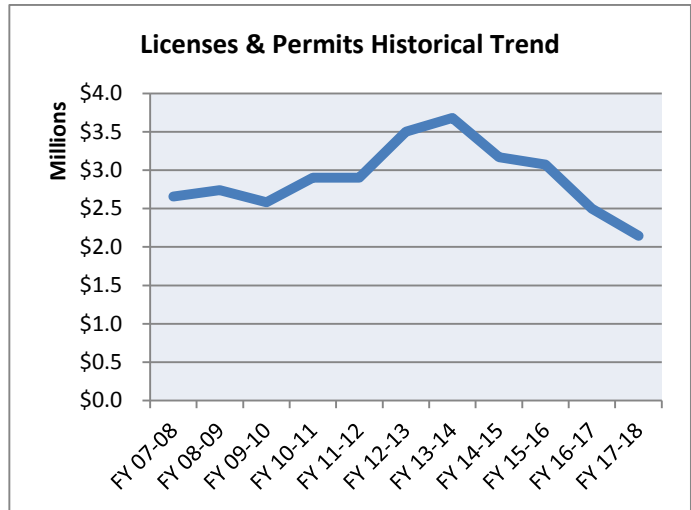


LICENSES & PERMITS	
FY 15-16 Actual	3,073,109
FY 16-17 Adopted	2,499,000
FY 16-17 Estimate	2,499,000
FY 17-18 Adopted	2,145,000
% of General Fund	2.7%
% Change from FY 16-17 Adopted	-14.2%

Licenses and permits include fees for reviewing building plans, building inspections, construction, tenant improvements, and commercial/residential installations for compliance with state and municipal building codes.

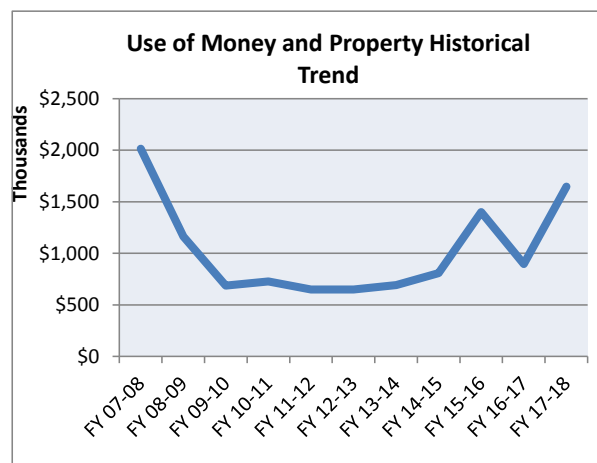
Past referendums limited the height and density of new construction and building of condominium housing. Some residential developers hesitated to invest in Cupertino for fear that their project will not be approved or will be reversed by voter referendum. However, this trend began to reverse in FY 2011-12 with the economic recovery.

The Apple Campus 2 project and large residential projects (Rosebowl, Biltmore expansion, Main Street) generated significant permitting revenues in FY 2013-14. Since then, activity has slowed. FY 2015-16 revenues are tracking lower than projected by \$3.2 million as no new large development projects have been approved as previously anticipated. Revenue is anticipated to remain flat in FY 2017-18 as development activity continues to slow.



USE OF MONEY AND PROPERTY	
FY 15-16 Actual	1,400,899
FY 16-17 Adopted	776,980
FY 16-17 Estimate	896,980
FY 17-18 Adopted	1,647,790
% of General Fund	2.1%
% Change from FY 16-17 Adopted	112.1

The use of money and property category is comprised of General Fund interest earnings as well as facility and concession rental income of City-owned property. The City's portfolio is approximately \$122.8 million. Fluctuations in this revenue category are a result of investment earnings, as rental income is fairly steady.



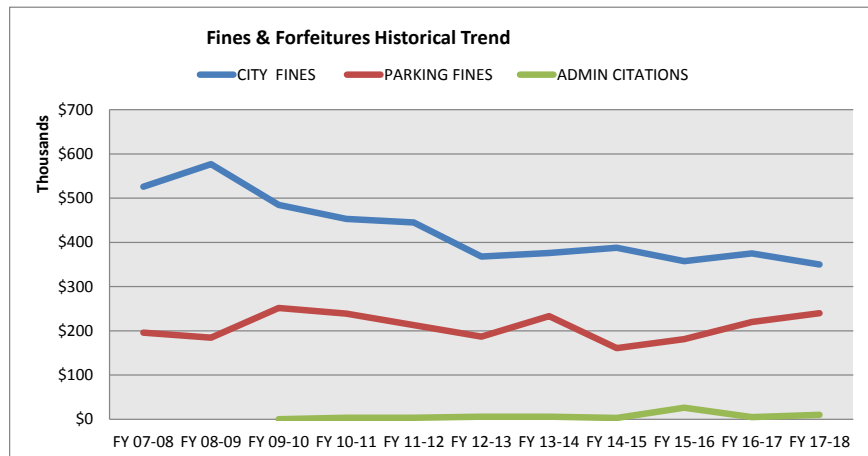
Investment earnings are a function of the amount of excess cash available for

investment, current interest rates, and composition of investments. The City’s investment policy requires investments to be made in this order of priority: safety, liquidity, and yield. The unprecedented turmoil in the financial markets and state cash flow problems necessitated a weighting of the portfolio toward safety and lower average yields. In March 2017, the Federal Reserve raised short-term interest rates by a quarter percentage point to a range of 0.75% to 1%. Two more increases are forecasted for 2017, followed by three more in 2018.

Investment earnings are expected to remain low as the Federal Reserve remains cautious with interest rates. Economists predicted interest rates would increase in FY 2017-18 when the unemployment rate was projected to fall below 6.5%. The unemployment rate did fall below that threshold but the Federal Reserve did not increase key rates until December 2015 from range of 0%-0.25% to a range of 0.25%-0.5%. Lackluster GDP growth will likely keep rates low. Revenue in this category is estimated to increase slightly in FY 2016-17 as General Fund reserves stabilize and interest rates cautiously ease up.

FINES AND FORFEITURES	
FY 15-16 Actual	558,517
FY 16-17 Adopted	600,000
FY 16-17 Estimate	600,000
FY 17-18 Adopted	600,000
% of General Fund	0.8%
% Change from FY 16-17 Adopted	0.0%

Fines and forfeiture account for revenues generated from vehicle, parking, and miscellaneous code violations issued by the County Sheriff and the City’s Code Enforcement officers. The recent downtrend in County fines, resulting from lower court assessed fines and forfeitures, have leveled off



in recent years as shown on the chart on the next page. Parking fine revenues have also leveled off but are expected to increase with approval of a part-time Code Enforcement Officer expected to begin in May 2016. Fines and Forfeitures revenue is expected to remain flat in FY 2016-17 and remain at this level for FY 2017-18.

INTERGOVERNMENTAL	
FY 15-16 Actual	428,991
FY 16-17 Adopted	230,500
FY 16-17 Estimate	230,500
FY 17-18 Adopted	484,000
% of General Fund	0.6%
% Change from FY 16-17 Adopted	110%

Intergovernmental revenues are made up of federal, state, and regional grants, including miscellaneous intergovernmental revenue. Current year estimates are up compared to budgeted levels prior year budget levels due to anticipated State mandate reimbursements. In FY 2017-18, revenues of \$484,000 are anticipated.

MISCELLANEOUS	
FY 15-16 Actual	2,229,799
FY 16-17 Adopted	383,300
FY 16-17 Estimate	3,205,997
FY 17-18 Adopted	2,435,960
% of General Fund	3.0%
% Change from FY 16-17 Adopted	535.5%

Miscellaneous revenues account for the sale of land and other miscellaneous revenues such as administrative fees. Staff is recommending the transfer in of fund balance from the Capital Reserve back to the General Fund for an increase in the CalPERS assigned reserve to assist in smoothing out significant increases due to the reduction in the discount rate.

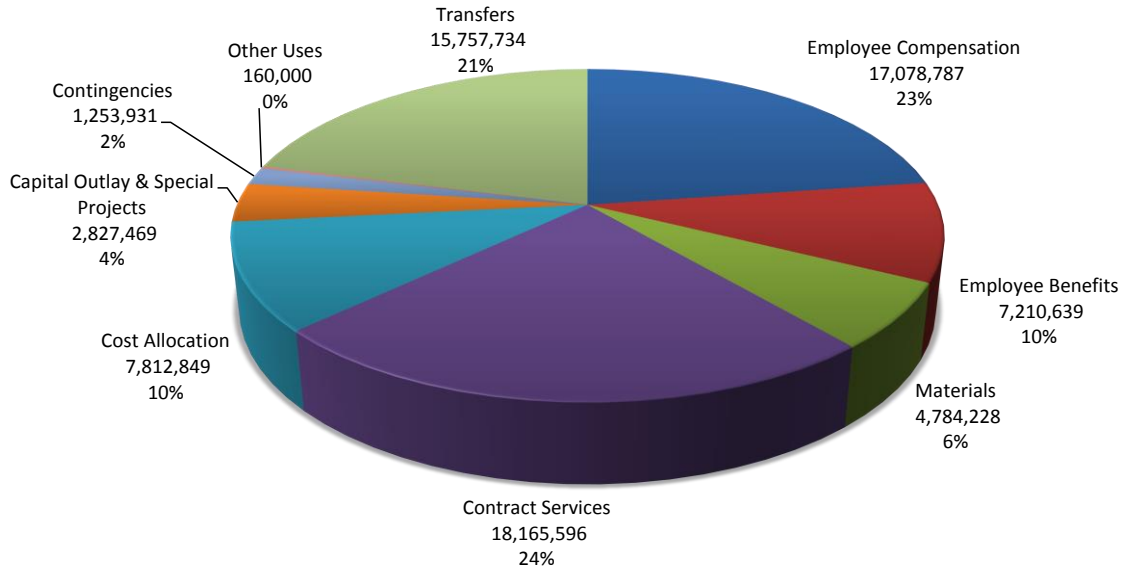
General Fund Expenditures

Estimates for the FY 2017-18 General Fund expenditures are based upon anticipated personnel and non-personnel cost increases. This year department budgets reflect actual projected costs based on the 2016-17 Final Adopted Budget, removing any one time costs, and accounting for changes in personnel costs and any other anticipated/known increased costs in FY 2017-18. In addition, most budgets were given additional funds for any unexpected expenditures that is accounted for in the contingency account. Lastly, per the City's Reserve policy and unassigned General Fund balance above the \$500,000 maximum balance will be transferred to the Capital Fund for future capital and infrastructure projects, however this transfer will now be completed as part of the year end close and not in the budget. As shown in the chart below, FY 2017-18 expenditures are estimated at \$75 million, a 3% decrease below the final budget. This decrease is primarily attributed to changes in charges for services due to decreased information systems costs and changes to the City's Cost Allocation Plan (CAP).

GENERAL FUND EXPENDITURE SUMMARY					
	2014-2015	2015-2016	2016-2017	2017-18	Percent
EXPENDITURES	Actuals	Actuals	Adopted	Adopted	Change
Employee Compensation	12,843,889	13,430,658	15,348,029	17,078,787	11%
Employee Benefits	5,243,862	5,543,191	6,350,028	7,210,639	14%
Total Personnel Costs	18,087,751	18,973,848	21,698,057	24,289,426	12%
Non-Personnel Costs					
Materials	4,020,636	3,323,691	4,173,507	4,784,228	15%
Contract Services	14,554,123	16,819,679	17,849,345	18,165,596	2%
Cost Allocation	3,336,264	3,078,935	13,262,836	7,812,849	-41%
Capital Outlay & Special Projects	7,016,144	9,657,395	5,780,639	2,827,469	-51%
Contingencies	9,916	5,010	1,249,396	1,253,931	0%
Other Uses	82	827	247,300	160,000	-35%
Total Non-Personnel	28,937,166	32,885,537	42,563,023	35,004,073	-18%
Transfers	39,177,284	13,163,945	12,961,373	15,757,734	22%
TOTAL EXPENDITURES	86,202,200	65,023,330	77,222,454	75,051,233	-3%

The largest General Fund operating expenditure categories include personnel costs (32%), contract services (24%) and Transfers Out (21%) as illustrated in the FY 2017-18 General Fund Expenditures by Category chart on the next page.

General Fund Expenditures by Category



Personnel Costs

Personnel cost total \$24.3 million in FY 2017-18, comprising 32% of General Fund expenditures. These costs are made up of salaries and compensation for benefitted and part time staff (70%), retirement benefits (17%), and other fringe benefits (13%), including health coverage.

Costs were calculated by taking an extract of payroll system information. This individual position-level information was then reviewed, corrected, and updated by each department to include current vacancies and filled positions, accurate salary step status, as well as any position reallocations. Also, all categories of benefit costs in the coming year were projected. The most recent retirement plan and health plan information for each position was also updated from the payroll system. Not included in personnel costs, is the ongoing contribution for retiree healthcare which is included in the transfers category. Costs in salary and benefits are up due primarily to reclassification that occurred as part of the citywide classification study and negotiated increases of 3.5% that are effective at the beginning of the fiscal year, both of which were approved by Council in October 2016. Also as part of labor negotiations the City significantly increased its contribution toward healthcare up from approximately 50-60% to 85% of plan costs as a fixed number. The current fiscal year builds on that increase, providing a 5% escalator over FY 2016-17.

Life and Long-Term disability rates are projected to remain flat in FY 2017-18. In addition as part of negotiation the City agreed to add short term disability benefits for employees not currently covered under the State's plan this resulted in a slight increase this fiscal year. Lastly retirement rates are projected to increase a net 2%. The change to the PERS discount rate will be

discussed in General Fund forecast section as the impact of this change will not materialize until FY 2018-19.

A total of 197.75 FTEs are budgeted in FY 2017-18, up from 190.75 in FY 2016-17. This increase of 4.0 FTE represents a 4% increase in staffing. The growth in positions is summarized below:

FY 2016-17 Adopted Budget	190.75
Deputy City Attorney (Council Item)	1.00
Business System Analyst (Mid-Year Budget)	2.00
FY 2017-18 Adopted Budget	
Environmental Program Specialist (Extend by 1 year)	0.00
Executive Assistant (with conversion of an existing position to 3-Year Limited Term)	1.00
Recreation Coordinator (3-Year Limited Term)	2.00
Senior Planner-Transportation (3-Year Limited Term)	1.00
Adopted FY 2017-18 Benefitted Positions	197.75

The positions that were added as part of the Adopted Budget are summarized below:

Department(s)	Classification	Salaries	Benefits	Total Costs	Funding Source/Purpose
City Council/ Administration	Executive Admin	\$79,176	\$34,394	\$113,570	General Fund. Admin support for City Council, City Clerk and City Manager
Administration	Environmental Program Specialist, 1 year extension, limited term	\$86,404	\$36,828	\$123,232	General Fund Sustainability and CAP
Recreation and Community Services (2)	Recreation Coordinator	\$152,148	\$66,844	\$218,992	General Fund. Disaster Preparedness & Senior Center
Public Works	Senior Planner	\$107,772	\$49,171	\$156,943	General Fund. Transportation Projects
POSITIONS FUNDED BY THE GENERAL FUND		\$425,500	\$187,237	\$612,737	

Non-Personnel

Non-personnel cost total \$35 million in FY 2017-18, comprising 47% of General Fund expenditures. These costs are made up of contractual services (24%), cost allocation charges (10%), materials (6%), capital outlays and special projects (4%) and program contingencies (2%). Costs were developed based on FY 2016-17 Adopted budget and actual expenditures in prior

years, and then adjusted for FY 2017-18 funding needs. One-time projects were moved to a separate category in FY 13-14 to ensure that expenditure trends reflect ongoing expenditure needs. In the current year a concerted effort was made to differentiate costs related to special projects and capital outlays that are required to be depreciated. A new special projects series was created in contracts section of accounts for any new special projects going forward.

Contingencies totaling 2% of the total General Fund and 5% of Material and Contract budgets has been established. This contingency level is within the recommended range by the Government Finance Officers Association. Contingencies have allocated proportionately amongst operating programs based on each program's share of General Fund budget for contractual services and supplies and materials. The remaining is allocated to the City Manager's Discretionary Program. Program contingency budgets may be used to cover unanticipated program expenses at the department's discretion, while the use of the City Manager's Discretionary Program will require City Manager approval. The 5% is consistent with best practices adopted by the Governmental Accounting Standards Board (GASB) which recommends a 5-15% contingency.

General Fund Transfers

Transfers out represent transfers of monies out of the General Fund to various other funds. These transfers provide resources to the receiving fund to support operating and capital project costs. For Fiscal Year 2017-18, budgets have been established for the following transfers.

Transfer Out from General Fund	Description	Amount
Special Revenue Funds	Pavement, Sidewalk, Curb and Gutter Maintenance	\$7,134,122
Debt Service Fund	Annual Debt Payment	\$ 3,167,538
Enterprise Fund	General Fund subsidy of several Recreation Enterprise Funds	\$400,000
Internal Service Funds	General Fund Subsidy of Government Channel, City Website, GIS and Compensated Absence Funding	\$5,056,074
TOTAL GENERAL FUND TRANSFERS OUT		\$15,757,734

GENERAL FUND—RESERVES AND CLASSIFICATION OF FUND BALANCE

The Government Accounting Standards Board (GASB) Statement No. 54 establishes five categories for the classification of fund balance: Non-spendable, Restricted, Committed, Assigned and Unassigned.

Although only the General Fund is addressed in this section, Statement No. 54 applies to the Special Revenue and Capital Project funds as well.

Non-spendable fund balance includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact. Loans receivable or prepaid expenses comprise this category in the City.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external parties (such as creditors, grant providers or contributors) or through enabling legislation. Franchise fees collected for public, educational, and governmental access purposes comprise this classification.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, such as the City Council. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. The City has no fund balance in this category.

Assigned fund balance is comprised of amounts intended to be used by the government for specific purposes that are neither restricted nor committed. Intent can be expressed by the governing body or by an official body to which the governing body delegates the authority. Reserves discussed in the Reserve and Use of One Time Funds Policy are assigned to this classification. General Fund assigned reserves at June 30, 2013 are projected to be at policy levels.

Unassigned fund balance is the classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

FISCAL YEAR 2017-18 ADOPTED BUDGET

General Fund Classification of Fund Balance

CLASSIFICATION	Actuals 2014-15	Actuals 2015-16	Year End Projection 2016-17	Adopted Budget 2017-18
<u>Non Spendable</u>				
Loans Receivable	886,148	868,608	1,032,275	1,032,275
Prepaid Items	52,097	68,773	66,428	66,428
Total Non Spendable	938,245	937,381	1,098,703	1,098,703
<u>Restricted</u>				
<u>Encumbered Fund Balance</u>				
Public Access Television	761,653	888,374	761,693	761,693
Total Restricted	761,653	888,374	761,693	761,693
<u>Committed</u>				
None in this classification	-	-	-	-
Total Committed	-	-	-	-
<u>Assigned</u>				
Economic Uncertainty I	18,000,000	19,000,000	19,000,000	19,000,000
Economic Uncertainty II	-	-	-	-
Economic Fluctuation	1,400,000	1,400,000	1,400,000	1,400,000
CIP Future Project	8,099,679	-	-	-
PERS	100,000	100,000	100,000	4,793,000
One Time Revenue	-	-	-	-
Equipment Fund Loan for 1A	-	-	-	-
Reserve for Encumbrances	-	-	11,604,000	11,604,000
Revenue Liability	-	-	-	-
General Building	-	-	-	-
Wolfe Road Transportation Study	1,000,000	-	-	-
I-280 Trail Study	250,000	-	-	-
Total Assigned	28,849,679	20,500,000	32,104,000	36,797,000
Total UnAssigned	8,774,966	29,869,085	6,426,276	6,750,090
TOTAL FUND BALANCE	39,324,543	52,194,840	40,390,672	45,407,486

Five-Year General Fund Forecast

The financial forecast is a planning tool that helps staff identify important trends and anticipate the longer term consequences of budget decisions. The forecast tools can be instrumental in modeling the effects of such recent issues as rising retirement system costs, increases in employee compensation, and potential scenarios of future revenue performance.

The forecast is not a plan but a model based on cost and revenue assumptions that are updated regularly as new information becomes available. Of these components, future costs projections based on known costs, are relatively reliable. Revenue forecasts, on the other hand, are based on assumptions related to future economic conditions, which are fraught with uncertainty. Economic forecasts in the financial markets and the media swing from optimistic to pessimistic on a seemingly daily basis and demonstrate the difficulties of committing to a particular prediction of the future. For this reason the forecast should be updated regularly.

A discussion of both the national and local economic outlooks used to develop the revenue estimates for the 2017-18 Forecast is discussed below. Key economic forecasts were reviewed in the development of the revenue estimates, including the national, State and regional economic forecasts produced by the Congressional Budget Office, California's Legislative Analyst's Office (LAO), and economist Steven Levy of the Center for Continuing Study of the California Economy (CCSCE). The City also uses a sales tax consultant to assist in the development of sales tax revenue estimates.

While economic conditions are the primary drivers for economically sensitive revenues like the sales tax and property tax categories, performance is primarily driven by other factors for non-economically sensitive categories such as the utility user tax and franchise fee categories. These revenue categories are more heavily impacted by rate changes, energy prices, and consumption levels. Collections from local, State, and federal agencies are primarily driven by the grant and reimbursement funding available from these agencies. As a result, these General Fund revenues experience no significant net gain or loss in times of an economic expansion or slowdown. All revenue projections based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year.

National Economic Outlook

Both locally and nationally uncertainty is the main theme among forecasts. Most are projecting either moderate economic growth or a mild recession during the next two years, according to several economic forecasts. In the growth scenario Growth will be driven by employment, personal income, and the stock market. Under the recession scenario Economists are expecting a big stock market decline comparable to the dot.com bust of the early 2000s. It's important to note that national economy has been expanding since June 2009. The expansion has now surpassed 89 months, making it the 4th longest in U.S. history. Expansions commonly end

because of imbalances that build up and overheat the economy. These can be driven by major changes in the economy and or public policy changes.

Cupertino Economic Outlook

The outlook for Cupertino and the Silicon Valley overall has been positive, with steady growth in this Forecast. Sales taxes continue to be very strong, driven by business to business sales in the City's technology sector. Property taxes have also had a strong performance the last two years but are expected to stabilize as interest rates begin to rise during the forecast period. The limited supply of housing may eventually dampen growth as well.

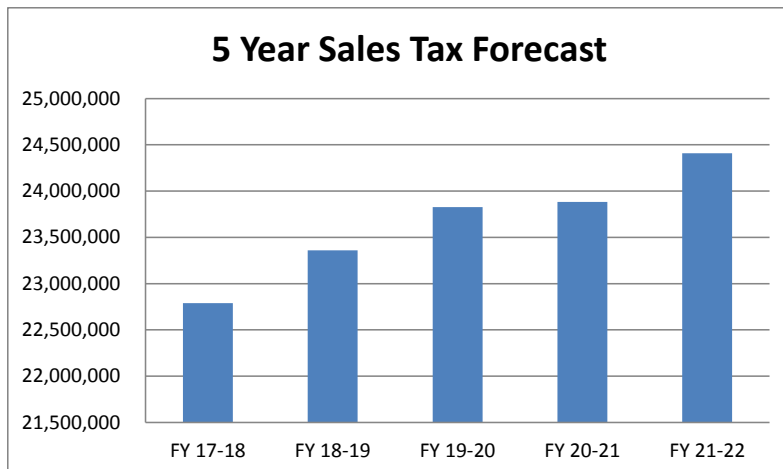
Large construction projects have generated strong development-related revenue for the City's coffers but have started to level off. The majority of revenues associated with the Apple Campus 2 project have already been collected per the development agreement. No other major projects are anticipated at this time. Development projects that have yet to be approved and permitted are not included in this Forecast out of prudence. It would be risky to rely on these one-time revenues given the political uncertainty around development projects.

In summary, the steady recovery from the great recession is expected to continue impacting the City's revenue performance. The economically sensitive revenues, such as sales tax and property tax receipts, are expected to experience moderate growth over the forecast period. Development-related revenue such as licenses and permits, construction tax, and charges for service are expected to decline from the peak experienced in FY 2013-14 due to one-time projects.

As shown in the chart on the next page, operating expenditures are expected to exceed operating revenues in all but the final year of the forecast. In addition, reserve levels are projected to increase as the City proactively prepares for future expenditure liabilities. Per the City's new Reserve Policy any additional unassigned fund balance above the \$500,000 maximum will be transferred out to the Capital Reserve at the end of the year.

FIVE-YEAR GENERAL FUND FORECAST						
	FY 15-16	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Actuals	Adopted	Forecast	Forecast	Forecast	Forecast
BEGINNING FUNDBALANCE						
Assigned/Other	30,549,577	33,964,396	38,657,396	38,657,396	38,657,396	38,657,396
Unassigned	8,774,966	6,426,276	6,750,090	9,515,992	11,481,989	12,142,928
TOTAL BFB	39,324,543	40,390,672	45,407,486	48,173,388	50,139,385	50,800,324
REVENUE						
Sales Tax	21,350,056	22,790,000	23,359,750	23,827,000	23,884,000	24,409,000
Property Tax	18,139,368	20,757,000	22,418,000	22,866,000	23,323,000	23,789,000
Transient Occupancy	5,852,244	6,708,000	7,580,000	7,656,000	7,694,000	7,732,000
Utility Tax	3,370,830	3,200,000	3,200,000	3,222,000	3,245,000	3,268,000
Franchise Fees	3,478,024	3,040,000	2,853,000	2,902,000	2,957,000	3,013,000
Other Taxes	2,595,773	2,850,000	2,921,000	2,994,000	3,069,000	3,146,000
Licenses & Permits	3,073,109	2,145,000	1,600,000	1,650,000	1,703,000	1,756,000
Use of Money & Property	1,400,899	1,647,790	1,714,000	1,714,000	1,714,000	1,714,000
Intergovernmental	428,991	484,000	265,000	265,000	265,000	265,000
Charges for Services	15,454,535	13,337,897	12,717,164	12,972,000	13,193,000	13,417,000
Fines & Forfeitures	558,517	600,000	600,000	600,000	600,000	600,000
Miscellaneous/Non-Op	2,229,799	2,435,960	0	0	0	0
TOTAL REVENUE	77,932,145	79,995,647	79,227,914	80,668,000	81,647,000	83,109,000

FIVE-YEAR SALES TAX FORECAST						
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Estimate	Adopted	Forecast	Forecast	Forecast	Forecast
Sales Tax	25,940,000	22,790,000	23,359,750	23,827,000	23,884,000	24,409,000



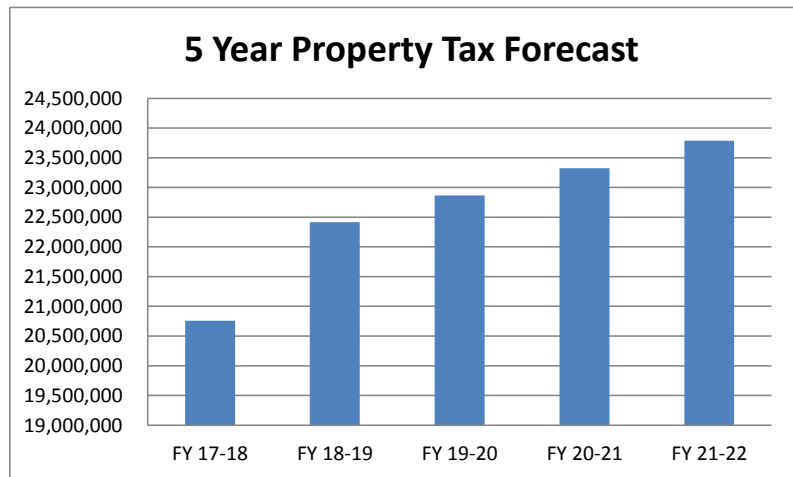
The City's heavy reliance on the volatile business-to-business sector of its sales tax revenue base has made it vulnerable to large swings. Currently, the City's two largest sales tax generators—both technology companies—account for a large portion of the City's total sales tax. Moderate growth in base sales tax revenues are anticipated in the range of 2-3% annually in

the out years. These increases will be somewhat offset by a reduction of sales tax related to construction once Apple Campus 2 is complete.

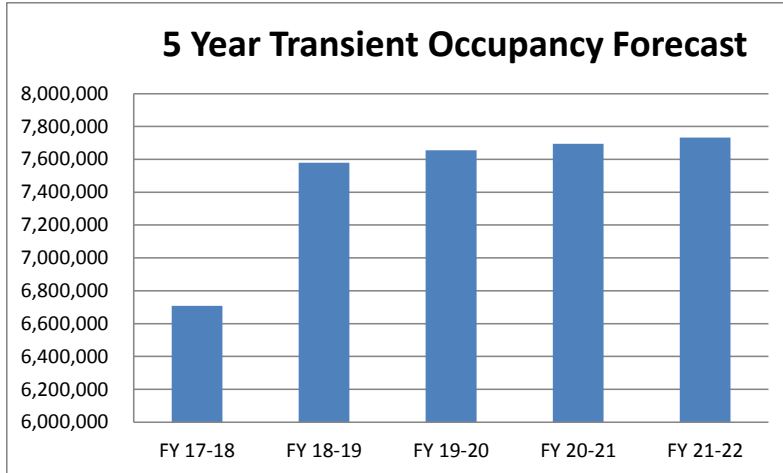
Given the volatility of business-to-business revenue, which accounts for 68.3% of the City’s sales tax, a key goal of the City’s long-term fiscal strategic plan is to diversify its sales tax base by building up the general retail and food product sectors. Development projects such as the Rosebowl, Main Street, and Marina Plaza are expected to generate new or replacement retail. When fully operational, these developments should help boost retail sales and reduce the City’s reliance on business-to-business revenues.

FIVE-YEAR PROPERTY TAX FORECAST						
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Estimate	Adopted	Forecast	Forecast	Forecast	Forecast
Property Tax	20,741,000	20,757,000	22,418,000	22,866,000	23,323,000	23,789,000

As the housing recovery experienced in the last few years slows, property taxes in Cupertino are expected to continue experiencing strong growth through FY 2018-19 due to the reassessment of large development projects and additional tax equity allocation (TEA) funds. Assessed values for Cupertino properties are estimated to increase by \$708.7 million in FY 2015-16 but only \$480.1 million in FY 2016-17. In FY 2017-18, however, the Apple Campus 2 property is expected to be reassessed, increasing property tax revenues by nearly 9%.



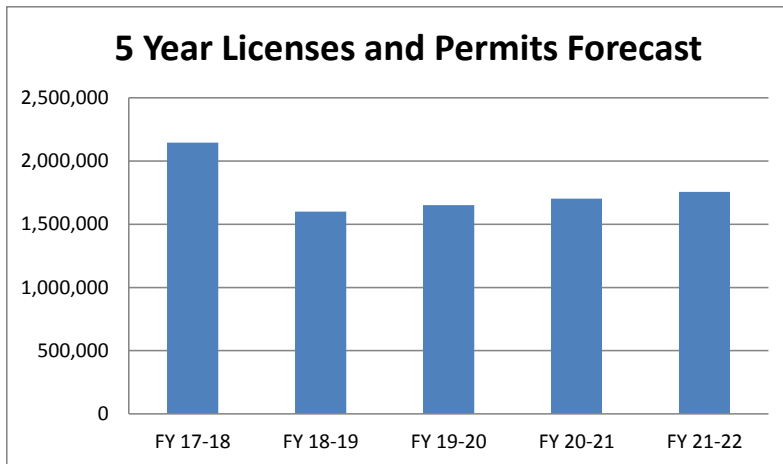
FIVE-YEAR TRANSIENT OCCUPANCY TAX FORECAST						
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Estimate	Adopted	Forecast	Forecast	Forecast	Forecast
Transient Occupancy	6,708,000	6,708,000	7,580,000	7,656,000	7,694,000	7,732,000



Transient occupancy tax (TOT) revenues are projected to continue with moderate growth into FY 2016-17 as occupancy rates are at record levels given our strong local economy. In FY 2018-19, the 148 rooms in the Hyatt House hotel project located at Vallco Park is expected to open for business. These additional rooms are expected to fill unmet demand and increase TOT

revenues by \$820,000 in FY 2018-19. Beyond FY 2018-19, the forecast assumes that out year growth between 1.5% and 2.0%. Not included in the forecast is the proposed hotel at Marina Plaza, which is still under review.

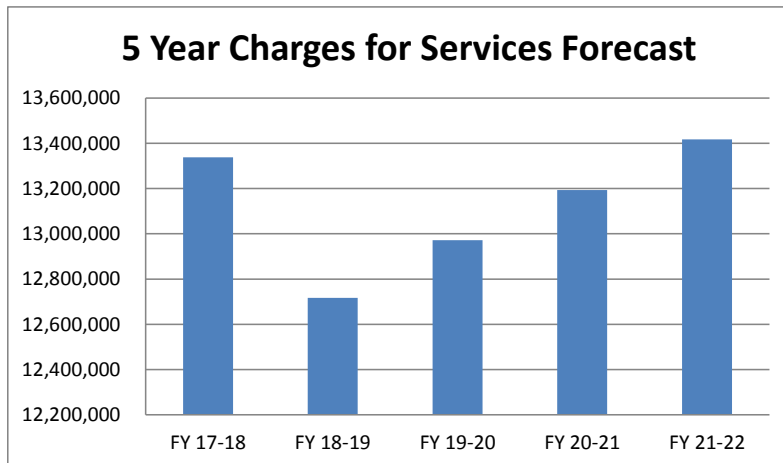
FIVE-YEAR LICENSES & PERMITS FORECAST						
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Estimate	Adopted	Forecast	Forecast	Forecast	Forecast
Licenses & Permits	2,499,000	2,145,000	1,600,000	1,650,000	1,703,000	1,756,000



As development activity slows, licenses and permit revenue has declined. Staff is expected to take increases the City's fee schedule in early June, with the change rate expected to be effective in August 2017. Revenues are expected to decline due to decreased development activity over the next two years and will stabilize by FY 18-19. This forecast does not assume any

development activity related to the proposed redevelopment of the Vallco Park Mall or the Oaks Shopping Center.

FIVE-YEAR CHARGES FOR SERVICES FORECAST						
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Estimate	Adopted	Forecast	Forecast	Forecast	Forecast
Charges for Services	36,024,574	13,337,897	12,717,164	12,972,000	13,193,000	13,417,000



FY 2017-18 revenues from charges and services are lower due to the implementation of a revised cost allocation plan (CAP), which aligns with standard industry practice as recommended by Matrix Consulting. In addition, revenues are expected to increase based on the revised fee schedule that goes into effect August 2017. For out years, the revenue stream is expected to decrease then

stabilize as development-related activity slows.

FIVE-YEAR FORECAST - OTHER REVENUE						
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Estimate	Adopted	Forecast	Forecast	Forecast	Forecast
Utility User Tax	3,122,000	3,200,000	3,200,000	3,222,000	3,245,000	3,268,000
Franchise Fees	2,900,000	3,040,000	2,853,000	2,902,000	2,957,000	3,013,000
Other Taxes	2,200,000	2,850,000	2,921,000	2,994,000	3,069,000	3,146,000
Intergovernmental	230,500	484,000	265,000	265,000	265,000	265,000
Use of Money & Property	896,980	1,647,790	1,714,000	1,714,000	1,714,000	1,714,000
Fines & Forfeitures	600,000	600,000	600,000	600,000	600,000	600,000
Miscellaneous/Non-Op	3,205,977	2,435,960	0	0	0	0
TOTAL	13,155,457	14,257,750	11,553,000	11,697,000	11,850,000	12,006,000

Utility user taxes are not sensitive to economic fluctuations as they are based on usage and rates. The forecast assumes no growth as declining consumption is offsetting projected rate increases.

Franchise fee agreements have escalators based on CPI and the forecast assumes annual growth in collections tracks with CPI. The solid waste management contract was renewed and did not significantly impact projections for this revenue source.

Other taxes are made up of construction, property transfer, and business license tax revenue. These revenues have continued to decelerate from a peak in FY 2013-14 driven by construction taxes from large development projects. The forecast assumes collections will return to base levels in FY 2017-18 with minimal growth in the out years.

Intergovernmental revenues will decrease in FY 2017-18 assumes new base level is reached, grant revenues are assumed to remain at base levels throughout the forecast period.

Use of money and property is expected to remain relatively flat throughout the forecast period based on the City's current conservative investment strategy and low interest rates. The Federal Reserve has been hesitant to increase the Fed Funds rate due to mixed economic indicators.

Fines and Forfeitures are anticipated to increase in FY 2017-18 will remain flat in the out years.

Miscellaneous and non-operational revenues are not assumed in the forecast.

FIVE-YEAR GENERAL FUND FORECAST						
	FY 15-16	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Actuals	Adopted	Forecast	Forecast	Forecast	Forecast
EXPENDITURES						
Personnel Costs	18,973,848	24,289,426	24,262,157	25,140,004	26,195,928	26,909,942
Non-Personal (ongoing)	20,144,196	23,109,824	24,929,941	26,131,765	27,220,902	27,584,382
Non-Personal (one-time)	9,657,395	2,827,469	9,269,914	9,430,234	9,569,231	9,710,591
Cost Allocation/Contingencies	3,083,945	9,066,780	2,000,000	2,000,000	2,000,000	2,000,000
Total Non-Personnel	51,859,385	59,293,499	60,462,012	62,702,003	64,986,061	66,204,915
Transfers	13,163,945	15,757,734	16,000,000	16,000,000	16,000,000	16,000,000
TOTAL EXPENDITURES	65,023,330	75,051,233	76,462,012	78,702,003	80,986,061	82,204,915
ENDING FUND BALANCE						
Assigned/Other	22,325,755	38,657,396	38,657,396	38,657,396	38,657,396	38,657,396
Unassigned	29,869,085	6,750,090	9,515,992	11,481,989	12,142,928	13,047,013
TOTAL EFB	\$52,194,840	\$45,407,486	\$48,173,388	\$50,139,385	\$50,800,324	\$51,704,409

An in-depth analysis of the General Fund expenditure categories was completed to develop the FY 2018 expenditure estimates included in this Forecast. As displayed in the chart above, General Fund expenditures are projected to increase from \$65.0 million in FY 2015-16 actual to \$75 million in FY 2017-18 and increase in all years of the forecast. The swings in expenditures are mostly driven by special projects that can range from development projects to facility improvements.

It is important to note that the Forecast is adjusted to eliminate one-time additions/deletions and annualize partial year allocations that were included in the 2016-17 Adopted Budget. Various one-time additions scheduled to expire in June 2016 were eliminated in the out years of the Forecast.

The following discussion focuses on the assumptions used for estimating each of the expenditure categories in the General Fund Forecast.

Personnel Expenditures

Personnel costs in FY 2017-18 are increasing due to increases in compensation due to newly negotiated salary increase in October 2016, reclassification changes as part of the City’s classification study and costs related to the progression thru the five salary steps available for each position and the recommendation to add four additional positions. These costs are projected to increase 2.5% in the first year of the forecast based on negotiated contracts and by 1% annually in the out years of the Forecast. In addition, costs related to the implementation of the increases to minimum wage have also been factored into the forecast. As discussed in more detail below, these cost increases are driven mostly by assumed changes in salary and retirement costs.

Health Benefits

Health benefits account for about 9% of all personnel costs in the General Fund, mostly made up of health insurance costs. Given that the City pays employees a fixed dollar amount for health and dental insurance costs, as opposed to covering a percentage of premiums. In October of 2016 City Council approved labor contracts that resulted in a significant increase in the flat dollar amount the City pays toward health costs. In addition, and escalator to the flat rate costs have also been built in for January 2018 and January 2019 for health only. Cost increases in health above the negotiated flat amount and any increases dental are fully absorbed by employees.

While not factored into the forecast, there is uncertainty around how the implementation of the Affordable Care Act (ACA) will affect the City. Beginning in 2018, the so called “Cadillac Tax” will impose an excise tax for any employer-sponsored health coverage whose value exceeds \$10,200 per year for individuals and \$27,500 for families. A 40% excise tax will be imposed on the amount that exceeds the predetermined thresholds. Most of the City’s current health plans would fall under the definition of a Cadillac plan, which could increase the City’s cost of providing health benefits to employees. The City’s health care administrator, CalPERS, has given assurances that coverage plans will fall below the Cadillac Tax threshold.

Retirement Benefits

The chart below shows the current breakdown of retirement costs borne by the City and employees for the three retirement tiers. Virtually all employees in the City are currently covered under the Tier 1 retirement system. Savings from the Tier 2 and Tier 3 are not expected to be substantial for another 10-15 years.

Tier	EEs	Benefits	Employer Share	Employer Pickup	Total Employer Share	Employee Share	Total Rate
I	114	2.7@ 55 Highest Year	26.169%	0.00%	26.17%	8.00%	34.17%
II	13	2% @ 60 Highest 3 Yr Avg	26.169%	0.00%	26.17%	7.00%	33.17%

II	67	2% @62 Highest 3 Yr Avg	26.169%	0.00%	26.17%	6.25%	32.42%
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Significant investment losses experienced by CalPERS during the great recession resulted in overall funded status of the retirement system dropping to 60.8%.¹ Given the economic recovery, the funded status of the system has improved to 70%.² However, the desired goal is 100% funded status, where assets on hand are equal to the desired level of assets needed to pay pension benefits. After a thorough analysis, CalPERS actuaries determined the retirement system was at significant risk of falling to dangerously low funded status levels under existing actuarial policies.

In December 2016 CalPERS informed agencies that it would be reducing the discount rate of return for investments by .5%. The result of this change is drastic and will result in significant increases in retirement well above what the City had previously forecasted for retirement expenses. The City anticipates retirement rates increasing by the following in forecast period, these increases will result in costs almost doubling in the forecast period:

Fiscal Year	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	5 Year Total
Total Rate	29.017%	31.968%	35.764%	38.001%	39.770%	
Net Rate Increase	10.9%	10.2%	11.9%	6.3%	4.7%	44.00%
Increase in \$	\$617,000	\$645,000	\$745,000	\$439,000	\$347,000	\$2,793,000

The City's current unfunded accrued liability is \$78 million according the most recent actuarial report issued by CalPERS in August of 2016.

CALPERS ACTUARIAL VALUATION - June 30, 2015
MISCELLANEOUS PLAN OF THE CITY OF CUPERTINO
CalPERS ID: 5045997158

Plan's Funded Status

	June 30, 2014	June 30, 2015
1. Present Value of Projected Benefits	\$ 122,583,775	\$ 129,440,196
2. Entry Age Normal Accrued Liability	104,798,405	111,188,031
3. Market Value of Assets (MVA)	\$ 76,439,737	\$ 77,897,977
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	\$ 28,358,668	\$ 33,290,054
5. Funded Ratio [(3) / (2)]	72.9%	70.1%

However, these estimates are based on 7.5% discount rate, the unfunded accrued liability is would be significantly higher at least \$106 million and could go higher than \$142 million if the

¹ CalPERS Pension & Health Benefits Committee, Agenda Item 9A: Amortization Periods and Smoothing Methods for Retirement Trust Funds. April 16, 2013.

² See Footnote #1.

City were to attempt to leave CalPERS. The following shows the City's Hypothetical Termination Liability based on the City's most recent actuarial report.

Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} @ 2.00%	Funded Status	Unfunded Termination Liability @ 2.00%	Hypothetical Termination Liability^{1,2} @ 3.25%	Funded Status	Unfunded Termination Liability @ 3.25%
\$77,897,977	\$220,391,746	35.3%	\$142,493,769	\$184,092,377	42.3%	\$106,194,400

Other Benefits

The Forecast assumes an annual 2% cost escalator for life insurance, long-term disability insurance, and the employee assistance program. Workers' compensation costs vary widely depending on the number and type of claims, which makes these costs very hard to predict. The forecast assumes a 2% annual increase. No increases were forecasted for the following benefits: car allowance, internet allowance, stand by pay and recreation bucks.

Non-Personnel Expenditures

Non-personnel expenditures in FY 2017-18 were adjusted to remove one-time uses and build forecast projections off of base levels. For the out years of the Forecast, a growth rate based on projected CPI has been assumed from the FY 2017-18 non-personnel base levels in each of the four years. The average growth rate for the non-personnel category is 3% annually.

Transfers represent the General Fund's contributions to other City funds to support debt payments, pay retiree health costs, finance capital projects, replenish capital project reserves, acquire new equipment, and to subsidize enterprises and operations. With the implementation of full cost allocation in FY 2015-16, General Fund expenses will be shifted to other City funds causing some of those funds' revenues to fall short of expenses and necessitating the use of fund balances to cover expenses. The General Fund benefits in the near term with the cost shift, however, after fund balances in those other funds are drawn down to minimum levels, and absent aggressive revenue or cost actions in those other funds, General Fund subsidies are projected to kick in and remain flat in the forecast in order to maintain those fund balance minimums.

General Fund reserves are projected to increase by \$2 million over the Forecast period. This driven by the City's ongoing strong revenues and the City's conservative approach to ongoing expenditure growth.

FIVE-YEAR GENERAL FUND FORECAST						
	FY 15-16	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Actuals	Adopted	Forecast	Forecast	Forecast	Forecast
<u>Assigned</u>					-	-
Economic Uncertainty I	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Economic Uncertainty II	-	-	-	-	-	-
Economic Fluctuation	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
CIP Future Project	-	-	-	-	-	-
PERS	100,000	4,793,000	4,793,000	4,793,000	4,793,000	4,793,000
Reserve for Encumbrances	-	11,604,000	11,604,000	11,604,000	11,604,000	11,604,000
Total Assigned	20,500,000	36,797,000	36,797,000	36,797,000	36,797,000	36,797,000

Although the General Fund unassigned fund balance is expected grow substantially over the forecast period, it is anticipated that any unassigned fund balance over the \$500,000 will be transferred to the Capital Reserve or into the assigned reserve for PERS costs or into the City’s Irrevocable Trust should it move forward with this option to assist in smoothing anticipated increases in retirement. As mentioned several times throughout this document any General Fund unassigned fund balances above the \$500,000 maximum will be transferred out to the Capital Reserve.

FIVE-YEAR GENERAL FUND UNASSIGNED FUND BALANCE FORECAST						
	FY 15-16	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
	Actuals	Adopted	Forecast	Forecast	Forecast	Forecast
Unassigned EFB	29,869,085	6,750,090	9,515,992	11,481,989	12,142,928	13,047,013

ALL FUNDS SUMMARY

This section provides information on the FY 2017-18 Special Revenue, Debt Service, Capital Project, Enterprise and Internal Service Funds budgets including, expenditure and revenue highlights, transfers to other funds, reserve funds and the financial forecast.

Revenue Estimates

Estimates for the FY 2017-18 beginning fund balance and for the individual revenue accounts are based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. Each source of revenue can be influenced by external (outside of the City's control) and/or internal factors. The FY 2017-18 revenue estimates are built on the assumption that the economy will continue to experience modest growth, which will positively impact the City's economic performance.

Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Park Dedication, Transportation, Storm Drain, and Environmental Management/Clean Creeks funds.

Revenue

Revenue sources for special revenue funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Other Taxes	676,659	33,034,404	1,350,000
Use of Money & Property	287,512	10,000	2,000
Intergovernmental	2,103,033	3,094,741	1,980,590
Charges for Services	400,969	0	384,100
Miscellaneous Revenue	489,424	0	0
Fines and Forfeitures	6,387	502,000	6,000
Transfers In	8,702,676	8,181,679	12,772,122
Total Revenue Sources	\$12,666,660	\$44,822,824	\$16,494,812

Revenues are projected decrease by \$28.3 million dollars, largely due to the city not receiving one-time Below Market housing dollars for FY 2017-18 as per the prior year.

Expenditures

Expenditure uses for special revenue funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Employee Compensation	837,860	926,579	936,733
Employee Benefits	402,692	442,507	511,493
Materials	812,863	761,606	742,316
Contract Services	311,927	718,400	796,900
Cost Allocation	453,696	379,431	555,816
Capital Outlays	4,397,548	2,863,000	5,638,000
Special Projects	9,045,481	10,850,000	14,872,000
Contingencies	0	39,571	39,571
Transfers Out	0	0	779,762
Total Expenditures Uses	\$16,262,068	\$16,981,094	\$24,872,591

Expenditures are projected to increase by \$7.9 million dollars, which is primarily due to an increase in costs related to new and existing capital and BMR projects.

Fund Balance

Fund balance represents a funds savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Beginning Balance	37,370,525	33,775,118	61,616,848
Net Increase (Decrease) in Fund Balance	(3,595,407)	27,841,730	(8,377,779)
Ending Balance	\$33,775,118	\$61,616,848	\$53,239,069

Debt Service Fund

The Debt Service Fund provides for the payment of principal and interest and associated administrative costs incurred with the issuance of debt instruments for the City's Public Facilities Corporation. The budget funds the Corporation's annual payment of principal and interest on the City Hall/Library, Wilson/Memorial Open Space and Library Certificates of Participation (COP) that will be paid off by the year 2030.

Revenue

Revenue sources for Debt Service Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Use of Money & Property	4,795	0	0
Transfers In	3,167,033	3,167,538	3,167,538
Total Revenue Sources	\$3,171,828	\$3,167,538	\$3,167,538

There is no projected change to revenues.

Expenditures

Expenditure uses for Debt Service Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Debt Service	3,169,038	3,167,538	3,167,538
Transfers Out	0	0	0
Total Expenditures Uses	\$3,169,038	\$3,167,538	\$3,167,538

Expenditures are expected to remain the same. This represents a repayment of debt and payments which are fixed for the life of the loan that is set to be paid off in 2030.

Fund Balance

Fund balance represents a funds savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Beginning Balance	1,594,191	1,596,982	1,596,982
Net Increase (Decrease) in Fund Balance	2,791	0	0
Ending Balance	\$1,596,982	\$1,596,982	\$1,596,982

Capital Project Funds

This fund pays for the acquisition and/or construction of major capital facilities.

Revenue

Revenue sources for Capital Project Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Intergovernmental	0	0	0
Transfers In	3,291,725	5,907,000	8,325,762
Total Revenue Sources	\$3,291,725	\$5,907,000	\$8,325,762

Revenue is projected to increase by \$2.4 million. This increase represents the movement of fund balance between the Capital Reserve and Capital Fund.

Expenditures

Expenditure uses for Capital Project Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Employee Compensation	20,241	0	0
Employee Benefits	6,291	0	0
Materials	3,726	0	0
Contract Services	8,000	0	125,000
Contingencies	0	0	0
Cost Allocation	0	0	0
Special Projects	3,030,399	5,907,000	8,200,762
Transfers Out	5,549,993	9,165,000	15,184,000
Total Expenditures Uses	\$8,618,649	\$15,072,000	\$23,509,762

Expenditures are projected to increase by \$8.4 million dollars primarily due to an increase in special project costs and the transfers out of funds to fund capital projects in other funds.

Fund Balance

Fund balance represents a funds savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Beginning Balance	20,671,116	15,344,192	6,179,192
Net Increase (Decrease) in Fund Balance	(5,326,924)	(9,165,000)	(15,184,000)
Ending Balance	\$15,344,192	\$6,179,192	(\$9,004,808)

**As part of the Final Budget the Capital Fund anticipated using \$9.2 million in fund balance, however due to the defunding and closeout of projects and a large transfer in of unassigned fund balance from the General Fund, the City anticipates ending the fiscal year with a net increase of \$3.2 million with a total FY 17-18 beginning balance of \$18.5 million dollars.*

Enterprise Funds

Enterprise Funds are set up for specific services that are funded directly by fees charged for goods or services. Enterprise Funds include the Resource Recovery, Sports Center, Blackberry Farm Golf Course and Recreation funds.

Revenue

Revenue sources for Enterprise Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Use of Money & Property	107,187	213,200	231,200
Intergovernmental	16,007	0	15,000
Charges for Services	7,577,085	6,834,500	7,181,800
Miscellaneous Revenue	72,804	0	56,000
Transfers In	1,635,000	1,764,091	400,000
Total Revenue Sources	\$9,408,083	\$8,811,791	\$7,884,000

Revenue is projected to decrease by \$928,000, this is primarily driven by increased charges for services that are more in line with prior year actuals and a decrease in transfers due to the department using unassigned fund balance to cover operational shortages. As part of the budget process each fund is evaluated, funds that are bringing in less revenue than they are expending require the use of fund balance or a subsidy from the General Fund.

Expenditures

Expenditure uses for Enterprise Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Employee Compensation	1,423,182	1,599,429	1,952,091
Employee Benefits	387,473	457,858	603,569
Materials	369,073	471,214	534,167
Contract Services	5,553,741	6,032,888	6,135,360
Contingencies	9,458	273,496	273,496
Cost Allocation	592,752	661,972	759,543
Special Projects	284,688	549,000	95,000
Transfers Out	388,228	266,680	223,766
Total Expenditures Uses	\$9,008,594	\$10,312,537	\$10,576,992

Expenditures are projected to increase by \$264,000. This increase is driven primarily by an increase in salary and benefits costs, contract services and cost allocation and a decrease in special projects.

Fund Balance

Fund balance represents a funds savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Beginning Balance	8,684,139	9,083,628	7,582,882
Net Increase (Decrease) in Fund Balance	399,489	(1,500,746)	(2,692,992)
Ending Balance	\$9,083,628	\$7,582,882	\$4,889,890

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other departments or governments on a cost-reimbursement basis. Internal Service Funds include the Information Technology, City Channel and Website, Equipment, Workers Compensation, Long-Term Disability/Compensated Absence, and Retiree Medical funds.

Revenue

Revenue sources for Internal Service Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Use of Money & Property	74,464	0	0
Intergovernmental	0	0	0
Charges for Services	4,693,577	5,191,403	4,167,492
Miscellaneous Revenue	29,320	0	0
Transfers In	1,917,504	2,645,673	5,056,074
Other Financing Uses	21,944	0	601,003
Total Revenue Sources	\$6,736,808	\$7,837,076	\$9,824,569

Revenues are project to increase by \$2 million dollars. The increase is primarily due to transfers in from the General Fund to fund Government Channel and website operations.

Expenditures

Expenditure uses for Internal Service Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Employee Compensation	1,334,370	1,539,737	2,336,566
Employee Benefits	1,410,999	1,536,479	1,830,031
Materials	407,652	499,984	1,387,706
Contract Services	1,890,433	2,639,022	2,024,155
Contingencies	0	210,163	340,418
Cost Allocation	210,072	795,737	733,706
Special Projects	235,213	2,490,105	2,371,930
Transfers Out	731,841	765,500	665,551
Total Expenditures Uses	\$6,220,580	\$10,476,727	\$11,690,063

Expenditures are projected to increase by \$1.2 million dollars, this is primarily due to salary and benefit costs and costs related equipment purchases.

