



Proposed Budget

FY 2020-21

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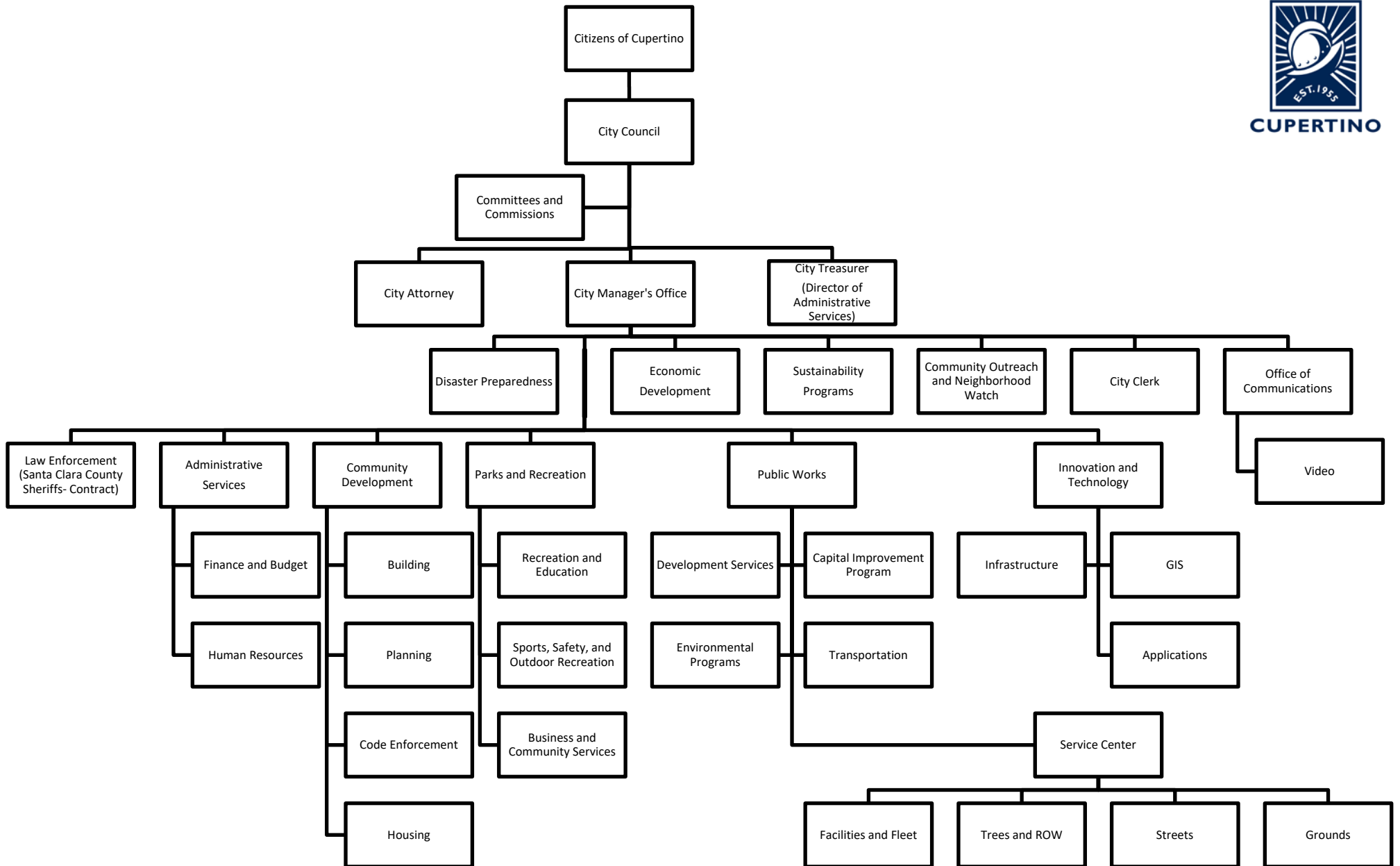
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City Organizational Chart



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CITY OF CUPERTINO, CALIFORNIA

Fiscal Year 2020-21

CITY COUNCIL



Steven Scharf
Mayor



Darcy Paul
Vice Mayor



Liang Chao
Council member



Rod Sinks
Council member



Jon Willey
Council member

DIRECTORY OF CITY OFFICIALS

Deborah L. Feng – City Manager
Dianne Thompson – Assistant City Manager
Heather Minner – City Attorney (Contract)
Bill Mitchell – Chief Technology Officer
Kristina Alfaro – Director of Administrative Services
Ben Fu – Director of Community Development and Planning
Roger Lee – Director of Public Works
Randy Schwartz – Interim Director of Parks and Recreation

CITY OF CUPERTINO, CALIFORNIA
Fiscal Year 2020-21
COMMISSIONS AND COMMITTEES

**BICYCLE PEDESTRIAN
COMMISSION**

Erik Lindskog
 Gerhard Eschelbeck
 Ilango Ganga
 Jennifer Shearin
 Muni Madhhipatla

FINE ARTS COMMISSION

Diana Matley
 Janki Chokshi
 Rajeswari Mahalingam
 Sonia Dhami
 Sudha Kasamsetty

HOUSING COMMISSION

Connie Cunningham
 Sanjiv Kapil
 Siva Gandikota
 Sue Bose
 Tessa Parish

LIBRARY COMMISSION

Amando Wo
 Christie Wang
 Liana Crabtree
 Qin Pan
 Rahul Vasanth

**PARKS AND RECREATION
COMMISSION**

Carol Stanek
 Gopal Kumarappan
 Neesha Tambe
 Sashikala Begur
 Xiangchen Xu

PLANNING COMMISSION

Alan Takahashi
 David Fung
 Kitty Moore
 R "Ray" Wang
 Vikram Saxena

PUBLIC SAFETY COMMISSION

Eric Shan
 Hymanand Nellore
 Lakshminarasimha Ankireddipally
 Tiffany Wang
 Yvonne Chao

**SUSTAINABILITY
COMMISSION**

Anna Weber
 Gary Latshaw
 Meera Ramanathan
 Ram Mohan
 Vignesh Swaminathan

TEEN COMMISSION

Alden Gu
 Anagaa Nathan
 Jay Yeung
 Kelly Tung
 Krithika Venkatasubramanian
 Nitya Devisetti
 Rushil Jayant
 Samikshaa Natarajan
 Tanvi Khot

**TECHNOLOGY, INFORMATION
& COMMUNICATIONS
COMMISSION**

Eliza Du
 Mukesh Garg
 Naidu Bollineni
 Prabir Mohanty
 Rajaram Soundararajam

AUDIT COMMITTEE

Angela Chen
 Darcy Paul
 Eno Schmidt
 Mingming (Daisy) Liang
 Rod Sinks

DESIGN REVIEW COMMITTEE

David Fung
 R "Ray" Wang

**ENVIRONMENTAL REVIEW
COMMITTEE**

Liang Chao
 Kitty Moore
 Dianne Thompson
 Ben Fu
 Chad Mosley

**LEGISLATIVE REVIEW
COMMITTEE**

Liang Chao
 Steven Scharf



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Cupertino
California**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morill

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award Fiscal Year 2019-2020

Presented to the

City of Cupertino

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting.

January 31, 2020



Steve Heide

*Steve Heide
CSMFO President*

Yolanda Rodriguez

*Yolanda Rodriguez, Chair
Recognition Committee*

Dedicated Excellence in Municipal Financial Reporting



CITY MANAGER'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3223 • FAX: (408) 777-3366
CUPERTINO.ORG

May 1, 2020

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

As the City of Cupertino enters a time of economic uncertainty, I am pleased to present the City Council with a balanced budget for Fiscal Year 2020/2021. Forecasting anything, be it the economy or the weather, is not an exact science. There are many variables and a lot that we cannot see. But what we can do, and what we are doing, is preparing for the worst while taking steps to ensure the continual financial stability of our organization.

The COVID-19 pandemic, and the ensuing lockdowns, has negatively affected the economies of all countries and likely caused a worldwide recession. The City, for purposes of our budget forecast, is anticipating at least a two-year recession.

The Fiscal Year 2020/2021 Proposed Budget presents a General Fund with revenues of \$79.5 million and expenditures of \$82.3 million. The City's top three revenue sources have been property, sales, and transient occupancy taxes. While this will continue to be true, the City will not see the same level of revenue as in recent years. Sales tax is anticipated to experience an approximately 20% decline, while transient occupancy tax is expected to drop by 25%. The City also expects a decline in fee revenues, mostly attributed to Parks & Recreation Departments programs being ceased, but also due to economic strains on the local, state, and national levels.

With declining revenues for the next several years, difficult but necessary decisions must be made to bring expenditures into line. The City is implementing several budget balancing strategies to the General Fund forecast as noted below:

- Phasing in an increase of vacant staff positions from five (5) to twenty (20) within a three-year period, which will result in up to \$3.2 million in annual savings.
- Reducing contingencies by 50%, which is expected to save approximately \$850,000. This reduction has been implemented in the proposed budget and will remain as part of the final adopted budget.
- Reducing materials by 10%, which is expected to save approximately \$670,000 in Fiscal Year 2020/2021. This reduction will be implemented as part of the final adopted budget.
- Reducing contract services by \$1 million, which will be part of the final adopted budget.

- Reducing special projects by \$500,000, which will be part of the final adopted budget.

While we expect these actions to be enough in the short-term, staff will continue to monitor the situation and adjust when necessary. Staff fully intends on keeping the City Council and community informed with regular updates. Having the latest information and up-to-date data will allow for informed decision making.

It is said that even the darkest cloud has a silver lining. The COVID-19 pandemic has shone a bright light on quite a few positive things going on in Cupertino. I would like to highlight them for the City Council and community below:

Long-Term Financial Planning

The foresight of the City Council and staff in previous years to focus on ensuring healthy reserves is paying off in full. While we will focus on reducing expenditures to offset declining revenues, we do have healthy reserves that could be used to mitigate any unforeseen shortfalls.

The City's Economic Uncertainty Reserve remains intact, with \$19 million, and may be used to mitigate potential shortfalls in future fiscal years. The City's Section 115 Pension Trust (\$12 million) also could be used to mitigate potential increases to CalPERS' annual required contribution rate or further reductions in the discount rate as set by CalPERS. The City's unassigned fund balance remains healthy and will be able to assist in addressing funding gaps.

Virtual Activities, Meetings, and Services

The future is virtual. That we already knew. But the COVID-19 pandemic provided an impetus to move some of our most significant activities and services online—most likely permanently.

The City's Innovation Technology Department (IT) had the vision years ago to slowly migrate full-time employees to laptop computers. This allowed staff to be more mobile. Coupled with IT's decision to move to a VoIP phone system, which allows staff to answer their work lines from a computer, the transition from working in the office to working at home was practically seamless for many employees. With the addition of Zoom virtual conferencing and Microsoft Teams, an online collaboration tool, staff was able to keep internal meetings and communication moving forward. It also allowed the City to quickly offer its services and activities online once the first Shelter-in-Place Order was given in March 2020.

The City began utilizing standard video conferencing software to provide virtual inspections for essential activities. In addition, the Geographic Information System (GIS) Division and the Building Division worked to develop a longer-term solution that allows applicants to submit building inspection videos in lieu of a physical inspection.

Applicants upload their submission through an online form, the videos are stored into a queue, and inspectors review the video remotely. While the form was developed in response to the COVID-19 pandemic, the Building Division expects this new video inspection review process to remain a part of Cupertino's inspection process for limited scopes of work.

The Parks & Recreation Department also began utilizing teleconferencing software in April 2020 to offer residents free virtual fitness classes. These classes quickly gained in popularity, going from about 10 attendees in the first week about 100 after just a few class offerings. Residents have already requested that the City continue some form of virtual classes once the Shelter-in-Place Order is lifted and in-person classes begin.

Embracing Change and Innovation

Change is difficult for everyone. It can be uncomfortable and stressful. That is why I have been so impressed with City staff, which has quickly and eagerly embraced change and innovation. Along with the move to new equipment and software, the reason the City's was able to continue its services with little interruption was because of our employees. Work is being completed and internal virtual meetings have been utilized to a great extent. Our staff has been a critical link to our City's success. It gives me confidence that our employees will readily accept more changes and continue to improve our programs and services. The City Council and residents should be heartened to know that Cupertino is in good hands.

In conclusion, the City—along with every other municipalities—is heading into much uncertainty. While there is a lot we do not know, the picture will become clearer as we move forward and receive more information. Fortunately, the City stands on a solid financial foundation and decisions have already been made, and will continue to be made, to ensure that stays true into the foreseeable future.

Respectfully Submitted,



Deborah L. Feng
City Manager

Notable Accomplishments and New Initiatives

NOTABLE ACCOMPLISHMENTS IN FISCAL YEAR 2019-20

Reducing Youth Access to Tobacco

In February, the City approved a tobacco ordinance to reduce youth access to tobacco. Most notably the ordinance prohibits the sale of vaping products and flavored tobacco. This effort was funded through a \$48,608 grant the City was awarded from the Santa Clara County Public Health Department. Next year the City will pursue options to reduce exposure to secondhand smoke through another grant received from the County.

Reach Code: The City of Cupertino Acts on Fossil Fuels in New Buildings

Cupertino's Climate Action Plan outlines a path towards creating a healthy, livable, and vibrant place for its current and future residents to live, learn, work, and play. It was found that fossil fuels used in buildings and cars presents the biggest remaining challenge to meeting the 2030 greenhouse gas emissions targets. The City Council took steps to enhance the safety and cost savings of the City's buildings by adopting a local reach code that requires most new buildings to utilize clean electricity for uses like water heating and cooking. Eliminating the natural gas line for new developments is expected to save money for both consumers and contractors in most cases. With this step Cupertino joins the vanguard of 30 other California cities, and several across the nation, in starting a long-term reduction in fossil fuel use in the community. Outreach was conducted by City staff and regional partners Silicon Valley Clean Energy. Homeowners, students, contractors, real estate professionals, and business owners in Cupertino provided feedback on what an all-electric reach code would mean for them.

Greenhouse Gas Inventory Shows Cupertino Meeting 2020 Emissions Targets

The City of Cupertino Climate Action Plan goal is to reduce GHG emissions by 15% by 2020, compared to 2010 GHG levels. Since 2010, Cupertino has experienced an estimated 6% increase in population, 18% increase in jobs, and a 10% increase in service population. However, due to the City's climate actions, there is an overall 24% decrease in community GHG emissions during that period of economic growth. The path forward to the 2030 target remains ambitious, with transportation and natural gas used in buildings becoming the largest remaining categories of greenhouse gas emissions and air pollutants, and the State of California considering plans for zero emissions by 2045.

Employee Commute Program Helps Employees Get to Work and Reduce Climate Impacts

Staff created a pilot program to help City employees get to work using alternatives to driving alone. The pilot program resulted in 70 employees signing up to reduce their solo car trips. Over the course of the pilot program, which ran from August 2019 to March 2020, employees took 2,541 “alternative trips” to work which includes transit, carpooling, biking, or taking the VIA shuttle to work. This resulted in reduced parking impacts at City Hall, paycheck incentives paid directly to staff, and an estimated 12 million pounds of carbon emissions avoided. The program’s early success led to a successful grant award for the City to continue with a Phase II employee commute pilot, which is being designed and rolled out by staff.

Master Plan Adoption

This year, the Parks and Recreation System Master Plan was completed and adopted, following an extensive public input process. A final draft Master Plan as well as the associated environmental clearance documents were circulated for public review. The documents were presented to the Planning Commission, Parks and Recreation Commission, and Environmental Review Committee. On February 18, 2020, the City Council adopted the environmental clearance documents and adopted the Parks and Recreation System Master Plan.

Program Overview and Marketing Analysis Completed

The City contracted with the Learning Resource Network (LERN) to provide a two day program review that would analyze recreation program offerings in addition to: provide benchmark tracking to measure department performance, provide recommendations and key actions to implement to reduce costs and boost revenue and registration, and describe specific steps to improve marketing strategies and overall department operations. Recommendations on best practices and trends in the delivery of recreation services were presented to the Parks and Recreation Commission in March 2020.

Volunteers, Wellness, and Collaboration

The Senior Center strives to create a culture of collaboration and engages the community at all levels—this can be noted in the diverse program offerings at the facility. The Cupertino Senior Center celebrated the commitment of its 230 volunteers who have devoted 24,000 hours to serving the community through various volunteer opportunities at the Senior Center. *The 50+ Scene* newsletter underwent an expansive content and aesthetic overhaul in order to adhere to the Office of Communication’s branding guidelines, as well as ensure the publication is more readable and user-friendly. *The Smart Living and Wellness Health Fair* provided valuable information and services to the 50+ community on how best to maintain a healthy and independent lifestyle, coordinated by the City’s own Case Management team. The yearly Hidden Treasures event brought in the most sales ever at \$15,000, which helps support the case management program and the Stay Active Fund to keep Cupertino seniors stay active and

engaged. These innovative services for the 50+ population continue to respond to the City's changing community needs.

Appointment of Cupertino's Sixth Poet Laureate

On February 18, 2020 Cupertino's City Council approved the Library Commission's recommendation of Jing Jing Yang for the appointment of the new Cupertino Poet Laureate. A celebration event was held on February 27th at Quinlan Community Center with nearly 100 attendees to thank the outgoing Poet Laureate, Kaecey McCormick for her contributions to the Poet Laureate program and to welcome Jing Jing Yang as the new Poet Laureate. The event also featured the revealing of Kaecey's final project as Poet Laureate, "Celebrate Creativity: A Cupertino Community Anthology", with 350 pages featuring creative writing from over 80 contributors from the Cupertino community. A copy of the Anthology will be available at the Cupertino Library.

Summer Events

The Summer Events program ran from June 2019 to September 2019 and offered activities at 12 different sites. The program included themed activities, 11 Movies, 11 Concerts, 10 Free Fitness in the Park classes (Zumba and Yoga), 5 Art in the Park Parent/Child classes. It also included Shakespeare in the Park, Cupertino's first Night Market, Game Night, Astronomy Night, Hawaiian Luau, Chess, Bollywood Night and Cupertino Campout with 230 campers. Attendance was slightly under 12,000. Other offered events highlighted celebrity guests, non-profits, and local partnerships.

Teen Offerings

Teen programs were enhanced to address the teen stress levels in Cupertino through innovative, collaborative and educational approaches while addressing community livability amongst the teens. The Bobatino event had its second successful year with over 600 teens enjoying various activities while drinking free milk tea provided by the City. Techie Teens began in August of 2019. The primary goal of Cupertino's Techie Teens volunteer program at the Senior Center is to help teens give back to the community by engaging the 50+ community to assist in developing their technological skills. The volunteers can expect to gain the following experiences: leadership roles, public speaking opportunities, interpersonal communication, and much more. The Cupertino Café run by the Youth Activity Board started in May 2019 but expanded in winter 2020 with more dates and partnerships with the library.

Corridor Stroll

On Friday, August 2, the Parks & Recreation Department held the first annual Corridor Stroll on the Stevens Creek Corridor. Participants strolling between McClellan Ranch Preserve and Blackberry Farm enjoyed acoustic music, a magician, wine tasting, food trucks, crafts, ranger activities, reptile and insect presentations and blacksmith demonstrations.

Signing Santa

On February 27, the Parks and Recreation Department received a programming award from the California Parks and Recreation Society, for their innovative Signing Santa event. This event was the first of its kind in the Bay Area and provided an opportunity for deaf and hard of hearing children to talk to Santa and his elves using American Sign Language. More than 70 people attended the event that included crafts, cookies, hot cocoa, and quality time with Santa.

Blacksmith Shop at McClellan Ranch

In the Fall of 2019, the restored Baer Blacksmith Shop at McClellan Ranch Preserve became fully operational. Free drop-in hours are offered one Sunday a month, and volunteers are learning blacksmithing techniques. Demonstrations can also be scheduled for schools and groups. The blacksmith shop does not operate if Spare-the-Air or Red Flag warnings have been issued.

Golf Course Improvements

In the Spring of 2020, much needed improvements were made to the tee boxes on holes #1 and #9. Both tee boxes were leveled and had new turf installed. In addition to these tees, the green on hole #6 was made level and enlarged.

McClellan Ranch Preserve Meadow Habitat Restoration

The City's partnership with Grassroots Ecology continues to yield positive results for the restoration of the meadow at McClellan Ranch Preserve. In FY 19-20, over 350 volunteers planted over 300 native plants, removed invasive plants, and monitored the water quality in this open space.

Athletic Fields Use Study

In FY19-20, the Parks and Recreation Department began a field use study to update the current Field Use Policy. The study encompasses review of the user group categories, the fees and how the City charges users, times, days for use, and rest periods for the fields. The new policy is expected to be adopted by the Fall of 2020 and implemented in the Spring season of 2021.

Accessory Dwelling Unit Ordinance

The Accessory Dwelling Unit Ordinance (ADU) was adopted by City Council after the its second reading on March 3, 2020. This was in a response to the State adopting six (6) separate Assembly and Senate Bills that seek to streamline and encourage the development of ADUs in an effort to relieve the State's housing crisis. Such revisions allow a shorter, more affordable review process which will also further flexibility on certain development standards.

De Anza Hotel Project Approval

The De Anza Hotel Project was part of a General Plan Amendment proposal to develop a 155 room, seven story boutique hotel on the site currently occupied by Goodyear Tires at 10931 N De Anza Blvd. The developer, John Vidovich of De Anza Properties, has agreed to a Development Agreement that would contribute a one-time payment \$500,000 to the City to fund various projects, reduced price shuttle service for City residents to utilize for Airport transportation as well as connections to job centers, free use of hotel facilities for the City and local schools, and public access to a roof top bar & restaurant.

California Department of Housing and Community Development (HCD) SB 2 Planning Grants Program

The California Department of Housing and Community Development (HCD) announced that the City of Cupertino was awarded \$310,000 in grant funds under the HCD's SB 2 Planning Grants Program. The City will use the funds to improve the Permit Center to offer community access to government services utilizing advancing technologies. As part of the Permit Center improvements, staff is redesigning the customer experience through projects ranging from physical on-site enhancements, availability of online resources and services, permit software and programs, and updates to distributional handouts on development regulations. The SB2 Planning Grants funds will be used specifically to offset the digital program improvements and online access solutions.

Cupertino Village Hotel Project Approval

The Cupertino Village Hotel Project was part of a General Plan Amendment proposal to develop a 185 room, 5-story hotel with event meeting rooms, restaurant, and rooftop bar. The developer, Kimco Realty, agreed to a Developer Agreement that would contribute \$1.85 million (\$10,000 per room) towards Community Amenity Funding, participation in a Transportation Management Association, shuttle service access, meeting room availability for official City business, reduced rates for people visiting Cupertino for official City business, and internship opportunities. When constructed, the project is anticipated to have a net fiscal impact of \$1.78 million on the City's General Fund.

Homeless Encampments

The Code Enforcement Office is currently working on creating a Standard Operating Procedure and contract to have public camping sites removed from the Public Right-of Way and public property. The City of Cupertino has seen a growth of illegal camping sites along Wolfe Road and 280. The goal of this project is the removal of unlawful encampments and the mitigation of health, safety and access issues while respecting the rights of the occupants and informing them of alternative resources within the community.

Permit Tracking and Electronic Plan Review System

Cupertino's initiative to replace its obsolete permit tracking system was realized on July 22, 2019, with the implementation of Accela and the successful integration to the electronic plan review system, ProjectDox. Cupertino's new system gives staff better tracking and management of permitting processes with a centralized database and GIS centric controls which allows information to be shared across Departments for improved communication.

Plan Review, Permit and Inspection Services: Smooth transition after Shelter-In-Place order

The Development Review process which includes Building, Planning, Public Works, Fire, Sanitary District, and Code Enforcement to review plans, issue permits and provide observation inspections successfully transitioned crucial City Service functions as a telecommuting operation on day one of the Shelter-in-Place order due to COVID-19. All services are electronically processed remotely with technology that each Department worked tirelessly over the past four years to implement. While other jurisdictions had no choice but to shut down their Departments, Cupertino was able to seamlessly continue operations remotely with minimal impacts.

Reach Codes

In January 2020, the City Council considered and adopted a local addition to the building codes in Cupertino that will lower greenhouse gas impacts from newly constructed buildings, known as the all-electric building reach code. Staff is pleased to report that the Cupertino reach code has been heard at a public meeting of the California Energy Commission on April 8, 2020. CEC staff found that the Cupertino reach code met all requirements in order to be adopted. CEC staff issued a resolution stating that, "CEC applauds the City of Cupertino for seeking to achieve additional energy demand reductions, energy savings, and other benefits exceeding those of the 2019 Energy Code."

A copy of the CEC resolution can be viewed at (outside link):

https://ww2.energy.ca.gov/business_meetings/2020_packets/2020-04-08/Item_04f_CUPERTINO_ADA.pdf

Real Estate Sign Pickups

The Code Enforcement Office conducted the removal and storage of illegally placed real estate signs from the Public Right-of-Way. The project involved a code enforcement officer patrolling on the weekends for unlawfully placed real estate signs and promptly removing them for storage at the Cupertino Service Center. The investigating officer would notify the offending agent(s) and advise them of the number of sign(s) removed including instructions on how to retrieve the signs with a fee. No Administrative Citations were issued for this project.

Recruitments and Onboarding Software Implementation

Cupertino prides itself in the high level of services provided to the community, always striving to hire the best employees. Human Resources conducted 17 full-time recruitments resulting in 21 new hires or promotions. Additionally, phase two of NeoGov, an online system for onboarding, recruitment and applicant tracking, was implemented to streamline the new hire and onboarding process for all departments. Implementing the Onboarding module was comprised of staff training, converting all new hire payroll, policies, and benefit information into digital format, creating a Welcome Portal page, uploading content for new hires, and testing. The new onboarding module has been a great success with new hires. Human Resources has been able to complete new hire onboarding with telework in place.

COVID-19 Leaves Implementation

The Families First Coronavirus Response Act (FFCRA) is an emergency law passed by Congress and signed by the President on March 18, 2020, in response to the COVID-19 Pandemic. The law required the City of Cupertino to provide employees with Emergency Paid Sick Leave (EPSL), and/or Emergency Family and Medical Leave Expansion (EFMLEA), for reasons related to COVID-19. Human Resources quickly implemented these new paid leaves effective April 1, 2020. Staff outreach and training included webinars, development of webpage, infographics and individual meetings with all employees as needed.

Citywide Employee Training - BEST

“BEST” (Building Employee Skills through Training) program focused on professional development as part of Cupertino’s succession planning and employee retention initiatives. Human Resources offered 7-8 workshops each quarter on subjects such as Public Speaking and Time Management. Human Resources also launched popular quarterly Employee Orientations and Refreshers for the departments to share the latest Citywide policies and programs available to employees.

Employee Engagement Initiative

Human Resources implemented its first citywide Employee Engagement Initiative to support each other and work together towards the City's mission 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. City employees were assigned to a Work Group, participated in a citywide Employee Engagement survey, and created Action Plan Teams to brainstorm solutions for any issues identified in the survey. Employee Engagement is a mutual commitment between the organization and the employee, and this initiative was a successful first step towards the goal of having engaged employees who feel valued, are listened to, and are enthused about their work.

Investment Management

Through a formal Request for Proposal (RFP) process, the Finance Division engaged Chandler Asset Management for investment management services in FY 2018-19. Managing the City's investment portfolio with three key principles in mind: safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program. Since inception in January 2019, the City's portfolio has yielded a total rate of return of 4.96%, significantly higher than U.S. Treasury and Local Agency Investment Fund rates during that time period. As a result, the City's investment portfolio is well-positioned to move forward as the COVID-19 pandemic continues to evolve.

Internal Audit Function

Through a formal Request for Proposal (RFP) process, the Finance Division engaged Moss Adams LLP for internal audit services in FY 2019-20. This function will be assisting the City in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. While the timing of the onboarding and initial risk assessment have been delayed due to COVID-19, the City is eager to resume its internal audit function.

Innovation Technology Strategic Plan

The Innovation Technology Department concluded the final phase of a three-year strategic plan, published in October 2017. The plan revolved around the implementation/execution of 54 technical infrastructure or enterprise application projects. As of July 2020, all 54 projects are complete. Highlights of this year's efforts include:

Applications

- Going live with Accela Land Management System; a cloud-based application that includes urban planning, permitting and building inspections. Accela's web-based customer portal provides easy access and use to customers applying, reviewing status or paying for a permit.
- Implementation of the NeoGov Onboarding application; a cloud-based application utilized by Human Resources to onboard new staff
- Development of an Electronic Content Management three-year roadmap that guides the expansion and best practices for the City's record management system.
- Expansion of the City's cloud-based asset management system, Cityworks to include storeroom. Update asset inventory for street legends and striping as well as streetlight cabinets.
- Implementation of Chyron utilized by the Video Division for television graphics
- Upgraded BuildingEye to Civic Central. Integrated Civic Central with Accela Land Management
- Implemented NextRequest, cloud-based application that streamlines the public records act request process.
- Microsoft O365 and Exchange citywide implementation
- Implement Zoom as City's teleconferencing solution.
- Cobblestone, cloud-based contract management workflow application was implemented.

Technical Infrastructure

- Build/test of disaster recovery environment outside of California
- Updated Emergency Operations Center to include state-of-the-art AV and teleconferencing equipment
- Windows 10 and Server 2019 upgrades citywide.

Projects Completed outside of Strategic Plan

- Transitioned 10 conference rooms to "Zoom Rooms" providing the ability to teleconference.
- Installed 300 terabyte video storage system

- Developed Bid Management application for publishing City RFPs and providing capability of vendors to submit bids electronically.
- Upgraded the City's record retention schedule to align with best practices
- Upgraded Permit Parking application which allows residents to renew parking applications online.
- Upgraded Community Hall projector system
- Implemented a Queue Management system to provide a more streamlined and friendly experience for permit center customers.

Innovation Technology Data Visualization and Analytics

Data visualization is the presentation of data in a pictorial or graphical format providing tools to better understand the data and/or identify patterns. Cupertino prides itself on making transparent data-driven decisions – this is one more tool to assist in that process. The following dashboards and storymaps were added this year.

- Capital Improvement Plan Storymap. Define project, status and location of CIP projects.
- 311 Dashboard. Provides graphical representation of 311 (work request) tickets. How many, status, location and time to respond.
- Pavement Condition Index Storymap. Provides Citywide view of the PCI value for City streets.
- Bike/Ped Storymap – Define project, status and location of bike and pedestrian projects throughout the City.
- Civic Central – View permits geographically by street, neighborhood, or the entire City. Residents can be notified of new permits if desired.

Innovation Technology Response to COVID-19

Business Continuity (BC) is a major and necessary goal for all organizations. The ability to continue business operation during and after a natural or person-made disruption is a true test of an organization's BC. COVID-19 provided such a test – and IT's response was exemplary. Within a day of the Shelter-in-Place order, 95% of all computer-based staff were able to telework as if they were in the office. Staff had the equipment (laptop & softphone), applications, collaboration tools, and necessary cybersecurity measures to seamlessly & securely continue their daily work. Cupertino lead the way in providing a secure, yet easy to use teleconferencing solution for Council, Commission and Committee meetings. Additionally, IT provided a quick turnaround for COVID-19 related applications such as: COVID-19 update page, What Businesses are Open web page, HR Information Page, an electronic bid submission, and electronic signatures on citywide contracts to name a few.

VERBS Grant Award

The McClellan Road Separated Bikeway project was awarded the Vehicle Emissions Reductions Based at Schools (VERBS) Award for \$1M from the Metropolitan Transportation Commission.

McClellan Road Separated Bike Lane Phase 1

The Capital Improvement Program most notably completed the first phase of the McClellan Road Bike Corridor from Stelling Road to Imperial Avenue, which is part of the 2016 Bicycle Transportation Plan to enhance and promote safer bicycle transportation in the City.

Sidewalk Improvements – Byrne Avenue

The Capital Improvement Program also completed standard right-of-way improvements on Byrne Avenue from McClellan Road to Granada Avenue, including sidewalks, curb and gutter and relocated utility poles. Adding sidewalks will improve pedestrian safety in the Monta Vista Tri-school area.

McClellan Ranch West Parking Lot Improvement

This project formalized the existing use of the site located at 22241 McClellan Road. This new “green”, meadow-style parking lot has a permeable concrete paving and appropriate landscaping. The parking lot and landscaping has been designed to be compatible with and sensitive to the creek environment in order to have minimal impact to the site.

Senior Center ADA Sidewalk

The Capital Improvement Program also completed construction of an ADA compliant sidewalk adjacent to the Senior Center parking lot. The new sidewalk provides a safe pedestrian path of travel connecting the permit parking areas to the Senior Center complex.

Streetlight Installation – Randy Lane & Larry Way

The Capital Improvement Program completed the installation of LED streetlights on Randy Lane between Merritt Drive and Lucille Avenue & Larry Way between Merritt Drive and Lucille Avenue

Projects that have met significant progress milestones include

- McClellan Road Bikeway Phase 2 (Stelling Rd to Torre Ave)- design Complete;
- Regnart Creek Trail – Design and Environmental Clearance completed
- Blackberry Farm Entrance Road Feasibility Study - Study Complete
- Stevens Creek Blvd Cl IV Bikeway Phase 1 – Design Complete
- Civic Center Parking Analysis – Study Complete

Via Community Shuttle Launch

Public Works Transportation staff was integral in launching Via, an on-demand micro transit system to all of Cupertino and beyond, connecting the City to regional rail service for the first time ever. The program includes discounted fares for low-income riders, seniors, and De Anza College students.

Arbor Day Foundation Tree City USA designation and Growth Award

The Arbor Day Foundation named the City of Cupertino “Tree City USA” for the eighth consecutive year and was awarded the “Growth Award” for the sixth time. Tree City USA distinction activities include two public planting events, 188 new trees planted, 3387 trees pruned and community outreach efforts about the importance of a healthy Urban Forest. Growth Award activities include enhancing the asset management system with tree Inventory and ongoing efforts of public education / public relations.

Clean Water & Storm Protection Fee

Public Works Environmental Program staff conducted extensive community outreach, education, and public hearings resulting in successfully passing the ballot initiative to update Cupertino’s Clean Water and Storm Protection Fees for the first time since 1992. These fees will help protect stormwater infrastructure, local creeks, regional wetlands, the San Francisco Bay and ocean.

NEW INITIATIVES FOR FISCAL YEAR 2020-21

Blackberry Farm Golf Course

Determine short-term and long-term improvements to the golf course and amenities. To be completed by the Spring of 2021.

Dog Off Leash Areas

Identify additional areas suitable for permitting dogs to be off leash and establish one such area, if the current trial period is successful. The Parks and Recreation Commission will evaluate the DOLA at Jollyman Park after the trial period concludes in July 2020 before considering additional sites in the community. To be completed by Spring of 2021.

Pilot – Sensor Technology based on IOT (Internet of Things)

Seven projects fall under this classification: Adaptive traffic signaling, multi-modal traffic count, noise measurement, pollution monitoring, trash collection and water scheduling. All projects are part of the City Council Work Program. The goal is to extend the City's network and database structure to include IOT based sensors to determine the cost/benefit and practicality of utilizing this technology to provide enhanced service and data that will drive future business decisions.

ESRI IOT for Analytics is a cloud-based solution that will be implemented for the City to ingest, visualize, and analyze spatial big data real-time to gain insights that allow for analysis and data driven action. This application will allow the City to categorize and make sense of the data generated from the above mentioned IOT sensors.

ProjectDox Expansion and Upgrade

ProjectDox is an on-premise application that provides for electronic plan submission and review. ProjectDox is integrated with the City's land management system, Accela. These two applications have brought significant improvements (for both staff and customers) in the way permits are processed by the Building Division. The goal of this request is to extend these improvements to the Planning Division and Public Works Engineering. Additionally, ProjectDox will be migrated to a cloud-based application allowing for enhanced business continuity and disaster recovery.

AI Cybersecurity Tools

This past year has seen multiple municipalities fall victim to Ransomware attacks. The remediation of these attacks has cost millions of dollars on top of the extended down time for crucial City services. This project will add artificial intelligence (AI) to the City's cybersecurity defenses. While AI will not stop an attack – it can quickly isolate the impacted files and mitigate the spread of Ransomware. As hackers continue to improve their attack profile – so must Cupertino improve its defenses.

Review of City's Housing and Human services grant funds

Review existing grant funds to determine allowable uses for emergency financial assistance programs. Consider increasing Below Market Rate Affordable Housing Fund Public Service allocation.

Housing Strategies

Explore the development of strategies that provides a variety of products across the affordability levels including housing for the developmentally disabled, as well as those with moderate, low, very low, and extremely low income. *Continued from FY 19-20 work program.

Heart of the City

Amend the Heart of the City Specific Plan: 1) For clarifications to the minimum street side setback requirements. 2) To review street tree requirements to allow larger trees, increase diversity of tree type and encourage drought-tolerant and native tree types. 3) Update sections such as transit corridors in the City. 4) Maintain existing setbacks and consider minimum retail percentage to maintain a commercial strip. 5) Minimum retail space.

Vallco Specific Plan

Create a community-based vision and objective standards for development at Vallco.

Traffic Congestion Map and Identify Solutions

Identify traffic congestion areas in a heat map. Identify, implement and measure effectiveness of data driven solutions to improve traffic flow in most congested areas.

Single-Use Plastics Ordinance

Single-use plastics, especially those used as foodware (plastic utensils, food packaging, straws, coffee stirrers, lids for coffee cups, spill-prevention plugs to go into those lids, etc.) are not recyclable and create significant amounts of waste that end up in landfills and as littered items that reach and harm the marine environment. Jurisdictions in the Bay Area are beginning to consider and implement ordinances that aim to reduce single-use foodware where possible. This aligns with Cupertino's Zero Waste Policy (adopted in December 2017) which specifies a

goal to “Reduce the proliferation of unnecessary plastic reusable food service ware and packaging in daily commerce, to the extent practicable.” Environmental Programs staff participate on County and wider Bay Area work groups developing model ordinance language which includes enabling re-usable foodware business models that allow for use, sterilization, and re-use of to-go foodware.

Climate Action and Adaptation Plan updates

The Cupertino Climate Action Plan was created nearly ten years ago and has guided the City to a successful reduction of carbon emissions, even while the City has experienced stellar economic growth. Since adopting the CAP, the State of California has evolved the guidelines to address not only carbon emissions, but also adaptation to changing climate risks like wildfires and droughts. The Sustainability Commission and City Staff are planning an update of the CAP to align with new science-based targets for carbon emissions and resilient infrastructure. This budget includes funding to support this update to the Plan. An update to the CAP would include public outreach activities and technical analysis of the best options to support Cupertino’s resilient and climate-friendly growth. The Earth Day volunteer network and all interested residents are encouraged to begin conversations about what Cupertino’s sustainability strategy should be for the next 10 years.

Reduce Secondhand Smoke Exposure

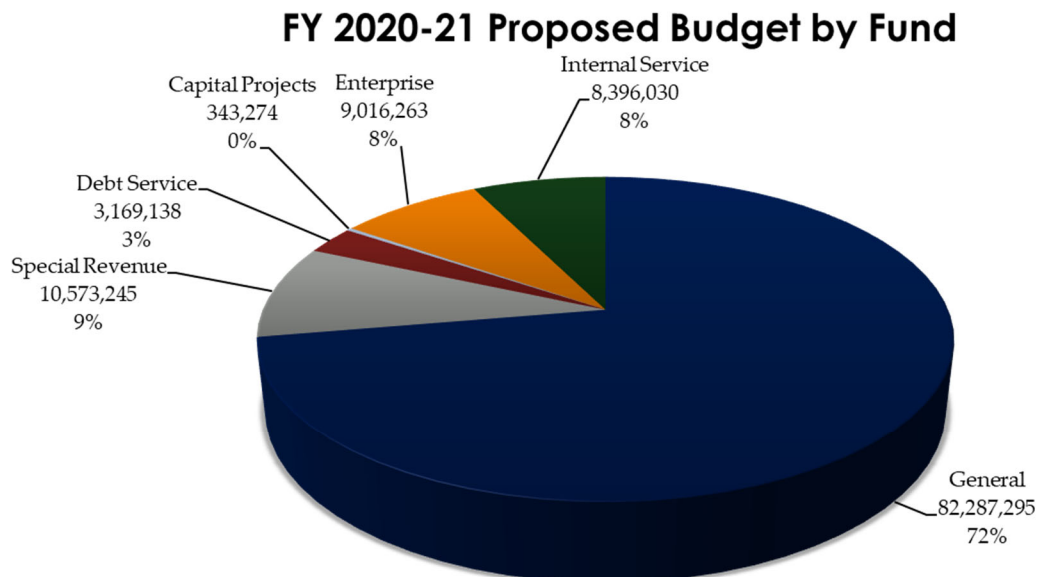
Revise and develop policies to reduce exposure to secondhand smoke. Potential options include smoke-free multi-unit housing, smoke-free service areas, and smoke-free public events.

Proposed Budget Overview

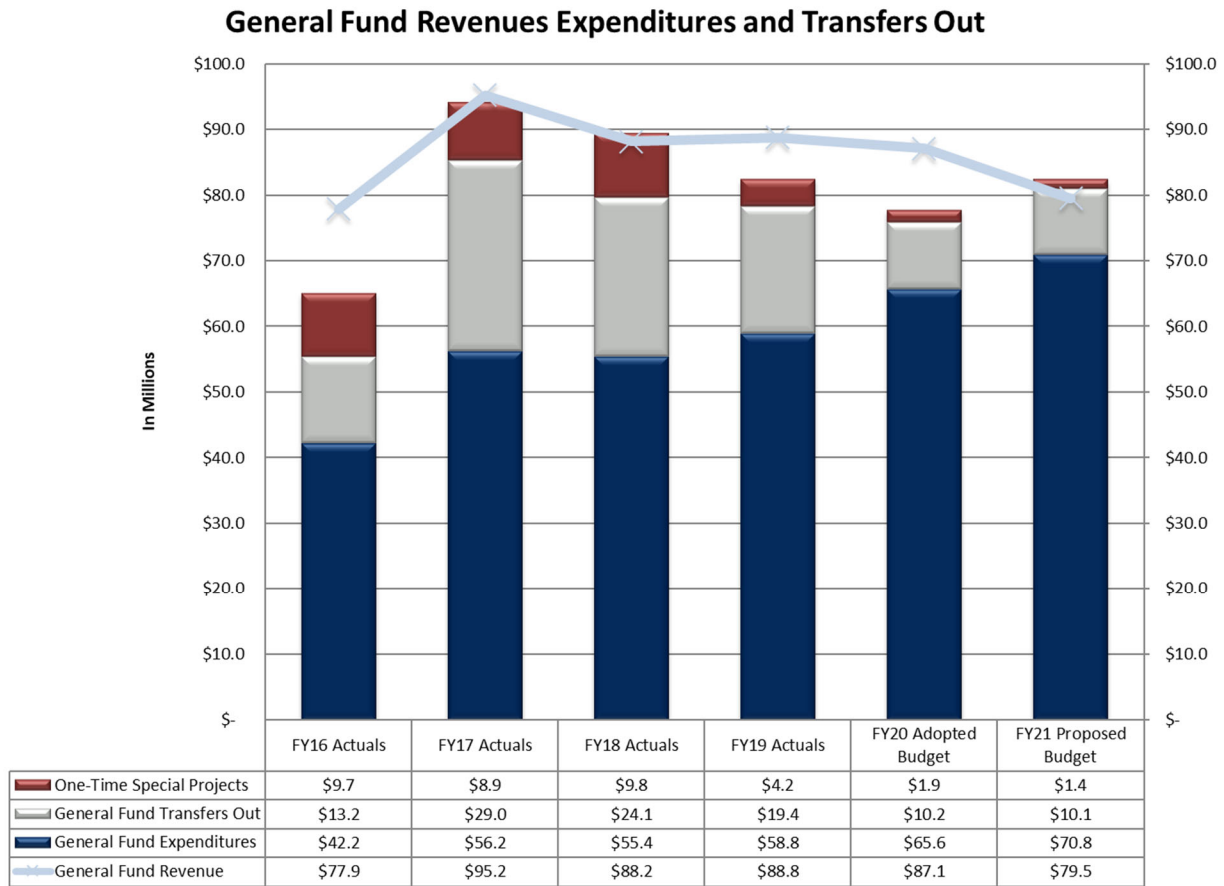
The Proposed Budget reflects a total City budget of \$113.8 million, a decrease of \$36.7 million or 24.4% when compared to the FY 2020 Adopted Budget. The City's General Fund is proposed at \$82.3 million, representing a \$2.2 million, or 2.7% increase over the FY 2020 Adopted Budget. The General Fund is funded through the use of General Fund revenue of \$79.5 million, \$2.8 million of unassigned fund balance, and is projected to end FY 2021 with approximately \$14.7 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 FY20-21 Mid-Year Financial Report. The transfer is not reflected in the Proposed Budget.

Fund Type	Total Proposed Expenditures	Total Proposed Revenue	Change in Fund Balance/Net Position
General	\$ 82,287,295	\$ 79,450,892	\$ (2,836,403)
Special Revenue	\$ 10,573,245	\$ 11,926,643	\$ 1,353,398
Debt Service	\$ 3,169,138	\$ 3,169,138	\$ -
Capital Projects	\$ 343,274	\$ -	\$ (343,274)
Enterprise	\$ 9,016,263	\$ 8,631,042	\$ (385,221)
Internal Service	\$ 8,396,030	\$ 5,245,334	\$ (3,150,696)
Total	\$ 113,785,245	\$ 108,423,049	\$ (5,362,196)

As shown in the chart below, the Proposed Budget's largest fund is the General fund at 72%.



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



A total of 202.75 positions are proposed in FY 2020-21. Prior to COVID-19, the City was anticipating bringing a number of new position requests to City Council over a three-year period; however, given the level of fiscal uncertainty surrounding COVID-19, the City has removed all position requests in FY 2020-21. As the COVID-19 situation evolves, City staff will bring forward requests for City Council approval as more information becomes available for purposes of making informed decisions.

FY 2019-20 Adopted Budget	202.75
Maintenance Worker I/II	1.00
FY 2020-21 Proposed Budget	
None	0.00
FY 2020-21 Benefitted Positions	203.75

In the past, staff recommended adding positions only on a limited term basis unless staff was confident that the needed level of service would be permanent, or ongoing revenues could support the position long term, or staff could not recruit and/or retain the staff resource on a

limited term basis. The City currently has five (5) limited-term positions are staff are requesting that they be converted to a permanent basis.

Limited-Term Conversions	
Department	Position
Administrative Services	Senior Management Analyst
Public Works	Senior Transportation Planner
Public Works	Assistant Civil Engineer
Public Works	Public Works Project Manager
Parks & Recreation	Recreation Coordinator

Changes to the Budget and Policies

City staff performed a zero-base budget for the FY 2020 budget document in which all expenses were justified and every function within the City was analyzed for its needs and costs. The City had planned to convert to a biennial budget process; however, given the timing and constraints of COVID-19, the City will be deferring the conversion until next fiscal year. Below are a few highlights from the budget and process:

Revised Fees and Cost Allocation Plan (CAP)

While the Cost Allocation Plan remained relatively consistent over the previous fiscal year, a change in methodology was implemented in the FY 2020-21 model. Costs attributable to grounds and facilities, specifically and only related to the City’s Civic Center, are being charged out for more equitable and reasonable cost sharing among service providers in the City.

Additionally, City Council approved the fee schedules effective for FY 2020-21 on April 21, 2020. Due to impacts related to COVID-19, and the City’s intent to provide financial relief during this time of great uncertainty, the increases to the City’s fees were delayed and will not become effective until October 1, 2020. The increases to the various fee schedules are estimated to result in increased revenues of approximately \$900,000 over the previous fiscal year; however, the timing of services to be provided and revenues to be collected may be impacted by COVID-19 throughout fiscal year 2020-21.

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 will be available on the City website as part of the May 19, 2020 City Council agenda packet.

GANN Appropriations Limit

For FY 2021, the City’s estimated appropriations of proceeds from taxes, less statutory exclusions, are unchanged as of the Proposed Budget. Data needed to calculate the FY 2021

appropriations limit will not be available until mid-May. 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. This reflects the prior year limit and will not be updated until the Adopted Budget when the information required for this calculation is available.

Revised Community Funding Policy

The first Community Funding policy was adopted by City Council in FY 2012-13, and the most recent policy was adopted as part of the FY 2015-16 Adopted Budget. At the Budget Adoption hearing in June 2018, City Council requested that the Community Funding Program be updated in order to assure that all applications received due consideration and that City Council is provided with all information necessary to make final funding decisions. At that meeting, City Council requested that the Parks and Recreation Commission evaluate all grant applications, and provide funding recommendations to Council for consideration. An updated policy with minimal substantive changes was approved by City Council in 2020.

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.

General Fund revenue is estimated at \$79.5 million in the FY 2021 Proposed Budget. This is an overall decrease of \$7.6 million (8.7%) when compared to the FY 2020 Adopted Budget. In recent years, the City has experienced local economic boom that had driven strong gains in sales tax, property tax, and transient occupancy tax revenues, which were partially offset by decreases in development-related fees. FY 2021 will experience significant General Fund declines in sales tax (\$4.7 million or 18%) and transient occupancy tax (\$2.1 million or 22%) due to COVID-19 impacts. Property tax is not anticipated to be affected by COVID-19 in FY 20-21 due to the timing of assessed market valuations; however, the City anticipates a flattening of the property tax revenues in FY 21-22.

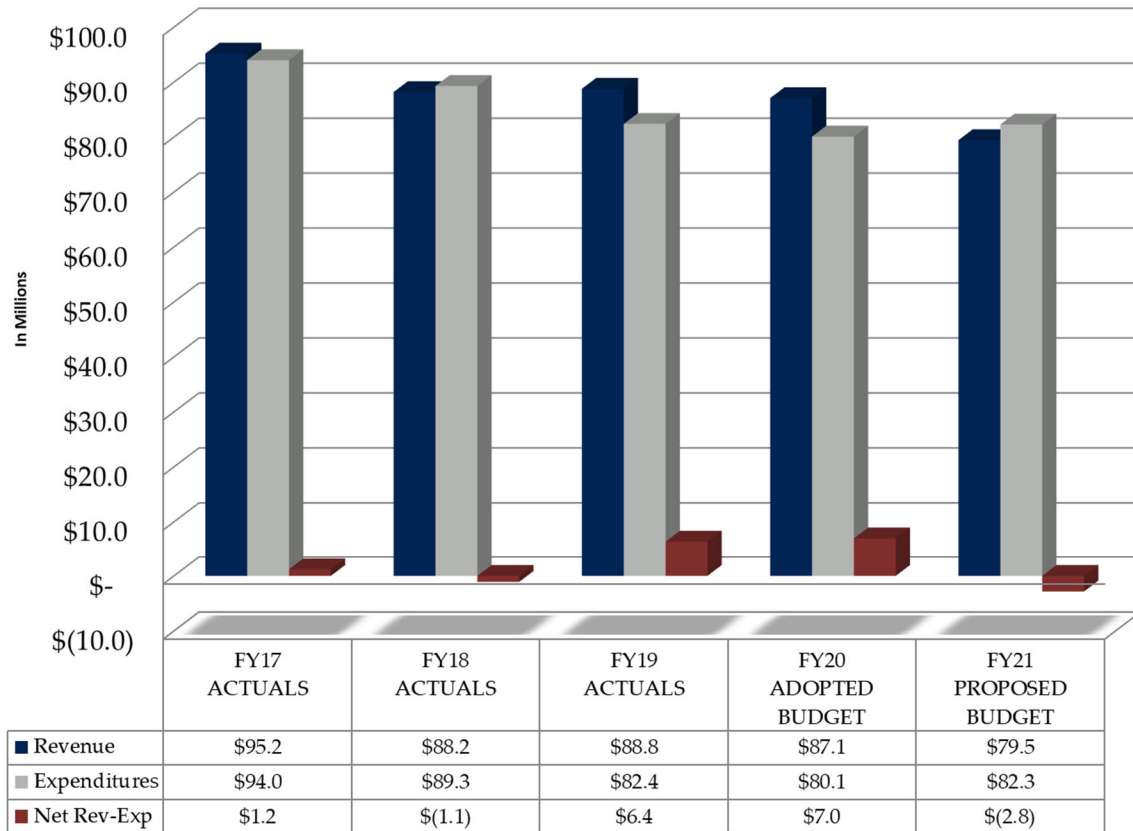
In an effort to mitigate the impacts to COVID-19, the City is taking steps to reduce expenditures by increasing vacancy levels through attrition (up to \$3.2 million annually), reducing materials and contract services spending (\$650,000 and \$1 million, respectively), reducing contingency amounts by 50% or \$850,000), and reducing the amount of special project and capital outlay spending on an annual basis.

Although it is difficult to estimate the full-impacts of COVID-19 into the near and long-term, the City's fiscal foundation remains strong. With the General Fund's Economic Uncertainty Reserve

intact and a healthy unassigned fund balance, the City is poised to withstand the impacts of COVID-19 into the future.

The following chart shows four years of total revenue, expenditures and changes to fund balance for the General Fund:

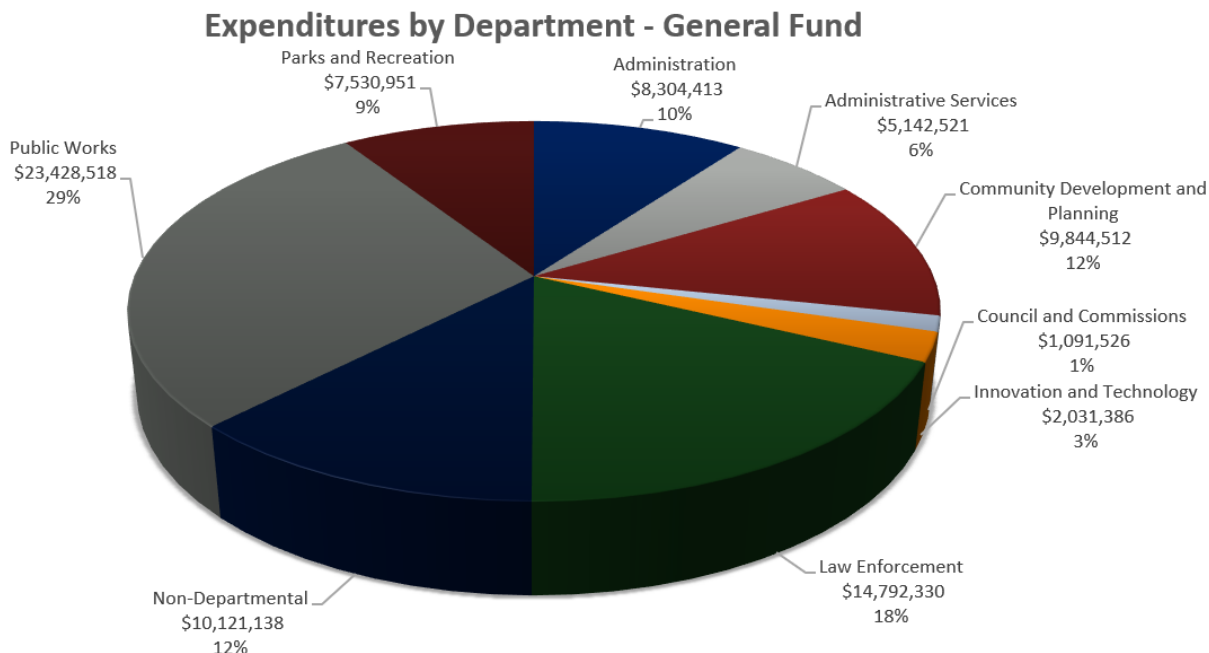
General Fund Revenue, Expenditures and Changes in Fund Balance



The General Fund unassigned fund balance is projected to decrease from the current year estimate of \$17.5 million to \$14.7 million in FY 2021. As shown in the chart below, the FY 2021 ending fund balance is estimated to be \$50.6 million, or 5.3% lower than the FY 2020 year-end estimate. This is primarily attributable to a notable decline in sales tax and transient occupancy tax revenues due to COVID-19.

GENERAL FUND FUND BALANCE					
	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Percent
Classification	Actual	Actual	Estimated	Proposed	Change
Unassigned	\$ 21,704,922	\$ 27,896,128	\$ 17,500,000	\$ 14,672,597	-16%
All Other Classification	30,805,535	31,026,457	35,938,546	35,929,546	0%
Total Fund Balance	\$ 52,510,457	\$ 58,922,585	\$ 53,438,546	\$ 50,602,143	-5.3%

As shown in the graph below, the majority of General Fund resources are used to support Public Works (29%), Non-Departmental expenditures (12%), Law Enforcement (18%), Parks and Recreation (9%), Administration (10%), and Community Development and Planning (12%).



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 9% of the citywide expenditure budget. The largest Special Revenue Fund accounts for streets, roads, and transportation. Other funds account for storm drain management, affordable housing programs, and park development. The Proposed Budget for Special Revenue Funds for FY 2020 is \$10.6 million, which is an \$800,000, or 8%, increase from FY 2020 Adopted Budget primarily due to storm drain activities, previously budgeted in the General Fund, that were reallocated to the Environmental Management Special Revenue Fund.

Budgets within the Special Revenue Funds are funded by \$8.1 million in restricted department revenue, and \$3.8 million in transfers, bringing total funding sources for the fund to \$11.9 million. This will result in a projected increase to fund balance of \$1.4 million. The Special Revenue Funds are projected to end the year with fund balances of \$24.8 million.

Capital Projects Funds

The Capital Improvement Project Fund, Stevens Creek Corridor Park Fund, and Capital Reserve Fund 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 Proposed Budget for the Capital Projects Funds for FY 2021 is \$343,274. The FY 2021 budget is \$37.6 million lower than FY 2020 Adopted Budget appropriations until the Capital Improvement Program budget is incorporated in the Adopted Budget.

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 Proposed Budget for Enterprise Funds for FY 2021 is \$9.0 million, a decrease of \$2.5 million from the FY 2020 Adopted Budget. Budgets within the Enterprise Funds are funded by \$6.1 million in program revenue and \$2.5 million in transfers from the General Fund. The Enterprise Funds also rely on \$5.0 million of prior year fund balance, bringing total funding sources for the funds to \$13.6 million. The Enterprise Funds are projected to begin the fiscal year with \$5.0 million in retained earnings and are projected to end the year with retained earnings of \$4.6 million. Impacts to Enterprise Fund revenues as a result of COVID-19 are significant, particularly while shelter-in-place orders remain in effect. FY 2020 experienced sharp declines in the fourth quarter and as such, staff are conservatively budgeting for anticipated reductions in overall revenue and expenditures. While it is difficult to estimate the extent of shelter-in-place orders for FY 2020-21, staff will continue to monitor the activities and report to City Council on a regular basis.

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, workers' compensation, equipment, compensated absence, long-term disability, and retiree medical insurance.

The Proposed Budget for the Internal Service Funds is \$8.4 million, which is \$0.5 million higher than the FY 2020 Adopted Budget. Budgets within Internal Service Funds are funded by \$4.6 million in department revenue, \$0.7 million in transfers from the General Fund, and \$3.2 million from a combination of depreciation reserves and retained earnings. The Internal Service Funds are projected to begin the fiscal year with \$6.8 million in retained earnings and are projected to end the year with retained earnings of \$3.7 million.

Special Projects

The FY 2021 Proposed 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 on the next page. This list excludes one-time capital outlays and ongoing pavement management costs.

FY 2020-21 Special Projects				
Program Budget	Project Name	Expenditure	Funding Source	Work Program
120 City Manager's Office	Reduce Second Hand Smoke Exposure	\$ 27,592	General Fund	Yes
122 Sustainability	Climate Action Plan	\$ 212,000	General Fund	Yes
300 I&T Administration	Pilot Adaptive Traffic Signaling	\$ 65,000	Internal Service Fund	Yes
300 I&T Administration	Pilot Multi-modal Traffic Count	\$ 40,000	Internal Service Fund	Yes
300 I&T Administration	Pilot Noise Measurement	\$ 35,000	Internal Service Fund	Yes
300 I&T Administration	Pilot Pollution Monitoring	\$ 35,000	Internal Service Fund	Yes
300 I&T Administration	Pilot Trash Collection	\$ 25,000	Internal Service Fund	Yes
800 PW Administration	Municipal Water System	\$ 50,000	General Fund	Yes
801 Resource Recovery	Single Use Plastics Ordinance	\$ 30,000	Enterprise	Yes
804 Plan Review	Alternatives to New City Hall	\$ 25,000	General Fund	Yes
845 Traffic Signal Maintenance	Adaptive Traffic Signaling and Battery Backup	\$ 180,000	General Fund	Yes
	TOTAL CITY COUNCIL WORK PROGRAM	\$ 724,592		
122 Sustainability	Sustainable Infrastructure Audit	\$ 10,000	General Fund	
300 I&T Administration	Pilot Waste Management	\$ 10,000	Internal Service Fund	
305 Video	Community Hall Podium Replacement	\$ 15,000	General Fund	
305 Video	Portable Signal Generator/Analyzer	\$ 9,000	General Fund	
305 Video	Wireless Video Transmission System	\$ 11,500	General Fund	
308 Applications	Vehicle Miles Traveled	\$ 25,000	General Fund	
310 Infrastructure	Artificial Intelligence Remediation	\$ 50,000	Internal Service Fund	
310 Infrastructure	Facility Battery	\$ 40,000	Internal Service Fund	
701 Current Planning	Marina Plaza	\$ 50,000	General Fund	
801 Resource Recovery	Trash Enclosure SWMP	\$ 2,500	Enterprise	
802 Non-Point Source	Trash Enclosure SWMP	\$ 2,500	Special Revenue	
807 Service Center Administration	Citywide Office Reconfiguration	\$ 95,000	General Fund	
812 School Site Maintenance	Irrigation Pump for Hyde Middle School	\$ 85,000	General Fund	
812 School Site Maintenance	Dedicated Water Service at Collins School	\$ 60,000	General Fund	
812 School Site Maintenance	Hyde Middle School Fence Repairs	\$ 6,600	General Fund	

813 Neighborhood Parks	Master Valve and Flow Sensor at Hoover Park	\$ 12,000	General Fund	
813 Neighborhood Parks	Tot Lot Rubber Resurfacing	\$ 80,000	General Fund	
813 Neighborhood Parks	Irrigation and Domestic Service	\$ 70,000	General Fund	
813 Neighborhood Parks	Environmental Consulting Services	\$ 14,000	General Fund	
820 Sidewalk Curb and Gutter	Annual Sidewalk Curb and Gutter	\$ 1,500,000	Transportation Fund	
820 Sidewalk Curb and Gutter	Concrete Maintenance Backlog	\$ 550,000	Transportation Fund	
820 Sidewalk Curb and Gutter	Annual Sidewalk Grinding Project	\$ 80,000	Transportation Fund	
821 Street Pavement Maintenance	Pavement Maintenance	\$ 2,000,000	Transportation Fund	
822 Street Sign Marking	Stanley Cutoff & Chain Saws	\$ 5,600	Transportation Fund	
825 Street Tree Maintenance	Trees and Badges	\$ 15,000	General Fund	
829 Service Center Maintenance	Storage Shed Replacement	\$ 7,000	General Fund	
829 Service Center Maintenance	Mechanic Shop Asbestos Removal	\$ 8,000	General Fund	
830 Quinlan Community Center Maintenance	Restroom Partition Replacement	\$ 10,000	General Fund	
830 Quinlan Community Center Maintenance	Security System Retrofit	\$ 25,000	General Fund	
831 Senior Center Maintenance	Drinking Fountain Replacement	\$ 6,000	General Fund	
833 Monta Vista Community Center Maintenance	Monta Vista Partition and Key Replacement	\$ 57,000	General Fund	
846 Safe Routes 2 School	Pedestrian Education	\$ 41,160	General Fund	
848 Street Lighting	Street Light Pole Replacement	\$ 161,000	General Fund	
848 Street Lighting	Don Burnett Bridge Pathway LED Light Upgrade	\$ 47,000	General Fund	
848 Street Lighting	Linda Vista Park LED Light Upgrade	\$ 6,000	General Fund	
849 Equipment Maintenance	Mechanic Shop Hose Reels	\$ 9,000	General Fund	
855 Storm Drain Maintenance	Service Center IND Inspection	\$ 5,000	General Fund	
985 Fixed Asset Acquisition	Vehicle Replacement	\$ 959,136	General Fund	
986 GIS	IoT for Analytics	\$ 15,000	Internal Service Fund	
	TOTAL NON-CITY COUNCIL WORK PROGRAM	\$ 6,154,996		
	TOTAL CITY SPECIAL PROJECTS	\$ 6,879,588		

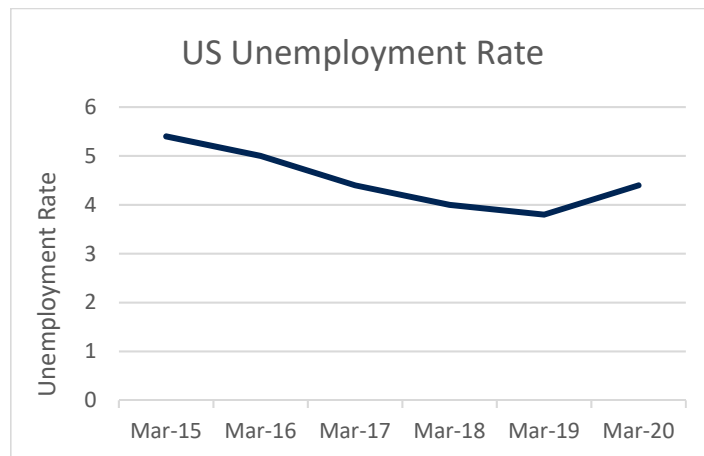
Current Economic Update

National and State Economic Conditions

Through the fourth quarter of 2019, the U.S. economy continued to show steady growth. U.S. Gross Domestic Product (GDP) increased by 2.1% in 2019 according to the Bureau of Economic Analysis, compared with an increase of 2.2% in 2018. The increase in real GDP in 2019 primarily reflected positive contributions from personal consumption, exports, residential fixed investment, federal government spending, and state and local government spending that were partly offset by negative contributions from private inventory investment and nonresidential fixed investment.

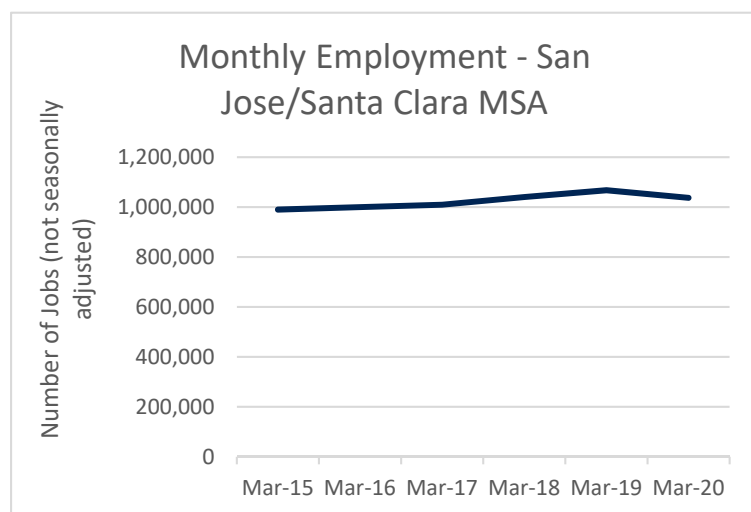
Through the first quarter of 2020, financial markets have experienced significant turbulence, driven by a high level of uncertainty about the impact of the COVID-19 pandemic on the global economy. US Treasury yields have declined, amid a global flight to quality. At the end of first quarter, the yield on 2-year Treasuries was down 132 basis points year-to-date, and the yield on 10-year Treasuries was down nearly 125 basis points. The S&P 500 index declined 20.0% in the first quarter as well. There are still many unknowns about the coronavirus including how widespread it will become, how long it will take to contain the virus, and the actual impact on economic activity. During this period of uncertainty, staff believe continued increases in unemployment and deep contractions in overall economic activity will be experienced. Financial markets will likely remain volatile over the near term, though large-scale global monetary and fiscal stimulus programs will assist in mitigating the longer-term impact of the pandemic. The Fed has taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets including the lowering of the target rate to a range of 0.0%-0.25%. Fed Chair Powell has indicated that the Fed will continue to act “forcefully, proactively, and aggressively” until the economy is solidly on a road to recovery.

COVID-19 is having significant impacts on the nation’s unemployment. The U.S. unemployment rate stood at 4.4% in March 2020, up from 3.5% in the previous month. The participation rate decline to 62.7% from 63.4%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part-time for economic reasons, increased to 8.7% from 7.0%. Although the



unemployment rate has improved significantly from a high of 9.6% in 2010, economists believe that if we are not currently in a recession, the chances of entering one this year are certain, thus marking the end to the nation’s longest-running expansionary period.

Consumer confidence, as reflected by the Conference Board Consumer Confidence Index, decreased over the previous year and stands at 120.0 as of March 2020, including a 12.6 point decrease over the previous month. The year-over-year decrease is the result of a deterioration in the short-term outlook. The Present Situation Index remained relatively strong, reflective of an economy that was on solid footing, and prior to the recent surge in unemployment claims. However, the intensification of COVID-19 and extreme volatility in the financial markets have increased uncertainty about the outlook for the economic and jobs. March’s decline in confidence is more in line with a severe contraction – rather than a temporary shock – and further declines are sure to follow.



California’s unemployment rate rose to 5.3% in March 2020, an improvement compared to last year’s unemployment rate of 4.2%. Per capita personal income increased 4.5% in 2019 over 2018, mostly due to faster growth in wages; however, it is reasonable to anticipate declines in income in 2020 as a result of COVID-19. Growth in the housing market slowed over the prior year with the prices of single-

family homes up 8.3% and sales down 6.1% compared to March of last year according to the California Association of Realtors (CAR). Growth in Santa Clara County slowed over the prior year with the prices of single-family homes up 7.7% and sales down 19.0%. Recognizing that the State has a chronic housing shortage and understanding that inadequate housing has the potential to impede economic growth, state legislators have succeeded in passing a legislative housing package that has the potential to make a difference.

Cupertino Economic Conditions

Despite strong economic performance continuing in Silicon Valley and Cupertino pre-COVID, data from the State of California Employment Development Department indicates significant impacts as a result of the virus. Employment in the San José/Sunnyvale/Santa Clara Metropolitan Statistical Area (MSA) continues to increase. The preliminary estimate of the March 2020 employment level in the MSA was 1.03 million, representing an approximately 300,000 drop from the March 2019 level. The March 2020 preliminary unemployment rate of 3.4% has increased from the 2.8% rate experienced a year ago. Our local unemployment rate is lower than the national unemployment rate of 4.4%.

Housing prices remain strong compared to the same period in 2019. As of February 2020, single family homes sold for a median home price of \$2.08 million, a notable increase over the past year. The increase in the median home prices correlates with property tax revenue being expected to increase slightly compared to last year due to reassessments of development

projects, and additional TEA property tax share. Due to the timing of property appraisals entering the assessor's role, the City does not anticipate significant impacts to property tax revenues in FY 20-21. When property values are appraised again in January 2021 and are included in the FY 21-22 roll, only then will the City expect to see adverse impacts resulting from COVID-19. Construction activity, although strong in previous years, will continue to flatten out as development projects, particularly Apple Park, are completed. Given the level of volatility surrounding COVID-19 and the uncertainty of recovery time, it is difficult to estimate the timing of significant projects that could have a positive impact on the City's general revenue bases.

Key Budget Assumptions

Revenue Assumptions

Because of COVID-19, the FY 2021 Proposed Budget assumes significant declines in the sales tax and transient occupancy tax categories. Other categories consider assumptions ranging from no growth to conservative growth. As has been done in the past, 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. With that, potential COVID-19 impacts were also heavily weighed in determining the most reasonable estimated figures. Given the extreme volatility and high level of uncertainty, staff are prepared to bring forward information and budget adjustments to the City Council throughout the fiscal year and as the COVID-19 situation evolves. Revenue assumptions are discussed in detail in the Fund Summary section under Financial Policies and Schedules.

Personnel Assumptions

The City is entering the second year of its currently effective labor agreements which assume 3.5% cost of living adjustment increases. Equity adjustments, and increases for retirement and health were also included in the increase for compensation and benefits.

In addition, budgeted personnel expenditures factor in salary step increases for approximately 54% 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 2021 funding needs. In addition, one-time projects have been separated out in FY 2021 to ensure that expenditure trends reflect ongoing expenditure needs. Contingency budgets are assumed to be reduced by 50% over the prior year, representing an approximate \$850,000 in savings. Contingencies are calculated at 5% 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

Retirement Benefits

Cupertino provides retirement benefits for its employees through the California Public Employee's Retirement System (CalPERS). Poor investment returns during the Great Recession and actuarial assumption changes have increased the gap between the pension system's assets and liabilities, resulting in the overall funded status of the system falling significantly. The funded status as of June 30, 2019 is estimated at 69%, down from 71% over the prior year due to lower than expected investment returns.

As a result, the CalPERS Board has adopted revised actuarial policies to improve the financial sustainability of the system. In February 2018, the CalPERS board voted to decrease the amortization period for new pension liabilities from 30 years to 20 years, effective July 1, 2019. In addition, in December 2016, the CalPERS Board voted to reduce the discount rate, also known as the assumed rate of return for investments, by 0.5 percentage points to 7.0%. The result of this change is significant and will result in considerable increases in retirement costs well above what the City had previously forecasted for retirement expenses as noted in the table below. As of March 2020, CalPERS year-to-date earnings on investments were at -4%. Assuming CalPERS ends the year in a similar position, or in a position below the 7% desired target, the City can expect to see continued spikes in annual required contributions. The impacts from CalPERS investment earnings would not be included in the City's actuarial reports until FY 22-23 and would be smoothed over a five-year period. As part of the FY 2019 Adopted Budget, City Council approved the creation of a Pension Rate Stabilization Program (PRSP), a Section 115 Trust that will act to stabilize pension rate volatility and minimize the impact on the General Fund's operating budget from year to year. During FY 2019, the City contributed an initial investment of \$8.0 million to the trust. The FY 2021 Proposed Budget includes this \$8.0 million as well as an additional \$4M contributed during FY 2020 as restricted fund balance to provide stabilization through the following ramp-up period as necessary:

Projected Employer Contributions						
	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Projected Payroll	\$ 19,490,834	\$ 20,026,831	\$ 20,577,569	\$ 21,143,452	\$ 21,724,897	\$ 22,322,332
Normal Cost (%)	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
Normal Cost	\$ 2,203,634	\$ 2,264,234	\$ 2,326,500	\$ 2,390,479	\$ 2,456,217	\$ 2,523,763
UAL Payment	\$ 3,607,122	\$ 4,056,000	\$ 4,448,000	\$ 4,724,000	\$ 5,001,000	\$ 4,775,000
Total Contribution	\$ 5,810,756	\$ 6,320,234	\$ 6,774,500	\$ 7,114,479	\$ 7,457,217	\$ 7,298,763
Total Contribution (%)	29.8%	31.6%	32.9%	33.6%	34.3%	32.7%

Revenue Volatility

The City's revenue mix is heavily reliant on volatile business-to-business sales tax, which makes up a large portion 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. COVID-19 is expected to significantly increase the volatility of the City's revenues in FY 2020-21; particularly its sales and transient occupancy taxes. While the overall reductions in these

two categories (\$6.9 million) is sure to have a profound impact, the General Fund is well-positioned to absorb the temporary decline and withstand the economic recovery period into the future.

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.

OUR MISSION

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. The budget document includes the following key elements:

1. **Budget Message:** This section includes the City Manager's transmittal letter submitting the budget to the City Council. The Budget Message also 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:** This section includes the City's Mission and other tools to assist the reader in identifying 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 Policies and Schedules:** This section provides financial information on projected revenues, expenditures, fund balances and reserves. It includes the Budget Summary of Funds as well as detailed fund descriptions and information on all revenue sources and expenditure projections.

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

Additionally, 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.

- 6. Departmental Operating Budgets:** This section details historical and proposed expenditures by operating department. The City is organized into seven key operating functions, including Administration, Law Enforcement, Innovation Technology, Administrative Services, Parks and Recreation, 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 projects or costs.

Departmental expenditures are divided into the following categories:

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

Contingencies represent 2.5% of total budgeted materials and contract costs and is designed 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.

- 7. Non-Departmental Operating Budgets:** This section details historical and proposed expenditures for the functions of interfund transfers and debt service.

8. **Capital Improvements:** The Capital Improvements section is in a separate document called Capital Improvement Program that details the proposed capital projects for the next five fiscal years. 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 is found below.

Accrual – A basis of accounting in which revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred.

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.

Balanced Budget – A balanced budget requires that the amount of budgeted expenditures be equal to or less than the amount of projected revenues for the budget year.

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 balances or from 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.

Full-Time Equivalent (FTE) – The ratio of a position in comparison to the amount of time a regular, full-time employee normally works in a year. A full-time employee (1.00 FTE) is paid for 2,080 hours a year. Positions budgeted to work less than full-time are expressed as a percent of full-time.

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.

Governmental Fund – Account for activities that are primarily tax-supported operations or other mandatory payments. Reported using the current financial resources measurement focus and the modified accrual basis of accounting.

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.

Modified Accrual – Under the modified accrual basis of accounting, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

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.