Retained Earnings

Internal Service Funds carry retained earning instead of fund balance. Retained earnings represent a funds savings and are calculated in the same manner as fund balance, taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO RETAINED EARNINGS	2015-16	2016-17	2017-18
	Actuals	Final Budget	Final Budget
Beginning Balance	8,684,139	9,200,368	6,560,717
Net Increase (Decrease) in Fund Balance	516,229	(2,639,651)	(1,865,494)
Ending Balance	\$9,200,368	\$6,560,717	\$4,695,223



Five Year Budget Forecast

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - GENERAL FUND REVENUE**

OBJECT	2015-16	2016-17	2016-17	5 YEAR FORECAST				
	Actuals	Adopted	Estimate	2017-2018	2018-2019	2019-2020	2020-2021	2020-2021
Sales Tax	21,350,056	22,440,000	25,940,000	22,790,000	23,359,750	23,827,000	23,884,000	24,409,000
Property Tax	18,139,368	18,741,000	20,741,000	20,757,000	22,418,000	22,866,000	23,323,000	23,789,000
Transient Occupancy	5,852,244	6,708,000	6,708,000	6,708,000	7,580,000	7,656,000	7,694,000	7,732,000
Utility Tax	3,370,830	3,122,000	3,122,000	3,200,000	3,200,000	3,222,000	3,245,000	3,268,000
Franchise Fees	3,478,024	2,900,000	2,900,000	3,040,000	2,853,000	2,902,000	2,957,000	3,013,000
Other Taxes	2,595,773	1,600,000	2,200,000	2,850,000	2,921,000	2,994,000	3,069,000	3,146,000
Licenses & Permits	3,073,109	2,499,000	2,499,000	2,145,000	1,600,000	1,650,000	1,703,000	1,756,000
Use of Money & Property	1,400,899	776,980	896,980	1,647,790	1,714,000	1,714,000	1,714,000	1,714,000
Intergovernmental	428,991	230,500	230,500	484,000	265,000	265,000	265,000	265,000
Charges for Services	15,454,535	19,003,224	36,024,574	13,337,897	12,717,164	12,972,000	13,193,000	13,417,000
Fines & Forfeitures	558,517	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Miscellaneous/Other	2,229,799	383,300	3,205,977	2,435,960	0	0	0	0
TOTAL REVENUE	77,932,145	79,004,004	105,068,031	79,995,647	79,227,914	80,668,000	81,647,000	83,109,000

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - GENERAL FUND EXPENDITURES**

OBJECT	2015-16	2016-17	2016-17	5 YEAR FORECAST				
	Actuals	Adopted	Estimate	2017-2018	2018-2019	2019-2020	2020-2021	2020-2021
Employee Compensation	13,430,658	15,348,029	16,141,026	17,078,787	16,726,757	16,894,024	17,062,964	17,233,594
Employee Benefits	5,543,191	6,350,028	6,733,844	7,210,639	7,535,400	8,245,980	9,132,963	9,676,348
Personnel Costs	18,973,848	21,698,057	22,874,870	24,289,426	24,262,157	25,140,004	26,195,928	26,909,942
Materials	3,323,691	4,173,507	4,811,637	4,784,228	4,908,618	5,006,790	5,091,906	5,178,468
Contract Services	16,819,679	17,849,345	21,193,475	18,165,596	20,021,323	21,124,975	22,128,996	22,405,914
Appropriations for Contingencies	5,010	1,249,396	1,054,818	1,253,931	1,253,931	1,253,931	1,253,931	1,253,931
Cost Allocation	3,078,935	13,262,836	13,148,944	7,812,849	8,015,983	8,176,303	8,315,300	8,456,660
Debt Service/Other Uses	827	247,300	997,300	160,000	-	-	-	-
Capital Outlays & Special Projects	9,657,395	5,780,639	23,951,348	2,827,469	2,000,000	2,000,000	2,000,000	2,000,000
Total Non-Personnel	32,885,537	42,563,023	65,157,522	35,004,073	36,199,855	37,561,999	38,790,133	39,294,973
Net Transfers	13,163,945	12,961,373	28,693,806	15,757,734	16,000,000	16,000,000	16,000,000	16,000,000
TOTAL EXPENDITURES	65,023,330	77,222,454	116,726,199	75,051,233	76,462,012	78,702,003	80,986,061	82,204,915

FISCAL YEAR 2017-18 FINAL BUDGET
 FIVE YEAR FORECAST - GENERAL FUND FUND BALANCE

Classification	2015-16	2016-17	2016-17	5 YEAR FORECAST				
	Actuals	Adopted	Estimate	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Beginning Fund Balance	39,324,543	52,194,840	52,194,840	40,390,672	45,407,486	48,173,388	50,139,385	50,800,324
Assigned/Other	22,325,755	28,261,693	33,964,396	38,657,396	38,657,396	38,657,396	38,657,396	38,657,396
Unassigned	29,869,085	16,692,979	6,426,276	6,750,090	9,515,992	11,481,989	12,142,928	13,047,013
Total Ending Fund Balance	52,194,840	44,954,672	40,390,672	45,407,486	48,173,388	50,139,385	50,800,324	51,704,409

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - SPECIAL REVENUE FUND REVENUE**

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST					
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
STORM DRAIN IMPROVEMENT									
Investment Earnings	14,239	-	-	-	-	-	-	-	
Transfer in from Capital Reserve /General Fund	-	1,950,000	1,950,000	1,700,000	210,000	210,000	210,000	210,000	
Developer Fees	154,698	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
Miscellaneous	487,009	-	-	-	-	-	-	-	
TOTAL	655,947	2,050,000	2,050,000	1,800,000	310,000	310,000	310,000	310,000	
PARK DEDICATION									
Park Dedication Fee	255,918	17,821,125	17,821,125	250,000	250,000	250,000	250,000	250,000	
Investment Earnings	77,771	-	-	-	-	-	-	-	
TOTAL	333,689	17,821,125	17,821,125	250,000	250,000	250,000	250,000	250,000	
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN									
Investment Earnings	2,615	-	-	-	-	-	-	-	
Fees	374,519	502,000	502,000	386,000	386,000	386,000	386,000	386,000	
Transfer in from Capital Reserve/General Fund	128,676	128,679	156,834	84,122	-	-	-	-	
TOTAL	505,809	630,679	658,834	470,122	386,000	386,000	386,000	386,000	
TRANSPORTATION									
Investment Earnings	84,189	10,000	10,000	2,000	2,000	2,000	2,000	2,000	
Transfer from Capital Reserve/General Fund	8,574,000	6,103,000	6,152,982	10,988,000	6,900,000	7,100,000	7,100,000	5,800,000	
Intergovernmental Revenue	1,701,151	2,780,151	2,801,255	1,666,000	1,815,000	1,815,000	1,815,000	3,165,000	
Charges for Services	-	-	-	4,100	-	-	-	-	
Miscellaneous	1,709	-	25,859	-	-	-	-	-	
TOTAL	10,361,048	8,893,151	8,990,096	12,660,100	8,717,000	8,917,000	8,917,000	8,967,000	

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - SPECIAL REVENUE FUND REVENUE**

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
HOUSING & COMMUNITY DEVELOPMENT								
Investment Earnings	108,699	-	-	-	-	-	-	-
Intergovernmental Revenue	401,882	314,590	314,590	314,590	314,590	314,590	314,590	314,590
Other Taxes	299,586	15,113,279	15,113,279	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfer from General Fund	-	-	3,614	-	-	-	-	-
TOTAL	810,167	15,427,869	15,431,483	1,314,590	1,314,590	1,314,590	1,314,590	1,314,590
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TOTAL SPECIAL REVENUE FUNDS	12,666,660	44,822,824	44,951,538	16,494,812	10,977,590	11,177,590	11,177,590	11,227,590

FISCAL YEAR 2017-18 FINAL BUDGET
 FIVE YEAR FORECAST - DEBT SERVICE FUND REVENUE

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
PUBLIC FACILITIES CORPORATION								
Investment Earnings	4,795	-	-	-	-	-	-	-
Debt Refinancing	-	-	-	-	-	-	-	-
Transfer from General Fund	3,167,033	3,167,538	3,167,538	3,167,538	3,169,438	3,172,838	3,169,138	3,168,488
TOTAL	3,171,828	3,167,538	3,167,538	3,167,538	3,169,438	3,172,838	3,169,138	3,168,488

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - CAPITAL PROJECT FUND REVENUE**

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST					
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
CAPITAL IMPROVEMENT PROJECTS									
Transfers from Capital Reserves/Enterprise Funds	500,000	5,907,000	5,907,000	8,325,762	425,000	905,000	1,105,000	105,000	
Grants/Other Income	-	-	-	-	-	-	-	-	
TOTAL	500,000	5,907,000	5,907,000	8,325,762	425,000	905,000	1,105,000	105,000	
CAPITAL RESERVES									
Transfers In	2,791,725	-	15,000,000	-	-	-	-	-	
TOTAL	2,791,725	-	15,000,000	-	-	-	-	-	
STEVENS CREEK CORRIDOR PARK									
Transfers from Park Dedication	-	-	-	-	-	-	-	-	
Transfers from Capital Reserves	-	-	-	-	-	-	-	-	
Transfers from Recreation	-	-	-	-	-	-	-	-	
Grants	-	-	-	-	-	-	-	-	
TOTAL	-	-	-	-	-	-	-	-	
TOTAL CAPITAL FUNDS	3,291,725	5,907,000	20,907,000	8,325,762	425,000	905,000	1,105,000	105,000	

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - ENTERPRISE FUND REVENUE**

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
RESOURCE RECOVERY								
Investment Earnings/Rentals	52,789	7,000	7,000	25,000	25,000	25,000	25,000	25,000
Charges for Services	2,576,077	1,917,000	1,917,000	2,150,000	2,150,000	2,150,000	2,150,000	2,150,000
Intergovernmental Revenue - Grants	16,007	-	-	15,000	-	-	-	-
Transfers from General Fund/Capital Reserve	-	-	53,215	-	-	-	-	-
Miscellaneous - Household Hazardous Waste	72,804	-	-	56,000	-	-	-	-
TOTAL	2,717,676	1,924,000	1,977,215	2,246,000	2,175,000	2,175,000	2,175,000	2,175,000
BLACKBERRY FARM GOLF COURSE								
Investment Earnings/Rentals	29,220	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Charges for Services	312,064	381,000	381,000	381,000	381,000	381,000	381,000	381,000
Transfer from General Fund/Capital Reserve	262,008	326,929	332,931	300,000	300,000	300,000	300,000	300,000
TOTAL	603,293	729,929	735,931	703,000	703,000	703,000	703,000	703,000
SPORTS CENTER								
Investment Earnings/Rentals	9,490	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Charges for Services	2,222,608	2,285,000	2,285,000	2,285,000	2,285,000	2,285,000	2,285,000	2,285,000
Transfer from General Fund	657,732	999,054	1,030,662	100,000	100,000	100,000	100,000	100,000
TOTAL	2,889,830	3,285,254	3,316,862	2,386,200	2,386,200	2,386,200	2,386,200	2,386,200
RECREATION PROGRAMS								
Investment Earnings	15,689	183,000	183,000	183,000	-	-	-	-
Charges for Services	2,466,336	2,251,500	2,251,500	2,365,800	2,365,800	2,365,800	2,365,800	2,365,800
Transfer from General Fund/Capital Reserves/CIP	715,260	438,108	457,312	-	2,796,992	2,796,992	2,796,992	2,796,992
TOTAL	3,197,284	2,872,608	2,891,812	2,548,800	5,162,792	5,162,792	5,162,792	5,162,792
TOTAL ENTERPRISE FUNDS	9,408,083	8,811,791	8,921,820	7,884,000	10,426,992	10,426,992	10,426,992	10,426,992

FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - INTERNAL SERVICE FUND REVENUE

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST					
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
INNOVATION & TECHNOLOGY									
Investment Earnings	24,168	-	-	-	-	-	-	-	-
Charges for Services	1,655,088	2,884,971	2,996,196	2,361,792	2,361,792	2,361,792	2,361,792	2,361,792	
Transfers In from General Fund	237,000	647,264	801,267	549,705	-	-	-	-	
TOTAL	1,916,256	3,532,235	3,797,463	2,911,497	2,361,792	2,361,792	2,361,792	2,361,792	
CITY CHANNEL									
Investment Earnings	5,058	-	-	-	-	-	-	-	
Charges for Services	779,676	-	-	-	-	-	-	-	
Transfers In from General Fund	40,000	1,848,409	2,025,624	3,028,366	2,628,366	2,628,366	2,628,366	2,628,366	
TOTAL	824,734	1,848,409	2,025,624	3,028,366	2,628,366	2,628,366	2,628,366	2,628,366	
WORKERS' COMPENSATION									
Investment Earnings	20,724	-	-	-	-	-	-	-	
Charges for Services	958,056.00	500,732.00	500,732.00	-	-	-	-	-	
Other Financing Sources	-	-	-	601,003.00	-	-	-	-	
Transfers In from General Fund	-	-	1,192	-	-	-	-	-	
TOTAL	978,780	500,732	501,924	601,003	-	-	-	-	
VEHICLE/EQUIPMENT REPLACEMENT									
Investment Earnings	22,096	-	-	-	-	-	-	-	
Charges for Services	1,219,560	1,721,825	1,721,825	1,721,825	1,290,825	1,290,825	1,290,825	1,290,825	
Transfers In	-	-	9,468	-	-	-	-	-	
Other Financing Sources	21,944	-	-	-	-	-	-	-	
Miscellaneous	29,320	-	-	-	-	-	-	-	
TOTAL	1,292,920	1,721,825	1,731,293	1,721,825	1,290,825	1,290,825	1,290,825	1,290,825	
COMPENSATED ABSENCE & LONG-TERM DISABILITY									
Investment Earnings	1,959	-	-	-	-	-	-	-	
Charges for Services	81,197	83,875	83,875	83,875	83,875	83,875	83,875	83,875	
Transfers In from General Fund	640,004	150,000	150,000	509,517	150,000	150,000	150,000	150,000	
TOTAL	723,160	233,875	233,875	593,392	233,875	233,875	233,875	233,875	

FISCAL YEAR 2017-18 FINAL BUDGET
 FIVE YEAR FORECAST - INTERNAL SERVICE FUND REVENUE

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
RETIREE MEDICAL								
Investment Earnings	459	-	-	-	-	-	-	-
Transfers In from General Fund	1,000,500	-	-	968,486	931,335	931,335	931,335	931,335
TOTAL	1,000,959	-	-	968,486	931,335	931,335	931,335	931,335
TOTAL ALL PROGRAMS	6,736,808	7,837,076	8,290,179	9,824,569	7,446,193	7,446,193	7,446,193	7,446,193

FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - SPECIAL REVENUE FUND EXPENDITURES

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
STORM DRAIN IMPROVEMENT								
210-90-978 Minor Storm Drain Improvements	50,141	75,000	150,829	-	-	-	-	-
210-90-979 2012-13 Minor Storm Drain Improvements	11,131	-	-	-	-	-	-	-
210-90-980 SD Master Plan Update	219,247	50,000	160,753	-	-	-	-	-
210-90-981 Calabazas Creek Outfall Repair	-	-	135,000	-	-	-	-	-
210-99-042 SD Improvement - Foothill/Cupertino Rd.	-	1,900,000	1,900,000	-	-	-	-	-
210-99-060 SD Improvement - Byrne & SCB	-	-	-	1,500,000	-	-	-	-
215-90-982 Bubba Road/Elm Court SD Improvement	1,906,249	-	178,255	-	-	-	-	-
215-90-983 Monta Vista Storm Drain System	1,571,211	-	322,808	-	-	-	-	-
TOTAL	3,757,979	2,025,000	2,847,645	1,500,000				
PARK DEDICATION								
280-99-009 CIP - Lawrence Mitty Park	16,666	-	8,254,327	-	-	-	-	-
TOTAL	16,666	-	8,254,327	-	-	-	-	-
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN								
230-81-802 Non Point Source	497,048	671,613	758,081	761,720	761,720	761,720	761,720	761,720
TOTAL	497,048	671,613	758,081	761,720	761,720	761,720	761,720	761,720
TRANSPORTATION								
270-85-820 Sidewalk, Curb and Gutter Maint	992,176	1,001,932	1,028,610	1,085,525	1,085,525	1,085,525	1,085,525	1,085,525
270-85-821 Street Pavement Maintenance	8,756,565	7,275,167	13,489,369	6,744,384	5,744,384	5,744,384	5,744,384	5,744,384
270-85-822 Street Signs/Markings	762,709	662,359	707,131	831,990	831,990	831,990	831,990	831,990
270-90-954 Monument Gateway Sign	-	-	60,859	-	-	-	-	-
270-90-958 Orange and Byrne Sidewalk Improvements	73	-	499,927	3,388,000	-	-	-	-
270-90-959 Access Transition Plan Upgrade	1,900	-	-	-	-	-	-	-
270-90-960 Bridge Rehab Minor	31	535,000	699,969	-	-	-	-	-
270-90-961 Street Median Irrigation Plant Replacement	12,406	220,000	647,186	750,000	-	-	-	-
270-90-962 Bicycle Pedestrian Facility Improvements	282,847	83,000	901,114	779,762	-	-	-	-
270-90-974 Fiber Network Interco	107,808	-	335	-	-	-	-	-
270-90-975 Speed Bump Vista Lazaneo	9,200	-	1,600	-	-	-	-	-
270-90-976 Phase 2 McClellan Sidewalk Improvements	28,072	-	2,006,928	-	-	-	-	-
270-90-977 SCB Perimeter Turn Ext.	116,876	-	-	-	-	-	-	-

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - SPECIAL REVENUE FUND EXPENDITURES**

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
270-99-029 SD Improvements - Homestead	65,737	-	-	-	2,398,000	-	-	-
270-99-044 Traffic Calm Rodrigues/Pacifica	-	-	24,000	-	-	-	-	-
270-99-946 Sidewalk Renovation SCB	-	-	250,000	-	-	-	-	-
TOTAL	11,136,398	9,777,458	20,317,028	13,579,661	10,059,899	7,661,899	7,661,899	7,661,899
HOUSING & COMMUNITY DEVELOPMENT								
260-72-707 General Administration	56,323	63,768	65,062	88,814	88,814	88,814	88,814	88,814
260-72-709 Affordable Housing	366,928	284,484	442,379	284,484	284,484	284,484	284,484	284,484
260-72-710 Public Service Grants	45,982	47,188	47,188	47,188	47,188	47,188	47,188	47,188
265-72-711 Below Market Rate Housing	384,745	4,111,583	4,401,250	8,610,724	475,000	475,000	475,000	475,000
TOTAL	853,978	4,507,023	4,955,879	9,031,210	895,486	895,486	895,486	895,486
TOTAL ALL SPECIAL REVENUE	16,262,068	16,981,094	37,132,960	24,872,591	11,717,105	9,319,105	9,319,105	9,319,105

FISCAL YEAR 2017-18 FINAL BUDGET
 FIVE YEAR FORECAST - DEBT SERVICE FUND EXPENDITURES

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
PUBLIC FACILITIES CORPORATION								
5301 Principal	2,091,500	3,167,538	3,167,538	3,167,538	2,220,000	2,290,000	2,355,000	2,425,000
5301 Interest + Fees	1,077,538	-	-	-	949,438	882,838	814,138	743,488
5301 Debt Refinancing	-	-	-	-	-	-	-	-
TOTAL	3,169,038	3,167,538	3,167,538	3,167,538	3,169,438	3,172,838	3,169,138	3,168,488

FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - CAPITAL PROJECT FUND EXPENDITURES

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
CAPITAL IMPROVEMENT PROJECTS								
420-90-880 McClellan Environmental Ed Facility	809,076	-	8,408	-	-	-	-	-
420-90-897 Sports Center Tennis Ct Retaining Wall	-	-	50,000	-	-	-	-	-
420-90-898 SCCP Chain MP-McClellan to SCB	106,799	-	128,870	-	-	-	-	-
420-90-903 McClellan Ranch Ped. Parking Landscape	299,744	-	-	-	-	-	-	-
420-90-904 Sports Center-Resurface Tennis Courts	1,064,554	-	420,017	-	-	-	-	-
420-90-938 Public Building Solar - Service Center	-	-	34,854	-	-	-	-	-
420-90-940 Civic Center Parking Structure	101,085	-	-	-	-	-	-	-
420-90-942 Civic Master Plan Implementation	3,952	-	-	-	-	-	-	-
420-90-943 Senior Center Floor Repair	71,283	-	-	-	-	-	-	-
420-90-944 Senior Center/Mary Landscape	134,657	-	-	-	-	-	-	-
420-90-969 DeAnza/McClellan Signal Maintenance	-	-	145,700	-	-	-	-	-
420-90-971 Stelling.280 Pedestrian Bridge Lighting	-	-	46,500	-	-	-	-	-
420-90-999 Green Bike Lanes	-	-	95,000	-	-	-	-	-
420-99-002 Blackberry Farm Splash Pad	-	-	70,000	-	-	-	-	-
420-99-003 McClellan Ranch Trash Enclosure	-	154,000	154,000	-	-	-	-	-
420-99-004 McClellan Ranch - Community Garden Improvements	-	30,000	30,000	70,000	-	-	-	-
420-99-005 Memorial Park MP and Parking	-	150,000	150,000	-	-	-	-	-
420-99-006 Portal Park - Renovation Master Plan	-	-	-	-	50,000	-	-	-
420-99-007 ADA Improvements	-	75,000	150,000	95,000	75,000	75,000	75,000	75,000
420-99-010 Memorial Park Phase I Concept Design	-	-	-	-	-	250,000	-	-
420-99-014 Stevens Creek Bank Repair Concept	-	-	-	100,000	-	-	-	-
420-99-015 Tennis Court Resurfacing - Various Parks	-	588,000	588,000	515,000	-	-	-	-
420-99-017 Sports Center Upgrades	-	290,000	290,000	-	-	-	-	-
420-99-020 McClellan Ranch West - Simms House Removal	159,585	-	-	-	-	-	-	-
420-99-022 Quinlan Cupertino Room Lighting	33,819	-	-	-	-	-	-	-
420-99-023 Quinlan Fire Alarm Control Panel Upgrade	2,149	-	132,850	-	-	-	-	-
420-99-025 Service Center Parking Lot Modifications	22,700	-	89,538	-	-	-	-	-
420-99-026 Bicycle Transportation Plan Update	44,750	-	2,211	-	-	-	-	-
420-99-027 Pasadena Avenue Public Improvements/Granada	67,290	-	528,729	-	-	-	-	-
420-99-028 Traffic Signal Foothill-I280 SB	-	-	-	100,000	-	-	-	-
420-99-030 McClellan West - Parking Lot Improvements	-	400,000	400,000	550,000	-	-	-	-
420-99-031 Recreation Facilities Monument Signs	-	385,000	385,000	-	-	-	-	-
420-99-033 City Hall Turf Reduction	-	320,000	420,000	-	-	-	-	-
420-99-034 Service Center Shed No. 3 Improvement	-	100,000	100,000	400,000	-	-	-	-
420-99-035 Stockmeir House - New Sewer Lateral	-	50,000	50,000	-	-	-	-	-

FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - CAPITAL PROJECT FUND EXPENDITURES

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
420-99-036 2016 Bike Plan Implementation	-	2,000,000	2,000,000	4,779,762	-	-	-	-
420-99-037 Bikeway Enhancements and Branding Study	-	60,000	60,000	-	-	-	-	-
420-99-038 Fiber Network Extension to Service Center	-	350,000	350,000	-	-	-	-	-
420-99-039 Pedestrian Master Plan	-	120,000	120,000	-	-	-	-	-
420-99-040 Retaining Wall Repair - Cordova Road	-	350,000	350,000	-	-	-	-	-
420-99-041 Retaining Wall Replacement - Regnart Road	-	450,000	450,000	-	-	-	-	-
420-99-043 Service Center New Admin Building Feasibility Study	-	35,000	35,000	-	-	-	-	-
420-99-045 Citywide Park and Recreation Master Plan	120,823	-	379,176	-	-	-	-	-
420-99-047 CIP Prelim Planning & Design	-	-	-	125,000	-	-	-	-
420-99-048 Capital Project Support	-	-	-	50,000	-	-	-	-
420-99-049 Int'l Cricket Ground-Feasibility	-	-	-	20,000	-	-	-	-
420-99-051 Inclusive Play Area - Planning	-	-	-	30,000	-	-	-	-
420-99-052 Jollyman Park Pathway Installation	-	-	-	-	200,000	500,000	-	-
420-99-053 Linda Vista Park - Renovation Master Plan	-	-	-	-	70,000	-	-	-
420-99-054 Senior Ctr Walkway Replacement	-	-	-	64,000	-	-	-	-
420-99-055 Outfall Repair/Slope Stabilization-Regnart	-	-	-	400,000	-	-	-	-
420-99-056 St Light Install - Annual Infill	-	-	-	30,000	30,000	30,000	30,000	30,000
420-99-057 McClellan Sdwlk-RB to Hwy85 Over	-	-	-	430,000	-	-	-	-
420-99-058 St Light Install-Randy & Larry	-	-	-	367,000	-	-	-	-
420-99-059 Senior Center Repairs	-	-	-	200,000	-	-	-	-
420-99-885 Golf Irrigation Upgrades	-	-	493,000	-	-	-	-	-
420-99-XXX Memorial Park Phase I Construction	-	-	-	-	-	-	1,000,000	-
420-99-XXX Monta Vista Park Master Plan	-	-	-	-	-	50,000	-	-
Capital Projects	3,042,266	5,907,000	8,706,853	8,325,762	425,000	905,000	1,105,000	105,000
Transfers Out:								
0100 Transfer to Recreation Programs	-	-	-	-	-	-	-	-
0100 Transfer to Capital Reserves	-	-	-	-	-	-	-	-
0100 Transfer to General Fund	-	-	-	2,000,000	-	-	-	-
Transfers Out from Current Operations	-	-	-	2,000,000	-	-	-	-
TOTAL CAPITAL IMPROVEMENT	3,042,266	5,907,000	8,706,853	10,325,762	425,000	905,000	1,105,000	105,000
CAPITAL RESERVES								
429-90-001 Transfer to Capital Improvement	5,549,993	9,165,000	8,704,608	13,184,000	425,000	905,000	1,105,000	105,000
TOTAL	5,549,993	9,165,000	8,704,608	13,184,000	425,000	905,000	1,105,000	105,000

FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - CAPITAL PROJECT FUND EXPENDITURES

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST					
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
STEVENS CREEK CORRIDOR PARK									
427-90-870 Stevens Creek Corridor Park-Phase 1	2,666	-	41,794	-	-	-	-	-	-
427-90-881 Stevens Creek Corridor Park-Phase 2	23,723	-	174,333	-	-	-	-	-	-
TOTAL	26,390	-	216,127	-	-	-	-	-	-
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TOTAL ALL CAPITAL PROJECTS	8,618,649	15,072,000	17,627,588	23,509,762	850,000	1,810,000	2,210,000	210,000	

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - ENTERPRISE FUND EXPENDITURES**

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST					
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	
RESOURCE RECOVERY									
520-81-801 Resource Recovery	2,997,198	3,197,464	3,298,769	3,269,762	3,269,762	3,269,762	3,269,762	3,269,762	
TOTAL	2,997,198	3,197,464	3,298,769	3,269,762	3,269,762	3,269,762	3,269,762	3,269,762	
BLACKBERRY FARM GOLF COURSE									
560-63-616 Golf Course	576,176	686,628	733,983	708,461	708,461	708,461	708,461	708,461	
560-90-885 CIP Golf Irrigation Upgrade	-	-	469,418	-	-	-	-	-	
TOTAL	576,176	686,628	1,203,401	708,461	708,461	708,461	708,461	708,461	
SPORTS CENTER									
570-63-621 Sports and Physical	1,905,160	2,329,238	2,375,952	2,448,037	2,448,037	2,448,037	2,448,037	2,448,037	
570-87-836 Maintenance	394,048	395,164	426,253	484,623	484,623	484,623	484,623	484,623	
570-99-032 Children's Play Area	-	470000	470000	-	-	-	-	-	
TOTAL	2,299,208	2,724,402	2,802,205	2,932,660	2,932,660	2,932,660	2,932,660	2,932,660	
RECREATION PROGRAMS									
580-62-613 Youth Teen Recreation	1,827,648	1,960,007	1,974,536	2,214,409	2,214,409	2,214,409	2,214,409	2,214,409	
580-63-620 Sports, Safety and Outdoor Recreation	1,101,007	1,274,036	1,292,550	1,451,700	1,451,700	1,451,700	1,451,700	1,451,700	
580-90-001 Transfer out to CIP	-	-	-	-	-	-	-	-	
580-90-884 Fenced Dog Park	-	-	5,000	-	-	-	-	-	
580-90-896 Sports Center Sport Court	143,788	-	20,032	-	-	-	-	-	
580-90-907 Wilson Ball Safety Net Screen	8,027	-	268	-	-	-	-	-	
580-90-908 Wilson Bleacher Shade Canopy	14,381	-	12,873	-	-	-	-	-	
580-90-909 Wilson Park - Renovation Master Plan	-	-	55,000	-	-	50,000	-	-	
580-90-929 Quinlan Interior Upgrades	37,482	-	-	-	-	-	-	-	
580-90-945 Wilson Bldg Landsc Imprv	500	-	-	-	-	-	-	-	
580-99-019 Blacksmith Forge Restoration	3,180	-	56,819	-	-	-	-	-	
TOTAL	3,136,012	3,234,043	3,417,078	3,666,109	3,666,109	3,716,109	3,666,109	3,666,109	
TOTAL ALL ENTERPRISE FUNDS	9,008,594	9,842,537	10,721,453	10,576,992	10,576,992	10,626,992	10,576,992	10,576,992	

FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - INTERNAL SERVICE FUND EXPENDITURES

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
INFORMATION TECHNOLOGY								
610-30-300 Administration	-	-	287,169.00	515,134.00	515,134.00	515,134.00	515,134.00	515,134.00
610-34-310 Information Technology	1,930,718	2,691,744	2,958,443	2,812,304	2,812,304	2,812,304	2,812,304	2,812,304
610-35-986 GIS	337,780	647,264	784,833	863,088	863,088	863,088	863,088	863,088
610-90-986 GIS	13,501	-	-	-	-	-	-	-
610-90-989 Network Upgrade	92,627	721,500	1,098,309	-	-	-	-	-
610-90-991 New Project Contingency	6,802	-	3,334	-	-	-	-	-
610-90-992 Video Division	2,637	-	-	-	-	-	-	-
610-90-995 Planning Software	47,371	-	91,554	-	-	-	-	-
TOTAL	2,431,435	4,060,508	5,223,642	4,190,526	4,190,526	4,190,526	4,190,526	4,190,526
CITY CHANNEL								
615-31-305 Government Channel	798,214	1,479,086	1,607,497	1,569,256	1,569,256	1,569,256	1,569,256	1,569,256
615-32-308 City Web Site	314,268	543,737	369,323	1,664,219	1,664,219	1,664,219	1,664,219	1,664,219
TOTAL	1,112,482	2,022,823	1,976,820	3,233,475	3,233,475	3,233,475	3,233,475	3,233,475
WORKERS' COMPENSATION								
620-44-418 Workers Comp Insurance	37,016	500,732	501,605	498,240	498,240	498,240	498,240	498,240
TOTAL	37,016	500,732	501,605	498,240	498,240	498,240	498,240	498,240
VEHICLE/EQUIPMENT REPLACEMENT								
630-85-849 Equipment Maintenance	1,136,608	1,395,195	1,459,065	1,251,239	1,251,239	1,251,239	1,251,239	1,251,239
630-90-985 Fixed Asset Acquisition	7,167	1,222,000	1,525,587	1,029,200	1,029,200	1,029,200	1,029,200	1,029,200
TOTAL	1,143,775	2,617,195	2,984,652	2,280,439	2,280,439	2,280,439	2,280,439	2,280,439
COMPENSATED ABSENCE & LONG-TERM DISABILITY								
641-44-419 Long Term Disability	82,201	83,875	83,875	83,883	83,883	83,883	83,883	83,883
641-44-420 Compensated Absence	494,451	434,673	434,673	435,014	435,014	435,014	435,014	435,014
TOTAL	576,652	518,548	518,548	518,897	518,897	518,897	518,897	518,897
RETIREE MEDICAL								
642-44-414 Retiree Benefits	919,219	931,335	931,335	968,486	968,486	968,486	968,486	968,486
TOTAL	919,219	931,335	931,335	968,486	968,486	968,486	968,486	968,486

FISCAL YEAR 2017-18 FINAL BUDGET
 FIVE YEAR FORECAST - INTERNAL SERVICE FUND EXPENDITURES

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
TOTAL ALL INTERNAL SERVICE	6,220,580	10,651,141	12,136,602	11,690,063	11,690,063	11,690,063	11,690,063	11,690,063

**FISCAL YEAR 2017-18 FINAL BUDGET
FIVE YEAR FORECAST - SPECIAL FUNDS FUND BALANCE**

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<u>SPECIAL REVENUE</u>								
Beginning Fund Balance	14,734,859	33,775,117	33,775,117	41,593,695	33,215,916	32,476,401	34,334,886	36,193,371
Assigned	33,775,117	61,616,847	41,593,695	33,215,916	32,476,401	34,334,886	36,193,371	38,101,856
Unassigned	-	-	-	-	-	-	-	-
Total Ending Fund Balance	33,775,117	61,616,847	41,593,695	33,215,916	32,476,401	34,334,886	36,193,371	38,101,856
<u>DEBT SERVICE</u>								
Beginning Fund Balance	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982
Assigned	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982
Unassigned	-	-	-	-	-	-	-	-
Total Ending Fund Balance	1,681,000	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982	1,596,982
<u>CAPITAL PROJECT</u>								
Beginning Fund Balance	15,338,818	18,568,230	18,568,230	18,568,230	3,384,230	2,959,230	2,054,230	949,230
Assigned	15,338,818	18,568,230	18,568,230	3,384,230	2,959,230	2,054,230	949,230	844,230
Unassigned	-	-	-	-	-	-	-	-
Total Ending Fund Balance	15,338,818	18,568,230	18,568,230	3,384,230	2,959,230	2,054,230	949,230	844,230
<u>ENTERPRISE</u>								
Beginning Fund Balance	9,083,628	6,810,995	6,810,995	6,810,995	4,118,003	3,968,003	3,768,003	3,618,003
Assigned	9,089,628	6,810,995	6,810,995	4,118,003	3,968,003	3,768,003	3,618,003	3,468,003
Unassigned	-	-	-	-	-	-	-	-
Total Ending Fund Balance	9,089,628	6,810,995	6,810,995	4,118,003	3,968,003	3,768,003	3,618,003	3,468,003
<u>INTERNAL SERVICE</u>								
Beginning Fund Balance	18,690,743	14,659,906	14,659,906	14,659,906	12,794,412	8,550,542	4,306,672	62,802
Assigned	18,690,743	14,659,906	14,659,906	12,794,412	8,550,542	4,306,672	62,802	(4,181,068)
Unassigned	-	-	-	-	-	-	-	-

FISCAL YEAR 2017-18 FINAL BUDGET
 FIVE YEAR FORECAST - SPECIAL FUNDS FUND BALANCE

PROGRAM	2015-16	2016-17	FY 2016-17	5 YEAR FORECAST				
	Actuals	Final Budget	Projection	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Total Ending Fund Balance	18,690,743	14,659,906	14,659,906	12,794,412	8,550,542	4,306,672	62,802	(4,181,068)

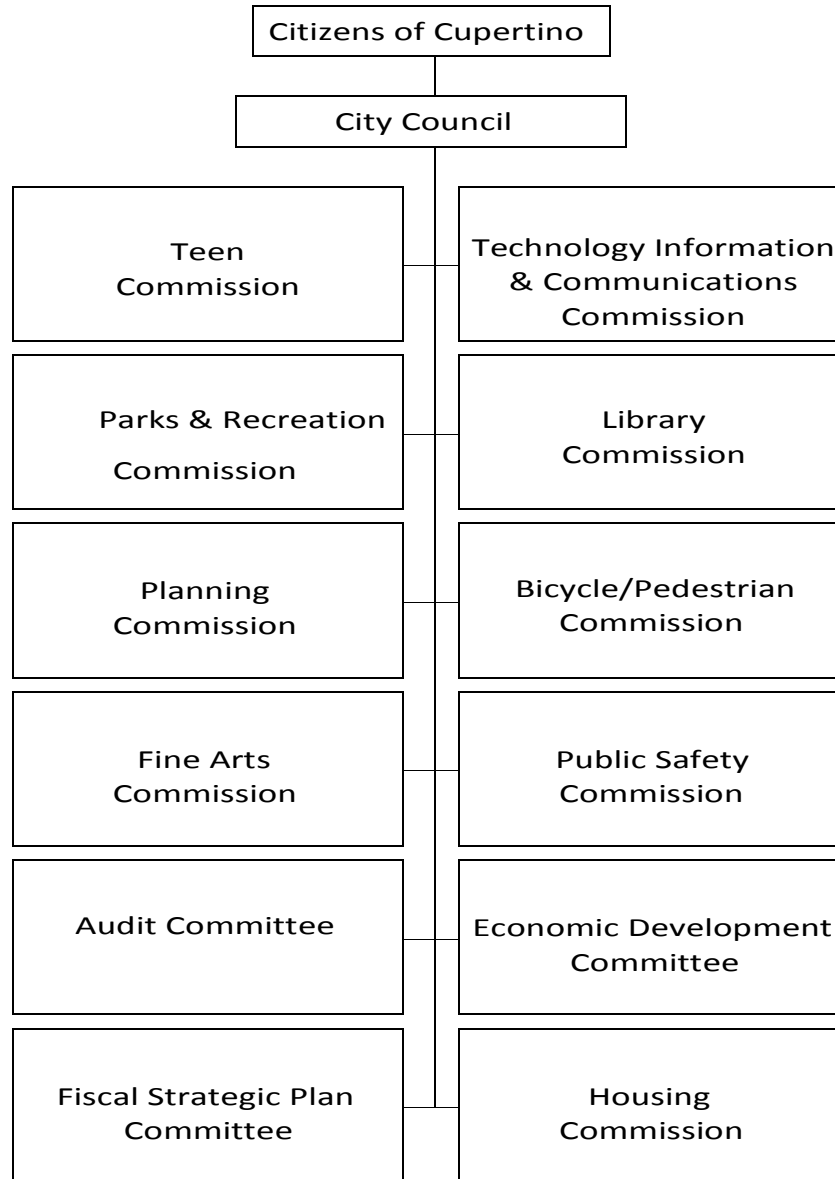


Council and Commissions

City Council
Commissions

COUNCIL AND COMMISSIONS

Budget Unit		2018 Adopted
City Council		\$ 539,184
100-10-100	City Council	442,623
100-10-101	Community Funding	52,811
100-10-110	Sister Cities	43,750
Commissions		\$ 385,453
100-11-131	Telecommunication Commission	10,925
100-11-140	Library Commission	23,894
100-11-142	Fine Arts Commission	43,037
100-11-150	Public Safety Commission	17,052
100-11-155	Bicycle and Pedestrian Commission	4,912
100-11-160	Parks and Recreation Commission	29,736
100-11-165	Teen Commission	59,018
100-11-170	Planning Commission	135,379
100-11-175	Housing Commission	33,621
100-11-180	Sustainability Commission	27,879
Total		\$ 924,637



DEPARTMENT SUMMARY

Council and Commissions

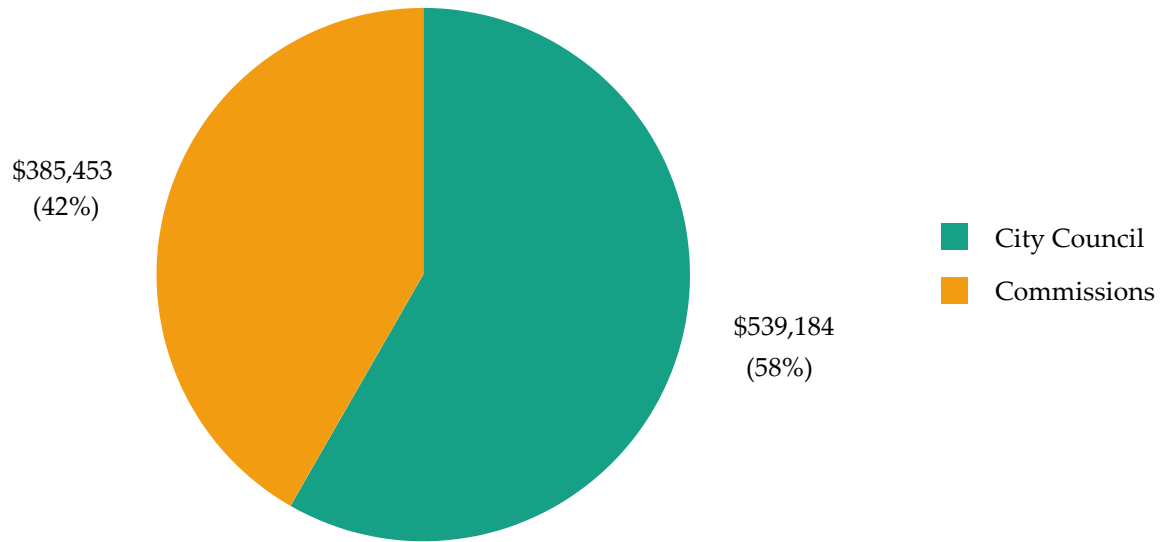
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	34,034	31,416	779,523	535,636
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	150,000	24,522	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	184,034	55,938	779,523	535,636
Expenditures				
Employee Compensation	201,434	182,893	226,934	271,219
Employee Benefits	127,323	147,952	143,813	190,421
Materials	128,605	126,845	125,956	149,566
Contract Services	62,453	98,765	84,062	120,912
Cost Allocation	162,780	162,780	683,989	176,865
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	15,654	15,654
Total Expenditures	682,595	719,235	1,280,408	924,637
Fund Balance	-	-	-	-
General Fund Costs	\$ 498,561	\$ 663,296	\$ 500,885	\$ 389,001

ADOPTED BUDGET

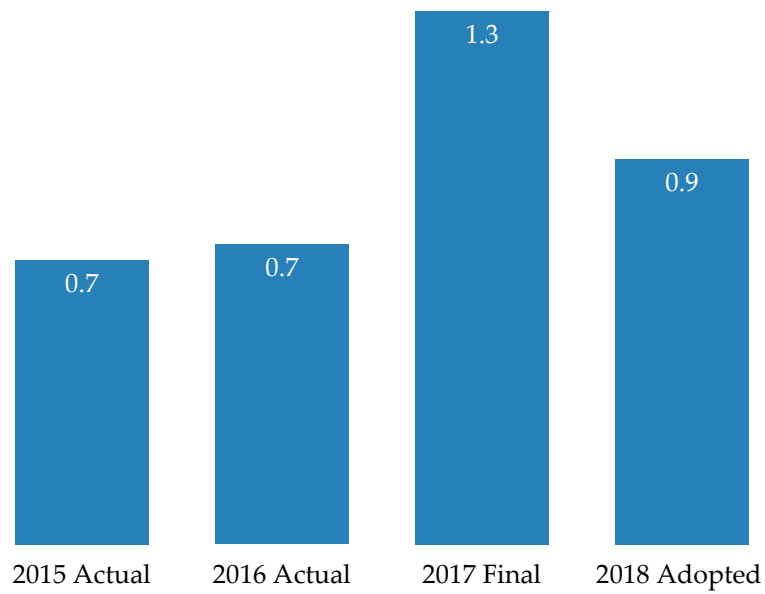
On June 20, 2017, City Council approved a budget of \$924,637 for the Council and Commissions Budget. This represents a decrease of \$355,771 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This decrease is offset by increases in salary and benefits due to a new three year limited term Executive Assistant to better support City Council.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



CITY COUNCIL - CITY COUNCIL

Budget Unit 100-10-100

Budget at a Glance	
Total Revenues	535,636
Total Expenditures	442,623
Fund Balance	-
General Fund Costs	(93,013)
% Funded by General Fund	0.0%
Total Staffing	6.15

PROGRAM OVERVIEW

The Mayor and Council members, acting as the elected representatives of the residents of Cupertino, establish public policies to meet community needs and assure orderly development of the City.

SERVICE OBJECTIVES

The City Council objectives are carried out by city staff under the sole direction of the City Manager.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$442,623 for the City Council Budget. This represents a decrease of \$336,695 from the FY 2016-17 Final Adopted Budget.

Overall, the budget for City Council has decreased largely due to changes in cost allocation offset by increases in personnel costs. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

To increase staff support for Council and Administration, an Executive Assistant position will be added to support the Mayor, Council, and the City Clerk's Office. This increase will be partially offset by under-filling the Senior Office Assistant with a three-year limited-term Office Assistant and eliminating two part-time Office Assistants currently supporting the Council and Administration. Increased personnel costs in this budget reflect this proposal as well as increases associated with negotiated compensation increases per Council-approved labor agreements.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Council - City Council

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	34,034	31,416	779,523	535,636
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	150,000	24,522	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	184,034	55,938	779,523	535,636
Expenditures				
Employee Compensation	83,544	73,688	75,909	123,793
Employee Benefits	82,732	107,545	82,063	128,237
Materials	101,455	96,790	91,000	86,500
Contract Services	473	493	387	387
Cost Allocation	151,740	151,740	520,918	94,665
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	9,041	9,041
Total Expenditures	419,943	430,255	779,318	442,623
Fund Balance	-	-	-	-
General Fund Costs	\$ 235,909	\$ 374,317	\$ (205)	\$ (93,013)

STAFFING

Total current authorized positions – 5.30

Staffing is increasing to account for additional support staff for the Mayor and Council, including reallocation of existing staff to better reflect time spent to support Council.

Total authorized positions – 6.15

CITY COUNCIL - COMMUNITY FUNDING

Budget Unit 100-10-101

Budget at a Glance	
Total Revenues	-
Total Expenditures	52,811
Fund Balance	-
General Fund Costs	52,811
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

This budget provides funding for various community activities and community-based organizations throughout the fiscal year.

SERVICE OBJECTIVES

- Provide funding to local non-profit organizations in the areas of social services, fine arts and other programs for the general public.
- Grant funding requests in a fair and equitable manner.
- Grant funding requests per the Community Funding Policy adopted by City Council on April 2, 2013.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$52,811 for the Community Funding Budget. This represents an increase of \$11,658 from the FY 2016-17 Final Adopted Budget.

The increase is due to two new funding requests: one from Rotary to fund the Community Academy and another from the Iranian Women's Federated Club to fund a cultural event. The following table shows the requests for the prior fiscal year and the current funding requests that have been received:

Non-Profit Organization	Funding
FY 2017	
Deer Hollow	10,000
Historical Society	10,000
Euphrat Museum	10,000
Iranian Federated Women's Club	750
TOTAL FY 2016-17	\$40,750
FY 2018	
Deer Hollow	15,000
Historical Society	15,000
Euphrat Museum	10,000
Cupertino Rotary	12,000
Iranian Federated Women's Club	400
TOTAL FY 2017-18	\$52,400

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Council - Community Funding

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	30,000	70,000	40,750	52,400
Cost Allocation	-	-	403	411
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	30,000	70,000	41,153	52,811
Fund Balance	-	-	-	-
General Fund Costs	\$ 30,000	\$ 70,000	\$ 41,153	\$ 52,811

STAFFING

There is no staffing associated with this program.

CITY COUNCIL - SISTER CITIES

Budget Unit 100-10-110

Budget at a Glance	
Total Revenues	-
Total Expenditures	43,750
Fund Balance	-
General Fund Costs	43,750
% Funded by General Fund	100.0%
Total Staffing	0.10

PROGRAM OVERVIEW

Cupertino has four active sister cities registered with Sister Cities International; Toyokawa, Japan; Hsinchu, Taiwan; Cupertino, Italy; and Bhubaneswar, India.

SERVICE OBJECTIVES

- To further international communication and understanding through the Sister City Program.
- To foster educational, technical, economic and cultural exchanges.
- To encourage student exchange programs to promote communication and understanding among people of different cultures.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$43,750 for the Sister Cities Budget. This represents an increase of \$18,309 from the FY 2016-17 Final Adopted Budget.

The increase reflects support for an additional student delegation from Bhubaneswar, India as well as increases in personnel costs to accurately reflect staff time spent on managing this program.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Council - Sister Cities

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	1,912	3,305	3,397	12,635
Employee Benefits	613	1,423	1,602	5,079
Materials	443	2,344	3,100	3,100
Contract Services	9,320	9,320	15,000	20,000
Cost Allocation	-	-	2,342	2,936
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	12,288	16,392	25,441	43,750
Fund Balance				
General Fund Costs	\$ 12,288	\$ 16,392	\$ 25,441	\$ 43,750

STAFFING

Total current authorized positions – 0.05

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.1

COMMISSIONS - TELECOMMUNICATION COMMISSION

Budget Unit 100-11-131

Budget at a Glance	
Total Revenues	-
Total Expenditures	10,925
Fund Balance	-
General Fund Costs	10,925
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The Technology, Information & Communications Commission (TICC) advises the City Council and informs the community about issues relating to the rapidly changing fields of communication and technology. Commissioners also serve as a resource for the Planning Commission in offering technical guidance for antenna sightings. The Chief Technology Officer serves as staff liaison. The commission also supports public and educational access to cable services.

SERVICE OBJECTIVES

- Continue to work with appropriate companies in bringing advanced services to interested residents.
- Monitor AT&T and Comcast services and revenue.
- Negotiate and manage public access provider KMVT to ensure maximum programming value for Cupertino residents.
- Work with Community Development and Public Works regarding antenna placement and negotiate agreements for communication services that serve Cupertino.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$10,925 for the Telecommunication Commission Budget. This represents a decrease of \$20,568 from the FY 2016-17 Final Adopted Budget.

The decrease represents a reduction in staff time allocated in this program.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Telecommunication Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	14,376	12,707	14,031	-
Employee Benefits	5,358	4,847	5,458	-
Materials	-	-	450	750
Contract Services	-	-	-	-
Cost Allocation	1,056	1,056	9,538	8,159
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	2,016	2,016
Total Expenditures	20,790	18,611	31,493	10,925
Fund Balance				
General Fund Costs	\$ 20,790	\$ 18,611	\$ 31,493	\$ 10,925

STAFFING

Total current authorized positions – 0.10

Staff time is being reallocated to reflect minimal staff effort in this program.

Total authorized positions – 0.00

COMMISSIONS - LIBRARY COMMISSION

Budget Unit 100-11-140

Budget at a Glance	
Total Revenues	-
Total Expenditures	23,894
Fund Balance	-
General Fund Costs	23,894
% Funded by General Fund	100.0%
Total Staffing	0.05

PROGRAM OVERVIEW

The Library Commission is a five member commission appointed by the City Council to review and make recommendations related to the operations and services of the Cupertino Library. The Cupertino Library is operated by Santa Clara County Library Services. The building is provided by the City of Cupertino for which the County pays a rental fee.

County Library management serves as Commission staff and Recreation and Community Services personnel serves as City liaison.

SERVICE OBJECTIVES

- Monitor the various service activities of the library and make recommendations for improvements to appropriate bodies.
- Support library advocacy groups, including Friends of the Cupertino Library and Cupertino Library Foundation.
- Advocate library funding and service levels at the city, county, and state levels.
- Represent the Cupertino library in the local community.
- Participate in state and local library workshops and conferences.
- Participate in the long range planning of quality library services for the City.
- Develop potential resources to expand volunteer efforts in the library.
- Investigate ways to expand access to non-traditional media.
- Continue library advocacy in Cupertino activities and with other organizations.
- Initiate and coordinate the Cupertino Poet Laureate program.
- Continue emphasis on integrating additional technology into library services.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$23,894 for the Library Commission Budget. This represents an increase of \$4,136 from the FY 2016-17 Final Adopted Budget.

The increase of \$2,700 in contract services will allow the Poet Laureate Steering committee to contract for marketing services, tracking site visitors, and providing technical support.

The increased personnel costs due to a change in the staff liaison are offset by decreases in cost allocation. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Library Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	5,018	1,284	4,919	7,612
Employee Benefits	1,970	627	2,129	3,413
Materials	176	180	700	700
Contract Services	1,514	1,225	2,000	4,700
Cost Allocation	528	528	9,794	7,253
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	216	216
Total Expenditures	9,206	3,844	19,758	23,894
Fund Balance	-	-	-	-
General Fund Costs	\$ 9,206	\$ 3,844	\$ 19,758	\$ 23,894

STAFFING

Total current authorized positions – 0.05

There are no changes to the current level of staffing.

Total authorized positions – 0.05

COMMISSIONS - FINE ARTS COMMISSION

Budget Unit 100-11-142

Budget at a Glance	
Total Revenues	-
Total Expenditures	43,037
Fund Balance	-
General Fund Costs	43,037
% Funded by General Fund	100.0%
Total Staffing	0.15

PROGRAM OVERVIEW

The Cupertino Fine Arts Commission is charged with advancing the arts in the City through a number of activities and programs. These include overseeing the "Quarter Percent for Art" requirement for developments over 50,000 square feet; promoting art in public places; making recommendations to City Council regarding arts opportunities; awarding grants to individuals and organizations; selecting winners for the "Energized by Art" Utility Box Contest to transform gray utility boxes into student eco-art canvasses; and selecting the "Distinguished Artist of the Year," the "Emerging Artist of the Year" and the "Young Artists of the Year."

SERVICE OBJECTIVES

- Foster, encourage and assist the realization, preservation, advancement and development of fine arts for the benefit of the citizens of Cupertino.
- Act as a catalyst for the promotion of fine arts activities and provide liaison and coordination between fine arts activities, groups and facilities.
- Enhance the interaction between arts, local schools, private property owners and businesses through personal outreach.
- Review and approve public art proposals.
- Encourage and facilitate "art in unexpected places" through the donation of underutilized spaces, such as blank walls or utility screens, for private installation of art.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$43,037 for the Fine Arts Commission Budget. This represents a decrease of \$5,224 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily due to changes in the cost allocation program. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The budget includes additional funds to host receptions to present the Emerging & Distinguished Artist Awards and the Young Artists Awards as well as increase the award amounts for the Emerging and Distinguished Artists.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Fine Arts Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	12,099	14,509	15,120	16,275
Employee Benefits	4,842	5,615	6,191	6,820
Materials	2,420	1,793	4,550	7,200
Contract Services	187	170	450	950
Cost Allocation	1,572	1,572	21,650	11,492
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	300	300
Total Expenditures	21,120	23,659	48,261	43,037
Fund Balance				
General Fund Costs	\$ 21,120	\$ 23,659	\$ 48,261	\$ 43,037

STAFFING

Total current authorized positions – 0.25

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.15

COMMISSIONS - PUBLIC SAFETY COMMISSION

Budget Unit 100-11-150

Budget at a Glance	
Total Revenues	-
Total Expenditures	17,052
Fund Balance	-
General Fund Costs	17,052
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The Cupertino Public Safety Commission (PSC), a five member board appointed by the City Council, assists the Council by reviewing and recommending public safety services associated with police, fire, emergency planning, and traffic. The Sheriff's West Valley Patrol Division Commander, who is the City's Chief of Police, serves as staff liaison.

SERVICE OBJECTIVES

- Review safety issues and concerns and make recommendations to the City Council.
- Promote public education programs concerning safety issues.
- Provide assistance in implementing public safety programs approved by the City Council.
- Work with various city departments to resolve issues and concerns related to public safety.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$17,052 for the Public Safety Commission Budget. This represents a decrease of \$114 from the FY 2016-17 Final Adopted Budget.

This budget is relatively unchanged from last fiscal year and supports the SCC Sheriff Teen/Citizen Academy and public outreach events, such as residential burglary presentations, senior safety presentations, identity protection seminar and transportation forum.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Public Safety Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	3,241	65	300	5,000
Contract Services	11,680	10,428	11,000	10,000
Cost Allocation	-	-	4,962	1,148
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	904	904
Total Expenditures	14,921	10,494	17,166	17,052
Fund Balance				
General Fund Costs	\$ 14,921	\$ 10,494	\$ 17,166	\$ 17,052

STAFFING

There is no staffing associated with this program.

COMMISSIONS - BICYCLE AND PEDESTRIAN COMMISSION

Budget Unit 100-11-155

Budget at a Glance	
Total Revenues	-
Total Expenditures	4,912
Fund Balance	-
General Fund Costs	4,912
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The Cupertino Bicycle and Pedestrian Commission (BPC) is a five-member board appointed by the City Council, which assists the Council by reviewing, monitoring, and making recommendations on City transportation matters pertaining to bicycle and pedestrian traffic, parking, education, and recreation within Cupertino. The City's Senior Civil Engineer serves as staff liaison.