Transfer Out – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

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

Revenues, Expenditures, and Fund Balance Table

Example

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 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	-	-	-	-
Contingencies	-	-	-	-
Total Expenditures	-	-	-	-
Fund Balance (Usage)	-	-	-	-
General Fund Costs	-	-	-	-

Glossary

Taxes – Money received from tax revenue

Licenses and Permits – Money received from license and permit fees

Use of Money and Property – Interest earnings, facility and concession rents

Intergovernmental Revenue – Funds received from Federal, State or Local government such as grants

Charges for Services – Fees collected for services provided by the department

Fines and Forfeitures – Money received from fines and penalties

Miscellaneous Revenue – Money received from various sources such as donations, salvage and legal settlement

Interdepartmental Revenue – Interdepartmental service charges and transfers

Total Revenues – Total of all revenue categories

Employee Compensation – Full-time and part-time salaries

Employee Benefits – Employee benefits including health insurance and retirement

Materials – All material, conference and training costs

Contract Services – All contracted goods and services

Cost Allocation – Cost of services from other City departments and depreciation expenses

Capital Outlay – Land, buildings, vehicles, infrastructure and assets used in operation beyond one year

Special Projects – One-time projects or costs

Contingencies – Funds for unexpected expenses and emergencies

Total Expenditures – Total of all expenditure categories

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

General Fund Contribution – Total Expenditures minus Total Revenues minus Fund Balance

History

“This place of San Joseph Cupertino has good water and much firewood, but nothing suitable for a settlement because it is among the hills very near to the range of cedars which I mentioned yesterday, and lacks level lands.”

When Spanish explorer San Juan Bautista De Anza traveled through California in 1776, he and his party documented these words about the land surrounding Stevens Creek, named back then as Arroyo San Joseph Cupertino. However, first impressions can often be misleading. Underneath the spiny, overgrown bush was a completely different land waiting to be uncovered. During this time, the area was populated by Native Americans who hunted and gathered, prospering from the abundant resources the land had to offer.

It wasn't until 1848 when the first American settler, Elijah Stephens, a blacksmith from South Carolina, moved to the area—at this time, named simply 'West Side' and primarily owned by the government. After crossing over the Sierra Nevada in wagons, he discovered the true value of the land underneath the bush, and proceeded to purchase over 300 acres of farmland to grow grapes and blackberries. Stephens pioneered the way for farmers, which established West Side as an agricultural hot spot. The land Stephens owned eventually became Blackberry Farm, and the road, creek, and reservoir were all named after him, although misspelled.

In early West Side, many of the newest advances in agriculture were being developed. Settlers were drawn to the land because of its rich earth, where they were able to grow products that competed on the world market. Once the bush had been cleared, they grew grapes, which covered the West Valley area with vineyards by the late 1800s. By the 1900s, a plant louse called Phylloxera spread throughout the vineyards, attacking the roots of the grape vines, killing the grapes and putting a halt to wine production. As a solution, nearly everything was replanted with fruit orchards. When the fruit trees blossomed, visitors would come to the orchards for “The Valley of Heart's Delight” festivals, which celebrated the prosperous agriculture of the West Valley area.

Apart from the farmland, West Side was primarily known as a crossroads, an intersection between Saratoga-Sunnyvale Road and Stevens Creek. This served as a way station for travelers to pass through while going from town to town. As more people came to West Side to take advantage of the rich farm land, more family holdings gathered around the cross-roads. Starting off as just a post office and home union store, West Side's humble cross-roads brought many diverse communities, all attracted by the preferable climate and profitable market for crops.

As more people were drawn to the area around the cross-roads, the orchards were gradually replaced with modern houses for workers. The population steadily grew, and the face of West Side changed, progressing to a more modern town. The community wanted to rename the city, as to not confuse it with other cities, as well as establish a unique identity. John T. Doyle, a

lawyer from San Francisco, and writer of historical anthologies on the area, chose the name “Cupertino” after the original name of the creek.

After the post-World War II population boom, the growing community petitioned for Cupertino to become an incorporated town. Members of the community were worried that the alternative to incorporation was to have parts of Cupertino annexed by surrounding cities, splitting up the community and erasing the local culture. To preserve the rural atmosphere, lower taxes for farmers, start a local government, and prepare for growth, Cupertino voted for incorporation. In 1955, Cupertino officially became the 13th city in Santa Clara County.

By the 1970s, Cupertino once again began to undergo dramatic changes. The growing community attracted several large technology corporations. Lockheed Martin, HP, Intel, and many other big names established themselves in the Silicon Valley. Apple Inc. was founded in Cupertino in 1976 and quickly grew into the tech giant it’s known for today.

In the late 20th century, Cupertino and the surrounding areas experienced another surge in population growth, this time due to the immigration of people from Asian countries. Immigration laws at the time were in the favor of families looking to move to the Silicon Valley. People immigrated here for a variety of reasons—whether they were aspiring for career prospects with major tech companies, or striving for a quality education for their children, everyone who immigrated here had a common goal: to find opportunities to work hard for a better life for themselves and their families.

2020 Community Economic Profile

Cupertino, with a population of 66,762 and City limits stretching across 13 square miles, is considered one of the most prestigious cities to live and work in the 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 success as a partnership is a direct reflection of success as a community. The cornerstone of this partnership is a cooperative and responsive government that fosters residential and business prosperity and strengthens working relationships among all sectors of the community.

Because Cupertino is a mature, 93% built-out city, the City of Cupertino focuses 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. De Anza 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 offering 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, Ippudo, HaiDiLao Hot Pot Restaurant, Pressed Juicery, Orangetheory, 85 Degree Bakery, Somi Somi, Sul & Beans, Target Express, Kura Sushi, Vitality Bowls, Doppio Zero, Boiling Point and Jin Tea, Koja Kitchen, Bishops Cuts & Colors, Capezio, Howard's Shoes, Tan Cha, and Meet Fresh. Housing, office, and a new Residence Inn by Marriott are available to support the thriving area. Benihana, Bowlmor, and Ice Center Cupertino also serve as long-time anchors.

The construction of new retail and commercial development strengthens existing popular venues in Cupertino, including The Marketplace. The Marketplace has a variety of stores and restaurants popular with students, families, and working professionals. They include Galpao Gaucho, Daiso, Marukai Groceries, Harumi Sushi, La Patisserie Bakery, Beard Papa's, Legend's Pizza, Merlion Restaurant, Icicles, Kong's Tofu & BBQ, Rori Rice, One Pot Shabu Shabu, Olarn Thai, and Erik's DeliCafé to name a few.

Cupertino Village is undergoing renovations to upgrade existing buildings, construct new buildings, parking, and open-courtyard space. The shopping center is home to 99 Ranch Market, Duke of Edinburgh Pub & Restaurant, JSJ Street Kitchen, Kira Kira Beauty, MOD Pizza, Ten Ren Tea, Fantasia Coffee & Tea, Yoga Wave, Happy Lemon, Joy Luck Palace, Kee Wah Bakery, and many other Asian restaurants, bakeries, and shops.

Cupertino features many other retail opportunities, including TJ Maxx and Home Goods, Whole Foods, Target, Party City, and over 180 restaurants to serve residents and the local workforce. There are now seven hotels providing over 1,000 rooms, to serve the area: The Aloft Cupertino, Cupertino Hotel, Hilton Garden Inn, Juniper Hotel operated by Curio, Marriott Courtyard, the Residence Inn by Marriott, and the newest addition is the Hyatt House.

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, Pet Club, Michael's, Rite Aid, FedEx, and numerous restaurants, such as Fish's Wild, Pho Hoa Noodle Soup, Yayoi Teishoku Japanese Restaurant, Starbucks, and Chipotle.

Apple completed construction of its new corporate campus, Apple Park, which includes approximately 2.8 million square feet of office and R&D space north of Highway 280 between Wolfe Road and Tantau Avenue. A state-of-the-art Visitors Center, Observation



Deck, flagship retail store and café are open to the public seven days a week.

2020 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 Cupertino Community Hall. The meetings can be viewed on the City website.

The City has 197.75 authorized full-time benefited employee positions. Departments include:

- City Council & Commissions
- Administration (City Manager, City Clerk, City Attorney)
- Innovation Technology (GIS, Infrastructure, Applications)
- Administrative Services (Finance, Human Resources)
- Parks and Recreation (Business and Community Services, Recreation and Education, Sports, Safety, and Outdoor Recreation)
- Community Development (Planning, Building, Housing Services, Code Enforcement)
- Public Works (Environmental Programs, Developmental Services, Service Center, Grounds, Streets, Trees and Right of Way, Facilities and Fleet, Transportation, Storm Drain Management)
- Public Safety services are provided by the Santa Clara County Sheriff's Department and the Santa Clara County Fire District.

Assisting the City Council are several citizen advisory commissions and one committee including:

- Audit Committee
- Fine Arts Commission
- Housing Commission
- Library Commission
- Parks and Recreation Commission
- Planning Commission
- Public Safety Commission
- Sustainability Commission
- Teen Commission
- Technology, Information and Communication Commission

The Commissioners are appointed by Council and vacancies are announced so that interested residents can apply for the positions. For more information, visit cupertino.org/commissions.

Housing

Based on data from Corelogic the median sales price for an existing single-family home was \$2,080,000 in February 2020. 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

Pacific Gas and Electric, 800-743-5000

Phone

AT&T residential service, 800-894-2355

AT&T business service, 800-750-2355

Cable

Comcast, 800- 945-2288

Solid Waste & Recycling

Recology, 408-588-7200

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: \$26,013,180,424 (7/19)

County: \$516,068,803,614 (7/19)

Retail Sales Tax Distribution

Agency	Sales Tax Distribution
• State	6.000%
• VTA	1.125%
• City of Cupertino	1.000%
• County General Purpose	0.625%
• County Transportation	0.250%
Total:	9.000%

Transportation

Rail: The CalTrain station is four miles north of Cupertino. 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 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 Cupertino, 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 participating in annual student exchange programs.

Education

Winners of numerous state and national awards for excellence, Cupertino'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.

Building on its tradition of excellence and innovation, De Anza 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.

De Anza 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 De Anza 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. The program 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.

Website Applications

Cupertino.org/ShopAndDine

This interactive website app offers users mapping features of current Cupertino businesses and restaurants.

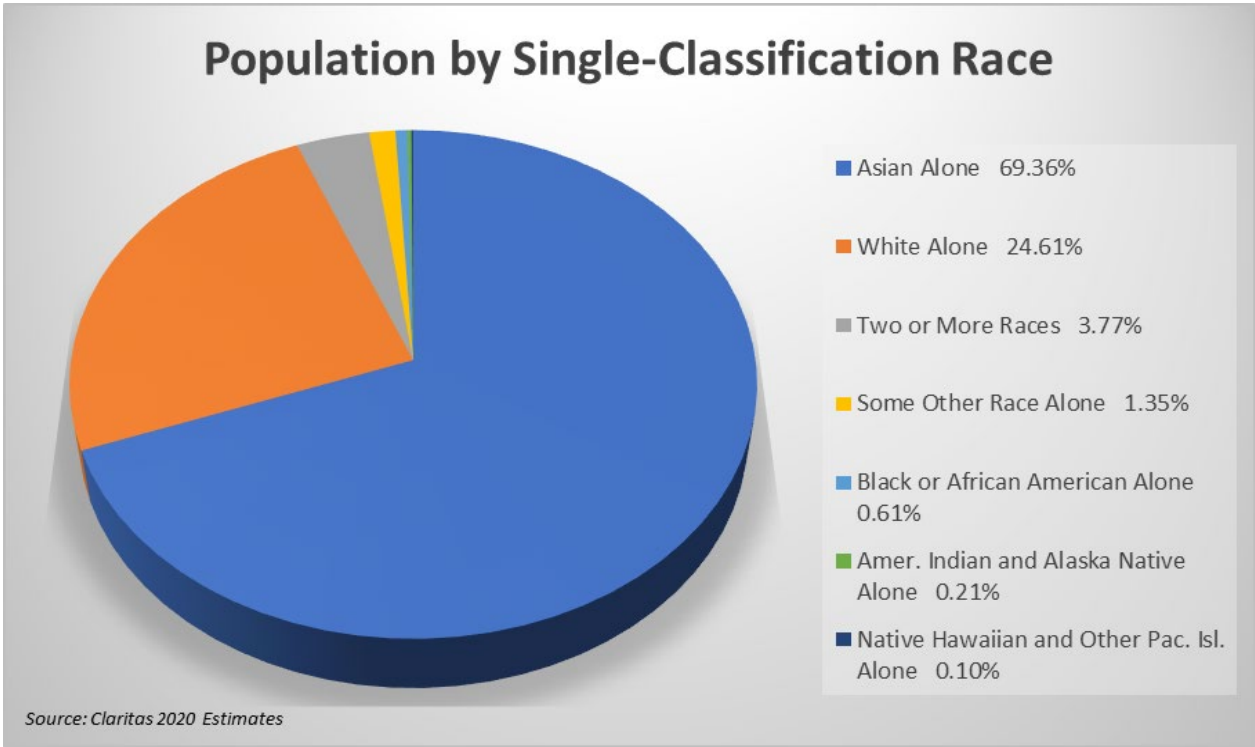
Community Statistics

Facts and Figures¹

Population in City Limits	66,762
Average Household Income	\$242,777
Average Age	40.4
Registered Voters	28,539
Democrats	11,113
Republicans	4,648
American Independent	402
Other	218
No Political Party Designated	12,158

¹ Claritas 2020 Estimates and California Statewide Direct Primary Election June 5, 2018

Top 25 Sales Tax Producers Fourth Quarter 2019 in Alphabetical Order			
7 Eleven	BJ's Restaurant & Brewhouse	Lazy Dog Cafe	TJ Maxx
99 Ranch Market	California Dental Arts	Rotten Robbie	Ulta Beauty
Alexander's Steak House	Chevron	Safeway	Valero
Alliance	Estel Group	Seagate Technology	Whole Foods Market
Apple	Galpao Gaucho	Shane Company	
Argonaut Window & Door	Haidilao Hot Pot	Shell	
Benihana	Insight Direct	Target	



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, replastered 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 De Anza 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

Apple Park Visitor Center, Store & Café

A state-of-the-art Visitors Center, Observation Deck, flagship retail store and café are open to the public seven days a week. The Visitor Center is located at 10600 N Tantau Avenue. Free parking is available. For more information, visit the website at www.apple.com/retail/appleparkvisitorcenter or call 408-961-1560.

Fujitsu Planetarium

The Fujitsu Planetarium on the De Anza 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.

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' Markets

There are two farmers' markets located in the City of Cupertino. One is held on Fridays from 8:30 a.m. to 1:00 p.m. at Creekside Park located at 10455 Miller Avenue, and the other is held

every Sunday from 9:00 a.m. to 1:00 p.m. at The Oaks Shopping Center, 21275 Stevens Creek Blvd.

California History Center

The California History Center and Foundation is located on the De Anza 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.

Local Wineries

The Santa Cruz Mountains has played a pivotal role in the history of winemaking in California, with roots going back over 100 years, and including legendary winemakers such as Paul Masson, Martin Ray, David Bennion (Ridge), and David Bruce. The Santa Clara Valley Wine Trail features wineries in the southern portion of Santa Clara County, including Cupertino. Take some time to enjoy Cupertino-based wineries: Fellom Ranch Vineyards, Naumann Vineyards, Picchetti Winery, R&W Vineyards, Ridge Vineyards, and Vidovich Vineyards, as well as the breathtaking scenery of the surrounding foothills.



Photo courtesy of Ridge Vineyards

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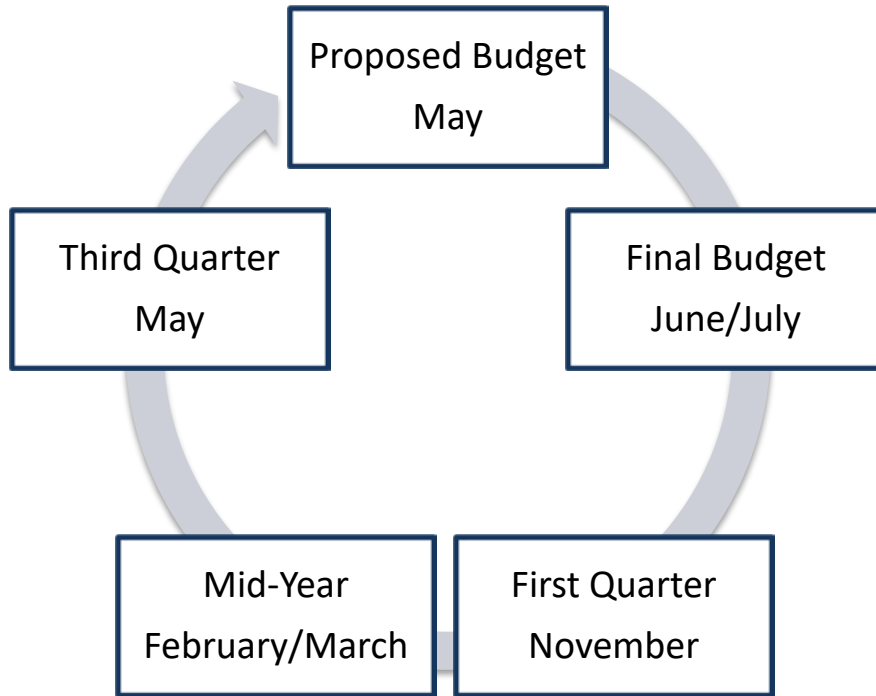
The Annual Budget Process

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

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 Manager's 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 adopted budget is adopted by resolution in June and takes effect on July 1.

The following chart illustrates the City's budget reporting cycle. Staff reports to Council on a quarterly basis in addition to the annual proposed and adopted budget. Should amendments to the budget be required outside of this cycle, staff will bring budget amendments as separate Council staff reports.



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 from new revenue sources.

Structure of City Finances

Cost Accounting

The City of Cupertino has five internal service funds that account for innovation & technology, 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 utilizes 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 departments in the General Fund were allocated based on a 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 the 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 Departments: City Council and Commissions, Administration, Law Enforcement, Innovation and Technology, Administrative Services, Parks and Recreation,

Planning and Community Development, Public Works, Non Departmental (includes budget that are not attributable to any specific division) and Capital Projects. These departments are further split into divisions 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 Crowe and Horwath, the City's Auditors and 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 citizens 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, integrated 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 2020-21 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 Improvement 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, Environmental Management/ Clean Creeks funds and Housing and Community Development.

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 pay 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, Equipment, Workers' Compensation, Long-Term Disability/Compensated Absence, and Retiree Medical funds.

Internal Service Funds	Purpose
Innovation & 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.
Workers' Compensation	This fund pays for claims and insurance premiums related to workers' compensation.
Vehicle/Equipment Replacement	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 Policies – Revenue Policies

PURPOSE

To establish revenue policies 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

Monitor Enterprise activities remain self-supporting in the long term.

Fiscal Policies – Expenditure Policies

PURPOSE

To establish expenditure control policies 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. -

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

Fiscal Policies – 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 Policies – 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. Software-as-a-Service (SaaS) contracts are not capitalizable and are expensed as incurred.

Technology upgrades are determined by the Innovation Technology Department 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 Innovation Technology Department in concert with the user 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 Innovation Technology Department Division (IT), or when parts or support are no longer available from the manufacturer. Replacement needs will be determined by IT 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. IT 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. A common example of such system would be a telephone system or network. Individual component or replacement costs are not capitalizable unless they are greater than \$5,000 and increase the value of the asset.

Enterprise Software replacement shall be determined individually by IT and the end users. Only those large enterprise systems (on-site or on premise) with an expected life of at least 7 years or a cost of over \$10,000 shall be capitalized. SaaS contracts are not capitalizable and are to be expenses as incurred.

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. IT 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. Replacement 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.

Fiscal Policies – 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 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 Policies – 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 – Committed, 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 committed and unassigned fund balance (general fund only) in each fund for the ability to meet following economic uncertainties:

Economic Uncertainty – \$19,000,000 and represents two months of General Fund (GF) 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

PERS – \$12,000,000 and represents the initial investment into the City’s Pension Rate Stabilization Program (PRSP). As a result of the significant increase in retirement costs based on the most recent actuarial forecast, the City elects to establish and fund a secondary pension trust to assist in stabilizing the potential impact of pension cost volatility on the City’s operating budget. Annual contributions subsequent to the initial funding are determined by calculating the difference between CalPERS’ current discount rate and a more conservative rate determined by the City. This difference is to be transferred to the pension trust and to be used solely for the benefit of members in the plan.

Sustainability Reserve – Cupertino’s Sustainability Division oversees the City’s Climate Action Plan (CAP), which defines strategies to reduce greenhouse gas emissions, and provides residents, businesses and schools with programs and services focused on energy efficiency, renewable energy, water conservation, alternative transportation and other sustainable actions. The City receives rebates for projects that successfully meet the eligibility requirements such as energy or water efficiency. If the rebates were not initially budgeted, they are categorized as committed fund balance in the General Fund. The purpose of this reserve is to help support future sustainability projects/programs.

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	PERS	\$12,000,000	Budgeted Citywide Retirement Costs	For pension cost increases.
3	Sustainability Reserve	\$123,397	GF Budget Revenue ³	For future sustainability projects/programs.

4	Unassigned	\$500,000	Budgeted GF Operating Expenditures ²	For mid-year budget adjustments and redeployment into the five year budget.
CAPITAL PROJECTS 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

Changes to Committed Fund Balance – All reserves listed in this policy are classified as Committed Fund Balance under Government Accounting Standards Board (GASB) Statement 54. Committed fund balance is comprised of 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. Changes to committed 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 committed fund balances listed in this policy, recommendation will be brought to City Council for approval and a plan to replenish the committed balance 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) PERS
- 3) Sustainability Reserve
- 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 19, 2020 City Council agenda packet.

Fiscal Policies – 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.

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.

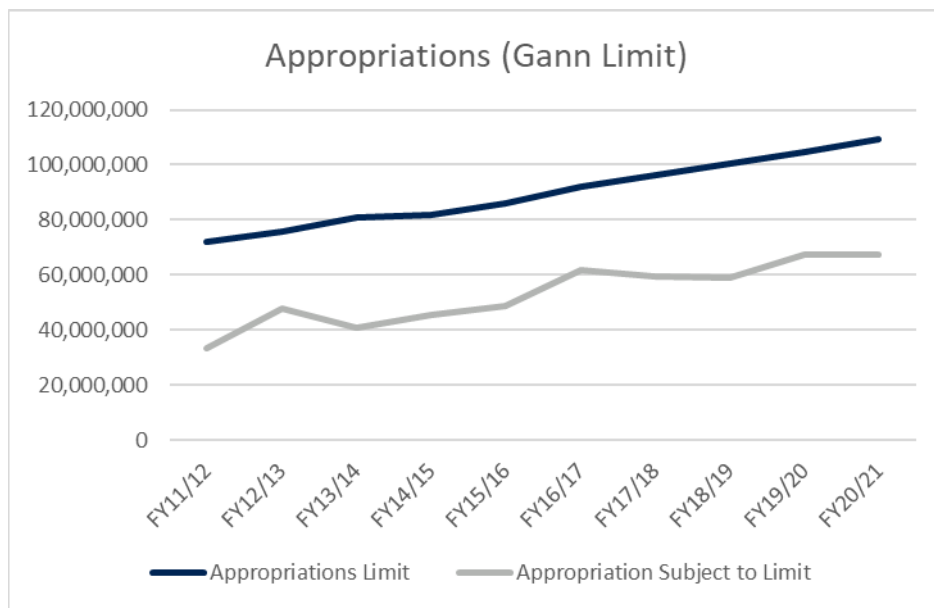
Appropriations & Legal Debt Limit Margin

Gann Appropriations Limit

Fiscal Year 2020-21

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 2020-21 was \$___, \$___ or ___% higher than the FY 2019-20 limit of \$104,753,580. Information to calculate the City's appropriations limit for FY 2020-21 will not become available until May 2020 and will be included in the Adopted Budget hearing in June 2020.

Legal Debt Margin

Fiscal Year 2020-21

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computation shown below reflects a conversion of assessed valuation data for fiscal year 2019-20 from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

Description	Amount	Formula
Secured Property Assessed Value, Net of Exempt Real Property (1)	\$22,531,311,774	
Adjusted Valuation - 25% of Assessed Valuation (2)	\$ 5,632,827,944	(1) * 25%
Debt Limit - 15% of Adjusted Valuation	\$ 844,924,192	(2) * 15%
Total City Bonded Debt (3)	\$ 27,010,000	
Less: Certificates of Participation Not Subject to Debt Limit (4)	\$ (27,010,000)	
Amount of Debt Subject to Limit	-	(3) - (4)
Legal Debt Margin	\$ 844,924,192	

Fiscal Year 2020-21 Proposed Budget Financial Overview by Fund

Revenue Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2020-21 Proposed Budget Total
Sales Tax	\$ 20,910,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,910,889
Property Tax	\$ 25,353,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,353,783
Transient Occupancy	\$ 7,546,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,546,884
Utility Tax	\$ 3,223,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,223,712
Franchise Fees	\$ 3,280,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,280,447
Other Taxes	\$ 1,212,939	\$ 3,102,882	\$ -	\$ -	\$ -	\$ -	\$ 4,315,821
Licenses & Permits	\$ 3,139,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,139,473
Use of Money & Property	\$ 1,271,510	\$ 4,205	\$ -	\$ -	\$ 470,000	\$ -	\$ 1,745,715
Intergovernmental	\$ 235,567	\$ 3,396,028	\$ -	\$ -	\$ 15,000	\$ -	\$ 3,646,595
Charges for Services	\$ 11,556,831	\$ 1,526,471	\$ -	\$ -	\$ 5,678,042	\$ 4,314,949	\$ 23,076,293
Fines & Forfeitures	\$ 425,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 435,000
Miscellaneous	\$ 1,003,857	\$ 87,057	\$ -	\$ -	\$ -	\$ -	\$ 1,090,914
Transfers In/Other Financing Uses	\$ 290,000	\$ 3,800,000	\$ 3,169,138	\$ -	\$ 2,468,000	\$ 930,385	\$ 10,657,523
TOTAL REVENUE	\$ 79,450,892	\$ 11,926,643	\$ 3,169,138	\$ -	\$ 8,631,042	\$ 5,245,334	\$ 108,423,049

Appropriation Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2020-21 Proposed Budget Total
Employee Compensation	\$ 20,573,051	\$ 1,576,185	\$ -	\$ -	\$ 1,731,822	\$ 1,615,524	\$ 25,496,582
Employee Benefits	\$ 8,910,549	\$ 780,434	\$ -	\$ -	\$ 535,151	\$ 1,896,696	\$ 12,122,830
Materials	\$ 6,472,852	\$ 883,903	\$ -	\$ -	\$ 423,742	\$ 1,119,300	\$ 8,899,797
Contract Services	\$ 22,553,684	\$ 1,098,296	\$ -	\$ 175,000	\$ 4,942,761	\$ 1,453,399	\$ 30,223,140
Cost Allocation	\$ 10,473,534	\$ 1,046,834	\$ -	\$ 168,274	\$ 923,089	\$ 52,343	\$ 12,664,074
Capital Outlays	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Special Projects	\$ 1,420,852	\$ 4,143,100	\$ -	\$ -	\$ 32,500	\$ 1,283,136	\$ 6,879,588
Contingencies	\$ 986,635	\$ 29,493	\$ -	\$ -	\$ 135,753	\$ 77,948	\$ 1,229,829
Transfers Out	\$ 10,121,138	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 10,136,138
Debt Service/Other Uses	\$ 775,000	\$ -	\$ 3,169,138	\$ -	\$ 291,445	\$ 897,684	\$ 5,133,267
TOTAL EXPENDITURES	\$ 82,287,295	\$ 10,573,245	\$ 3,169,138	\$ 343,274	\$ 9,016,263	\$ 8,396,030	\$ 113,785,245

Net Increase (Decrease) in Fund Balance/Retained Earnings	\$ (2,836,403)	\$ 1,353,398	\$ -	\$ (343,274)	\$ (385,221)	\$ (3,150,696)	\$ (5,362,196)
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Fiscal Year 2020-21 Proposed Budget Flow of Funds Chart

SOURCE OF FUNDS

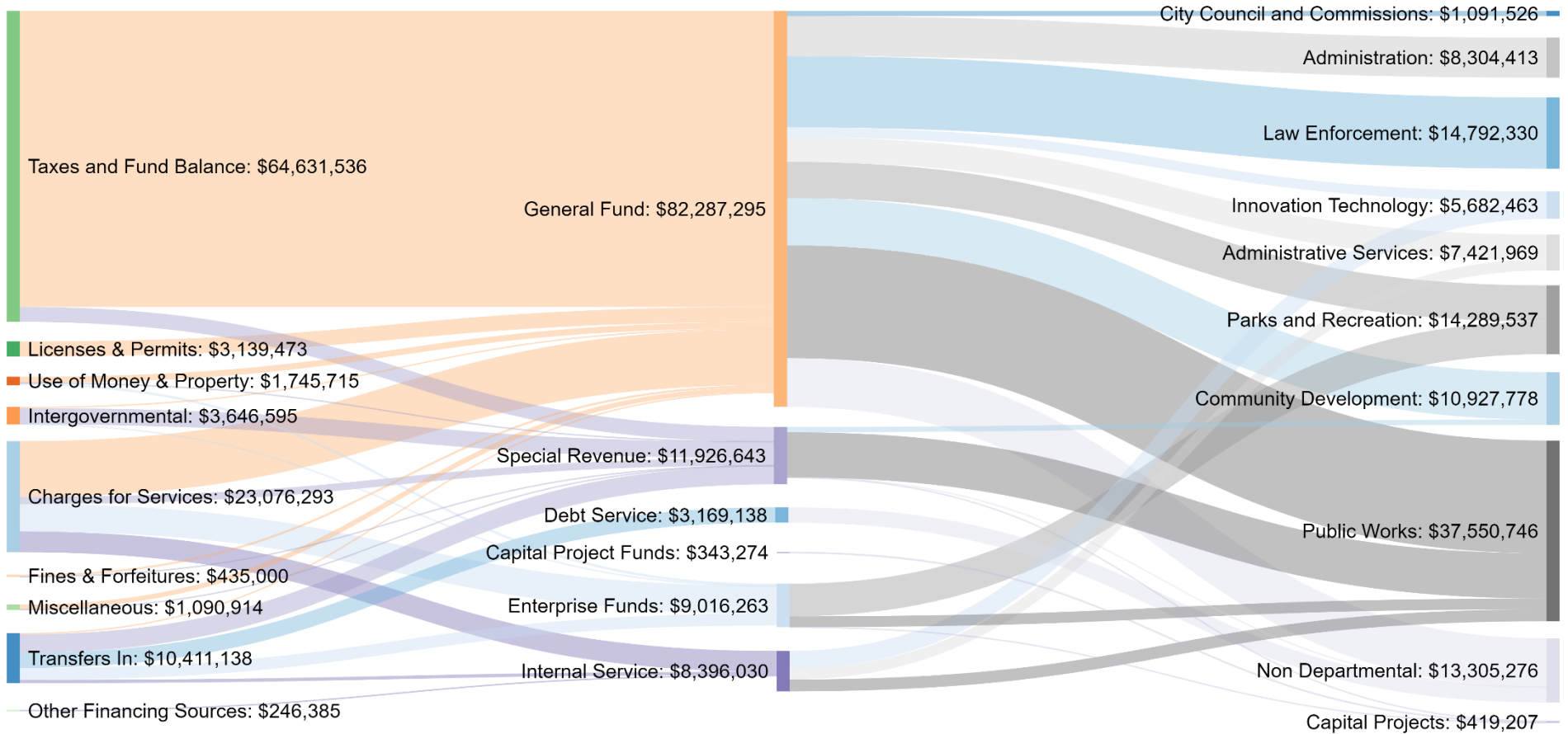
Revenue by Object



Revenues by Fund



Appropriations by Department



Fiscal Year 2020-21 Proposed Budget

General Fund Contribution Schedule

Fund Type	Proposed Budget Expenditures	Proposed Budget Revenues	Proposed Budget Fund Balance/ Retained Earnings (Usage)	Proposed General Fund Contribution
General Fund				
10 City Council				
100 City Council	452,176	954,826	-	(502,650)
101 Community Funding	1,240	-	-	1,240
110 Sister Cities	81,595	-	-	81,595
11 Commissions				
131 Telecommunication Commission	24,064	-	-	24,064
140 Library Commission	31,709	-	-	31,709
142 Fine Arts Commission	53,510	-	-	53,510
150 Public Safety Commission	30,817	-	-	30,817
155 Bike/Ped Safety Commission	35,238	-	-	35,238
160 Recreation Commission	50,896	-	-	50,896
165 Teen Commission	81,300	-	-	81,300
170 Planning Commission	119,563	-	-	119,563
175 Housing Commission	56,102	-	-	56,102
180 Sustainability Commission	53,072	-	-	53,072
190 Audit Committee	20,244	-	-	20,244
12 City Manager				
120 City Manager	1,338,451	480,014	-	858,437
122 Sustainability Division	951,523	-	-	951,523
126 Office of Communications	710,191	-	-	710,191
305 Video	781,333	293,110	-	488,223
307 Public Access Support	80,020	-	-	80,020
632 Comm Outreach & Neigh Watch	191,823	-	-	191,823
633 Disaster Preparedness	400,275	-	-	400,275
705 Economic Development	432,819	-	-	432,819
13 City Clerk				
130 City Clerk	513,767	91,584	-	422,183
132 Duplicating/Mail Services	75,812	-	-	75,812
133 Elections	162,466	-	-	162,466
14 City Manager Discretion				
123 City Manager Contingency	582,904	-	-	582,904
15 City Attorney				
141 City Attorney	2,083,029	551,138	-	1,531,891
20 Law Enforcement				
200 Law Enforcement SC Sherif	14,741,850	1,037,328	-	13,704,522
201 Interoperability Project	50,480	-	-	50,480
31 I&T Video				
308 Applications	2,031,386	1,307,803	-	723,583
40 Administrative Services				
400 Admin Services Administration	940,863	185,799	-	755,064
41 Finance				
405 Accounting	1,644,911	2,114,792	-	(469,881)
406 Business Licenses	404,751	-	-	404,751
44 Human Resources				
412 Human Resources	1,228,043	1,609,812	-	(381,769)
417 Insurance Administration	923,953	-	-	923,953
60 Recreation & Community Service				
601 Rec & Comm Svcs Administration	1,286,738	-	-	1,286,738
634 Park Planning and Restoration	-	-	-	-
636 Library Services	318,340	-	-	318,340
61 Business and Community Services				
602 Administration	762,614	-	-	762,614
605 Cultural Events	469,639	31,000	-	438,639
630 Facilities	501,976	206,455	-	295,521
62 Recreation and Education				
608 Administration	802,958	25,000	-	777,958
623 Youth, Teen and Senior Adult Rec	1,432,125	437,000	-	995,125
639 Youth and Teen Programs	314,113	5,020	-	309,093

Fiscal Year 2020-21 Proposed Budget General Fund Contribution Schedule

Fund Type	Proposed Budget Expenditures	Proposed Budget Revenues	Proposed Budget Fund Balance/ Retained Earnings (Usage)	Proposed General Fund Contribution
640 Neighborhood Events	202,755	-	-	202,755
63 Sports, Safety & Outdoor Rec				
612 Park Facilities	1,329,493	269,000	-	1,060,493
615 Administration	110,200	-	-	110,200
70 Planning & Community Development				
700 Community Development Admin	730,583	-	-	730,583
71 Planning				
701 Current Planning	2,998,045	1,045,000	-	1,953,045
702 Mid Long Term Planning	806,696	138,750	-	667,946
704 Annexations	727	-	-	727
72 Housing Services				
712 Gen Fund Human Services Grants	106,930	-	-	106,930
73 Building				
713 General Building	899,738	315,000	-	584,738
714 Construction Plan Check	1,658,248	1,300,000	-	358,248
715 Building Inspection	1,402,918	1,500,000	-	(97,082)
718 Muni-Bldg Code Enforcement	83,027	-	-	83,027
74 Code Enforcement				
202 Code Enforcement	1,157,600	225,000	-	932,600
80 PW Admin				
800 Public Works Admin	891,430	120,000	-	771,430
82 Developmental Services				
804 Plan Review	1,673,271	731,489	-	941,782
806 CIP Administration	1,464,380	-	-	1,464,380
83 Service Center				
807 Service Center Administration	1,253,059	98,674	-	1,154,385
84 Grounds				
808 McClellan Ranch Park	150,623	-	-	150,623
809 Memorial Park	798,045	-	-	798,045
811 BBF Ground Maintenance	174,799	-	-	174,799
812 School Site Maintenance	1,572,920	143,700	-	1,429,220
813 Neighborhood Parks	2,501,181	-	-	2,501,181
814 Sport Fields Jollyman CRK	808,542	-	-	808,542
815 Civic Center Ground Maint	523,705	253,880	-	269,825
85 Streets				
848 Street Lighting	887,925	-	-	887,925
850 Environmental Materials	194,890	-	-	194,890
86 Trees and Right of Way				
824 Overpasses and Medians	1,530,928	10,761	-	1,520,167
825 Street Tree Maintenance	1,693,951	25,761	-	1,668,190
826 Weekend Work Program	566,597	-	-	566,597
87 Facilities and Fleet				
827 Bldg Maint City Hall	472,117	500,394	-	(28,277)
828 Bldg Maint Library	619,431	287,754	-	331,677
829 Bldg Maint Service Center	290,074	-	-	290,074
830 Bldg Maint Quinlan Center	561,635	-	-	561,635
831 Bldg Maint Senior Center	380,519	-	-	380,519
832 Bldg Maint McClellan Ranch	210,120	840	-	209,280
833 Bldg Maint Monta Vista Ct	242,758	-	-	242,758
834 Bldg Maint Wilson	68,527	-	-	68,527
835 Bldg Maint Portal	84,596	-	-	84,596
837 Bldg Maint Creekside	104,149	-	-	104,149
838 Comm Hall Bldg Maint	231,318	-	-	231,318
839 Teen Center Bldg Maint	47,874	-	-	47,874
840 Park Bathrooms	120,681	-	-	120,681
841 BBF Facilities Maintenance	530,158	-	-	530,158
852 Franco Traffic Operations Center	11,941	-	-	11,941

Fiscal Year 2020-21 Proposed Budget

General Fund Contribution Schedule

Fund Type	Proposed Budget Expenditures	Proposed Budget Revenues	Proposed Budget Fund Balance/ Retained Earnings (Usage)	Proposed General Fund Contribution
88 Transportation				
844 Traffic Engineering	1,263,216	757,666	-	505,550
845 Traffic Signal Maintenance	903,114	-	-	903,114
846 Safe Routes 2 School	600,044	-	-	600,044
90 Citywide - Non Departmental				
001 No Department	10,121,138	-	-	10,121,138
502 EE Housing Loan	-	-	-	-
GENERAL FUND SUBTOTAL I	\$ 82,287,295	\$ 17,054,350	\$ -	\$ 65,232,945
General Fund Revenue/Fund Balance				
General Fund Revenue	-	62,396,542	-	(62,396,542)
Unassigned Fund Balance	-	-	(2,836,403)	(2,836,403)
GENERAL FUND SUBTOTAL II	\$ -	\$ 62,396,542	\$ (2,836,403)	\$ (65,232,945)
TOTAL GENERAL FUND	\$ 82,287,295	\$ 79,450,892	\$ (2,836,403)	\$ -
Special Revenue Fund				
Non Point Source	1,050,690	1,532,493	481,803	-
Storm Drain Maintenance	706,996	-	(706,996)	-
HCD General Administration	97,195	79,450	(17,745)	-
CDBG- Capital Grants	260,000	261,532	1,532	-
Public Service Grants	65,000	59,588	(5,412)	-
Below Market Rate Housing	661,071	3,025,898	2,364,827	-
Sidewalk, Curb and Gutter Maint	2,561,810	-	(2,561,810)	-
Street Pavement Maintenance	4,216,014	1,624,285	(2,591,729)	-
Street Signs/Markings	865,538	-	(865,538)	-
Tree Fund	15,000	-	(15,000)	-
CIP - Lawrence-Mitty Park	90	-	(90)	-
CIP - Strm Drn Improv-Fthill & Cup Rd	248	-	(248)	-
CIP - MRP Community Grdn Improv-Const	8,158	-	(8,158)	-
CIP - MRP EEC Aquatic Habitat	1,293	-	(1,293)	-
CIP - Storm Drain MP Implementation	45	-	(45)	-
Non-Departmental	64,097	1,543,397	5,279,300	3,800,000
TOTAL SPECIAL REVENUE FUNDS	\$ 10,573,245	\$ 8,126,643	\$ 1,353,398	\$ 3,800,000
Debt Service				
Public Facilities Corporation	3,169,138	-	-	3,169,138
TOTAL DEBT SERVICE	\$ 3,169,138	\$ -	\$ -	\$ 3,169,138
Capital Projects Funds				
CIP - SC Corridor Park Ph 1	626	-	(626)	-
CIP - Env Edu Facility	185	-	(185)	-
CIP - Phs II SC Corridor Park	2,025	-	(2,025)	-
CIP - SCCP Chain MP-MCLN TO SCB	405	-	(405)	-
CIP - Spt Ctr Resurf Tennis Cts	45	-	(45)	-
CIP - Pub Bldg Solar Service Center	180	-	(180)	-
CIP - DeAnza/McClellan Signal Maint	90	-	(90)	-
CIP - STLG/280 Ped Bridge Lighting	252	-	(252)	-
CIP - Green Bike Lanes	90	-	(90)	-
CIP - MR Construct Trash Enclosure	1,601	-	(1,601)	-
CIP - MR Community Garden Improvements	6,622	-	(6,622)	-
CIP - ADA Improvements	4,984	-	(4,984)	-
CIP - Stevens Crk Bank Repair Concept	90	-	(90)	-
CIP - Sports Center Exterior Upgrades	21,201	-	(21,201)	-
CIP - Sports Center Interior Upgrades	358	-	(358)	-
CIP - QCC Fire Alarm Control Panel Upg	5,626	-	(5,626)	-
CIP - McClellan West-Parking Lot Imprv	17,406	-	(17,406)	-
CIP - Rec Facilities Monument Signs	3,609	-	(3,609)	-
CIP - City Hall - Turf Reduction	1,838	-	(1,838)	-

Fiscal Year 2020-21 Proposed Budget General Fund Contribution Schedule

Fund Type	Proposed Budget Expenditures	Proposed Budget Revenues	Proposed Budget Fund Balance/ Retained Earnings (Usage)	Proposed General Fund Contribution
CIP - Svc Ctr - Shed No. 3 Improvement	10,921	-	(10,921)	-
CIP - 2016 Bike Plan Implementation	35,782	-	(35,782)	-
CIP - Retaining Wall Repair-Cordova Rd	2,837	-	(2,837)	-
CIP - Retaining Wall Repl - Regnart Rd	180	-	(180)	-
CIP - Citywide Park & Recreation MP	3,321	-	(3,321)	-
CIP - CIP Prelim Planning & Design	128,039	-	(128,039)	-
CIP - Capital Project Support	50,145	-	(50,145)	-
CIP - Inclusive Play Area - Planning	652	-	(652)	-
CIP - Senior Ctr Walkway Replacement	270	-	(270)	-
CIP - St Light Install - Annual Infill	536	-	(536)	-
CIP - McClellan Sdwk-RB to Hwy85 Over	45	-	(45)	-
CIP - St Light Install-Randy & Larry	3,896	-	(3,896)	-
CIP - Senior Center Repairs	10,297	-	(10,297)	-
CIP - CW Bldg Condition Assess Impl	6,470	-	(6,470)	-
CIP - Creek Infall/Outfall Restoration	1,605	-	(1,605)	-
CIP - DeAnza Med Islnd Landscaping Ph2	14,867	-	(14,867)	-
CIP - Regnart Road Improvements	3,646	-	(3,646)	-
CIP - School Walk Audit Implementation	654	-	(654)	-
CIP - SCB/Bandley Signal & Median Imps	90	-	(90)	-
CIP - St Light Replacement CW (labor)	90	-	(90)	-
CIP - BBF Park Pool Improvements	446	-	(446)	-
CIP - Interim City Hall	1,162	-	(1,162)	-
CIP - New City Hall	90	-	(90)	-
TOTAL CAPITAL PROJECTS FUNDS	\$ 343,274	\$ -	\$ (343,274)	\$ -
Enterprise Funds				
Resources Recovery	1,722,438	1,435,188	(287,250)	-
Golf Course	693,330	340,000	(23,330)	330,000
Sports Center	2,782,634	2,403,112	492,478	872,000
Sports Center Maintenance	533,237	-	(533,237)	-
Youth Teen Recreation	1,983,296	1,108,517	(874,779)	-
Outdoor Recreation	1,301,328	876,225	840,897	1,266,000
TOTAL ENTERPRISE FUNDS	\$ 9,016,263	\$ 6,163,042	\$ (385,221)	\$ 2,468,000
Internal Service Funds				
Information Services Admin	407,779	-	(407,779)	-
Information Technology	2,136,777	1,767,098	34,321	404,000
GIS	1,106,521	914,333	(192,188)	-
Equipment Maintenance	1,497,347	1,633,518	160,171	24,000
Equipment Fixed Asset Acquisition	968,158	-	(968,158)	-
Workers' Compensation Claims	276,223	246,385	(29,838)	-
Disability Claims	171,837	-	(171,837)	-
Leave Payouts	620,055	-	(407,055)	213,000
Retiree Medical Insurance	1,211,333	-	(1,168,333)	43,000
TOTAL INTERNAL SERVICE FUNDS	\$ 8,396,030	\$ 4,561,334	\$ (3,150,696)	\$ 684,000
TOTAL ALL FUNDS	\$ 113,785,245	\$ 98,301,911	\$ (5,362,196)	\$ 10,121,138

Fiscal Year 2020-21 Proposed Budget Fund Balance Report

Fund	Fund		Proposed Budget Revenue	Proposed Budget Expenditures	Proposed Fund Balance 6/30/2021
	Balance 7/1/2019	Projected Fund Balance 7/1/2020			
100 GENERAL FUND	\$ 58,922,584	\$ 53,438,546	\$ 79,450,892	\$ 82,287,295	\$ 50,602,143
SPECIAL REVENUE FUNDS					
210, 215 Storm Drain Improvement	\$ 3,321,291	\$ 3,767,067	\$ 76,984	\$ 1,000	\$ 3,843,051
230 Environmental Management/ Clean Creek / Storm Drain	418,837	944,290	1,533,398	1,757,686	720,002
260, 261 Housing & Community Development 265	8,635,265	7,703,956	3,426,468	1,083,266	10,047,158
270, 271 Transportation	10,211,510	7,172,403	6,889,793	7,706,752	6,355,444
280, 281 Park Dedication	11,688,177	3,810,211	-	24,541	3,785,670
TOTAL SPECIAL REVENUE FUNDS	\$ 34,275,080	\$ 23,397,927	\$ 11,926,643	\$ 10,573,245	\$ 24,751,325
DEBT SERVICE FUND					
365 Public Facilities Corporation	\$ 1,660,760	\$ 1,660,760	\$ 3,169,138	\$ 3,169,138	\$ 1,660,760
TOTAL DEBT SERVICE FUND	\$ 1,660,760	\$ 1,660,760	\$ 3,169,138	\$ 3,169,138	\$ 1,660,760
CAPITAL PROJECTS FUNDS					
420 Capital Improvement Fund	19,383,284	30,496,439	-	340,623	30,155,816
427 Stevens Creek Corridor Park	202,185	120,199	-	2,651	117,548
429 Capital Reserve	13,626,475	17,921,475	-	-	17,921,475
TOTAL CAPITAL PROJECTS FUNDS	\$ 33,211,944	\$ 48,538,113	\$ -	\$ 343,274	\$ 48,194,839
ENTERPRISE FUNDS					
520 Resource Recovery	\$ 5,485,695	\$ 3,837,205	\$ 1,435,188	\$ 1,722,438	\$ 3,549,955
560 Blackberry Farm	(16,291)	67,623	670,000	693,330	44,293
570 Sports Center	748,347	810,266	3,275,112	3,315,871	769,507
580 Recreation Programs	1,838,753	286,581	3,250,742	3,284,624	252,699
TOTAL ENTERPRISE FUNDS	\$ 8,056,505	\$ 5,001,676	\$ 8,631,042	\$ 9,016,263	\$ 4,616,455
INTERNAL SERVICE FUNDS					
610 Information Technology	\$ 2,492,909	\$ 1,115,150	\$ 3,085,431	\$ 3,651,077	\$ 549,504
620 Workers' Compensation	2,222,942	2,435,548	246,385	276,223	2,405,710
630 Equipment	1,701,126	1,021,135	1,657,518	2,465,505	213,148
641 Compensated Absence & LTD	400,532	880,202	213,000	791,892	301,310
642 Retiree Medical	32,670	1,373,137	43,000	1,211,333	204,804
TOTAL INTERNAL SERVICE FUNDS	\$ 6,850,179	\$ 6,825,172	\$ 5,245,334	\$ 8,396,030	\$ 3,674,476
TOTAL ALL FUNDS	\$ 142,977,052	\$ 138,862,194	\$ 108,423,049	\$ 113,785,245	\$ 133,499,998

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 generates revenue from 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 2020-21, General Fund revenue estimates (excluding fund balance) total \$79.5 million, representing a \$7.6 million, or 8.8% decrease from the FY 2019-20 Adopted Budget, mostly due to an decrease in sales tax, transient occupancy tax, and charges for services. When fund balance carryover is included, General Fund resources total \$50.6 million.

General Fund expenditure estimates total \$82.3 million, which is slightly higher than the FY 2019-20 Adopted Budget. The General Fund’s ending fund balance is projected to decrease by 5% from FY 2019-20 estimated ending fund balance. This is due to a significant reduction to projected sales tax and transient occupancy tax revenues from prior years as a result of the COVID-19 pandemic.

GENERAL FUND OPERATING SUMMARY					
	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Percent
	Actual	Actual	Estimate	Proposed	Change
Beginning Fund Balance	\$ 53,589,690	\$ 52,510,457	\$ 58,922,585	\$53,438,546	-9%
Operating Revenue	88,226,833	88,829,941	92,100,000	79,450,892	-14%
Operating Expenditures	(89,309,589)	(82,390,187)	(97,584,039)	(82,287,295)	-16%
Net Revenue/Expenditures	(1,082,756)	6,439,754	(5,484,039)	(2,836,403)	-48%
Committed/Other	30,805,535	31,026,457	35,938,546	35,929,546	0%
Unassigned	21,704,922	27,896,128	17,500,000	14,672,597	-16%
Total Ending Fund Balance	52,510,457	58,922,585	53,438,546	50,602,143	-5%

This section provides information on the FY 2020-21 General Fund budget including expenditure and revenue highlights, transfers to other funds, reserve funds and the financial forecast.

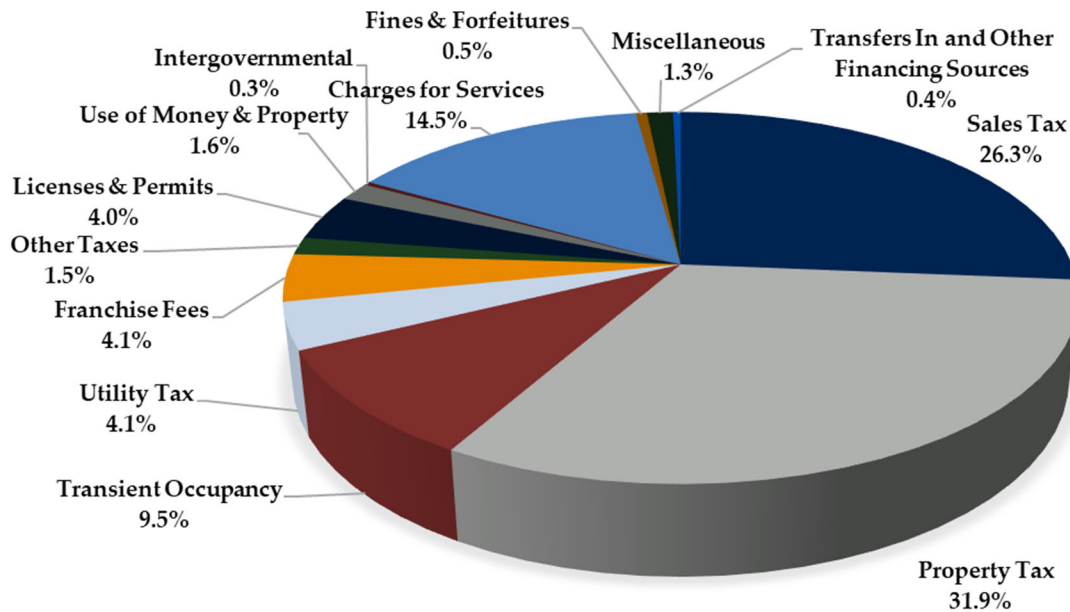
General Fund Revenue

Estimates for the FY 2020-21 beginning fund balance and General Fund revenue sources are based upon a careful examination of 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 2020-21 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 2020-21 revenue estimates are built on the assumption of conservative economic decline due to the impact of the COVID-19 pandemic.

As shown in the chart below, FY 2020-21 revenues are estimated at \$79.5 million, an 8.8% decrease over the FY 2019-20 Adopted Budget.

GENERAL FUND REVENUE SUMMARY					
REVENUES	FY 17-18 Actuals	FY 18-19 Actuals	FY 19-20 Adopted	FY 20-21 Proposed	Percent Change
Sales Tax	26,164,531	24,901,779	25,637,093	20,910,889	-18.4%
Property Tax	22,433,806	25,301,094	24,703,218	25,353,783	2.6%
Transient Occupancy	6,810,718	8,901,337	9,666,056	7,546,884	-21.9%
Utility Tax	3,146,398	3,089,921	3,198,644	3,223,712	0.8%
Franchise Fees	3,563,820	3,445,253	3,162,457	3,280,447	3.7%
Other Taxes	1,339,860	1,659,916	1,181,050	1,212,939	2.7%
Licenses & Permits	2,757,929	4,102,665	2,524,000	3,139,473	24.4%
Use of Money & Property	1,342,626	2,680,997	1,330,579	1,271,510	-4.4%
Intergovernmental	1,000,777	473,942	354,547	235,567	-33.6%
Charges for Services	10,548,179	10,977,805	13,233,225	11,556,831	-12.7%
Fines & Forfeitures	575,032	511,472	615,000	425,000	-30.9%
Miscellaneous	8,559,972	2,783,761	1,494,283	1,293,857	-13.4%
TOTAL REVENUES	88,243,646	88,829,941	87,100,152	79,450,892	-8.8%

The majority of Cupertino’s General Fund operating revenues are generated by property taxes (32%) and sales taxes (26%), followed by charges for services (15%) and the transient occupancy tax (10%). The chart on the next page illustrates the sources of General Fund revenue by category.



The FY 2020-21 General Fund revenue estimates are discussed by category in the material that follows.

SALES & USE TAX	
FY 18-19 Actual	24,901,779
FY 19-20 Adopted	25,637,093
FY 19-20 Estimate	26,400,000
FY 20-21 Proposed	20,910,889
% of General Fund	26.32%
% Change from FY 19-20 Adopted	-18.44%

Sales and Use Tax commonly referred to as just the “sales tax” has two components: (1) an excise tax imposed on retailers for the privilege of selling tangible personal property, and (2) an excise tax imposed on a person and applies to purchases from out-of-state vendors that are not required to collect tax on their sales. 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. Staff will continue to monitor competing interest for the City’s ¼ cent sales tax imposed on local governments as a potential new source of revenue for affordable housing and transportation.

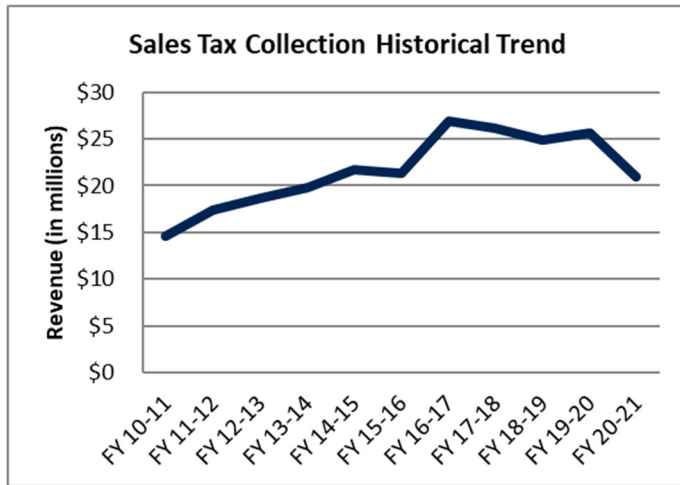
Agency	Sales Tax Distribution
State	6.000%
VTA	1.125%
City of Cupertino	1.000%
County General Purpose	0.625%
County Transportation	0.250%
Total:	9.000%

Should the City decide to include a similar measure on the ballot in November 2020, and subject to voter approval, the City has an opportunity to retain local control over the additional sales tax proceeds.

The City’s sales tax revenues are generated from five principal economic categories: business-to-business 65.0% (includes electronic equipment and software manufacturers and distributors), state and county pools 20%, restaurants and hotels 6%, general retail 4%, and fuel and service stations and other 6%.

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 and business technology spending has driven growth in this sector. Sales tax activity has decreased across most sectors. This decrease is attributed to the COVID-19 pandemic that has impacted spending overall. Given these trends, the City’s FY 2020-21 sales tax revenue is projected to show an immediate, significant decline with conservative increases throughout the pandemic and recessionary period to follow.

Sales tax receipts increased by 26.1% in FY 2016-17 due to a onetime \$3.5 million payment related to the close out of the triple flip and took a slight dip of 2.8% in FY 17-18. Sales tax revenue was



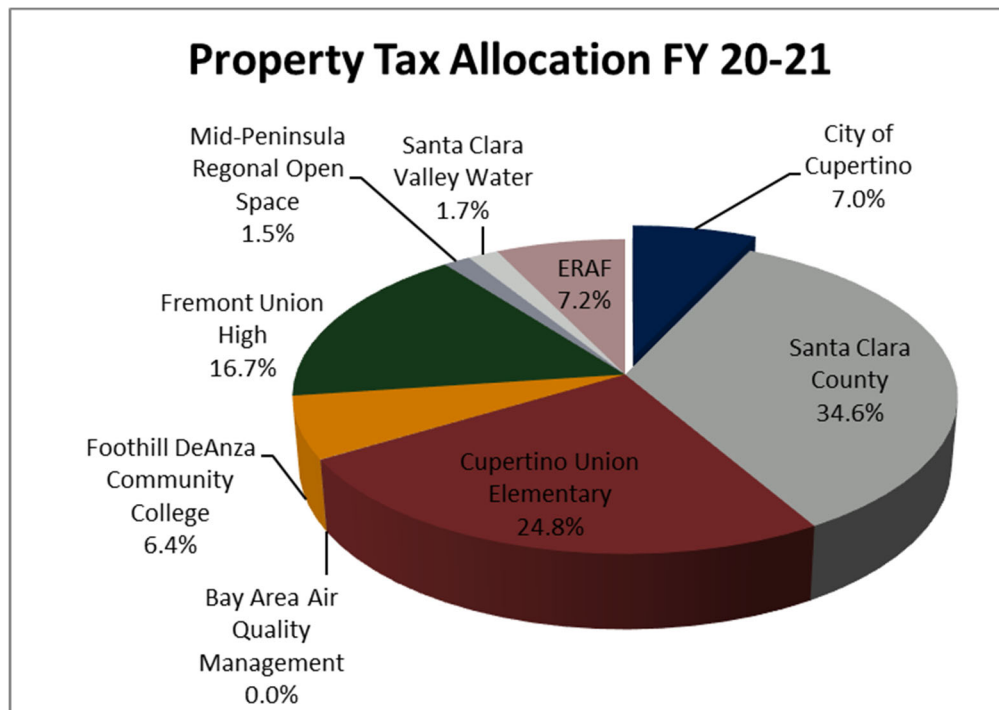
expected to increase 3% in FY 2019-20 but a decrease is now expected due to the impact of the COVID-19 pandemic. Sales tax revenues are estimated to generate \$20.9 million in FY 2020-21, which is down 18.4% from the FY 2019-20 Adopted Budget. Of the \$20.9 million, it is estimated that potentially a maximum of \$1.7 million will be received in the second half of FY 20-21 versus the first half due to the 90-Day Sales Tax Payment Extension Executive Order of Governor Gavin Newsom and the CDTFA Small Business

Relief Payment Plans. The swift reaction by consumers and businesses to the outbreak of COVID-19 in the U.S. has caused a huge decrease in spending on certain goods and services. The national and state response, combined with the uncertainty of how long the presence of the virus will disrupt the U.S. economy has made revenue forecasting particularly challenging. This estimate assumes the virus will have run its course by the end of September and also assumes that the majority of supply chain disruptions impacting manufacturers will have been resolved by mid-summer 2020 and that proposed federal actions will be successful in avoiding a deep recession. Under these assumptions, sales tax revenues are expected to “bottom out” by the fourth quarter of 2020 with subsequent gains expected to be conservative to moderate for several quarter thereafter. As the City moves forward through the COVID-19 pandemic and as more data becomes available, staff will bring forth updates and adjustments on a regular basis as necessary.

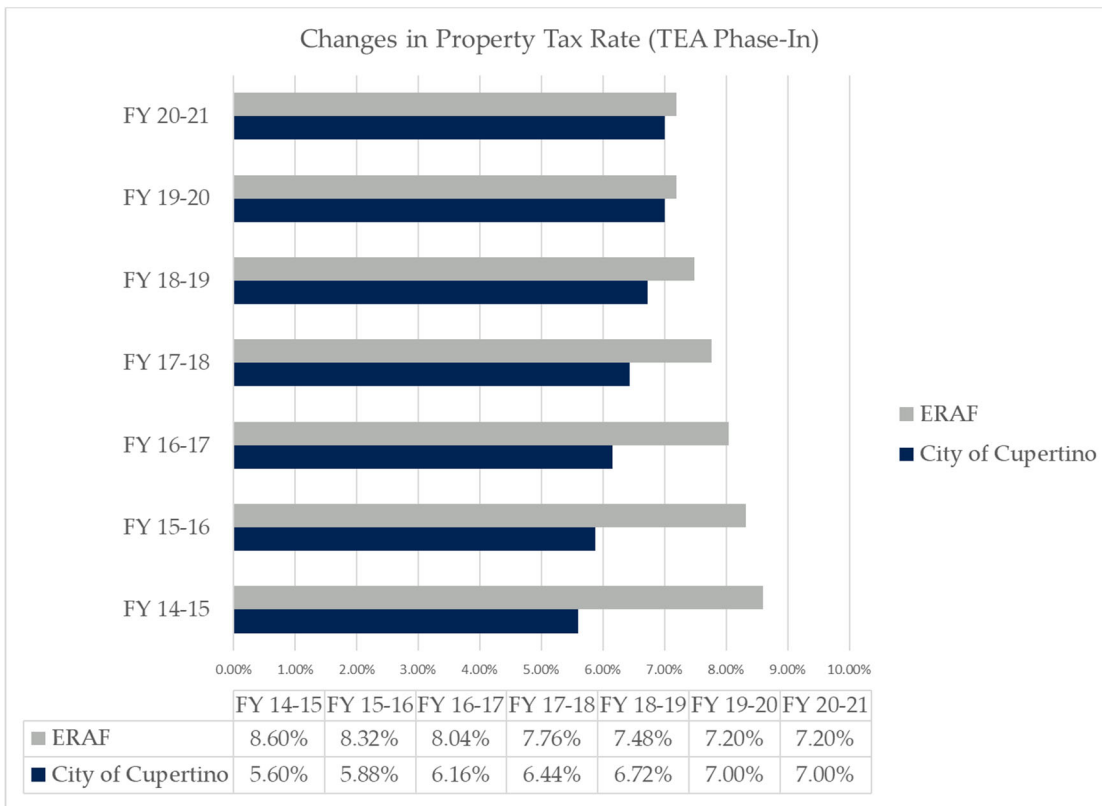
PROPERTY TAX	
FY 18-19 Actual	25,301,094
FY 19-20 Adopted	24,703,218
FY 19-20 Estimate	25,000,000
FY 20-21 Proposed	25,353,783
% of General Fund	31.91%
% Change from FY 19-20 Adopted	2.63%

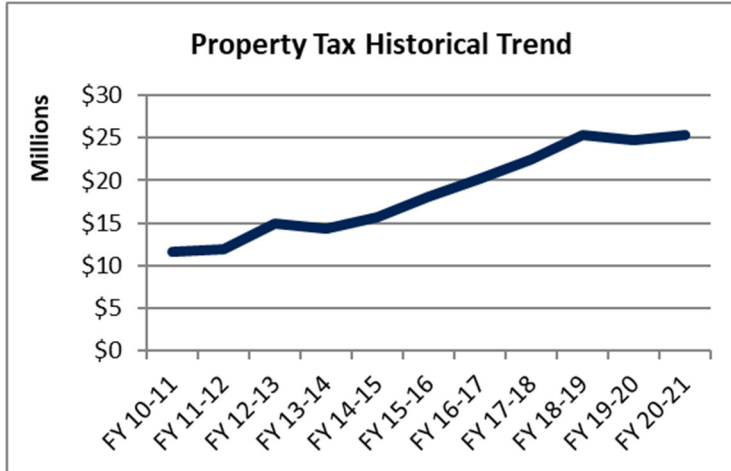
Under current law, property is assessed at actual full cash value with the maximum levy being 1% of the assessed valuation. The assessed value of real property that has not changed ownership can be adjusted by the change in the California Consumer Price Index (CCPI) up to a maximum of 2% per year. Property 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 only \$0.02 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 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, TEA will be fully restored and Cupertino will keep 7.0% of property tax revenues in FY 2019-20 compared to 6.72% in FY 2018-19. Additionally, Educational Revenue Augmentation Fund (ERAF), a mechanism, enacted in July of 1992 by the State Legislature to shift local tax revenues from cities, counties, and special districts to a State control ERAF, absorbs the shift-back of the TEA as illustrated in the chart below.



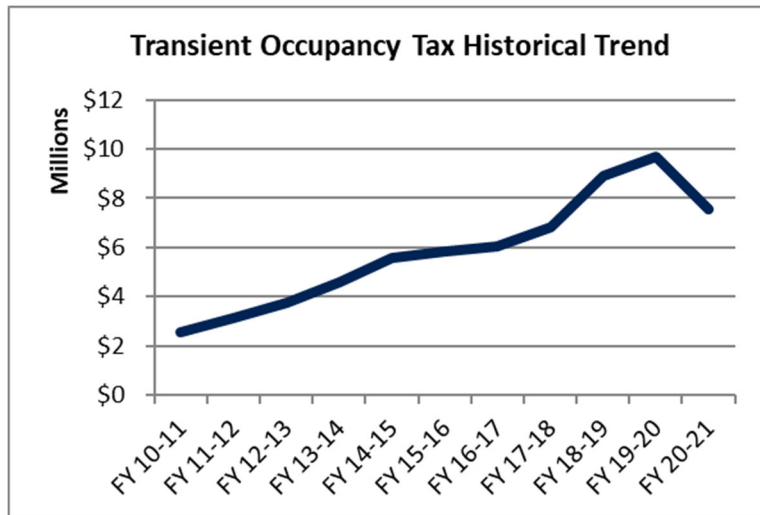


The City experienced a net taxable value increase of 3.3% for the 2019-2020 tax roll. The bulk of the increase was due to increases in residential properties by \$881 million, or 5.8%. This category makes up 61% of the net taxable value. Unsecured property tax decreased by \$138 million, or 7.8%. This category makes up 6.3% of the net taxable value. Lastly increases in commercial property values increased by \$20.9 million, or 0.3%. This category makes up 28.5% of net

taxable value.

TRANSIENT OCCUPANCY TAX	
FY 18-19 Actual	8,901,337
FY 19-20 Adopted	9,666,056
FY 19-20 Estimate	5,980,000
FY 20-21 Proposed	7,546,884
% of General Fund	9.50%
% Change from FY 19-20 Adopted	-21.92%

Transient occupancy taxes (TOT) are levied on hotels and short-term room rentals 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 upward trend shown in the TOT Historical Trend graph to the right. TOT is expected to end FY 2019-20 lower than the adopted budget mainly due to the shelter-in-place order Santa Clara County Public Health Department



put into effect mid-March 2020 to control the COVID-19 pandemic. Until COVID-19 impacts are tempered and employees begin returning to their places of work, TOT will suffer greatly. TOT is projected to decrease 21.9% in FY 20-21. Assuming the summer 2020 period begins to show signs of acclimation and adaptation to a new “normal,” This decline represents an effective loss of one full quarter of TOT revenue. As we move forward through the pandemic and more information

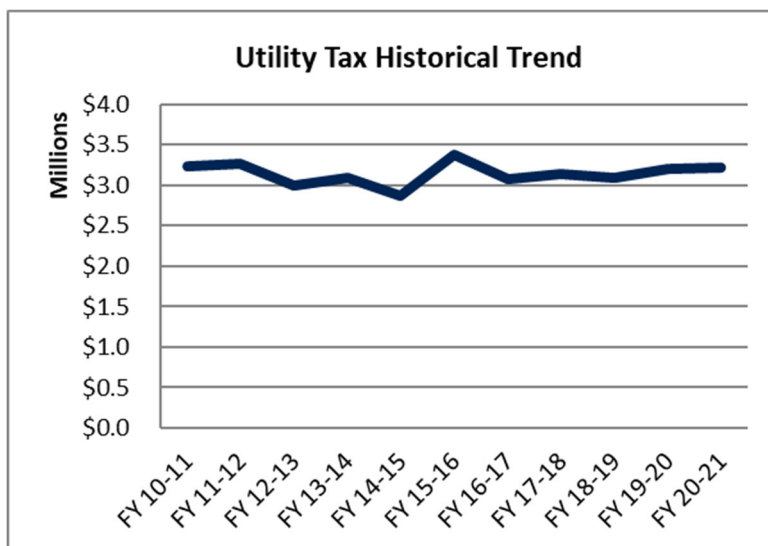
becomes available, staff will bring forward updates and adjustments to City Council on a regular basis as necessary.

UTILITY TAX	
FY 18-19 Actual	3,089,921
FY 19-20 Adopted	3,198,644
FY 19-20 Estimate	3,000,000
FY 20-21 Proposed	3,223,712
% of General Fund	4.06%
% Change from FY 19-20 Adopted	0.78%

The utility user tax (UUT), approved by voters in 1990, is assessed on gas, electricity and telecommunication services 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	2.0%	-	-	2.0%
Cupertino	2.4%	-	-	2.4%
Mountain View	3.0%	-	-	3.0%
Los Altos	3.5%	3.2%	3.5%	3.2%
Palo Alto	5.0%	-	5.0%	5.0%
Gilroy	5.0%	4.5%	-	4.5%
San Jose	5.0%	-	5.0%	4.5%

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.

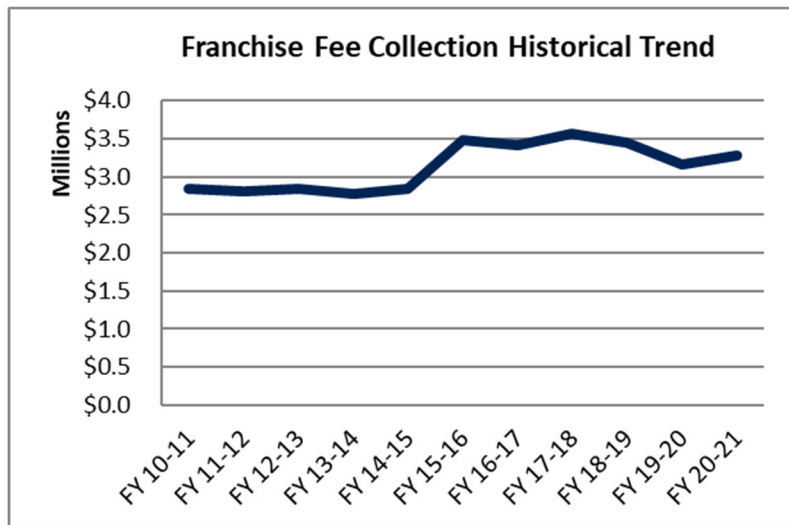


In FY 2018-19, UUT revenues decreased by 1.8% compared to FY 2017-18 and are estimated to increase 3.5% FY 19-20. Budgeted revenues are expected to remain at \$3.2 million for FY 2020-21 and beyond. This revenue source will be monitored closely as the fiscal year progresses.

FRANCHISE FEES	
FY 18-19 Actual	3,445,253
FY 19-20 Adopted	3,162,457
FY 19-20 Estimate	3,162,457
FY 20-21 Proposed	3,280,447
% of General Fund	4.13%
% Change from FY 19-20 Adopted	3.73%

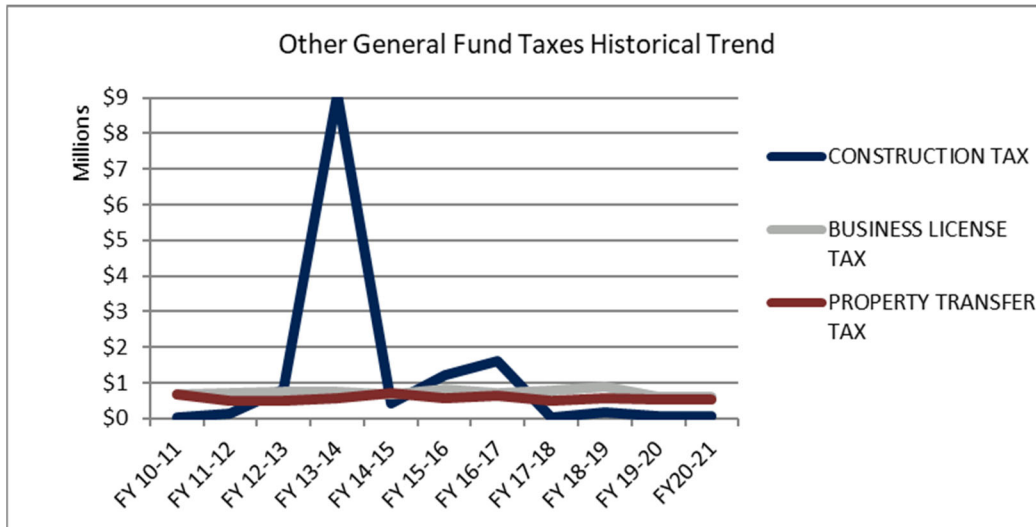
Franchise fees are received from cable, solid waste, water, gas and electricity franchisees that operate in the City. The fees range from 1% to 12% of the franchisee’s gross revenues depending on each particular agreement. As shown in the graph below, these revenues are relatively steady and not sensitive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

Franchise fee revenues decreased by 3.3% in FY 2018-19 from the prior year. In FY 2019-20, franchise fee revenues are trending down 8.2% partially due to the winding down of development resulting in lower solid waste revenues. Budgeted revenues are expected to remain at approximately \$3 million for FY 2020-21. This revenue source will be monitored closely as the fiscal year progresses.



OTHER TAXES	
FY 18-19 Actual	1,659,916
FY 19-20 Adopted	1,181,050
FY 19-20 Estimate	1,181,050
FY 20-21 Proposed	1,212,939
% of General Fund	1.53%
% Change from FY 19-20 Adopted	2.70%

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

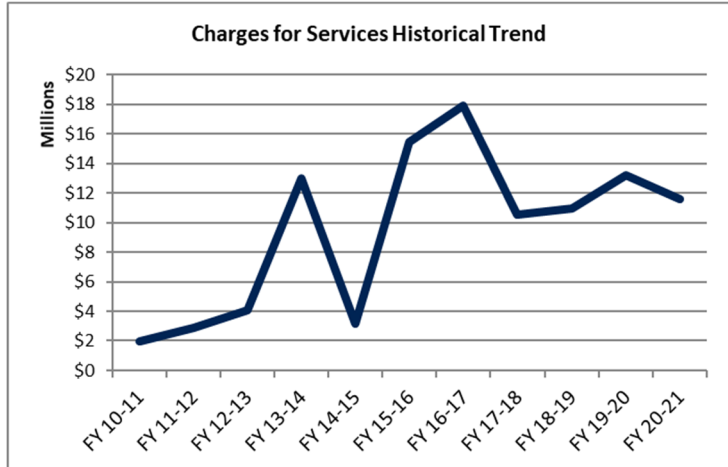


With the influx of several major construction projects beginning in 2012, revenues began increasing. The largest of the projects included the Apple Park and Main Street developments. These projects coupled with a strong housing recovery created a record year for revenues in FY 2013-14. These revenues have since returned to historic levels. In FY 2020-21, these revenues are expected to remain at \$1.2 million.

CHARGES FOR SERVICES	
FY 18-19 Actual	10,977,805
FY 19-20 Adopted	13,233,225
FY 19-20 Estimate	11,100,000
FY 20-21 Proposed	11,556,831
% of General Fund	14.55%
% Change from FY 19-20 Adopted	-12.67%

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. Apple Park and other large developments generated large one-time revenues in FY 2013-14 as well as FY 2015-16 and FY 2016-17.

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



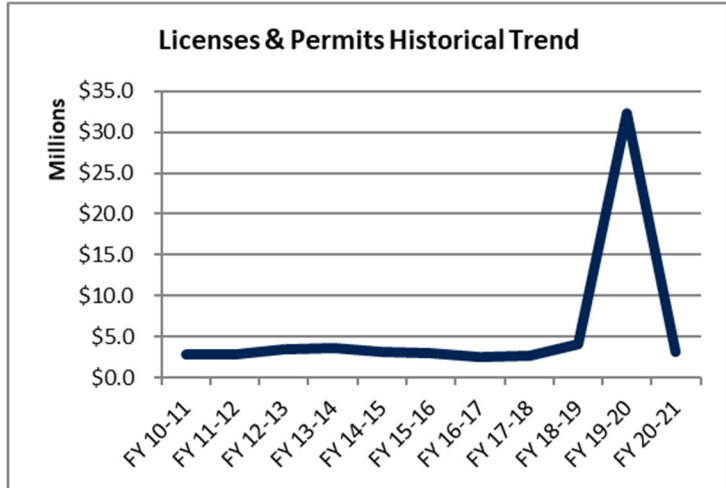
comprehensive cost allocation plan (CAP) was approved by Council in April 2016, new CAP charges were included to capture internal strategic support services that were previously excluded (City Council, Facilities, Maintenance, etc.). In FY 2015-16, the City’s administration changed its methodology for 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.