SERVICE OBJECTIVES

- Review and make recommendations on City transportation infrastructure, development standards, public and private development projects, and citizen outreach and education efforts as they affect bicycle and pedestrian traffic in the City of Cupertino.
- Promote safe, efficient, and enjoyable travel for bicycle and pedestrian traffic within Cupertino.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$4,912 for the Bicycle and Pedestrian Commission Budget. This represents a decrease of \$1,031 from the FY 2016-17 Final Adopted Budget.

The decrease is attributed to cost allocation plan adjustments, offset by a \$300 increase in costs for meeting materials. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Bicycle and Pedestrian Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	6,442	-	300
Contract Services	3,405	3,074	4,000	4,000
Cost Allocation	-	-	1,623	292
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	320	320
Total Expenditures	3,405	9,516	5,943	4,912
Fund Balance				
General Fund Costs	\$ 3,405	\$ 9,516	\$ 5,943	\$ 4,912

STAFFING

There is no staffing associated with this program.

COMMISSIONS - PARKS AND RECREATION COMMISSION

Budget Unit 100-11-160

Budget at a Glance	
Total Revenues	-
Total Expenditures	29,736
Fund Balance	-
General Fund Costs	29,736
% Funded by General Fund	100.0%
Total Staffing	0.10

PROGRAM OVERVIEW

The Parks and Recreation Commission is a five-member citizen’s commission appointed by the City Council to make recommendations pertaining to parks, recreation and community services. The Director of Recreation and Community Services serves as staff liaison.

SERVICE OBJECTIVES

- Engage the public in dialog regarding the design of new programs and facilities. Make recommendations regarding these projects to the City Council.
- Work with staff and the public to draft and/or revise policies for use of Recreation and Community Services facilities.
- Consider public input regarding the operation of Recreation and Community Services facilities and make recommendations for their improvement.
- Participate on a number of special committees dealing with Recreation and Community Services.
- Serve as ambassadors for the Recreation and Community Services Department.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$29,736 for the Parks and Recreation Commission Budget. This represents a decrease of \$31,236 from the FY 2016-17 Final Adopted Budget.

A significant portion of the decrease is due to changes in staffing costs resulting from a staffing reallocation to support the Recreation Commission. Previously, 10% of the Recreation and Community Services Director was budgeted here. In FY 2018, it is] that 5% the Director and 5% of the Administrative Assistant be allocated to the Commission to better reflect actual staff effort.

In addition, cost allocation costs are down compared to last year. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Parks and Recreation Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	4,398	13,248	31,491	13,317
Employee Benefits	1,652	4,897	12,357	5,581
Materials	346	646	581	581
Contract Services	225	305	500	500
Cost Allocation	528	528	15,956	9,670
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	87	87
Total Expenditures	7,149	19,625	60,972	29,736
Fund Balance				
General Fund Costs	\$ 7,149	\$ 19,625	\$ 60,972	\$ 29,736

STAFFING

Total current authorized positions – 0.10

There are no changes to the current level of staffing.

Total authorized positions – 0.10

COMMISSIONS - TEEN COMMISSION

Budget Unit 100-11-165

Budget at a Glance	
Total Revenues	-
Total Expenditures	59,018
Fund Balance	-
General Fund Costs	59,018
% Funded by General Fund	100.0%
Total Staffing	0.30

PROGRAM OVERVIEW

The Teen Commission is comprised of nine teens representing grades 8-12. The Teen Commission advises the City Council and staff on teen issues. A Recreation Coordinator in Recreation and Community Services serves as the staff liaison.

SERVICE OBJECTIVES

- Engage the public in dialog regarding the design of new programs, and make recommendations regarding these projects to City staff.
- Assist staff with the programming and promotion of the Teen Center.
- Assist staff with the evaluation of teen programming.
- Work with staff and the public to create new avenues to interact with teens.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$59,018 for the Teen Commission Budget. This represents a decrease of \$3,824 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges, offset by increases in contract services and staffing costs. In FY 2018, the Teen Commission proposes to develop a teen incubator program. An increase of \$10,000 is approved for marketing, supplies, training, and other program needs. Increases in personnel costs are associated with negotiated salary and benefit increases within Council-approved labor contracts.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Teen Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	17,283	1,837	23,542	27,015
Employee Benefits	6,578	830	10,357	11,718
Materials	884	6,374	1,700	1,700
Contract Services	163	-	725	10,725
Cost Allocation	2,628	2,628	26,324	7,666
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	194	194
Total Expenditures	27,537	11,669	62,842	59,018
Fund Balance				
General Fund Costs	\$ 27,537	\$ 11,669	\$ 62,842	\$ 59,018

STAFFING

Total current authorized positions – 0.30

There are no changes to the current level of staffing.

Total authorized positions – 0.30

COMMISSIONS - PLANNING COMMISSION

Budget Unit 100-11-170

Budget at a Glance	
Total Revenues	-
Total Expenditures	135,379
Fund Balance	-
General Fund Costs	135,379
% Funded by General Fund	100.0%
Total Staffing	0.25

PROGRAM OVERVIEW

The Planning Commission is a five-member citizen board appointed by the City Council. The functions of the Planning Commission are as follows:

- Advise the City Council on land use and development policy related to the General Plan;
- Implement the General Plan through review and administration of specific plans and related ordinances;
- Review land use applications for conformance with the General Plan and ordinances; and
- Promote the coordination of local plans and programs with regional and other agencies.

SERVICE OBJECTIVES

- Conduct periodic reviews of the General Plan. These reviews test the fundamental goals and measure performance of short-term objectives.
- Conduct public hearings for approximately 80 land development applications. Ensure that decisions are made fairly and expeditiously in accordance with adopted General Plan policies, zoning ordinances, development plans, and design guidelines.
- Review specific plans, zoning ordinance amendments, and amendments to the General Plan and make recommendations to Council.
- Serve on the Planning Commission Design Review Committee, the Environmental Review Committee, and in an advisory role to the Housing Commission and Economic Development Committee.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$135,379 for the Planning Commission Budget. This represents an increase of \$2,617 from the FY 2016-17 Final Adopted Budget.

The budget includes additional funds for planning commissioner stipends and required advertisements and legal and display notices.

These increases are offset by a decrease due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Planning Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	49,666	48,482	32,440	44,529
Employee Benefits	16,012	16,847	12,974	15,051
Materials	19,640	11,614	22,900	35,260
Contract Services	5,485	3,750	9,250	17,250
Cost Allocation	3,156	3,156	52,626	20,717
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	2,572	2,572
Total Expenditures	93,960	83,849	132,762	135,379
Fund Balance				
General Fund Costs	\$ 93,960	\$ 83,849	\$ 132,762	\$ 135,379

STAFFING

Total current authorized positions – 0.25

There are no changes to the current level of staffing.

Total authorized positions – 0.25

COMMISSIONS - HOUSING COMMISSION

Budget Unit 100-11-175

Budget at a Glance	
Total Revenues	-
Total Expenditures	33,621
Fund Balance	-
General Fund Costs	33,621
% Funded by General Fund	100.0%
Total Staffing	0.15

PROGRAM OVERVIEW

The Cupertino Housing Commission (CHC) is a five-member board appointed by the City Council to assist the Planning Commission and the City Council in developing housing policies and strategies for implementation of General Plan Housing Element goals. The Commission also oversees the Community Development Block Grant (CDBG) program.

SERVICE OBJECTIVES

Make recommendations to the City Council as follows:

- Develop housing policies and strategies for implementation of General Plan Housing Element goals.
- Develop affordable housing proposals, innovative approaches to affordable housing development and number and type of affordable units and the target groups to be served.
- Identify sources of funds to develop and build affordable housing.
- Evaluate funding requests from CDBG and the Affordable Housing funds, possible fee waivers or other incentives.
- Propose CDBG Action Plan.
- Review Cupertino's Housing Element.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$33,621 for the Housing Commission Budget. This represents a decrease of \$5,012 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily attributed to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The budget includes additional funds for staff overtime and meeting expenses.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Housing Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	13,138	13,833	14,146	14,642
Employee Benefits	7,566	5,320	5,955	7,456
Materials	-	596	675	975
Contract Services	-	-	-	-
Cost Allocation	1,572	1,572	17,853	10,544
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	4	4
Total Expenditures	22,275	21,321	38,633	33,621
Fund Balance				
General Fund Costs	\$ 22,275	\$ 21,321	\$ 38,633	\$ 33,621

STAFFING

Total current authorized positions – 0.10

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.15

COMMISSIONS - SUSTAINABILITY COMMISSION

Budget Unit 100-11-180

Budget at a Glance	
Total Revenues	-
Total Expenditures	27,879
Fund Balance	-
General Fund Costs	27,879
% Funded by General Fund	100.0%
Total Staffing	0.10

PROGRAM OVERVIEW

The Sustainability Commission is a five-member board appointed by the City Council to serve in an advisory capacity by providing expertise and guidance on major policy and programmatic areas related to the environmental, economic and societal goals noted within Cupertino's Climate Action Plan and General Plan Environmental Resources/Sustainability Element.

SERVICE OBJECTIVES

To fulfill their mission, the Commission engages in the following activities:

- Monitor and update the CAP based upon quantified metrics to measure and evaluate mitigated impacts and community benefits;
- Suggest recommendations, review, and monitor the City's General Plan Environmental Resources/Sustainability Element and its intersections with the CAP;
- Advise the City Council how to strategically accelerate Cupertino's progress towards sustainability and recommend priorities to promote continued regional leadership in sustainability;
- Periodically review policies governing specific practices and programs, such as greenhouse gas emissions reduction, water conservation, renewable energy, energy efficiency, materials management, and urban forestry. Illustrative examples include creation of infrastructure for low emissions vehicles, installation of renewable energy or energy efficiency technologies, drafting of water conservation or waste reduction policies, delivery of habitat restoration and conservation programs, design and roll-out of pollution prevention campaigns, etc.;
- Make recommendations regarding the allocation of funds for infrastructure and technology improvements to elevate operational performance of City facilities, businesses, educational institutions and homes by reducing costs, improving public health, and serving community needs; Accept public input on the subject areas noted above and advise the City Council on ways to drive community awareness, behavior change, education and participation in City programs modeled upon the field's best practices.

- Review and make recommendations to the City Council on Federal, State and regional policies related to sustainability that have the potential to impact City Council's goals and policies.
- Pursue any other activity or scope that may be deemed appropriate and necessary by the City Council.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$27,879 for the Sustainability Commission Budget. This represents an increase of \$11,213 from the FY 2016-17 Final Adopted Budget.

This increase is due to funding for materials and supplies, which were not previously accounted for in the FY 2016-17 Adopted Budget, in addition to increased personnel costs based on negotiated benefit increases approved by Council.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Commissions - Sustainability Commission

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	11,939	11,401
Employee Benefits	-	-	4,727	7,066
Materials	-	-	-	7,500
Contract Services	-	-	-	-
Cost Allocation	-	-	-	1,912
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	-	-	16,666	27,879
Fund Balance				
General Fund Costs	\$ -	\$ -	\$ 16,666	\$ 27,879

STAFFING

Total current authorized positions – 0.10

There are no changes to the current level of staffing.

Total authorized positions – 0.10



Administration

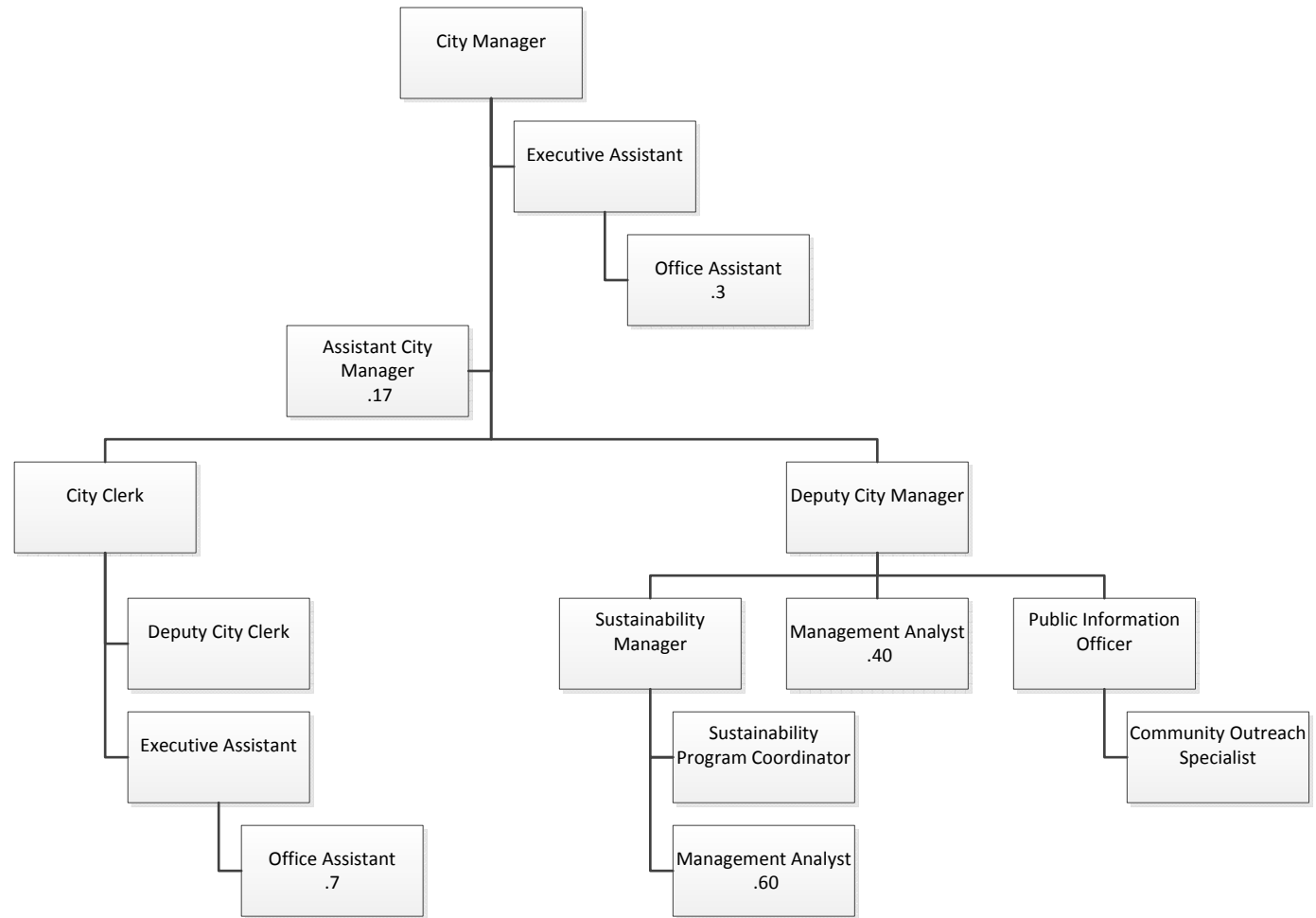
City Manager

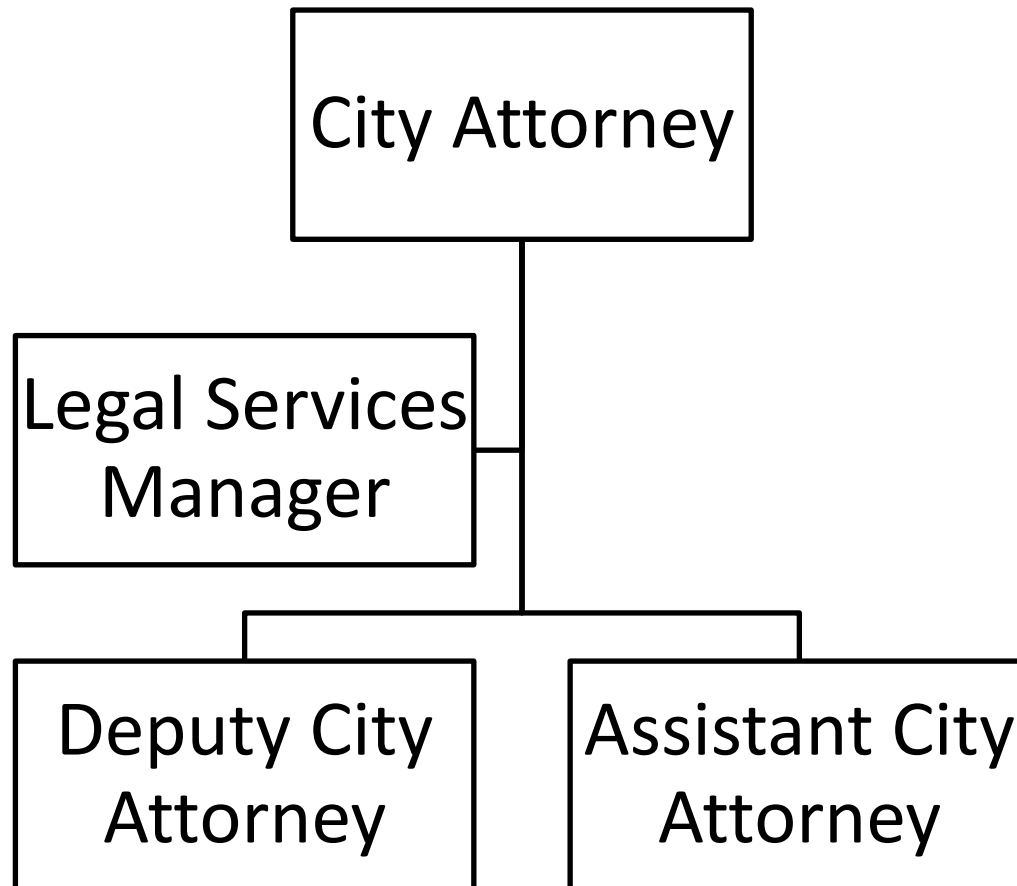
City Clerk

City Attorney

ADMINISTRATION

Budget Unit	2018 Adopted
City Manager	\$ 2,202,220
100-12-120 City Manager	952,399
100-12-122 Sustainability Division	778,875
100-12-125 Economic Development	-
100-12-126 Public Affairs	470,946
City Clerk	\$ 685,268
100-13-130 City Clerk	599,962
100-13-132 Duplicating and Mail Services	85,018
100-13-133 Elections	288
City Manager Discretionary Fund	\$ 540,821
100-14-123 City Manager Contingency Fund	540,821
City Attorney	\$ 2,039,588
100-15-141 City Attorney	2,039,588
Total	\$ 5,467,897





DEPARTMENT SUMMARY

Administration

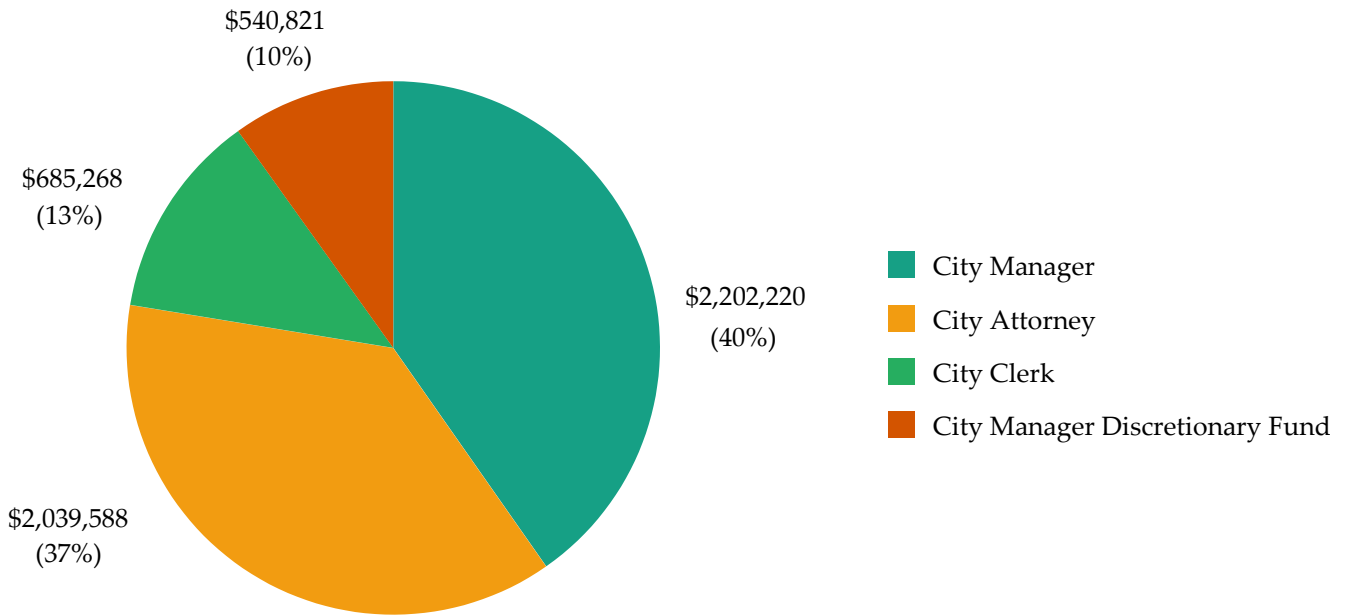
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	259,314	338,580	2,833,992	844,929
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	20,000	16,863	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	279,314	355,444	2,833,992	844,929
Expenditures				
Employee Compensation	1,433,337	1,391,112	1,409,025	1,976,893
Employee Benefits	465,291	482,995	520,513	782,277
Materials	211,074	165,297	206,520	306,066
Contract Services	787,877	998,653	1,513,000	1,255,568
Cost Allocation	315,180	294,828	922,878	376,097
Capital Outlay	-	-	-	-
Special Projects	75,809	504,933	215,000	160,000
Appropriations for Contingency	2,353	113	592,628	610,996
Total Expenditures	3,290,920	3,837,931	5,379,564	5,467,897
Fund Balance				
General Fund Costs	\$ 3,011,606	\$ 3,482,487	\$ 2,545,572	\$ 4,622,968

ADOPTED BUDGET

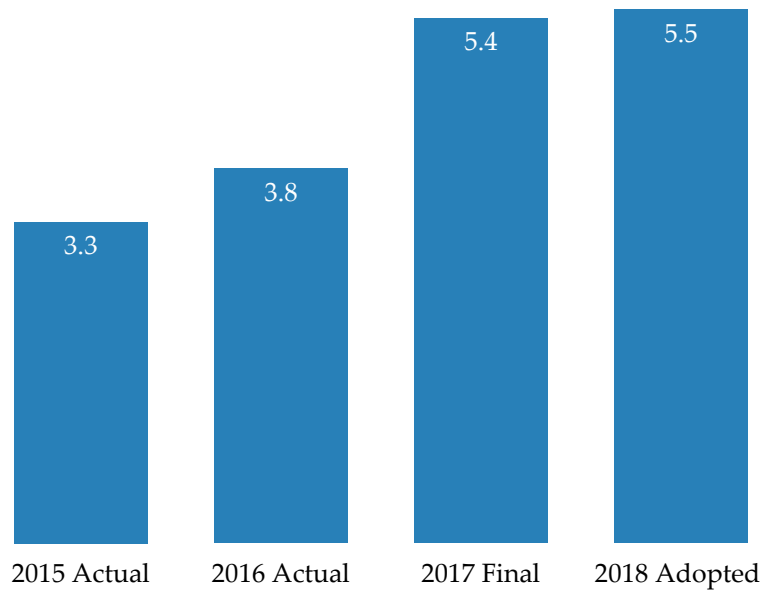
On June 20, 2017, City Council approved a budget of \$5,467,897 for the Administration Budget. This represents an increase of \$88,333 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This decrease is offset by increases in salary and benefits due to a new three year limited term Executive Assistant that is split between City Council and Administration and negotiated increases to salary and benefits.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



**City of Cupertino
FY17/18 Budget Performance Measures
City Clerk Division**

GOAL: Streamline information processing for Council, staff and community members for compliance with State requirements and facilitate independent and transparent access to public information.

Enabled by...

Online information and updated records that can be easily accessed in a timely manner.

Enabled by...

Response to records requests to comply with State law of 10 days.



Measure	Ongoing Target
City Council minutes for regular meetings presented for Council approval by the following regular meeting	100%
Adopted City Council resolutions and ordinances processed and scanned to Laserfiche within a week of Clerk's office receipt of final, signed document	100%
Public Record Act requests responded to by the Statutory deadline date	100%

So that...

All can fully participate in local government to achieve the community & organizational goals.

**City of Cupertino
FY17/18 Budget Performance Measures
Public Affairs Division**

GOAL: Promote and increase interest and participation in City services, programs, initiatives, and projects while building community pride and positive identification with the City among its residents.

Enabled by...

Leveraging the communication skills, knowledge, and experience of employees while also utilizing existing and emerging technologies to enhance, improve, and streamline the communication process.



Measure	Ongoing Target
Social media engagement: total number of followers including City Hall Nextdoor, Facebook, Twitter, and Instagram accounts	10% annual increase
Social media engagement: average number of engagements (reactions, comments, shares) per post on City Hall Facebook account	10% annual increase
Access Cupertino: Average response time to customers organization-wide	Respond within 2 days

So that...

Residents have access to timely, engaging, and important information.

Mission statement: provide exceptional service, encourage all members of the community to take responsibility for one another, and to support the values of education, innovation and collaboration.

GOAL: Implement Cupertino’s Climate Action Plan and General Plan Sustainability Element to achieve quantifiable emissions reductions, conserve finite resources, and achieve utility cost avoidance and savings across municipal operations and community partners.

Enabled by...

An agency implementing Council and community sustainability goals to effectively safeguard shared resources.



Enabled by...

Engaged community partners and volunteers supporting CAP implementation.



So that...

Measure	Ongoing Target
% community-wide emissions reduced from baseline of 307,288 MT CO2e/yr ¹	15% reduction by 2020 (261,195 MT CO2e/yr)
Initiate and implement all Climate Action Plan near-term measures x% initiated x% complete or ongoing	100% 100%
Increase the total number of Certified Green Businesses through the city’s GreenBiz program to improve efficiency and conserve resources	100

Cupertino is a healthy, resilient, environmentally -vibrant City for current and future residents to live, work, learn and play.

¹ Cupertino’s GHG inventories are conducted roughly every 3-5 years. It is currently being updated in 2017 based on 2015 data.

Mission statement: provide exceptional service, encourage all members of the community to take responsibility for one another, and to support the values of education, innovation and collaboration.

CITY MANAGER - CITY MANAGER

Budget Unit 100-12-120

Budget at a Glance	
Total Revenues	319,142
Total Expenditures	952,399
Fund Balance	-
General Fund Costs	633,257
% Funded by General Fund	66.5%
Total Staffing	3.37

PROGRAM OVERVIEW

The City Manager is responsible to the City Council for the effective and efficient operation of the City. Under the direction of the City Council as a whole, the City Manager carries out the City's adopted goals and objectives. The City Manager oversees Sustainability and Public Affairs.

SERVICE OBJECTIVES

- Accomplish the City Council's work program.
- Manage City operations.
- Ensures all laws and ordinances of the City are duly enforced and that all franchises, permits, licenses, and privileges granted by the City are faithfully performed and observed.
- Advise the City Council on policy, and the financial conditions and needs of the City.
- Investigate all complaints concerning the operation of the City.
- Prepare reports and initiate recommendations as may be desirable or as requested by the City Council.
- Ensure that the City's policies and procedures provide a foundation for a secure financial position.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$952,399 for the City Manager Budget. This represents a decrease of \$213,873 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to cost allocation changes. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. The increase in personnel costs is partially attributed to a reallocation of existing staff to better reflect time spent supporting this program.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Manager - City Manager

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	124,512	124,512	1,016,065	319,142
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	124,512	124,512	1,016,065	319,142
Expenditures				
Employee Compensation	423,648	469,105	524,865	622,201
Employee Benefits	125,030	163,567	184,325	235,855
Materials	45,303	38,229	43,880	44,380
Contract Services	11,011	26,024	12,040	14,540
Cost Allocation	108,180	108,180	397,676	31,937
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	123	-	3,486	3,486
Total Expenditures	713,295	805,105	1,166,272	952,399
Fund Balance				
General Fund Costs	\$ 588,783	\$ 680,593	\$ 150,207	\$ 633,257

STAFFING

Total current authorized positions – 3.02

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 3.37

CITY MANAGER - SUSTAINABILITY DIVISION

Budget Unit 100-12-122

Budget at a Glance	
Total Revenues	31,452
Total Expenditures	778,875
Fund Balance	-
General Fund Costs	747,423
% Funded by General Fund	96.0%
Total Staffing	1.80

PROGRAM OVERVIEW

The Sustainability Division of the City Manager’s Office works to bring environmental awareness across departments and engage staff, students, residents and businesses in building public good through activities that reduce greenhouse gas emissions, help to mitigate financial and regulatory risk, provide utility cost assurances, conserve scarce resources, prioritize public health and prepare for the impacts of climate change. In this capacity, the Division teams with regional partners and adjacent jurisdictions to develop collective approaches to implement the City's ambitious Climate Action Plan.

SERVICE OBJECTIVES

- Collect and analyze relevant data to demonstrate municipal compliance with current and burgeoning state and federal regulations.
- Serve as technical resource on sustainability initiatives by preparing staff reports, developing local policies and ordinances, coordinating educational events, and making presentations to Council, City departments and applicable outside organizations.
- Coordinate municipal and community-wide greenhouse gas emissions inventories, develop emissions targets, execute a community-wide climate action plan, and track progress to achieve emissions reductions over time.
- Expand existing compliance-focused environmental services to offer innovative energy, water and resource conservation programs that effectively engage employees and community members.
- Evaluate existing departmental programs and benchmark environmental achievements on an ongoing basis.
- Research tools and best practices for efficient utilities management and conservation and adapt these into the City’s organizational culture, operations and budgets.
- Manage or perform resource audits, identify energy conservation and renewable energy generation opportunities, calculate feasibility and develop projects that are cost effective and conserve resources.

- Work with schools to expand successful municipal programs into educational institutions through effective partnerships that empower students as environmental leaders.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$778,875 for the Sustainability Division Budget. This represents an increase of \$16,292 from the FY 2016-17 Final Adopted Budget.

Sustainability Division expenses for this year are attributed to continuing program services to implement the Climate Action Plan measures in the near term and reduce overall greenhouse gas emission.

The Sustainability Division is proposing to reallocate a portion of a Management Analyst position to the City Manager's Office and extend the current limited-term Environmental Programs Specialist position. Staffing is augmented with college interns, which focus on increasing the number of Green businesses enrolled in the Green Biz program and help with climate action plan related outreach and program support. The current Environmental Programs Specialist was hired in January 2017, to fill what was left of a 1 year limited-term position previously held by the Utility Analyst. The Environmental Programs Specialist position will be extended by one year. This position will be allocated to the Sustainability Division (75%) and Environmental Division Resource Recovery fund (25%). This position has become essential to the Sustainability Division in performing duties related to greenhouse gas inventory data tracking, climate action plan implementation tracking, program coordination, tracking utility expenditures and usage for energy, natural gas, water, fuel; and helping with community outreach and education.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Funding Source	Description
Residential Energy & Water Efficiency Pilot	\$75,000	General Fund	Pilots to promote residential energy and water efficiency in the community
Employee Commute Incentives and Program	\$50,000	General Fund	Introduce an internal Employee Commute program to encourage alternative commuting to work
Green Zero Waste Events Pilot	\$11,000	General Fund	Pilot to provide reusable dishware and flatware for events and overall outreach on creating Zero Waste Events Citywide
Employee Engagement	\$12,000	General Fund	Develop an internal program to encourage employees to adopt sustainable behavior
Utility Box Project	\$12,000	General Fund	Utility Box Art contest
Total	\$160,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Manager - Sustainability Division

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	31,464	68,987	31,452	31,452
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	20,000	16,863	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	51,464	85,850	31,452	31,452
Expenditures				
Employee Compensation	77,337	137,722	164,097	165,944
Employee Benefits	27,541	51,409	63,252	66,571
Materials	12,058	23,862	35,885	36,225
Contract Services	54,603	18,533	147,000	147,000
Cost Allocation	22,212	22,212	125,220	191,006
Capital Outlay	-	-	-	-
Special Projects	56,889	504,933	215,000	160,000
Appropriations for Contingency	2,230	-	12,129	12,129
Total Expenditures	252,869	758,671	762,583	778,875
Fund Balance	-	-	-	-
General Fund Costs	\$ 201,405	\$ 672,821	\$ 731,131	\$ 747,423

STAFFING

Total current authorized positions – 1.55

The current limited-term Environmental Programs Specialist is being extended by one year.

Total authorized positions – 1.80

CITY MANAGER - ECONOMIC DEVELOPMENT

Budget Unit 100-12-125

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
<hr/>	
General Fund Costs	-
% Funded by General Fund	0.0%
<hr/>	
Total Staffing	-

PROGRAM OVERVIEW

The Economic Development program is being transferred to Planning and Community Development – Economic Development. A complete discussion of this program can be found under Budget Unit 100-71-705. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Manager - Economic Development

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	44,004	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	44,004	-	-	-
Expenditures				
Employee Compensation	64,732	-	-	-
Employee Benefits	22,042	-	-	-
Materials	29,829	-	-	-
Contract Services	36,831	-	-	-
Cost Allocation	16,272	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	169,706	-	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 125,702	\$ -	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

CITY MANAGER - PUBLIC AFFAIRS

Budget Unit 100-12-126

Budget at a Glance	
Total Revenues	150,355
Total Expenditures	470,946
Fund Balance	-
General Fund Costs	320,591
% Funded by General Fund	68.1%
Total Staffing	1.85

PROGRAM OVERVIEW

The Public Affairs Division is responsible for community outreach to ensure that residents have access to timely, useful, and important information. The Public Affairs Division oversees and maintains many of the City's lines of communication with residents, including the City's website, social media accounts, monthly newsletter, videos, event tabling, flyers, and press releases. Public Affairs also acts as a liaison between various City departments and the community when it comes to communicating information about projects and events.

SERVICE OBJECTIVES

- Serve as the communications link between the City of Cupertino and residents
- Ensure that the community has easy access to important, useful, and timely information through various forms of media including print, online, and video
- Build community pride and positive identification with the City among residents
- Increase interest and participation in City services, projects, and activities
- Promote City Council and departmental goals, initiatives, programs, and services
- Assist in creating better internal and external communication
- Enhance the City's relationship with the news media

ADOPTED BUDGET

The Public Affairs Division was reorganized into the City Manager's Office in FY 2016-17. It was previously budgeted under the Innovation and Technology Department (formerly known as the Information Services Department). The Public Affairs Division budget is approximately \$30,000 less compared to last year, mostly due to salary savings from staff reallocations and savings resulting from bringing graphic design costs for the Scene, the City's monthly newsletter, in-house.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Manager - Public Affairs

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	150,355
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	150,355
Expenditures				
Employee Compensation	-	-	-	186,448
Employee Benefits	-	-	-	80,449
Materials	-	-	-	107,374
Contract Services	-	-	-	18,000
Cost Allocation	-	-	-	60,307
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	18,368
Total Expenditures	-	-	-	470,946
Fund Balance	-	-	-	-
General Fund Costs	\$ -	\$ -	\$ -	\$ 320,591

STAFFING

Total current authorized positions – 0.00

Staffing is being reallocated to better reflect actual time spent in the program.

Total authorized positions – 1.85

CITY CLERK - CITY CLERK

Budget Unit 100-13-130

Budget at a Glance	
Total Revenues	80,947
Total Expenditures	599,962
Fund Balance	-
General Fund Costs	519,015
% Funded by General Fund	86.5%
Total Staffing	2.70

PROGRAM OVERVIEW

The City Clerk's office responsibilities include administrative duties associated with the City Council's agenda and actions; publishing legal notices; posting notice of all commission vacancies; processing codification of City's Municipal Code; records management; and compliance with Public Records Act requests.

SERVICE OBJECTIVES

- The division's goals are to ensure compliance with the Brown Act open meetings requirements, Maddy Act Commission vacancy requirements and the Public Records Act, to accurately process documents and maintain a records management system that facilitates timely access to information, including digital access to City records.
- Provide complete, accurate and timely information to the public, staff and City Council.
- Respond to internal routing requests within two working days; respond to internal requests requiring archival research within five working days.
- Respond to Public Record Act requests within the time specified by State law.
- Provide a digital City Council packet to members of the City Council and staff for use on mobile devices.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$599,962 for the City Clerk Budget. This represents a decrease of \$123,696 from the FY 2016-17 Final Adopted Budget.

To increase staff support for Council and Administration, staff will add an Executive Assistant position which will support the Mayor, Council, and the City Clerk's Office. Costs will be partially offset by under-filling an existing Senior Office Assistant with a three-year limited-term Office Assistant and eliminating two part-time Office Assistants, one of which supports this program. Increased personnel costs in this budget reflect this proposal as well as increases associated with negotiated compensation increases per Council-approved labor agreements.

This decrease in cost allocation is primarily due to changes in the cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Clerk - City Clerk

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	14,400	27,276	398,724	80,947
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	14,400	27,276	398,724	80,947
Expenditures				
Employee Compensation	257,360	263,000	286,942	323,903
Employee Benefits	92,194	106,264	121,175	134,875
Materials	32,792	21,478	19,509	25,441
Contract Services	34,087	34,192	54,295	57,531
Cost Allocation	95,640	91,560	237,115	53,590
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	4,622	4,622
Total Expenditures	512,073	516,494	723,658	599,962
Fund Balance	-	-	-	-
General Fund Costs	\$ 497,673	\$ 489,218	\$ 324,934	\$ 519,015

STAFFING

Total current authorized positions – 3.00

Staffing is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 2.70

CITY CLERK - DUPLICATING AND MAIL SERVICES

Budget Unit 100-13-132

Budget at a Glance	
Total Revenues	-
Total Expenditures	85,018
Fund Balance	-
General Fund Costs	85,018
% Funded by General Fund	100.0%
Total Staffing	0.40

PROGRAM OVERVIEW

The City Clerk’s office provides mail service for all City Departments.

SERVICE OBJECTIVES

- Administer mail service to each department and satellite facilities in a timely manner.
- Process and deliver routine incoming and outgoing mail and packages daily to each department and satellite facilities.
- Provide additional special deliveries as needed.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$85,018 for the Duplicating and Mail Services Budget. This represents an increase of \$11,189 from the FY 2016-17 Final Adopted Budget.

The increase in personnel costs is attributed to the reallocation of an Office Assistant to support the Mayor, Council, the City Manager's Office, and the City Clerk's Office, offset by the elimination of part-time staff support. This is part of a proposal to increase staff support for Council and Administration, staff will add an Executive Assistant position which will support the Mayor, Council, and the City Clerk's Office. Costs will be partially offset by under-filling the Senior Office Assistant with an Office Assistant and eliminating two part-time Office Assistants, one of which supports this program.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Clerk - Duplicating and Mail Services

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	28,929	16,287	23,725	22,953
Employee Benefits	13,739	849	237	11,198
Materials	41,221	33,371	32,000	33,000
Contract Services	14,001	14,557	14,000	14,000
Cost Allocation	6,300	6,300	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	3,867	3,867
Total Expenditures	104,190	71,364	73,829	85,018
Fund Balance				
General Fund Costs	\$ 104,190	\$ 71,364	\$ 73,829	\$ 85,018

STAFFING

Total current authorized positions – 0.00

The increase in staffing is due to the reallocation of an Office Assistant. The position will be allocated 0.40 Duplicating/Mail Services, 0.30 City Council, 0.20 City Manager, and 0.10 Public Affairs.

Total authorized positions – 0.40

CITY CLERK – ELECTIONS

Budget Unit 100-13-133

Budget at a Glance	
Total Revenues	-
Total Expenditures	288
Fund Balance	-
General Fund Costs	288
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The City Clerk’s office administers the legislative process including management of local elections and filings of Fair Political Practices Commission documents.

SERVICE OBJECTIVES

- Administer elections and Fair Political Practices Commission filings in compliance with State law.
- Conduct a local election in even-numbered years and ballot measure elections as necessary, in compliance with the California Elections Code.
- Facilitate timely filing of required and voluntary documentation from candidates and election committees, including Nomination Papers, Candidate Statements of Qualification, Campaign Financial Disclosure Statements, and Statements of Economic Interest, as well as candidate biographies and photographs.
- Make election-related information available to the public and news media in a timely manner.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$288 for the Elections Budget. This represents a decrease of \$296,580 from the FY 2016-17 Final Adopted Budget.

The decrease is due to there being no election in 2017.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Clerk - Elections

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	5,660	22	15,700	100
Contract Services	57,393	4,572	281,168	-
Cost Allocation	-	-	-	188
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	63,053	4,594	296,868	288
Fund Balance				
General Fund Costs	\$ 63,053	\$ 4,594	\$ 296,868	\$ 288

STAFFING

There is no staffing associated with this program.

CITY MANAGER DISCRETIONARY FUND
- CITY MANAGER CONTINGENCY
Budget Unit 100-14-123

Budget at a Glance	
Total Revenues	-
Total Expenditures	540,821
Fund Balance	-
General Fund Costs	540,821
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

This fund was established to meet city wide unexpected expenses that may occur during the year. In FY 2013-14, an Appropriations for Contingency expenditure category was added to each General Fund department to serve as a contingency for any unexpected expenditures that might occur. This category is 10% of each program’s budgeted materials and contract services. A second level of contingency was also built in for unexpected expenditures that may occur over the 10% contingency. For all programs within the General Fund, 5% of the total budgeted materials and contract services were placed in this program. This brings total Appropriations for Contingencies for the General Fund to 15% of total budgeted materials and contract services. This percentage is consistent with best practices adopted by the Governmental Accounting Standards Board (GASB) which recommended 5-15% contingency. Any unspent contingency funds will go to fund balance at the end of the year. It is anticipated that this budget along with appropriations for contingency levels in program budget will decrease over the next few years to somewhere between the 5-10% level based on historical trends.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$540,821 for the City Manager Contingency Budget. This represents an increase of \$821 from the FY 2016-17 Final Adopted Budget. This budget is relatively unchanged from the prior year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Manager Discretionary - City Manager Contingency

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	1,114	-	-	-
Employee Benefits	20	-	-	-
Materials	1,357	-	-	-
Contract Services	45,354	-	35,000	35,000
Cost Allocation	-	-	-	821
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	505,000	505,000
Total Expenditures	47,845	-	540,000	540,821
Fund Balance	-	-	-	-
General Fund Costs	\$ 47,845	\$ -	\$ 540,000	\$ 540,821

STAFFING

There is no staffing associated with this program.

CITY ATTORNEY - CITY ATTORNEY

Budget Unit 100-15-141

Budget at a Glance	
Total Revenues	263,033
Total Expenditures	2,039,588
Fund Balance	-
General Fund Costs	1,776,555
% Funded by General Fund	87.1%
Total Staffing	4.00

PROGRAM OVERVIEW

The City Attorney is the legal counsel to the City Council, City Commissions, City Manager and staff. These legal services include providing legal advice, research and analysis, preparing and reviewing legislation including ordinances and resolutions and drafting or reviewing legal documents, contracts and agreements. The City Attorney also represents the City, its departments and City staff in any litigation, code enforcement, claims or administrative actions involving City business.

SERVICE OBJECTIVES

- Attend City Council meetings and provide the Council with high quality legal advice and services, staff Planning Commission meetings and attend other Commission and staff meetings as requested.
- Provide legal services to the City Manager and staff necessary to accomplish their objectives in a timely and cost-effective manner.
- Administer general liability claims filed against the City in a manner that minimizes City exposure and liability.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$2,039,588 for the City Attorney Budget. This represents an increase of \$223,234 from the FY 2016-17 Final Adopted Budget.

The increased costs in salary and benefits are due to the addition of a Deputy City Attorney position that was added as part of the FY 2016-17 Mid-Year Financial Report.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

City Attorney - City Attorney

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	44,934	117,805	1,387,751	263,033
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	44,934	117,805	1,387,751	263,033
Expenditures				
Employee Compensation	580,217	504,998	409,396	655,444
Employee Benefits	184,725	160,906	151,524	253,329
Materials	42,854	48,335	59,546	59,546
Contract Services	534,597	900,775	969,497	969,497
Cost Allocation	66,576	66,576	162,867	38,248
Capital Outlay	-	-	-	-
Special Projects	18,920	-	-	-
Appropriations for Contingency	-	113	63,524	63,524
Total Expenditures	1,427,889	1,681,703	1,816,354	2,039,588
Fund Balance	-	-	-	-
General Fund Costs	\$ 1,382,955	\$ 1,563,897	\$ 428,603	\$ 1,776,555

STAFFING

Total current authorized positions – 3.00

A Deputy City Attorney position was added as part of the FY 2016-17 Mid-Year Financial report.

Total authorized positions – 4.00

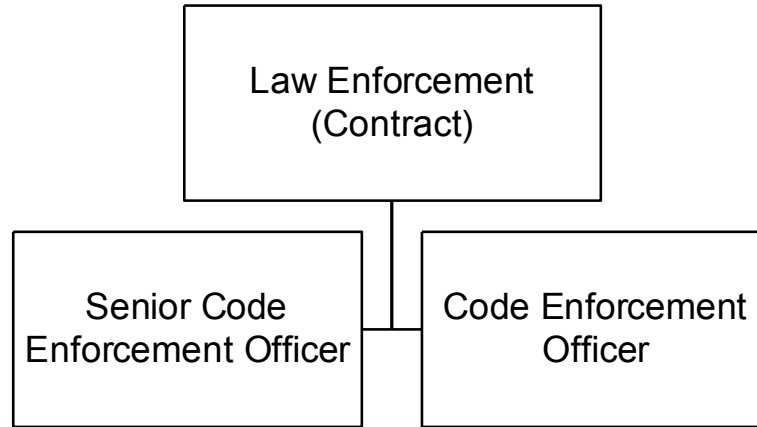


Law Enforcement

Law Enforcement
Interoperability Project
Code Enforcement

LAW ENFORCEMENT

Budget Unit		2018 Adopted
Law Enforcement		
100-20-200	Law Enforcement	\$ 11,635,886
Interoperability Project		
100-20-201	Interoperability Project	\$ 48,813
Code Enforcement		
100-20-202	Code Enforcement	\$ 659,608
Total		\$ 12,344,307



DEPARTMENT SUMMARY

Law Enforcement

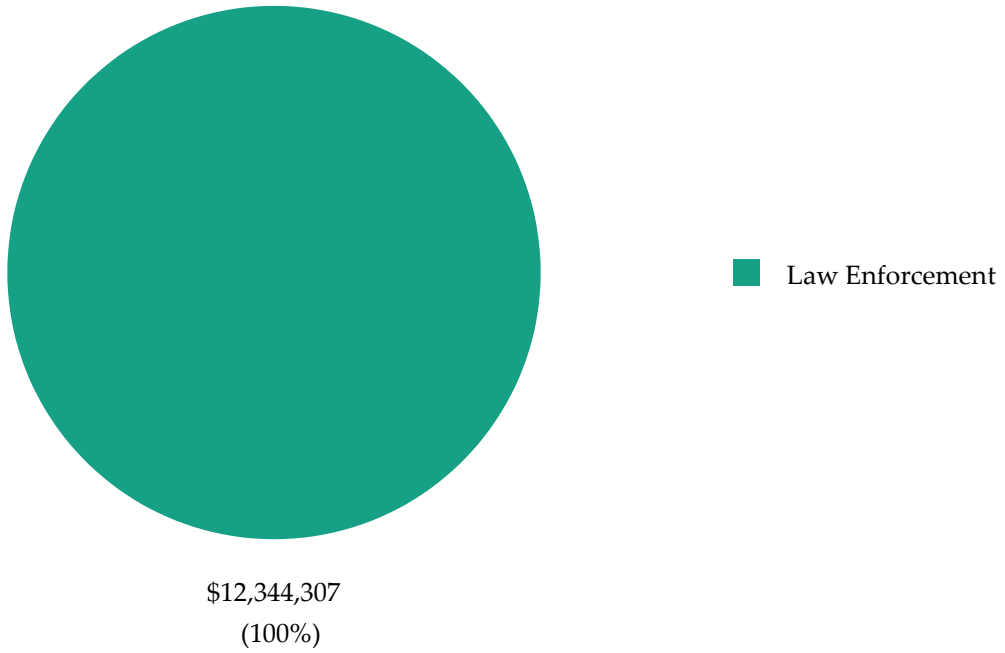
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	107,062	122,119	100,000	100,000
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	600,000	600,000
Miscellaneous Revenue	10,000	93,682	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	117,062	215,802	700,000	700,000
Expenditures				
Employee Compensation	174,863	178,915	215,676	239,683
Employee Benefits	73,415	76,449	79,678	98,809
Materials	42,717	69,190	62,578	62,578
Contract Services	9,927,281	10,623,426	11,342,859	11,770,217
Cost Allocation	65,496	40,536	173,593	163,020
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	220	10,000	10,000
Total Expenditures	10,283,772	10,988,736	11,884,384	12,344,307
Fund Balance				
General Fund Costs	\$ 10,166,710	\$ 10,772,934	\$ 11,184,384	\$ 11,644,307

ADOPTED BUDGET

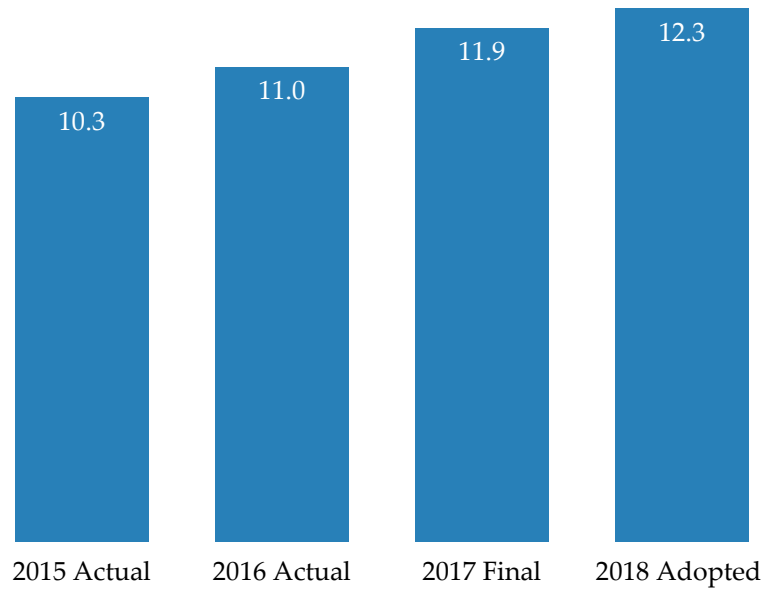
On June 20, 2017, City Council approved a budget of \$12,344,307 for the Law Enforcement Budget. This represents an increase of \$459,923 from the FY 2016-17 Final Adopted Budget.

The increase is primarily related to increases in the Law Enforcement contract with Santa Clara County as outlined in the agreement.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



GOAL: Maintain a safe environment to live, work, learn and play.

Enabled by ...

A Sheriff's Office that is responsive and engaging.

So that ...

All members of the community are safe, informed, empowered and supported.



Measure	Ongoing Target
% monitor adequate response time for emergency calls <ul style="list-style-type: none"> ▪ Priority 1 ▪ Priority 2 ▪ Priority 3 	5 minutes 9 minutes 20 minutes
% Education programs maintain minimum attendance <ul style="list-style-type: none"> ▪ Teen Academy ▪ Citizen Academy 	80% 80%

Mission statement: provide exceptional service, encourage all members of the community to take responsibility for one another, and to support the values of education, innovation and collaboration.

LAW ENFORCEMENT - LAW ENFORCEMENT

Budget Unit 100-20-200

Budget at a Glance	
Total Revenues	450,000
Total Expenditures	11,635,886
Fund Balance	-
General Fund Costs	11,185,886
% Funded by General Fund	96.1%
Total Staffing	-

PROGRAM OVERVIEW

This program provides for law enforcement, emergency communications, School Resource Officers, and Youth Probation Program. Services are provided by the Santa Clara County Sheriff's Department, while communication services are provided by the Santa Clara County General Services Administration. The County's Youth Probation Program, also managed by the Sheriff's Department, is funded through a partnership with the Cupertino Union School District and the City of Cupertino. Other services include general law enforcement (patrol), traffic enforcement and investigation, detective services and additional resources from specialized units.

The State allocates the Citizens Option for Public Safety (COPS) grant to cities and counties for front-line law enforcement purposes. Funding is allocated proportionately based on population size with a minimum allocation of \$100,000 per jurisdiction. This grant will be used to partially offset the cost of a second School Resource Officer for the FY 2016-17 school year.

SERVICE OBJECTIVES

- Protect life and property through innovative and progressive policing methods.
- Respond to Priority 1 emergency situations within an average of less than five minutes.
- Enforce the vehicle code with the goal of increasing traffic safety.
- Divert first time/minor youth offenders from the juvenile justice system.
- Provide daily on-site interaction with our youth.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$11,635,886 for the Law Enforcement Budget. This represents an increase of \$429,691 from the FY 2016-17 Final Adopted Budget.

The increase is primarily due to negotiated increases in the City Law Enforcement contract with Santa Clara County.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Law Enforcement - Law Enforcement

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	107,062	122,119	100,000	100,000
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	350,000	350,000
Miscellaneous Revenue	10,000	93,682	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	117,062	215,802	450,000	450,000
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	32,065	51,633	51,803	51,803
Contract Services	9,672,307	10,368,255	11,086,070	11,513,428
Cost Allocation	-	-	68,322	70,655
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	9,704,372	10,419,888	11,206,195	11,635,886
Fund Balance				
General Fund Costs	\$ 9,587,310	\$ 10,204,087	\$ 10,756,195	\$ 11,185,886

STAFFING

There is no staffing associated with this program.

LAW ENFORCEMENT - INTEROPERABILITY PROJECT

Budget Unit 100-20-201

Budget at a Glance	
Total Revenues	-
Total Expenditures	48,813
Fund Balance	-
General Fund Costs	48,813
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The Silicon Valley Regional Interoperability Authority (SVRIA) was formed under the Joint Exercise of Powers Act (JPA) to provide interoperable communications solutions to its members. The SVRIA represents the interests of all public safety agencies in Santa Clara County through its members. It services the Santa Clara Operational Area which includes the County of Santa Clara, its fifteen cities and towns, and all special districts.

SERVICE OBJECTIVES

SVRIA exists to identify, coordinate, and implement communications interoperability solutions to its member agencies. The purpose of these projects is to seamlessly integrate voice and data communications between law enforcement, the fire and rescue service, emergency medical services, and emergency management for routine operations, critical incidents, and disaster response and recovery.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$48,813 for the Interoperability Project Budget. This represents an increase of \$6 from the FY 2016-17 Final Adopted Budget. The program budget is relatively unchanged from the prior year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Interoperability - Interoperability Project

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	48,359	48,359	48,539	48,539
Cost Allocation	-	-	268	274
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	48,359	48,359	48,807	48,813
Fund Balance				
General Fund Costs	\$ 48,359	\$ 48,359	\$ 48,807	\$ 48,813

STAFFING

There is no staffing associated with this program.

LAW ENFORCEMENT - CODE ENFORCEMENT

Budget Unit 100-20-202

Budget at a Glance	
Total Revenues	250,000
Total Expenditures	659,608
Fund Balance	-
General Fund Costs	409,608
% Funded by General Fund	62.1%
Total Staffing	2.00

PROGRAM OVERVIEW

The Law Enforcement Code Enforcement Program provides for the enforcement of various provisions of the municipal code relating to parking citations, noise, animal control and other compliance areas. Assistance is provided to the Sheriff Department in the areas of traffic control and other complaint responses.