Current year actuals will come in lower compared to budgeted levels due to the impact of the COVID-19 pandemic causing the City’s recreation facilities to shut down by way of the shelter-in-place orders of the Santa Clara County Public Health Department. Although increases to City fees (effective October 1, 2020) represent additional revenues of approximately \$900,000, charges for services are anticipated to decrease to \$11.6 million while the uncertainty surround COVID-19 remains.

LICENCES AND PERMITS	
FY 18-19 Actual	4,102,665
FY 19-20 Adopted	2,524,000
FY 19-20 Estimate	2,524,000
FY 20-21 Proposed	3,139,473
% of General Fund	3.95%
% Change from FY 19-20 Adopted	24.38%

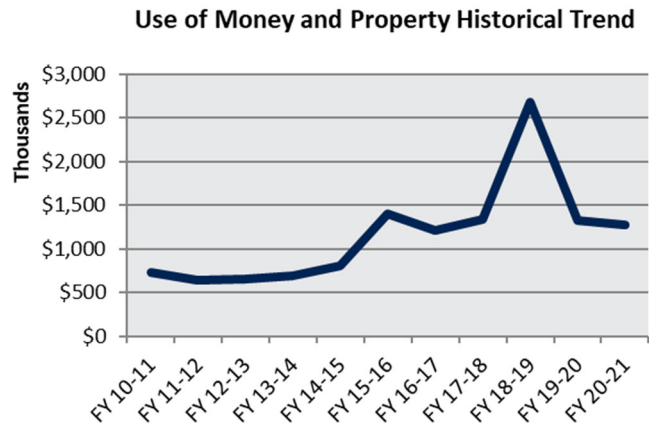
Licenses and permits include fees for reviewing building plans, building inspections, construction, tenant improvements, and commercial/residential installations for compliance with state and municipal building codes.

The Apple Park project and large residential projects (Rosebowl, Biltmore expansion, Main Street) generated significant permitting revenues in FY 2013-14. Since then, activity has slowed until FY 2018-19 revenues came in 48.8% higher and although another 686.6% increase is estimated as part of the FY 2019-20 Amended Budget due to the Vallco Town Center project, the City does not anticipate the project commencing prior to FY 20-21. Revenue estimates for FY 2020-21 are up 24.4%.



USE OF MONEY AND PROPERTY	
FY 18-19 Actual	2,680,997
FY 19-20 Adopted	1,330,579
FY 19-20 Estimate	1,330,579
FY 20-21 Proposed	1,271,510
% of General Fund	1.60%
% Change from FY 19-20 Adopted	-4.44%

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 \$154.9 million. Fluctuations in this revenue category are a result of investment earnings, as rental income is fairly steady.

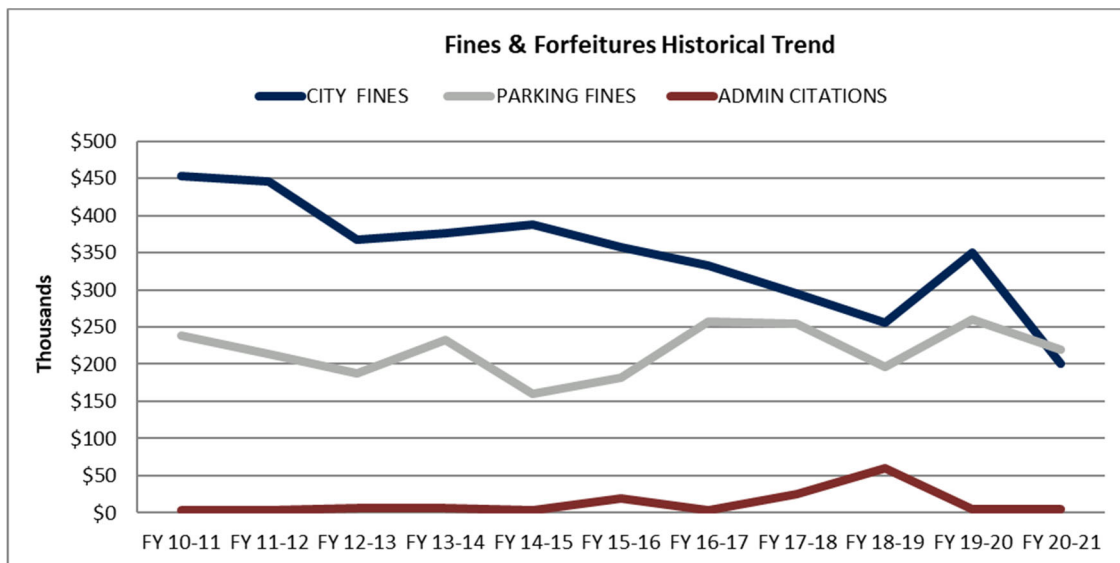


Investment earnings are a function of the amount of excess cash available for investment, current interest rates, and composition of investments. The City’s investment policy requires investments to be made in this order of priority: safety, liquidity, and yield. Financial markets have experienced significant turbulence, driven by a high level of uncertainty about the impact of the COVID-19 pandemic on the global economy. US Treasury yields have declined, amid a global flight to quality. At the end of the first quarter, the yield on 2-year Treasuries was down 132 basis points year-to-date, and the yield on 1-year Treasuries was down nearly 125 basis points. The S&P 500 index declined 20.0% in the first quarter. There

are still many unknowns about the coronavirus including how widespread it will become, how long it will take to contain the virus, and the actual impact on the economic activity. We believe containment efforts and supply chain disruptions will cause a sharp increase in unemployment and a swift and deep contraction in economic activity. Financial markets will likely remain volatile over the near term but are optimistic that large-scale global monetary and fiscal stimulus programs will help mitigate the longer-term impact of the pandemic. The Fed has also taken a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed has lowered the fed funds target rate to a range of 0.0%-0.25% and said it will purchase Treasury and agency mortgage-backed securities in any amount needed to support smooth market functioning. City staff will continue to monitor interest rates as well as economic factors in both the local as well as the national economy.

FINES AND FORFEITURES	
FY 18-19 Actual	511,472
FY 19-20 Adopted	615,000
FY 19-20 Estimate	400,000
FY 20-21 Proposed	425,000
% of General Fund	0.53%
% Change from FY 19-20 Adopted	-30.89%

Fines and forfeitures account for revenues generated from vehicle, parking, and miscellaneous code violations issued by the County Sheriff and the City’s Code Enforcement officers. Fines and forfeiture revenue is projected to remain relatively flat in FY 2019-20. In FY 2020-21 revenues are expected to decrease by 30% based on a trending decrease in city fines.



INTERGOVERNMENTAL	
FY 18-19 Actual	473,942
FY 19-20 Adopted	354,547
FY 19-20 Estimate	400,000
FY 20-21 Proposed	235,567
% of General Fund	0.30%
% Change from FY 19-20 Adopted	-33.56%

Intergovernmental revenues are made up of federal, state, and regional grants, including miscellaneous intergovernmental revenue. In FY 2020-21, revenues of \$235,567 are anticipated.

MISCELLANEOUS REVENUE	
FY 18-19 Actual	2,783,761
FY 19-20 Adopted	1,494,283
FY 19-20 Estimate	1,300,000
FY 20-21 Proposed	1,293,857
% of General Fund	1.63%
% Change from FY 19-20 Adopted	-13.41%

Miscellaneous revenues account for the sale of land and other miscellaneous revenues such as administrative fees. FY 2019-20 miscellaneous revenue is estimated to come in as budgeted for the Apple donation for additional law enforcement services. Miscellaneous revenue is expected to decline and is projected to be \$1.3 million for FY 2020-21.

General Fund Expenditures

Estimates for the FY 2020-21 General Fund expenditures are based upon anticipated personnel and non-personnel cost increases. This year, department budgets reflect a base budget with justified ongoing expenses, accounting for changes in personnel costs and any other anticipated/known increased costs in FY 2020-21. In addition, most budgets were given additional funds for any unexpected expenditures that are accounted for in the contingency account, which were reduced by 50% in FY 2020-21. Lastly, per the City's Reserve policy, an unassigned General Fund balance above the \$500,000 maximum balance will be transferred to the Capital Fund for future capital and infrastructure projects, after year-end close and as part of the mid-year budget.

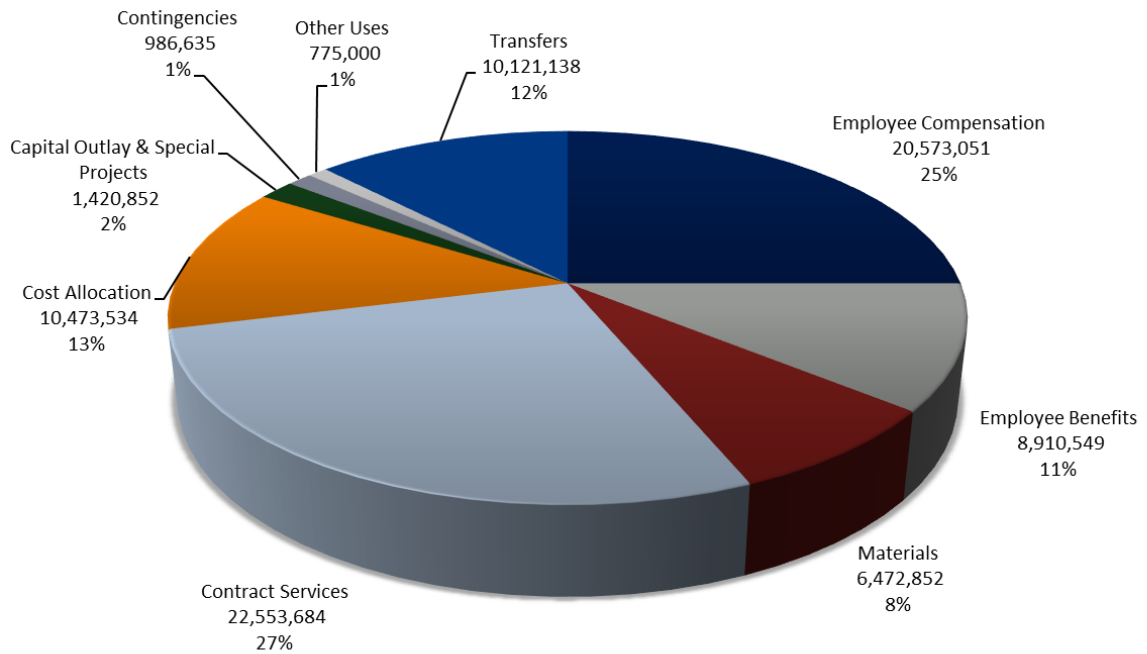
Given the uncertainty of the economy due to COVID-19 and to avoid the need to eliminate critical programs and services, Contingency accounts were cut in half, Material costs are anticipated to be reduced by 10%, Contract Services may be reduced by one million dollars, and Salaries and Benefits savings would occur through attrition. Additionally, financial updates would be provided on a quarterly basis as necessary to effectively and proactively manage the City's finances as the results of the pandemic continue to unfold. The City will continue to monitor the impacts of COVID-19 on revenues and expenditures, and additional modifications will be made in the Final Adopted Budget based on new available information.

As shown in the chart on the next page, FY 2020-21 expenditures are estimated at \$82.3 million, which represents a 3% increase compared to the adopted budget from the prior year. This budget reflects an increase in Employee Compensation and Benefits due to negotiated salary and benefit changes. There is also an increase in Materials due to anticipated/known increased costs across all programs, primarily attributed to an increase in software expenses, fuel charges and water service charges in FY 2020-21. Additionally, there is an increase in Contract Services primarily attributed to an increase in General Service Agreement for annual increases to the City's Law Enforcement contract with Santa Clara County Sheriff as per the agreement. These increases are offset by a decrease in Capital Outlay and Special Projects due to completion of previously funded special projects and costs of project scope and costs differing from year to year.

GENERAL FUND EXPENDITURE SUMMARY					
	2017-2018	2018-2019	2019-2020	2020-2021	%
EXPENDITURES	Actuals	Actuals	Adopted	Proposed	Change
Employee Compensation	16,974,470	17,232,957	19,030,922	20,573,051	8%
Employee Benefits	7,109,183	6,963,384	7,924,552	8,910,549	12%
Total Personnel Costs	24,083,653	24,196,341	26,955,474	29,483,600	9%
Non-Personnel Costs					
Materials	4,985,037	4,494,677	5,666,631	6,472,852	14%
Contract Services	17,853,413	20,361,957	21,603,686	22,553,684	4%
Cost Allocation	8,101,838	9,368,223	9,786,477	10,473,534	7%
Capital Outlay & Special Projects	9,847,615	4,211,639	3,699,385	1,420,852	-62%
Contingencies	911	-	1,070,049	986,635	-8%
Other Uses	307,751	381,262	783,209	775,000	* -1%
Total Non-Personnel	41,096,565	38,817,758	42,609,437	42,682,557	0%
Transfers	24,129,372	19,376,087	10,539,557	10,121,138	-4%
TOTAL EXPENDITURES	89,309,589	82,390,187	80,104,468	82,287,295	3%

The largest General Fund operating expenditure categories include Employee Compensation and Benefits (36%), Contract Services (27%), Cost Allocation (13%), and Transfers Out (12%) as illustrated in the FY 2020-21 General Fund Expenditures by Category chart.

General Fund Expenditures by Category



Personnel Costs

Personnel costs total \$29.5 million in FY 2020-21, comprising 36% of General Fund expenditures. These costs are made up of salaries and compensation for benefitted and part-time staff (70%), retirement benefits (18%), and other fringe benefits (12%), including health coverage. With the economic uncertainty due to COVID-19 and to avoid the need to eliminate critical programs and services, personnel savings through attrition is planned.

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 primarily due to equity adjustments and negotiated salary and benefit changes.

CalPERS retirement rates are projected to increase 14.2%, as per the most recent actuarial valuation report from CalPERS. In addition, the CalPERS discount rate is projected to remain at 7% as the CalPERS board has not made any additional changes since December 2017. Future actuarial assumptions project changes to the discount rate and these projections are reflected in the General Fund forecast section of the budget.

A total of 203.75 FTEs are budgeted in FY 2020-21, up from 202.75 in FY 2019-20. The increase of 1.0 FTEs represents a 0.5% increase in staffing. There are no additional positions requested for FY 2020-21. The change in positions is summarized below:

FY 2019-20 Adopted Budget	202.75
Maintenance Worker I/II	1.00
FY 2020-21 Proposed Budget	
None	0.00
FY 2020-21 Benefitted Positions	203.75

Although no new positions are being requested in FY 2020-21, the City is proposing its five limited-term employees are converted to permanent positions as listed below:

Limited-Term Conversions	
Department	Position
Administrative Services	Senior Management Analyst
Public Works	Senior Transportation Planner
Public Works	Assistant Civil Engineer
Public Works	Public Works Project Manager
Parks & Recreation	Recreation Coordinator

Non-Personnel

Non-personnel costs total \$42.7 million in FY 2020-21, comprising 52% of General Fund budgeted appropriations. These costs are primarily made up of Contract Services (27%), Cost Allocation charges (13%), Materials (8%), Capital Outlays and Special Projects (2%) and Contingencies (1%). Costs were developed from the base budget created in FY 2019-20 with justified ongoing expenses and adjustments for any other anticipated/known increased costs in FY 2020-21. One-time projects were moved to a separate category in FY 2013-14 to ensure that expenditure trends reflect ongoing expenditure needs. In FY 2017-18, a concerted effort was made to differentiate costs related to special projects and capital outlays that are required to be depreciated. A special projects series was created in the contracts section of accounts for any new special projects going forward.

With the economic uncertainty due to COVID-19 and to avoid the need to eliminate critical programs and services, Material costs are anticipated to be reduced by 10% and Contract Services are expected to be reduced by one million dollars. Additionally, in FY 2020-21, program contingencies were reduced from 5% of budgeted General Fund materials and contract services to 2.5%. Program contingencies have been allocated proportionately among operating programs based on each program’s share of General Fund budget for materials and contract services. The City Manager Contingency is a second level of contingency established for unexpected expenditures that may occur over the program contingency. In FY 2020-21, City Manager

contingencies were also reduced from 5% of budgeted General Fund materials and contract services to 2.5%. This brings total contingencies for the General Fund to 5% of 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. Program contingency budgets may be used to cover unanticipated program expenses at the department's discretion, while use of the City Manager Contingency will require City Manager approval. The Sheriff's and City Attorney services contracts are excluded from the contingency calculation.

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 FY 2020-21, budgets have been established for the following transfers.

Transfer Out from General Fund	Description	Amount
Special Revenue Funds	Storm Drain, Non-Point Source, Sidewalk, Curb and Gutter Maintenance	\$3,800,000
Debt Service Funds	Annual Debt Payment	\$ 3,169,138.00
Enterprise Funds	Blackberry Farm Golf Course, Sports Center Operation, Outdoor Recreation	\$ 2,468,000.00
Internal Service Funds	IT Infrastructure, General Fund Subsidy of Compensated Absences and Retiree Medical	\$ 684,000.00
	TOTAL GENERAL FUND TRANSFERS OUT	\$ 10,121,138.00

General Fund Fund Balance

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: prepaid items, property held for resale and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action (resolution) that imposed the constraint originally.

Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. Through the adopted budget, the City Council establishes assigned fund balance policy levels and also sets the means and priority for the City Manager to fund these levels.

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

In circumstances when an expenditure may be made for which amounts are available in multiple fund balance classifications, the fund balance in General Fund will generally be used in the order of restricted, unassigned, and then assigned reserves. In other governmental funds, the order will generally be restricted and then assigned.

Fiscal Year 2020-21 Proposed Budget

General Fund Classification of Fund Balance

CLASSIFICATION	Actuals 2017-18	Actuals 2018-19	Adopted Budget 2019-20	Year End Projection 2019-20	Proposed 2020-21
<u>Non Spendable</u>					
Loans Receivable	458,893	454,188	455,000	455,000	446,000
Prepaid Items	6,000	-	-	-	-
Total Non Spendable	464,893	454,188	455,000	455,000	446,000
<u>Restricted</u>					
Debt Service	-	13,982	-	13,982	13,982
PRSP Section 115 Trust	-	8,109,521	8,000,000	12,000,000	12,000,000
Public Access Television	1,254,578	1,346,167	1,237,403	1,346,167	1,346,167
Total Restricted	1,254,578	9,469,670	9,237,403	13,360,149	13,360,149
<u>Committed</u>					
Economic Uncertainty	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Sustainability Reserve	122,754	123,397	122,754	123,397	123,397
PERS	4,793,000	-	-	-	-
Total Committed	23,915,754	19,123,397	19,122,754	19,123,397	19,123,397
<u>Assigned</u>					
Reserve for Encumbrances	5,170,310	1,979,202	5,011,000	3,000,000	3,000,000
Total Assigned	5,170,310	1,979,202	5,011,000	3,000,000	3,000,000
Total Unassigned	21,704,922	27,896,128	12,801,317	17,500,000	14,672,597
TOTAL FUND BALANCE	52,510,457	58,922,585	46,627,474	53,438,546	50,602,143

All Funds Summary

This section provides information on the FY 2020-21 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 FY 2020-21 fund balance and 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 2020-21 revenue estimates are built on the assumption that the economy will experience conservative growth. Depending on the extent of COVID-19’s impacts on the Special Revenue Funds’ restricted revenue sources, additional adjustment may be brought to City Council on a quarterly basis as necessary and appropriate.

Special Revenue Funds

Special Revenue Funds 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	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Other Taxes	1,639,671	453,404	3,102,882
Use of Money & Property	864,750	15,700	4,205
Intergovernmental	3,144,614	7,554,533	3,396,028
Charges for Services	612,913	391,045	1,526,471
Miscellaneous Revenue	85,422	2,198,521	87,057
Fines and Forfeitures	22,541	10,000	10,000
Transfers In	8,094,735	1,318,000	3,800,000
Total Revenue Sources	\$14,464,645	\$11,941,203	\$11,926,643

Revenues are projected to remain relatively flat over the previous fiscal year. This is largely due to an increase in transfers into the Transportation Fund offset with declines in non-discretionary revenue sources. While COVID-19 will have an effect on these restricted revenue sources, the City does not anticipate significant declines beyond the fourth quarter of FY 19-20. As the City

moves forward and the COVID-19 situation continues to evolve, City staff will bring forward adjustments to City Council on a regular basis and as needed.

Expenditures

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

EXPENDITURE USES	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Employee Compensation	1,005,530	1,117,149	1,576,185
Employee Benefits	471,580	540,107	780,434
Materials	701,171	819,311	883,903
Contract Services	450,401	1,356,046	1,098,296
Cost Allocation	425,454	486,532	1,046,834
Capital Outlays	1,729,945	10,262,138	1,000,000
Special Projects	4,502,111	8,188,407	4,143,100
Contingencies	-	36,666	29,493
Transfers Out	135,000	12,000	15,000
Total Expenditures Uses	\$9,421,192	\$22,818,356	\$10,573,245

Expenditures are projected to decrease by \$12.2 million dollars primarily due to the Capital Improvement Program not being incorporated in the Proposed Budget due to the timing of preparation of the documents. Additionally, currently funded capital improvement projects within the Transportation Project have experienced delays in progress due to COVID-19. It is likely the timing of said expenditures will carry over into FY 2020-21.

Fund Balance

Fund balance represents fund 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	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Beginning Balance	29,231,626	34,275,080	23,397,927
Net Increase (Decrease) in Fund Balance	5,043,454	(10,877,153)	1,353,398
Ending Balance	\$34,275,080	\$23,397,927	\$24,751,325

Debt Service Fund

The Debt Service Fund provides for the payment of principal, 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/Community Hall/Library Certificates of Participation (COP) that will be paid off by July 1, 2030.

Revenue

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

REVENUE SOURCES	2018-19 Actuals	2019-20 Projected	2020-21 Proposed Budget
Use of Money & Property	75,272	-	-
Transfers In	3,169,438	3,172,838	3,169,138
Total Revenue Sources	\$3,244,710	\$3,172,838	\$3,169,138

Revenues are expected to remain relatively unchanged.

Expenditures

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

EXPENDITURE USES	2018-19 Actuals	2019-20 Projected	2020-21 Proposed Budget
Debt Service	3,170,938	3,172,838	3,169,138
Total Expenditures Uses	\$3,170,938	\$3,172,838	\$3,169,138

Expenditures are expected to remain relatively unchanged. This represents a repayment of debt and payments which are fixed for the life of the loan.

Fund Balance

Fund balance represents fund 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	2018-19 Actuals	2019-20 Projected	2020-21 Proposed Budget
Beginning Balance	1,586,987	1,660,760	1,660,760
Net Increase (Decrease) in Fund Balance	73,773	-	-
Ending Balance	\$1,660,760	\$1,660,760	\$1,660,760

Capital Project Funds

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

Revenue

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

REVENUE SOURCES	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed
Use of Money and Property	302,461	-	-
Intergovernmental	50,000	-	-
Charges for Services	119,638	-	-
Miscellaneous	-	7,757,418	-
Transfers In	23,619,425	35,363,157.00	-
Total Revenue Sources	\$ 24,091,524	\$ 43,120,575	\$ -

Revenue is projected to decrease by \$43.1 million. This decrease is due to a reduction in transfers in from the General Fund due to the timing of the preparation of the Capital Improvement Program budget.

Expenditures

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

EXPENDITURE USES	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed
Employee Compensation	86,503	-	-
Employee Benefits	33,856	-	-
Materials	1,488	-	-
Contract Services	219,940	4,215,522	175,000
Capital Outlays	2,640,158	7,518,665	-
Cost Allocation	-	-	168,274
Contingencies	-	2,500	-
Transfers Out	17,027,250	16,057,719	-
Total Expenditures Uses	\$ 20,009,196	\$ 27,794,406	\$ 343,274

Expenditures are projected to decrease by \$27.5 million dollars due to the Capital Improvement Program not being incorporated in the Proposed Budget document. The Capital Improvement Program will be taken to City Council at a separate time and included in the Adopted Budget.

Fund Balance

Fund balance represents fund 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	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed
Beginning Balance	29,129,616	33,211,944	48,538,113
Net Increase (Decrease) in Fund Balance	4,082,328	15,326,169	(343,274)
Ending Balance	\$33,211,944	\$48,538,113	\$48,194,839

Enterprise Funds

Enterprise Funds are set up for the provision of specific services that are funded directly by fees charged for those 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	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Use of Money & Property	439,269	28,000	470,000
Intergovernmental	30,023	15,000	15,000
Charges for Services	6,142,583	5,766,580	5,678,042
Miscellaneous Revenue	61,643	66,000	0
Transfers In	75,000	3,523,000	2,468,000
Total Revenue Sources	\$6,748,518	\$9,398,580	\$8,631,042

Revenue is projected to decrease by \$767,000, primarily driven by anticipated decreases in charges for services due to COVID-19 impacts and a reduction in the amount of transfers in from the General Fund. As part of the budget process each fund is evaluated in which funds that are bringing in less revenue than they are expending require the use of fund balance or a subsidy from the General Fund. The extent of the financial impacts related to COVID-19 are difficult to estimate for a full budgeted year. Although revenues are estimated to decrease, this is further mitigated by a reduction in spending as explained below.

Expenditures

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

EXPENDITURE USES	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Employee Compensation	1,790,764	2,019,502	1,731,822
Employee Benefits	605,994	582,095	535,151
Materials	481,519	446,595	423,742
Contract Services	4,256,652	5,197,915	4,942,761
Contingencies	-	254,184	135,753
Cost Allocation	906,362	1,651,322	923,089
Special Projects	7,985	2,020,845	32,500
Transfers Out	291,444	280,953	291,445
Total Expense Uses	\$8,340,720	\$12,453,411	\$9,016,263

Expenditures are projected to decrease by approximately \$3.4 million, largely in part to a reduction in capital outlay and special project charges as well as a significant reduction cost allocation charges for changes in methodology. Additionally, contingencies have been reduced by fifty percent (50%) in an effort to mitigate future impacts from COVID-19.

Retained Earnings

Enterprise funds carry retained earning instead of fund balance. Retained earnings are calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending retained earnings. However, some of these resources are not liquid and represent capital assets. These monies are generally accumulated to support capital replacement and/or expansion needs.

CHANGES TO RETAINED EARNINGS	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Beginning Balance	9,648,709	8,056,507	5,001,676
Net Increase (Decrease) in Retained Earnings	(1,592,202)	(3,054,831)	(385,221)
Ending Balance	\$8,056,507	\$5,001,676	\$4,616,455

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	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Use of Money & Property	200,469	-	-
Charges for Services	4,973,953	4,083,901	4,314,949
Transfers In	1,578,474	3,573,000	684,000
Other Financing Uses	498,286	472,652	246,385
Total Revenue Sources	\$7,251,183	\$8,129,553	\$5,245,334

Revenues are projected to decrease by \$2.9 million due to decreased transfers from the General Fund for equipment replacement, compensated absence, and retiree medical payments for FY 2020-21.

Expenditures

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

EXPENDITURE USES	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Employee Compensation	1,323,249	1,426,361	1,615,524
Employee Benefits	1,670,148	1,615,767	1,896,696
Materials	918,573	965,229	1,119,300
Contract Services	1,368,322	1,815,576	1,453,399
Contingencies	-	164,925	77,948
Cost Allocation	1,624,766	847,459	52,343
Special Projects	33,964	475,471	1,283,136
Transfers Out	-	843,772	897,684
Total Expenditures Uses	\$6,939,023	\$8,154,560	\$8,396,030

Total expenditures is projected to increase approximately \$241,000 as a result of negotiated labor increases and additional I&T-related City Council Work Program items slated for FY 20-21.

Retained Earnings

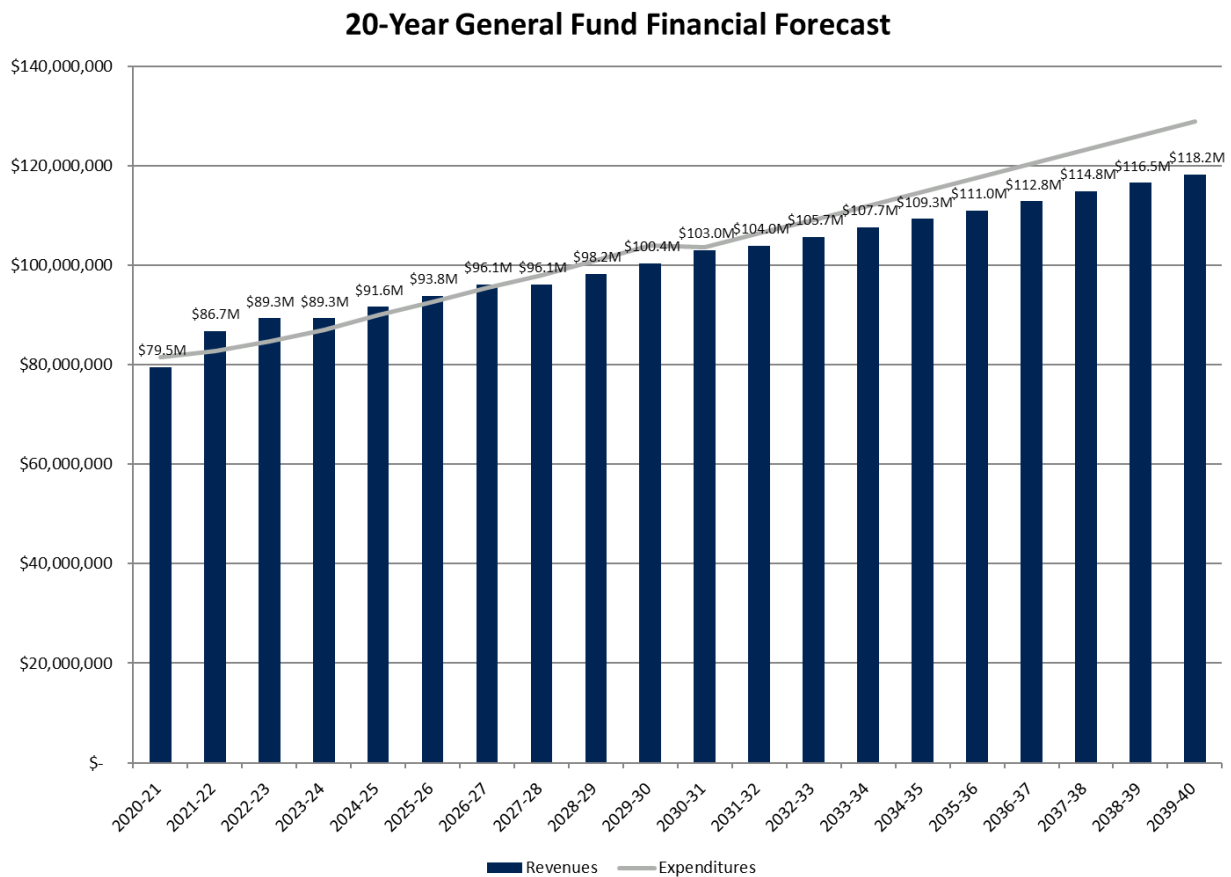
Internal Service Funds carry retained earning instead of fund balance. Retained earnings are calculated in the same manner as fund balance, taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending retained earnings. However, some of the resources are not liquid and represent capital assets. These monies are generally accumulated to support capital replacement and/or expansion needs.

CHANGES TO RETAINED EARNINGS	2018-19	2019-20	2020-21
	Actuals	Projected	Proposed Budget
Beginning Balance	6,538,019	6,850,179	6,825,172
Net Increase (Decrease) in Retained Earnings	312,160	(25,007)	(3,150,696)
Ending Balance	\$6,850,179	\$6,825,172	\$3,674,476

5-Year and 20-Year General Fund Forecast

Overview

City staff has continued to develop medium-term (5-year) and long-term (20-year) forecasts as part of the budget process. While long-term projections are inherently less reliable than short-term projections, they can help detect structural budget issues that can be mitigated if identified early. As shown in the following chart, in the next 20 years, our projections show increasing operating deficits beginning in FY 2027-28 due to revenues growing at a slower rate than expenditures.

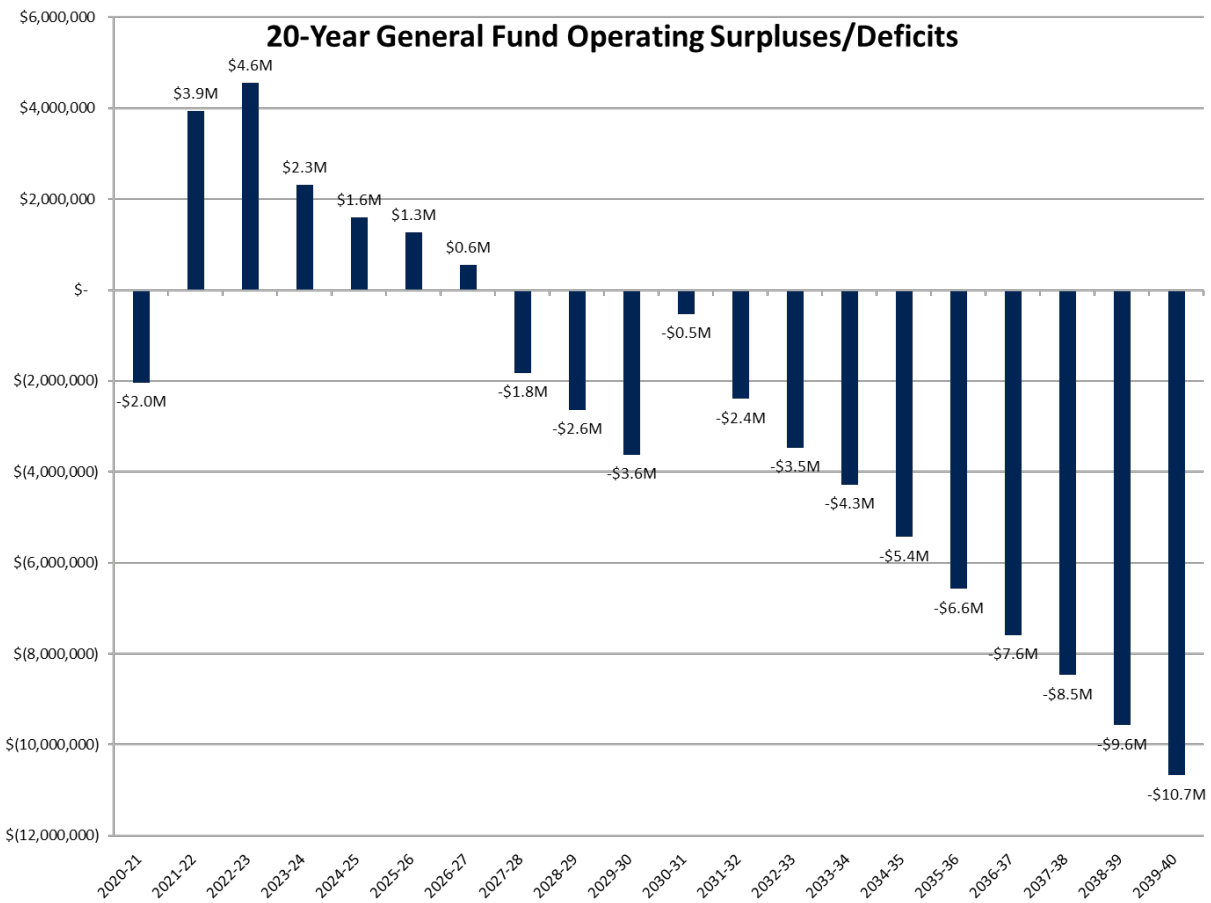


Revenue growth is primarily driven by sales, property, and transient occupancy taxes. Revenue growth will be slower than in the past due to the completion of large-scale development projects, such as Main Street and Apple Park, in the City. Sales tax and transient occupancy tax revenues are projected to significantly decrease due to COVID-19 in FY 2020-21, while property tax is not projected to be affected by COVID-19 until FY 2021-22. The forecast assumes that COVID-19 shelter-in-place restrictions will continue until September and that proposed federal actions will avoid a deep recession. The City is also considering the possibility that such restrictions will continue until December. As the City moves forward through the COVID-19 pandemic and as

more data becomes available, staff will bring forth updates and adjustments on a regular basis as necessary.

Expenditure growth is primarily driven by increases in pension liability costs and the City’s Law Enforcement contract with the Santa Clara County Sheriff’s Office. In an effort to mitigate the impacts of COVID-19, the City is taking steps to reduce expenditures by increasing vacancy levels through attrition (up to \$3.2 million annually), reducing materials and contract services spending (\$650,000 and \$1 million, respectively), reducing contingency amounts by 50% or \$850,000), and reducing the amount of special project and capital outlay spending on an annual basis.

Since revenues grow at a slower pace than expenditures, annual operating deficits are projected to increase, as shown in the following chart.



Although it is difficult to estimate the full-impacts of COVID-19 into the near and long-term, the City’s fiscal foundation remains strong. With the General Fund’s Economic Uncertainty Reserve intact and a healthy unassigned fund balance, the City is poised to withstand the impacts of COVID-19 into the future.

Forecast Methodology

The financial forecast is a planning tool that helps staff identify important trends and anticipate the long-term consequences of budget decisions. The forecast is instrumental in modeling the effects of retirement costs, employee compensation, and revenues on the City's budget.

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, cost projections, which are 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 change frequently and demonstrate the difficulties of committing to a particular prediction of the future. For this reason, the forecast is updated regularly.

While economic conditions are the primary drivers for economically sensitive revenues such as sales tax and property tax, performance is primarily driven by other factors for non-economically sensitive categories such as the utility user tax and franchise fees. These revenue categories are more heavily impacted by utility rate changes, energy prices, and consumption levels. Collections from local, state, and federal agencies are primarily driven by grant and reimbursement funding available from these agencies. As a result, these revenues experience no significant net gain or loss during economic expansions or slowdowns. All revenue projections are based upon a careful examination of the collection history and patterns as they relate to seasonality and the economic environment the City is most likely to encounter in the future. Potential COVID-19 impacts were also considered in determining the most reasonable estimated figures.