SERVICE OBJECTIVES

- Respond to resident, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.
- Manage the animal control services contract with the City of San José.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$659,608 for the Code Enforcement Budget. This represents an increase of \$30,226 from the FY 2016-17 Final Adopted Budget.

The increases in personnel costs reflect negotiated employee compensation increases based on Council-approved labor contracts and are partially offset by a reduction in cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Code Enforcement - Code Enforcement

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	250,000	250,000
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	250,000	250,000
Expenditures				
Employee Compensation	174,863	178,915	215,676	239,683
Employee Benefits	73,415	76,449	79,678	98,809
Materials	10,652	17,557	10,775	10,775
Contract Services	206,615	206,812	208,250	208,250
Cost Allocation	65,496	40,536	105,003	92,091
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	220	10,000	10,000
Total Expenditures	531,042	520,488	629,382	659,608
Fund Balance	-	-	-	-
General Fund Costs	\$ 531,042	\$ 520,488	\$ 379,382	\$ 409,608

STAFFING

Total current authorized positions – 2.00

There are no changes to the current level of staffing.

Total authorized positions – 2.00



Innovation & Technology

Administration

Video

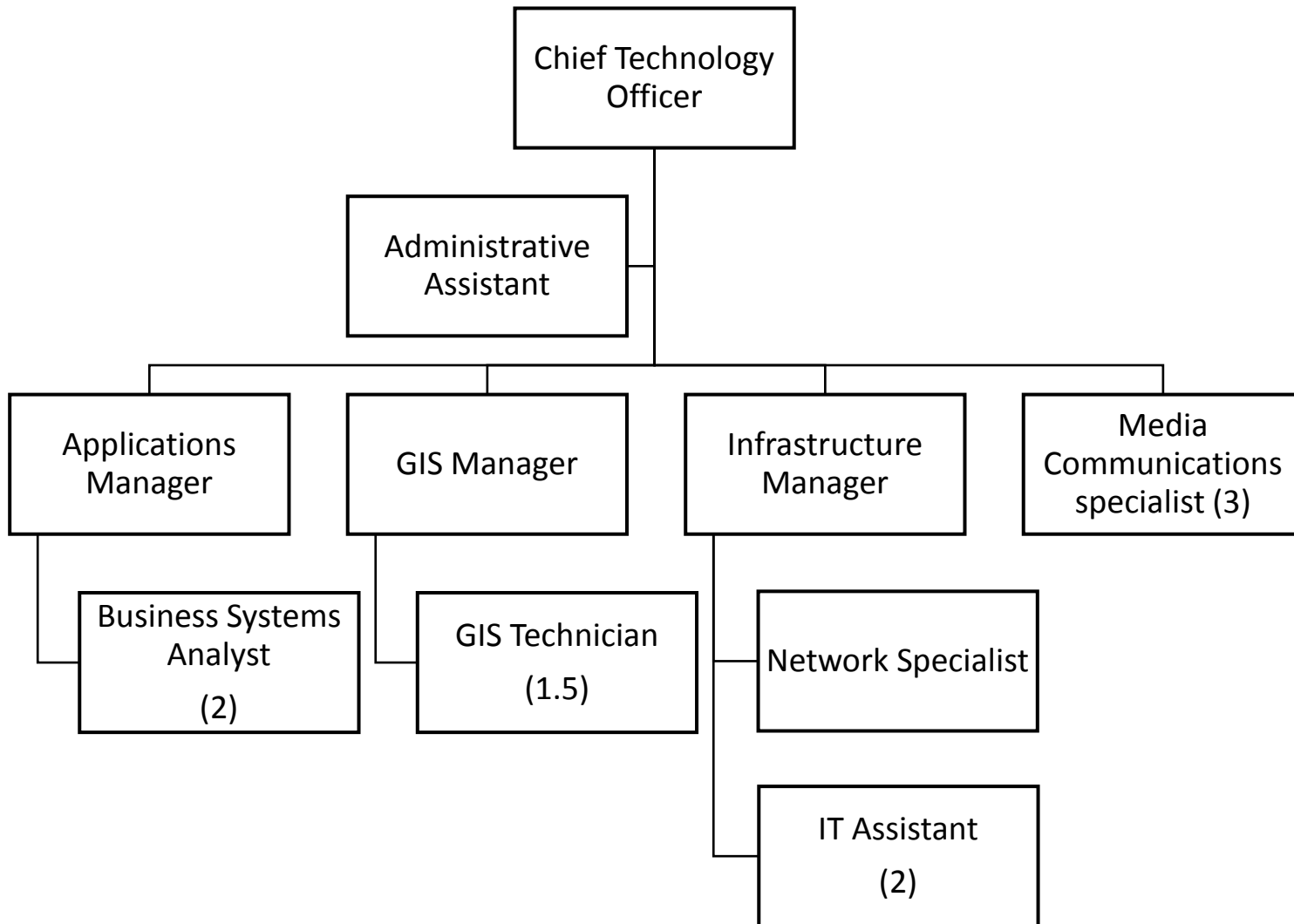
Applications

Infrastructure

GIS

INNOVATION & TECHNOLOGY

Budget Unit	2018 Adopted
Innovation & Technology	\$ 515,134
100-30-300 Information Services Administration	-
610-30-300 Innovation & Technology Administration	515,134
100-30-304 Cupertino Scene	-
Video	\$ 1,641,691
615-31-305 Video	1,569,256
100-31-307 Public Access Support	72,435
Applications	\$ 1,664,219
615-32-308 Applications	1,664,219
Infrastructure	\$ 2,812,304
610-34-310 Infrastructure	2,812,304
GIS	\$ 863,088
610-35-986 GIS	863,088
Citywide - Non Departmental	\$ 0
610-90-989 Network Upgrade	-
Total	\$ 7,496,436



DEPARTMENT SUMMARY

Innovation & Technology

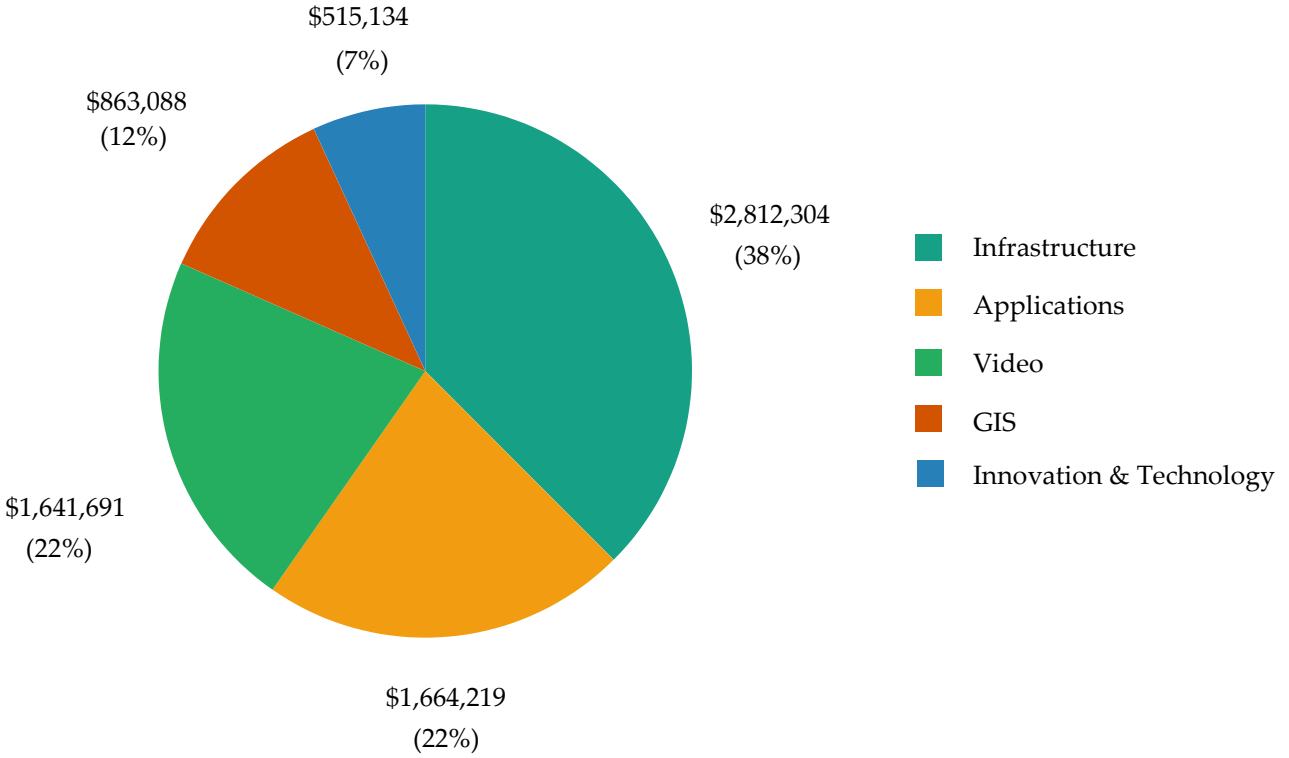
Category	2015 Actual	2016 Actual	2016-17 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	218,160	821,028	208,843	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	218,160	821,028	208,843	-
Expenditures				
Employee Compensation	1,171,517	1,340,171	1,559,028	2,037,051
Employee Benefits	372,125	459,595	605,103	741,122
Materials	277,229	282,078	342,956	1,064,067
Contract Services	896,154	1,295,203	1,781,791	1,072,322
Cost Allocation	566,292	454,040	1,254,518	1,018,780
Capital Outlay	-	-	-	-
Special Projects	236,301	151,222	1,184,605	1,342,730
Appropriations for Contingency	4,798	-	104,922	220,364
Total Expenditures	3,524,416	3,982,307	6,832,923	7,496,436
Fund Balance	(2,723,310)	(2,416,930)	(3,413,244)	(3,845,930)
General Fund Costs	\$ 582,946	\$ 816,379	\$ 3,210,836	\$ 3,650,506

ADOPTED BUDGET

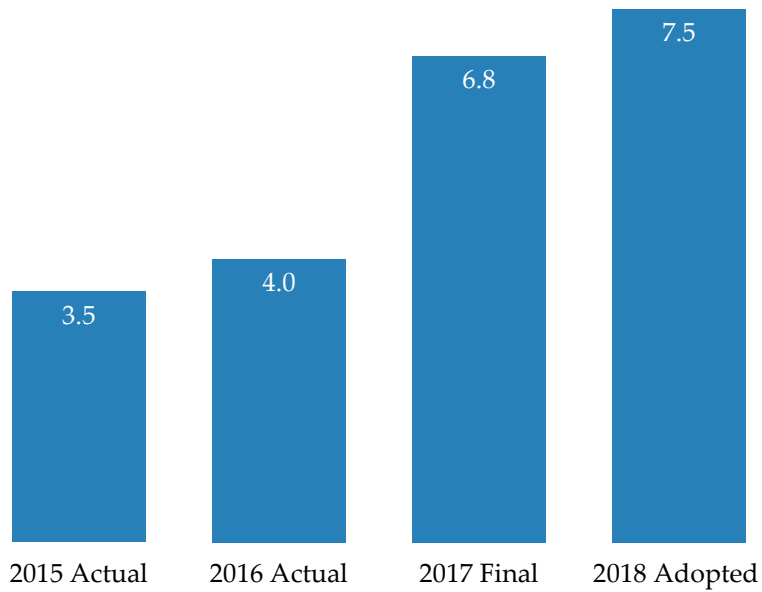
On June 20, 2017, City Council approved a budget of \$7,496,436 for the Innovation & Technology Budget. This represents an increase of \$663,513 from the FY 2016-17 Final Adopted Budget.

This increase is due to consolidating all hardware and software procurement and services under the governance of Innovation & Technology. Previously these funds were allocated to individual departments.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)















GOAL: Provide superior delivery of information and technology services to city employees and constituents while continually enhancing levels of engagement.

Enabled by...

Tools and services leverage existing, emerging and innovative technologies to enhance, improve, and streamline business and communications processes.

So that...

Integrated information services enable customers' access to the tools and information they need, when and where they need it.

	Measure	Ongoing Target
	GIS: Open Data site visits per month	140
	GIS: Number of annual requests (map, data, Web applications, Cityworks, schema, other) completed	400
	GIS: Property Information site visits per month	200
	GIS: Cityworks utilization - number of assets maintained	30
	Number of active users in the system	30
	Video: Percentage of scheduled projects/Number of projects completed on time	95%
	Video: Percentage of requests originating outside of Video Dept	95%
	Infrastructure: Percentage based upon number of scheduled projects/Number of projects completed on time	80%
	Infrastructure: Percentage based upon number of HelpDesk KACE tickets/SLA measurements	90%
	Infrastructure: % Customer satisfaction based upon Satisfaction Rate from KACE tickets	85%
	Infrastructure: % of network uptime (not including planned maintenance)	99.99%
	Applications: % of citywide-enterprise application project management performed on time and on budget	95%
	Applications: Number of site visits/Number of site hits	5% annual increase

Mission statement: provide exceptional service, encourage all members of the community to take responsibility for one another, and to support the values of education, innovation and collaboration.

INNOVATION & TECHNOLOGY – ADMINISTRATION

Budget Unit 100-30-300

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2017-18, this program was largely split between Innovation & Technology Administration and the Public Affairs Program within the City Manager's Office as part of a department reorganization. A discussion of the Innovation & Technology Administration program can be found under Budget Unit 610-30-300. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Innovation & Technology - Information Services Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	41,352	41,352	208,843	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	41,352	41,352	208,843	-
Expenditures				
Employee Compensation	201,362	181,714	290,669	-
Employee Benefits	65,617	54,642	108,043	-
Materials	55,215	49,535	59,075	-
Contract Services	78,868	56,041	94,209	-
Cost Allocation	18,912	18,912	159,298	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	8,632	-
Total Expenditures	419,975	360,844	719,926	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 378,623	\$ 319,492	\$ 511,083	\$ -

STAFFING

Total current authorized positions – 2.45

Total authorized positions – 0.00

INNOVATION & TECHNOLOGY – ADMINISTRATION

Budget Unit 610-30-300

Budget at a Glance	
Total Revenues	-
Total Expenditures	515,134
Fund Balance	(515,134)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	0.85

PROGRAM OVERVIEW

The Innovation & Technology Department's focus, organizational structure and name has changed for FY 2017-18 to reflect the bimodal nature of this team. The department maintains efficient cost effective, highly resilient technical solutions while, at the same time, exploring leading edge technologies that may yield significant advantages. The Administration Division within I&T is responsible for management, strategic planning, governance, policy setting and leadership in the use of computer, video, radio, GIS, and telecommunications technologies to support the delivery of cost effective services to the City of Cupertino. Additionally, Administration is responsible for budget development, procurement, and administrative services.

SERVICE OBJECTIVES

- Develop a roadmap to effectively leverage existing technology and adopt emerging technology to meet business needs.
- Create and sustain a workplace atmosphere that promotes a balance between employee innovation, accountability and business needs.
- Ensure two-way communication between and among the City organization and stakeholders.
- Improve user experience including ease of use, availability, and accessibility within the context of compliance with industry standards.
- Ensure transparent and easy access to City information and services via multiple technologies, e.g. social media, TV, web and radio.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$515,134 for the Administration Budget.

This program was created in FY 2017-18 as part of a department reorganization. Previously, administration of the department was budgeted in the General Fund under the Information Services Administration program 100-30-300.

This budget accounts for 25% of the Chief Technology Officer (CTO) and 60% of the Administrative Assistant, along with front desk staffing. As advised by the City Attorney's office, \$100,000 is budgeted for legal services. This budget also includes \$50,000 in technical consulting services previously budgeted in Infrastructure 610-34-310.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Innovation & Technology - Innovation & Technology Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	171,763
Employee Benefits	-	-	-	49,401
Materials	-	-	-	17,901
Contract Services	-	-	-	152,200
Cost Allocation	-	-	-	20,080
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	103,789
Total Expenditures	-	-	-	515,134
Fund Balance	-	-	-	(515,134)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

Total current authorized positions – 0.00

Total authorized positions – 0.85

INNOVATION & TECHNOLOGY - CUPERTINO SCENE

Budget Unit 100-30-304

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
<hr/>	
General Fund Costs	-
% Funded by General Fund	0.0%
<hr/>	
Total Staffing	-

PROGRAM OVERVIEW

The Cupertino Scene budget was moved into Public Affairs within the City Manager's Office as part of the department reorganization approved by Council in FY 2016-17.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Innovation & Technology - Cupertino Scene

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	37,369	26,743	23,706	-
Employee Benefits	14,933	11,705	10,912	-
Materials	85,481	77,545	78,263	-
Contract Services	321	336	300	-
Cost Allocation	3,672	3,672	15,741	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	6,181	-
Total Expenditures	141,775	120,001	135,103	-
Fund Balance				
General Fund Costs	\$ 141,775	\$ 120,001	\$ 135,103	\$ -

STAFFING

Total current authorized positions – 0.35

Total authorized positions – 0.00

VIDEO - VIDEO

Budget Unit 615-31-305

Budget at a Glance	
Total Revenues	-
Total Expenditures	1,569,256
Fund Balance	(205,109)
General Fund Costs	1,364,147
% Funded by General Fund	86.9%
Total Staffing	3.25

PROGRAM OVERVIEW

The Video program operates the City's government access television station, providing multi-media support services, and overseeing video production for all City departments.

SERVICE OBJECTIVES

- Provide information regarding the activities and decisions of the City Council and the recommendations of its advisory bodies.
- Expand community awareness of local government and its decision-making processes by providing live and re-broadcast coverage of City meetings.
- Increase community awareness of City services.
- Provide information pertinent to City residents from other local, state and federal governmental entities.
- Provide an additional venue for emergency communications in the event of a disaster.
- Provide video production and audio/visual services to City departments.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,569,256 for the Video Budget. This represents an increase of \$90,170 from the FY 2016-17 Final Adopted Budget.

The budget includes increases to personnel costs and maintenance costs in contract services partially offset by a reduction in cost allocation charge. Increases in personnel costs are related to a reallocation of staffing within the department, negotiated increases approved by Council in FY 2016-17, and additional part-time staffing support (\$33,000) that will allow the department to hire two video interns to convert videos to digital format and catalog video footage.

The increase in contract services costs (\$30,000), is due to a greater preventive and service maintenance schedule for newly installed systems and the Community Hall and the video control room completed in FY 2016-17 (\$10,000), as well as anticipated preventive maintenance costs for new conference room audiovisual systems to be installed in FY 2017-18. The remaining \$20,000 increase is due to the development and ongoing service costs of a new

online video hosting platform that will be integrated into the new website design, and later merged with future app development allowing an increased video presence on the City's social media sites.

Projects in capital outlay include audiovisual technology upgrades for conference rooms citywide and the EOC (\$225,000), field equipment to allow for higher quality outdoor video footage (\$45,000), and a back-up battery system for Community Hall and City Hall control rooms (\$36,000). These increases are offset by a reduction in cost allocation charges which have decreased this year. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Video - Video

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	139,308	542,520	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	139,308	542,520	-	-
Expenditures				
Employee Compensation	288,161	325,174	357,597	507,637
Employee Benefits	111,340	109,555	145,402	175,404
Materials	48,293	69,648	47,950	50,950
Contract Services	68,197	52,585	68,000	108,650
Cost Allocation	284,561	189,176	449,380	409,858
Capital Outlay	-	-	-	-
Special Projects	32,506	52,076	400,000	306,000
Appropriations for Contingency	-	-	10,757	10,757
Total Expenditures	833,059	798,214	1,479,086	1,569,256
Fund Balance	(693,751)	(255,694)	-	(205,109)
General Fund Costs	\$ -	\$ -	\$ 1,479,086	\$ 1,364,147

STAFFING

Total current authorized positions – 3.40

The 0.15 decrease in staffing is the result of internal reallocations to better reflect staff time spent in this program.

Total authorized positions – 3.25

VIDEO - PUBLIC ACCESS SUPPORT

Budget Unit 100-31-307

Budget at a Glance	
Total Revenues	-
Total Expenditures	72,435
Fund Balance	-
General Fund Costs	72,435
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The City contracts to provide management of Community Access Television Programming.

SERVICE OBJECTIVES

- Encourage Cupertino-based communities of interest to use facilities to express their interests, concerns, and ideas.
- Provide training in cable communication production for individuals and community groups.
- Assist individuals and community groups to develop and produce programs for broadcast.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$72,435 for the Public Access Support Budget. This represents an increase of \$3,458 from the FY 2016-17 Final Adopted Budget.

The City contracts to provide management of Community Access Television programming. The budget reflects an increase of \$3,407 for the annual 5% escalation.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Video - Public Access Support

Category	2015 Actual	2016 Actual	2016-17 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	62,548	63,871	68,135	71,542
Cost Allocation	-	-	842	893
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	62,548	63,871	68,977	72,435
Fund Balance				
General Fund Costs	\$ 62,548	\$ 63,871	\$ 68,977	\$ 72,435

STAFFING

There is no staffing associated with this program.

APPLICATIONS - APPLICATIONS

Budget Unit 615-32-308

Budget at a Glance	
Total Revenues	-
Total Expenditures	1,664,219
Fund Balance	-
General Fund Costs	1,664,219
% Funded by General Fund	100.0%
Total Staffing	3.20

PROGRAM OVERVIEW

The Applications Division is responsible for the development, procurement, project management, implementation and ongoing maintenance of all enterprise level applications, e.g., Financial ERP, Land Based Management System, and Recreation Software. Additionally, the Application Division is responsible for the City's website and all online applications.

SERVICE OBJECTIVES

- Deliver business solutions that meet customer requirements and integrate within the City's application framework.
- Assist departments in developing streamlined, effective business processes that are easy to understand.
- Work closely with City staff and members of the community to ensure that the City's enterprise applications are effective and relevant.
- Collaborate with departments to determine that the City's enterprise applications meet the functions, requirements and long-term strategy of the organization.
- Create and maintain effective online and mobile user access to municipal information and services.
- Enable and facilitate the use of communication and technical resources by nontechnical staff and customers.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,664,219 for the Applications Budget. This represents an increase of \$1,294,896 from the FY 2016-17 Final Adopted Budget

Starting in FY 2017-18 the Applications Division is responsible for all costs (\$913,990) associated with the procurement, implementation, development, ongoing maintenance and consulting services for enterprise applications. The costs were previously allocated in other Department/Division budgets.

In addition, the budget reflects 2.0 Business Systems Analysts (BSAs) approved by Council at

Mid-Year FY 2016-17; this brought the staff count up to 3.0 BSAs. For FY 2017-18, Applications is reclassifying one of the three BSA positions to an Applications Manager position to provide strategic planning, budget and overall supervision for this team. In addition, \$12,000 is budgeted for technical training for this Division.

Capital outlays in this budget include, purchasing a Community Hall Speaker card application (\$20,000), revamping the website intranet for employees (\$31,530), licensing Peak Democracy for community engagement (\$12,000), and Splunk, the log analyzer application (\$10,000) which is a platform that provides operational intelligence on business applications (application monitoring, log analysis, traffic).

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Applications - Applications

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	37,500	237,156	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	37,500	237,156	-	-
Expenditures				
Employee Compensation	62,008	155,986	123,900	407,623
Employee Benefits	26,476	30,688	37,266	149,570
Materials	3,871	5,172	7,392	718,040
Contract Services	103,244	66,534	86,125	225,250
Cost Allocation	14,928	19,872	57,569	84,240
Capital Outlay	-	-	-	-
Special Projects	13,740	-	51,105	73,530
Appropriations for Contingency	-	-	5,966	5,966
Total Expenditures	224,267	278,253	369,323	1,664,219
Fund Balance	(186,767)	(37,112)	-	-
General Fund Costs	\$ -	\$ 76,015	\$ 369,323	\$ 1,664,219

STAFFING

Total current authorized positions – 0.75

As part of the department reorganization, the staffing allocation in this program budget now includes: 0.15 Chief Technology Officer, 0.05 Administrative Assistant, 1.0 Applications Manager, and 2.0 Business Systems Analysts.

Total authorized positions – 3.20

INFRASTRUCTURE - INFRASTRUCTURE

Budget Unit 610-34-310

Budget at a Glance	
Total Revenues	-
Total Expenditures	2,812,304
Fund Balance	(2,262,599)
General Fund Costs	549,705
% Funded by General Fund	19.5%
Total Staffing	4.60

PROGRAM OVERVIEW

This activity provides for all technology related expenses for the citywide management of information technology services. The Information Technology Manager and staff are responsible for Helpdesk, Network LAN/WAN/WiFi availability and performance, security and compliance, Incident Response, disaster recovery and business continuity, project management of implementations and upgrades, purchasing and inventory control, technical training and maintenance contract negotiations.

SERVICE OBJECTIVES

- Maintain standards and procedures for the replacement and maintenance of all City owned computing devices, printers, peripherals and systems defined by City policy.
- Maintain and service the City's wide area network among all City facilities. Facilitate technical contracts maintenance and negotiations.
- Recommend and manage consultant contracts for intermediate technical services.
- Manage and maintain a Disaster Recovery Plan and Security Program to provide consistent availability and integrity for data and Business Systems.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$2,812,304 for the Infrastructure Budget. This represents an increase of \$120,560 from the FY 2016-17 Final Adopted Budget.

Increases in personnel costs, materials, and special projects are mostly offset by decreases in contract services, and cost allocation. The increases in personnel costs reflect a proposal to utilize IT Interns to perform a technology refresh that involves asset tagging, inventorying and deploying desktops (\$30,000), additional overtime to maintain equipment and access functionality (\$10,000), and negotiated employee compensation increases approved by Council in FY 2016-17.

Special projects include Storage Phase II Hyper-converged, MFP Refresh citywide and Voice-over IP. This increase is offset by a decrease in contract services is a result of moving maintenance, software and general service agreements to the Innovation & Technology

Applications Division. In addition, software costs previously budgeted under contract service were moved to the materials account under software.

The decrease in cost allocation charges is primarily due to changes in how the city applies these charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Infrastructure - Infrastructure

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	581,925	461,832	509,774	580,473
Employee Benefits	153,578	182,286	208,001	235,555
Materials	84,370	79,988	134,276	256,116
Contract Services	582,976	984,204	1,276,722	304,600
Cost Allocation	244,219	222,408	489,585	406,174
Capital Outlay	-	-	-	-
Special Projects	-	-	-	946,000
Appropriations for Contingency	4,798	-	73,386	83,386
Total Expenditures	1,651,865	1,930,718	2,691,744	2,812,304
Fund Balance	(1,651,865)	(1,758,218)	(2,691,744)	(2,262,599)
General Fund Costs	\$ -	\$ 172,500	\$ -	\$ 549,705

STAFFING

Total current authorized positions – 4.70

The decrease in staffing is the result of several internal reallocations to appropriately reflect staff time that will be spent on this program.

Total authorized positions – 4.60

GIS - GIS

Budget Unit 610-35-986

Budget at a Glance	
Total Revenues	-
Total Expenditures	863,088
Fund Balance	(863,088)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	2.65

PROGRAM OVERVIEW

The GIS Program captures, manages, analyzes, and displays all forms of geographically referenced information for the City of Cupertino. Through maps, globes, applications, reports, and charts we provide tools to view, understand, question, interpret, and visualize our City in ways that reveal relationships, patterns, and trends. The GIS Program works to help staff, citizens, business and development communities answer questions and solve problems by looking at our data in a way that is quickly understood and easily shared – on a map!

SERVICE OBJECTIVES

- Proactive GIS Management, work with each department to improve existing workflows using GIS Systems.
- Define standards, improve quality, and establish tools and procedures for perpetual data maintenance and appropriate access.
- Improve efficiencies with regional agencies through GIS integration and collaboration.
- Improve GIS services both internally and to the public.
- Expand the awareness of the GIS technology and integration of geographic information in departments and applications in which GIS use is not common but where substantial benefits may be achieved.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$863,088 for the GIS Budget. This represents an increase of \$215,824 from the FY 2016-17 Final Adopted Budget.

Each year based on direction from senior management, department requests, and the annual work plan, the GIS program evaluates hardware, software, and professional service needs and adjusts the GIS program budget accordingly. The budget includes \$137,000 for software updates, analytics, customization, web design support, aerial photo acquisition and an impervious surface creation (green infrastructure) storm water mandatory permit.

Increases in personnel costs reflect utilizing IT Interns to update City asset inventories in the field, negotiated employee compensation increases approved by Council in FY 2016-17, and a reallocation of staffing from the Innovation & Technology Administration program. In addition, Council approved the addition of an Asset Management Technician position at Mid-Year, which is partially budgeted in this program.

An increase of \$17,200 in capital outlay is budgeted for additional Cityworks logins and storeroom licenses.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

GIS - GIS

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	691	188,721	253,382	369,555
Employee Benefits	181	70,720	95,479	131,192
Materials	-	189	16,000	21,060
Contract Services	-	71,631	188,300	210,080
Cost Allocation	-	-	82,103	97,535
Capital Outlay	-	-	-	-
Special Projects	-	6,519	12,000	17,200
Appropriations for Contingency	-	-	-	16,466
Total Expenditures	872	337,780	647,264	863,088
Fund Balance	(872)	(323,280)	-	(863,088)
General Fund Costs	\$ -	\$ 14,500	\$ 647,264	\$ -

STAFFING

Total current authorized positions – 2.30

The change in authorized positions reflects the partial transfer of an Asset Management Technician position.

Total authorized positions – 2.65

CITYWIDE - NON DEPARTMENTAL NETWORK UPGRADE

Budget Unit 610-90-989

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.
0% Total Staffing	-

PROGRAM OVERVIEW

In FY 2017-18, this program was transferred into Infrastructure as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 610-34-310. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Citywide - Non Departmental - Network Upgrade

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	190,055	92,627	721,500	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	190,055	92,627	721,500	-
Fund Balance	(190,055)	(42,627)	(721,500)	-
General Fund Costs	\$ -	\$ 50,000	\$ -	\$ -

STAFFING

There is no staffing associated with this program.



Administrative Services

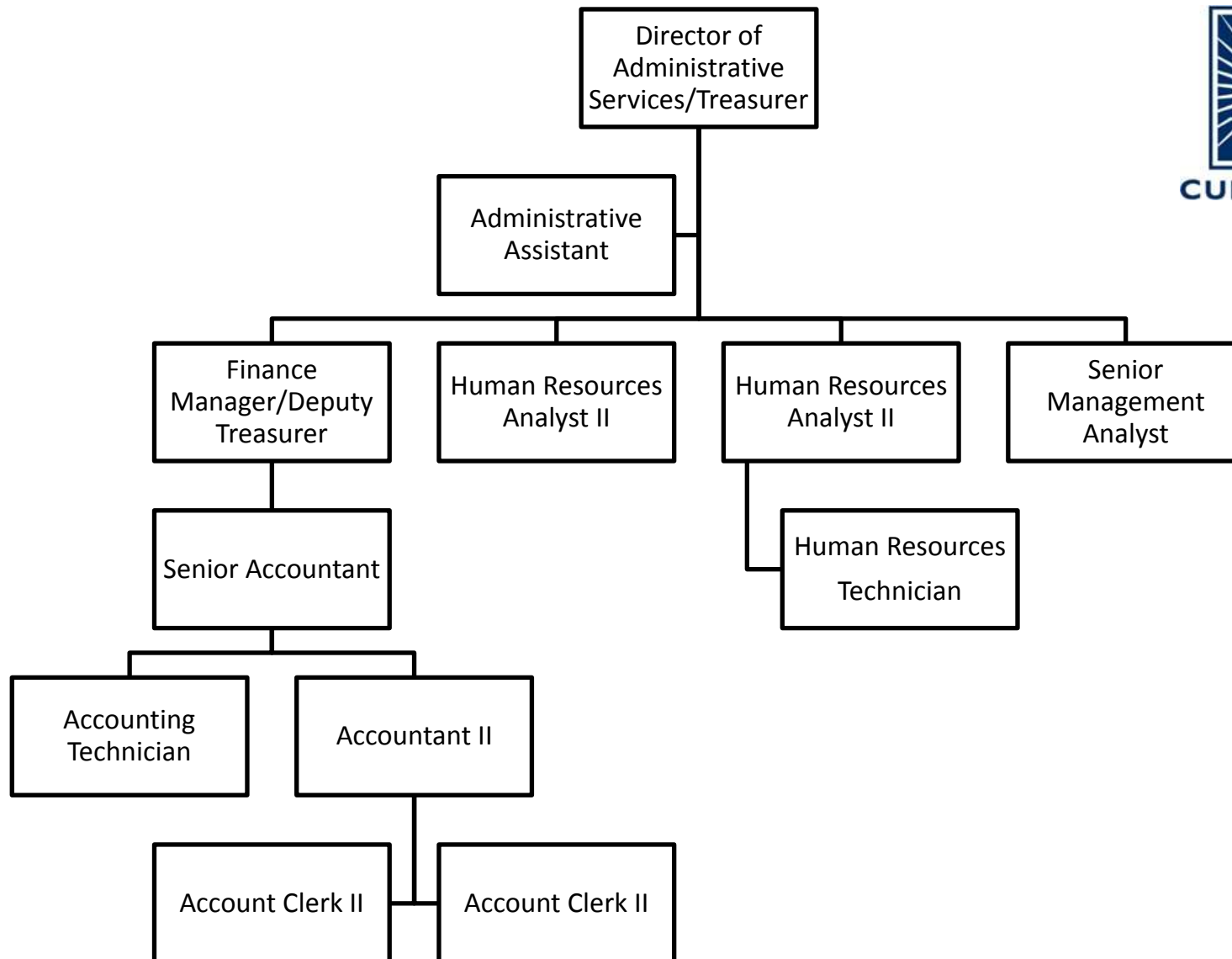
Administration

Finance

Human Resources

ADMINISTRATIVE SERVICES

Budget Unit	2018 Adopted
Administrative Services	\$ 790,510
100-40-400 Administration	790,510
Finance	\$ 1,348,409
100-41-405 Accounting	1,134,474
100-41-406 Business Licenses	213,935
Human Resources	\$ 3,840,888
100-44-412 Human Resources	978,882
642-44-414 Retiree Benefits	968,486
100-44-417 Insurance Administration	876,383
620-44-418 Workers Compensation Insurance	498,240
641-44-419 Long Term Disability	83,883
641-44-420 Compensated Absence	435,014
Total	\$ 5,979,807



DEPARTMENT SUMMARY

Administrative Services

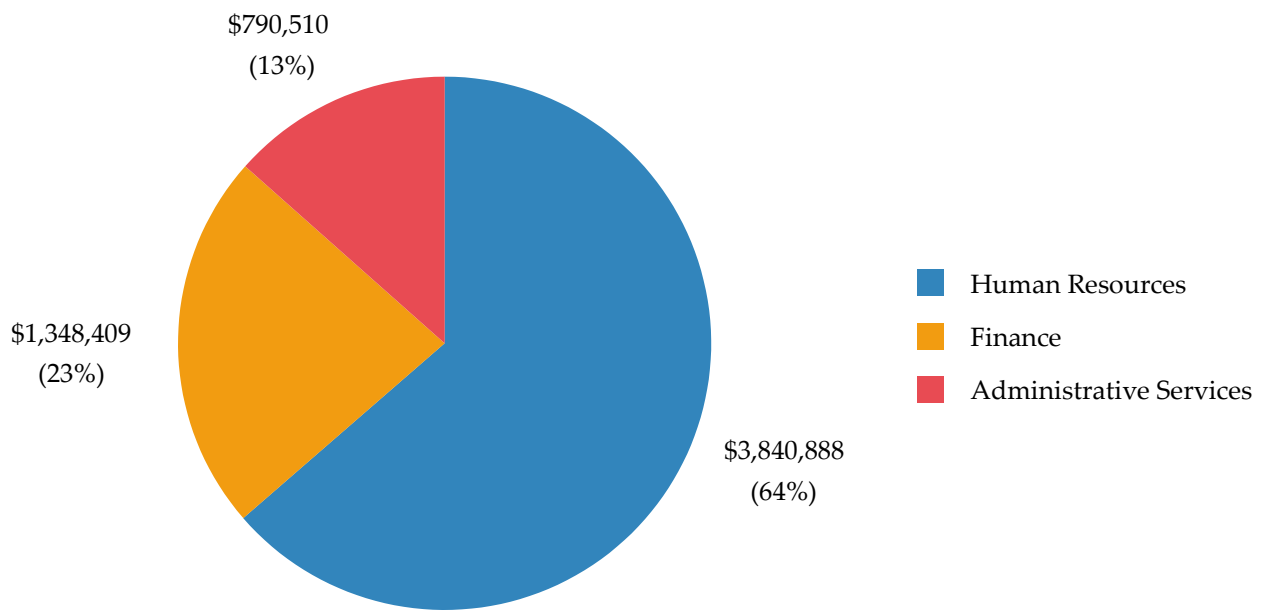
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	581,175	359,148	3,830,030	3,002,232
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	188,325	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	581,175	547,473	3,830,030	3,002,232
Expenditures				
Employee Compensation	1,142,088	1,151,260	1,277,269	1,394,052
Employee Benefits	1,845,241	1,355,605	1,466,008	1,621,692
Materials	89,534	122,740	120,274	130,274
Contract Services	1,522,588	1,928,007	1,932,236	2,409,263
Cost Allocation	176,988	176,988	1,689,699	277,742
Capital Outlay	-	37,264	-	-
Special Projects	465,914	77,332	-	-
Appropriations for Contingency	-	-	146,784	146,784
Total Expenditures	5,242,354	4,849,197	6,632,270	5,979,807
Fund Balance	(1,719,561)	107,616	(1,800,615)	93,383
General Fund Costs	\$ 2,941,618	\$ 4,409,339	\$ 1,001,625	\$ 3,070,958

ADOPTED BUDGET

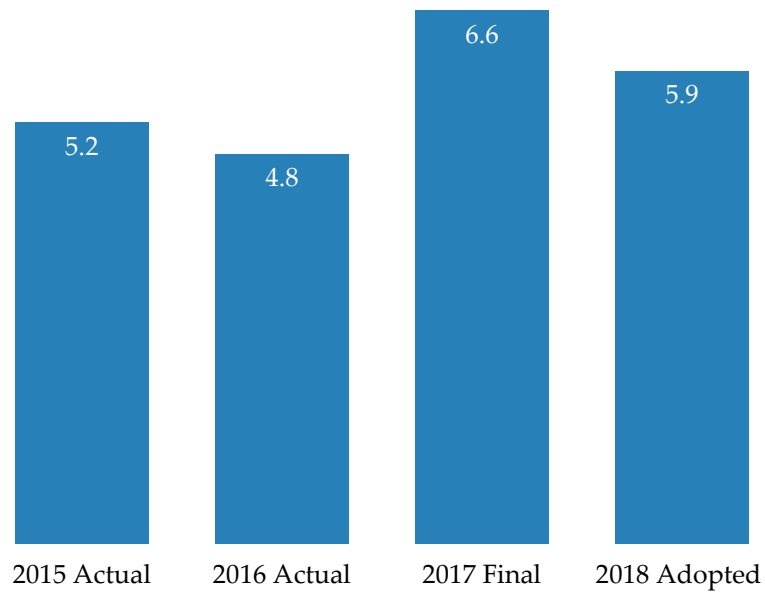
On June 20, 2017, City Council approved a budget of \$5,979,807 for the Administrative Services Budget. This represents a decrease of \$652,463 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This decrease is offset by increases in salary and benefits due to the addition of a part-time intern to assist the Human Resources division with clerical tasks and negotiated increases to salary and benefits. Lastly, Contract Services are up due to increases in consulting services for both the Human Resources and Finance division of this department.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



Finance

GOAL: Financial Stability – Provide a sustainable level of core services that are funded from ongoing and stable revenue sources.

So that...

The City is financially responsible.



So that...

The City can invest in Community priorities.



So that...

Measure	Ongoing Target
General fund balance as a % of budgeted appropriations	35%
Credit Rating	AA+
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	63%
Actual revenue vs. budget (within x% budget)	10%
Actual expenditures (% below budget)	5%

Citizens can enjoy high quality of services that meet community priorities.

Human Resources

GOAL: To create a thriving organization with meaningful careers in public service.

So that...

The City can ensure a safe working environment for all employees.



So that...

The City attracts and retains a talented workforce.



So that...

The agency builds a flexible and productive work arrangement.



So that...

Measure	Ongoing Target
# of Worker's Compensation Cases	0
Total recordable Injury Rate YTD	0%
% absenteeism (% of total annual work hours)	2%
% turnover rate	1%
% Employee satisfaction	100%
% Employee participation in wellness activities	75%
Average # of applications received per recruitment	50
Recruitment timeline - # days from hiring request to offer letter	60 days
# of Worker's using the Telework program	17
Utilization of Full-service employee portal	100%

The agency supports a professional and engaged workforce offering diverse and quality community

Mission statement: provide exceptional service, encourage all members of the community to take responsibility for one another, and to support the values of education, innovation and collaboration.

ADMINISTRATIVE SERVICES - ADMINISTRATION

Budget Unit - 100-40-400

Budget at a Glance	
Total Revenues	67,899
Total Expenditures	790,510
Fund Balance	-
General Fund Costs	722,611
% Funded by General Fund	91.4%
Total Staffing	2.80

PROGRAM OVERVIEW

Oversees and coordinates the Human Resources/Risk Management, Finance, Budget and Treasury divisions. Staff support is provided to the Fiscal Strategic and Audit Committees.

SERVICE OBJECTIVES

- Manage the City's investment portfolio to obtain safety of funds, liquidity and a reasonable rate of return.
- Provide short and long-term fiscal planning including the implementation of the Fiscal Strategic Plan.
- Perform special projects for the City Manager.
- Manages the City's Contract for Law Enforcement Services with the Santa Clara County Sheriff's Office.
- Manages the City's budget process

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$790,510 for the Administration Budget. This represents an increase of \$46,117 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

Increases in this program are due to the increased allocation of the Administrative Services Director from 50% to 80% to better account for time spent in this program. In addition, the budget includes increased costs in contract services due to anticipated consulting services department wide for finance and human resources.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Administrative Services - Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	59,076	59,076	721,237	67,899
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	59,076	59,076	721,237	67,899
Expenditures				
Employee Compensation	261,775	241,226	266,904	378,630
Employee Benefits	99,893	94,416	114,152	174,269
Materials	23,057	41,661	31,924	31,924
Contract Services	11,990	26,855	1,550	147,827
Cost Allocation	35,184	35,184	327,462	55,459
Capital Outlay	-	37,264	-	-
Special Projects	-	45,200	-	-
Appropriations for Contingency	-	-	2,401	2,401
Total Expenditures	431,899	521,806	744,393	790,510
Fund Balance	-	-	-	-
General Fund Costs	\$ 372,823	\$ 462,730	\$ 23,156	\$ 722,611

STAFFING

Total current authorized positions – 2.50

Increase allocation for Director from 50% to 80% to better account for time spent in this program.

Total authorized positions – 2.80

FINANCE - ACCOUNTING

Budget Unit 100-41-405

Budget at a Glance	
Total Revenues	906,996
Total Expenditures	1,134,474
Fund Balance	-
General Fund Costs	227,478
% Funded by General Fund	20.1%
Total Staffing	5.40

PROGRAM OVERVIEW

The Finance Division oversees all financial accounting and treasury functions for the City. Accurate and timely maintenance of all City financial records, including financial reporting, revenue collection, banking and investments, disbursement of all funds, and payroll processing are handled by the Finance Division. All required Federal, State and other regulatory reporting with respect to the City's financial condition are prepared in the Accounting program of Finance. In addition, Finance monitors the City's two investment policies, manages budget-to-actual activities for both operational and capital budgets, performs all financial analyses, conducts research, and prepares reports on all fiscal matters of the City for internal and external customers.

SERVICE OBJECTIVES

- Process all financial transactions of the City of Cupertino, including general ledger accounting, cash management and investment of City funds, payroll, accounts payable, revenue collections, banking, and miscellaneous billing.
- Record all City financial transactions prudently and within all regulatory requirements.
- Produce timely and accurate financial reports.
- Maintain a high level of professionalism when fulfilling the City's financial policies, processing its financial transactions, and representing the City to its residents.
- Respond promptly to inquiries from the public and other City departments.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,134,474 for the Accounting Budget. This represents a decrease of \$339,684 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

Salary and benefits are up in this program due to negotiated increases in salary and benefits. In addition, contract services are up due to a change in services providers for both the City's

outside auditors and sales tax consultants.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Finance - Accounting

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	137,448	137,448	1,167,381	906,996
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	137,448	137,448	1,167,381	906,996
Expenditures				
Employee Compensation	512,598	434,398	567,868	573,535
Employee Benefits	188,672	184,768	242,400	259,004
Materials	14,635	21,813	36,171	36,171
Contract Services	146,051	388,510	51,465	178,215
Cost Allocation	75,096	75,096	569,026	80,321
Capital Outlay	-	-	-	-
Special Projects	465,715	32,132	-	-
Appropriations for Contingency	-	-	7,228	7,228
Total Expenditures	1,402,766	1,136,717	1,474,158	1,134,474
Fund Balance	-	-	-	-
General Fund Costs	\$ 1,265,318	\$ 999,269	\$ 306,777	\$ 227,478

STAFFING

Total current authorized positions – 5.75

Decrease in staffing is due to the limited term assignment of a management analyst ending.

Total authorized positions – 5.40

FINANCE - BUSINESS LICENSES

Budget Unit 100-41-406

Budget at a Glance	
Total Revenues	-
Total Expenditures	213,935
Fund Balance	-
General Fund Costs	213,935
% Funded by General Fund	100.0%
Total Staffing	0.60

PROGRAM OVERVIEW

Monitor business licensing activity for compliance with the City Municipal Code and applicable state law.

SERVICE OBJECTIVES

- Issue business licenses to entities conducting business within the city limits of Cupertino.
- Collect appropriate business license fees.
- Monitor compliance with the Business License Tax Code and provide useful information related to business activity to City departments.
- Identify non-compliant business activity.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$213,935 for the Business Licenses Budget. This represents an increase of \$6,962 from the FY 2016-17 Final Adopted Budget.

The increase in salary and benefits is due to a 5% increase in allocation of an Accountant II position to business licenses from finance to better account with time spent in this program. This is offset by a slight decrease in the cost allocation plan charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Finance - Business Licenses

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	58,510	69,802	39,952	47,895
Employee Benefits	22,036	31,194	19,570	25,640
Materials	564	1,324	6,022	6,022
Contract Services	3,122	51,614	34,196	34,196
Cost Allocation	5,256	5,256	106,815	99,764
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	418	418
Total Expenditures	89,488	159,191	206,973	213,935
Fund Balance				
General Fund Costs	\$ 89,488	\$ 159,191	\$ 206,973	\$ 213,935

STAFFING

Total current authorized positions – 0.55

Increase Accountant II allocation by 5% to better account for time spent in this program.

Total authorized positions – 0.60

HUMAN RESOURCES - HUMAN RESOURCES

Budget Unit 100-44-412

Budget at a Glance	
Total Revenues	708,222
Total Expenditures	978,882
Fund Balance	-
General Fund Costs	270,660
% Funded by General Fund	27.6%
Total Staffing	2.85

PROGRAM OVERVIEW

The Human Resources Division is responsible for the administration of a full range of human resource, employee benefit and labor relations programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee development, benefits and retirement. In addition, Human Resources administer risk management, safety and wellness programs, and a self-insured workers' compensation program. Funding for retiree medical insurance is also covered in the Human Resources budget.

SERVICE OBJECTIVES

- Provide for a working environment where respect for the individual is encouraged and safeguarded.
- Provide timely personnel services to departments and divisions in a fair, objective, and equitable manner.
- Enter into agreements with employee groups concerning terms and conditions of employment.
- Provide an employee development program addressing immediate and long-term training needs.
- Provide departments a listing of qualified persons for employment consideration within sixty days of an authorized vacant position.
- Ensure equal employment opportunities.
- Administer classification plan.
- Administer employee benefits.
- Provide personnel services consistent with the operational needs of the user department.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$978,882 for the Human Resources Budget. This represents a decrease of \$406,942 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how cost allocation charges were applied this year. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

This budget includes funding for an employee engagement initiative budgeted for a total of \$20,000. The cost to have Gallup perform the survey and compile the results is approximately half of these costs with the other half covering costs associated with implementing changes.

In addition, there is funding for a part-time intern at eight hours per week to assist with clerical duties in the division; this increase is offset by decreased allocation for the Director of Administrative Services.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Human Resources - Human Resources

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	162,429	162,624	1,452,672	708,222
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	162,429	162,624	1,452,672	708,222
Expenditures				
Employee Compensation	271,162	366,508	364,441	352,907
Employee Benefits	221,392	110,203	153,255	187,257
Materials	51,278	57,911	46,153	56,153
Contract Services	108,588	263,723	153,620	352,620
Cost Allocation	55,680	55,680	657,056	18,646
Capital Outlay	-	-	-	-
Special Projects	199	-	-	-
Appropriations for Contingency	-	-	11,299	11,299
Total Expenditures	708,299	854,024	1,385,824	978,882
Fund Balance	-	-	-	-
General Fund Costs	\$ 545,869	\$ 691,400	\$ (66,848)	\$ 270,660

STAFFING

Total current authorized positions – 3.15

Decrease allocation for Director from 50% to 20% to better account for time spent in this program.

Total authorized positions – 2.85

HUMAN RESOURCES - RETIREE BENEFITS

Budget Unit 642-44-414

Budget at a Glance	
Total Revenues	-
Total Expenditures	968,486
Fund Balance	-
General Fund Costs	968,486
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

Provides administration of the City's Other Post Employment Benefits (OPEB).

SERVICE OBJECTIVES

Provide investment oversight and appropriate funding for the City's retiree medical liability. The City established a trust account with Public Agency Retirement Services (PARS) that will fund the future liability. Annual contributions from the City are deposited into the trust and invested in a portfolio of equity, bond, and money market funds.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$968,486 for the Retiree Benefits Budget. This represents an increase of \$37,151 from the FY 2016-17 Final Adopted Budget.

The increase is due to a change in the City's unfunded liability based on the October 2016 actuary study.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Human Resources - Retiree Benefits

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	1,298,785	919,219	920,000	957,466
Materials	-	-	-	-
Contract Services	-	-	5,495	5,495
Cost Allocation	-	-	5,840	5,525
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	1,298,785	919,219	931,335	968,486
Fund Balance	(1,298,785)	81,281	(931,335)	-
General Fund Costs	\$ -	\$ 1,000,500	\$ -	\$ 968,486

STAFFING

There is no staffing associated with this program.

HUMAN RESOURCES - INSURANCE ADMINISTRATION

Budget Unit 100-44-417

Budget at a Glance	
Total Revenues	718,112
Total Expenditures	876,383
Fund Balance	-
General Fund Costs	158,271
% Funded by General Fund	18.1%
Total Staffing	0.15

PROGRAM OVERVIEW

Manages Risk Management safety programs and self-insured Workers' Compensation and General Liability Programs.

SERVICE OBJECTIVES

- Satisfy statutory regulations regarding Workers' Compensation and employee safety.
- Promotes work environment that emphasizes safe work practices.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$876,383 for the Insurance Administration Budget. This represents an increase of \$6,076 from the FY 2016-17 Final Adopted Budget.

Salary and benefits are up in this program due to negotiated increases in salary and benefits.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Human Resources - Insurance Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	488,740	718,112
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	188,325	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	188,325	488,740	718,112
Expenditures				
Employee Compensation	14,615	15,682	15,468	16,897
Employee Benefits	5,869	6,703	7,099	7,893
Materials	-	18	4	4
Contract Services	646,063	620,596	808,030	813,030
Cost Allocation	1,572	1,572	2,103	956
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	37,603	37,603
Total Expenditures	668,119	644,571	870,307	876,383
Fund Balance	-	-	-	-
General Fund Costs	\$ 668,119	\$ 456,246	\$ 381,567	\$ 158,271

STAFFING

Total current authorized positions – 0.15

There are no changes in staffing levels.

Total authorized positions – 0.15

HUMAN RESOURCES - WORKERS COMPENSATION INSURANCE

Budget Unit 620-44-418

Budget at a Glance	
Total Revenues	601,003
Total Expenditures	498,240
Fund Balance	102,763
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	0.20

PROGRAM OVERVIEW

Provides oversight of our Workers' Compensation program, including claims, proactive Risk Management, return to work accommodations and excess workers compensation insurance.

SERVICE OBJECTIVES

- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$498,240 for the Workers Compensation Insurance Budget. This represents a decrease of \$2,492 from the FY 2016-17 Final Adopted Budget. This budget is relatively unchanged from the prior year.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Human Resources - Workers Compensation Insurance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	10,968	-	-	601,003
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	10,968	-	-	601,003
Expenditures				
Employee Compensation	23,428	23,644	22,636	24,188
Employee Benefits	8,596	9,102	9,532	10,163
Materials	-	13	-	-
Contract Services	308,904	57	400,780	400,780
Cost Allocation	4,200	4,200	18,117	13,442
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	49,667	49,667
Total Expenditures	345,128	37,016	500,732	498,240
Fund Balance	(334,160)	(37,016)	(500,732)	102,763
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

Total current authorized positions – 0.20

There are no changes in staffing levels.

Total authorized positions – 0.20

HUMAN RESOURCES - LONG TERM DISABILITY

Budget Unit 641-44-419

Budget at a Glance	
Total Revenues	-
Total Expenditures	83,883
Fund Balance	(83,883)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

Oversee claims and premiums associated with long term disability.

SERVICE OBJECTIVES

- Monitor employee injuries and provide proactive risk management for disability avoidance.
- Obtain and manage insurance policy.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$83,883 for the Long Term Disability Budget. This represents an increase of \$8 from the FY 2016-17 Final Adopted Budget. This budget is relatively unchanged since last fiscal year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Human Resources - Long Term Disability

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	51,384	82,201	77,100	77,100
Cost Allocation	-	-	607	615
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	6,168	6,168
Total Expenditures	51,384	82,201	83,875	83,883
Fund Balance	(51,384)	(82,201)	(83,875)	(83,883)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

HUMAN RESOURCES - COMPENSATED ABSENCE

Budget Unit 641-44-420

Budget at a Glance	
Total Revenues	-
Total Expenditures	435,014
Fund Balance	74,503
General Fund Costs	509,517
% Funded by General Fund	117.1%
Total Staffing	-

PROGRAM OVERVIEW

Provide for payment of liabilities associated with employees retiring or leaving service.

SERVICE OBJECTIVES

Properly account and disburse benefits as set forth in the employee contracts.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$435,014 for the Compensated Absence Budget. This represents an increase of \$341 from the FY 2016-17 Final Adopted Budget. This budget is relatively unchanged from the prior fiscal year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Human Resources - Compensated Absence

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	211,254	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	211,254	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	246,486	494,451	400,000	400,000
Cost Allocation	-	-	2,673	3,014
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	32,000	32,000
Total Expenditures	246,486	494,451	434,673	435,014
Fund Balance	(35,232)	145,553	(284,673)	74,503
General Fund Costs	\$ -	\$ 640,004	\$ 150,000	\$ 509,517

STAFFING

There is no staffing associated with this program.