A discussion of both the national and local economic outlooks used to develop the revenue estimates for the FY 2020-21 forecast is included below. To develop the revenue forecasts, the City reviewed national, state, and regional economic forecasts from multiple sources including 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). To develop the sales tax, property tax, and transient occupancy tax (TOT) revenue projections, the City worked with HdL Companies, a tax consultant. In February 2019, the City began working with UFI (Urban Futures, Inc.), a financial advisory and consulting firm, to:

- review, update, and enhance the City's baseline financial forecast;
- evaluate fiscal strategies including potential local revenue measures;
- develop capital financing options, structures and estimates for identified projects; and
- prepare analysis of city charter costs/benefits related to fiscal activities.

This forecast includes the updates and enhancements that UFI has made to the City's baseline financial forecast.

National Economic Outlook

Through the fourth quarter of 2019, the U.S. economy continued to show steady growth. U.S. Gross Domestic Product (GDP) increased by 2.1% in 2019 according to the Bureau of Economic Analysis, compared with an increase of 2.2% in 2018. The increase in real GDP in 2019 primarily reflected positive contributions from personal consumption, exports, residential fixed

investment, federal government spending, and state and local government spending that were partly offset by negative contributions from private inventory investment and nonresidential fixed investment.

Through the first quarter of 2020, financial markets have experienced significant turbulence, driven by a high level of uncertainty about the impact of the COVID-19 pandemic on the global economy. There are still many unknowns about the coronavirus including how widespread it will become, how long it will take to contain the virus, and the actual impact on economic activity. During this period of uncertainty, staff believe continued increases in unemployment and deep contractions in overall economic activity will be experienced. Financial markets will likely remain volatile over the near term, though large-scale global monetary and fiscal stimulus programs will assist in mitigating the longer-term impact of the pandemic.

As we move forward through the pandemic and more information becomes available, staff will bring forward updates and adjustments to City Council on a regular basis as necessary.

Cupertino Economic Outlook

Despite strong economic performance continuing in Silicon Valley and Cupertino pre-COVID, data from the State of California Employment Development Department indicates significant impacts as a result of the virus.

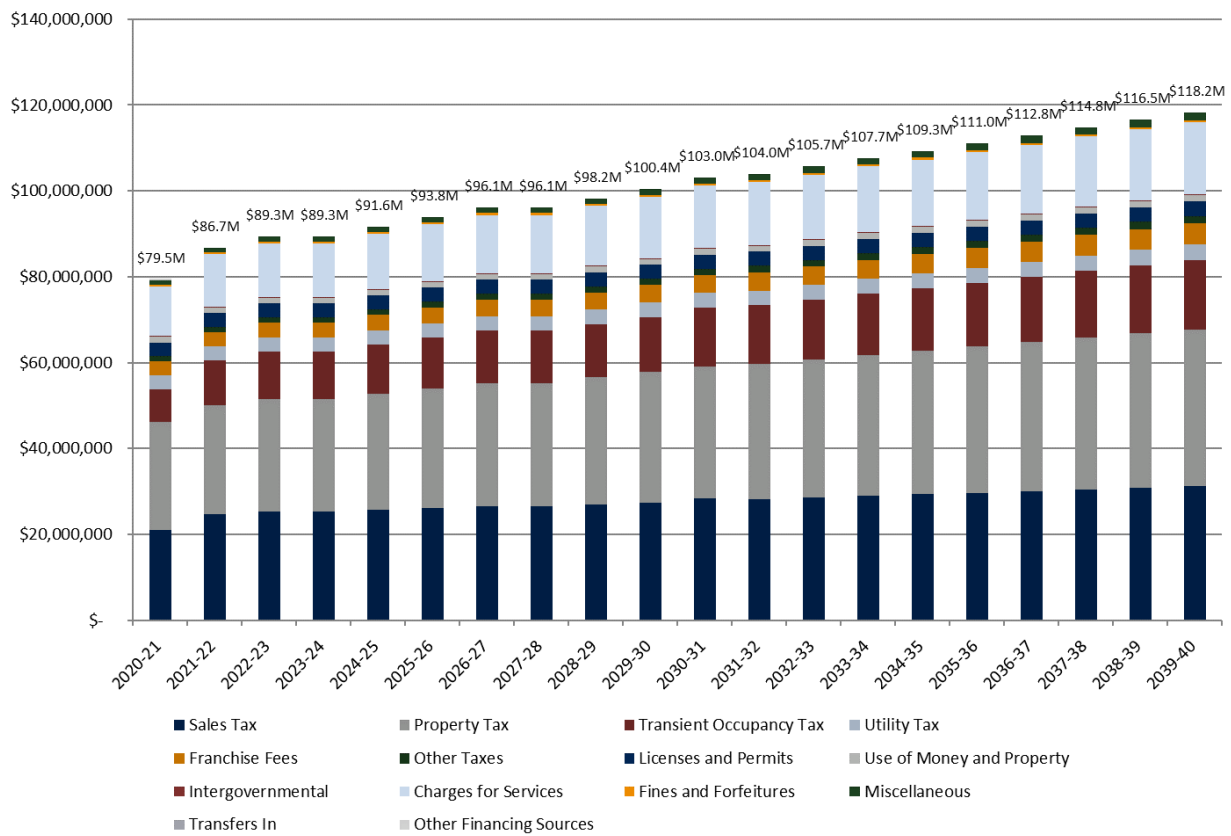
Due to the timing of property appraisals entering the assessor's role, the City does not anticipate significant impacts to property tax revenues in FY 2020-21. When property values are appraised again in January 2021 and are included in the FY 2021-22 roll, the City will expect to see adverse impacts resulting from COVID-19. Construction activity, although strong in previous years, will continue to flatten out as development projects, particularly Apple Park, are completed. Given the level of volatility surrounding COVID-19 and the uncertainty of recovery time, it is difficult to estimate the timing of significant projects that could have a positive impact on the City's general revenue bases.

Revenues

The City's top three revenue sources continue to be property tax, sales tax, and transient occupancy tax (TOT). The forecast assumes significant declines in the sales tax and transient occupancy tax categories due to COVID-19. Other categories consider assumptions ranging from no growth to conservative growth.

In recent years, the City has experienced a local economic boom that had driven strong gains in sales tax, property tax, and transient occupancy tax revenues, which were partially offset by decreases in development-related fees. FY 2021 projects to experience significant General Fund declines in sales tax and transient occupancy tax due to COVID-19 impacts. Property tax is not anticipated to be affected by COVID-19 in FY 2020-21 due to the timing of assessed market valuations; however, the City anticipates a flattening of the property tax revenues in FY 2021-22.

20-Year General Fund Revenue Forecast by Category



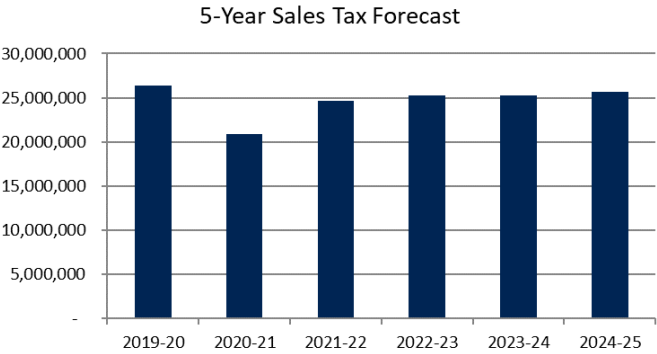
FIVE-YEAR GENERAL FUND REVENUES FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
REVENUES						
Sales Tax	26,400,000	20,910,889	24,676,742	25,283,856	25,283,856	25,694,430
Property Tax	25,000,000	25,353,783	25,353,783	26,216,404	26,216,404	27,047,553
Transient Occupancy Tax	5,980,000	7,546,884	10,429,106	10,980,305	10,980,305	11,421,129
Utility Tax	3,000,000	3,223,712	3,248,905	3,274,223	3,274,223	3,299,593
Franchise Fees	3,200,000	3,280,447	3,398,437	3,516,427	3,516,427	3,630,586
Other Taxes	1,200,000	1,212,939	1,258,424	1,299,952	1,299,952	1,338,951
Licenses and Permits	2,500,000	3,139,473	3,155,170	3,170,946	3,170,946	3,186,801
Use of Money and Property	1,190,000	1,271,510	1,277,868	1,284,257	1,284,257	1,290,678
Intergovernmental	400,000	235,567	236,745	237,929	237,929	239,118
Charges for Services	11,100,000	11,556,831	12,199,697	12,515,509	12,515,509	12,841,644
Fines and Forfeitures	400,000	425,000	425,000	425,000	425,000	425,000
Miscellaneous	1,300,000	1,003,857	1,061,182	1,116,638	1,116,638	1,172,656
Transfers In	10,020,000	15,000	-	-	-	-
Other Financing Sources	400,000	275,000	-	-	-	-
TOTAL REVENUES	92,090,000	79,450,892	86,721,059	89,321,445	89,321,445	91,588,139

Sales Tax

FIVE-YEAR SALES TAX FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
Sales Tax	26,400,000	20,910,889	24,676,742	25,283,856	25,283,856	25,694,430

Currently, Sales tax is the City’s largest revenue source. Sales taxes are collected at the point of sale and remitted to the California Department of Tax and Fee Administration (formerly the Board of Equalization), which allocates tax revenue owed to the City in monthly payments.

In FY 2020-21, sales tax is projected to experience a significant decrease due to COVID-19. Sales tax is assumed to return to 90% of normal across industry groups in FY 2021-22. Sales tax is projected to grow by an average annual growth rate of 2.20% in the forecast. Conservative



forecasts were used for business and industry, general consumer goods, restaurants and hotels, and state and county pools. Business-to-business (B2B) revenue is the largest portion of the City’s sales tax base, so the City’s sales tax revenue is sensitive to economic forces. In particular, the City’s two largest sales tax sources—both technology companies—account for a large portion of the City’s total sales tax base. Sales tax

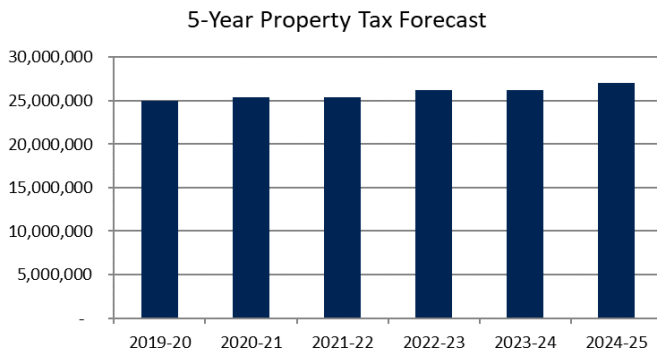
revenue is reported two quarters in arrears thus providing the City with about six months to react if this revenue source starts to decline.

Given the volatility of B2B revenue, which accounts for the majority of the City’s sales tax revenue, a key goal of the City’s long-term fiscal strategic plan is to diversify its sales tax base by promoting the general retail and food product sectors. Recently completed development projects such as Nineteen800 and Main Street are expected to boost retail sales and reduce the City’s reliance on B2B revenue.

Property Tax

FIVE-YEAR PROPERTY TAX FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
Property Tax	25,000,000	25,353,783	25,353,783	26,216,404	26,216,404	27,047,553

Property tax is not anticipated to be affected by COVID-19 in FY 2020-21 due to the timing of assessed market valuations; however, the City anticipates a flattening of the property tax revenues in FY 2021-22. Property tax revenues are projected to increase by an average annual



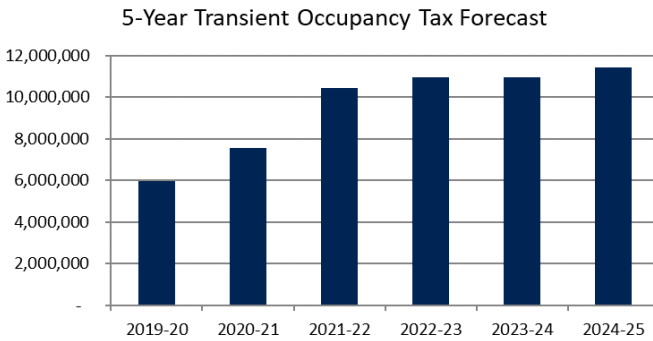
growth rate of 1.94% in our forecast. This moderate forecast is based on a combination of factors including historical trends for the City and forecasts for the region. Historically, property tax has increased at an average annual growth rate of 11.6%. However, this moderate forecast projects a much lower growth rate to account for the fact that no major development projects are expected in the City. The reduction in

development activity will reduce the City’s property tax growth in the future. Major development projects, such as Main Street and Apple Park, were a significant contributor to the historical growth in property tax revenues.

Transient Occupancy Tax

FIVE-YEAR TRANSIENT OCCUPANCY TAX FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
Transient Occupancy Tax	5,980,000	7,546,884	10,429,106	10,980,305	10,980,305	11,421,129

In FY 2019-20 and FY 2020-21, transient occupancy tax (TOT) revenues are projected to



experience a significant decrease due to COVID-19. FY 2020-21 TOT revenue projections have been reduced by 25% (\$2.5M) from original forecasts due to COVID-19-related hotel closures that began in mid-March 2020. This forecast assumes that the hotel closures continue through September 2020, an effective loss of one full quarter of TOT revenue.

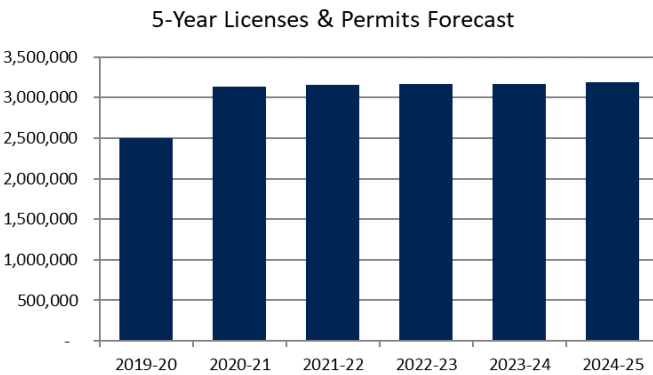
In the forecast, TOT is projected to increase at an average annual growth rate of 4.4%. The City used a moderate forecast based on historical tax collections. This moderate forecast assumes slower growth compared to historical trends given that no additional hotels are expected to open after 2020. De Anza Hotel and Cupertino Village Hotel are not included in the forecast as they have not been permitted yet.

TOT revenues are impacted by the tax rate charged on hotels in the City, the occupancy rate of the hotels, and the average daily room rates (ADR) of the hotels. TOT revenues are highly correlated with B2B revenue, as TOT revenues in Cupertino are primarily driven by business travel. Occupancy rates are currently at record levels given our strong local economy. However, given the large amount of business travel in the City, a decline in the economy could have a significant impact on this revenue source.

Licenses and Permits

FIVE-YEAR LICENSES & PERMITS FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
Licenses and Permits	2,500,000	3,139,473	3,155,170	3,170,946	3,170,946	3,186,801

Licenses and permits are forecasted to decrease in FY 2020-21 due to reduced development activity but increase slightly in the out-years.



Licenses and permits revenue is projected to grow at a rate of 0.5% each year in the out-years. The forecasts were based on forecasts of California residential building permits, non-residential building permits, and construction payrolls from the UCLA Anderson Forecasts for the Nation and California. Out of prudence, this forecast does not reflect any major development

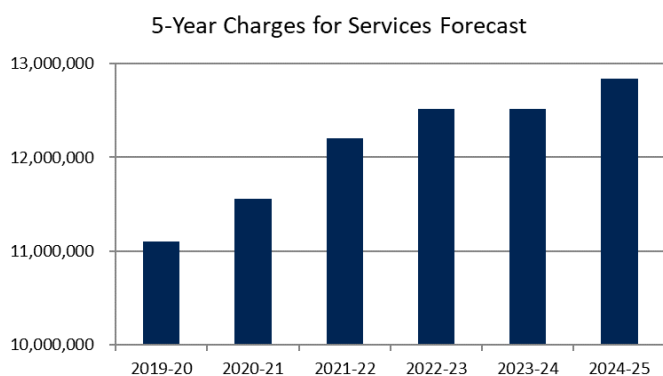
projects that are awaiting approval. If new development projects are approved, this forecast will be updated accordingly.

Charges for Services

	FIVE-YEAR CHARGES FOR SERVICES FORECAST					
	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Charges for Services	11,100,000	11,556,831	12,199,697	12,515,509	12,515,509	12,841,644

Revenues from charges for services have decreased from their levels in FY 2016-17, primarily due to a decrease in development activity.

In FY 2019-20 and FY 2020-21, revenues from charges for services will decrease due to COVID-19. During the COVID-19 pandemic, the City's recreation facilities have been shut down as a result of the Stay-at-Home order issued by the Santa Clara County Public Health Department in



mid-March 2020. After FY 2020-21, revenue is projected to increase at an average annual growth rate of 1.98%. Other Service Fees, Cost Allocation Plan Charges for Services, General Service Fees, and Enterprise Service Fees are projected to increase by 2.5% based on full-time salary growth. Planning Fees and Engineering Fees are based on construction and development factors including California residential building

permits, non-residential building permits, and construction payrolls from the UCLA Anderson Forecasts for the Nation and California. This forecast does not assume any major development projects that are awaiting approval.

Other Revenue

	FIVE-YEAR FORECAST - OTHER REVENUE					
	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Utility Tax	3,000,000	3,223,712	3,248,905	3,274,223	3,274,223	3,299,593
Franchise Fees	3,200,000	3,280,447	3,398,437	3,516,427	3,516,427	3,630,586
Other Taxes	1,200,000	1,212,939	1,258,424	1,299,952	1,299,952	1,338,951
Use of Money and Property	1,190,000	1,271,510	1,277,868	1,284,257	1,284,257	1,290,678
Intergovernmental	400,000	235,567	236,745	237,929	237,929	239,118
Fines & Forfeitures	400,000	425,000	425,000	425,000	425,000	425,000
Miscellaneous	1,300,000	1,003,857	1,061,182	1,116,638	1,116,638	1,172,656
Transfers In	10,020,000	15,000	-	-	-	-
Other Financing Sources	400,000	275,000	-	-	-	-
TOTAL	21,110,000	10,943,032	10,906,561	11,154,425	11,154,425	11,396,583

Utility taxes are forecasted to increase by 0.8% each year based on historical trends. In recent years, increases in rates have been offset by decreases in consumption.

Franchise fees are projected to increase by an average annual growth rate of 2.2% based on a trend of historical data.

Other taxes are made up of construction, property transfer, and business license tax revenue. Revenue is projected to increase by an average of State and County CPI.

Use of money and property is expected to grow at a rate of 0.5% each year based on the City's current conservative investment strategy and low interest rates.

Intergovernmental revenues are projected to grow at a rate of 0.5% each year.

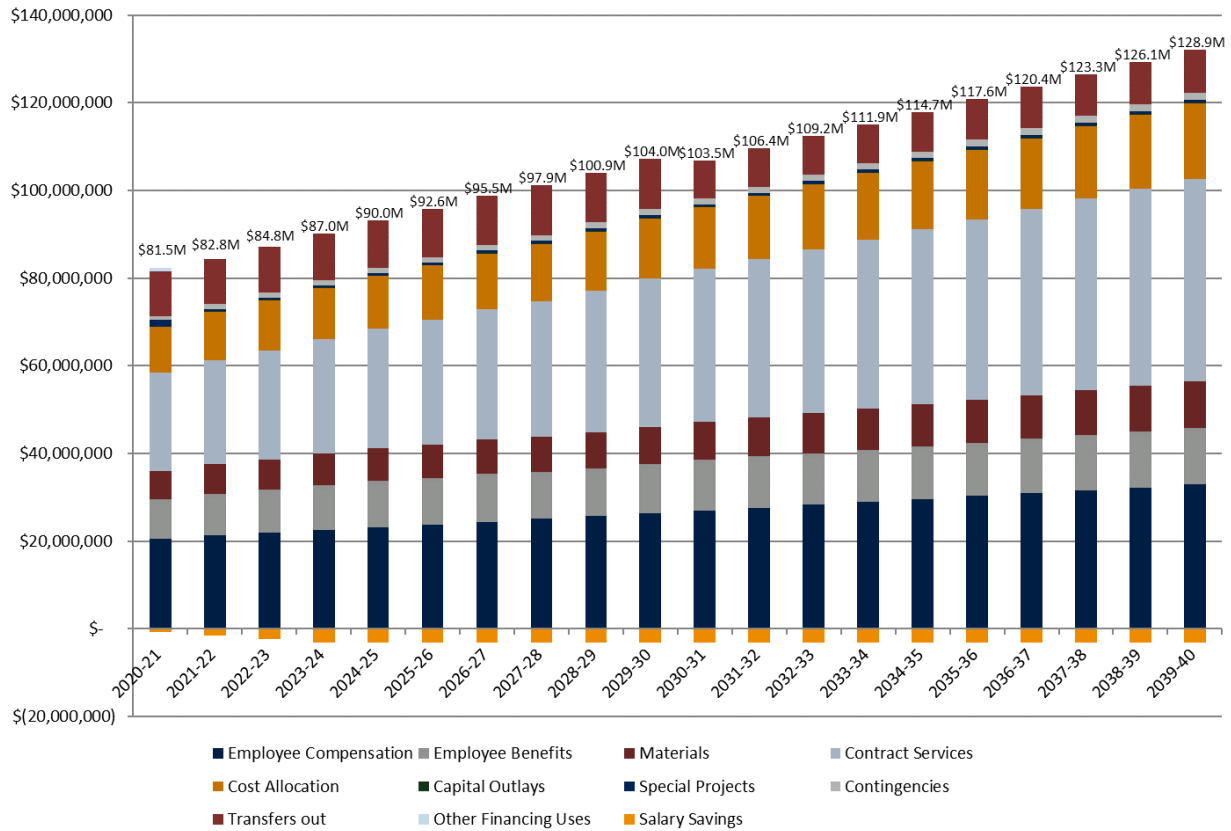
Fines and Forfeitures are forecasted to remain constant in the forecast.

Miscellaneous revenues are forecasted to increase by CPI each year.

Non-operational revenues (Transfers and Other Financing Sources) are not assumed in the forecast.

Expenditures

20-Year General Fund Expenditure Forecast by Category



FIVE-YEAR GENERAL FUND EXPENDITURES FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
EXPENDITURES						
Employee Compensation	18,600,000	20,573,051	21,277,287	21,862,605	22,463,932	23,081,752
Employee Benefits	7,840,000	8,910,549	9,523,109	9,834,182	10,357,214	10,773,667
Salary Savings	-	(800,000)	(1,600,000)	(2,400,000)	(3,200,000)	(3,200,000)
Personnel Costs	26,440,000	28,683,600	29,200,395	29,296,787	29,621,146	30,655,419
Materials	4,540,000	6,472,852	6,715,584	6,937,198	7,152,251	7,366,819
Contract Services	23,050,000	22,553,684	23,741,736	24,880,655	26,043,621	27,238,137
Cost Allocation	9,790,000	10,473,534	11,091,473	11,396,488	11,709,891	12,031,913
Capital Outlay	710,000	-	100,000	110,067	113,480	116,884
Special Projects	5,930,000	1,420,852	532,756	550,337	567,398	584,420
Contingencies	980,000	986,635	1,051,272	1,085,964	1,119,629	1,153,218
Other Uses	250,000	775,000	-	-	-	-
Non-Personnel Costs	45,250,000	42,682,557	43,232,821	44,960,710	46,706,270	48,491,391
Transfers	30,890,000	10,121,138	10,353,811	10,510,341	10,689,063	10,851,023
TOTAL EXPENDITURES	102,580,000	81,487,295	82,787,027	84,767,838	87,016,480	89,997,833

For FY 2020-21, the City developed a zero-base budget in which all expenses were justified. The process started from a “zero base” and every function of the City was analyzed for its needs and costs. The budget was then built around what was needed for the upcoming period, regardless of the previous fiscal year’s budget. This best practice resulted in base budget savings from the prior year.

The forecast was developed based on actual expenditures in prior years, and then adjusted for FY 2020-21 funding needs. The forecast also included the following factors: State and County CPI, construction and development activity, and CalPERS Normal Cost and Unfunded Liability projections. The forecast is adjusted to account for one-time changes and budget adjustments throughout the year.

In an effort to mitigate the impacts of COVID-19, the City is taking steps to reduce expenditures by increasing vacancy levels through attrition, reducing materials and contract services spending, reducing contingency amounts, and reducing the amount of special project and capital outlay spending.

As displayed in the chart above, General Fund expenditures are projected to decrease from \$102.6 million in FY 2019-20 to \$81.5 million in FY 2020-21 and increase each year in the forecast. The main drivers of expenditure growth are employee benefits and contract services due to rising retirement rates and Law Enforcement costs. The following discussion focuses on the assumptions used for estimating each of the expenditure categories in the General Fund Forecast.

Personnel Expenditures

Salaries

The forecast includes equity adjustments, cost of living increases, step increases, and known benefit increases in retirement and health insurance. During FY 2018-19, the City negotiated new labor agreements with its bargaining groups, CEA and OE3, as the previous labor agreements were scheduled to expire on June 30, 2019. On July 16, 2019, City Council approved new contracts for CEA, OE3, and Unrepresented employees. The contracts, which are effective from July 1, 2019 to June 30, 2022, include equity adjustments for positions that are below the median of the market and cost of living adjustments (COLAs) for all positions.

Koff and Associates conducted a salary study to determine if equity adjustments were necessary. If the base salary of a position was below median of the market, the position will receive an adjustment, from 1% to 15%, until the base salary is aligned with the median of the market. The adjustments will be phased in over the three-year agreement at a maximum of 5% per year.

The contracts also include cost of living adjustments according to the following schedule:

- 4.0% – effective the first full pay period in July 2019 following Council adoption,
- 3.5% – effective the first full pay period in July 2020, and
- 3.0% – effective the first full pay period in July 2021.

Step increases are due to employees below Step 5 progressing to higher salary steps. Full-time salaries are projected to grow at a rate of 2.5% per year, which is based on historical trends in step increases. It is slightly lower than the presumed rate of growth by CalPERS. Part-time salaries are forecasted to grow at a rate of 1.5% as they generally grow at a slower pace than full-time salaries.

To mitigate the effects of COVID-19, the City plans to increase vacancy levels through attrition. The City will not fill unessential positions when they become vacant. The City plans to hold 5 positions vacant in FY 2020-21 and gradually increase to 20 positions vacant in FY 2023-24. This strategy will save the City up to \$800,000 in FY 2020-21 and up to \$3.2 million per year starting in FY 2023-24.

Health Benefits

In FY 2020-21, health benefits account for about 8% of all personnel costs in the General Fund, mostly due to health insurance costs. The City pays employees a fixed amount for health and dental insurance costs, as opposed to covering a percentage of premiums. In October 2016, City Council approved labor contracts that resulted in significant increases to the City's health insurance contributions. For the duration of a contract, cost increases in health and dental premiums above the negotiated amounts are fully absorbed by employees. The City is currently in negotiations with its bargaining groups, CEA and OE3.

While not factored into the forecast, there is uncertainty about the fate of the Affordable Care Act (ACA). Rate increases have stabilized with the implementation of the ACA. Still looming is the so-called "Cadillac Tax" which, beginning in 2022, 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

Rising retirement costs are driving the increase in employee benefits. Cupertino provides retirement benefits for its employees through the California Public Employee's Retirement System (CalPERS). Poor investment returns during the Great Recession and actuarial assumption changes have increased the gap between the pension system's assets and liabilities, resulting in the overall funded status of the system falling significantly. As of the June 30, 2018 valuation, which was issued in July 2019, the funded status of the CalPERS Public Employees Retirement Fund (PERF) is 71%, an increase from 70% in the prior year.

The City's pension plan has an Unfunded Accrued Liability (UAL) of \$47.5 million and a funded ratio of 66.3%, according to the latest CalPERS actuarial valuation report as of June 30, 2018.

CalPERS Plan Status				
	June 30, 2017		June 30, 2018	
Present Value of Projected Benefits	\$	150,083,854	\$	167,128,950
Entry Age Normal Accrued Liability	\$	127,138,300	\$	141,033,621
Market Value of Assets	\$	86,617,172	\$	93,550,299
Unfunded Accrued Liability	\$	40,521,128	\$	47,483,322
Funded Ratio		68.1%		66.3%

A defined-benefit plan is considered adequately funded if its assets equal or exceed the value of its future liabilities. The funded ratio is the ratio of assets to liabilities. When the funded ratio is lower than 100%, the plan has insufficient assets to pay all future liabilities. After a thorough analysis, CalPERS actuaries determined that the retirement system was at significant risk of falling to dangerously low funded status levels under existing actuarial policies.

In December 2016, the CalPERS Board of Administration lowered the discount rate from 7.5% to 7.0% with a three-year phase-in beginning in FY 2018-19. This change will result in significant increases in retirement costs but was implemented to improve the financial stability of the pension system. As a result of the discount rate reduction, the City's CalPERS costs are projected to increase to \$7.5 million in FY 2024-25 as shown in the table below.³

	Projected CalPERS Contributions					
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Projected Payroll	\$ 19,490,834	\$ 20,026,831	\$ 20,577,569	\$ 21,143,452	\$ 21,724,897	\$ 22,322,332
Normal Cost (%)	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
Normal Cost	\$ 2,203,634	\$ 2,264,234	\$ 2,326,500	\$ 2,390,479	\$ 2,456,217	\$ 2,523,763
UAL Payment	\$ 3,607,122	\$ 4,056,000	\$ 4,448,000	\$ 4,724,000	\$ 5,001,000	\$ 4,775,000
Total Contribution	\$ 5,810,756	\$ 6,320,234	\$ 6,774,500	\$ 7,114,479	\$ 7,457,217	\$ 7,298,763
Total Contribution (%)	29.8%	31.6%	32.9%	33.6%	34.3%	32.7%

In addition, it is unclear if CalPERS investment returns will be able to meet this new rate of return and many experts speculate that CalPERS will need to lower the discount rate again in the future. As part of a budget-balancing strategy, the City adopted a Pension Rate Stabilization Program (PRSP), also known as a Section 115 Trust, in FY 2018-19. The Section 115 Trust would help the City to offset the costs of any further discount rate changes, address the UAL earlier than required by CalPERS, and attain a funded status of at least 80% within 20 years. The City contributed an initial investment of \$8.0 million in FY 2018-19 and contributed an additional \$4.0 million in FY 2019-20. The FY 2020-21 Proposed Budget includes this \$12.0 million as restricted fund balance.

The City's retirement rates are based on a blend of all three tiers (2.7% @ 55, 2% @ 60, and 2% @ 62). Although employees pay a different rate depending on their tier, the City's costs are the same for all 3 tiers. The table below shows the current breakdown of City employees amongst the three retirement tiers. The majority of employees in the City are currently covered under Tier 3. Savings from the lower-cost Tier 2 and Tier 3 plans are not expected to be substantial for several years.

CalPERS Plan Breakdown by Tier						
Tier	# Employees	Benefit Formula	Compensation Basis	Employer Share	Employee Share	Total Rate
I	81	2.7% @ 55	Highest Year	29.81%	8.00%	37.81%
II	14	2% @ 60	Highest 3 Year Average	29.81%	7.00%	36.81%
III	105	2% @ 62	Highest 3 Year Average	29.81%	6.25%	36.06%

Other Benefits

The forecast assumes health insurance, dental insurance, and vision insurance increase at CPI. No increases were forecasted for the following benefits: internet allowance, standby pay, Employee Assistance Program, and Deferred Compensation. Rec Bucks are assumed to increase at a 0.5% growth rate.

Non-Personnel Expenditures

Non-Personnel budgets were developed based on actual expenditures in prior years, and then adjusted for FY 2020-21 funding needs. In addition, one-time projects have been excluded to ensure that expenditure trends reflect ongoing expenditure needs. Contingency budgets are assumed to be reduced by 50% over the prior year, as a cost-saving measure.

For the out-years of the forecast, a growth rate based on an average of State and County CPI is assumed from the baseline. The average growth rate for State and County CPI is 3.00%. The CPI estimates are based on the following forecasts:

- UCLA Anderson Forecast for the Nation and California and
- California Department of Transportation’s California County-Level Economic Forecast.

Materials costs are forecasted to increase by CPI in the out-years of the forecast.

Contract Services costs are projected to grow by CPI in the out-years of the forecast with the exception of the Law Enforcement contract with the Santa Clara County Sheriff’s Office. Increases to the City’s Law Enforcement costs are a primary driver in the City’s expenditure growth. Law Enforcement costs are projected to grow by CPI plus 2%. The major increase in contracts is driven by increases in CalPERS costs at the Santa Clara County Sheriff’s Office that will be passed on to the City per the contract’s terms.

Cost Allocation is projected to grow by 2.5% in the out-years. This estimate is conservative as savings may materialize in department budgets that may drive these costs down.

Capital Outlays and *Special Projects* are projected to increase by CPI in the forecast. In the last five years, the City has spent about \$2 million per year in capital outlay and special project costs excluding development projects that include pass through revenue.

Contingencies are projected to increase by CPI in the forecast. Contingencies for each program have been cut in half to 2.5% whereas in prior years, contingency totals were 5% of the total General Fund and 5% of Material and Contract budgets. The City has historically underspent in

this category and use of these funds would require pre-approval by the City Manager or his/her designee.

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 subsidize enterprises and operations. With the implementation of the full cost allocation plan in FY 2015-16, General Fund expenses have been 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 necessary to maintain those fund balance minimums.

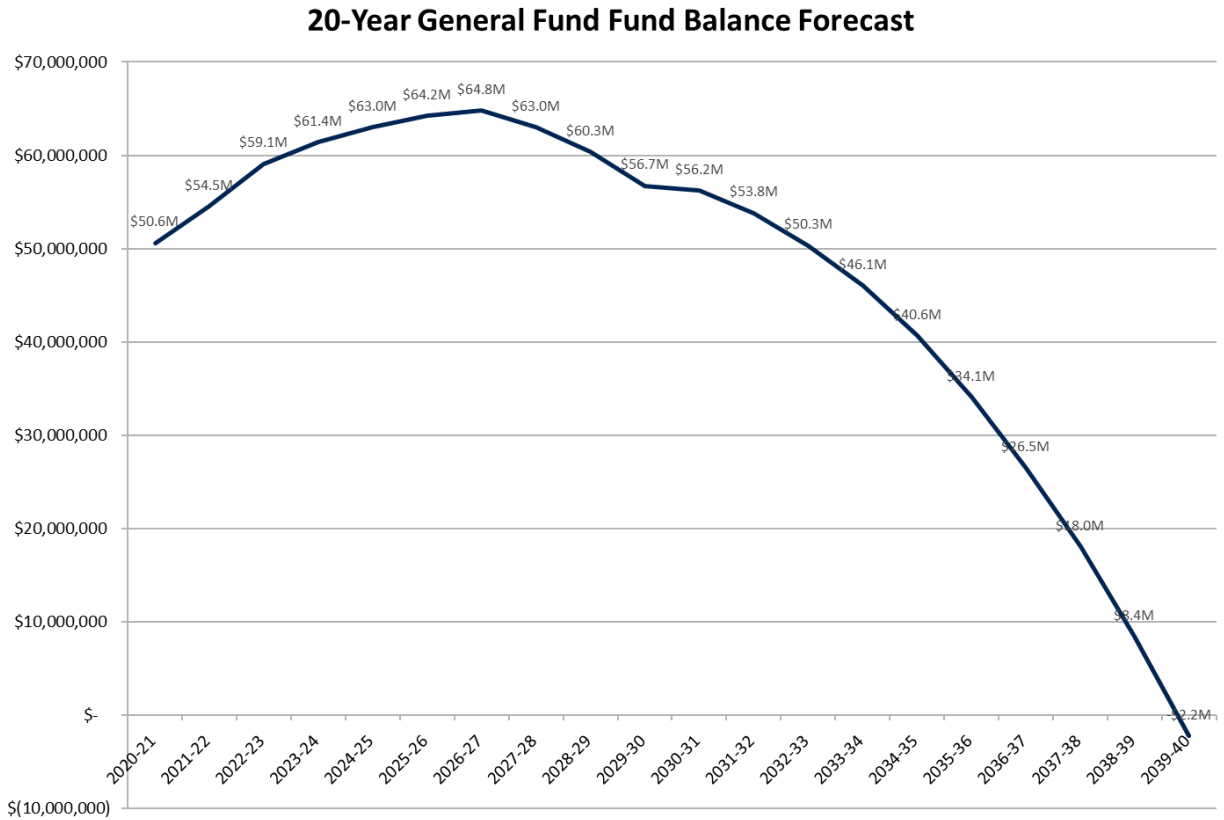
Projected General Fund subsidies to each fund are based on the following assumptions:

- Special Revenue Funds: increases at a rate of 2.12% per year;
- Debt Service Funds: 2012 COPS debt service schedule;
- Retiree Medical Fund: projected OPEB contribution schedule;
- Compensated Absences Fund: increases at a rate of 2.5% per year;
- Innovation and Technology Fund: increases at CPI per year;
- Vehicle and Equipment Replacement Fund: increases at CPI per year; and
- Enterprise Funds: increases at CPI per year.

In FY 2029-30, the City will finish paying off its debt for city facilities. Until FY 2029-30, the City is scheduled to pay approximately \$3.17 million per year in principal and interest on the City Hall/Library, Wilson/Memorial Open Space and Library Certificates of Participation. These funds are transferred from the City's General Fund to the City's Debt Service Funds.

Fund Balance

The General Fund's fund balance is projected to be \$50.6 million in FY 2020-21. It is projected to initially increase to \$64.8 million in FY 2026-27 and then decrease after FY 2027-28 due to increasing operating deficits.



FIVE-YEAR GENERAL FUND FUND BALANCE FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
Beginning Fund Balance	58,922,585	53,438,546	50,602,143	54,536,175	59,089,782	61,394,746
Operating Revenue	92,090,000	79,450,892	86,721,059	89,321,445	89,321,445	91,588,139
Operating Expenditures	102,580,000	81,487,295	82,787,027	84,767,838	87,016,480	89,997,833
Net Revenues - Expenditures	(10,490,000)	(2,036,403)	3,934,032	4,553,607	2,304,965	1,590,306
Unassigned	17,500,000	14,672,597	18,223,629	22,777,236	25,082,200	26,672,506
All Other Classifications	35,938,546	35,929,546	36,312,546	36,312,546	36,312,546	36,312,546
TOTAL FUND BALANCE	53,438,546	50,602,143	54,536,175	59,089,782	61,394,746	62,985,052

FIVE-YEAR GENERAL FUND FUND BALANCE FORECAST						
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
<u>Non-Spendable</u>						
Loans Receivable	455,000	446,000	446,000	446,000	446,000	446,000
Prepaid Items	-	-	-	-	-	-
Total Non-Spendable	455,000	446,000	446,000	446,000	446,000	446,000
<u>Restricted</u>						
Debt Service	13,982	13,982	13,982	13,982	13,982	13,982
Section 115 Trust	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Public Access Television	1,346,167	1,346,167	1,346,167	1,346,167	1,346,167	1,346,167
Total Restricted	13,360,149	13,360,149	13,360,149	13,360,149	13,360,149	13,360,149
<u>Committed</u>						
Economic Uncertainty	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Sustainability Reserve	123,397	123,397	123,397	123,397	123,397	123,397
PERS	12,000,000	-	-	-	-	-
Total Committed	19,123,397	19,123,397	19,123,397	19,123,397	19,123,397	19,123,397
<u>Assigned</u>						
Reserve for Encumbrances	3,000,000	3,000,000	3,383,000	3,383,000	3,383,000	3,383,000
Total Assigned	3,000,000	3,000,000	3,383,000	3,383,000	3,383,000	3,383,000
Total Unassigned	17,500,000	14,672,597	18,223,629	22,777,236	25,082,200	26,672,506
TOTAL FUND BALANCE	53,438,546	50,602,143	54,536,175	59,089,782	61,394,746	62,985,052

It is anticipated that any unassigned fund balance over the \$500,000 threshold will be transferred to the Capital Reserve, the CalPERS Reserve, or the Section 115 Trust. In FY 2018-19, the City adopted a Section 115 as part of a long-term strategy to improve the financial sustainability of the City's pension system and reduce the effect of pension rate volatility on the City's operating budget. The City will be able to use funds from the Section 115 Trust to offset unexpected increases in retirement contributions. Funds in the Section 115 Trust are restricted and can only be used to pay CalPERS or reimburse the City for pension contributions.

Budget-Balancing Strategies

Historically, the City’s budget has been structurally sound with revenues exceeding expenditures in most years. When revenues have exceeded expenditures, excess fund balance was transferred to the Capital Reserve per the City’s One Time Use and Reserve Policy. The current 5-year and 20-year forecasts anticipate operating deficits beginning in FY 2027-28. The operating deficits are projected to increase as revenues grow at a slower pace than expenditures. As a result, the following strategies may be used to assist in balancing the budget over the next 20 years.

Strategy	Description	Potential Impact
Expenditures		
Section 115 Trust	Smoothing mechanism for years when CalPERS does not meet discount rate projections or assumption changes. Can also be used to offset pension costs in any given year.	Fund is currently at \$12 million
Economic Uncertainty Reserve	The City has \$19 million in its Economic Uncertainty Reserve (General Fund).	Fund is currently at \$19 million

Additional Potential Strategies

The following potential strategies, although not recommended at this time, may be considered in future years if sharp declines in revenues or increases in expenditures cause a large structural deficit.

Potential Strategy	Description	Potential Impact
Revenues		
Employer-based business license tax	Part of Council work program to tax businesses based on number of employees, voter approval needed.	\$10 million
¼ cent Sales Tax	Voter approval required, would bring sales tax from 9% to 9.25% for the City.	\$3-4 million
Transient Occupancy Tax Measure	Voter Approval required, could bring rate from 12% to 14%	\$2 million
Expenditures		
Salary and benefit savings through attrition	Keep non-essential positions unfilled as they become vacant.	\$160,000 per position on average per vacancy
Employee cost-sharing of increases to CalPERS	Negotiate to share costs of increases to CalPERS employer rates with employees.	\$250,000 approximate based on 5% rate increase

No new positions	Cost containment strategy	\$0
Furloughs	Employees would take up to 20 hours or the equivalent of a 1% decrease in pay in exchange for 2.5 unpaid furlough days	\$300,000 approximate based on 1% decrease
Deferring or Eliminating negotiated increases	The City has negotiated a 3.5% increase effective the first pay period in July 2020 and a 3% increase effective the first pay period in July 2021. This would require agreement from the bargaining units.	\$300,000 approximate based on 1% decrease
Reduction in force	The City would identify what positions could be reduced (laid off) based on provisions in the MOUs where applicable and service level needs in the City.	Varies but approximately \$160,000 on average per position
Reduction in capital outlays and special projects	Cost containment strategy	Up to \$1.5 million
Reduction in contingencies	Cost containment strategy	Up to \$850,000

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - General Fund Revenues

Classification	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
Sales Tax	24,901,779	25,637,093	26,400,000	20,910,889	24,676,742	25,283,856	25,283,856	25,694,430
Property Tax	25,301,094	24,703,218	25,000,000	25,353,783	25,353,783	26,216,404	26,216,404	27,047,553
Transient Occupancy Tax	8,901,337	9,666,056	5,980,000	7,546,884	10,429,106	10,980,305	10,980,305	11,421,129
Utility Tax	3,089,921	3,198,644	3,000,000	3,223,712	3,248,905	3,274,223	3,274,223	3,299,593
Franchise Fees	3,445,253	3,162,457	3,200,000	3,280,447	3,398,437	3,516,427	3,516,427	3,630,586
Other Taxes	1,659,916	1,181,050	1,200,000	1,212,939	1,258,424	1,299,952	1,299,952	1,338,951
Licenses and Permits	4,102,665	2,524,000	2,500,000	3,139,473	3,155,170	3,170,946	3,170,946	3,186,801
Use of Money and Property	2,680,997	1,330,579	1,190,000	1,271,510	1,277,868	1,284,257	1,284,257	1,290,678
Intergovernmental	473,942	354,547	400,000	235,567	236,745	237,929	237,929	239,118
Charges for Services	10,977,805	13,233,225	11,100,000	11,556,831	12,199,697	12,515,509	12,515,509	12,841,644
Fines and Forfeitures	511,472	615,000	400,000	425,000	425,000	425,000	425,000	425,000
Miscellaneous	1,102,316	882,283	1,300,000	1,003,857	1,061,182	1,116,638	1,116,638	1,172,656
Transfers In	10,000	12,000	10,020,000	15,000	-	-	-	-
Other Financing Sources	1,671,445	600,000	400,000	275,000	-	-	-	-
TOTAL REVENUES	88,829,941	87,100,152	92,090,000	79,450,892	86,721,059	89,321,445	89,321,445	91,588,139

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - General Fund Expenditures

Classification	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
Employee Compensation	17,232,957	19,030,922	18,600,000	20,573,051	21,277,287	21,862,605	22,463,932	23,081,752
Employee Benefits	6,963,384	7,924,552	7,840,000	8,910,549	9,523,109	9,834,182	10,357,214	10,773,667
Salary Savings	-	-	-	(800,000)	(1,600,000)	(2,400,000)	(3,200,000)	(3,200,000)
Personnel Costs	24,196,341	26,955,474	26,440,000	28,683,600	29,200,395	29,296,787	29,621,146	30,655,419
Materials	4,494,677	5,666,631	4,540,000	6,472,852	6,715,584	6,937,198	7,152,251	7,366,819
Contract Services	20,361,957	21,603,686	23,050,000	22,553,684	23,741,736	24,880,655	26,043,621	27,238,137
Cost Allocation	9,368,223	9,786,477	9,790,000	10,473,534	11,091,473	11,396,488	11,709,891	12,031,913
Capital Outlays	-	-	710,000	-	100,000	110,067	113,480	116,884
Special Projects	4,211,639	3,699,385	5,930,000	1,420,852	532,756	550,337	567,398	584,420
Contingencies	-	1,070,049	980,000	986,635	1,051,272	1,085,964	1,119,629	1,153,218
Other Financing Uses	381,262	783,209	250,000	775,000	-	-	-	-
Non-Personnel Costs	38,817,758	42,609,437	45,250,000	42,682,557	43,232,821	44,960,710	46,706,270	48,491,391
Transfers	19,376,087	10,539,557	30,890,000	10,121,138	10,353,811	10,510,341	10,689,063	10,851,023
TOTAL EXPENDITURES	82,390,187	80,104,468	102,580,000	81,487,295	82,787,027	84,767,838	87,016,480	89,997,833

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - General Fund Fund Balance

Classification		2018-19	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
		Actual	Adopted	Estimate	Proposed	Forecast	Forecast	Forecast	Forecast
	Beginning Balance	53,589,690	58,922,585	58,922,585	53,438,546	50,602,143	54,536,175	59,089,782	61,394,746
Unassigned		27,896,128	12,801,317	17,500,000	14,672,597	18,223,629	22,777,236	25,082,200	26,672,506
All Other Classifications		31,026,457	33,826,157	35,938,546	35,929,546	36,312,546	36,312,546	36,312,546	36,312,546
	Ending Balance	58,922,585	46,627,474	53,438,546	50,602,143	54,536,175	59,089,782	61,394,746	62,985,052

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Special Revenue Fund Revenues

Classification	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
STORM DRAIN IMPROVEMENT (FUNDS 210, 215)								
406-Taxes	371,992	74,741	74,741	76,984	76,984	76,984	76,984	76,984
420-Use of Money	81,040	-	-	-	-	-	-	-
421-Transfer In	1,100,000	437,000	437,000	-	-	-	-	-
TOTAL	1,553,032	511,741	511,741	76,984	76,984	76,984	76,984	76,984
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
420-Use of Money	10,600	900	900	905	-	-	-	-
421-Transfer In	436,000	660,000	660,000	-	-	-	-	-
430-Fines and Forfeitures	22,541	10,000	10,000	10,000	10,000	10,000	10,000	10,000
450-Charges for Services	369,014	370,000	370,000	1,522,493	1,522,493	1,522,493	1,522,493	1,522,493
TOTAL	838,155	1,040,900	1,040,900	1,533,398	1,532,493	1,532,493	1,532,493	1,532,493
HOUSING & COMMUNITY DEVELOPMENT (FUNDS 260, 261, 265)								
406-Taxes	159,179	3,000	3,000	3,025,898	3,025,898	3,025,898	3,025,898	3,025,898
420-Use of Money	212,728	14,800	14,800	3,300	3,300	3,300	3,300	3,300
421-Transfer In	175,000	-	-	-	-	-	-	-
440-Intergovernmental	344,323	361,597	361,597	397,270	397,270	397,270	397,270	397,270
450-Charges for Services	20,410	-	-	-	-	-	-	-
460-Refundable Deposit Revenue	8,735	-	-	-	-	-	-	-
480-Miscellaneous Revenue	901	-	-	-	-	-	-	-
TOTAL	921,276	379,397	379,397	3,426,468	3,426,468	3,426,468	3,426,468	3,426,468
TRANSPORTATION (FUND 270)								
420-Use of Money	271,320	-	-	-	-	-	-	-
421-Transfer In	5,800,000	221,000	221,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000
440-Intergovernmental	2,800,291	7,192,936	7,192,936	2,998,758	3,165,000	3,165,000	3,165,000	3,165,000
450-Charges for Services	17,192	-	-	3,978	-	-	-	-
480-Miscellaneous Revenue	84,521	2,198,521	2,198,521	87,057	-	-	-	-
TOTAL	8,973,324	9,612,457	9,612,457	6,889,793	6,965,000	6,965,000	6,965,000	6,965,000
PARK DEDICATION (FUND 280)								
406-Taxes	1,108,500	375,663	375,663	-	-	-	-	-
420-Use of Money	283,371	-	-	-	-	-	-	-

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Special Revenue Fund Revenues

Classification	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
421-Transfer In	575,000	-	-	-	-	-	-	-
TOTAL	1,966,871	375,663	375,663	-	-	-	-	-
TREE (FUND 281)								
420-Use of Money	4,317	-	-	-	-	-	-	-
450-Charges for Services	10,087	21,045	21,045	-	-	-	-	-
TOTAL	14,404	21,045	21,045	-	-	-	-	-
TOTAL SPECIAL REVENUE FUNDS	14,267,062	11,941,203	11,941,203	11,926,643	12,000,945	12,000,945	12,000,945	12,000,945

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Debt Service Fund Revenues

Classification	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
PUBLIC FACILITIES CORPORATION (FUND 365)								
420-Use of Money	75,272	-	-	-	-	-	-	-
421-Transfer In	3,169,438	3,172,838	3,172,838	3,169,138	3,168,488	3,170,738	3,170,738	3,173,488
TOTAL	3,244,710	3,172,838	3,172,838	3,169,138	3,168,488	3,170,738	3,170,738	3,173,488
TOTAL DEBT SERVICE FUNDS								
	3,244,710	3,172,838	3,172,838	3,169,138	3,168,488	3,170,738	3,170,738	3,173,488

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Capital Project Fund Revenues

Classification	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
420-Use of Money	178,525	-	-	-	-	-	-	-
421-Transfer In	11,268,675	14,305,000	15,010,438	-	-	-	-	-
440-Intergovernmental	50,000	-	-	-	-	-	-	-
450-Charges for Services	119,638	-	-	-	-	-	-	-
480-Miscellaneous Revenue	-	7,757,418	7,757,418	-	-	-	-	-
TOTAL	11,616,838	22,062,418	22,767,856	-	-	-	-	-
CAPITAL RESERVE (FUND 429)								
420-Use of Money	122,116	-	-	-	-	-	-	-
421-Transfer In	12,350,750	352,719	20,352,719	-	-	-	-	-
TOTAL	12,350,750	352,719	20,352,719	-	-	-	-	-
TOTAL CAPITAL PROJECT FUNDS	23,967,588	22,415,137	43,120,575	-	-	-	-	-

Note: The FY 2020-21 Proposed Budget doesn't currently include funding for capital projects as those will be discussed after the printing of this document at a study session on the Capital Improvement Program (CIP). The Capital Project Fund projections will be updated as part of the printing of the final budget document.

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Enterprise Fund Revenues

Classification	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
RESOURCE RECOVERY (FUND 520)								
420-Use of Money	156,670	-	-	-	-	-	-	-
440-Intergovernmental	30,023	15,000	15,000	15,000	-	-	-	-
450-Charges for Services	1,658,612	1,270,000	1,270,000	1,420,188	1,420,188	1,420,188	1,420,188	1,420,188
480-Miscellaneous Revenue	61,643	66,000	66,000	-	-	-	-	-
TOTAL	1,906,948	1,351,000	1,351,000	1,435,188	1,420,188	1,420,188	1,420,188	1,420,188
BLACKBERRY FARM GOLF COURSE (FUND 560)								
420-Use of Money	36,364	27,000	27,000	30,000	30,000	30,000	30,000	30,000
421-Transfer In	75,000	610,000	610,000	330,000	330,000	330,000	330,000	330,000
450-Charges for Services	288,128	300,000	300,000	310,000	310,000	310,000	310,000	310,000
TOTAL	399,492	937,000	937,000	670,000	670,000	670,000	670,000	670,000
SPORTS CENTER (FUND 570)								
420-Use of Money	39,026	1,000	1,000	300,000	300,000	300,000	300,000	300,000
421-Transfer In	-	2,223,000	2,223,000	872,000	872,000	872,000	872,000	872,000
450-Charges for Services	2,348,651	2,050,500	2,050,500	2,103,112	2,103,112	2,103,112	2,103,112	2,103,112
TOTAL	2,387,677	4,274,500	4,274,500	3,275,112	3,275,112	3,275,112	3,275,112	3,275,112
RECREATION PROGRAMS (FUND 580)								
420-Use of Money	207,208	-	287,000	140,000	140,000	140,000	140,000	140,000
421-Transfer In	-	690,000	690,000	1,266,000	2,796,992	2,796,992	2,796,992	2,796,992
450-Charges for Services	1,847,192	2,239,327	1,952,327	1,844,742	1,844,742	1,844,742	1,844,742	1,844,742
TOTAL	2,054,400	2,929,327	2,929,327	3,250,742	4,781,734	4,781,734	4,781,734	4,781,734
TOTAL ENTERPRISE FUNDS	6,748,517	9,491,827	9,491,827	8,631,042	10,147,034	10,147,034	10,147,034	10,147,034

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Internal Service Fund Revenues

Classification	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
INFORMATION TECHNOLOGY (FUND 610)								
420-Use of Money	84,019	-	-	-	-	-	-	-
421-Transfer In	-	72,000	72,000	404,000	404,000	404,000	404,000	404,000
450-Charges for Services	3,753,928	2,731,701	2,731,701	2,681,431	2,681,431	2,681,431	2,681,431	2,681,431
TOTAL	3,837,947	2,803,701	2,803,701	3,085,431	3,085,431	3,085,431	3,085,431	3,085,431
WORKERS' COMPENSATION (FUND 620)								
420-Use of Money	94,436	-	-	-	-	-	-	-
490-Other Sources	498,286	472,652	472,652	246,385	246,385	246,385	246,385	246,385
TOTAL	592,722	472,652	472,652	246,385	246,385	246,385	246,385	246,385
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
420-Use of Money	113	-	-	-	-	-	-	-
421-Transfer In	-	-	-	24,000	24,000	24,000	24,000	24,000
450-Charges for Services	1,056,968	1,352,200	1,352,200	1,633,518	1,633,518	1,633,518	1,633,518	1,633,518
TOTAL	1,057,081	1,352,200	1,352,200	1,657,518	1,657,518	1,657,518	1,657,518	1,657,518
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
420-Use of Money	13,772	-	-	-	-	-	-	-
421-Transfer In	447,000	1,109,000	1,109,000	213,000	473,373	486,391	499,767	513,510
450-Charges for Services	163,057	-	-	-	-	-	-	-
TOTAL	623,829	1,109,000	1,109,000	213,000	473,373	486,391	499,767	513,510
RETIREE MEDICAL (FUND 642)								
420-Use of Money	8,129	-	-	-	-	-	-	-
421-Transfer In	1,131,474	2,392,000	2,392,000	43,000	1,402,222	1,453,495	1,504,193	1,554,163
TOTAL	1,139,603	2,392,000	2,392,000	43,000	1,402,222	1,453,495	1,504,193	1,554,163
TOTAL INTERNAL SERVICE FUNDS	7,251,182	8,129,553	8,129,553	5,245,334	6,864,929	6,929,220	6,993,294	7,057,007

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Special Revenue Fund Expenditures

Program	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
STORM DRAIN IMPROVEMENT (FUND 210, 215)								
210-90-978 Minor Storm Drain Impv	4,000	-	88,828	-	-	-	-	-
210-90-980 SD Master Plan Update	33,985	-	-	707	-	-	-	-
210-99-042 Strm Drn Improv-Fthill & Cup Rd	2,578	-	-	248	-	-	-	-
210-99-071 Storm Drain MP Implementation	-	-	-	45	-	-	-	-
TOTAL	40,563	-	88,828	1,000	-	-	-	-
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
230-81-802 Non Point Source	658,846	743,278	958,101	1,050,690	1,050,690	1,050,690	1,050,690	1,050,690
230-81-853 Storm Drain Fee	-	-	25,000	-	-	-	-	-
230-81-854 General Fund Subsidy	-	-	2,000	-	-	-	-	-
230-81-855 Storm Drain Maintenance	-	-	-	706,996	706,996	706,996	706,996	706,996
TOTAL	658,846	743,278	985,101	1,757,686	1,757,686	1,757,686	1,757,686	1,757,686
HOUSING & COMMUNITY DEVELOPMENT (FUND 260, 261, 265)								
260-72-707 CDBG General Admin	56,635	69,277	74,980	97,195	97,195	97,195	97,195	97,195
260-72-709 CDBG Capital/Housing Projects	240,201	240,202	245,185	260,000	260,000	260,000	260,000	260,000
260-72-710 CDBG Public Service Grants	55,431	50,000	56,582	65,000	65,000	65,000	65,000	65,000
265-72-711 BMR Affordable Housing Fund	453,512	684,737	933,959	661,071	475,000	475,000	475,000	475,000
TOTAL	805,779	1,044,216	1,310,706	1,083,266	897,195	897,195	897,195	897,195
TRANSPORTATION (FUND 270)								
270-85-820 Sidewalk Curb and Gutter	1,150,933	1,377,406	1,448,492	2,561,810	2,561,810	2,561,810	2,561,810	2,561,810
270-85-821 Street Pavement Maintenance	4,229,811	3,906,202	9,989,985	4,216,014	4,216,014	4,216,014	4,216,014	4,216,014
270-85-822 Street Sign Marking	630,438	719,275	788,313	865,538	865,538	865,538	865,538	865,538
270-90-954 Monument Gateway Sign	-	-	25,859	90	-	-	-	-
270-90-958 Orange and Byrne Sidewalk Impv	165,310	-	4,692,983	12,725	-	-	-	-
270-90-960 Bridge Rehab Minor	120,091	-	561,654	10,068	-	-	-	-
270-90-961 St Median Irrg Plant Repl	687,150	-	327,289	20,501	-	-	-	-
270-90-962 Bicycle Ped Facility Impr	-	-	-	135	-	-	-	-
270-90-976 Ph 2 Mcl Sidewalk Improv	779,390	2,035,000	2,754,875	19,871	-	-	-	-
TOTAL	7,763,123	8,037,883	20,589,450	7,706,752	7,643,362	7,643,362	7,643,362	7,643,362
PARK DEDICATION (FUND 280)								

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Special Revenue Fund Expenditures

Program	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
280-99-009 Lawrence-Mitty Park	-	-	8,227,099	90	-	-	-	-
280-99-066 MRP Community Grdn Improv-Const	17,881	-	35,575	8,158	-	-	-	-
280-99-067 MRP EEC Aquatic Habitat	125,000	-	-	1,293	-	-	-	-
TOTAL	142,881	-	8,262,674	9,541	-	-	-	-
TREE FUND (FUND 281)								
281-90-001 No Department	10,000	12,000	12,000	15,000	15,000	15,000	15,000	15,000
TOTAL	10,000	12,000	12,000	15,000	15,000	15,000	15,000	15,000
TOTAL SPECIAL REVENUE FUNDS								
	9,421,192	9,837,377	31,248,759	10,573,245	10,313,243	10,313,243	10,313,243	10,313,243

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Debt Service Fund Expenditures

Program	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
PUBLIC FACILITIES CORPORATION (FUND 365)								
365-90-500 Facility Lease	3,170,938	3,172,838	3,172,838	3,169,138	3,168,488	3,170,738	3,170,738	3,173,488
TOTAL	3,170,938	3,172,838	3,172,838	3,169,138	3,168,488	3,170,738	3,170,738	3,173,488
TOTAL DEBT SERVICE FUNDS								
	3,170,938	3,172,838	3,172,838	3,169,138	3,168,488	3,170,738	3,170,738	3,173,488

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Capital Project Fund Expenditures

Program	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
420-90-880 Env Edu Facility	600	-	-	185				
420-90-898 SCCP Chain MP-MCLN TO SCB	-	-	203,727	405				
420-90-904 Spt Ctr Resurf Tennis Cts	-	-	-	45				
420-90-938 Pub Bldg Solar Service Center	-	-	25,355	180				
420-90-969 DeAnza/McClellan Signal Maint	-	-	145,700	90				
420-90-971 STLG/280 Ped Bridge Lighting	8,017	-	38,433	252				
420-90-999 Green Bike Lanes	-	-	95,000	90				
420-99-003 MR Construct Trash Enclosure	33,702	-	106,270	1,601				
420-99-004 MR Community Garden Improvements	45,722	1,500,000	1,200,000	6,622				
420-99-007 ADA Improvements	27,367	80,000	195,648	4,984				
420-99-014 Stevens Crk Bank Repair Concept	-	-	100,000	90				
420-99-017 Sports Center Exterior Upgrades	1,207,593	-	39,135	21,201				
420-99-018 Sports Center Interior Upgrades	20,000	-	-	358				
420-99-023 QCC Fire Alarm Control Panel Upg	8,934	-	40,896	5,626				
420-99-030 MCClellan West-Parking Lot Impro	461,231	-	421,066	17,406				
420-99-031 Rec Facilities Monument Signs	385,000	-	-	3,609				
420-99-033 City Hall - Turf Reduction	40,495	-	2,079	1,838				
420-99-034 Svc Ctr - Shed No. 3 Improvement	992,260	-	-	10,921				
420-99-036 2016 Bike Plan Implementation	1,540,220	4,390,000	13,769,912	35,782				
420-99-040 Retaining Wall Repair-Cordova Rd	298,300	-	-	2,837				
420-99-041 Retaining Wall Repl - Regnard Rd	-	-	-	180				
420-99-045 Citywide Park & Recreation MP	131,023	-	153,723	3,321				
420-99-047 CIP Prelim Planning & Design	75,272	125,000	144,075	128,039				
420-99-048 Capital Project Support	1,153	52,500	38,158	50,145				
420-99-051 Inclusive Play Area - Planning	7,548	5,500,000	5,506,499	652				
420-99-054 Senior Ctr Walkway Replacement	-	-	16,033	270				
420-99-056 St Light Install - Annual Infill	-	75,000	135,000	536				
420-99-057 McClellan Sdwlk-RB to Hwy85 Over	-	-	-	45				
420-99-058 St Light Install-Randy & Larry	18,752	-	341,198	3,896				
420-99-059 Senior Center Repairs	45,471	-	144,082	10,297				
420-99-063 CW Bldg Condition Assess Impl	8,130	-	991,869	6,470				
420-99-064 Creek Infall/Outfall Restoration	160,000	-	-	1,605				
420-99-065 DeAnza Med Islnd Landscaping Ph2	1,508,683	-	37,816	14,867				

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Capital Project Fund Expenditures

Program	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
420-99-068 Regnart Road Improvements	97,675	1,150,000	1,202,325	3,646				
420-99-069 School Walk Audit Implementation	23,335	1,221,863	1,221,863	654				
420-99-070 SCB/Bandley Signal & Median Imps	-	-	150,000	90				
420-99-072 St Light Replacement CW (labor)	-	-	200,000	90				
420-99-073 BBF Park Pool Improvements	-	-	-	446				
420-99-074 Interim City Hall	34,987	-	465,012	1,162				
420-99-075 New City Hall	-	-	3,500,000	90				
420-99-077 Library Expansion	-	5,000,000	8,705,438	-				
420-99-078 Civic Center Parking Analysis	-	1,000,000	1,000,000	-				
420-99-079 Mary Ave Protected Bikeway	-	1,980,555	165,000	-				
420-99-080 Bubbs Rd Separated Bikeway Improv	-	165,000	1,980,555	-				
420-99-083 Citywide Community Garden	-	-	300,000	-				
420-99-084 Linda Vista Trail	-	-	615,500	-				
TOTAL	7,181,470	22,239,918	43,397,367	340,623	-	-	-	-
STEVENS CREEK CORRIDOR PARK (FUND 427)								
427-90-870 SC Corridor Park Ph 1	-	-	38,115	626	-	-	-	-
427-90-881 Phs II SC Corridor Park	26,228	-	43,871	2,025	-	-	-	-
TOTAL	26,228	-	81,986	2,651	-	-	-	-
CAPITAL RESERVE (FUND 429)								
429-90-001 Transfer to Capital Improvement	12,801,500	15,705,000	16,057,719	-	-	-	-	-
TOTAL	12,801,500	15,705,000	16,057,719	-	-	-	-	-
TOTAL CAPITAL PROJECT FUNDS	20,009,198	37,944,918	59,537,072	343,274	-	-	-	-

Note: The FY 2020-21 Proposed Budget doesn't currently include funding for capital projects as those will be discussed after the printing of this document at a study session on the Capital Improvement Program (CIP). The Capital Project Fund projections will be updated as part of the printing of the final budget document.

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Enterprise Fund Expenditures

Program	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
RESOURCE RECOVERY (FUND 520)								
520-81-801 Resources Recovery	1,735,884	2,365,018	2,999,490	1,722,438	1,722,438	1,722,438	1,722,438	1,722,438
TOTAL	1,735,884	2,365,018	2,999,490	1,722,438	1,722,438	1,722,438	1,722,438	1,722,438
BLACKBERRY FARM GOLF COURSE (FUND 560)								
560-63-616 BBF Golf Course	634,410	692,151	727,647	691,328	691,328	691,328	691,328	691,328
560-99-061 BBF Entrnc Rd Improv-Feasibility	11,057	-	63,942	2,002	-	-	-	-
TOTAL	645,467	692,151	791,589	693,330	691,328	691,328	691,328	691,328
SPORTS CENTER (FUND 570)								
570-63-621 Sports Center Operation	2,625,059	2,545,563	2,565,983	2,782,634	2,782,634	2,782,634	2,782,634	2,782,634
570-87-836 Bldg Maint Sports Center	410,977	470,355	601,588	533,237	533,237	533,237	533,237	533,237
570-99-081 Sports Center Seismic Retrofit	-	1,275,000	1,275,000	-	-	-	-	-
TOTAL	3,036,036	4,290,918	4,442,571	3,315,871	3,315,871	3,315,871	3,315,871	3,315,871
RECREATION PROGRAMS (FUND 580)								
580-62-613 Youth Teen Recreation	1,730,863	2,463,342	2,486,039	1,983,296	1,983,296	1,983,296	1,983,296	1,983,296
580-63-620 Outdoor Recreation	1,192,472	1,587,760	1,608,722	1,301,328	1,301,328	1,301,328	1,301,328	1,301,328
580-99-082 Quinlan Preschool Shade Structur	-	125,000	125,000	-	-	-	-	-
TOTAL	2,923,335	4,176,102	4,219,761	3,284,624	3,284,624	3,284,624	3,284,624	3,284,624
TOTAL ENTERPRISE FUNDS	8,340,722	11,524,189	12,453,411	9,016,263	9,014,261	9,014,261	9,014,261	9,014,261

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - Internal Service Fund Expenditures

Program	2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
INFORMATION TECHNOLOGY (FUND 610)								
610-30-300 Administration	252,099	297,998	345,452	407,779	407,779	407,779	407,779	407,779
610-34-310 Infrastructure	2,198,359	2,267,832	2,650,696	2,136,777	2,136,777	2,136,777	2,136,777	2,136,777
610-35-986 GIS	1,045,553	1,096,093	1,185,312	1,106,521	1,106,521	1,106,521	1,106,521	1,106,521
TOTAL	3,496,011	3,661,923	4,181,460	3,651,077	3,651,077	3,651,077	3,651,077	3,651,077
WORKERS' COMPENSATION (FUND 620)								
620-44-418 Workers Compensation Insurance	280,249	257,389	260,046	276,223	276,223	276,223	276,223	276,223
TOTAL	280,249	257,389	260,046	276,223	276,223	276,223	276,223	276,223
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
630-85-849 Equipment Maintenance	1,468,437	1,565,864	1,585,610	1,497,347	1,497,347	1,497,347	1,497,347	1,497,347
630-90-985 Fixed Assets Acquisition	3,025	594,100	946,581	968,158	968,158	968,158	968,158	968,158
TOTAL	1,471,462	2,159,964	2,532,191	2,465,505	2,465,505	2,465,505	2,465,505	2,465,505
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
641-44-419 Long Term Disability	158,156	159,134	159,134	171,837	171,837	171,837	171,837	171,837
641-44-420 Compensated Absence	451,492	632,689	632,689	620,055	620,055	620,055	620,055	620,055
TOTAL	609,648	791,823	791,823	791,892	791,892	791,892	791,892	791,892
RETIREE MEDICAL (FUND 642)								
642-44-414 HR Retiree Benefits	1,081,653	1,077,262	1,077,262	1,211,333	1,211,333	1,211,333	1,211,333	1,211,333
TOTAL	1,081,653	1,077,262	1,077,262	1,211,333	1,211,333	1,211,333	1,211,333	1,211,333
TOTAL INTERNAL SERVICE FUNDS	6,939,023	7,948,361	8,842,782	8,396,030	8,396,030	8,396,030	8,396,030	8,396,030

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - All Funds Fund Balance/Retained Earnings

Fund Type		2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
GENERAL FUNDS									
	Beginning Balance	53,589,690	58,922,585	58,922,585	53,438,546	50,602,143	54,536,175	59,089,782	61,394,746
Assigned		27,896,128	12,801,317	17,500,000	14,672,597	18,223,629	22,777,236	25,082,200	26,672,506
Unassigned		31,026,457	33,826,157	35,938,546	35,929,546	36,312,546	36,312,546	36,312,546	36,312,546
	Ending Balance	58,922,585	46,627,474	53,438,546	50,602,143	54,536,175	59,089,782	61,394,746	62,985,052
SPECIAL REVENUE FUNDS									
	Beginning Balance	29,231,626	11,591,698	34,275,080	23,397,927	24,751,325	26,439,027	28,126,729	29,814,431
Assigned		34,275,080	13,655,524	23,397,927	24,751,325	26,439,027	28,126,729	29,814,431	31,502,133
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	34,275,080	13,655,524	23,397,927	24,751,325	26,439,027	28,126,729	29,814,431	31,502,133
DEBT SERVICE FUNDS									
	Beginning Balance	1,586,987	1,586,987	1,660,760	1,660,760	1,660,760	1,660,760	1,660,760	1,660,760
Assigned		1,660,760	1,586,987	1,660,760	1,660,760	1,660,760	1,660,760	1,660,760	1,660,760
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	1,660,760	1,586,987	1,660,760	1,660,760	1,660,760	1,660,760	1,660,760	1,660,760
CAPITAL PROJECT FUNDS									
	Beginning Balance	29,129,616	21,093,773	33,211,944	48,538,113	48,194,839	48,194,839	48,194,839	48,194,839
Assigned		33,211,944	5,563,992	48,538,113	48,194,839	48,194,839	48,194,839	48,194,839	48,194,839
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	33,211,944	5,563,992	48,538,113	48,194,839	48,194,839	48,194,839	48,194,839	48,194,839
ENTERPRISE FUNDS									
	Beginning Balance	9,648,709	7,118,711	8,056,505	5,001,676	4,616,455	5,749,228	6,882,001	8,014,774
Assigned		8,056,505	5,086,349	5,001,676	4,616,455	5,749,228	6,882,001	8,014,774	9,147,547
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	8,056,505	5,086,349	5,001,676	4,616,455	5,749,228	6,882,001	8,014,774	9,147,547

Fiscal Year 2020-21 Proposed Budget Five-Year Forecast - All Funds Fund Balance/Retained Earnings

Fund Type		2018-19 Actual	2018-19 Adopted	2019-20 Estimate	2020-21 Proposed	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast
INTERNAL SERVICE FUNDS									
	Beginning Balance	6,538,019	4,701,861	6,850,179	6,825,172	3,674,476	2,143,375	676,564	(726,172)
Assigned		6,850,179	4,883,053	6,825,172	3,674,476	2,143,375	676,564	(726,172)	(2,065,195)
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	6,850,179	4,883,053	6,825,172	3,674,476	2,143,375	676,564	(726,172)	(2,065,195)
TOTAL ALL FUNDS									
		142,977,053	77,403,379	138,862,194	133,499,998	138,723,404	144,630,675	148,353,379	151,425,136

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Council and Commissions

Budget Unit	Program	2021 Proposed Budget
City Council		\$ 535,011
100-10-100	City Council	\$ 452,176
100-10-101	Community Funding	\$ 1,240
100-10-110	Sister Cities	\$ 81,595
Commissions		\$ 556,515
100-11-131	Technology, Information & Communications Commission	\$ 24,064
100-11-140	Library Commission	\$ 31,709
100-11-142	Fine Arts Commission	\$ 53,510
100-11-150	Public Safety Commission	\$ 30,817
100-11-155	Bicycle and Pedestrian Commission	\$ 35,238
100-11-160	Parks and Recreation Commission	\$ 50,896
100-11-165	Teen Commission	\$ 81,300
100-11-170	Planning Commission	\$ 119,563
100-11-175	Housing Commission	\$ 56,102
100-11-180	Sustainability Commission	\$ 53,072
100-11-190	Audit Committee	\$ 20,244
Total		\$ 1,091,526

Department Overview

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 954,826
Total Expenditures	\$ 1,091,526
Fund Balance	\$ -
General Fund Costs	\$ 136,700
% Funded by General Fund	12.5%
Total Staffing	7.53 FTE

Organization

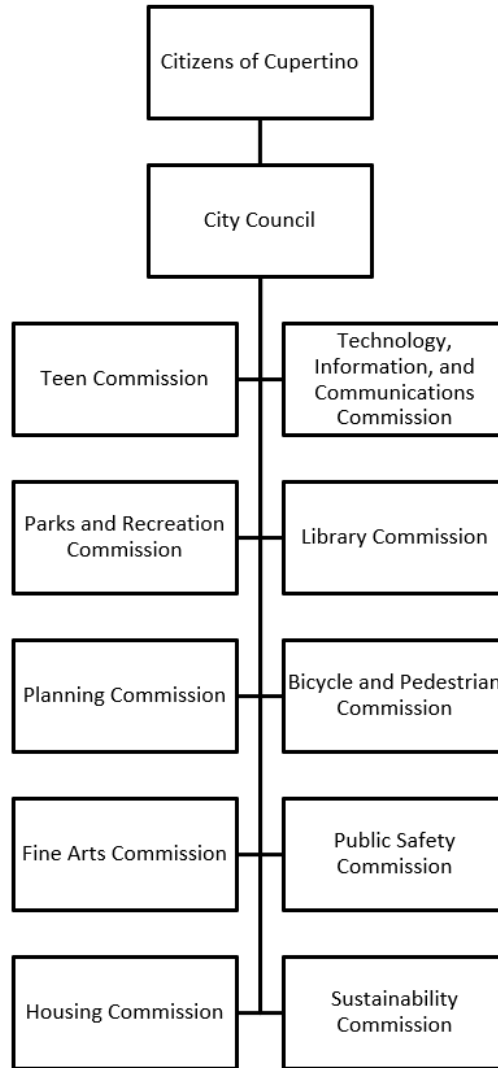
Steven Scharf, Mayor

Darcy Paul, Vice Mayor

Liang Chao, Council Member

Rod Sinks, Council Member

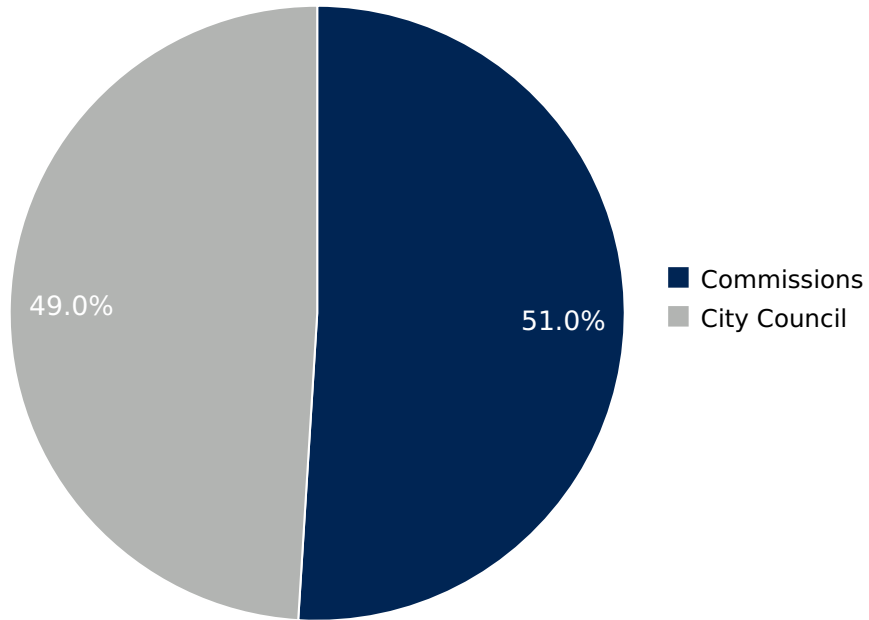
Jon Willey, Council Member



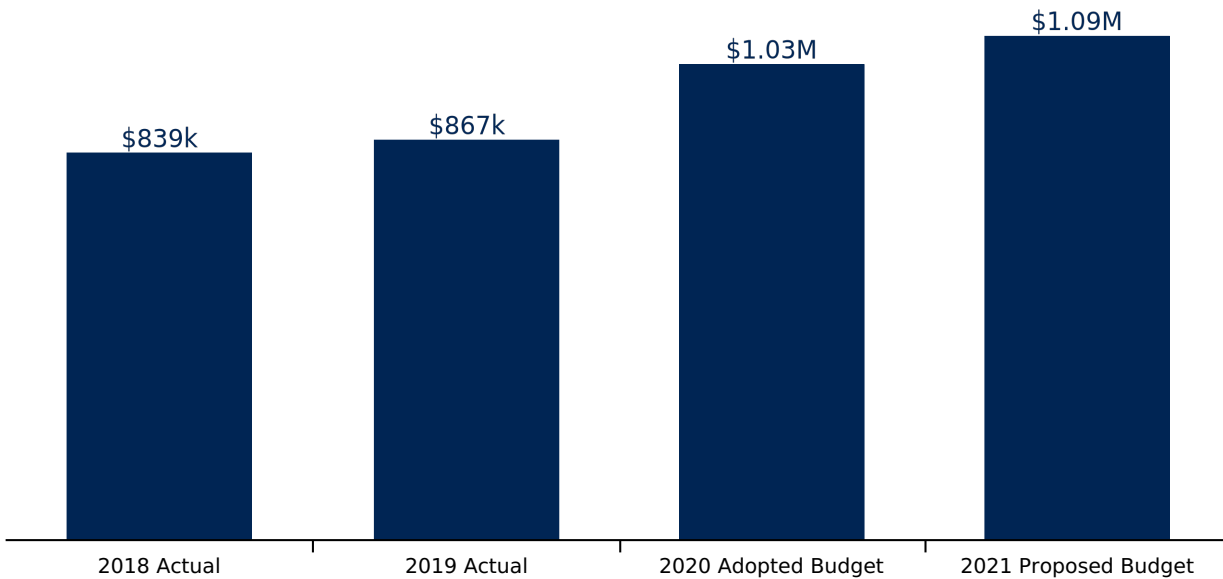
Proposed Budget

It is recommended that City Council approve a budget of \$1,091,526 for the Council and Commissions department. This represents an increase of \$61,234 (5.9%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 535,636	\$ 406,858	\$ 586,473	\$ 954,826
Total Revenues	\$ 535,636	\$ 406,858	\$ 586,473	\$ 954,826
Expenditures				
Employee Compensation	\$ 268,117	\$ 289,947	\$ 319,262	\$ 354,463
Employee Benefits	\$ 176,246	\$ 165,047	\$ 178,986	\$ 217,629
Materials	\$ 130,106	\$ 145,182	\$ 210,864	\$ 248,583
Contract Services	\$ 82,544	\$ 109,238	\$ 158,050	\$ 56,133
Cost Allocation	\$ 176,865	\$ 157,166	\$ 150,923	\$ 206,675
Special Projects	\$ 4,857	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 12,207	\$ 8,043
Total Expenditures	\$ 838,735	\$ 866,580	\$ 1,030,292	\$ 1,091,526
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 303,099	\$ 459,723	\$ 443,819	\$ 136,700

Staffing

Total current positions - 7.31 FTE

Total proposed positions - 7.53 FTE

City Council

Budget Unit 100-10-100

General Fund - City Council - City Council

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 954,826
Total Expenditures	\$ 452,176
Fund Balance	\$ -
General Fund Costs	\$ (502,650)
% Funded by General Fund	-111.2%
Total Staffing	5.85 FTE

Program Overview

The Mayor and councilmembers, acting as the elected representatives of the residents of Cupertino, establish public policies to meet the community needs of the City.