Recreation and Community Services

Administration
Business & Community Programs
Recreation & Education
Sports, Safety & Outdoor Recreation

RECREATION AND COMMUNITY SERVICES

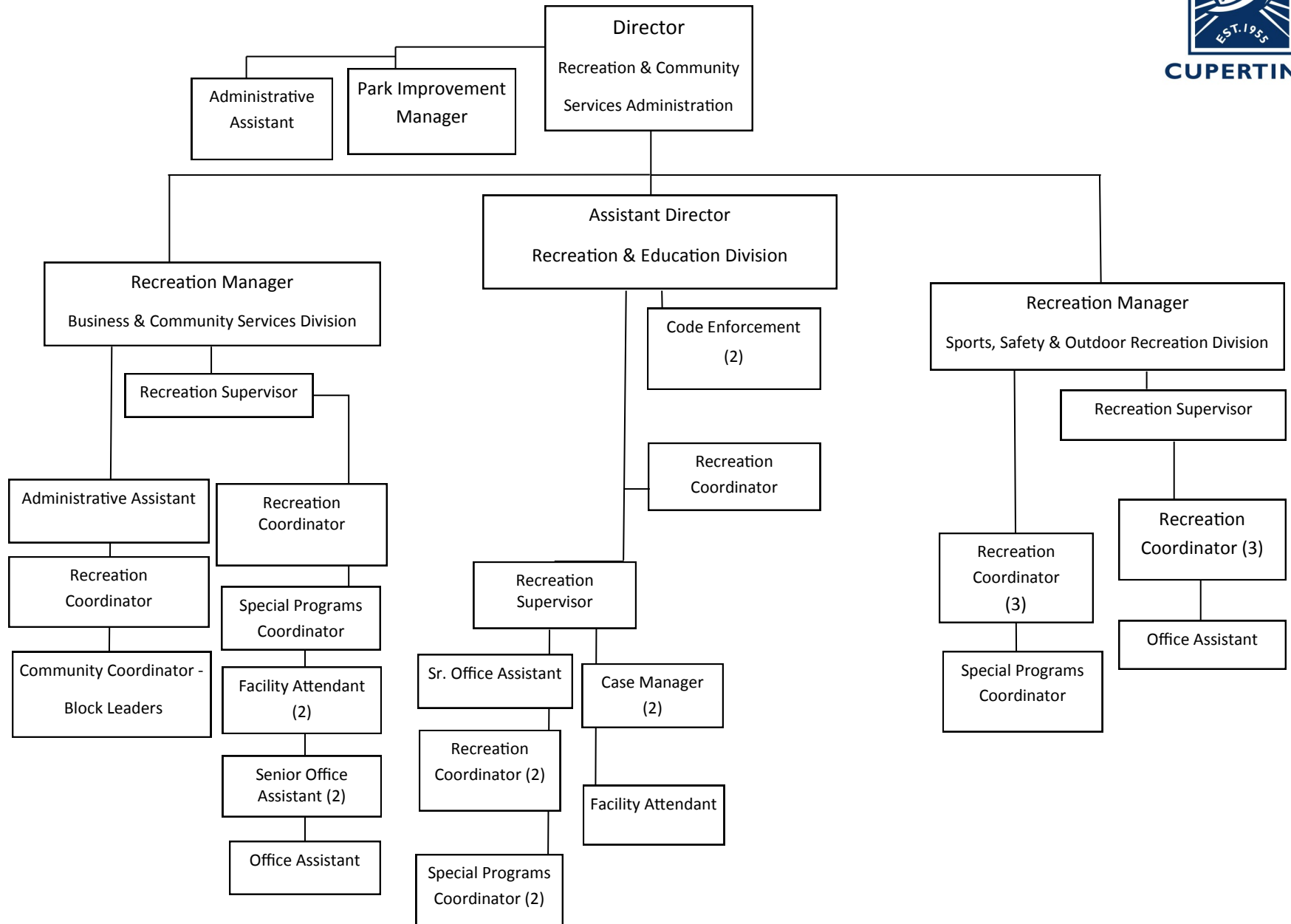
Budget Unit	2018 Adopted
Administration	\$ 1,538,034
100-60-600	Leadership 95014 -
100-60-601	Administration 495,907
100-60-634	Park Planning and Restoration 253,235
100-60-636	Library Services 788,892
Business and Community Services	\$ 2,229,336
100-61-602	Administration 919,005
100-61-603	Blackberry Farm Picnic Area -
100-61-604	Community Hall Operations -
100-61-605	Cultural Events 438,337
100-61-607	Quinlan Center Operations -
100-61-630	Facilities 579,747
100-61-632	Community Outreach and Neighborhood Watch 292,247
Recreation and Education	\$ 5,503,781
100-62-608	Administration 1,082,488
100-62-609	Youth Program -
100-62-610	Teen Program -
100-62-611	Teen Center -
100-62-612	Park Facilities -
580-62-613	Youth Teen Recreation 2,214,409
100-62-623	Youth, Teen and Senior Adult Recreation 2,206,884
Sports, Safety and Outdoor Recreation	\$ 7,176,427
100-63-612	Park Facilities 1,968,178
100-63-615	Administration 243,820
560-63-616	Blackberry Farm Golf Course 708,461
100-63-618	Creekside Park Youth Sport -
580-63-620	Outdoor Recreation 1,451,700
570-63-621	Sports Center Operations 2,448,037
100-63-633	Disaster Preparedness 356,231
100-63-637	Monta Vista Recreation Center -
Senior Programs	\$ 0
100-64-622	Senior Adult Supervision -

100-64-623	Youth, Teen and Senior Adult Recreation	-
100-64-624	Senior Adult Recreation	-
100-64-630	Facilities	-

Community Services		\$ 0
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100-65-632	Community Outreach and Neighborhood Watch	-
100-65-633	Disaster Preparedness	-
100-65-635	Neighborhood Watch	-
100-65-636	Library Services	-

Total		\$ 16,447,578
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DEPARTMENT SUMMARY

Recreation and Community Services

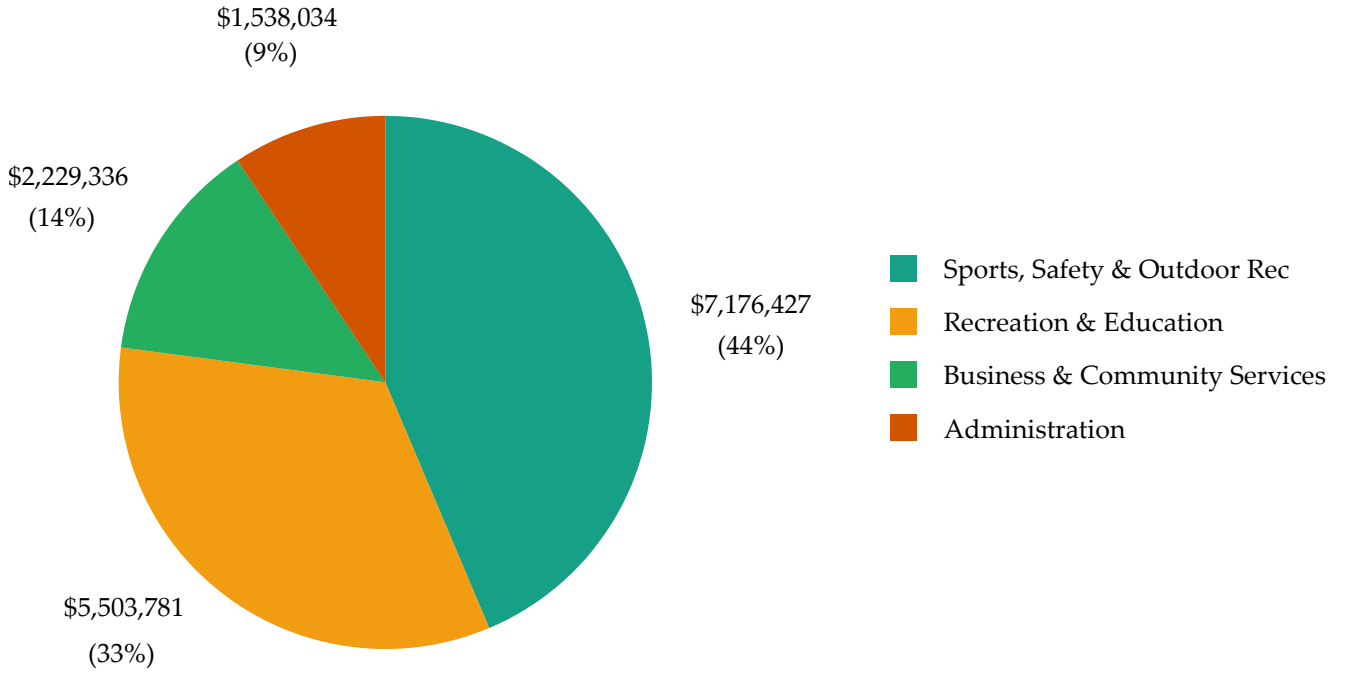
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	274,906	562,456	571,200	601,325
Intergovernmental Revenue	3,500	(1,387)	10,500	10,500
Charges for Services	1,023,259	5,642,870	6,975,279	6,505,929
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	47,087	58,928	16,000	63,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	1,348,752	6,262,866	7,572,979	7,180,754
Expenditures				
Employee Compensation	3,311,995	3,523,471	4,278,926	4,958,694
Employee Benefits	1,017,564	1,120,347	1,275,282	1,580,194
Materials	1,037,949	1,076,671	1,252,336	1,395,942
Contract Services	3,707,956	3,941,287	4,403,536	4,552,277
Cost Allocation	971,151	1,140,589	4,950,320	3,501,914
Capital Outlay	-	5,848	90,500	-
Special Projects	311,760	116,801	108,025	83,000
Appropriations for Contingency	13,352	14,135	375,557	375,557
Total Expenditures	10,371,727	10,939,149	16,734,482	16,447,578
Fund Balance	(5,044,285)	976,182	(230,193)	(1,184,607)
General Fund Costs	\$ 3,978,690	\$ 5,652,465	\$ 8,931,310	\$ 8,082,217

ADOPTED BUDGET

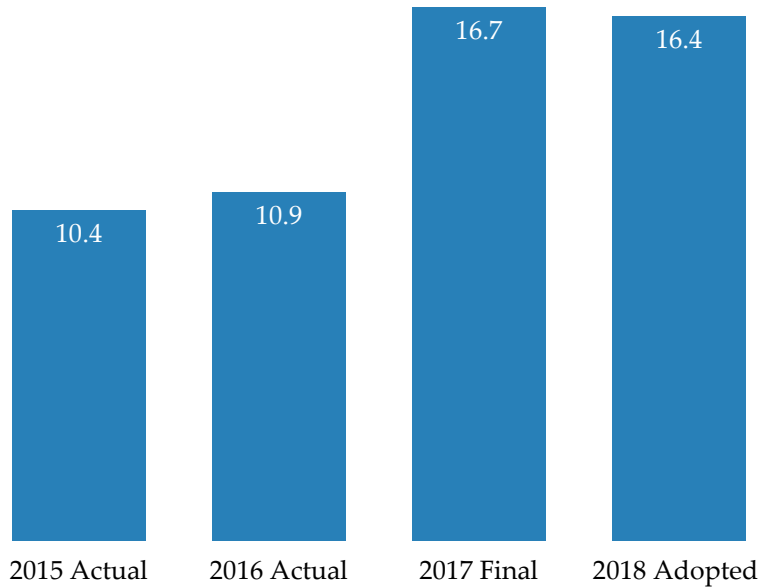
On June 20, 2017, City Council approved a budget \$16,447,578 for the Recreation and Community Services Budget. This represents a decrease of \$286,904 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This decrease is offset by increases in salary and benefits due to two new three year limited term Recreation Coordinators for Disaster Preparedness and Senior Programs and negotiated increases to salary and benefits.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



GOAL: Create a positive, healthy and connected community.

Enabled by...

City investment in quality recreation and community programs.

Enabled by...

Improved business processes to improve customer experience

So that...



Measure	Ongoing Target
% Recreation and Community Services Department customers surveyed who rate services as good or excellent	85%
% programs maintain minimum registration	80%
% Department's total cost recovery for all (direct and indirect) costs	40%
# of new programs or events offered	50
% change in participants	+1%

Cupertino has an exceptional system of parks & services that align with community values.

RECREATION & COMMUNITY SERVICES -
 LEADERSHIP 95014
 Budget Unit 100-60-600

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to the Recreation and Education Division - Administration as part of a department reorganization. A complete discussion of the program can be found under Budget Unit 100-62-608. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Community Services - Leadership 95014

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	12,615	15,875	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	12,615	15,875	-	-
Expenditures				
Employee Compensation	9,875	10,103	-	-
Employee Benefits	3,721	4,012	-	-
Materials	4,242	6,863	-	-
Contract Services	11,522	13,865	-	-
Cost Allocation	1,596	1,596	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	30,955	36,439	-	-
Fund Balance				
General Fund Costs	\$ 18,340	\$ 20,564	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

RECREATION & COMMUNITY SERVICES - ADMINISTRATION

Budget Unit 100-60-601

Budget at a Glance	
Total Revenues	42,000
Total Expenditures	495,907
Fund Balance	-
General Fund Costs	453,907
% Funded by General Fund	91.5%
Total Staffing	1.90

PROGRAM OVERVIEW

- Provides overall department administration, as well as project management, community outreach and support to the Parks and Recreation Commission.
- Oversees a national accreditation process for the Department.

SERVICE OBJECTIVES

- Provide overall department administration, budget control, and employee development and evaluation;
- Support the Planning and Public Works Departments in the development of new parks, including, the Parks and Recreation System Master Plan, Stevens Creek Boulevard to McClellan Ranch Preserve Corridor Master Plan and the renovation of existing parks;
- Monitor and facilitate partnerships in regards to Library and Emergency Services;
- Outreach to the community in conjunction with programs and the Parks and Recreation System Master Plan;
- Promote partnerships with CUSD, FUHSD, and De Anza College with quarterly meetings and joint projects;
- Continually evaluate the efficiency and effectiveness of the department, working to receive national accreditation.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$495,907 for the Administration Budget. This represents a decrease of \$562,436 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The increase of \$41,115 represents the cost for the leadership academy program, including instructors and fees. This is offset by projected revenue from participating agencies in the

program of \$42,000.

The budget was also increased by \$10,000 (contract services) for additional training opportunities within the department and by \$6,000 (materials) to support a national accreditation process and associated program fees.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Community Services - Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	104,741	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	31,680	42,980	-	42,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	31,680	42,980	104,741	42,000
Expenditures				
Employee Compensation	274,418	250,990	257,701	257,608
Employee Benefits	93,475	94,547	101,439	105,964
Materials	32,540	66,757	27,406	74,521
Contract Services	7,091	82,387	1,000	11,000
Cost Allocation	63,456	63,456	658,797	36,814
Capital Outlay	-	-	-	-
Special Projects	-	-	2,000	-
Appropriations for Contingency	-	4,677	10,000	10,000
Total Expenditures	470,980	562,814	1,058,343	495,907
Fund Balance	-	-	-	-
General Fund Costs	\$ 439,300	\$ 519,834	\$ 953,602	\$ 453,907

STAFFING

Total current authorized positions – 1.85

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 1.90

RECREATION & COMMUNITY SERVICES –
 PARK PLANNING AND RESTORATION
 Budget Unit 100-60-634

Budget at a Glance	
Total Revenues	-
Total Expenditures	253,235
Fund Balance	-
General Fund Costs	253,235
% Funded by General Fund	100.0%
Total Staffing	1.00

PROGRAM OVERVIEW

- Provides for park planning, renovation, outreach, and monitoring of Capital Improvement Projects and grant funding opportunities.
- Works with other county and open space areas to identify potential partnerships for future park and trail expansion.

SERVICE OBJECTIVES

- Identify and monitor grant funding opportunities;
- Promote partnerships with Santa Clara County (SCC), SC Valley Water District (SCVWD) and Mid-Peninsula Regional Open Space District (MROSD); Support the Public Works Department in the planning and development of new parks and restoration of existing parks;
- Assist with the Stevens Creek Boulevard to McClellan Ranch Preserve Creek Corridor Master Plan and oversee the Parks and Recreation System Master Plan and monitoring of the Stevens Creek Corridor Park & Restoration Phase 2 Project.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$253,235 for the Park Planning and Restoration Budget. This represents an increase of \$2,946 from the FY 2016-17 Final Adopted Budget.

The increases in personnel costs, which reflect negotiated employee compensation increases based on Council-approved labor contracts, are mostly offset by a reduction in cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Community Services - Park Planning and Restoration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 ssAdopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	118,245	141,510	141,565	151,209
Employee Benefits	42,814	51,924	54,255	63,864
Materials	2,266	5,914	9,675	11,500
Contract Services	19,036	55,601	10,000	10,000
Cost Allocation	-	-	34,794	16,662
Capital Outlay	-	-	-	-
Special Projects	1,974	5,866	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	184,334	260,816	250,289	253,235
Fund Balance				
General Fund Costs	\$ 184,334	\$ 260,816	\$ 250,289	\$ 253,235

STAFFING

Total current authorized positions – 1.00

There are no changes to the current level of staffing.

Total authorized positions – 1.00

RECREATION & COMMUNITY SERVICES - LIBRARY SERVICES

Budget Unit 100-60-636

Budget at a Glance	
Total Revenues	-
Total Expenditures	788,892
Fund Balance	-
General Fund Costs	788,892
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

This budget augments the existing hours of library service currently provided to our community through the Santa Clara County (SCC) Library Joint Powers Authority.

SERVICE OBJECTIVES

- Provide 12 extra hours per week of library service for our constituents.
- Explore partnerships with the SCC Library for recreation and community programs.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$788,892 for the Library Services Budget. This represents a decrease of \$374,572 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Community Services - Library Services

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	447,752	454,871
Cost Allocation	-	-	715,712	334,021
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	-	-	1,163,464	788,892
Fund Balance				
General Fund Costs	\$ -	\$ -	\$ 1,163,464	\$ 788,892

STAFFING

There is no staffing associated with this program.

BUSINESS AND COMMUNITY SERVICES - ADMINISTRATION

Budget Unit 100-61-602

Budget at a Glance	
Total Revenues	-
Total Expenditures	919,005
Fund Balance	-
General Fund Costs	919,005
% Funded by General Fund	100.0%
Total Staffing	6.25

PROGRAM OVERVIEW

The Business & Community Services division supports Department programs and services through the provision of customer service, development and administration of policies, as well as managing the Department's marketing and recreation software. The division is also responsible for the Department's community outreach programs, including City Events and Community Festivals at Memorial Park, as well as the Neighborhood Watch and Block Leader programs. This division manages Quinlan Community Center (QCC) and Community Hall, as well as facility and park picnic rentals.

SERVICE OBJECTIVES

- Provide first-rate customer service through the implementation of consistent policies, procedures, and performance standards.
- Procure and implement a new recreation software system to streamline customer registration, memberships, point of sale, and facility rentals.
- Utilize data from customer satisfaction surveys and program and revenue reports to improve programs and services. Enhance program marketing and communications through effective brochures, website, flyers, banners, and social media.
- Increase participation at City events including 4th of July, Summer Concert Series, Cinema at Sundown, Breakfast with Santa, and the Tree Lighting Ceremony.
- Issue parks and facilities permits for community festivals and events that promote our diverse culture and connected community.
- Maintain a positive relationship with neighborhoods adjacent to our facilities and parks.
- Facilitate connected, safe neighborhoods through neighborhood activation and mobile recreation programs, leveraging existing Block Leader and Neighborhood Watch participants.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$919,005 for the Administration Budget. This represents an increase of \$133,670 from the FY 2016-17 Final Adopted Budget.

The increase in salary and benefits is primarily due to the reallocation of 35% of a Recreation Manager and 45% of a Special Programs Coordinator to Administration. This reallocation is offset by the associated savings in the Facilities and Community Outreach programs.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Business and Community Services - Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	358,652	394,592	397,930	506,532
Employee Benefits	165,976	178,195	184,949	243,155
Materials	4,382	3,665	29,250	30,170
Contract Services	-	-	6,000	8,500
Cost Allocation	57,756	57,756	166,746	130,188
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	460	460
Total Expenditures	586,766	634,208	785,335	919,005
Fund Balance				
General Fund Costs	\$ 586,766	\$ 634,208	\$ 785,335	\$ 919,005

STAFFING

Total current authorized positions – 5.25

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 6.25

BUSINESS AND COMMUNITY SERVICES –
BLACKBERRY FARM PICNIC AREA

Budget Unit 100-61-603

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Sports, Safety, and Outdoor Recreation – Park Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-612. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Business and Community Services - Blackberry Farm Picnic Area

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	36,260	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	258,548	238,874	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	258,548	275,134	-	-
Expenditures				
Employee Compensation	352,393	346,539	-	-
Employee Benefits	53,505	52,930	-	-
Materials	77,640	91,714	-	-
Contract Services	119,064	81,551	-	-
Cost Allocation	23,976	23,976	-	-
Capital Outlay	-	-	-	-
Special Projects	10,706	10,243	-	-
Appropriations for Contingency	300	-	-	-
Total Expenditures	637,583	606,953	-	-
Fund Balance				
General Fund Costs	\$ 379,035	\$ 331,819	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

**BUSINESS AND COMMUNITY SERVICES –
COMMUNITY HALL OPERATIONS**
Budget Unit 100-61-604

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Business and Community Services – Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-630. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Business and Community Services - Community Hall Operations

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	28,420	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	28,420	-	-
Expenditures				
Employee Compensation	56,972	59,637	-	-
Employee Benefits	25,828	25,903	-	-
Materials	293	656	-	-
Contract Services	-	-	-	-
Cost Allocation	9,588	9,588	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	92,681	95,784	-	-
Fund Balance				
General Fund Costs	\$ 92,681	\$ 67,365	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

**BUSINESS AND COMMUNITY SERVICES –
CULTURAL EVENTS**
Budget Unit 100-61-605

Budget at a Glance	
Total Revenues	5,000
Total Expenditures	438,337
Fund Balance	-
General Fund Costs	433,337
% Funded by General Fund	98.9%
Total Staffing	0.80

PROGRAM OVERVIEW

The Business and Community Service Division's Events program produces the City's special events at Memorial Park and Quinlan Community Center including the Summer Concert Series, Cinema at Sundown, Shakespeare in the Park, 4th of July, Tree Lighting, and Breakfast with Santa. This program staff also serves as liaison and issues permits for community and cultural events at Memorial Park including the Cherry Blossom Festival, World Journal Festival, Kids 'N Fun Festival, Fall Festival, Veteran's Day Memorial Ceremony, and Diwali Festival. Expanded programs will be developed to activate neighborhoods and build community through mobile recreation activities.

SERVICE OBJECTIVES

- Provide a summer concert series.
- Produce a summer movie series.
- Partner with the San Francisco Shakespeare Company to produce Free Shakespeare in the Park in Cupertino.
- Organize and facilitate the city-wide July 4th celebration.
- Bring the community together with the annual Tree Lighting celebration.
- Serve as liaison and issue special event permits to nonprofit organization event producers to ensure successful community and cultural festivals in Memorial Park.
- Implement the new Neighborhood Activation program, bringing recreation activities to our neighborhoods based on community input.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$438,337 for the Cultural Events Budget. This represents an increase of \$61,845 from the FY 2016-17 Final Adopted Budget.

This budget increases part-time staffing (\$21,000), program materials (\$5,000), and contractual services (\$14,000) for expanded neighborhood activation. This program activates

neighborhoods through a mobile recreation program by bringing outdoor cinema, concerts, pop-up parks, and guest performers to neighborhoods throughout the spring, summer, and fall. In addition, a new mobile climbing wall will also increase part-time staffing (\$30,000) to support up to four bookings per week during a 6-month season. Extremely popular in other cities, the climbing wall will be available by request for block parties, festivals, and community events and will also be scheduled in public spaces throughout the spring, summer, and fall. In addition, \$40,000 for the purchase of a truck to safely tow the climbing wall is budgeted in the PW Fleet budget.

As the City greatly values community and cultural events, the Department will waive costs totaling \$116,310 to festival producers as detailed in the table below.

Festival	Date	Festival Producer	Recreation	Facility/Park/Road Permits	Sheriff	Public Works	Materials	Total
Kids 'N Fun Festival	Aug. 12, 2017	Taiwanese Cultural and Sports Association	\$1,642	\$5,200	\$3,920	\$2,823		\$13,586
Fall Festival	Sept. 9, 2017	Cupertino Rotary	\$1,385	\$4,450	\$4,138	\$3,030		\$13,003
Diwali	Sept. 30, 2017	Cupertino Chamber of Commerce	\$1,385	\$3,950	\$2,396	\$3,004		\$10,734
Veteran's Day	Nov. 11, 2017	Cupertino Veteran's Memorial	\$680	\$1,000		\$18	\$1,600	\$3,299
Ikebana Flower Show	March 3-4, 2018	WAFU Ikebana Society	\$258	\$19,065				\$19,323
Egg Hunt	March 24, 2018	Home of Christ Church	\$902	\$2,000	\$871	\$18		\$3,791
Holi	April 8, 2018	Cupertino Chamber of Commerce	\$902	\$1,000	\$871	\$18		\$2,791
Cherry Blossom	April 28-29, 2018	Toyokawa Sister City	\$3,606	\$16,463	\$4,356	\$5,801		\$30,226
World Journal	May 12, 2018	World Journal/Cupertino Chinese School	\$1,868	\$2,960	\$4,356	\$3,004		\$12,188
Tournament of Bands	October 15, 2017	Cupertino Tournament of Bands	\$0	\$3,000	\$0	\$176		\$3,176
Heroes Run	August 26, 2017	County of Santa Clara	\$0	\$4,120	\$0	\$74		\$4,194
Costs for FY 17/18 Events			\$12,627	\$63,208	\$20,909	\$17,968	\$1,600	\$116,310

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Business and Community Services - Cultural Events

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	5,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	5,000
Expenditures				
Employee Compensation	44,108	42,757	122,797	160,849
Employee Benefits	11,646	16,136	36,907	37,004
Materials	10,224	8,488	15,850	20,850
Contract Services	108,178	67,880	144,696	164,496
Cost Allocation	3,516	3,516	37,289	42,685
Capital Outlay	-	-	-	-
Special Projects	-	-	6,500	-
Appropriations for Contingency	-	-	12,453	12,453
Total Expenditures	177,671	138,777	376,492	438,337
Fund Balance	-	-	-	-
General Fund Costs	\$ 177,671	\$ 138,777	\$ 376,492	\$ 433,337

STAFFING

Total current authorized positions – 0.75

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.80

**BUSINESS AND COMMUNITY SERVICES –
 QUINLAN CENTER OPERATIONS
 Budget Unit 100-61-607**

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Business and Community Services – Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-630. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Business and Community Services - Quinlan Center Operations

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	126,414	121,773	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	126,414	121,773	-	-
Expenditures				
Employee Compensation	111,333	105,407	-	-
Employee Benefits	28,077	29,096	-	-
Materials	32,302	41,429	-	-
Contract Services	6,878	7,423	-	-
Cost Allocation	26,304	22,800	-	-
Capital Outlay	-	-	-	-
Special Projects	78,304	40,371	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	283,197	246,527	-	-
Fund Balance				
General Fund Costs	\$ 156,783	\$ 124,754	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

BUSINESS AND COMMUNITY SERVICES - FACILITIES

Budget Unit 100-61-630

Budget at a Glance	
Total Revenues	631,379
Total Expenditures	579,747
Fund Balance	-
General Fund Costs	(51,632)
% Funded by General Fund	0.0%
Total Staffing	2.75

PROGRAM OVERVIEW

Community Hall provides space for City Council meetings and various Commission meetings, as well as facility space which can be used for a variety of activities including the Cupertino Library. The Quinlan Community Center is the home office of the Recreation and Community Services Department, and provides the community with facility space for a variety of recreational activities.

SERVICE OBJECTIVES

- Provide a facility for community meetings, parties, and other similar activities.
- Provide a facility for City Channel programming, and City Council, Planning Commission, Parks & Recreation Commission and other City meetings.
- Offer in-person and on-line registration for recreation programs.
- Schedule facility space for contractual and staff-run classes and camps.
- Rent the facility for meetings, birthday parties, wedding receptions, community events, and other similar activities.
- House the Cupertino Historical Society.
- Serve as the City's Emergency Operations Shelter in case of disasters.
- Develop a master plan for this facility with the rest of the Stevens Creek to McClellan Ranch Corridor that will serve the community's long-term goals for improvements or changes.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$579,747 for the Facilities Budget. This represents a decrease of \$467,386 from the FY 2016-17 Final Adopted Budget.

The slight decrease in full-time salary and benefits is related to an internal reallocation of staffing within the department to appropriately reflect staff time spent on this program.

The decrease in this program budget is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets

due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Business and Community Services - Facilities

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	262,000	142,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	988,288	489,379
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	1,250,288	631,379
Expenditures				
Employee Compensation	-	5,126	288,901	301,728
Employee Benefits	-	1,454	94,253	101,702
Materials	-	-	60,015	68,465
Contract Services	-	-	36,000	17,000
Cost Allocation	-	-	546,269	85,157
Capital Outlay	-	-	10,000	-
Special Projects	-	-	6,000	-
Appropriations for Contingency	-	-	5,695	5,695
Total Expenditures	-	6,580	1,047,133	579,747
Fund Balance	-	-	-	-
General Fund Costs	\$ -	\$ 6,580	\$ (203,155)	\$ (51,632)

STAFFING

Total current authorized positions – 2.60

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 2.75

**BUSINESS AND COMMUNITY SERVICES –
 COMMUNITY OUTREACH AND NEIGHBORHOOD WATCH
 Budget Unit 100-61-632**

Budget at a Glance	
Total Revenues	-
Total Expenditures	292,247
Fund Balance	-
General Fund Costs	292,247
% Funded by General Fund	100.0%
Total Staffing	1.05

PROGRAM OVERVIEW

Community Outreach programs facilitate communication and enhance cultural understanding in Cupertino neighborhoods. Block Leaders are instrumental in delivering timely and pertinent information to neighbors and gathering input for the City. Neighborhood Watch enhances public safety by providing crime prevention information to local businesses and residents. The program promotes an active relationship between the community and the Sheriff’s Office.

SERVICE OBJECTIVES

- Aid in the development, implementation and coordination of City programs and community-building activities designed to bring Cupertino neighborhoods together.
- Coordinate and disseminate useful and important information to Cupertino residents through regular meetings and communications that build relationships and strengthen neighborhoods.
- Facilitate collaboration with Emergency Preparedness and Neighborhood Watch programs.
- Train residents to connect and organize neighbors and neighborhoods.
- Get Block Leaders involved in the City-wide Park and Recreation Master Plan.
- Create and implement Neighborhood Watch meetings and groups.
- Disseminate important safety information via the Electronic Community Alert Program (E-CAP) and NextDoor.
- Organize and conduct annual National Night Out.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$292,247 for the Community Outreach and Neighborhood Watch Budget. This represents a decrease of \$29,949 from the FY 2016-17 Final Adopted Budget.

Decreased full-time salary and benefits costs are related to an internal reallocation of staffing within the department to appropriately reflect staff time spent on this program. An additional decrease is due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Business and Community Services - Community Outreach and Neighborhood Watch

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	191,606	173,131
Employee Benefits	-	-	49,555	47,406
Materials	-	-	18,250	18,250
Contract Services	-	-	9,500	9,500
Cost Allocation	-	-	51,725	42,400
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	1,560	1,560
Total Expenditures	-	-	322,196	292,247
Fund Balance	-	-	-	-
General Fund Costs	\$ -	\$ -	\$ 322,196	\$ 292,247

STAFFING

Total current authorized positions – 1.20

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 1.05

RECREATION AND EDUCATION - ADMINISTRATION

Budget Unit 100-62-608

Budget at a Glance	
Total Revenues	49,125
Total Expenditures	1,082,488
Fund Balance	-
General Fund Costs	1,033,363
% Funded by General Fund	95.5%
Total Staffing	3.45

PROGRAM OVERVIEW

The Recreation and Education Division provides for the administration and coordination of youth, teen, and senior programs throughout the city. Community services focus on youth includes after-school enrichment classes, youth camps, special events, preschool, teen, leadership training opportunities and volunteer coordination. Senior programs focus on enhancing a healthy lifestyle through quality education, recreation, travel, socials and volunteer opportunities. The Leadership 95014 program provides a leadership training opportunity for adults living and working in the Cupertino community.

SERVICE OBJECTIVES

- Provide management and supervision of all programs, activities, personnel, and facilities within the division.
- Establish program goals and priorities.
- Educate participants on Cupertino's City government, schools, businesses and nonprofit sectors.
- Expand advertising and marketing in the community.
- Enhance executive leadership skills to enable participants to make a positive impact.
- Ensure operational hours accommodate community usage.
- Provide community outreach to individual neighborhoods throughout the city.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$1,082,488 for the Administration Budget. This represents a decrease of \$119,205 from the FY 2016-17 Final Adopted Budget.

The decrease is largely due to a reallocation of staffing within the department to better reflect actual time spent on each program. Three Recreation Coordinator positions were reallocated by 0.4 each to other programs within the department.

In addition, the decrease in cost allocation is primarily due to changes in how the city applied these charges. Large shifts in cost allocation charges are found in most program budgets due

to a change in methodology as explained on page 22.

This budget increases contract services for Leadership 95014 (\$6,250).

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Education - Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	3,000	33,125
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	16,000	16,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	19,000	49,125
Expenditures				
Employee Compensation	61,293	91,979	443,519	401,786
Employee Benefits	24,311	42,068	211,445	148,131
Materials	3,813	7,222	33,141	39,416
Contract Services	374	388	14,950	22,200
Cost Allocation	4,800	4,800	494,790	452,107
Capital Outlay	-	-	-	-
Special Projects	-	-	-	15,000
Appropriations for Contingency	-	-	3,848	3,848
Total Expenditures	94,591	146,457	1,201,693	1,082,488
Fund Balance	-	-	-	-
General Fund Costs	\$ 94,591	\$ 146,457	\$ 1,182,693	\$ 1,033,363

STAFFING

Total current authorized positions – 4.93

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 3.45

RECREATION AND EDUCATION - YOUTH PROGRAM

Budget Unit 100-62-609

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Education - Youth Program

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	23,160	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	13,138	9,079	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	36,298	9,079	-	-
Expenditures				
Employee Compensation	35,561	20,843	-	-
Employee Benefits	7,442	7,823	-	-
Materials	3,147	6,017	-	-
Contract Services	-	-	-	-
Cost Allocation	2,136	2,136	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	48,286	36,819	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 11,988	\$ 27,740	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

RECREATION AND EDUCATION - TEEN PROGRAM

Budget Unit 100-62-610

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Education - Teen Program

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	8,471	12,950	-	-
Employee Benefits	2,936	5,664	-	-
Materials	679	1,169	-	-
Contract Services	1,643	1,208	-	-
Cost Allocation	2,136	2,136	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	15,865	23,127	-	-
Fund Balance				
General Fund Costs	\$ 15,865	\$ 23,127	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

RECREATION AND EDUCATION - TEEN CENTER

Budget Unit 100-62-611

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
<hr/>	
General Fund Costs	-
% Funded by General Fund	0.0%
<hr/>	
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Education - Teen Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	600	2,000	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	2,548	1,844	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	3,148	3,844	-	-
Expenditures				
Employee Compensation	65,253	40,634	-	-
Employee Benefits	10,865	2,878	-	-
Materials	5,324	13,721	-	-
Contract Services	-	-	-	-
Cost Allocation	3,720	3,720	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	85,162	60,953	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 82,014	\$ 57,110	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

RECREATION AND EDUCATION - PARK FACILITIES

Budget Unit 100-62-612

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
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General Fund Costs	-
% Funded by General Fund	0.0%
<hr/>	
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to the Sports, Safety, and Outdoor Recreation Division as part of a department reorganization. The Nature Classes/Camps were incorporated into Programs and McClellan Ranch Preserve was incorporated into Park Facilities. A complete discussion of this program can be found under Budget Unit 580-63-620. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Education - Park Facilities

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	4,836	3,456	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	572	370	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	5,408	3,826	-	-
Expenditures				
Employee Compensation	95,108	183,282	-	-
Employee Benefits	35,117	60,206	-	-
Materials	21,018	46,158	-	-
Contract Services	244	4,163	-	-
Cost Allocation	11,508	11,508	-	-
Capital Outlay	-	-	-	-
Special Projects	28,000	28,000	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	190,995	333,317	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 185,586	\$ 329,491	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

RECREATION AND EDUCATION –
 YOUTH TEEN RECREATION
 Budget Unit 580-62-613

Budget at a Glance	
Total Revenues	1,510,300
Total Expenditures	2,214,409
Fund Balance	(704,109)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	2.25

PROGRAM OVERVIEW

Provide fee-based youth/teen programs, including academic and enrichment classes, STEAM and recreational camps, playgrounds, and special events with reduced impact to the General Fund.

SERVICE OBJECTIVES

- Provide a nine-month preschool program, summer camps, and an extensive variety of contractual classes for youth, teen, and adults, while collaborating with the Cupertino Union School District and Fremont Union High School district on select program offerings.
- Promote programs through social media to increase community awareness.
- Increase the number of youth and teen Science Technology Engineering Art Math (STEAM) programs offered.
- Expand all-day summer camp offerings to meet daycare needs of families in the community.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$2,214,409 for the Youth Teen Recreation Budget. This represents an increase of \$254,402 from the FY 2016-17 Final Adopted Budget.

The increase is largely due to a reallocation of 0.50 Recreation Coordinator within the department to better reflect actual time spent on each program and increased costs for part-time staffing due to minimum wage salary increases. New program offerings include parent tot preschool and expanded teen excursions. Supply budgets are increasing due to the expansion of programs offered in the areas of parent tot programs, all day camps, and contracted classes. Materials are increasing due to ceramic studio equipment needs: kiln shelving, kiln stilts, and tables and chairs for Portal and Wilson park buildings.

The increase for contractual services (\$65,000) is due to expanded class offerings for existing contractor program areas as well as bringing on three new contractors in the areas of:

communications and debate, youth ceramics, and computer programming.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Education - Youth Teen Recreation

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	1,503,958	1,396,000	1,510,300
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	1,503,958	1,396,000	1,510,300
Expenditures				
Employee Compensation	368,918	428,178	402,151	530,720
Employee Benefits	74,445	84,793	67,837	109,842
Materials	63,190	70,134	75,688	87,588
Contract Services	855,773	936,993	1,045,600	1,110,600
Cost Allocation	232,178	307,549	283,255	290,183
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	85,476	85,476
Total Expenditures	1,594,504	1,827,648	1,960,007	2,214,409
Fund Balance	(1,594,504)	258,058	(125,899)	(704,109)
General Fund Costs	\$ -	\$ 581,748	\$ 438,108	\$ -

STAFFING

Total current authorized positions – 1.75

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 2.25

RECREATION AND EDUCATION –
 YOUTH, TEEN AND SENIOR ADULT RECREATION
 Budget Unit 100-62-623

Budget at a Glance	
Total Revenues	735,750
Total Expenditures	2,206,884
Fund Balance	-
General Fund Costs	1,471,134
% Funded by General Fund	66.7%
Total Staffing	5.00

PROGRAM OVERVIEW

Coordinate and provide program services for youth, teen, and seniors at various sites such as elementary school sites, the teen center, the senior center, and Quinlan Community Center. Provide youth enrichment programs, both City sponsored and in conjunction with the Cupertino Union School District (CUSD), to the community. Provide volunteer opportunities for teens in the Cupertino community. Provide a safe, comfortable, and well maintained Teen Center for students in grades 6-12. Provide Case Management services for seniors to continue to remain independent and safe in their own homes. Provide senior adult recreation programs such as trips, memberships, classes, and social events. Senior Center members support programs and services and give over 23,000 hours of volunteer service annually.

SERVICE OBJECTIVES

- Enhance partnerships with Cupertino Union School District (CUSD), Fremont Union High School District, the SCC Library, YMCA, and other local non-profit agencies.
- Provide appreciation events for teen and senior volunteers who support the recreation department throughout the year.
- Coordinate the volunteer efforts of teens in the program areas of summer camps, aquatics, and outdoor park improvements through the Leader In Training program and Civically Active Teens.
- Maintain maximum operating hours for teens to drop-in during non-school hours to partake in leisure and enrichment activities at the Teen Center in partnership with the Teen Commission.
- Continue to provide multi-lingual case management services.
- Offer educational courses, group travel, and socialization opportunities to adults aged 50 and over.
- Provide volunteer service opportunities for adults aged 50 and over.
- Offer a recreation noon-time program at various elementary school sites within CUSD to promote life balance and wellness.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$2,206,884 for the Youth, Teen and Senior Adult Recreation Budget. This represents an increase of \$183,957 from the FY 2016-17 Final Adopted Budget.

The addition of 1.0 three-year limited-term Recreation Coordinator in this budget will support additional programming such as the reinstatement of the Noontime program at various elementary school sites. In addition, part time staffing expenses have increased to extend operational hours and additional front desk and facility coverage to better meet the needs of seniors in our city. The increase in contract services is due to extended hours at the senior center which allows staff to provide additional class offerings on Saturdays and on weekday evenings. A revenue increase of \$20,000 is projected. Materials were increased to support the implementation of the department's new recreation software that includes \$16,000 for new membership cards, key tags and required data plans. Lastly, large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Recreation and Education - Youth, Teen and Senior Adult Recreation

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	1,000	1,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	714,750	734,750
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	715,750	735,750
Expenditures				
Employee Compensation	-	-	524,334	649,620
Employee Benefits	-	-	146,917	213,676
Materials	-	-	577,843	585,723
Contract Services	-	-	123,800	143,800
Cost Allocation	-	-	588,869	552,901
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	61,164	61,164
Total Expenditures	-	-	2,022,927	2,206,884
Fund Balance				
General Fund Costs	\$ -	\$ -	\$ 1,307,177	\$ 1,471,134

STAFFING

Total current authorized positions – 4.17

The department is adding 1.0 three-year limited-term Recreation Coordinator, which is mostly allocated in this budget (0.90). In addition, staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 5.00

SPORTS, SAFETY & OUTDOOR RECREATION - PARK FACILITIES

Budget Unit 100-63-612

Budget at a Glance	
Total Revenues	469,000
Total Expenditures	1,968,178
Fund Balance	-
General Fund Costs	1,499,178
% Funded by General Fund	76.2%
Total Staffing	2.93

PROGRAM OVERVIEW

Blackberry Farm provides the community with recreational space to swim, picnic, and enjoy the Stevens Creek Trail. McClellan Ranch Preserve offers environmental education classes/creek tours to school groups, nature programs, and is the location for the Community Garden program and non-profit groups such as Grassroots Ecology, Santa Clara Valley Audubon Society, UCCE Master Gardeners, and Rolling Hills 4-H Club. The Creekside Park building provides community members with facility space which can be used for a variety of activities. The Monta Vista Recreation Center is home to a diverse array of recreational activities including gymnastics classes and preschool.

SERVICE OBJECTIVES

Blackberry Farm Picnic Grounds and Pools:

- Provide the community with two recreational pools for drop-in use.
- Offer a Junior Lifeguard course for teens, ages 12-15. Engage and provide the community with annual 4th of July events.
- Partner with the Audubon Society to provide Wildlife & Harvest Day at Blackberry Farm. Increase residential usage of the facility.
- Implement Park Ranger led activities such as interpretive walks, star-gazing events, and a Stevens Creek Corridor volunteer program.

McClellan Ranch Preserve:

- Continue to offer drop-in visitor hours at the Environmental Education Center and Blacksmith Shop on Saturdays, Sundays and some school holidays. During summer months offer extended drop-in hours on Friday evenings.
- Develop park management internship opportunities in partnership with the West Valley Community College Park Management Program.
- Partner with SCVAS, Grassroots Ecology, Watershed Stewardship Program Members, Nerds for Nature, Rolling Hills 4H and UCCE Master Gardeners in providing public education programs.
- Expand programming opportunities for teens.

Creekside Park Building:

- Rent facility for non-profit board meetings, birthday parties, school group picnics, and other similar activities.
- Provide contractual and staff-run classes and camps.
- Provide storage space for Farmer’s market

Monta Vista Recreation Center:

- Provide gymnastics classes via Twisters Sports Center.
- Offer department run pre-school program.
- Provide contractual and staff-run classes and camps.
- Make space available for co-sponsored clubs and rentals.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$1,968,178 for the Park Facilities Budget. This represents an increase of \$84,827 from the FY 2016-17 Final Adopted Budget.

This increase is primarily due to changes in how the City applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This budget includes \$68,000 to continue a relationship with Grassroots Ecology at the McClellan Ranch. This partnership results in 36 volunteer habitat restoration workdays, monthly water quality monitoring of Stevens Creek, and support for approximately 50 educational programs for students and community groups while maintaining the restoration of the meadow area. This budget projects \$469,000 in Park Facility Revenue of which \$120,000 can be attributed to the reallocation of the Blue Pheasant Rental into this account.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the Adopted new special projects for the fiscal year.

Special Project	Appropriations	Funding Source	Description
Acterra Habitat Enhancement	\$68,000	General Fund	Habitat restoration of Steven's Creek at McClellan Ranch
Total	\$68,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Park Facilities

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	9,650	99,000	219,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	250,000	250,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	9,650	349,000	469,000
Expenditures				
Employee Compensation	-	-	664,404	623,665
Employee Benefits	-	-	102,190	128,654
Materials	-	-	134,664	141,214
Contract Services	-	-	31,550	31,550
Cost Allocation	-	-	815,707	954,759
Capital Outlay	-	-	80,500	-
Special Projects	-	-	34,000	68,000
Appropriations for Contingency	-	-	20,336	20,336
Total Expenditures	-	-	1,883,351	1,968,178
Fund Balance	-	-	-	-
General Fund Costs	\$ -	\$ (9,650)	\$ 1,534,351	\$ 1,499,178

STAFFING

Total current authorized positions – 2.83

The staffing reallocation of 0.10 Recreation Coordinator better reflects staff time spent in this program.

Total authorized positions – 2.93

SPORTS, SAFETY & OUTDOOR RECREATION – ADMINISTRATION

Budget Unit 100-63-615

Budget at a Glance	
Total Revenues	-
Total Expenditures	243,820
Fund Balance	-
General Fund Costs	243,820
% Funded by General Fund	100.0%
Total Staffing	0.95

PROGRAM OVERVIEW

This budget supports all facets of the Sports, Safety, and Outdoor Recreation Division. Provides for the supervision and operation of the Cupertino Sports Center and Blackberry Farm Golf Course as enterprise facilities. In addition, provides for the supervision and operation of Blackberry Farm picnic area and swimming pools, McClellan Ranch Preserve, Monta Vista Recreation Center and Creekside Park building. The Sports, Safety, and Outdoor Recreation Division includes a diverse offerings of recreation programs for all ages including sports leagues, camps/classes, nature programs, volunteer opportunities, drop-in activities, and special events. Aquatics programs, golf, and specialty classes as offered seasonally.

SERVICE OBJECTIVES

- Efficiently manage the Cupertino Sports Center, Blackberry Farm Golf Course, Blackberry Farm picnic sites and swimming pools, McClellan Ranch Preserve, Monta Vista Recreation Center, Creekside park building, nine school sites and various City fields.
- Increase City staff's involvement in disaster preparedness through training, community awareness, and collaboration with local agencies.
- Consolidate all park facilities and staff within the Stevens Creek Corridor into one division in order to enhance customer service and experience for park visitors.
- Oversee marketing, budget preparations, and programming plans for all locations.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$243,820 for the Administration Budget. This represents a decrease of \$32,900 from the FY 2016-17 Final Adopted Budget.

Decreases are primarily due to changes in how the City applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	194,537	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	194,537	-	-
Expenditures				
Employee Compensation	41,896	32,867	108,089	101,931
Employee Benefits	17,492	19,272	51,990	47,714
Materials	914	507	6,955	6,755
Contract Services	-	81	4,400	-
Cost Allocation	6,384	6,384	105,013	87,147
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	273	273
Total Expenditures	66,686	59,110	276,720	243,820
Fund Balance	-	-	-	-
General Fund Costs	\$ 66,686	\$ (135,426)	\$ 276,720	\$ 243,820

STAFFING

Total current authorized positions – 1.20

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.95

**SPORTS, SAFETY & OUTDOOR RECREATION –
BLACKBERRY FARM GOLF COURSE**
Budget Unit 560-63-616

Budget at a Glance	
Total Revenues	403,000
Total Expenditures	708,461
Fund Balance	(5,461)
General Fund Costs	300,000
% Funded by General Fund	42.3%
Total Staffing	1.10

PROGRAM OVERVIEW

Blackberry Farm Golf Course provides a nine-hole golf facility and open space to the community that serves all ages.

SERVICE OBJECTIVES

- Increase the golfer base through community college classes, junior golf camps, private golf instruction, and marketing such as Groupon and Golf Now.
- Provide a concession where our customers can get their golfing accessories and golf instruction.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$708,461 for the Blackberry Farm Golf Course Budget. This represents an increase of \$21,833 from the FY 2016-17 Final Adopted Budget.

Increases are related to contract services to cover a 3% increase for Professional Turf Management and the Golf Pro (\$12,000) as well as for tree care (\$25,000). In addition, an increase in the budget for materials is due to a projected increase in water service rates of 8%.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Blackberry Farm Golf Course

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	14,650	22,000	22,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	113,652	199,707	381,000	381,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	113,652	214,357	403,000	403,000
Expenditures				
Employee Compensation	136,064	116,011	144,388	145,924
Employee Benefits	35,281	32,574	47,072	46,214
Materials	60,670	64,471	87,235	101,015
Contract Services	239,500	258,604	268,200	305,472
Cost Allocation	68,617	84,462	86,080	82,183
Capital Outlay	-	-	-	-
Special Projects	-	17,304	26,000	-
Appropriations for Contingency	13,052	2,750	27,653	27,653
Total Expenditures	553,184	576,176	686,628	708,461
Fund Balance	(439,532)	(99,811)	43,301	(5,461)
General Fund Costs	\$ -	\$ 262,008	\$ 326,929	\$ 300,000

STAFFING

Total current authorized positions – 1.20

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 1.10

**SPORTS, SAFETY & OUTDOOR RECREATION –
CREEKSIDE PARK YOUTH SPORT
Budget Unit 100-63-618**

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Sports, Safety and Outdoor Recreation – Park Facilities as part of the department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-612. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Creekside Park Youth Sport

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	10,953	10,600	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	10,953	10,600	-	-
Expenditures				
Employee Compensation	2,950	3,396	-	-
Employee Benefits	83	141	-	-
Materials	5	295	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	5,000	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	8,039	3,831	-	-
Fund Balance				
General Fund Costs	\$ (2,914)	\$ (6,769)	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

**SPORTS, SAFETY & OUTDOOR RECREATION –
OUTDOOR RECREATION
Budget Unit 580-63-620**

Budget at a Glance	
Total Revenues	1,038,500
Total Expenditures	1,451,700
Fund Balance	(413,200)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	2.63

PROGRAM OVERVIEW

A wide range of sports, fitness, and outdoor activities are offered for youth and adults.

SERVICE OBJECTIVES

- Operate a summer Red Cross learn-to-swim program for infants, children, teens, and adults.
- Run spring, summer, and fall adult softball leagues.
- Provide sports, dance, fitness, and wellness classes for youth, teens, and adults.
- Offer a 5K, community walk, and kid's fun run in the spring.
- Manage user group field rentals under the CUSD/City JUA.
- Partner with the SCC Sheriff's Department for the 2017 Hero's 5K Run.
- Increase nature and environmental classes for teen and adult demographics.
- Provide an afternoon summer nature program to provide all-day camp options for families.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$1,451,700 for the Outdoor Recreation Budget. This represents an increase of \$177,664 from the FY 2016-17 Final Adopted Budget.

The increase is largely due to an internal reallocation of staffing within the department and negotiated employee compensation increases based on Council-approved labor contracts. A fitness/aquatics coordinator was reallocated from Recreation & Education to more accurately reflect duties performed. The BBF Golf Course Recreation Coordinator is now overseeing the adult softball program so 0.10 of his salary was reallocated to this account. An additional 0.12 of the sports/fields Recreation Coordinator's salary was reallocated to this account to more accurately reflect duties performed.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Outdoor Recreation

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	183,000	183,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	901,067	855,500	855,500
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	901,067	1,038,500	1,038,500
Expenditures				
Employee Compensation	198,333	185,014	267,387	388,966
Employee Benefits	53,208	48,189	53,962	113,583
Materials	66,710	78,161	104,887	90,387
Contract Services	500,998	515,273	651,988	652,188
Cost Allocation	200,619	274,369	182,732	193,496
Capital Outlay	-	-	-	-
Special Projects	6,663	-	-	-
Appropriations for Contingency	-	-	13,080	13,080
Total Expenditures	1,026,532	1,101,007	1,274,036	1,451,700
Fund Balance	(1,026,532)	(66,428)	(235,536)	(413,200)
General Fund Costs	\$ -	\$ 133,512	\$ -	\$ -

STAFFING

Total current authorized positions – 1.40

A staffing reallocation of 1.23 Recreation Coordinators to this program will better reflect staff time spent in this program.

Total authorized positions – 2.63

SPORTS, SAFETY & OUTDOOR RECREATION – SPORTS CENTER OPERATIONS

Budget Unit 570-63-621

Budget at a Glance	
Total Revenues	2,286,200
Total Expenditures	2,448,037
Fund Balance	(61,837)
General Fund Costs	100,000
% Funded by General Fund	4.1%
Total Staffing	2.22

PROGRAM OVERVIEW

The Cupertino Sports Center offers a variety of health and wellness activities including a full fitness center, child care, a teen center, a wide assortment of fitness classes and racquet sports. In addition, it houses our City contracted tennis, table tennis, and badminton programs.

SERVICE OBJECTIVES

- Increase memberships, participation in fitness classes, and contractual camps.
- Market all programs through social media, the brochure, new signage on Stevens Creek, and the city website.
- Collaborate with Public Works to ensure successful implementation of Capital Improvement Projects.
- Explore new program offerings each quarter.
- Offer special classes for International Yoga Day and the annual Open House.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$2,448,037 for the Sports Center Operations Budget. This represents an increase of \$118,799 from the FY 2016-17 Final Adopted Budget.

This budget increases material costs by \$40,000 due to reallocation of 20% of the department's brochure printing costs (\$25,000) to the Sports Center and a reallocation from fixed assets to small tools and equipment (\$15,000) to pay for fitness equipment replacement. Part time staffing and employee benefits increased by \$56,055, primarily a result of salary increases and staffing for an additional week of summer camp.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Sports Center Operations

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	1,257	1,200	1,200
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	2,130,534	2,285,000	2,285,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	2,131,791	2,286,200	2,286,200
Expenditures				
Employee Compensation	237,051	234,492	288,104	352,461
Employee Benefits	60,524	60,739	72,511	91,226
Materials	50,542	31,114	46,284	86,600
Contract Services	1,364,477	1,422,146	1,606,100	1,606,100
Cost Allocation	132,260	132,581	169,488	179,899
Capital Outlay	-	5,848	-	-
Special Projects	138,862	11,532	15,000	-
Appropriations for Contingency	-	6,708	131,751	131,751
Total Expenditures	1,983,717	1,905,160	2,329,238	2,448,037
Fund Balance	(1,983,717)	884,363	87,941	(61,837)
General Fund Costs	\$ -	\$ 657,732	\$ 130,979	\$ 100,000

STAFFING

Total current authorized positions – 2.20

A staffing reallocation of .02 Recreation Coordinator to this program will better reflect staff time spent in this program.

Total authorized positions – 2.22

SPORTS, SAFETY & OUTDOOR RECREATION – DISASTER PREPAREDNESS

Budget Unit 100-63-633

Budget at a Glance	
Total Revenues	10,500
Total Expenditures	356,231
Fund Balance	-
General Fund Costs	345,731
% Funded by General Fund	97.1%
Total Staffing	1.10

PROGRAM OVERVIEW

The mission of the Office of Emergency Services is to lead and direct the City in prevention, preparation, mitigation, response, and recovery from all hazards, incidents, and events.

SERVICE OBJECTIVES

- Develop and implement the goals and objectives of Cupertino's Office of Emergency Services.
- Maintain the City's Emergency Operations Center (EOC) in a perpetual state of operational readiness.
- Support Citizen Corps, Cupertino Amateur Radio Emergency Service (CARES), Medical Reserve Corps (MRC) and Community Emergency Response Team (CERT).
- Prepare, test and revise emergency response and recovery policies, plans and procedures in compliance with the California Emergency Services Act, the Standardized Emergency Management System (SEMS), and the National Incident Management System (NIMS).
- Coordinate training of City staff in personal preparedness, SEMS/NIMS, and EOC functions.
- Maintain effective liaison with local, state and national emergency management organizations and/or allied disaster preparedness and response agencies.
- Complete second phase of ARK Net system.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget \$356,231 for the Disaster Preparedness Budget. This represents an increase of \$259,601 from the FY 2016-17 Final Adopted Budget.

The increase is related to the Adopted creation of an Office of Emergency Services (OES) with dedicated personnel and financial resources, which would support the goals and objectives in the City's General Plan, and better leverage existing Santa Clara County Fire Department

emergency management resources made available to the City. In the past, Santa Clara County Fire funded 1.0 Emergency Coordinator to support the City of Cupertino but eliminated that support in early 2010. As a result, the only ongoing emergency preparedness program was education and training of our volunteer Citizen Corps.

Establishing a Cupertino Office of Emergency Services would fill one of the City's essential roles, protecting the health and safety of the public. It may save the City money in the long-run as recent studies indicate that for every \$1 spent in disaster preparedness, government saves an average of \$4 in response and recovery, in addition to FEMA support that will be lent to properly-prepared municipalities. With a strong OES, general preparedness will be integrated into daily decision-making, thus promoting our response capabilities from the ground up. Not only will we engage the full roster of employees, but the entire Cupertino community as well. Residents, businesses, schools, and religious institutions in Cupertino will benefit immensely from an organized, structured OES that will promote collaboration and unity within the City, while empowering community members to be self-sufficient. Our goal is to become the example other cities look to when establishing or revamping their Offices of Emergency Services.

The Adopted OES Coordinator would focus on enhancing community resilience through development of the following program areas: Plans/Grants/MOUs, Training & Exercises, Departmental Coordination, Regional Coordination, Community Engagement & Education, and EOC Readiness. Establishment of this office is a FY 2017-18 City work plan objective.

The majority of the increased budget (\$258,573) is for employee compensation and benefits which funds 1.0 new full time OES Coordinator and allows for both temporary reallocation of existing staff and additional part time support for the program.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Disaster Preparedness

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	10,500	10,500
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	10,500	10,500
Expenditures				
Employee Compensation	-	-	36,050	212,564
Employee Benefits	-	-	-	82,059
Materials	-	-	25,193	33,488
Contract Services	-	-	2,000	5,000
Cost Allocation	-	-	13,054	21,312
Capital Outlay	-	-	-	-
Special Projects	-	-	18,525	-
Appropriations for Contingency	-	-	1,808	1,808
Total Expenditures	-	-	96,630	356,231
Fund Balance	-	-	-	-
General Fund Costs	\$ -	\$ -	\$ 86,130	\$ 345,731

STAFFING

Total current authorized positions – 0.00

Changes in staffing are due to the addition of 1.0 Emergency Services Coordinator and 0.10 Facility Attendant.

Total authorized positions – 1.10

SPORTS, SAFETY & OUTDOOR RECREATION –
 MONTA VISTA RECREATION CENTER
 Budget Unit 100-63-637

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Sports, Safety, and Outdoor Recreation – Park Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-612. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Sports, Safety and Outdoor Recreation - Monta Vista Recreation Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	22,740	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	22,740	-	-
Expenditures				
Employee Compensation	2,276	2,141	-	-
Employee Benefits	62	84	-	-
Materials	117	2,793	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	4,425	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	6,880	5,018	-	-
Fund Balance				
General Fund Costs	\$ 6,880	\$ (17,722)	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

SENIOR PROGRAMS - SENIOR ADULT SUPERVISION

Budget Unit 100-64-622

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Recreation and Education – Administration as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-608. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Senior Programs - Senior Adult Supervision

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	280	1,160	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	149,441	3,634	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	149,721	4,794	-	-
Expenditures				
Employee Compensation	360,950	377,893	-	-
Employee Benefits	156,388	164,475	-	-
Materials	16,574	16,194	-	-
Contract Services	200	278	-	-
Cost Allocation	51,456	51,456	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	585,569	610,297	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 435,848	\$ 605,504	\$ -	\$ -

STAFFING

Total current authorized positions – 1.00

Total authorized positions – 0.00

SENIOR PROGRAMS –
 YOUTH, TEEN AND SENIOR ADULT RECREATION
 Budget Unit 100-64-623

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Recreation and Education – Youth, Teen, and Senior Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Senior Programs - Youth, Teen and Senior Adult Recreation

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	2,627	8,837	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	2,627	8,837	-	-
Expenditures				
Employee Compensation	66,024	117,381	-	-
Employee Benefits	27,581	49,147	-	-
Materials	4,964	9,826	-	-
Contract Services	1,357	3,994	-	-
Cost Allocation	14,712	22,368	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	114,638	202,716	-	-
Fund Balance				
General Fund Costs	\$ 112,012	\$ 193,879	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

SENIOR PROGRAMS - SENIOR ADULT RECREATION

Budget Unit 100-64-624

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Senior Programs - Senior Adult Recreation

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	475,126	635,835	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	2,792	73	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	477,918	635,908	-	-
Expenditures				
Employee Compensation	181,255	199,129	-	-
Employee Benefits	58,275	58,177	-	-
Materials	543,988	454,755	-	-
Contract Services	52,629	71,308	-	-
Cost Allocation	46,440	46,440	-	-
Capital Outlay	-	-	-	-
Special Projects	26,428	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	909,014	829,810	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 431,097	\$ 193,902	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

SENIOR PROGRAMS - FACILITIES

Budget Unit 100-64-630

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
<hr/>	
General Fund Costs	-
% Funded by General Fund	0.0%
<hr/>	
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Business and Community Services – Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-630. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Senior Programs - Facilities

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	108,663	115,954	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	108,663	115,954	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	7,896	2,582	-	-
Contract Services	25,946	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	33,842	2,582	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ (74,821)	\$ (113,372)	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

COMMUNITY SERVICES –
 COMMUNITY OUTREACH AND NEIGHBORHOOD WATCH
 Budget Unit 100-65-632

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Business and Community Services – Community Outreach and Neighborhood Watch as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-632. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Community Services - Community Outreach and Neighborhood Watch

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	64,998	62,983	-	-
Employee Benefits	26,786	28,345	-	-
Materials	9,105	7,648	-	-
Contract Services	4,242	9,037	-	-
Cost Allocation	7,992	7,992	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	113,123	116,005	-	-
Fund Balance				
General Fund Costs	\$ 113,123	\$ 116,005	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

COMMUNITY SERVICES - DISASTER PREPAREDNESS
Budget Unit 100-65-633

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was added to the Sports, Safety, and Outdoor Recreation – Disaster Preparedness as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-633. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Community Services - Disaster Preparedness

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	3,500	(1,387)	-	-
Charges for Services	7,608	9,132	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	11,108	7,745	-	-
Expenditures				
Employee Compensation	32,786	31,577	-	-
Employee Benefits	953	863	-	-
Materials	5,756	35,536	-	-
Contract Services	-	138	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	11,400	3,484	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	50,895	71,599	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 39,787	\$ 63,854	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

COMMUNITY SERVICES - NEIGHBORHOOD WATCH

Budget Unit 100-65-635

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Business and Community Services – Community Outreach and Neighborhood Watch as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-632. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Community Services - Neighborhood Watch

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	26,812	26,056	-	-
Employee Benefits	774	713	-	-
Materials	4,143	2,882	-	-
Contract Services	297	79	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	32,027	29,730	-	-
Fund Balance				
General Fund Costs	\$ 32,027	\$ 29,730	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

COMMUNITY SERVICES - LIBRARY SERVICES

Budget Unit 100-65-636

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

In FY 2015-16, this program was transferred to Recreation and Community Services – Library Services as part of a department reorganization. A complete discussion of the program can be found under Budget Unit 100-60-636. This program will remain in order to maintain historical data however, once all prior year data as listed in the table below is \$0, this program will be removed.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Community Services - Library Services

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	5,502	-	-	-
Contract Services	388,507	408,888	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	394,009	408,888	-	-
Fund Balance	-	-	-	-
General Fund Costs	\$ 394,009	\$ 408,888	\$ -	\$ -

STAFFING

There is no staffing associated with this program.



Planning and Community Development

Administration

Planning

Housing Services

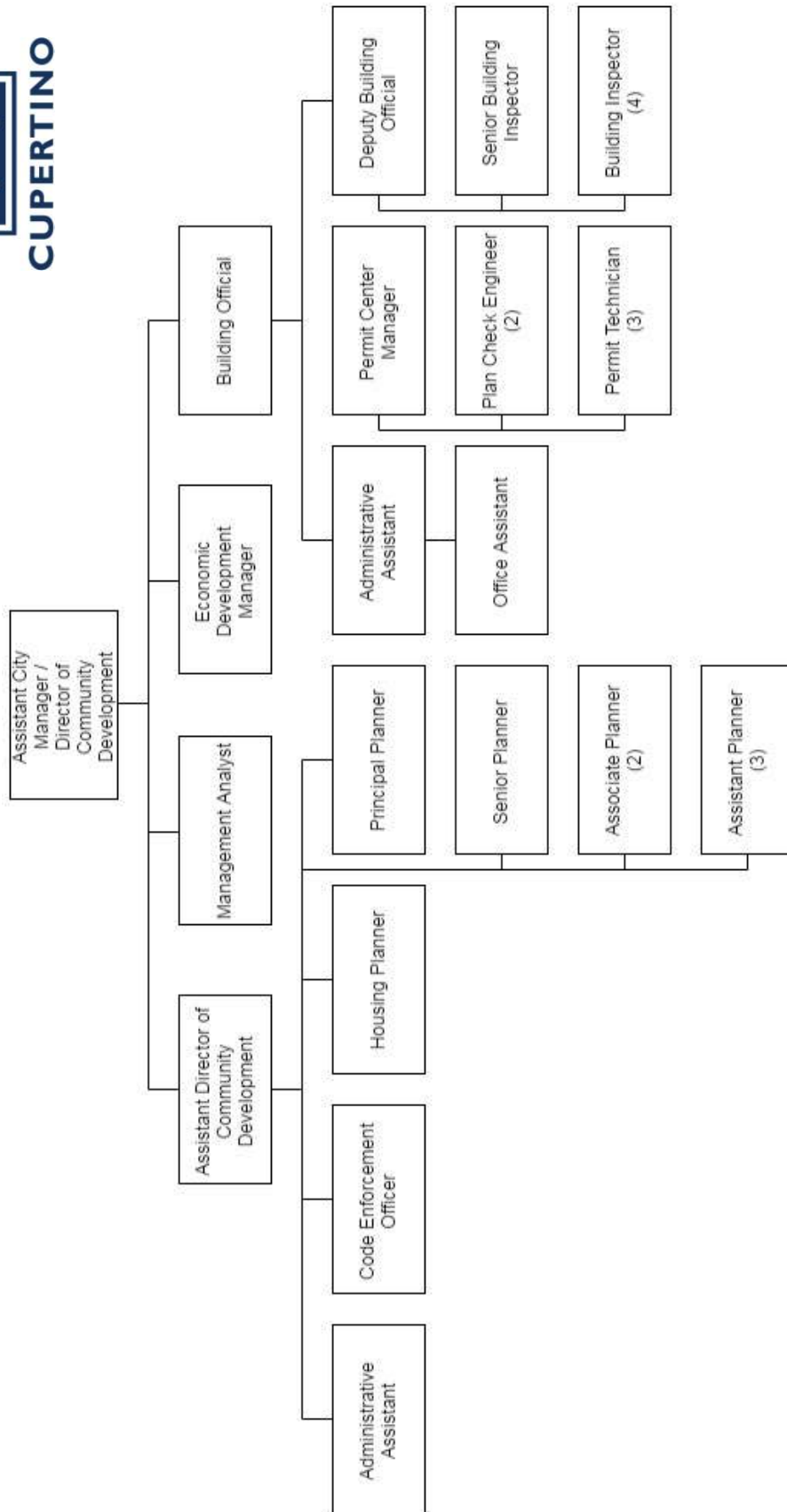
Building

PLANNING AND COMMUNITY DEVELOPMENT

Budget Unit	2018 Adopted
Planning & Community Development	\$ 345,677
100-70-700 Administration	345,677
Planning	\$ 3,395,284
100-71-701 Current Planning	2,151,008
100-71-702 Mid and Long Term Planning	725,588
100-71-704 Annexations	10,141
100-71-705 Economic Development	508,547
Housing Services	\$ 9,073,046
260-72-707 CDBG General Administration	88,814
260-72-709 Affordable Housing	284,484
260-72-710 Public Service Grants	47,188
265-72-711 BMR Housing	8,610,724
100-72-712 Human Service Grants	41,836
Building	\$ 3,736,495
100-73-713 General Building	791,962
100-73-714 Building Plan Review	1,283,854
100-73-715 Building Code Enforcement	1,349,597
100-73-718 Municipal Code Enforcement	311,082
Total	\$ 16,550,502



CUPERTINO



DEPARTMENT SUMMARY

Planning and Community Development

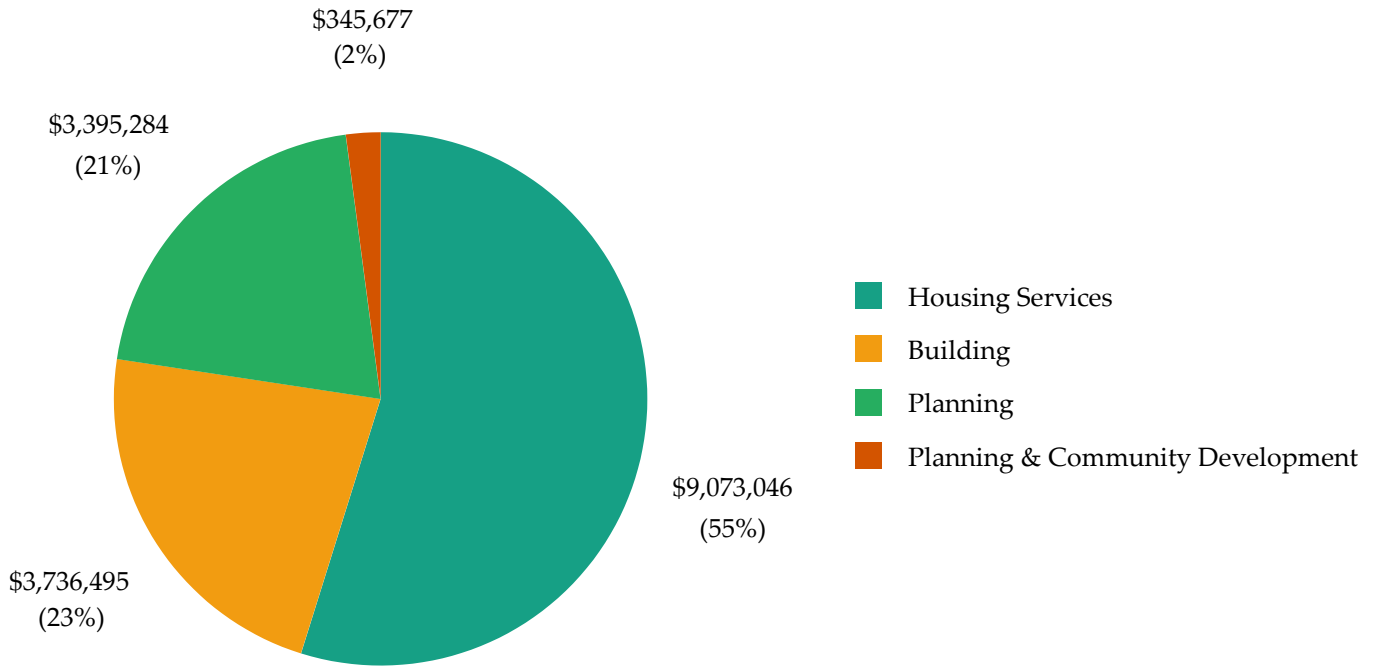
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	15,113,279	1,000,000
Licenses and Permits	674,917	3,051,462	2,475,000	2,121,000
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	314,590	314,590
Charges for Services	(726,767)	11,231,682	4,452,300	4,005,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	6,419	613,461	-	7,500
Interdepartmental Revenue	-	-	-	-
Total Revenues	(45,431)	14,896,605	22,355,169	7,448,090
Expenditures				
Employee Compensation	2,457,586	2,611,412	3,073,142	3,481,608
Employee Benefits	926,864	1,003,679	1,188,909	1,420,103
Materials	922,727	764,944	781,089	771,912
Contract Services	434,357	1,240,920	831,556	668,151
Cost Allocation	431,856	481,860	1,942,249	1,926,627
Capital Outlay	-	-	-	-
Special Projects	4,746,037	5,951,008	6,856,300	8,175,000
Appropriations for Contingency	7,264	-	107,101	107,101
Total Expenditures	9,926,690	12,053,824	14,780,346	16,550,502
Fund Balance	(1,114,084)	(853,978)	10,920,846	(7,716,620)
General Fund Costs	\$ 8,858,038	\$ (3,696,759)	\$ 3,346,023	\$ 1,385,792

ADOPTED BUDGET

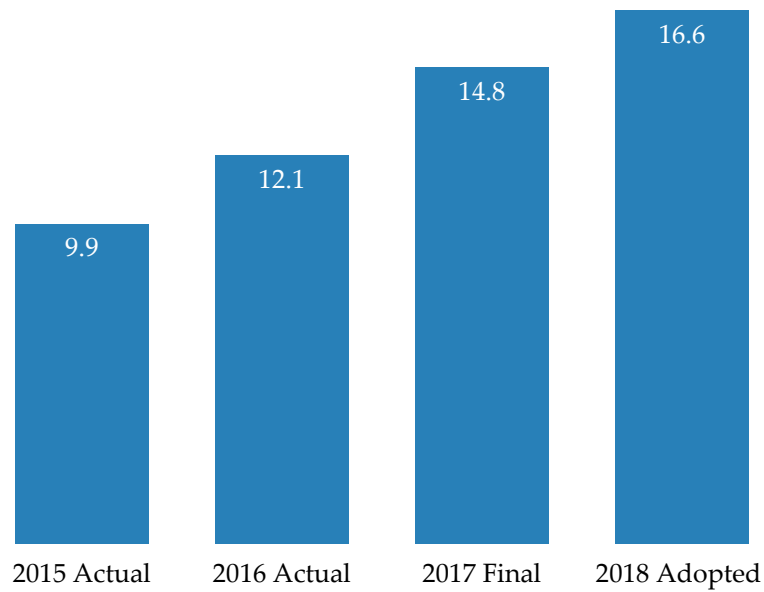
On June 20, 2017, City Council approved a budget of \$16,550,502 for the Planning and Community Development Budget. This represents an increase of \$1,770,156 from the FY 2016-17 Final Adopted Budget.

The most significant expense increase in the Community Development budget is the \$4,500,000 increase in the Special Projects account for the Below Market Rate Housing program. Increases in salary and benefits are due to reclassifications, promotions and negotiated increases to salary and benefits.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



GOAL: Review and guide development activity to ensure compliance with relevant codes and policies, and alignment with community values to promote and enhance Cupertino’s community-wide quality of life.

Enabled by...

Efficient planning and building services and enhanced customer service.

Enabled by...

Effective code enforcement services.

Enabled by...

Affordable and Below Market Rate Housing programs and public service grants.

Enabled by...

Proactive Economic Development programs to support local business.



Measure	Ongoing Target
Department cost recovery	96%
Website Updates Completed on Schedule	100%
Planning application reviews completed 5 days before 30 day deadline	50%
Building permit applications reviewed over-the-counter (OTC)	80%
Building permit application reviews completed within 15 business days	90%
Building Inspections Requested Online	75%
Average number of days to initiate investigation of code complaints	<7
Code enforcement cases resolved without issuance of citations	80%
Landlord-tenant counseling and dispute resolution cases provided	100 per year
Below market rate rental and purchase vacancies filled	15 per year, given availability
Housing resources and referrals provided	400 per year
Economic Development Business Buzz Readers	700 in FY 17-18
Economic Development Business Workshops & Events	12 per year

So that...

Cupertino is a thriving City to live, work, learn and play.

Mission statement: provide exceptional service, encourage all members of the community to take responsibility for one another, and support the values of education, innovation and collaboration.

PLANNING & COMMUNITY DEVELOPMENT - ADMINISTRATION

Budget Unit 100-70-700

Budget at a Glance	
Total Revenues	-
Total Expenditures	345,677
Fund Balance	-
General Fund Costs	345,677
% Funded by General Fund	100.0%
Total Staffing	0.55

PROGRAM OVERVIEW

The Community Development Administration program manages general office and oversight functions for the Community Development Department.

SERVICE OBJECTIVES

- Coordinate and direct general office affairs related to community development functions.
- Manage professional and administrative staff.
- Prepare and implement the department budget.
- Coordinate as necessary with other departments in the City.
- Review and evaluate City and department goals and objectives.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$345,677 for the Administration Budget. This represents an increase of \$105,132 from the FY 2016-17 Final Adopted Budget.

The increase is attributed primarily to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Planning & Community Development - Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	147,221	150,060	91,358	99,243
Employee Benefits	50,123	53,687	34,131	38,749
Materials	12,359	14,572	15,755	26,450
Contract Services	1,562	2,100	30,219	31,144
Cost Allocation	10,620	10,620	65,577	146,586
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	3,505	3,505
Total Expenditures	221,885	231,040	240,545	345,677
Fund Balance				
General Fund Costs	\$ 221,885	\$ 231,040	\$ 240,545	\$ 345,677

STAFFING

Total current authorized positions – 0.55

There are no changes to the current level of staffing.

Total authorized positions – 0.55

PLANNING - CURRENT PLANNING

Budget Unit 100-71-701

Budget at a Glance	
Total Revenues	2,795,000
Total Expenditures	2,151,008
Fund Balance	-
General Fund Costs	(643,992)
% Funded by General Fund	0.0%
Total Staffing	8.13

PROGRAM OVERVIEW

The current planning program serves to review projects and implement City ordinances and the General Plan goals and objectives through the permitting process.

SERVICE OBJECTIVES

- Maintain a high level of customer service.
- Provide assistance at the public counter, over the telephone, or via email.
- Implement the City's General Plan and Zoning Ordinance.
- Evaluate Planning applications for consistency with City ordinance, General Plan goals and applicable State and Federal regulations.
- Coordinate internal review of Planning applications with other City departments.
- Conduct environmental review of projects in compliance with California Environmental Quality Act (CEQA) and applicable regional, State and Federal regulations.
- Provide technical analysis and recommendations to the Council, Planning Commission and Design Review Committee.
- Administer the review of projects including finalizing building permits related to Planning requirements.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$2,151,008 for the Current Planning Budget. This represents a decrease of \$2,514,935 from the FY 2016-17 Final Adopted Budget.

The decrease is attributed primarily to a conservative estimate in revenues and expenditures from development. Changes to cost allocation and contract services methods also resulted in decreases. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Planning - Current Planning

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	(3,332,463)	5,610,192	3,042,300	2,795,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	6,419	107,395	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	(3,326,044)	5,717,587	3,042,300	2,795,000
Expenditures				
Employee Compensation	660,094	620,399	941,579	1,057,462
Employee Benefits	223,512	228,977	346,161	410,435
Materials	14,882	16,774	32,730	41,830
Contract Services	29,886	58,346	212,548	15,098
Cost Allocation	105,528	114,708	901,769	601,827
Capital Outlay	-	-	-	-
Special Projects	807,347	595,353	2,206,800	-
Appropriations for Contingency	6,642	-	24,356	24,356
Total Expenditures	1,847,892	1,634,558	4,665,943	2,151,008
Fund Balance	-	-	-	-
General Fund Costs	\$ 5,173,935	\$ (4,083,029)	\$ 1,623,643	\$ (643,992)

STAFFING

Total current authorized positions – 8.63

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 8.13

PLANNING - MID AND LONG TERM PLANNING

Budget Unit 100-71-702

Budget at a Glance	
Total Revenues	1,057,500
Total Expenditures	725,588
Fund Balance	-
General Fund Costs	(331,912)
% Funded by General Fund	0.0%
Total Staffing	2.50

PROGRAM OVERVIEW

The Mid and Long Term Planning program assists the community in preparing, reviewing and amending documents including the General Plan, Specific Plans, Conceptual Plans, and the Municipal Code, including the Zoning Ordinance. Additionally, the program anticipates and evaluates trends, and develops strategies and plans to help the City address change.

SERVICE OBJECTIVES

- Review and amend the City's General Plan, Housing Element, and Municipal Code, including the Zoning Ordinance, Specific, Conceptual and Master Plans.
- Ensure that City processes and regulations are in compliance with State and Federal regulations.
- Review and implement policies in the General Plan, Housing Element, Zoning Ordinance, Specific, Conceptual and Master Plans.
- Coordinate with various regional, State and Federal agencies on projects.
- Facilitate the planning and implementation of the City Councils annual community development goals and objectives.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$725,588 for the Mid and Long Term Planning Budget. This represents a decrease of \$99,970 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily attributable to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The decrease in special projects is due to the costs and scope of projects in the current year being less than in the prior year. Funds for uncompleted special projects will be carried over from FY 2016-17.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Planning - Mid and Long Term Planning

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	1,050,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	7,500
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	1,057,500
Expenditures				
Employee Compensation	229,362	239,185	300,821	325,830
Employee Benefits	81,612	90,909	115,921	133,055
Materials	6,340	4,576	8,435	8,110
Contract Services	6,018	238,141	51,800	103,350
Cost Allocation	39,876	39,876	194,605	151,267
Capital Outlay	-	-	-	-
Special Projects	733,659	608,259	150,000	-
Appropriations for Contingency	-	-	3,976	3,976
Total Expenditures	1,096,867	1,220,946	825,558	725,588
Fund Balance	-	-	-	-
General Fund Costs	\$ 1,096,867	\$ 1,220,946	\$ 825,558	\$ (331,912)

STAFFING

Total current authorized positions – 2.90

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 2.50

PLANNING – ANNEXATIONS

Budget Unit 100-71-704

Budget at a Glance	
Total Revenues	-
Total Expenditures	10,141
Fund Balance	-
General Fund Costs	10,141
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The Annexations program was created in FY 2014-15 to account for annexations of property from outside city limits.

SERVICE OBJECTIVES

- Identify and process annexations

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$10,141 for the Annexations Budget. This represents a decrease of \$696 from the FY 2016-17 Final Adopted Budget.

Dedicated funds set aside for the Lawrence Mitty annexation will be carried over from FY 2016-17 to FY 2016-17.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Planning - Annexations

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	837	141
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	10,000	10,000
Total Expenditures	-	-	10,837	10,141
Fund Balance				
General Fund Costs	\$ -	\$ -	\$ 10,837	\$ 10,141

STAFFING

There is no staffing associated with this program.

PLANNING - ECONOMIC DEVELOPMENT

Budget Unit 100-71-705

Budget at a Glance	
Total Revenues	-
Total Expenditures	508,547
Fund Balance	-
General Fund Costs	508,547
% Funded by General Fund	100.0%
Total Staffing	1.00

PROGRAM OVERVIEW

The Economic Development program specifically targets business retention, expansion, and attraction with a focus on small business development. The Economic Development program was transferred to the City Manager Department in Fiscal Year 2013-14, but was transferred back to the Community Development Department in FY 16-17 to allow for greater alignment and collaboration with relevant citywide planning and development activities.

SERVICE OBJECTIVES

- Provide assistance and support to businesses to enable job creation, new business formation, private investment, and industry evolution.
- Conduct outreach to existing small businesses to create strong working relationships.
- Collaborate with internal city team members to keep the needs of businesses in the forefront when reviewing applications and projects.
- Partner with local business associations and agencies to create a strong and cohesive network offering business assistance.
- Provide the public with current data and information easily accessible online or in printed format.
- Assist with policy formation to align with business and community goals.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$508,547 for the Economic Development Budget. This represents an increase of \$385,265 from the FY 2016-17 Final Adopted Budget.

The increase is primarily attributable to more accurately budgeting staff compensation and benefits, as well as a budget of \$175,000 for the implementation of priority strategies from the Economic Development Strategic Plan.

The Adopted budget also includes additional funds for Small Business Saturday, printing informational materials, and \$5,000 for one letter mailing and one postcard mailing to all business license holders in the City to notify them of annual Minimum Wage increases.

Council adopted the Minimum Wage Ordinance on October 4, 2016. The ordinance became effective on January 1, 2017.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the Adopted new special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Economic Development Strategic Plan Implementation	\$175,000		General Fund	The Cupertino City Council adopted the 2016 Economic Development Strategic Plan to ensure the continued economic prosperity of the City. Recommendations include facilitating the development of office space for small and mid-size businesses, improving pedestrian, cyclist and transit connectivity, upgrading retail centers, meeting hospitality need, and expanding marketing.
Total	\$175,000			

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Planning - Economic Development

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	29,604	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	29,604	-	-
Expenditures				
Employee Compensation	517	74,722	61,800	150,693
Employee Benefits	135	22,257	2,135	63,082
Materials	-	35,862	45,150	30,650
Contract Services	-	66,822	-	49,000
Cost Allocation	-	16,272	2,345	28,270
Capital Outlay	-	-	-	-
Special Projects	-	-	-	175,000
Appropriations for Contingency	-	-	11,852	11,852
Total Expenditures	652	215,934	123,282	508,547
Fund Balance	-	-	-	-
General Fund Costs	\$ 652	\$ 186,330	\$ 123,282	\$ 508,547

STAFFING

Total current authorized positions – 1.00

There are no changes to the current level of staffing.

Total authorized positions – 1.00

HOUSING SERVICES - CDBG GENERAL ADMINISTRATION

Budget Unit 260-72-707

Budget at a Glance	
Total Revenues	62,918
Total Expenditures	88,814
Fund Balance	(25,896)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	0.53

PROGRAM OVERVIEW

The General Administration of the Community Development Block Grant (CDBG) federal entitlement program consists of the overall program administration costs, including staff time and employee benefits. The CDBG program is a federal entitlement program which serves low and very-low income Cupertino residents.

SERVICE OBJECTIVES

- Prepare and submit an Annual Plan yearly to the Department of Housing and Urban Development (HUD).
- Prepare and submit CAPER on annual basis to HUD.
- Prepare and submit to HUD a Consolidated Plan every 5-7 years.
- Meet quarterly with Santa Clara County CDBG Coordinators.
- Conduct two public hearings per year to allocate CDBG funding.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$88,814 for the CDBG General Administration Budget. This represents an increase of \$25,046 from the FY 2016-17 Final Adopted Budget.

The Adopted budget covers staff time and benefits to administer CDBG grants and is determined by a percentage of total CDBG funding. The increase is due to increases in staff allocation.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Housing Services - CDBG General Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	62,918	62,918
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	62,918	62,918
Expenditures				
Employee Compensation	43,213	39,957	44,820	54,531
Employee Benefits	18,018	16,071	18,948	29,215
Materials	-	-	-	-
Contract Services	334	295	-	-
Cost Allocation	-	-	-	5,068
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	61,564	56,323	63,768	88,814
Fund Balance	(61,564)	(56,323)	(850)	(25,896)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

Total current authorized positions – 0.43

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.53

HOUSING SERVICES - AFFORDABLE HOUSING

Budget Unit 260-72-709

Budget at a Glance	
Total Revenues	204,484
Total Expenditures	284,484
Fund Balance	(80,000)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

This portion of the CDBG program encompasses grants and loans to non-profit developers and agencies to purchase land and units for affordable housing.

SERVICE OBJECTIVES

- Issue RFPs on an annual basis for affordable housing development projects.
- Make funding recommendations to Housing Commission and City Council.
- Coordinate entitlement process with the Planning Division for affordable development projects.
- Monitor project progress of grantees through construction phase.
- Coordinate CEQA/NEPA process for all affordable developments.
- Review quarterly reports from developers and enter data into HUD IDIS program.
- Coordinate preparation of all grant and loan agreements, Deeds of Trust, Promissory Notes and Regulatory Agreements.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$284,484 for the Affordable Housing Budget. This represents a decrease of \$0 from the FY 2016-17 Final Adopted Budget.

The budget is determined by federal CDBG funding. This budget is funded from \$204,484 in grant revenue and \$80,000 in fund balance.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Housing Services - Affordable Housing

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	204,484	204,484
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	204,484	204,484
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	532,077	366,928	284,484	284,484
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	532,077	366,928	284,484	284,484
Fund Balance	(532,077)	(366,928)	(80,000)	(80,000)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

HOUSING SERVICES - PUBLIC SERVICE GRANTS

Budget Unit 260-72-710

Budget at a Glance	
Total Revenues	47,188
Total Expenditures	47,188
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

Fifteen percent of the City of Cupertino’s CDBG entitlement is reserved for grants to nonprofit agencies serving low and very low income Cupertino residents. The agencies provide services such as food assistance, job training, emergency housing, legal assistance, etc.

SERVICE OBJECTIVES

- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each sub-recipient awarded funding through this program.
- On a bi-annual basis, issue RFP for grants, review grant applications, and make funding recommendations.
- Make presentation to City Council on funding recommendations.
- On an annual basis, prepare grant agreement or amend grant agreement for each grantee.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$47,188 for the Public Service Grants Budget. This represents a decrease of \$0 from the FY 2016-17 Final Adopted Budget.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Housing Services - Public Service Grants

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	47,188	47,188
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	47,188	47,188
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	48,141	45,982	47,188	47,188
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	48,141	45,982	47,188	47,188
Fund Balance	(48,141)	(45,982)	-	-
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

HOUSING SERVICES - BMR HOUSING

Budget Unit 265-72-711

Budget at a Glance	
Total Revenues	1,000,000
Total Expenditures	8,610,724
Fund Balance	(7,610,724)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	0.27

PROGRAM OVERVIEW

This program covers administration of the Below Market Rate (BMR) Housing program.

SERVICE OBJECTIVES

- Contract with BMR Housing administrator on an annual basis.
- Prepare and monitor agreement for services between the City of Cupertino and administrator.
- Review quarterly reports submitted by administrator.
- Process quarterly reimbursement requests from administrator.
- Provide technical assistance to administrator in the administration of the BMR program.
- Review lot book reports prepared by independent contractor for each of the ownership BMR units in the BMR program.
- Review and maintain "Policy and Procedures Manual for Administering Deed Restricted Affordable Housing Units."
- Review and maintain Inclusionary Housing Program Manual.
- MidPeninsula below market rate (BMR) housing project.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$8,610,724 for the BMR Housing Budget. This represents an increase of \$4,499,141 from the FY 2016-17 Final Adopted Budget.

The Adopted increase is attributed primarily to the \$8,000,000 for Below Market Rate Affordable Housing Fund capital and housing projects, compared to the \$3,500,000 budgeted in FY 2016-17. The Adopted budget also includes legal consultation and maintains funding levels for grants.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the Adopted new special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Below Market Rate Affordable Housing Fund Notice of Funding Availability	\$8,000,000	3% interest over 30 year loan term. All outstanding interest and principal will be due in full and payable on or by the maturity date	BMH Housing Fund	<p>BMR AHF funds must be used for eligible housing projects that will serve low and/or moderate-income households located within the City of Cupertino jurisdiction limits. The City may award and appropriate funds to one or more eligible projects.</p> <p>Project Requirements: BMR AHF housing project funds will not be granted or issued as forgivable loans. The City invites eligible non-profit and for profit Development Entities (DEs) to submit proposals for eligible funding activities which include, but are not limited to:</p> <ul style="list-style-type: none"> • Land acquisition • New construction • Acquisition and/or rehabilitation of buildings for permanent affordability • Substantial rehabilitation <p>Project Affordability Requirements: BMR AHF affordable rental and/or ownership housing proposals must meet the City BMR requirements and offer 99 years of affordability. An affordable regulatory agreement will be recorded against the property to ensure affordability.</p>
Total	\$8,000,000			

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Housing Services - BMR Housing

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	15,113,279	1,000,000
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	15,113,279	1,000,000
Expenditures				
Employee Compensation	32,004	34,382	41,566	28,779
Employee Benefits	12,539	13,522	16,047	14,883
Materials	269,911	239,411	281,070	227,580
Contract Services	41,357	96,279	272,900	336,900
Cost Allocation	-	1,152	-	2,582
Capital Outlay	-	-	-	-
Special Projects	116,491	-	3,500,000	8,000,000
Appropriations for Contingency	-	-	-	-
Total Expenditures	472,301	384,745	4,111,583	8,610,724
Fund Balance	(472,301)	(384,745)	11,001,696	(7,610,724)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

Total current authorized positions – 0.37

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.27

HOUSING SERVICES - HUMAN SERVICE GRANTS

Budget Unit 100-72-712

Budget at a Glance	
Total Revenues	-
Total Expenditures	41,836
Fund Balance	-
General Fund Costs	41,836
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The City of Cupertino sets aside \$40,000 from its General Fund for non-profit agencies providing services to Cupertino low and very-low income.

SERVICE OBJECTIVES

- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each sub-recipient of this program.
- On a bi-annual basis, issue RFP for grants, review grant applications, and make funding recommendations.
- Present funding recommendations to City Council.
- On an annual basis, prepare or amend grant agreement for each grantee.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$41,836 for the Human Service Grants Budget. This represents a decrease of \$74 from the FY 2016-17 Final Adopted Budget.

The budget maintains \$40,000 in grant funding for services to low income Cupertino residents.

The decrease is due to changes in the cost allocation program. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Housing Services - Human Service Grants

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	40,000
Contract Services	40,000	39,882	40,000	-
Cost Allocation	-	-	1,910	1,836
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	40,000	39,882	41,910	41,836
Fund Balance				
General Fund Costs	\$ 40,000	\$ 39,882	\$ 41,910	\$ 41,836

STAFFING

There is no staffing associated with this program.

BUILDING - GENERAL BUILDING

Budget Unit 100-73-713

Budget at a Glance	
Total Revenues	721,000
Total Expenditures	791,962
Fund Balance	-
General Fund Costs	70,962
% Funded by General Fund	9.0%
Total Staffing	2.70

PROGRAM OVERVIEW

The General Building program protects residents of Cupertino by enforcing standards to safeguard life, health, safety and welfare of residents, workers, and visitors to Cupertino through effective administration and enforcement of adopted codes and ordinances, which regulate the design, construction, use, occupancy, location and maintenance of all buildings and structures.

SERVICE OBJECTIVES

- Provide efficient and friendly service that will assist customers with their building permit goals and objectives; continue to streamline the workflow process to provide efficient and friendly customer service.
- Work proactively to enhance the public interface and information systems.
- Continue efforts to create a more effective records management system and land use data system using Geographic Information System (GIS).
- Increase staff knowledge through in-house training, meetings and seminars

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$791,962 for the General Building Budget. This represents an increase of \$33,017 from the FY 2016-17 Final Adopted Budget.

The increase is primarily attributed to changes in how the city applied these charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

There is a decrease in special projects charges due to the fact that the budget for special projects, such as digitizing historical building records, are anticipated to be completed.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Building - General Building

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	428,753	1,978,792	721,000	721,000
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	286	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	125	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	428,753	1,979,203	721,000	721,000
Expenditures				
Employee Compensation	275,438	299,039	338,810	375,719
Employee Benefits	110,045	114,572	130,443	145,524
Materials	14,405	16,649	17,692	24,895
Contract Services	19,323	35,302	7,886	6,736
Cost Allocation	84,960	70,224	193,138	236,112
Capital Outlay	-	-	-	-
Special Projects	35,828	75,559	68,000	-
Appropriations for Contingency	-	-	2,976	2,976
Total Expenditures	540,000	611,345	758,945	791,962
Fund Balance	-	-	-	-
General Fund Costs	\$ 111,246	\$ (1,367,858)	\$ 37,945	\$ 70,962

STAFFING

Total current authorized positions – 2.75

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 2.70

BUILDING - BUILDING PLAN REVIEW

Budget Unit 100-73-714

Budget at a Glance	
Total Revenues	335,000
Total Expenditures	1,283,854
Fund Balance	-
General Fund Costs	948,854
% Funded by General Fund	73.9%
Total Staffing	5.90

PROGRAM OVERVIEW

The Building Plan Review program is responsible for the timely and accurate review and approval of plans and specifications for all residential, commercial and industrial permit applications for buildings and structures to ensure the Adopted design meets or exceeds the minimum life safety, plumbing, mechanical, electrical, accessibility, energy and structural safety standards of all governing codes.

SERVICE OBJECTIVES

- Provide a streamlined building plan review system that will ensure plans comply with all applicable state and local codes and ordinances.
- Continue to streamline the internal application processing system and permit review process.
- Confer with design professionals on project application and pre-application meetings.
- Provide general code information for property owners, design professionals, developers, contractors and the general public.
- Assist building inspectors in difficult or unusual code interpretation as it applies to various buildings and structures.
- Assist in training of building inspectors and permit technicians in conducting residential and minor commercial plan review.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,283,854 for the Building Plan Review Budget. This represents a decrease of \$200,435 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily attributed to carrying over special projects and contract services, and more accurately anticipating material expenses. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Building - Building Plan Review

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	(5,500)	-	-	200,000
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	1,959,477	1,064,615	1,410,000	135,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	99,311	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	1,953,977	1,163,926	1,410,000	335,000
Expenditures				
Employee Compensation	389,113	510,584	560,105	631,006
Employee Benefits	156,137	196,911	228,532	269,478
Materials	4,417	8,960	14,230	10,475
Contract Services	118,200	136,128	160,767	9,167
Cost Allocation	54,312	54,312	231,492	322,065
Capital Outlay	-	-	-	-
Special Projects	720,369	1,043,616	247,500	-
Appropriations for Contingency	-	-	41,663	41,663
Total Expenditures	1,442,548	1,950,512	1,484,289	1,283,854
Fund Balance	-	-	-	-
General Fund Costs	\$ (511,429)	\$ 786,586	\$ 74,289	\$ 948,854

STAFFING

Total current authorized positions – 5.40

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 5.90

BUILDING - BUILDING CODE ENFORCEMENT

Budget Unit 100-73-715

Budget at a Glance	
Total Revenues	1,225,000
Total Expenditures	1,349,597
Fund Balance	-
General Fund Costs	124,597
% Funded by General Fund	9.2%
Total Staffing	5.25

PROGRAM OVERVIEW

The Building Inspection program is responsible for the construction inspection of all new and existing buildings and structures for conformity with approved plans and permits, and for compliance with state and local building code requirements. The program also responds to emergency situations and complaints of unsafe structures, work without permits, and prepares Notices of Violation as necessary. Unabated cases are referred to the Code Enforcement Division for further action.

SERVICE OBJECTIVES

- Build and maintain a positive working relationship with co-workers, other city employees and the general public using principles of quality customer service.
- Build and maintain a partnership with property owners, developers and contractors to help our customers meet their building occupancy goals.
- Perform building inspections within 48 hours of receiving the request.
- Consistently and accurately document non-complying code issues to ensure proper and safe installation of routine and complex building systems.
- Ensure that minimum building code safety requirements are met in all phases of construction for structural, electrical, plumbing, mechanical and accessibility installations.
- Educate community members about life and safety inspection issues as they occur before and during the construction process.
- Work with owners, developers and contractors to implement principles of green building as required in the CALGreen Building Code and Cupertino green building requirements.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,349,597 for the Building Code Enforcement Budget. This represents a decrease of \$496,243 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily attributed to the fact that special projects are expected to be completed.

Increase in contract services reflects an increase in credit card fees. This covers credit card fees for all transactions for Public Works, Planning and all Building divisions. The budget allocates more money to pay these fees and explore mobile payment options to improve customer service and convenience.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Building - Building Code Enforcement

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	238,925	1,072,670	1,754,000	1,200,000
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	646,219	4,526,986	-	25,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	406,630	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	885,145	6,006,285	1,754,000	1,225,000
Expenditures				
Employee Compensation	525,460	535,388	570,342	628,356
Employee Benefits	211,444	221,719	246,537	259,949
Materials	11,953	13,584	24,936	22,500
Contract Services	172,981	537,990	49,906	109,456
Cost Allocation	71,424	109,560	262,655	321,872
Capital Outlay	-	-	-	-
Special Projects	2,332,343	3,628,220	684,000	-
Appropriations for Contingency	622	-	7,464	7,464
Total Expenditures	3,326,227	5,046,460	1,845,840	1,349,597
Fund Balance	-	-	-	-
General Fund Costs	\$ 2,441,083	\$ (959,824)	\$ 91,840	\$ 124,597

STAFFING

Total current authorized positions – 5.85

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 5.25

BUILDING - MUNICIPAL CODE ENFORCEMENT

Budget Unit 100-73-718

Budget at a Glance	
Total Revenues	-
Total Expenditures	311,082
Fund Balance	-
General Fund Costs	311,082
% Funded by General Fund	100.0%
Total Staffing	1.25

PROGRAM OVERVIEW

The Community Development Code Enforcement Program provides for the enforcement of various provisions of the municipal code relating to nonconforming land use and building code compliance. These activities include building without permits, unpermitted removal of protected trees, nonconforming accessory structures, various use permit violations, private residential fence height/setback violations, and nonconforming signs. Assistance is provided to Planning and Building Division staff in the resolution of different code violations and land use concerns, which are contrary to the municipal code.

SERVICE OBJECTIVES

- Respond to citizen, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$311,082 for the Municipal Code Enforcement Budget. This represents an increase of \$34,908 from the FY 2016-17 Final Adopted Budget.

This increase is primarily attributed to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Building - Municipal Code Enforcement

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	12,738	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	12,738	-	-	-
Expenditures				
Employee Compensation	155,164	107,697	121,941	129,989
Employee Benefits	63,299	45,053	50,054	55,733
Materials	8,241	1,647	9,419	7,750
Contract Services	4,697	29,636	5,530	7,300
Cost Allocation	65,136	65,136	87,921	109,001
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	1,309	1,309
Total Expenditures	296,537	249,168	276,174	311,082
Fund Balance				
General Fund Costs	\$ 283,799	\$ 249,168	\$ 276,174	\$ 311,082

STAFFING

Total current authorized positions – 1.25

There are no changes to the current level of staffing.

Total authorized positions – 1.25



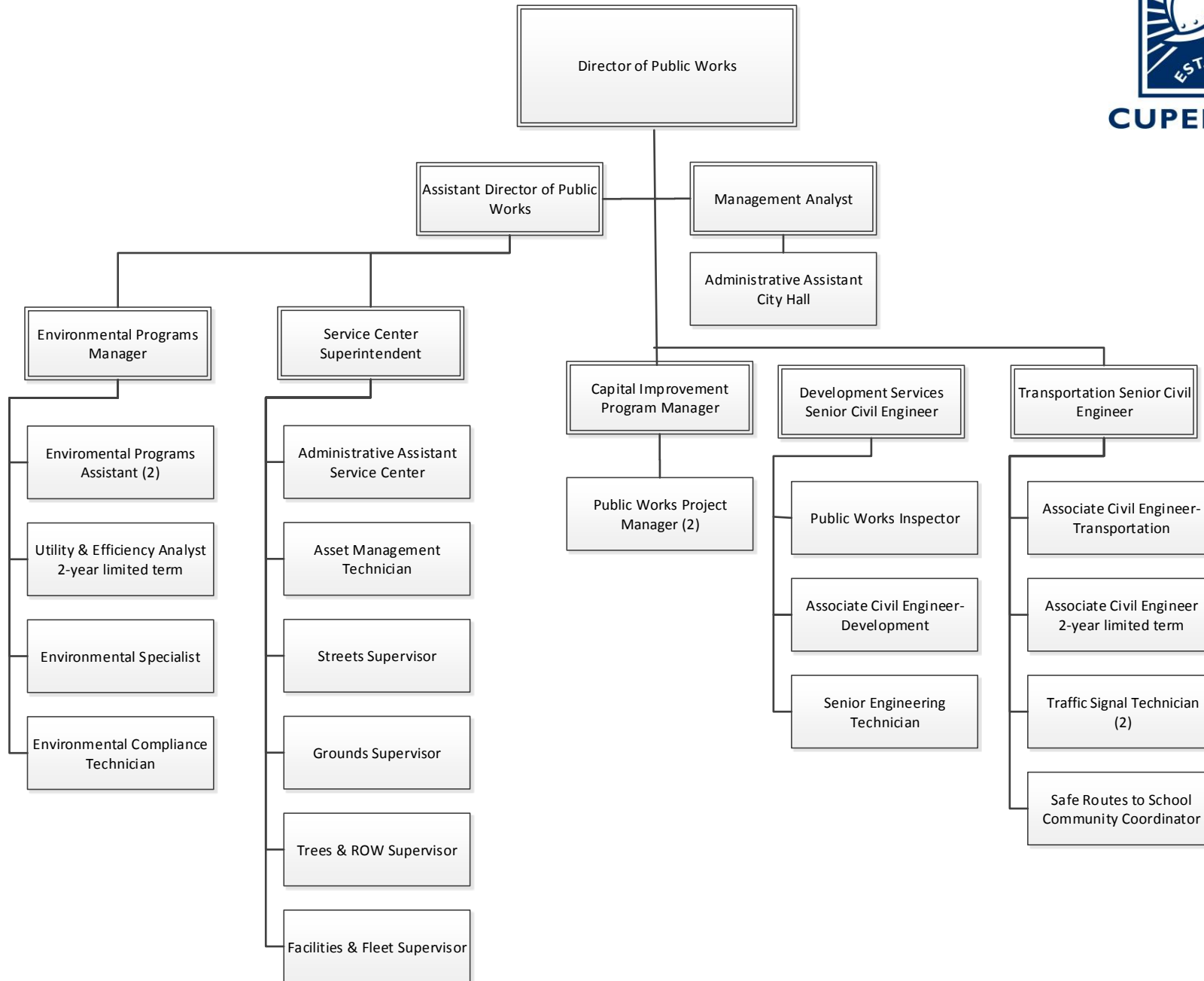
Public Works

Administration
Environmental Programs
Developmental Services
Service Center
Grounds
Streets
Trees and Right of Way
Facilities and Fleet
Transportation
Fixed Assets Acquisition

PUBLIC WORKS

Budget Unit	2018 Adopted
Public Works Administration \$ 766,715	
100-80-800 Administration	766,715
Environmental Programs \$ 4,031,482	
520-81-801 Resource Recovery	3,269,762
230-81-802 Non Point Source	761,720
Developmental Services \$ 2,972,145	
100-82-804 Plan Review	2,117,716
100-82-806 CIP Administration	854,429
Service Center \$ 1,804,912	
100-83-807 Service Center Administration	1,804,912
Grounds \$ 4,166,680	
100-84-808 McClellan Ranch Park	82,847
100-84-809 Memorial Park	747,097
100-84-812 School Site Maintenance	996,892
100-84-813 Neighborhood Parks	1,554,798
100-84-814 Sport Fields Jollyman, Creekside	593,604
100-84-815 Civic Center Ground Maintenance	191,442
Streets \$ 11,153,664	
100-85-818 Storm Drain Maintenance	449,950
270-85-820 Sidewalk Curb and Gutter	1,085,525
270-85-821 Street Pavement Maintenance	6,744,384
270-85-822 Street Sign Marking	831,990
100-85-848 Street Lighting	605,360
630-85-849 Equipment Maintenance	1,251,239
100-85-850 Environmental Materials	185,216
Trees and Right of Way \$ 3,146,213	
100-86-824 Overpasses and Medians	1,453,793
100-86-825 Street Tree Maintenance	1,251,142
100-86-826 Weekend Work Program	441,278

Facilities and Fleet		\$ 3,861,690
100-87-827	City Hall	629,738
100-87-828	Library	334,605
100-87-829	Service Center	314,654
100-87-830	Quinlan Center	504,647
100-87-831	Senior Center	248,657
100-87-832	McClellan Ranch	146,444
100-87-833	Monta Vista Community Center	150,687
100-87-834	Wilson Park	67,491
100-87-835	Portal Park	58,766
570-87-836	Sports Center	484,623
100-87-837	Creekside Park	135,913
100-87-838	Community Hall	267,259
100-87-839	Teen Center	47,033
100-87-840	Park Bathrooms	154,965
100-87-841	Blackberry Farm Facilities Maintenance	298,208
100-87-852	Franco Traffic Operations Center	18,000
Transportation		\$ 1,861,518
100-88-844	Traffic Engineering	1,001,024
100-88-845	Traffic Signal Maintenance	713,733
100-88-846	Safe Routes 2 School	146,761
Citywide - Non Departmental		\$ 1,029,200
210-90-978	Minor Storm Drain Improvement	-
630-90-985	Fixed Assets Acquisition	1,029,200
Total		\$ 34,794,219



DEPARTMENT SUMMARY

Public Works

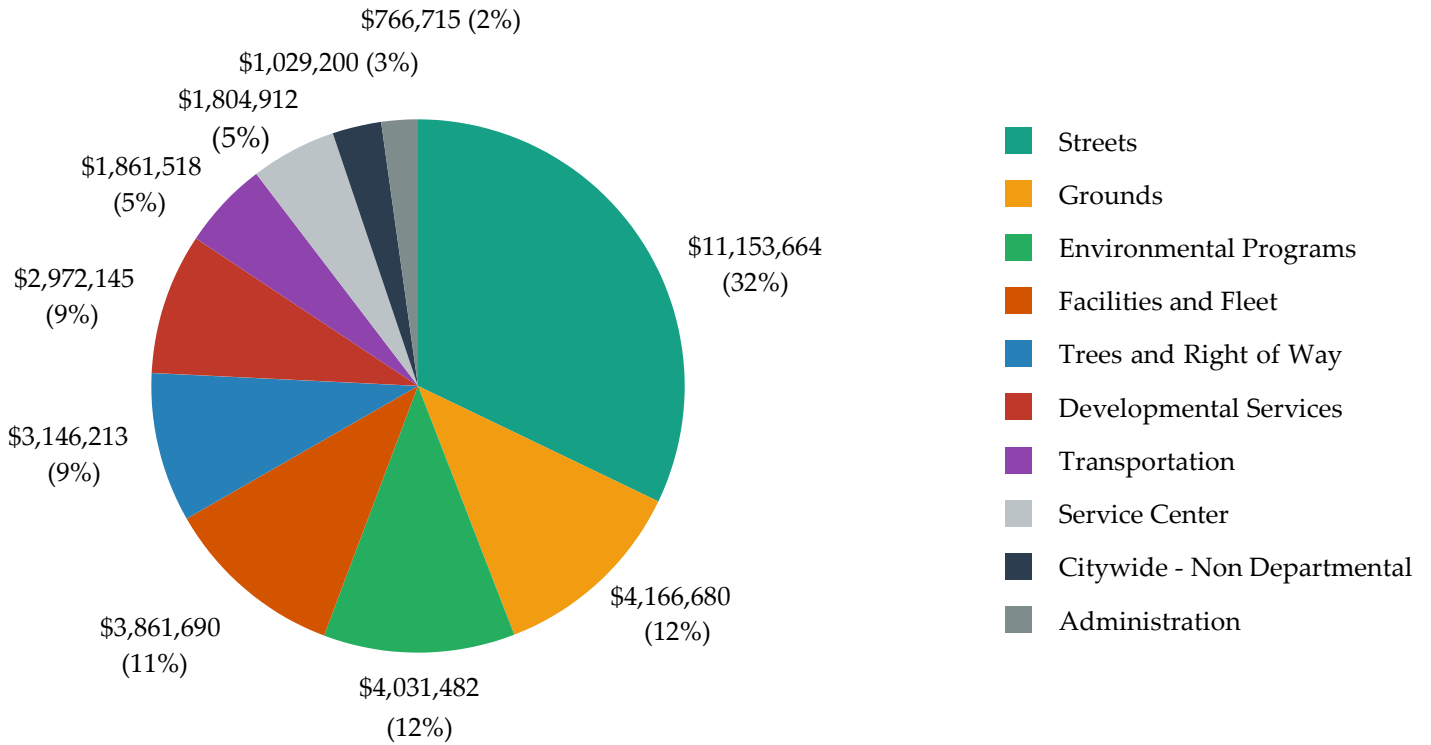
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	138,921	177,122	140,700	236,700
Intergovernmental Revenue	294,079	-	-	1,816,000
Charges for Services	9,884,936	5,853,628	4,588,057	6,821,074
Fines and Forfeitures	2,724	6,387	502,000	6,000
Miscellaneous Revenue	19,148	167,843	120,000	211,460
Interdepartmental Revenue	-	-	-	-
Total Revenues	10,339,808	6,204,979	5,350,757	9,091,234
Expenditures				
Employee Compensation	6,180,282	6,638,218	7,373,774	7,944,977
Employee Benefits	2,813,617	3,096,342	3,507,566	3,721,114
Materials	2,626,250	2,689,509	3,004,602	3,558,012
Contract Services	3,987,371	4,436,018	5,350,615	5,273,301
Cost Allocation	2,765,505	2,667,888	4,762,210	3,470,186
Capital Outlay	280,163	76,197	190,000	85,000
Special Projects	12,239,635	12,096,121	10,630,314	10,320,669
Appropriations for Contingency	-	-	419,980	420,960
Total Expenditures	30,892,822	31,700,292	35,239,061	34,794,219
Fund Balance	(7,467,949)	(6,913,651)	(9,067,140)	(4,220,221)
General Fund Costs	\$ 13,085,066	\$ 18,581,662	\$ 20,821,164	\$ 21,482,764

ADOPTED BUDGET

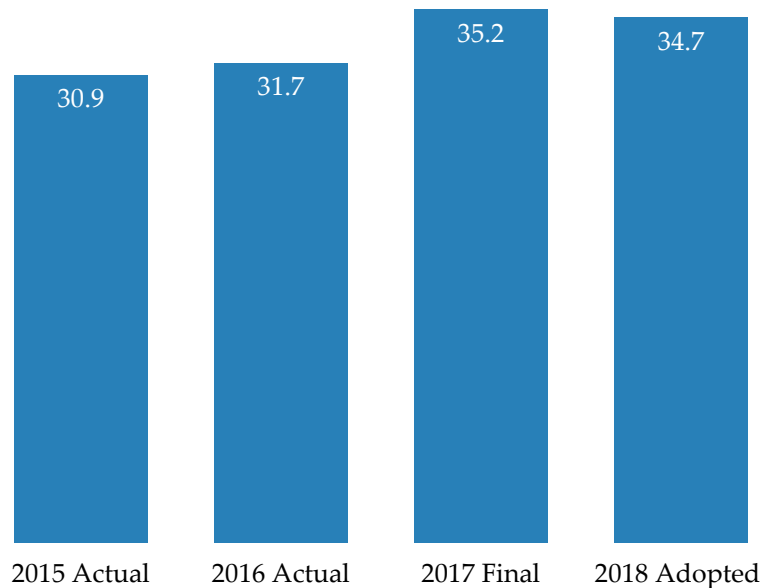
On June 20, 2017, City Council approved a budget of \$34,794,219 for the Public Works Budget. This represents a decrease of \$444,842 from the FY 2016-17 Final Adopted Budget.

The decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This decrease is offset by increases in salary and benefits due to one new three year limited term Senior Planner to assist with transportation projects and negotiated increases to salary and benefits.

ADOPTED EXPENDITURES FY 2017-2018



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



CAPITAL PROJECT DELIVERY

GOAL: Deliver capital projects on time and within budget.

So that...

City funds capital improvement projects.

So that...

Projects are utilized by the community.

So that...

Residents and businesses are assured their community is being improved by efficient use of taxes and fees.



Measure	Ongoing Target
Projects are on budget	80%
Projects are on time	80%

DEVELOPMENT SERVICES

GOAL: Provide timely review and permitting of privately completed improvements within the public right of way.

So that...

Public Works Department reviews improvements within the public right of way.

So that...

Projects are constructed to an approved standard by a well-trained staff.

So that...

Customers expect quality reviews and permitting on a defined schedule.



Measure	Ongoing Target
Respond to complete plan submittals or applications within two (2) weeks	90%
Respond to public inquiries at the Public Works counter in City Hall within 15 minutes.	95%

DEPENDABLE INFRASTRUCTURE

GOAL: Timely maintain levels of service to meet community and environment requirements at optimal life-cycle costs.

So that...

The City consistently funds infrastructure maintenance and safety improvement programs.

So that...

Infrastructure indicates good condition; safety programs are effective.



Measure	Ongoing Target
Pavement condition index (PCI) > or equal to 82*	82
Respond to reported issues within one (1) business day:	
Storm drain system	100%
Street markings & signs	100%
Sidewalk and pathway	100%
Playground equipment	100%
Respond to reported issues within two (2) business days:	
Remove graffiti	100%
Streetlight outages	100%
Respond within one (1) hour on any reported safety issue regarding traffic signals	100%

So that...

Cupertino has well maintained infrastructure and programs that meets the needs of the community.

ENVIRONMENT

GOAL: Protect our natural environment for current and future generations.

So that...

City is responsible for a comprehensive storm water pollution prevention program.

So that...

Potential pollutants are stopped before entering the storm drain system.

So that...

City implements solid waste collection services that encourage diversion of waste from landfills.

So that...

Diversion of solid waste from landfill is maximized, compost is produced for community use, recyclable material is sold to help offset collection costs and methane gas emissions at landfills are reduced.

So that...



Measure	Ongoing Target
Respond to reports of actual or potential discharge the same business day	80%
Percent of businesses in compliance during annual proactive inspections	75%
Tons of waste entering landfill (<i>does not include self-haul or material to landfills other than Newby Island</i>)	=< 27,000
Diversion Rates rate By employment ¹ : By population ¹ : Commercial only ² :	75% 75% 60%
Number of all business and multifamily accounts separating organics out of 496	50%
Number of outreach site visits, workshops, events and activities to inform residents and businesses	150
% of street, median, and park trees maintained according to the Urban Forest Workplan ³	100%
Number of trees planted compared to number of trees removed	110%
All new vehicle purchases are to be hybrid and/or electric only models	90%

So that...

Vehicles purchased have the least environmental impact possible.

City is responsible for the maintenance and enhancement of the urban forest.

Cupertino's urban forest is resilient, healthy and safe.

Current and future residents enjoy a healthy, sustainable environment.

¹ CalRecycle has a 12 month lag in reporting. Data is for calendar year 2016.

² Does not include business donations, back haul, or other source reduction, etc.

³ Urban Forest Workplan Updated November 2016

ADMINISTRATION – PUBLIC WORKS ADMINISTRATION

Budget Unit 100-80-800

Budget at a Glance	
Total Revenues	-
Total Expenditures	766,715
Fund Balance	-
General Fund Costs	766,715
% Funded by General Fund	100.0%
Total Staffing	3.25

PROGRAM OVERVIEW

The Public Works Department is comprised of the following eight divisions:

- Development Services (including inspection services)
- Capital Improvement Program
- Administration
- Environmental
- Programs
- Transportation
- Facilities and Fleet
- Trees and Right-of-Way
- Grounds
- Streets

SERVICE OBJECTIVES

- Provide capital project delivery, development plan check, permitting and inspection, solid waste and recycling services, storm water quality compliance, and public works maintenance services in a responsive and efficient manner by continuously adapting programs and resources to meet the community’s expectations.
- Provide response within 24 hours to the community on complaints and requests for services. Plan and program maintenance of the City’s public facilities and infrastructure.
- Program and deliver Capital Improvement Projects in a timely and cost-efficient manner. Work with operating departments and the community to ensure projects meet expectations.
- Collaborate with Community Development to efficiently deliver predictable, responsive and efficient development services.
- Represent the City on county and regional issues such as congestion management, and mobility and transit planning.

- Manage and adapt traffic operations to efficiently move traffic and protect neighborhoods.
- Oversee and manage stormwater, solid waste and recycling programs.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$766,715 for the Administration Budget. This represents a decrease of \$765,136 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

This program is adding two part-time Office Assistant positions for records conversion. The decrease in special projects is due to the costs and scope of projects in current year being less than in the prior year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Public Works Administration - Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	266,238	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	266,238	-
Expenditures				
Employee Compensation	357,831	390,476	422,641	496,848
Employee Benefits	144,116	158,765	170,796	177,553
Materials	13,131	14,438	17,839	18,839
Contract Services	521	2,297	2,000	2,000
Cost Allocation	57,828	57,828	801,902	69,802
Capital Outlay	-	-	-	-
Special Projects	-	115,000	115,000	-
Appropriations for Contingency	-	-	1,673	1,673
Total Expenditures	573,428	738,804	1,531,851	766,715
Fund Balance	-	-	-	-
General Fund Costs	\$ 573,428	\$ 738,804	\$ 1,265,613	\$ 766,715

STAFFING

Total current authorized positions – 3.25

There are no changes to the current level of staffing.

Total authorized positions – 3.25

ENVIRONMENTAL PROGRAMS - RESOURCE RECOVERY

Budget Unit 520-81-801

Budget at a Glance	
Total Revenues	2,246,000
Total Expenditures	3,269,762
Fund Balance	(1,023,762)
<hr/>	
General Fund Costs	-
% Funded by General Fund	0.0%
<hr/>	
Total Staffing	4.30

PROGRAM OVERVIEW

The Resource Recovery program manages the City’s garbage and recycling franchised hauler contract and provides garbage and recycling customer service for residents and business owners; develops and implements programs and policy to comply with AB 939 source reduction and recycling mandates; manages the City’s state-permitted residential household hazardous waste (HHW) door-to-door collection and disposal service; oversees the free compost giveaway at Stevens Creek Quarry and the associated property lease and trucking agreement for the compost site; and represents the City on countywide committees. The public education and outreach programs led by this division include visits to businesses and apartment complexes to provide recycling instruction, kitchen containers and visual materials; presentations at events and schools and employee training for businesses on-site as needed. The program coordinates many complimentary activities with the Sustainability program in the Office of the City Manager.

SERVICE OBJECTIVES

- Meet State AB 939 requirements to divert a minimum of 50% of Citywide waste from landfill and achieve the State (AB 341) goal of 75% diversion by 2020.
- Help businesses implement the City’s Mandatory Organics Recycling ordinance (6.24.037) which ensures compliance with AB 1826.
- Assist businesses and multi-family properties (garbage generators of 4 cubic yards or more per week) with preparations to comply with mandatory organics recycling by July 1, 2018.
- Provide landlords and property owners with support and educational materials for their tenants.
- Visit the management of each multi-family complex to encourage participation in a knock and talk campaign whereby City staff distribute free kitchen pails and tips to help residents separate kitchen food waste prior to taking it to a central garbage and recycling area.
- Provide contract oversight and customer service for garbage and recycling collection, yard waste processing, composting and household hazardous waste collection.
- Manage community events such as the citywide Garage Sale and the spring and

summer free compost give-away for residents.

- Assist CUSD and high school teachers and students with student recycling and composting projects related to teachers' curriculum and the City's environmental initiatives.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$3,269,762 for the Resource Recovery Budget. This represents an increase of \$72,298 from the FY 2016-17 Final Adopted Budget.

This program is adding a 0.5 FTE environmental programs intern, materials for direct outreach items for the organics roll-out to multi-family homes and telephone and data plan expenses for devices supported.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Environmental Programs - Resource Recovery

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	25,000
Intergovernmental Revenue	-	-	-	15,000
Charges for Services	778,628	2,514,936	-	2,150,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	56,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	778,628	2,514,936	-	2,246,000
Expenditures				
Employee Compensation	364,001	391,163	433,953	470,408
Employee Benefits	108,174	133,047	184,838	208,450
Materials	14,664	23,280	21,760	23,410
Contract Services	1,982,445	2,368,232	2,401,000	2,401,000
Cost Allocation	79,177	81,476	155,913	166,494
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	2,548,461	2,997,198	3,197,464	3,269,762
Fund Balance	(1,769,833)	(482,262)	(3,197,464)	(1,023,762)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

Total current authorized positions – 4.35

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 4.30

ENVIRONMENTAL PROGRAMS - NON POINT SOURCE

Budget Unit 230-81-802

Budget at a Glance	
Total Revenues	386,000
Total Expenditures	761,720
Fund Balance	(291,598)
General Fund Costs	84,122
% Funded by General Fund	11.0%
Total Staffing	1.97

PROGRAM OVERVIEW

The Non-Point Source program manages the City's compliance with its State-mandated Municipal Regional Stormwater NPDES Permit (MRP 2.0, reissued with changes effective January 1, 2016); provides program and policy development and implementation of state-mandated activities including complaint response and enforcement programs; conducts annual interdepartmental staff training, scheduled business and construction site inspections and review of private development plans to ensure compliance with low impact development (LID); and new Green Infrastructure Plan development requirements. The program is responsible for calculating storm drain fees annually to submit to the County for collection on property tax bills, writing an annual report to the Regional Water Quality Control Board to verify and document the City's compliance with Clean Water Act mandates; and engaging and educating the public via articles in the Cupertino Scene, webpage development, visits to businesses and presentations at local schools, De Anza College and community events. Public participation events include two or more annual volunteer creek cleanup days, a water quality monitoring day at Blackberry Farm, Earth Day and various countywide collaborative events. Implementation and annual progress assessment of the City's eight-year litter reduction plan (approved by Council in January 2014) are among the requirements of the City's Non-Point Source program.

SERVICE OBJECTIVES

- Oversee the City's compliance with the Municipal Regional Stormwater Permit (MRP 2.0) with regard to water pollution prevention, erosion control, conserving water
- as a resource (e.g. infiltration rather than runoff), and low impact development (LID) via the City's permit application process and conditions of approval.
- Coordinate urban runoff pollution and erosion prevention activities with other departments divisions and private businesses.
- Mandated activities include: catch basin cleaning; postconstruction oversight of permanent stormwater treatment measures installed at private new and redeveloped sites; implementation of, and annual progress assessments for the eight-year litter reduction plan; oversight of construction best management practices during private and public construction; inspection of grease-generating and wet-waste food facilities and other businesses to prevent water polluting discharges; complaint response and

investigation to protect water quality; and education of staff and local businesses on best management practices for outdoor storage and activities.

- Represent the City on county and regional committees to prevent creek and San Francisco Bay pollution, erosion and illegal dumping.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$761,720 for the Non Point Source Budget. This represents an increase of \$90,107 from the FY 2016-17 Final Adopted Budget.

This increases in salary and benefits are due to staffing reallocation among department budgets to more accurately reflect the work performed. The increase in special projects is described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Storm Water Rate Study	\$13,000	\$13,000	General Fund	City Council Work Program Item
Total	\$13,000	\$13,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Environmental Programs - Non Point Source

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	100	-	-	380,000
Fines and Forfeitures	2,724	6,387	502,000	6,000
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	2,824	6,387	502,000	386,000
Expenditures				
Employee Compensation	144,101	164,321	196,130	225,172
Employee Benefits	60,092	72,062	86,691	135,524
Materials	3,885	6,119	8,027	8,027
Contract Services	195,842	201,567	292,500	307,000
Cost Allocation	53,015	52,980	68,655	66,387
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	19,610	19,610
Total Expenditures	456,935	497,048	671,613	761,720
Fund Balance	(454,111)	(361,985)	(40,934)	(291,598)
General Fund Costs	\$ -	\$ 128,676	\$ 128,679	\$ 84,122

STAFFING

Total current authorized positions – 1.87

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 1.97

DEVELOPMENTAL SERVICES - PLAN REVIEW

Budget Unit 100-82-804

Budget at a Glance	
Total Revenues	1,374,529
Total Expenditures	2,117,716
Fund Balance	-
General Fund Costs	743,187
% Funded by General Fund	35.1%
Total Staffing	4.50

PROGRAM OVERVIEW

The Development Services Division is comprised of two areas:

- Development Services - reviews plans for private developments and utility encroachments to ensure conformance with City standards and policies.
- Inspection Services - ensures compliance with City standards and approved plans on all public and private developments, and utility projects.

SERVICE OBJECTIVES

- Ensure that private development projects provide necessary supporting infrastructure, and that potential impacts on the community are mitigated.
- Place safety of the general public, City employees and construction workers as the highest priority on construction sites.
- Inspect utility encroachment permits for work within the City right-of-way and return streets and sidewalks to City standards.
- Ensure compliance with stormwater permit and prevent runoff from polluting nearby watersheds. Work closely with the Environmental Programs Division to continue inspecting jobsites before, during and after each rain event and conduct annual inspections of all Post Construction Treatments and Stormwater Pollution Prevention Plan (SWPPP) compliance.
- Respond to public inquiries or complaints in a timely manner.
- Provide aid and information to other City Divisions and Departments, including Community Development, Building, Capital Improvements, City Attorney's Office, Service Center and Recreation and Community Services, as needed to facilitate private developments and public infrastructure projects.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$2,117,716 for the Plan Review Budget. This represents an increase of \$1,105,492 from the FY 2016-17 Final Adopted Budget.

There are increases in salary and benefits due to the reallocation of the Associate Civil Engineer position and the reclassification costs associated with the change from Senior Civil Engineer to Transportation Manager. The position currently classified as a Senior Civil Engineer has grown in scope, breadth of responsibilities, organizational hierarchy, and subject matter specificity (transportation). The Transportation Manager classification is similar to classifications in other cities in the county, and much more closely captures the current and near-future duties and responsibilities of the position. The scope of this position has grown to include an active and growing Safe Routes to School Program, a significantly increased emphasis to manage and implement the Bicycle Transportation Plan, the Pedestrian Transportation Plan, and the ADA Accessibility Transition Plan. This position also serves as the City’s ADA Coordinator and liaison to the Bicycle and Pedestrian Commission. In 2017-18, this position will also supervise a Transportation Planner that will focus on transit issues, including school and senior bus and ride-share programs, as well as corporate bus issues and transit funding programs through the VTA’s Measure B program. Organizationally, this position formerly reported to the Assistant Director of Public Works, however for the past four years has reported directly to the Director.

The increases in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Wireless Facilities Master Plan	\$100,000	\$100,000	General Fund	City Council Work Program Item
Apple 2 Phase 2 Public Works Inspections	\$943,069	\$943,069	Pass through revenues*	Apple 2 Phase 2
Total	\$1,043,069	\$1,043,069		

* Cost recovered

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Developmental Services - Plan Review

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	1,188,055	2,046,228	1,090,000	1,233,069
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	129,330	120,000	141,460
Interdepartmental Revenue	-	-	-	-
Total Revenues	1,188,055	2,175,557	1,210,000	1,374,529
Expenditures				
Employee Compensation	492,876	514,173	512,928	566,226
Employee Benefits	210,885	235,705	245,073	247,636
Materials	13,724	14,342	25,918	13,768
Contract Services	40,490	102,565	61,000	62,000
Cost Allocation	55,608	60,408	162,021	179,733
Capital Outlay	-	-	-	-
Special Projects	1,054,160	1,158,550	-	1,043,069
Appropriations for Contingency	-	-	5,284	5,284
Total Expenditures	1,867,742	2,085,742	1,012,224	2,117,716
Fund Balance	-	-	-	-
General Fund Costs	\$ 679,687	\$ (89,815)	\$ (197,776)	\$ 743,187

STAFFING

Total current authorized positions – 4.60

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 4.50

DEVELOPMENTAL SERVICES - CIP ADMINISTRATION

Budget Unit 100-82-806

Budget at a Glance	
Total Revenues	-
Total Expenditures	854,429
Fund Balance	-
General Fund Costs	854,429
% Funded by General Fund	100.0%
Total Staffing	3.00

PROGRAM OVERVIEW

The Capital Improvement Program (CIP) provides design and construction administration for all capital improvement projects including streets, storm drainage, buildings, parks, and other public facilities.

SERVICE OBJECTIVES

- Ensure that all public improvements are designed and constructed in accordance with community expectations and City standards.
- Provide quarterly CIP status reports to Council and the community.
- Place safety of the general public, City employees and workers as the highest priority in the delivery of capital projects.
- Respond to public inquiries or complaints in a timely manner.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$854,429 for the CIP Administration Budget. This represents a decrease of \$320,892 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. The decrease in contract services is attributed to reallocating budget for preliminary planning and design to the Capital Improvement Program.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Developmental Services - CIP Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	6,750	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	6,750	-	-
Expenditures				
Employee Compensation	337,302	383,109	452,764	476,833
Employee Benefits	114,293	131,209	142,053	155,321
Materials	6,564	8,365	12,500	13,300
Contract Services	57,328	199,300	203,000	103,000
Cost Allocation	33,348	44,796	306,973	87,944
Capital Outlay	-	-	-	-
Special Projects	-	-	40,000	-
Appropriations for Contingency	-	-	18,031	18,031
Total Expenditures	548,835	766,779	1,175,321	854,429
Fund Balance	-	-	-	-
General Fund Costs	\$ 548,835	\$ 760,029	\$ 1,175,321	\$ 854,429

STAFFING

Total current authorized positions – 3.00

There are no changes to the current level of staffing.

Total authorized positions – 3.00

SERVICE CENTER - SERVICE CENTER ADMINISTRATION

Budget Unit 100-83-807

Budget at a Glance	
Total Revenues	69,000
Total Expenditures	1,804,912
Fund Balance	-
General Fund Costs	1,735,912
% Funded by General Fund	96.2%
Total Staffing	3.05

PROGRAM OVERVIEW

This program manages Public Works maintenance operations that include the major divisions of streets, grounds, trees, medians, facilities and fleet, as well as the minor divisions of signs/markings, storm drain, sidewalk, curb and gutter, overpasses and storm water; provides administrative support for personnel timesheets, general training prioritization and assignment of service calls; provides oversight of various contracted services including street sweeping, janitorial and crossing guard in addition to the weekend work furlough program; and collaborates with Public Works Engineering for asset improvements beyond routine maintenance.

SERVICE OBJECTIVES

- Create a positive environment that fosters efficiency and innovation for service center employees.
- Ensure proper documentation and inventory for trees, sidewalk repair, striping and legends, street signs, vehicle and equipment, streetlights and storm water pollution.
- Maintain records of all complaints and requests for services by tracking responses through computer programs and written service request forms.
- Maintain productivity units of measure for key tasks performed.
- Support Public Works Engineering in the collection of field data, review of improvement drawings and development of capital improvement projects.
- Timely manage completion of employee performance reviews, as well as provide timely progressive discipline per City policy when necessary.
- Maintain, lead and implement all elements of the Injury and Illness Prevention Program.
- Maintain positive, accountable relations with employee bargaining groups.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,804,912 for the Service Center Administration Budget. This represents an increase of \$144,585 from the FY 2016-17 Final Adopted Budget.

The increase is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. In addition, this program is increasing contract services for special projects as described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
City Facilities Building Assessment	\$200,000	\$200,000	General Fund	City Council Work Program Item
Office Improvements	\$70,000	\$70,000	General Fund	City-wide work area improvements
Total	\$270,000	\$270,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Service Center - Service Center Administration

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	12,900	30,853	-	69,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	12,900	30,853	-	69,000
Expenditures				
Employee Compensation	287,015	319,502	442,389	406,163
Employee Benefits	123,428	128,424	172,253	168,973
Materials	59,738	56,236	75,745	74,845
Contract Services	141,136	161,961	217,500	217,500
Cost Allocation	200,196	150,276	554,100	644,091
Capital Outlay	55,633	-	-	-
Special Projects	-	266	175,000	270,000
Appropriations for Contingency	-	-	23,340	23,340
Total Expenditures	867,146	816,665	1,660,327	1,804,912
Fund Balance	-	-	-	-
General Fund Costs	\$ 854,246	\$ 785,812	\$ 1,660,327	\$ 1,735,912

STAFFING

Total current authorized positions – 4.70

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 3.05

GROUNDS - MCCLELLAN RANCH PARK

Budget Unit 100-84-808

Budget at a Glance	
Total Revenues	-
Total Expenditures	82,847
Fund Balance	-
General Fund Costs	82,847
% Funded by General Fund	100.0%
Total Staffing	0.30

PROGRAM OVERVIEW

McClellan Ranch Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department.

SERVICE OBJECTIVES

- The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, and graffiti removal.
- Provide twice annually the mowing of fire breaks per Fire Marshal request in a manner in which wildlife is least impacted.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup programs of garden plots.
- Provide logistical support to the Recreation and Community Services Department for all of the City's special events.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$82,847 for the McClellan Ranch Park Budget. This represents an increase of \$17,307 from the FY 2016-17 Final Adopted Budget.

This program is increasing general supplies and materials for water costs to reflect actual usage and rate increases. The increases in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Fence Replacement	\$12,000	\$12,000	General Fund	Fence replacement
Total	\$12,000	\$12,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Grounds - McClellan Ranch Park

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	25,725	23,472	24,956	28,466
Employee Benefits	11,786	11,499	13,173	15,262
Materials	13,007	12,038	13,597	16,577
Contract Services	5,975	6,530	8,000	8,000
Cost Allocation	3,336	3,336	4,228	956
Capital Outlay	-	-	-	-
Special Projects	-	-	-	12,000
Appropriations for Contingency	-	-	1,586	1,586
Total Expenditures	59,830	56,875	65,540	82,847
Fund Balance				
General Fund Costs	\$ 59,830	\$ 56,875	\$ 65,540	\$ 82,847

STAFFING

Total current authorized positions – 0.30

There are no changes to the current level of staffing.

Total authorized positions – 0.30

GROUNDS - MEMORIAL PARK

Budget Unit 100-84-809

Budget at a Glance	
Total Revenues	14,000
Total Expenditures	747,097
Fund Balance	-
General Fund Costs	733,097
% Funded by General Fund	98.1%
Total Staffing	3.80

PROGRAM OVERVIEW

Memorial Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Memorial Park is the largest and most utilized park in Cupertino.

SERVICE OBJECTIVES

The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.

- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, spraying of pesticides, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include turf spraying, fertilization applications, aerating, over-seeding and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and preparation of athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Minimize the negative effects of waterfowl to park patrons.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup programs of garden plots.
- Provide logistical support to the Recreation and Community Development Department for all the City's special events.
- Oversight of contracted tree trimming and fence repairs.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$747,097 for the Memorial Park Budget. This represents an increase of \$168,464 from the FY 2016-17 Final Adopted Budget.

This program is increasing salary and benefits due to the reallocation of staff and overtime, general supplies for engineering chip for playgrounds and general services for goose abatement and tree work. The decrease in materials is attributed to the pond shut off and therefore no water is needed to service to the ponds. The increases in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Cement work	\$50,000	\$50,000	General Fund	Ramp for lift, mow band, tennis court swale
Tennis court light upgrade	\$85,000	\$71,000 \$14,000	General Fund Rebate	Replace lights for 6 tennis courts with LED
Total	\$135,000	\$135,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Grounds - Memorial Park

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	14,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	14,000
Expenditures				
Employee Compensation	210,661	201,483	215,798	238,386
Employee Benefits	104,212	98,722	120,422	126,360
Materials	130,184	134,821	152,791	166,231
Contract Services	37,526	7,821	32,550	37,550
Cost Allocation	62,328	49,668	42,976	29,474
Capital Outlay	-	-	-	85,000
Special Projects	19,116	-	-	50,000
Appropriations for Contingency	-	-	14,096	14,096
Total Expenditures	564,027	492,515	578,633	747,097
Fund Balance	-	-	-	-
General Fund Costs	\$ 564,027	\$ 492,515	\$ 578,633	\$ 733,097

STAFFING

Total current authorized positions – 3.05

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 3.80

GROUNDS - SCHOOL SITE MAINTENANCE

Budget Unit 100-84-812

Budget at a Glance	
Total Revenues	135,000
Total Expenditures	996,892
Fund Balance	-
General Fund Costs	861,892
% Funded by General Fund	86.5%
Total Staffing	4.10

PROGRAM OVERVIEW

Under a joint use agreement with the Cupertino Union School District, nine athletic fields and landscape areas, constituting approximately 52 acres, are managed by the Grounds Division of the Public Works Department. These sites include Hyde and Kennedy Middle Schools, Collins, Eaton, Lincoln, Regnard, Faria, Stevens Creek and Garden Gate Elementary Schools.

SERVICE OBJECTIVES

The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas / athletic fields in the Bay Area.

- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, spraying of pesticides and other maintenance.
- Provide quarterly maintenance that may include turf spraying, fertilization applications, aerating, over-seeding and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing athletic fields for seasonal use.
- Maintain school sites for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup programs of garden plots.
- Provide logistical support to the Park and Recreation Department for all the City's special events.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$996,892 for the School Site Maintenance Budget. This represents an increase of \$227,520 from the FY 2016-17 Final Adopted Budget.

This program is increasing overtime, materials for field maintenance, and general services for

gopher abatement and tree work. This budget includes an increase for water costs due to properly attributing school field irrigation to this budget and to cover rate increases. Special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Concrete work at Faria School	\$25,000	\$25,000	General Fund	Repair raised/cracked cement in dugout-trip hazard
Water Supply at Collins School	\$50,000	\$50,000	General Fund	Replace water supply equipment
Total	\$75,000	\$75,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Grounds - School Site Maintenance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	135,000
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	135,000
Expenditures				
Employee Compensation	250,959	275,904	294,883	319,050
Employee Benefits	131,476	144,726	160,746	170,335
Materials	116,855	149,970	145,890	314,458
Contract Services	13,266	8,087	15,500	20,500
Cost Allocation	146,508	122,388	60,537	85,733
Capital Outlay	-	-	-	-
Special Projects	-	10,000	80,000	75,000
Appropriations for Contingency	-	-	11,816	11,816
Total Expenditures	659,063	711,075	769,372	996,892
Fund Balance	-	-	-	-
General Fund Costs	\$ 659,063	\$ 711,075	\$ 769,372	\$ 861,892

STAFFING

Total current authorized positions – 4.30

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 4.10

GROUNDS - NEIGHBORHOOD PARKS

Budget Unit 100-84-813

Budget at a Glance	
Total Revenues	-
Total Expenditures	1,554,798
Fund Balance	-
General Fund Costs	1,554,798
% Funded by General Fund	100.0%
Total Staffing	7.80

PROGRAM OVERVIEW

Neighborhood Parks include 14 of the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Neighborhood park sites include Linda Vista, Mary Ave. Dog Park, Monta Vista, Portal, Somerset, Varian, Wilson, Three Oaks, Hoover, Canyon Oak (Little Rancho), Franco Park, Sterling/Barnhart, Oak Valley and Blackberry Farms.

SERVICE OBJECTIVES

The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.

- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, spraying of pesticides, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include turf spraying, fertilization applications, aerating, over-seeding and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and prepare athletic fields for seasonal use.
- Maintain all playgrounds in accordance to California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize Weekend Work furlough program as needed to assist in weekend and weekday cleanup programs of garden plots.
- Provide logistical support to the Recreation and Community Services Department for all the City's special events.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,554,798 for the Neighborhood Parks

Budget. This represents a decrease of \$5,235 from the FY 2016-17 Final Adopted Budget.

This program is increasing overtime and general supplies due to the purchase of engineering chip. The decrease in general services is due to the costs and scope of project in the current year being less than the prior year. Special projects are described in the following table.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Monta Vista concrete work	\$35,000	\$35,000	General Fund	Repair raised/cracked cement by playground - trip hazard
Portal Park concrete work	\$50,000	\$50,000	General Fund	Repair raised/cracked cement - trip hazard
Sport Center Fence	\$25,000	\$25,000	General Fund	Replace gates and restretch fencing
Total	\$110,000	\$110,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Grounds - Neighborhood Parks

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	1,755	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	1,755	-	-
Expenditures				
Employee Compensation	548,775	540,786	562,946	577,040
Employee Benefits	279,558	296,827	324,927	304,154
Materials	271,060	294,425	295,900	357,671
Contract Services	164,860	130,361	157,000	72,000
Cost Allocation	251,460	198,540	115,540	105,213
Capital Outlay	-	-	-	-
Special Projects	-	-	75,000	110,000
Appropriations for Contingency	-	-	28,720	28,720
Total Expenditures	1,515,713	1,460,938	1,560,033	1,554,798
Fund Balance	-	-	-	-
General Fund Costs	\$ 1,515,713	\$ 1,459,184	\$ 1,560,033	\$ 1,554,798

STAFFING

Total current authorized positions – 8.20

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 7.80

GROUNDS - SPORT FIELDS JOLLYMAN, CREEKSIDE
Budget Unit 100-84-814

Budget at a Glance	
Total Revenues	-
Total Expenditures	593,604
Fund Balance	-
General Fund Costs	593,604
% Funded by General Fund	100.0%
Total Staffing	2.70

PROGRAM OVERVIEW

The sport fields at Jollyman and Creekside parks are among the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Sport fields at these two parks are heavily used and enjoyed by the community.

SERVICE OBJECTIVES

The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas / sports fields in the Bay Area.

- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, spraying of pesticides, programmed play structure inspections and other maintenance.
- Provide quarterly maintenance that may include turf spraying, fertilization applications, aerating, over-seeding and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing sport fields for seasonal use.
- Maintain sport fields for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Maintain all playgrounds in accordance to California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup programs of garden plots.
- Provide logistical support to the Recreation and Community Services Department for all the City’s special events.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$593,604 for the Sport Fields Jollyman, Creekside Budget. This represents an increase of \$79,023 from the FY 2016-17 Final Adopted

Budget.

This program is increasing overtime, general supplies, and materials for water costs to better reflect actual expenditures. This budget also includes increases for general services for tree work and one special project described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Cement pad at Creekside Park	\$28,000	\$28,000	General Fund	Base for ARK emergency supply shed/container
Total	\$28,000	\$28,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Grounds - Sport Fields Jollyman, Creekside

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	193,123	197,408	195,263	213,745
Employee Benefits	96,102	103,371	111,806	107,631
Materials	132,286	159,866	142,709	174,238
Contract Services	1,475	12,774	12,000	16,000
Cost Allocation	84,468	71,292	40,885	42,072
Capital Outlay	-	-	-	-
Special Projects	90,828	42,378	-	28,000
Appropriations for Contingency	-	-	11,918	11,918
Total Expenditures	598,282	587,088	514,581	593,604
Fund Balance				
General Fund Costs	\$ 598,282	\$ 587,088	\$ 514,581	\$ 593,604

STAFFING

Total current authorized positions – 2.90

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 2.70

GROUNDS - CIVIC CENTER MAINTENANCE

Budget Unit 100-84-815

Budget at a Glance	
Total Revenues	175,467
Total Expenditures	191,442
Fund Balance	-
General Fund Costs	15,975
% Funded by General Fund	8.3%
Total Staffing	0.90

PROGRAM OVERVIEW

The Civic Center grounds are one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Due to the close proximity to City Hall, Community Hall and the Library, the Civic Center grounds are well utilized. Civic Center maintenance includes the adjacent Library Field.

SERVICE OBJECTIVES

The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.

- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, spraying of pesticides and general maintenance.
- Provide quarterly maintenance that may include turf spraying, fertilization applications, aerating, over-seeding and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material and pre-emergent applications.
- Maintain Library Field for recreational activities including soccer, cricket and a variety of other sports.
- Reduce water consumption wherever practicable.
- Provide logistical support to all City Departments for special events.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$191,442 for the Civic Center Ground Maintenance Budget. This represents a decrease of \$335,246 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

This program is requesting increases in overtime, general supplies to plant trees in the back of Community Hall and materials to cover anticipated water costs.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Grounds - Civic Center Ground Maintenance				
Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	182,985	175,467
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	182,985	175,467
Expenditures				
Employee Compensation	68,954	74,304	75,908	82,966
Employee Benefits	34,015	39,124	41,675	46,850
Materials	31,549	31,089	34,298	48,760
Contract Services	-	-	3,000	3,000
Cost Allocation	20,484	16,056	368,947	7,006
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	2,860	2,860
Total Expenditures	155,002	160,573	526,688	191,442
Fund Balance				
General Fund Costs	\$ 155,002	\$ 160,573	\$ 343,703	\$ 15,975

STAFFING

Total current authorized positions – 1.00

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.90

STREETS - STORM DRAIN MAINTENANCE

Budget Unit 100-85-818

Budget at a Glance	
Total Revenues	1,700
Total Expenditures	449,950
Fund Balance	-
General Fund Costs	448,250
% Funded by General Fund	99.6%
Total Staffing	1.20

PROGRAM OVERVIEW

Maintenance of storm drain system to provide the efficient flow of storm water and to comply with storm water pollution prevention requirements.

SERVICE OBJECTIVES

- Provide effective and timely inspection and maintenance of the storm drain system including inlet and outfall structures, 2,216 storm drain inlets and collection system.
- Provide annual cleaning and inspection of all inlets.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$449,950 for the Storm Drain Maintenance Budget. This represents a decrease of \$12,441 from the FY 2016-17 Final Adopted Budget.

This program is requesting increases for one part-time staff, overtime and telephone and data services for devices supported. The decrease for general services is attributed to completion of special projects.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Streets - Storm Drain Maintenance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	1,700
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	1,700
Expenditures				
Employee Compensation	87,418	112,993	131,373	121,029
Employee Benefits	34,889	46,263	55,319	50,051
Materials	6,629	7,441	15,260	16,260
Contract Services	54,618	122,423	225,000	225,000
Cost Allocation	14,448	14,448	31,359	33,530
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	4,080	4,080
Total Expenditures	198,002	303,568	462,391	449,950
Fund Balance	-	-	-	-
General Fund Costs	\$ 198,002	\$ 303,568	\$ 462,391	\$ 448,250

STAFFING

Total current authorized positions – 1.40

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 1.20

STREETS - SIDEWALK CURB AND GUTTER

Budget Unit 270-85-820

Budget at a Glance	
Total Revenues	210,800
Total Expenditures	1,085,525
Fund Balance	(24,725)
General Fund Costs	850,000
% Funded by General Fund	78.3%
Total Staffing	1.30

PROGRAM OVERVIEW

Maintain sidewalks, curb and gutter to a standard that is functional and improves accessibility and minimizes liability. Optimize the use of available funds by coordinating with other improvement projects.

SERVICE OBJECTIVES

Timely maintain concrete improvements in response to citizen complaints and coordinate with programmed asphalt improvements.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,085,525 for the Sidewalk Curb and Gutter Budget. This represents an increase of \$83,593 from the FY 2016-17 Final Adopted Budget.

This program is requesting increases in overtime, telephone and data services to support budgeted devices and one special project described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Annual Curb, Gutter Sidewalk Project	\$850,000	\$850,000	General Fund	Annual Curb, Gutter, Sidewalk Maintenance
Total	\$850,000	\$850,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Streets - Sidewalk Curb and Gutter

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	1,200
Intergovernmental Revenue	-	-	-	209,600
Charges for Services	490,860	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	490,860	-	-	210,800
Expenditures				
Employee Compensation	64,395	69,900	67,576	104,240
Employee Benefits	31,590	34,970	35,922	59,175
Materials	3,455	4,935	3,729	3,729
Contract Services	269	-	-	-
Cost Allocation	51,090	66,816	44,435	68,111
Capital Outlay	-	-	-	-
Special Projects	1,000,336	815,555	850,000	850,000
Appropriations for Contingency	-	-	270	270
Total Expenditures	1,151,135	992,176	1,001,932	1,085,525
Fund Balance	(660,275)	(992,176)	(201,932)	(24,725)
General Fund Costs	\$ -	\$ -	\$ 800,000	\$ 850,000

STAFFING

Total current authorized positions – 0.90

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 1.30

STREETS - STREET PAVEMENT MAINTENANCE
Budget Unit 270-85-821

Budget at a Glance	
Total Revenues	1,328,100
Total Expenditures	6,744,384
Fund Balance	583,716
General Fund Costs	6,000,000
% Funded by General Fund	89.0%
Total Staffing	3.35

PROGRAM OVERVIEW

This program maintains streets to a standard that balances preventative maintenance with stop gap measures while minimizing liability.

SERVICE OBJECTIVES

- Perform preventative maintenance activities of fog seal and crack fill.
- Perform stop gap maintenance of arterial, collector and residential streets.
- Oversee and manage contracted pavement maintenance projects.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$6,744,384 for the Street Pavement Maintenance Budget. This represents a decrease of \$530,783 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to the decrease in special projects. The budget for the annual asphalt project has decreased due to more area being completed each year. This program is requesting increases in overtime, general supplies to purchase pedestrian barricades, telephone and data services to support budgeted devices and one special project described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Annual Asphalt Project	\$6,000,000	\$6,000,000	General Fund	City Council Work Program Item
Total	\$6,000,000	\$6,000,000		

The following table details revenue, total expenditures, changes in fund balance and General

Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Streets - Street Pavement Maintenance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	294,079	-	-	1,324,000
Charges for Services	7,422,492	-	-	4,100
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	19,148	1,709	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	7,735,719	1,709	-	1,328,100
Expenditures				
Employee Compensation	217,204	254,714	289,405	254,727
Employee Benefits	109,078	126,995	137,473	134,377
Materials	35,818	46,648	50,880	62,080
Contract Services	90,649	8,916	136,000	136,000
Cost Allocation	95,362	89,364	149,849	145,640
Capital Outlay	-	-	-	-
Special Projects	9,733,664	8,229,926	6,500,000	6,000,000
Appropriations for Contingency	-	-	11,560	11,560
Total Expenditures	10,281,775	8,756,565	7,275,167	6,744,384
Fund Balance	(2,546,056)	(2,754,856)	(2,275,167)	583,716
General Fund Costs	\$ -	\$ 6,000,000	\$ 5,000,000	\$ 6,000,000

STAFFING

Total current authorized positions – 3.65

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 3.35

STREETS - STREET SIGN MARKING

Budget Unit 270-85-822

Budget at a Glance	
Total Revenues	133,200
Total Expenditures	831,990
Fund Balance	(698,790)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	3.50

PROGRAM OVERVIEW

This program maintains street regulatory and informational signs, street striping, markings and legends, as well as removes graffiti within street right-of-way in a timely manner.

SERVICE OBJECTIVES

- Respond to regulatory and informational sign issues in a timely manner.
- Coordinate and respond to work orders from the Traffic Engineer.
- Maintain street sign and traffic marking assets in compliance with the Manual of Uniform Traffic Control Devices.
- Remove graffiti in a timely manner.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$831,990 for the Street Sign Marking Budget. This represents an increase of \$169,631 from the FY 2016-17 Final Adopted Budget.

This increase is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

This program is requesting increases in overtime for festival support, telephone and data services to support budgeted devices and a special project described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Lamination Table	\$22,000	\$22,000	General Fund	Upgrade lamination equipment to more efficient model.
Total	\$22,000	\$22,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Streets - Street Sign Marking

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	800
Intergovernmental Revenue	-	-	-	132,400
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	133,200
Expenditures				
Employee Compensation	258,174	273,014	287,082	269,284
Employee Benefits	130,344	138,601	147,426	138,319
Materials	94,303	102,840	86,228	109,228
Contract Services	1,896	4,870	17,000	17,000
Cost Allocation	236,616	243,384	116,492	268,028
Capital Outlay	-	-	-	-
Special Projects	-	-	-	22,000
Appropriations for Contingency	-	-	8,131	8,131
Total Expenditures	721,333	762,709	662,359	831,990
Fund Balance	(721,333)	(762,709)	(662,359)	(698,790)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

Total current authorized positions – 3.90

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 3.50

STREETS - STREET LIGHTING

Budget Unit 100-85-848

Budget at a Glance	
Total Revenues	-
Total Expenditures	605,360
Fund Balance	-
General Fund Costs	605,360
% Funded by General Fund	100.0%
Total Staffing	0.95

PROGRAM OVERVIEW

Maintain city owned streetlights (2,950), parking lot lights and park lighting.

SERVICE OBJECTIVES

- Respond to outages in a timely manner.
- Conserve electricity through the conversion of older less efficient light technology to current and tested technologies.
- Replace direct buried wiring with wiring in conduits as failures occur.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$605,360 for the Street Lighting Budget. This represents an increase of \$54,702 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This program is increasing telephone and data services to support budgeted devices. The decrease in special projects is due to the costs and scope of projects in current year being less than in the prior year. Special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
City Hall parking lot light upgrade	\$48,000	\$48,000	General Fund	Upgrade parking lot lights to LED
Street pole replacements	\$70,000	\$70,000	General Fund	Replace poles too close to equipment and trees
Total	\$118,000	\$118,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Streets - Street Lighting

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	26,743	29,014	39,069	92,841
Employee Benefits	12,864	14,907	15,485	44,907
Materials	227,734	218,774	242,146	256,476
Contract Services	2,235	19,928	50,500	50,500
Cost Allocation	21,792	12,108	19,259	22,437
Capital Outlay	-	-	-	-
Special Projects	28,279	127,890	164,000	118,000
Appropriations for Contingency	-	-	20,199	20,199
Total Expenditures	319,647	422,620	550,658	605,360
Fund Balance				
General Fund Costs	\$ 319,647	\$ 422,620	\$ 550,658	\$ 605,360

STAFFING

Total current authorized positions – 0.35

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.95

STREETS - EQUIPMENT MAINTENANCE

Budget Unit 630-85-849

Budget at a Glance	
Total Revenues	-
Total Expenditures	1,251,239
Fund Balance	(1,251,239)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	3.00

PROGRAM OVERVIEW

The Fleet Division maintains all fleet equipment, including small power equipment. Equipment includes vehicles (102), rolling stock (55), trailers (19), riding mowers (12), and all power equipment (234). The division also manages above ground fuel storage tank at Service Center.

SERVICE OBJECTIVES

- Maintain all city vehicles and equipment to reduce operating costs and increase safety.
- Fabricate, weld and repair equipment that includes vehicles, apparatus, structures, facilities for function and safety.
- Develop specifications and bid per City policy the purchases of trucks, tractors and other significant equipment.
- Maintain surplus vehicles and other equipment per City policy.
- Ensure all vehicles conform to State of California emission regulations.
- Maintain / inspect above ground fuel tanks as required.
- Maintain accurate inventory of fleet/equipment assets.
- Maintain a safe and clean working environment for the equipment mechanics and welding.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,251,239 for the Equipment Maintenance Budget. This represents a decrease of \$143,956 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

This program is requesting increases for one part-time staff, overtime based on FY 2016-17

actuals, and training for new staff. The program is requesting an increase in materials for a scanner purchase and deferred maintenance. The decrease in special projects is due to the costs and scope of projects in current year being less than in the prior year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Streets - Equipment Maintenance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	147,322	174,354	272,448	275,327
Employee Benefits	79,310	89,303	120,799	121,280
Materials	230,531	252,632	294,366	323,639
Contract Services	93,096	125,268	136,500	140,000
Cost Allocation	327,715	470,242	455,363	358,774
Capital Outlay	-	-	-	-
Special Projects	41,632	24,809	83,500	-
Appropriations for Contingency	-	-	32,219	32,219
Total Expenditures	919,606	1,136,608	1,395,195	1,251,239
Fund Balance	(919,606)	(1,136,608)	(1,395,195)	(1,251,239)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

Total current authorized positions – 2.90

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 3.00

TREES AND RIGHT OF WAY - OVERPASSES AND MEDIANS

Budget Unit 100-86-824

Budget at a Glance	
Total Revenues	-
Total Expenditures	1,453,793
Fund Balance	-
General Fund Costs	1,453,793
% Funded by General Fund	100.0%
Total Staffing	6.30

PROGRAM OVERVIEW

The Overpasses and Medians program maintains 31.54 developed areas of median island hardscapes and softscapes as well as 21.69 undeveloped acres of city right-of-way and the landscaped are of the Don Burnett Bridge.

SERVICE OBJECTIVES

- Maintain and improve median islands, landscape strips, trails, landscaped roadsides and public right-of-ways.
- Maintain and improve water efficient programming of irrigation systems.
- Meet all Department of Pesticide Regulation requirements for weed and pest control.
- Timely pruning of plant material to promote plant health, maximize aesthetics and to reduce future maintenance requirements. Plant and care for new plant stock to help ensure future plant health and reduce future maintenance requirements. Conserve water through planting of appropriate plant stock.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,453,793 for the Overpasses and Medians Budget. This represents an increase of \$87,905 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This program is requesting increases for overtime and general services for janitorial contract minimum wage adjustment, bus stop maintenance and dirt haul-off on Stevens Creek Boulevard.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Trees and Right of Way - Overpasses and Medians

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	23,107	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	23,107	-	-
Expenditures				
Employee Compensation	539,485	472,409	453,243	492,530
Employee Benefits	291,714	248,076	243,919	249,277
Materials	289,907	233,581	310,800	353,920
Contract Services	29,737	14,841	33,000	83,000
Cost Allocation	217,092	181,872	298,283	248,423
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	26,643	26,643
Total Expenditures	1,367,935	1,150,779	1,365,888	1,453,793
Fund Balance	-	-	-	-
General Fund Costs	\$ 1,367,935	\$ 1,127,672	\$ 1,365,888	\$ 1,453,793

STAFFING

Total current authorized positions – 6.30

There are no changes to the current level of staffing.

Total authorized positions – 6.30

TREES AND RIGHT OF WAY - STREET TREE MAINTENANCE

Budget Unit 100-86-825

Budget at a Glance	
Total Revenues	10,000
Total Expenditures	1,251,142
Fund Balance	-
General Fund Costs	1,241,142
% Funded by General Fund	99.2%
Total Staffing	7.40

PROGRAM OVERVIEW

The Trees Division maintains the safety, health and appearance of approximately 14,000 Street and Right-of-Way trees, as well as promotes disease free trees to enhance the City's urban forest.

SERVICE OBJECTIVES

- Proactively perform the activities of trimming, spraying, staking, pest management and other tree health related functions.
- Respond to citizen requests to perform the trimming or other tree health related services in a timely manner.
- Remove diseased and damaged trees as needed.
- Plant replacement trees for trees removed due to disease and damage.
- Continue activities to maintain standing as a Tree City USA program.
- Update the annual forestry work plan to document our urban forest and to establish goals and objectives for the care and planting of trees.
- Affix and maintain tree identification badges on all City-owned and maintained street trees.
- Provide educational flyers to all residents with street trees adjacent to their property.
- Oversees stump grinding contracts.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,251,142 for the Street Tree Maintenance Budget. This represents an increase of \$303,412 from the FY 2016-17 Final Adopted Budget.

This increase is partially due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This program is requesting increases for overtime, general supplies for annual pesticide treatment and telephone and data services to support

budgeted devices. The increase in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Tree survey and inventory updates	\$70,000	\$30,000 \$40,000	General Fund Possible ABAG Grant	Tree survey and inventory updates
Total	\$70,000	\$70,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Trees and Right of Way - Street Tree Maintenance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	4,801	5,880	-	10,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	4,801	5,880	-	10,000
Expenditures				
Employee Compensation	308,658	388,394	463,685	510,300
Employee Benefits	145,784	195,900	267,037	265,583
Materials	52,434	57,596	53,400	123,000
Contract Services	47,127	23,673	20,000	20,000
Cost Allocation	273,468	244,584	104,808	253,459
Capital Outlay	7,000	3,000	-	-
Special Projects	16,902	6,053	30,000	70,000
Appropriations for Contingency	-	-	8,800	8,800
Total Expenditures	851,373	919,200	947,730	1,251,142
Fund Balance	-	-	-	-
General Fund Costs	\$ 846,572	\$ 913,320	\$ 947,730	\$ 1,241,142

STAFFING

Total current authorized positions – 7.40

There are no changes Adopted to the current level of staffing.

Total authorized positions – 7.40

TREES AND RIGHT OF WAY - WEEKEND WORK PROGRAM

Budget Unit 100-86-826

Budget at a Glance	
Total Revenues	-
Total Expenditures	441,278
Fund Balance	-
General Fund Costs	441,278
% Funded by General Fund	100.0%
Total Staffing	2.70

PROGRAM OVERVIEW

The Weekend Work Program supplements existing Service Center staffing with individuals in a sentencing alternative program. Participants of the program perform manual labor type duties. The work performed by this program reduces the number of full time maintenance workers required.

SERVICE OBJECTIVES

- Efficiently administer and schedule the Weekend Work Program for a variety of nonskilled activities, including trash pick-up, weed control, right-of-way maintenance and sand bag filling.
- Offset manual work currently performed by skilled labor so as to increase overall productivity at the Service Center.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$441,278 for the Weekend Work Program Budget. This represents a decrease of \$14,804 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to an adjustment of overtime based on FY 16-17 actuals.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Trees and Right of Way - Weekend Work Program

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	221,012	217,292	260,349	249,050
Employee Benefits	101,863	109,488	109,333	103,848
Materials	11,126	9,674	10,760	10,760
Contract Services	-	-	-	-
Cost Allocation	42,960	63,516	74,860	76,840
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	780	780
Total Expenditures	376,961	399,971	456,082	441,278
Fund Balance				
General Fund Costs	\$ 376,961	\$ 399,971	\$ 456,082	\$ 441,278

STAFFING

Total current authorized positions – 2.70

There are no changes to the current level of staffing.

Total authorized positions – 2.70

FACILITIES AND FLEET - CITY HALL

Budget Unit 100-87-827

Budget at a Glance	
Total Revenues	382,657
Total Expenditures	629,738
Fund Balance	-
General Fund Costs	247,081
% Funded by General Fund	39.2%
Total Staffing	1.00

PROGRAM OVERVIEW

Maintain City Hall building to ensure efficient operations, employee satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and city employees.
- Respond to requests made by City Hall staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$629,738 for the City Hall Budget. This represents an increase of \$34,706 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This program is requesting an increase for new employee training. The increases in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
AC in IT Lab	\$25,000	\$25,000	General Fund	AC in IT Lab
HVAC in Video Room	\$25,000	\$25,000	General Fund	HVAC in Video Room
Paint handrails	\$ 5,000	\$ 5,000	General Fund	Paint handrails
Total	\$55,000	\$55,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - City Hall

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	653,222	382,657
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	653,222	382,657
Expenditures				
Employee Compensation	91,605	91,678	88,320	92,691
Employee Benefits	43,319	45,063	45,855	47,282
Materials	160,235	186,787	207,820	216,670
Contract Services	145,646	182,624	154,000	157,000
Cost Allocation	28,128	23,472	58,577	34,135
Capital Outlay	2,765	1,235	-	-
Special Projects	-	-	13,500	55,000
Appropriations for Contingency	-	-	26,960	26,960
Total Expenditures	471,698	530,859	595,032	629,738
Fund Balance	-	-	-	-
General Fund Costs	\$ 471,698	\$ 530,859	\$ (58,190)	\$ 247,081

STAFFING

Total current authorized positions – 1.00

There are no changes to the current level of staffing.

Total authorized positions – 1.00

FACILITIES AND FLEET - LIBRARY

Budget Unit 100-87-828

Budget at a Glance	
Total Revenues	293,621
Total Expenditures	334,605
Fund Balance	-
General Fund Costs	40,984
% Funded by General Fund	12.2%
Total Staffing	0.80

PROGRAM OVERVIEW

Maintain Library building to ensure public and employee satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and county employees.
- Timely response to requests made by County staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$334,605 for the Library Budget. This represents a decrease of \$288,230 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. The decrease in special projects is due to the costs and scope of project in current year being less than in the prior year. Special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Window Replacements	\$10,000	\$10,000	General Fund	Window Replacements
Mirror Replacements	\$ 7,000	\$ 7,000	General Fund	Mirror Replacements
Granite Floor Polish	\$ 6,000	\$ 6,000	General Fund	Granite Floor Polish
Total	\$23,000	\$23,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Library

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	78,125	146,269	140,700	140,700
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	2,700	586,459	152,921
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	78,125	148,969	727,159	293,621
Expenditures				
Employee Compensation	71,973	57,107	56,742	63,430
Employee Benefits	34,692	32,229	32,078	34,551
Materials	6,290	12,307	14,356	14,356
Contract Services	162,674	5,965	175,000	175,000
Cost Allocation	12,972	12,972	263,432	11,541
Capital Outlay	4,049	-	-	-
Special Projects	24,695	17,770	68,500	23,000
Appropriations for Contingency	-	-	12,727	12,727
Total Expenditures	317,345	138,349	622,835	334,605
Fund Balance	-	-	-	-
General Fund Costs	\$ 239,220	\$ (10,620)	\$ (104,324)	\$ 40,984

STAFFING

Total current authorized positions – 0.80

There are no changes to the current level of staffing.

Total authorized positions – 0.80

FACILITIES AND FLEET - SERVICE CENTER

Budget Unit 100-87-829

Budget at a Glance	
Total Revenues	429,314
Total Expenditures	314,654
Fund Balance	-
General Fund Costs	(114,660)
% Funded by General Fund	0.0%
Total Staffing	0.70

PROGRAM OVERVIEW

This program maintains the Service Center buildings to ensure employee satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely response to requests made by Service Center staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$314,654 for the Service Center Budget. This represents a decrease of \$20,913 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to the cost and scope of special projects this year being less than in the prior year. Staffing costs have also decreased due to the reallocation of existing staff.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Replace locker room floor	\$15,000	\$15,000	General Fund	Replace locker room floor
Total	\$15,000	\$15,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Service Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	465,181	429,314
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	465,181	429,314
Expenditures				
Employee Compensation	54,710	58,748	61,081	58,102
Employee Benefits	27,283	31,788	33,971	30,932
Materials	65,009	52,383	86,780	98,215
Contract Services	28,296	31,522	40,000	40,000
Cost Allocation	76,584	63,624	65,008	63,292
Capital Outlay	9,425	6,100	-	-
Special Projects	-	144,239	39,614	15,000
Appropriations for Contingency	-	-	9,113	9,113
Total Expenditures	261,308	388,404	335,567	314,654
Fund Balance	-	-	-	-
General Fund Costs	\$ 261,308	\$ 388,404	\$ (129,614)	\$ (114,660)

STAFFING

Total current authorized positions – 0.80

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.70

FACILITIES AND FLEET - QUINLAN CENTER

Budget Unit 100-87-830

Budget at a Glance	
Total Revenues	228,304
Total Expenditures	504,647
Fund Balance	-
General Fund Costs	276,343
% Funded by General Fund	54.8%
Total Staffing	0.80

PROGRAM OVERVIEW

This program maintains Quinlan Community Center building to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$504,647 for the Quinlan Center Budget. This represents an increase of \$56,009 from the FY 2016-17 Final Adopted Budget.

This increase is primarily due to requested increases in special projects described in the table below. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Replace skylight	\$45,000	\$45,000	General Fund	Replace skylight
New laminate floor	\$45,000	\$45,000	General Fund	Replace laminate floor
Paint offices	\$25,000	\$25,000	General Fund	Repainting
Social Room lights	\$25,000	\$25,000	General Fund	Upgrade to LED
Total	\$140,000	\$140,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Quinlan Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	228,304	228,304
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	228,304	228,304
Expenditures				
Employee Compensation	55,895	61,616	62,120	64,479
Employee Benefits	26,257	31,274	32,057	31,176
Materials	126,029	130,898	135,722	142,962
Contract Services	95,110	96,777	100,000	100,000
Cost Allocation	10,980	10,872	19,502	8,793
Capital Outlay	65,801	-	-	-
Special Projects	-	30,464	82,000	140,000
Appropriations for Contingency	-	-	17,237	17,237
Total Expenditures	380,072	361,901	448,638	504,647
Fund Balance	-	-	-	-
General Fund Costs	\$ 380,072	\$ 361,901	\$ 220,334	\$ 276,343

STAFFING

Total current authorized positions – 0.80

There are no changes to the current level of staffing.

Total authorized positions – 0.80

FACILITIES AND FLEET - SENIOR CENTER

Budget Unit 100-87-831

Budget at a Glance	
Total Revenues	241,641
Total Expenditures	248,657
Fund Balance	-
General Fund Costs	7,016
% Funded by General Fund	2.8%
Total Staffing	0.80

PROGRAM OVERVIEW

Maintain Senior Center building to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely response to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$248,657 for the Senior Center Budget. This represents a decrease of \$108,781 from the FY 2016-17 Final Adopted Budget.

This decrease is partially due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. The decrease in special projects is due to the costs and scope of projects in current year being less than in the prior year. Special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Shelving in work room	\$10,000	\$10,000	General Fund	Add shelving in work room for storage
Power to trash enclosure	\$ 6,000	\$ 6,000	General Fund	Power to charge golf cart and lighting
Upgrade panic buttons & emergency lights	\$ 5,000	\$ 5,000	General Fund	Upgrade to match standard for city facilities
Resurface dance floor	\$ 5,000	\$ 5,000	General Fund	Maintenance to prolong life of floor
Total	\$26,000	\$26,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Senior Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	246,095	241,641
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	246,095	241,641
Expenditures				
Employee Compensation	56,165	57,197	57,574	58,731
Employee Benefits	28,033	29,359	30,286	32,192
Materials	52,266	54,039	57,635	61,040
Contract Services	56,217	55,048	60,000	60,000
Cost Allocation	9,888	9,888	39,661	1,912
Capital Outlay	33,490	3,938	-	-
Special Projects	-	5,046	103,500	26,000
Appropriations for Contingency	-	-	8,782	8,782
Total Expenditures	236,059	214,515	357,438	248,657
Fund Balance	-	-	-	-
General Fund Costs	\$ 236,059	\$ 214,515	\$ 111,343	\$ 7,016

STAFFING

Total current authorized positions – 0.80

There are no changes to the current level of staffing.

Total authorized positions – 0.80

FACILITIES AND FLEET - MCCLELLAN RANCH

Budget Unit 100-87-832

Budget at a Glance	
Total Revenues	-
Total Expenditures	146,444
Fund Balance	-
General Fund Costs	146,444
% Funded by General Fund	100.0%
Total Staffing	0.60

PROGRAM OVERVIEW

This program maintains McClellan Ranch buildings to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$146,444 for the McClellan Ranch Budget. This represents an increase of \$11,590 from the FY 2016-17 Final Adopted Budget.

This program is requesting an increase for overtime and special projects. The increases to special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
4H roof repair	\$10,000	\$10,000	General Fund	Roof repair
4H barn lights	\$ 8,000	\$ 8,000	General Fund	Upgrade to LED
Total	\$18,000	\$18,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - McClellan Ranch

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	30,580	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	30,580	-	-	-
Expenditures				
Employee Compensation	35,531	43,541	43,882	47,945
Employee Benefits	17,031	21,454	21,764	24,296
Materials	16,386	12,762	19,676	20,867
Contract Services	7,022	30,501	26,000	26,000
Cost Allocation	5,448	5,448	8,432	5,736
Capital Outlay	-	-	-	-
Special Projects	3,853	7,410	11,500	18,000
Appropriations for Contingency	-	-	3,600	3,600
Total Expenditures	85,271	121,116	134,854	146,444
Fund Balance	-	-	-	-
General Fund Costs	\$ 54,691	\$ 121,116	\$ 134,854	\$ 146,444

STAFFING

Total current authorized positions – 0.60

There are no changes to the current level of staffing.

Total authorized positions – 0.60

FACILITIES AND FLEET - MONTA VISTA COMMUNITY CENTER

Budget Unit 100-87-833

Budget at a Glance	
Total Revenues	151,450
Total Expenditures	150,687
Fund Balance	-
General Fund Costs	(763)
% Funded by General Fund	0.0%
Total Staffing	0.40

PROGRAM OVERVIEW

This program maintains Monta Vista Community Center and adjacent buildings to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$150,687 for the Monta Vista Community Center Budget. This represents a decrease of \$2,510 from the FY 2016-17 Final Adopted Budget.

This decrease is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. Special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
New VCT composite floor in karate room	\$25,000	\$25,000	General Fund	Floor replacement
Total	\$25,000	\$25,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Monta Vista Community Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	151,450	151,450
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	151,450	151,450
Expenditures				
Employee Compensation	32,824	32,121	31,769	34,502
Employee Benefits	15,174	16,886	17,169	17,318
Materials	24,689	24,796	29,120	30,959
Contract Services	22,823	31,236	35,000	35,000
Cost Allocation	5,448	5,448	23,099	2,868
Capital Outlay	3,120	7,040	-	-
Special Projects	-	-	12,000	25,000
Appropriations for Contingency	-	-	5,040	5,040
Total Expenditures	104,077	117,527	153,197	150,687
Fund Balance	-	-	-	-
General Fund Costs	\$ 104,077	\$ 117,527	\$ 1,747	\$ (763)

STAFFING

Total current authorized positions – 0.40

There are no changes to the current level of staffing.

Total authorized positions – 0.40

FACILITIES AND FLEET - WILSON PARK

Budget Unit 100-87-834

Budget at a Glance	
Total Revenues	-
Total Expenditures	67,491
Fund Balance	-
General Fund Costs	67,491
% Funded by General Fund	100.0%
Total Staffing	0.20

PROGRAM OVERVIEW

This program maintains Wilson Park pottery building to ensure efficient operations, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$67,491 for the Wilson Park Budget. This represents a decrease of \$1,746 from the FY 2016-17 Final Adopted Budget.

The decrease in special projects is due to the costs and scope of projects in current year being less than in the prior year. The special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Snack Shack upgrades	\$8,000	\$8,000	General Fund	LED lights and restrooms
Total	\$8,000	\$8,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Wilson Park

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	15,027	18,104	16,984	17,831
Employee Benefits	7,320	8,768	8,893	10,168
Materials	10,367	11,533	13,050	13,959
Contract Services	15,505	22,565	10,000	10,000
Cost Allocation	3,228	3,228	2,814	5,737
Capital Outlay	-	-	-	-
Special Projects	-	-	15,700	8,000
Appropriations for Contingency	-	-	1,796	1,796
Total Expenditures	51,446	64,199	69,237	67,491
Fund Balance	-	-	-	-
General Fund Costs	\$ 51,446	\$ 64,199	\$ 69,237	\$ 67,491

STAFFING

Total current authorized positions – 0.20

There are no changes to the current level of staffing.

Total authorized positions – 0.20

FACILITIES AND FLEET - PORTAL PARK

Budget Unit 100-87-835

Budget at a Glance	
Total Revenues	-
Total Expenditures	58,766
Fund Balance	-
General Fund Costs	58,766
% Funded by General Fund	100.0%
Total Staffing	0.10

PROGRAM OVERVIEW

This program maintains Portal Park building to ensure user efficient operations, satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$58,766 for the Portal Park Budget. This represents an increase of \$9,879 from the FY 2016-17 Final Adopted Budget.

This program is requesting increases for telephone and data service increase to support devices budgeted and special projects. The increases in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Back patio ramp & door removal	\$25,000	\$25,000	General Fund	Back patio ramp & door removal
Total	\$25,000	\$25,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Portal Park

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	8,651	8,887	8,242	8,815
Employee Benefits	4,077	4,336	4,449	5,084
Materials	5,149	4,424	6,391	7,613
Contract Services	7,581	2,955	8,251	8,251
Cost Allocation	2,112	2,112	1,420	2,869
Capital Outlay	-	-	-	-
Special Projects	-	-	19,000	25,000
Appropriations for Contingency	-	-	1,134	1,134
Total Expenditures	27,570	22,713	48,887	58,766
Fund Balance				
General Fund Costs	\$ 27,570	\$ 22,713	\$ 48,887	\$ 58,766

STAFFING

Total current authorized positions – 0.10

There are no changes to the current level of staffing.

Total authorized positions – 0.10

FACILITIES AND FLEET - SPORTS CENTER

Budget Unit 570-87-836

Budget at a Glance	
Total Revenues	-
Total Expenditures	484,623
Fund Balance	(484,623)
<hr/>	
General Fund Costs	-
% Funded by General Fund	0.0%
<hr/>	
Total Staffing	0.70

PROGRAM OVERVIEW

This program maintains Sport Center facilities to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$484,623 for the Sports Center Budget. This represents an increase of \$89,459 from the FY 2016-17 Final Adopted Budget.

This increase is primarily due to the requested special projects described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Replace front counter	\$25,000	\$25,000	General Fund	Replace front counter
Replace restroom floors	\$30,000	\$30,000	General Fund	Replace restroom floors
Upgrade building lights to LED	\$15,000	\$15,000	General Fund	Upgrade building lights to LED
New AC Unit	\$25,000	\$25,000	General Fund	New AC Unit
Total	\$95,000	\$95,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Sports Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	62,220	65,935	63,446	63,612
Employee Benefits	26,021	27,338	31,638	34,254
Materials	104,456	101,913	135,360	145,167
Contract Services	42,166	52,493	60,000	60,000
Cost Allocation	94,426	100,543	51,184	71,054
Capital Outlay	14,380	-	-	-
Special Projects	(57,887)	45,826	38,000	95,000
Appropriations for Contingency	-	-	15,536	15,536
Total Expenditures	285,781	394,048	395,164	484,623
Fund Balance	(285,781)	(394,048)	2,911	(484,623)
General Fund Costs	\$ -	\$ -	\$ 398,075	\$ -

STAFFING

Total current authorized positions – 0.75

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.70

FACILITIES AND FLEET - CREEKSIDE PARK

Budget Unit 100-87-837

Budget at a Glance	
Total Revenues	81,781
Total Expenditures	135,913
Fund Balance	-
General Fund Costs	54,132
% Funded by General Fund	39.8%
Total Staffing	0.20

PROGRAM OVERVIEW

This program maintains Creekside Park building to ensure efficient operations, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$135,913 for the Creekside Park Budget. This represents an increase of \$68,128 from the FY 2016-17 Final Adopted Budget.

This increase is primarily due to the requested special projects described in the table below. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Plumbing upgrades	\$12,000	\$12,000	General Fund	Plumbing upgrades
Window replacement	\$ 8,000	\$ 8,000	General Fund	Window replacement
Upgrade lights to LED	\$ 8,000	\$ 8,000	General Fund	Upgrade lights to LED
Breezeway rain/sun screen	\$50,000	\$50,000	General Fund	Breezeway rain/sun screen (Budget study session request-SV)
Total	\$78,000	\$78,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Creekside Park

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	81,781	81,781
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	81,781	81,781
Expenditures				
Employee Compensation	16,609	17,574	17,348	19,509
Employee Benefits	7,752	8,784	8,723	10,022
Materials	10,251	9,688	12,665	13,755
Contract Services	5,559	10,483	10,000	10,000
Cost Allocation	3,336	3,336	12,290	2,868
Capital Outlay	4,154	2,743	-	-
Special Projects	-	11,874	5,000	78,000
Appropriations for Contingency	-	-	1,759	1,759
Total Expenditures	47,661	64,481	67,785	135,913
Fund Balance	-	-	-	-
General Fund Costs	\$ 47,661	\$ 64,481	\$ (13,996)	\$ 54,132

STAFFING

Total current authorized positions – 0.20

There are no changes to the current level of staffing.

Total authorized positions – 0.20

FACILITIES AND FLEET - COMMUNITY HALL

Budget Unit 100-87-838

Budget at a Glance	
Total Revenues	250,130
Total Expenditures	267,259
Fund Balance	-
General Fund Costs	17,129
% Funded by General Fund	6.4%
Total Staffing	0.50

PROGRAM OVERVIEW

This program maintains Community Hall and interactive fountain to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by City Hall staff.
- Manage and responsibly coordinate work completed by contractors.
- Ensure water quality and functionality of interactive fountain.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$267,259 for the Community Hall Budget. This represents a decrease of \$44,463 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This program is requesting increases for overtime, general services contract for water quality testing and analysis for Civic Center Fountains, and special projects. The increases in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
New AC unit by video rack	\$25,000	\$25,000	General Fund	New AC unit by video rack
New counters in restrooms	\$10,000	\$10,000	General fund	New counters in restrooms
Placeholder for fountains	\$10,000	\$10,000	General Fund	Placeholder for fountains
Total	\$45,000	\$45,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Community Hall

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	17,316	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	250,130	250,130
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	17,316	-	250,130	250,130
Expenditures				
Employee Compensation	34,317	35,133	33,897	36,837
Employee Benefits	17,534	19,576	19,775	20,717
Materials	43,839	41,646	54,950	59,800
Contract Services	22,479	23,102	75,000	95,000
Cost Allocation	5,556	5,556	7,020	3,825
Capital Outlay	-	-	115,000	-
Special Projects	-	1,410	-	45,000
Appropriations for Contingency	-	-	6,080	6,080
Total Expenditures	123,725	126,424	311,722	267,259
Fund Balance	-	-	-	-
General Fund Costs	\$ 106,409	\$ 126,424	\$ 61,592	\$ 17,129

STAFFING

Total current authorized positions – 0.50

There are no changes to the current level of staffing.

Total authorized positions – 0.50

FACILITIES AND FLEET - TEEN CENTER

Budget Unit 100-87-839

Budget at a Glance	
Total Revenues	97,866
Total Expenditures	47,033
Fund Balance	-
General Fund Costs	(50,833)
% Funded by General Fund	0.0%
Total Staffing	0.10

PROGRAM OVERVIEW

This program maintains Teen Center area below the Sports Center to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$47,033 for the Teen Center Budget. This represents an increase of \$3,484 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This program is requesting an increase for the special project described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Project	Appropriations	Revenue	Funding Source	Description
Repaint interior	\$5,000	\$5,000	General Funds	Repaint interior
Total	\$5,000	\$5,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Teen Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	40,287	97,866
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	40,287	97,866
Expenditures				
Employee Compensation	7,124	8,887	8,442	9,015
Employee Benefits	3,568	4,319	4,449	5,084
Materials	6,210	11,513	8,957	9,446
Contract Services	9,606	20,914	14,000	14,000
Cost Allocation	1,116	1,116	6,082	2,869
Capital Outlay	-	-	-	-
Special Projects	-	-	-	5,000
Appropriations for Contingency	-	-	1,619	1,619
Total Expenditures	27,623	46,748	43,549	47,033
Fund Balance	-	-	-	-
General Fund Costs	\$ 27,623	\$ 46,748	\$ 3,262	\$ (50,833)

STAFFING

Total current authorized positions – 0.10

There are no changes to the current level of staffing.

Total authorized positions – 0.10

FACILITIES AND FLEET - PARK BATHROOMS

Budget Unit 100-87-840

Budget at a Glance	
Total Revenues	-
Total Expenditures	154,965
Fund Balance	-
General Fund Costs	154,965
% Funded by General Fund	100.0%
Total Staffing	0.20

PROGRAM OVERVIEW

This program maintains park restrooms to ensure efficient operations, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide for clean and functioning restrooms at various park locations.
- Timely response to requests made by the users of the park.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$154,965 for the Park Bathrooms Budget. This represents a decrease of \$2,968 from the FY 2016-17 Final Adopted Budget.

The decrease in special projects is due to the costs and scope of projects in current year being less than in the prior year. Special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
New roof at Linda Vista	\$4,000	\$4,000	General Fund	New roof at Linda Vista
Restroom sink at Linda Vista	\$6,000	\$6,000	General Fund	Restroom sink at Linda Vista
Skylights at Wilson	\$5,000	\$5,000	General Fund	Skylights at Wilson
Paint at Memorial Park	\$5,400	\$5,400	General Fund	Paint at Memorial Park
Total	\$20,400	\$20,400		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Park Bathrooms

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	518	14,108	14,527	16,290
Employee Benefits	48	6,402	6,394	8,283
Materials	8,094	18,743	25,080	25,080
Contract Services	64,041	22,637	75,000	75,000
Cost Allocation	-	-	2,932	1,912
Capital Outlay	6,000	2,000	-	-
Special Projects	575	-	26,000	20,400
Appropriations for Contingency	-	-	8,000	8,000
Total Expenditures	79,276	63,889	157,933	154,965
Fund Balance	-	-	-	-
General Fund Costs	\$ 79,276	\$ 63,889	\$ 157,933	\$ 154,965

STAFFING

Total current authorized positions – 0.20

There are no changes to the current level of staffing.

Total authorized positions – 0.20

FACILITIES AND FLEET – BLACKBERRY FARM FACILITIES MAINTENANCE Budget Unit 100-87-841

Budget at a Glance	
Total Revenues	568,674
Total Expenditures	298,208
Fund Balance	-
General Fund Costs	(270,466)
% Funded by General Fund	0.0%
Total Staffing	0.90

PROGRAM OVERVIEW

This program maintains Blackberry Farm buildings and facilities to ensure efficient operations, employee satisfaction, user satisfactions and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for the public and employees.
- Timely response to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$298,208 for the Blackberry Farm Facilities Maintenance Budget. This represents an increase of \$426 from the FY 2016-17 Final Adopted Budget.

Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page 22. This program is requesting an increase for overtime and special projects. The increases in special projects are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Special Projects	Appropriations	Revenue	Funding Source	Description
Trail restroom upgrades	\$10,000	\$10,000	General Fund	Add power source & replace roof
Cafe upgrades	\$15,000	\$15,000	General Fund	Health department compliance
Total	\$25,000	\$25,000		

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Blackberry Farm Facilities Maintenance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	345,925	568,674
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	345,925	568,674
Expenditures				
Employee Compensation	26,464	52,402	51,601	64,595
Employee Benefits	12,347	27,040	26,345	37,810
Materials	160,608	100,054	89,297	95,882
Contract Services	21,418	63,569	55,000	55,000
Cost Allocation	2,220	2,220	52,724	8,606
Capital Outlay	71,368	-	-	-
Special Projects	46,762	57,988	11,500	25,000
Appropriations for Contingency	-	-	11,315	11,315
Total Expenditures	341,187	303,273	297,782	298,208
Fund Balance	-	-	-	-
General Fund Costs	\$ 341,187	\$ 303,273	\$ (48,143)	\$ (270,466)

STAFFING

Total current authorized positions – 0.90

There are no changes to the current level of staffing.

Total authorized positions – 0.90

FACILITIES AND FLEET - ENVIRONMENTAL MATERIALS

Budget Unit 100-85-850

Budget at a Glance	
Total Revenues	-
Total Expenditures	185,216
Fund Balance	-
General Fund Costs	185,216
% Funded by General Fund	100.0%
Total Staffing	0.65

PROGRAM OVERVIEW

This program manages Service Center solid waste disposal, Service Center safety inspections, handling/disposal/reporting of City generated hazardous waste and materials – including waste that may be illegally deposited upon the right-of-way. Provide street cleaning for unforeseen events such as debris from trucks or other sources.

SERVICE OBJECTIVES

- Coordinate disposal of solid waste collection.
- Adhere to the requirements of hazardous waste/materials storage, handling and reporting.
- Comply with Fire Marshal safety inspection requirements for Service Center facilities.
- Inspect and maintain below ground fuel tanks as required.
- Clean up traffic debris that may become deposited on streets while reducing traffic hazards.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$185,216 for the Environmental Materials Budget. This represents an increase of \$57,535 from the FY 2016-17 Final Adopted Budget.

This program is requesting increases for overtime, Hazmat Material disposal, telephone and data services to support budgeted devices and Hazmat reporting training for staff.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Environmental Materials

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	28,787	46,032	43,718	52,920
Employee Benefits	14,448	20,306	20,934	28,170
Materials	22,699	24,545	34,220	44,480
Contract Services	4,029	4,474	3,814	4,500
Cost Allocation	42,324	31,560	21,986	52,137
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	3,009	3,009
Total Expenditures	112,286	126,918	127,681	185,216
Fund Balance	-	-	-	-
General Fund Costs	\$ 112,286	\$ 126,918	\$ 127,681	\$ 185,216

STAFFING

Total current authorized positions – 0.55

Staff time is being reallocated to better reflect actual time spent in this program.

Total authorized positions – 0.65

FACILITIES AND FLEET - FRANCO TRAFFIC OPERATIONS CENTER

Budget Unit 100-87-852

Budget at a Glance	
Total Revenues	-
Total Expenditures	18,000
Fund Balance	-
General Fund Costs	18,000
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

This program maintains the Traffic Operations Center on Franco Court to ensure efficient operations, user satisfaction and community pride.

SERVICE OBJECTIVES

- Provide a safe, clean and productive working environment for city employees.
- Respond to requests made by Traffic Operations Center staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity and gas.

ADOPTED BUDGET

This program is requesting building maintenance and upgrades for Franco Traffic Operations Center.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Facilities and Fleet - Franco Traffic Operations Center

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	18,000
Appropriations for Contingency	-	-	-	-
Total Expenditures	-	-	-	18,000
Fund Balance				
General Fund Costs	\$ -	\$ -	\$ -	\$ 18,000

STAFFING

There is no staffing associated with this program.

TRANSPORTATION - TRAFFIC ENGINEERING

Budget Unit 100-88-844

Budget at a Glance	
Total Revenues	282,000
Total Expenditures	1,001,024
Fund Balance	-
General Fund Costs	719,024
% Funded by General Fund	71.8%
Total Staffing	3.50

PROGRAM OVERVIEW

The Transportation Division oversees traffic operations, traffic studies, transportation planning, and transportation capital improvements to safely and efficiently manage vehicular, bicycle and pedestrian traffic within the City's street and trail network. This includes responding to citizen requests and concerns regarding traffic issues, developing plans for the installation of traffic signals, traffic signs, and pavement markings, and developing design standards. The Division assists in the preparation of the General Plan, street plan lines and the capital improvement program related to street improvements. Division staff are active on Santa Clara Valley Transportation Authority (VTA) subcommittees and working groups and keeps abreast regarding current developments in the field as well as grant funding opportunities for large projects.

The Transportation Division also participates in the review of private development proposals to identify potential traffic impacts and to require necessary mitigations to maintain levels of service and safe and efficient traffic operations.

SERVICE OBJECTIVES

- Ensure the efficiency and safety of the street system for all modes of travel through continual observation of traffic patterns, traffic signals and other traffic control devices.
- Review traffic collision reports, traffic flow patterns, and neighborhood traffic issues and respond as needed.
- Cooperate with neighboring jurisdictions on regional issues that affect both traffic safety and traffic efficiency at City boundaries.
- Continue training personnel in traffic engineering by encouraging attendance at classes and seminars.
- Develop partnerships and coordinate with schools, school districts, and parents on Safe Routes to School Program.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,001,024 for the Traffic Engineering

Budget. This represents a decrease of \$757,377 from the FY 2016-17 Final Adopted Budget.

This is an increase in overtime, telephone and data plan based on devices supported and conference and training for new staff. The decrease in special projects is due to the costs and scope of projects in current year being less than the prior year. To support the 2017 Work Program, a new 3-year limited term Senior Transportation/Mobility Planner position will act as a transportation planner who will focus on transit issues, including school and senior bus and ride-share programs, corporate bus issues and transit funding programs through the VTA's Measure B program. In addition, the position currently classified as a Senior Civil Engineer will be reclassified to Transportation Manager as the position has grown in scope, breadth of responsibilities, organizational hierarchy, and subject matter specificity (transportation). The Transportation Manager classification is similar to classifications in other cities in the county, and much more closely captures the current and near-future duties and responsibilities of the position. The scope of this position has grown to include an active and growing Safe Routes to School Program, a significantly increased program to manage and implement the Bicycle Transportation Plan, the Pedestrian Transportation Plan and the ADA Accessibility Transition Plan. This position also serves as the City's ADA Coordinator and liaison to the Bicycle and Pedestrian Commission. This position formerly reported to the Assistant Director of Public Works, however for the past four years has reported directly to the Director of Public Works. This position will also supervise the requested Transportation/Mobility Planner.

These increases are partially offset due to a reorganization which moved the Safe Routes to School budget, including the Safe Routes to School Coordinator, to program 846.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Transportation - Traffic Engineering

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	1,230,461	-	282,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	1,230,461	-	282,000
Expenditures				
Employee Compensation	227,700	297,999	416,555	462,698
Employee Benefits	90,095	114,510	164,030	183,851
Materials	4,092	8,512	5,230	9,655
Contract Services	112,777	153,013	225,500	216,700
Cost Allocation	25,320	22,991	82,633	92,467
Capital Outlay	-	-	-	-
Special Projects	12,461	1,200,000	850,000	22,000
Appropriations for Contingency	-	-	14,453	13,653
Total Expenditures	472,445	1,797,024	1,758,401	1,001,024
Fund Balance	-	-	-	-
General Fund Costs	\$ 472,445	\$ 566,563	\$ 1,758,401	\$ 719,024

STAFFING

Total current authorized positions – 3.40

Staff time is being reallocated to better reflect actual time spent in this program. To support the 2017 Work Program, a new 3-year limited term Senior Transportation/Mobility Planner position is budgeted. The Safe Routes to School Coordinator was moved to program 846.

Total authorized positions – 3.50

TRANSPORTATION - TRAFFIC SIGNAL MAINTENANCE

Budget Unit 100-88-845

Budget at a Glance	
Total Revenues	-
Total Expenditures	713,733
Fund Balance	-
General Fund Costs	713,733
% Funded by General Fund	100.0%
Total Staffing	2.00

PROGRAM OVERVIEW

The Traffic Signal Maintenance Division oversees the operation and maintenance of the City's 56 traffic signals, including eight traffic signals owned by the State of California. The Division also maintains the traffic signal communication infrastructure, such as the fiber optic network and the traffic operation center hub.

SERVICE OBJECTIVES

- Ensure the continuous and safe operation of the City's traffic signal system on a continuous 24-hour basis with full-time and on-call staff, which is accomplished by regularly performing preventative maintenance, diagnosing malfunctions and repairs, investigating citizen complaints, replacing or upgrading obsolete hardware, inspecting the work of contractors, responding to knockdowns and power outages, and adjusting signal timing parameters.
- Continue training, maintaining proficiency of traffic signal technicians and on-call staff by encouraging attendance at classes and seminars.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$713,733 for the Traffic Signal Maintenance Budget. This represents an increase of \$78,423 from the FY 2016-17 Final Adopted Budget.

This increase is primarily due to changes in how the city applied cost allocation charges. Large shifts in cost allocation charges are found in most program budgets due to a change in methodology as explained on page

This program is requesting increases for standby pay and overtime to better account for actual expenditures.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Transportation - Traffic Signal Maintenance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	30,316	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	30,316	-	-
Expenditures				
Employee Compensation	202,429	202,968	202,737	215,420
Employee Benefits	83,047	88,927	91,590	92,563
Materials	40,999	43,855	53,750	56,690
Contract Services	202,011	104,728	201,000	201,000
Cost Allocation	108,120	68,124	66,029	127,856
Capital Outlay	-	-	-	-
Special Projects	118,203	36,499	-	-
Appropriations for Contingency	-	-	20,204	20,204
Total Expenditures	754,809	545,100	635,310	713,733
Fund Balance	-	-	-	-
General Fund Costs	\$ 754,809	\$ 514,784	\$ 635,310	\$ 713,733

STAFFING

Total current authorized positions – 2.00

There are no changes to the current level of staffing.

Total authorized positions – 2.00

TRANSPORTATION - SAFE ROUTES 2 SCHOOL
Budget Unit 100-88-846

Budget at a Glance	
Total Revenues	-
Total Expenditures	146,761
Fund Balance	-
General Fund Costs	146,761
% Funded by General Fund	100.0%
Total Staffing	1.00

PROGRAM OVERVIEW

Safe Routes 2 School seeks to engage local schools, school districts, parent organizations, community groups, and the Santa Clara County Sheriff’s Office in the mission of reducing Singular Occupancy Vehicle (SOV) travel to and from school in order to reduce carbon emission and car traffic, and increase student safety. The program seeks to achieve these objectives through education, encouragement, enforcement, and engineering infrastructure changes in and around Cupertino schools.

SERVICE OBJECTIVES

- Help to improve the health and well-being of children by increasing the number of students who walk or bike to school.
- Develop partnerships with school administrators, staff, parents, and children.
- Encourage and empower more students and families to walk, bike, carpool, and take alternative transit to school.
- Adjust signage and infrastructure surrounding Cupertino schools to facilitate a safer environment for bicycle and pedestrian travel.
- Educate students and families about the benefits of walking and bicycling to school; health, environmental protection, academic improvements, community building, etc.
- Minimize gaps in communication between City, School Districts, and Schools and collaborate on efforts to increase student safety

ADOPTED BUDGET

Safe Routes 2 School budget moved from Budget Unit 100-88-844 to Budget Unit 100-88-846.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Transportation - Safe Routes 2 School

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	86,924
Employee Benefits	-	-	-	36,495
Materials	-	-	-	2,200
Contract Services	-	-	-	9,800
Cost Allocation	-	-	-	9,562
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	1,780
Total Expenditures	-	-	-	146,761
Fund Balance	-	-	-	-
General Fund Costs	\$ -	\$ -	\$ -	\$ 146,761

STAFFING

Total current authorized positions – 0.00

The Safe Routes 2 School program coordinator position was moved from Budget Unit 100-88-844 to Budget Unit 100-88-846.

Total authorized positions – 1.00

CITYWIDE - NON DEPARTMENTAL –
 MINOR STORM DRAIN IMPROVEMENT
 Budget Unit 210-90-978

Budget at a Glance	
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

This program provides funding for drainage repairs as needed in various locations.

SERVICE OBJECTIVES

Provide storm drain repairs throughout the City on an annual basis.

ADOPTED BUDGET

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Citywide - Non Departmental - Minor Storm Drain Improvement

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	28,300	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	28,300	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	1,920	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	2,978	50,141	75,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	4,898	50,141	75,000	-
Fund Balance	(4,898)	(21,841)	(75,000)	-
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

There is no staffing associated with this program.

CITYWIDE - NON DEPARTMENTAL - FIXED ASSETS ACQUISITION Budget Unit 630-90-985

Budget at a Glance	
Total Revenues	-
Total Expenditures	1,029,200
Fund Balance	(1,029,200)
General Fund Costs	-
% Funded by General Fund	0.0%
Total Staffing	-

PROGRAM OVERVIEW

This program purchases equipment having a value greater than \$5,000 and expected life of more than one year. Equipment users are charged for the use of these assets through a depreciation schedule. Equipment used by Special Revenue and Enterprise funds are charged to the respective funds.

SERVICE OBJECTIVES

- Obtain quality equipment through competitive bidding.
- Purchase energy efficient vehicles whenever practical.
- Purchase quiet, ergonomic and environmentally friendly equipment whenever practical.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$1,029,200 for the Fixed Assets Acquisition Budget. This represents a decrease of \$192,800 from the FY 2016-17 Final Adopted Budget.

The decrease is attributed to replacement of several vehicles in past fiscal years. Replacement vehicles and equipment are described in the table below.

SPECIAL PROJECTS

Special projects are budgeted each year and may result in changes to the program budget. The following table shows the special projects for the fiscal year.

Replacement Vehicles/Equipment	Cost
Replace #99 EOC box truck	\$185,000
Replace #66 TROW chipper truck	\$125,000
Replace #10 dump truck	\$ 70,000
Replace #86 Facilities utility bed truck	\$ 52,000
Replace #35 Grounds utility bed truck	\$ 48,000
Replace #40 Grounds utility bed truck	\$ 48,000
Replace #93 Elmwood van	\$ 45,000
Replace #88 Pool car	\$ 35,000
Replace #65 Ranger pickup truck	\$ 35,000
Replace #51 Building Inspector vehicle	\$ 35,000
Replace #5 pool van	\$ 33,000
Recreation & Community Services Rock Wall Truck	\$ 40,000
Total Replacement Vehicle	\$751,000
Equipment	
Replace chipper	\$ 85,000
Replace portable generator	\$ 74,000
Replace 2 gator field rakes	\$ 50,000
Tilt bed trailer for Bobcat tractor	\$ 15,000
Replace walker mower with Toro mower	\$ 20,000
Ride on spreader	\$ 10,000
Portable air compressor	\$ 20,000
72" box sweeper attachment for Bobcat	\$ 4,200
Total Equipment	\$278,200
Grand Total	\$1,029,200

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for the two prior fiscal years, and the Adopted Budget for the current and prior fiscal years:

Citywide - Non Departmental - Fixed Assets Acquisition

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	106,056	7,167	1,222,000	1,029,200
Appropriations for Contingency	-	-	-	-
Total Expenditures	106,056	7,167	1,222,000	1,029,200
Fund Balance	(106,056)	(7,167)	(1,222,000)	(1,029,200)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

STAFFING

There is no staffing associated with this program.



CUPERTINO

Non- Departmental

Debt Service
Employee Housing Assistance
Transfers Out

NON-DEPARTMENTAL

Budget Unit	2018 Adopted
Non Departmental	\$ 34,119,272
100-90-001 Transfers Out	30,941,734
365-90-500 Public Facilities Corporation	3,167,538
100-90-502 Employee Housing Assistance	10,000
Total	\$ 34,119,272

DEPARTMENT SUMMARY

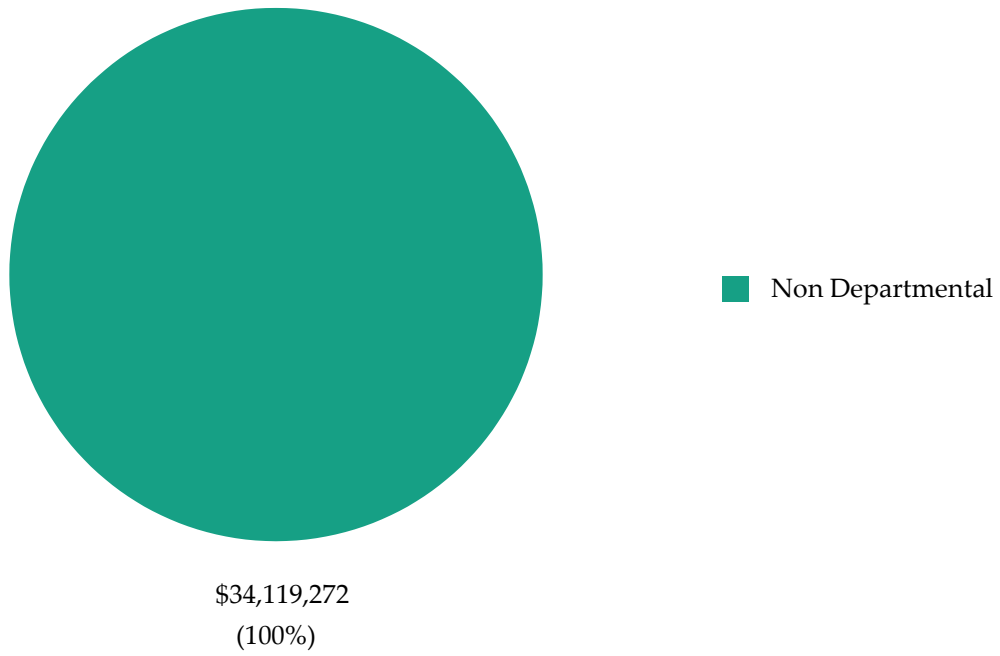
Non-Departmental

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	8,018	7,419	10,000	10,000
Contract Services	-	-	-	-
Cost Allocation	43,338,496	21,919,818	25,293,111	34,109,272
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	43,346,514	21,927,237	25,303,911	34,119,272
Fund Balance	-	(5,549,993)	(9,165,000)	(15,184,000)
General Fund Costs	\$ 43,346,514	\$ 16,377,244	\$ 16,138,911	\$ 18,935,272

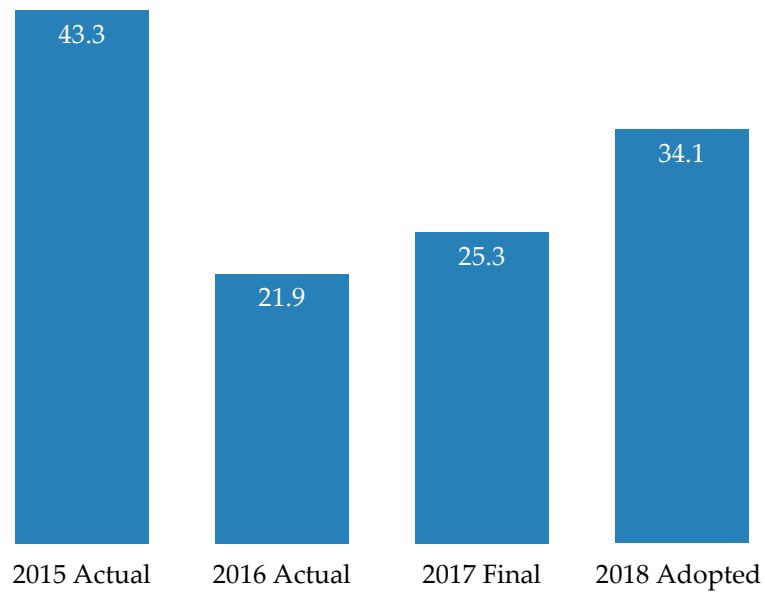
ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$34,119,272 for the Non-Departmental Budget. This represents an increase of \$8,815,361 from the FY 2016-17 Final Adopted Budget.

ADOPTED EXPENDITURES FY 2017-18



4 YEAR EXPENDITURE HISTORY (IN MILLIONS)



NON DEPARTMENTAL - TRANSFERS OUT

Budget Unit 100-90-001, 429-90-001

Budget at a Glance	
Total Revenues	-
Total Expenditures	30,941,734
Fund Balance	(15,184,000)
General Fund Costs	15,757,734
% Funded by General Fund	50.9%
Total Staffing	-

PROGRAM OVERVIEW

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources to the receiving fund to support operating, debt service, and capital project costs. General Fund subsidies to other funds and funding of capital projects are included in transfers.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$30,941,734 for the Transfers Out Budget. This represents an increase of \$8,815,361 from the FY 2016-17 Final Adopted Budget.

The increase is attributed primarily to new capital projects and a \$2 million transfer of cash from the Capital Reserve to the General Fund to fund a CalPERS assigned reserve.

The transfers for FY 2017-18 are as follows:

Transfer Out from General Fund	Description	Amount
Special Revenue	Pavement, Sidewalk, Curb and Gutter Maintenance	\$7,134,122
Debt Service	Annual Debt Payment	\$3,167,538
Enterprise	General Fund subsidy of several Recreation Enterprise Funds	\$400,000
Internal Service	General Fund Subsidy of Government Channel, City Website, GIS and Compensated Absence Funding	\$5,056,074
	Total General Fund Transfers Out	\$15,757,734
Transfer Out from the Capital Reserve		
General	CalPERS Reserve	\$2,000,000
Special Revenue	Fund Capital Improvement Projects	\$5,638,000
Capital	Fund Capital Improvement Projects	\$7,546,000
	Total Capital Reserve Transfers Out	\$15,184,000
	Total All Funds Transfers Out	\$30,941,734

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Non Departmental – Transfers Out

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	40,163,276	18,749,953	22,126,373	30,941,734
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	40,163,276	18,749,953	22,126,373	30,941,734
Fund Balance	-	(5,549,993)	(9,165,000)	(15,184,000)
General Fund Costs	\$ 40,163,276	\$ 13,199,960	\$ 12,961,373	\$ 15,757,734

STAFFING

There is no staffing associated with this program.

**NON DEPARTMENTAL DEBT SERVICE –
PUBLIC FACILITIES CORPORATION
Budget Unit 365-90-500**

Budget at a Glance

Total Revenues	-
Total Expenditures	3,167,538
Fund Balance	-
General Fund Costs	3,167,538
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The Debt Service Program provides for the payment of principal and interest and associated administrative costs incurred with the issuance of debt instruments for the City’s Public Facilities Corporation. The budget funds the Corporation’s annual payment of principal and interest on the City Hall/Library, Wilson/Memorial Open Space and Library Certificates of Participation (COP) that will be paid off by the year 2030.

SERVICE OBJECTIVES

The majority of the borrowings occurred in early 1990 to acquire additional park real estate and expand community facilities. A breakdown of the capital acquisitions follows:

- Increased 90 acres of park real estate to 190 acres, a 111% increase
- Increased 26,031 sq ft of recreation building space to 84,460 sq ft, a 224% increase
- Specific purchases included:
 - Blackberry Farm - \$18 million, voter approved debt;
 - Creekside Park - \$12 million voter approved debt;
 - Sports Center - \$8 million;
 - Quinlan Community Center, including park real estate - \$6.1 million;
 - Wilson Park and improvements - \$5.6 million;
 - Jollyman Park development - \$1 million;
 - City Hall renovation/improvements - \$1.7 million;
 - Library renovation/improvements - \$1.7 million;
 - New library/community center - \$10 million.

In May 2012, the Corporation refinanced its \$44 million in outstanding debt to lower the interest rate and save approximately \$350,000 per year in debt payments.

SCHEDULE OF LEASE PAYMENTS

Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payment
12/15/12		687,643.15	687,643.15	
6/15/13	1,920,000.00	567,778.75	2,487,778.75	3,175,421.90
12/15/13		564,418.75	564,418.75	
6/15/14	2,040,000.00	564,418.75	2,604,418.75	3,168,837.50
12/15/14		559,318.75	559,318.75	
6/15/15	2,055,000.00	559,318.75	2,614,318.75	3,173,637.50
12/15/15		538,768.75	538,768.75	
6/15/16	2,090,000.00	538,768.75	2,628,768.75	3,167,537.50
12/15/16		517,868.75	517,868.75	
6/15/17	2,135,000.00	517,868.75	2,652,868.75	3,170,737.50
12/15/17		496,518.75	496,518.75	
6/15/18	2,180,000.00	496,518.75	2,676,518.75	3,173,037.50
12/15/18		474,718.75	474,718.75	
6/15/19	2,220,000.00	474,718.75	2,694,718.75	3,169,437.50
12/15/19		441,418.75	441,418.75	
6/15/20	2,290,000.00	441,418.75	2,731,418.75	3,172,837.50
12/15/20		407,068.75	407,068.75	
6/15/21	2,355,000.00	407,068.75	2,762,068.75	3,169,137.50
12/15/21		371,743.75	371,743.75	
6/15/22	2,425,000.00	371,743.75	2,796,743.75	3,168,487.50
12/15/22		335,368.75	335,368.75	
6/15/23	2,500,000.00	335,368.75	2,835,368.75	3,170,737.50
12/15/23		297,868.75	297,868.75	
6/15/24	2,575,000.00	297,868.75	2,872,868.75	3,170,737.50
12/15/24		259,243.75	259,243.75	
6/15/25	2,655,000.00	259,243.75	2,914,243.75	3,173,487.50
12/15/25		219,418.75	219,418.75	
6/15/26	2,730,000.00	219,418.75	2,949,418.75	3,168,837.50
12/15/26		178,468.75	178,468.75	
6/15/27	2,815,000.00	178,468.75	2,993,468.75	3,171,937.50
12/15/27		136,243.75	136,243.75	
6/15/28	2,900,000.00	136,243.75	3,036,243.75	3,172,487.50
12/15/28		92,743.75	92,743.75	
6/15/29	2,985,000.00	92,743.75	3,077,743.75	3,170,487.50
12/15/29		47,968.75	47,968.75	
6/15/30	3,070,000.00	47,968.75	3,117,968.75	3,165,937.50
Total	43,940,000.00	13,133,759.40	57,073,759.40	57,073,759.40

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$3,167,538 for the Public Facilities Corporation Budget. This budget is unchanged from the prior year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Non Departmental Debt Service - Public Facilities Corporation

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	3,175,138	3,169,038	3,167,538	3,167,538
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	3,175,138	3,169,038	3,167,538	3,167,538
Fund Balance				
General Fund Costs	\$ 3,175,138	\$ 3,169,038	\$ 3,167,538	\$ 3,167,538

STAFFING

There is no staffing associated with this program.

NON DEPARTMENTAL - EMPLOYEE HOUSING ASSISTANCE
Budget Unit 100-90-502

Budget at a Glance	
Total Revenues	-
Total Expenditures	10,000
Fund Balance	-
General Fund Costs	10,000
% Funded by General Fund	100.0%
Total Staffing	-

PROGRAM OVERVIEW

The recruitment and hiring of top quality department heads is essential to the efficient operation of the City. Housing costs in Silicon Valley tend to act as a disincentive to persons relocating to the area, and therefore, as an obstacle to the recruitment, hiring, and retention of such top quality personnel. To assist in this end, the Council adopted the housing assistance program for department heads.

SERVICE OBJECTIVES

The housing assistance program for department heads provides housing loans for their primary residence at interest rates indexed with the 11th District cost of funds with an optional deferred interest feature for the first five years. There is assistance with half of the closing costs. The City may assist in the purchase by acquiring up to thirty percent of the equity share in the residence.

ADOPTED BUDGET

On June 20, 2017, City Council approved a budget of \$10,000 for the Employee Housing Assistance Budget. This budget is unchanged from the prior year.

The following table details revenue, total expenditures, changes in fund balance and General Fund costs by category for two prior fiscal years, the Final Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Non Departmental - Employee Housing Assistance

Category	2015 Actual	2016 Actual	2017 Final Budget	2018 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	8,018	7,419	10,000	10,000
Contract Services	-	-	-	-
Cost Allocation	82	827	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	8,100	8,246	10,000	10,000
Fund Balance				
General Fund Costs	\$ 8,100	\$ 8,246	\$ 10,000	\$ 10,000

STAFFING

There is no staffing associated with this program.



Personnel Schedules

PERSONNEL SUMMARY by Division and Department								
	FY12	FY13	FY14	FY15	FY16	FY17	Change	FY18
CITY COUNCIL/COMMISSIONS								
City Council	0.50	0.50	0.50	0.50	0.45	0.30	5.85	6.15
Sister Cities	0.00	0.00	0.00	0.10	0.05	0.05	0.05	0.10
Fine Arts Commission	0.10	0.10	0.10	0.15	0.15	0.15	0.00	0.15
Technology, Information & Communications Commission	0.10	0.10	0.10	0.10	0.10	0.10	(0.10)	0.00
Parks and Recreation Commission	0.10	0.10	0.10	0.05	0.10	0.10	0.00	0.10
Teen Commission	0.15	0.15	0.25	0.25	0.25	0.30	0.00	0.30
Housing Commission	0.05	0.05	0.05	0.15	0.15	0.15	0.00	0.15
Library Commission	0.02	0.07	0.05	0.05	0.05	0.05	0.00	0.05
Sustainability Commission	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.10
Planning Commission	0.45	0.45	0.42	0.30	0.30	0.25	0.00	0.25
	1.47	1.52	1.57	1.55	1.60	1.55	5.80	7.35
ADMINISTRATION								
City Clerk	0.00	0.00	3.60	3.60	3.00	3.00	0.10	3.10
City Manager	1.55	1.40	2.55	2.55	3.30	3.02	0.35	3.37
Community Outreach	0.50	0.75	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00
Public Affairs	0.00	0.00	0.00	0.00	0.00	0.00	1.85	1.85
Sustainability	0.00	0.00	0.60	0.60	1.55	1.55	0.25	1.80
Legal Services	3.00	2.90	3.00	3.00	3.00	3.00	1.00	4.00
	5.05	5.05	10.75	10.75	10.85	10.57	3.55	14.12
INNOVATION & TECHNOLOGY								
Administration	1.60	1.60	1.80	1.80	1.15	2.45	(1.60)	0.85
Cupertino Scene	0.35	0.35	0.35	0.35	0.35	0.30	(0.30)	0.00
Video (formally Government Channel)	3.20	3.20	3.15	3.15	2.95	3.40	(0.15)	3.25
Applications (formally City Website)	1.00	0.95	0.95	0.95	0.95	0.80	2.40	3.20
GIS	0.00	0.00	0.00	0.00	2.00	2.30	0.35	2.65
Infrastructure (formally Information Technology)	0.00	0.00	4.00	4.00	4.00	4.70	(0.10)	4.60
	6.15	6.10	10.25	10.25	11.40	13.95	0.60	14.55
ADMINISTRATIVE SERVICES								
Administration	1.98	1.93	2.70	1.80	2.50	2.50	0.30	2.80
Accounting	4.50	4.33	4.50	5.60	5.20	5.75	(0.35)	5.40
Business Licensing	0.50	0.50	0.50	0.50	1.10	0.55	0.05	0.60
City Clerk	2.90	2.90	0.00	0.00	0.00	0.00	0.00	0.00
Duplicating and Printing	0.60	0.60	0.00	0.00	0.00	0.00	0.00	0.00
Human Resources	3.50	3.50	2.95	3.75	3.15	3.15	(0.30)	2.85
Insurance Administration	0.50	0.50	0.35	0.35	0.35	0.35	0.00	0.35
Code Enforcement	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
	22.48	22.26	11.00	12.00	12.30	12.30	-0.30	12.00
RECREATION AND COMMUNITY SERVICES								
Administration	2.00	2.00	2.05	3.05	2.95	2.85	0.05	2.90
Business and Community Services	9.60	9.60	9.80	9.85	8.85	9.55	1.30	10.85
Recreation and Education	4.88	4.88	4.58	4.53	5.58	11.85	(1.15)	10.70
Sports, Safety and Outdoor Recreation	6.00	6.00	6.05	6.00	6.00	8.83	2.10	10.93
Senior Center/Stevens Creek Trail/Blue Pheasant	7.30	7.05	7.00	7.10	8.10	0.00	0.00	0.00
Community Outreach	0.00	0.00	0.00	0.75	0.70	0.00	0.00	0.00
	29.78	29.53	29.48	31.28	32.18	33.08	2.30	35.38
COMMUNITY DEVELOPMENT								
Administration	1.41	1.39	1.41	0.90	0.90	0.55	0.00	0.55
Planning	7.79	7.89	8.84	9.10	8.60	10.63	0.00	10.63
Housing Services	0.83	0.68	0.68	0.80	0.80	0.80	0.00	0.80
Building	11.90	11.90	12.25	12.25	13.30	13.95	(0.10)	13.85
Economic Development/RDA Successor Agency	1.50	2.04	0.00	0.00	1.00	1.00	0.00	1.00
Muni/Building Code Enforcement	0.00	0.00	1.65	1.75	2.70	1.25	0.00	1.25
	23.43	23.90	24.83	24.80	27.30	28.18	-0.10	28.08
PUBLIC WORKS								
Administration	3.25	3.25	10.15	3.25	3.25	3.25	0.00	3.25
Environmental Programs	3.17	3.17	3.67	4.17	6.22	6.22	0.05	6.27

PERSONNEL SUMMARY by Division and Department								
	FY12	FY13	FY14	FY15	FY16	FY17	Change	FY18
Development Services	6.72	6.82	0.00	7.40	7.40	7.40	0.10	7.50
Service Center	2.00	2.00	2.00	2.30	2.70	3.70	(0.65)	3.05
Grounds	19.70	18.95	18.75	19.75	19.75	19.75	(0.15)	19.60
Streets	10.25	11.25	13.15	13.10	13.65	13.65	0.30	13.95
Trees and Right of Way	16.90	16.80	15.40	16.40	16.40	16.40	0.00	16.40
Facilities and Fleet	7.35	7.20	7.15	7.15	8.15	8.15	(0.15)	8.00
Transportation	4.25	4.15	3.85	3.60	4.60	5.60	0.90	6.50
	73.59	73.59	74.12	77.12	82.12	84.12	0.40	84.52
LAW ENFORCEMENT								
Code Enforcement	0.00	0.00	2.00	2.00	2.00	2.00	0.00	2.00
	0.00	0.00	2.00	2.00	2.00	2.00	0.00	2.00
Total Benefitted Positions	161.95	161.95	164.00	169.75	179.75	185.75	12.25	198.00