Service Objectives

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

Proposed Budget

It is recommended that City Council approve a budget of \$452,176 for the City Council program. This represents an increase of \$28,865 (6.8%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in materials and contract services. The increase in materials is primarily due to Council technology equipment items now being budgeted in this account. In previous fiscal years, these items were budgeted in another department. The increase in contract services is due to the addition of City Council workshops.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 535,636	\$ 406,858	\$ 586,473	\$ 954,826
Total Revenues	\$ 535,636	\$ 406,858	\$ 586,473	\$ 954,826
Expenditures				
Employee Compensation	\$ 126,516	\$ 138,405	\$ 132,309	\$ 139,932
Employee Benefits	\$ 112,616	\$ 104,507	\$ 97,804	\$ 117,270
Materials	\$ 94,066	\$ 98,283	\$ 140,310	\$ 170,671
Contract Services	\$ 227	\$ 23,185	\$ 6,250	\$ 19,133
Cost Allocation	\$ 94,665	\$ 54,145	\$ 39,560	\$ -
Contingencies	\$ -	\$ -	\$ 7,078	\$ 5,170
Total Expenditures	\$ 428,090	\$ 418,525	\$ 423,311	\$ 452,176
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (107,546)	\$ 11,668	\$ (163,162)	\$ (502,650)

Staffing

Total current positions - 5.85 FTE

Total proposed positions - 5.85 FTE

There are no changes to the current level of staffing.

Community Funding

Budget Unit 100-10-101

General Fund - City Council - Community Funding

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,240
Fund Balance	\$ -
General Fund Costs	\$ 1,240
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

Program Overview

The Community Funding program 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,240 for the Community Funding program. This represents a decrease of \$109,347 (-98.9%) from the FY 2019-20 Adopted Budget.

The Parks and Recreation Commission will review the Community Funding Grant Applications and make a funding recommendation to Council. This funding amount will be updated when Council finalizes the Community Funding Grant amounts.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 52,400	\$ 52,400	\$ 109,800	\$ -
Cost Allocation	\$ 411	\$ 1,031	\$ 787	\$ 1,240
Total Expenditures	\$ 52,811	\$ 53,431	\$ 110,587	\$ 1,240
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 52,811	\$ 53,431	\$ 110,587	\$ 1,240

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Sister Cities

Budget Unit 100-10-110

General Fund - City Council - Sister Cities

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 81,595
Fund Balance	\$ -
General Fund Costs	\$ 81,595
% Funded by General Fund	100.0%
Total Staffing	0.10 FTE

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

Proposed Budget

It is recommended that City Council approve a budget of \$81,595 for the Sister Cities program. This represents a decrease of \$4,451 (-5.2%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged from last fiscal year. Increased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 8,727	\$ 13,702	\$ 32,741	\$ 12,317
Employee Benefits	\$ 3,591	\$ 5,189	\$ 15,022	\$ 5,732
Materials	\$ 397	\$ 3,019	\$ 5,605	\$ 5,773
Contract Services	\$ 11,573	\$ 20,570	\$ 20,000	\$ 20,000
Cost Allocation	\$ 2,936	\$ 9,094	\$ 11,398	\$ 37,129
Special Projects	\$ 4,857	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,280	\$ 644
Total Expenditures	\$ 32,081	\$ 51,574	\$ 86,046	\$ 81,595
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 32,080	\$ 51,574	\$ 86,046	\$ 81,595

Staffing

Total current positions - 0.40 FTE

Total proposed positions - 0.10 FTE

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

Technology, Information & Communications Commission

Budget Unit 100-11-131

General Fund - Commissions - Technology, Information & Communications Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 24,064
Fund Balance	\$ -
General Fund Costs	\$ 24,064
% Funded by General Fund	100.0%
Total Staffing	0.07 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$24,064 for the Technology, Information & Communications Commission program. This represents an increase of \$17,036 (242.4%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to increases in materials and contract services, including a new contract to provide Small Cell/Radiation Level outreach education to the public. In the previous fiscal year, materials and contract services were not budgeted for.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 3,972	\$ 9,824
Employee Benefits	\$ -	\$ -	\$ 1,849	\$ 4,229
Materials	\$ 13	\$ 687	\$ -	\$ 1,206
Contract Services	\$ -	\$ -	\$ -	\$ 5,000
Cost Allocation	\$ 8,159	\$ 5,852	\$ 1,207	\$ 3,650
Contingencies	\$ -	\$ -	\$ -	\$ 155
Total Expenditures	\$ 8,172	\$ 6,539	\$ 7,028	\$ 24,064
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 8,172	\$ 6,539	\$ 7,028	\$ 24,064

Staffing

Total current positions - 0.05 FTE

Total proposed positions - 0.07 FTE

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

Library Commission

Budget Unit 100-11-140

General Fund - Commissions - Library Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 31,709
Fund Balance	\$ -
General Fund Costs	\$ 31,709
% Funded by General Fund	100.0%
Total Staffing	0.10 FTE

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. County Library management serve as Commission staff and Parks and Recreation personnel serve 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.
- Coordinate and implement the annual Cupertino Poet Laureate program and provide staff support and City resources to sustain the program.
- Continue emphasis on integrating additional technology into library services.

Proposed Budget

It is recommended that City Council approve a budget of \$31,709 for the Library Commission program. This represents an increase of \$8,363 (35.8%) from the FY 2019-20 Adopted Budget.

Increased costs in cost allocation are due to a change in allocation methodology. Increased costs in compensation and benefits are due to the reallocation of staff time noted below.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 7,876	\$ 8,601	\$ 6,706	\$ 9,915
Employee Benefits	\$ 3,377	\$ 3,558	\$ 2,672	\$ 5,228
Materials	\$ 1,260	\$ 46	\$ 370	\$ 380
Contract Services	\$ 525	\$ -	\$ 2,000	\$ 2,000
Cost Allocation	\$ 7,253	\$ 9,870	\$ 11,479	\$ 14,126
Contingencies	\$ -	\$ -	\$ 119	\$ 60
Total Expenditures	\$ 20,291	\$ 22,075	\$ 23,346	\$ 31,709
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 20,291	\$ 22,075	\$ 23,346	\$ 31,709

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.10 FTE

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

Fine Arts Commission

Budget Unit 100-11-142

General Fund - Commissions - Fine Arts Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 53,510
Fund Balance	\$ -
General Fund Costs	\$ 53,510
% Funded by General Fund	100.0%
Total Staffing	0.15 FTE

Program Overview

The Fine Arts Commission advances 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; selecting artists for the "Art in Unexpected Places" wall mural art contest 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.

Proposed Budget

It is recommended that City Council approve a budget of \$53,510 for the Fine Arts Commission program. This represents a decrease of \$1,031 (-1.9%) from the FY 2019-20 Adopted Budget.

Increased costs in cost allocation are due to a change in allocation methodology. The decrease in contract services costs are due to one-time special projects completed in the previous fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 16,469	\$ 16,704	\$ 17,247	\$ 14,486
Employee Benefits	\$ 6,739	\$ 6,209	\$ 7,125	\$ 8,712
Materials	\$ 2,109	\$ 2,554	\$ 7,125	\$ 7,341
Contract Services	\$ 770	\$ -	\$ 10,000	\$ -
Cost Allocation	\$ 11,492	\$ 11,810	\$ 12,688	\$ 22,787
Contingencies	\$ -	\$ -	\$ 356	\$ 184
Total Expenditures	\$ 37,579	\$ 37,277	\$ 54,541	\$ 53,510
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 37,579	\$ 37,276	\$ 54,541	\$ 53,510

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There are no changes to the current level of staffing.

Public Safety Commission

Budget Unit 100-11-150

General Fund - Commissions - Public Safety Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 30,817
Fund Balance	\$ -
General Fund Costs	\$ 30,817
% Funded by General Fund	100.0%
Total Staffing	0.05 FTE

Program Overview

The Public Safety Commission (PSC), a five-member board appointed by the City Council, assists the Council by advising on matters pertaining to safety, traffic, police, fire and other areas wherein the matter of public safety may be of concern.

Service Objectives

- Advise the City Council on safety issues and concerns.
- Promote public education programs concerning safety issues.
- Provide assistance in implementing public safety programs approved by the City Council.

Proposed Budget

It is recommended that City Council approve a budget of \$30,817 for the Public Safety Commission program. This represents an increase of \$8,079 (35.5%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to increased costs in cost allocation due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 3,236	\$ 4,654	\$ 4,848
Employee Benefits	\$ -	\$ 1,304	\$ 2,055	\$ 2,643
Materials	\$ 1,982	\$ 2,477	\$ 4,320	\$ 4,451
Contract Services	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Cost Allocation	\$ 1,148	\$ 1,941	\$ 993	\$ 8,514
Contingencies	\$ -	\$ -	\$ 716	\$ 361
Total Expenditures	\$ 13,130	\$ 18,958	\$ 22,738	\$ 30,817
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 13,130	\$ 18,958	\$ 22,738	\$ 30,817

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.05 FTE

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

Bicycle and Pedestrian Commission

Budget Unit 100-11-155

General Fund - Commissions - Bicycle and Pedestrian Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 35,238
Fund Balance	\$ -
General Fund Costs	\$ 35,238
% Funded by General Fund	100.0%
Total Staffing	0.15 FTE

Program Overview

The 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 Transportation Manager 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.

Proposed Budget

It is recommended that City Council approve a budget of \$35,238 for the Bicycle and Pedestrian Commission program. This represents an increase of \$33,994 (2732.6%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to increases in salary and benefits. In the previous fiscal year, staff time was not allocated for this budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 23,985
Employee Benefits	\$ -	\$ -	\$ -	\$ 10,223
Materials	\$ 396	\$ -	\$ 416	\$ 200
Cost Allocation	\$ 292	\$ 1,763	\$ 807	\$ 825
Contingencies	\$ -	\$ -	\$ 21	\$ 5
Total Expenditures	\$ 688	\$ 1,763	\$ 1,244	\$ 35,238
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 688	\$ 1,763	\$ 1,244	\$ 35,238

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.15 FTE

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

Parks and Recreation Commission

Budget Unit 100-11-160

General Fund - Commissions - Parks and Recreation Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 50,896
Fund Balance	\$ -
General Fund Costs	\$ 50,896
% Funded by General Fund	100.0%
Total Staffing	0.10 FTE

Program Overview

The Parks and Recreation Commission is a five-member commission appointed by the City Council to make recommendations pertaining to parks, recreation, and community services. The Director of Parks and Recreation 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 Parks and Recreation facilities.
- Consider public input regarding the operation of Parks and Recreation facilities and make recommendations for their improvement.
- Participate in special committees dealing with Parks and Recreation.
- Serve as ambassadors for the Parks and Recreation Department.

Proposed Budget

It is recommended that City Council approve a budget of \$50,896 for the Parks and Recreation Commission program. This represents a decrease of \$547 (-1.1%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from last fiscal year. Increased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 13,323	\$ 14,415	\$ 19,836	\$ 15,942
Employee Benefits	\$ 5,504	\$ 5,059	\$ 8,154	\$ 7,185
Materials	\$ 2,032	\$ 2,154	\$ 10,750	\$ 8,188
Cost Allocation	\$ 9,670	\$ 9,282	\$ 12,165	\$ 19,376
Contingencies	\$ -	\$ -	\$ 538	\$ 205
Total Expenditures	\$ 30,529	\$ 30,910	\$ 51,443	\$ 50,896
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 30,529	\$ 30,909	\$ 51,443	\$ 50,896

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There are no changes to the current level of staffing.

Teen Commission

Budget Unit 100-11-165

General Fund - Commissions - Teen Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 81,300
Fund Balance	\$ -
General Fund Costs	\$ 81,300
% Funded by General Fund	100.0%
Total Staffing	0.30 FTE

Program Overview

The Teen Commission is comprised of nine teens representing grades 8-11. The Teen Commission advises the City Council and staff on teen issues. A Parks and Recreation Department Recreation Coordinator serves as the staff liaison.

Service Objectives

- Engage the public in dialogue 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.

Proposed Budget

It is recommended that City Council approve a budget of \$81,300 for the Teen Commission program. This represents an increase of \$17,281 (27.0%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to increased costs in cost allocation due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 25,293	\$ 26,638	\$ 25,880	\$ 28,971
Employee Benefits	\$ 11,133	\$ 11,167	\$ 11,732	\$ 13,635
Materials	\$ 8,571	\$ 8,282	\$ 9,218	\$ 9,995
Contract Services	\$ -	\$ 405	\$ -	\$ -
Cost Allocation	\$ 7,666	\$ 16,596	\$ 16,728	\$ 28,449
Contingencies	\$ -	\$ -	\$ 461	\$ 250
Total Expenditures	\$ 52,663	\$ 63,088	\$ 64,019	\$ 81,300
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 52,663	\$ 63,088	\$ 64,019	\$ 81,300

Staffing

Total current positions - 0.30 FTE

Total proposed positions - 0.30 FTE

There are no changes to the current level of staffing.

Planning Commission

Budget Unit 100-11-170

General Fund - Commissions - Planning Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 119,563
Fund Balance	\$ -
General Fund Costs	\$ 119,563
% Funded by General Fund	100.0%
Total Staffing	0.26 FTE

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 the performance of short-term objectives.
- Conduct public hearings for approximately 80 land development applications every year. 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.

Proposed Budget

It is recommended that City Council approve a budget of \$119,563 for the Planning Commission program. This represents an increase of \$9,776 (8.9%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from the previous fiscal year. Decrease in salary and benefits is due to change in staffing allocation.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 40,799	\$ 42,998	\$ 45,735	\$ 38,684
Employee Benefits	\$ 14,807	\$ 15,292	\$ 17,918	\$ 15,948
Materials	\$ 19,001	\$ 22,078	\$ 26,200	\$ 33,381
Contract Services	\$ 7,049	\$ 2,678	\$ -	\$ -
Cost Allocation	\$ 20,717	\$ 19,241	\$ 18,624	\$ 30,715
Contingencies	\$ -	\$ -	\$ 1,310	\$ 835
Total Expenditures	\$ 102,373	\$ 102,287	\$ 109,787	\$ 119,563
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 102,374	\$ 102,287	\$ 109,787	\$ 119,563

Staffing

Total current positions - 0.21 FTE

Total proposed positions - 0.26 FTE

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

Housing Commission

Budget Unit 100-11-175

General Fund - Commissions - Housing Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 56,102
Fund Balance	\$ -
General Fund Costs	\$ 56,102
% Funded by General Fund	100.0%
Total Staffing	0.15 FTE

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

- Assist the Planning Commission and the City Council in developing housing policies and strategies for implementation of general plan housing element goals;
- Recommend policies for implementation and monitoring of affordable housing projects;
- Facilitate innovative approaches to affordable housing development and to generate ideas and interest in pursuing a variety of housing options;
- When requested by the Director of Community Development or the City Council, to make recommendations to the Planning Commission and the City Council regarding affordable housing proposals in connection with applications for development.
- Make recommendations regarding requests for money from the CDBG and Affordable Housing Funds;
- Provide information about affordable housing;
- Meet with neighborhood, community, regional and business groups as necessary to receive input and assist in generating affordable housing;
- Help identify sources of funds to develop and build affordable housing; and
- Perform any other advisory functions authorized by the City Council.

Proposed Budget

It is recommended that City Council approve a budget of \$56,102 for the Housing Commission program. This represents an increase of \$17,851 (46.7%) from the FY 2019-20 Adopted Budget.

Increased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 13,127	\$ 14,055	\$ 16,618	\$ 22,801
Employee Benefits	\$ 7,040	\$ 7,025	\$ 8,125	\$ 10,688
Materials	\$ 76	\$ 495	\$ 950	\$ 979
Cost Allocation	\$ 10,544	\$ 11,937	\$ 12,510	\$ 21,610
Contingencies	\$ -	\$ -	\$ 48	\$ 24
Total Expenditures	\$ 30,787	\$ 33,512	\$ 38,251	\$ 56,102
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 30,787	\$ 33,513	\$ 38,251	\$ 56,102

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There are no changes to the current level of staffing.

Sustainability Commission

Budget Unit 100-11-180

General Fund - Commissions - Sustainability Commission

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 53,072
Fund Balance	\$ -
General Fund Costs	\$ 53,072
% Funded by General Fund	100.0%
Total Staffing	0.15 FTE

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

- 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 the 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 the 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.

Proposed Budget

It is recommended that City Council approve a budget of \$53,072 for the Sustainability Commission program. This represents an increase of \$15,121 (39.8%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in salary and benefits to better reflect actual time spent in this program. Increased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 15,987	\$ 11,193	\$ 13,564	\$ 18,678
Employee Benefits	\$ 11,439	\$ 5,737	\$ 6,530	\$ 9,972
Materials	\$ 203	\$ 5,107	\$ 5,600	\$ 6,018
Cost Allocation	\$ 1,912	\$ 4,604	\$ 11,977	\$ 18,254
Contingencies	\$ -	\$ -	\$ 280	\$ 150
Total Expenditures	\$ 29,541	\$ 26,641	\$ 37,951	\$ 53,072
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 29,541	\$ 26,642	\$ 37,951	\$ 53,072

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.15 FTE

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

Audit Committee

Budget Unit 100-11-190

General Fund - Commissions - Audit Committee

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 20,244
Fund Balance	\$ -
General Fund Costs	\$ 20,244
% Funded by General Fund	100.0%
Total Staffing	0.10 FTE

Program Overview

The Audit Committee, consisting of two City Council members and a minimum of two and a maximum of three at large members, hold the following powers and functions: A. To review the annual audit report and management letter; B. To recommend appointment of auditors; C. To review the monthly Treasurer's report; D. To recommend a budget format; and E. To review City investment policies and internal controls of such policies. The Audit Committee meets at least quarterly. The Finance Manager serves as staff liaison.

Service Objectives

- To review the annual audit report and management letter;
- To recommend appointment of auditors;
- To review the monthly Treasurer's report;
- To recommend a budget format;
- To review City investment policies and internal controls of such policies.

Proposed Budget

It is recommended that City Council approve a budget of \$20,244 for the Audit Committee program.

The Program is being created in FY 20-21 to more accurately account for the resources allocated for this function.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 14,080
Employee Benefits	\$ -	\$ -	\$ -	\$ 6,164
Total Expenditures	\$ -	\$ -	\$ -	\$ 20,244
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 20,244

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.10 FTE

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

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Administration

Budget Unit	Program	2021 Proposed Budget
City Manager		\$ 4,886,435
100-12-120	City Manager	\$ 1,338,451
100-12-122	Sustainability	\$ 951,523
100-12-126	Office of Communications	\$ 710,191
100-12-305	Video	\$ 781,333
100-12-307	Public Access Support	\$ 80,020
100-12-632	Community Outreach and Neighborhood Watch	\$ 191,823
100-12-633	Disaster Preparedness	\$ 400,275
100-12-705	Economic Development	\$ 432,819
City Clerk		\$ 752,045
100-13-130	City Clerk	\$ 513,767
100-13-132	Duplicating and Mail Services	\$ 75,812
100-13-133	Elections	\$ 162,466
City Manager Discretionary		\$ 582,904
100-14-123	City Manager Contingency	\$ 582,904
City Attorney		\$ 2,083,029
100-15-141	City Attorney	\$ 2,083,029
Total		\$ 8,304,413

Department Overview

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,415,846
Total Expenditures	\$ 8,304,413
Fund Balance	\$ -
General Fund Costs	\$ 6,888,567
% Funded by General Fund	83.0%
Total Staffing	17.85 FTE

Organization

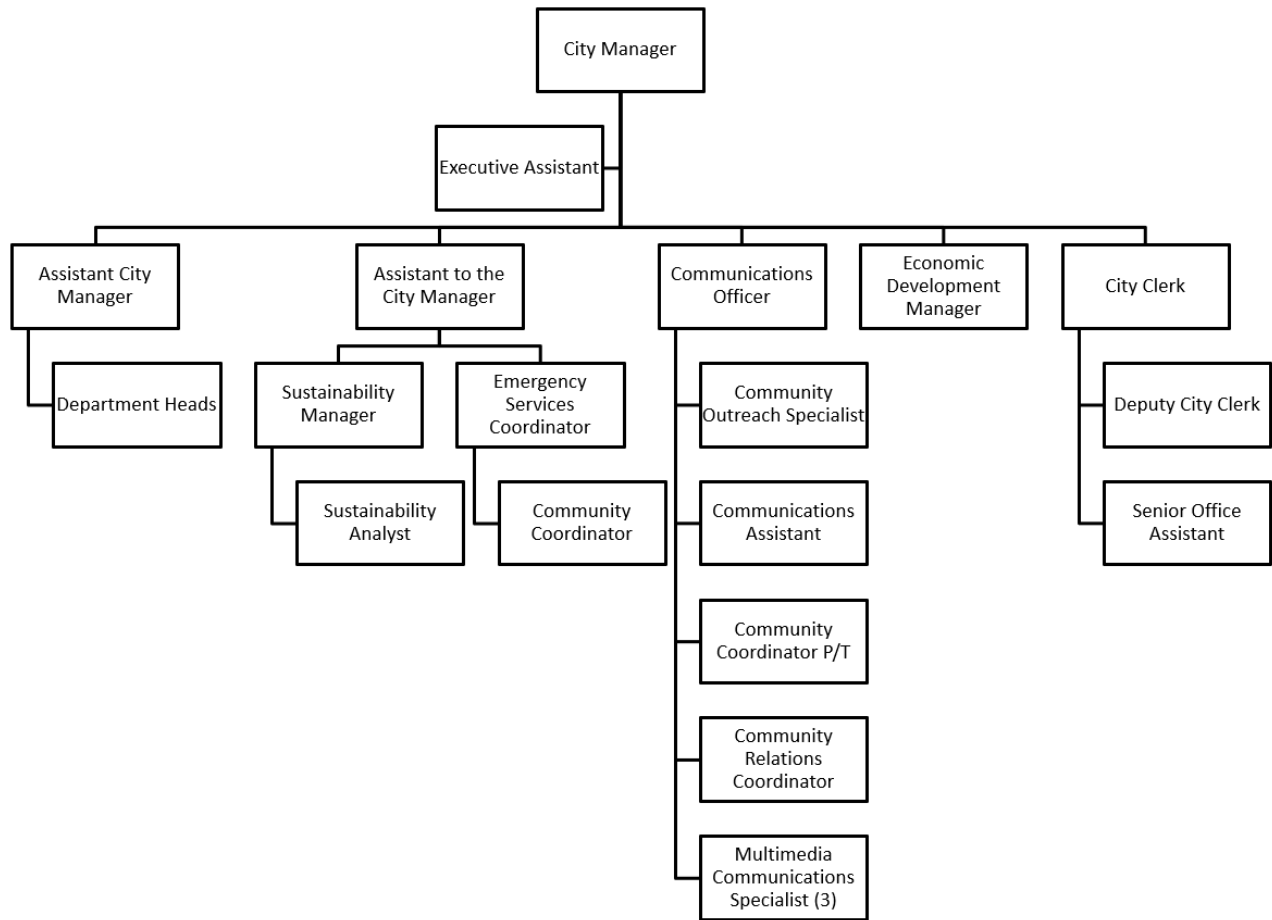
Deborah L. Feng, City Manager

Dianne Thompson, Assistant City Manager

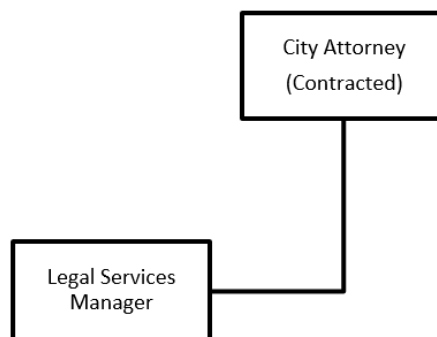
Heather Minner, City Attorney (Contract)

Kirsten Squarcia, City Clerk

City Manager's Office



City Attorney's Office



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.

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

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
City Council minutes for regular meetings presented for Council approval by the following regular meeting	100%	94%	88%	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%	99%	97%	100%
Public Record Act requests responded to by the Statutory deadline date	100%	100%	98%	100%

Office of Communications

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.

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

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Social media engagement: total number of followers including City Hall Nextdoor, Facebook, Twitter, and Instagram accounts	23,655	27,074	29,857	10% annual increase
Social media engagement: average number of engagements (reactions, comments, shares, and clicks ¹) per post on City Hall Facebook account	87.9	67.2	65.9	10% annual increase
Cupertino 311: Average response time to customers organization-wide (in days) ² :	Average Close Time 7.3 days	Average Close Time 3.1 days	Average Close Time 2.8 days	Average Close Time 5 days

¹ Clicks have now been added to the engagement metric, which will bump up the average number.

² The performance measure for Access Cupertino: Average response time to customers organization-wide was revised as Access Cupertino was replaced by Cupertino 311 in September 2017. The Cupertino 311 Application is administered through the IT Department, but each individual department is responsible for

responding to its own requests. Response times are organized by request category.

Sustainability Division

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.

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

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
% community-wide emissions reduced from baseline of 307,288 MT CO2e/yr ¹	Achieved goal in 2019. (24% decrease in emissions from baseline (258,659 MT CO2e/yr)			15% reduction by 2020 (261,195 MT CO2e/yr)
Initiate and implement all Climate Action Plan near-term measures:				
x% initiated	100%	100%	100%	100%
x% complete or ongoing	45%	55%	70%	100%
% municipal operations emissions reduced from baseline of 1,865 MT CO2e/yr	Achieved goal in 2019. (66% reduction in emissions from baseline: 642 MTCO2e)			15% reduction by 2020
5% utility cost savings identified each year	New performance measure proposed for FY2021			Projects identified to exceed 5% new utility savings each year
Pursue grant and incentive funding for special projects and base operations	New performance measure proposed for FY2021			Offset 10% of special projects expenses with grants, rebates, or avoided utility expenses.

¹ Cupertino's GHG inventories are conducted roughly every 3-5 years.

Economic Development Division

Goal: To actively pursue opportunities in the areas of business attraction, retention, and expansion as a means of promoting economic vitality, and strengthening the City's sales tax base to support Cupertino's excellent quality of life for its residents, businesses, and daytime population.

Benefit: Cupertino's economy and sales tax revenue base are diversified to further enhance the City's financial stability and its ability to provide quality amenities to the community.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY2020 July-Dec	Ongoing Target
Economic Development Business Buzz Subscribers	1,568	1,442	1,442	700 in FY 17-18
Economic Development Business Workshops & Events	12	16	7	12 per year

Video Division

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Percentage of total video productions performed vs scheduled productions (city meetings excluded)	455% 50/11	176% 60/34	220% 11/5	100%
Percentage of total engineering projects vs scheduled projects	143% 10/7	112% 9/8	300% 3/1	100%
Total video views on Youtube and Granicus platforms combined	138,723	135,716	51,349	5% annual increase

¹The Video Division is responsible for producing videos for both city staff as well as the general Cupertino public. Typically, dozens of video productions are completed every year. Video productions range in scope from relatively simple 30-second public service announcements to major projects like CREST that require more than two months of on-going field production, post-production editing, and a live awards program telecast. This specific Workload Indicator clearly indicates that a large percentage of annual video projects are unscheduled or unanticipated. The main reason is that video productions are oftentimes evaluated and prioritized on the basis of their immediate organizational value, impact and/or newsworthiness. Oftentimes, these unanticipated projects are identified and assigned with only a few days or weeks of advanced notice.

As such, there is an on-going need within the division for workflow and work schedule adaptability when it comes to evaluating video productions and completing them on time and on budget. The measurements here are tracked in the "milestones" document located in our City Channel documentation folder. The milestones document is a comprehensive dataset of all the video division projects--both large and small--and is maintained by the entire video staff. City meeting telecasts are not included in this particular dataset.

²Video staff is responsible for designing, managing, and maintaining the many audiovisual and broadcast systems located within the organization. These include systems within the conference and multipurpose rooms, office and huddle spaces, as well as the complex broadcast systems within the video control room at Community Hall. Engineering projects differ from simple repairs, tasks, and modifications in that projects, as defined, require a phased-in approach with advanced planning, design, budgeting, resource acquisition, and implementation. Most engineering projects are scheduled well in advance; occasionally, however, video staff may need to implement unanticipated projects if staff or council priorities require as such. The Workload Indicator here measures the number of projects completed vs. the number of scheduled projects. These measurements are tracked in the "engineering milestones" document located in our City Channel documentation folder. This document is maintained by Pete Coglianese, who is the broadcast engineer for the division.

³Video staff historically tracks viewership data within our primary online video platforms--YouTube and

Granicus. We continue to see an upward trend in viewership of our videos which are used to promote city meetings, city programs, and city services. Our target is to increase viewership by 5% annually. Both YouTube and Granicus provide advanced reporting modules that allow us to accurately track the number of views over a given date range. The numbers here indicate total views rather than total unique views. Other online platforms were considered as part of this dataset; however, because we do not consistently post videos to our other social media sites such as Facebook, Twitter, Instagram, and Nextdoor, those statistics were not included as part of this specific performance measure. Similarly, we do have accurate viewership data for the City Channel, our government access television channel, so that platform was excluded as well.

Workload Indicators

City Clerk Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
City Council minutes for regular meetings presented for Council approval by the following regular meeting	21/21	18/18	8/9
Adopted City Council resolutions and ordinances processed and scanned to Laserfiche within a week of Clerk's office receipt of final, signed document	125/125 resos; 10/10 rods	124/124 resos; 10/10 ords	70/72 resos; 10/10 ords
Public Record Act requests responded to by the Statutory deadline date	92/92	131/131	63/64

Sustainability Division

Staff plans to update workload indicators and performance measures as part of CAP 2.0 development in FY2021.

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of local businesses visited / reached out to as part of GreenBiz program outreach (est)	60	50	23
Events related to increasing awareness of reducing greenhouse gas emissions (staff organized or staff tabled) (est)	14	14	8
Sustainability related metrics tracked and / or analyzed (est)	90	90	90
Climate Action Plan action steps initiated or implemented (est)	55	55	55
\$ value of utility savings projects and opportunities identified.	New workload indicator proposed for FY2021.		
Monitor all major utility spend accounts (water, gas, electricity)	New workload indicator proposed for FY2021.		

Economic Development Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Meetings with large groups/organizations; appointments with brokers, prospective business owners, business owners and operators, City staff, etc.	240	275	180
Special events, including small business workshops and seminars, ICSC conferences and events, ribbon cuttings and grand openings, networking events, and Small Business Saturday Celebration event and/or activities	9	24	11
Presentations to local organizations and visiting delegations	15	12	6
Respond to calls and email inquires	80	250	175

Video

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Video Productions Completed vs. Those Scheduled ¹	455% 50/11	Not tracked	Not tracked
Engineering Projects Completed vs. Those Scheduled ²	143% 10/7	Not tracked	Not tracked
Total Viewership on the YouTube and Granicus Platforms ³	138,723	Not tracked	Not tracked

¹The Video Division is responsible for producing videos for both city staff as well as the general Cupertino public. Typically, dozens of video productions are completed every year. Video productions range in scope from relatively simple 30-second public service announcements to major projects like CREST that require more than two months of on-going field production, post-production editing, and a live awards program telecast. This specific Workload Indicator clearly indicates that a large percentage of annual video projects are unscheduled or unanticipated. The main reason is that video productions are oftentimes evaluated and prioritized on the basis of their immediate organizational value, impact and/or newsworthiness. Oftentimes, these unanticipated projects are identified and assigned with only a few days or weeks of advanced notice. As such, there is an on-going need within the division for workflow and work schedule adaptability when it comes to evaluating video productions and completing them on time and on budget. The measurements here are tracked in the "milestones" document located in our City Channel documentation folder. The milestones document is a comprehensive dataset of all the video division projects--both large and small--and is maintained by the entire video staff. City meeting telecasts are not included in this particular dataset.

²Video staff is responsible for designing, managing, and maintaining the many audiovisual and broadcast

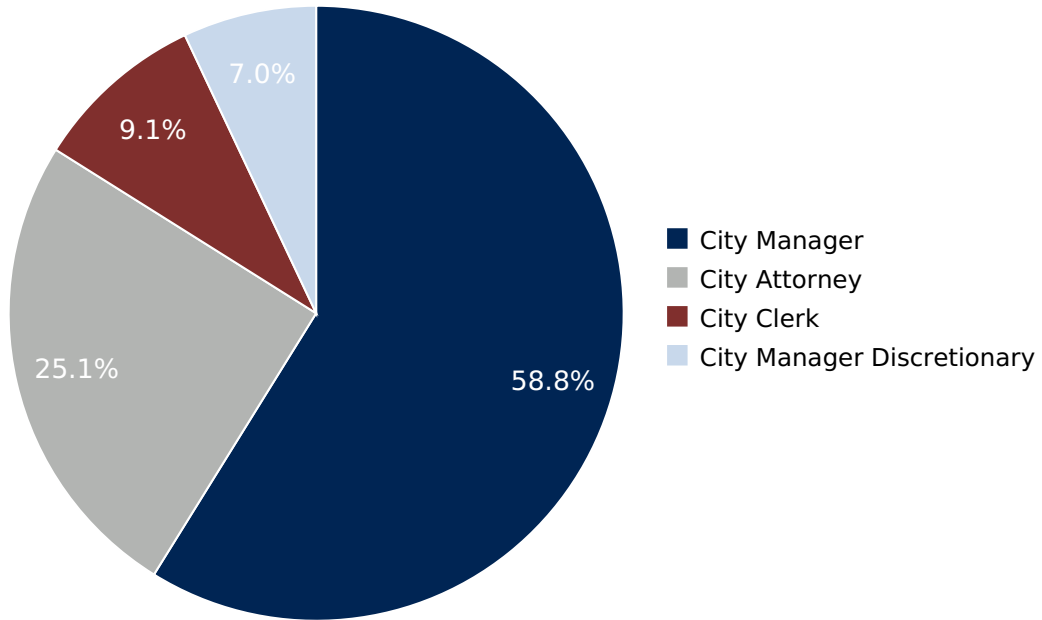
systems located within the organization. These include systems within the conference and multipurpose rooms, office and huddle spaces, as well as the complex broadcast systems within the video control room at Community Hall. Engineering projects differ from simple repairs, tasks, and modifications in that projects, as defined, require a phased-in approach with advanced planning, design, budgeting, resource acquisition, and implementation. Most engineering projects are scheduled well in advance; occasionally, however, video staff may need to implement unanticipated projects if staff or council priorities require as such. The Workload Indicator here measures the number of projects completed vs. the number of scheduled projects. These measurements are tracked in the "engineering milestones" document located in our City Channel documentation folder. This document is maintained by Pete Coglianese, who is the broadcast engineer for the division.

Video staff historically tracks viewership data within our primary online video platforms--YouTube and Granicus. We continue to see an upward trend in viewership of our videos which are used to promote city meetings, city programs, and city services. Our target is to increase viewership by 5% annually. Both YouTube and Granicus provide advanced reporting modules that allow us to accurately track the number of views over a given date range. The numbers here indicate total views rather than total unique views. Other online platforms were considered as part of this dataset; however, because we do not consistently post videos to our other social media sites such as Facebook, Twitter, Instagram, and Nextdoor, those statistics were not included as part of this specific performance measure. Similarly, we do have accurate viewership data for the City Channel, our government access television channel, so that platform was excluded as well.

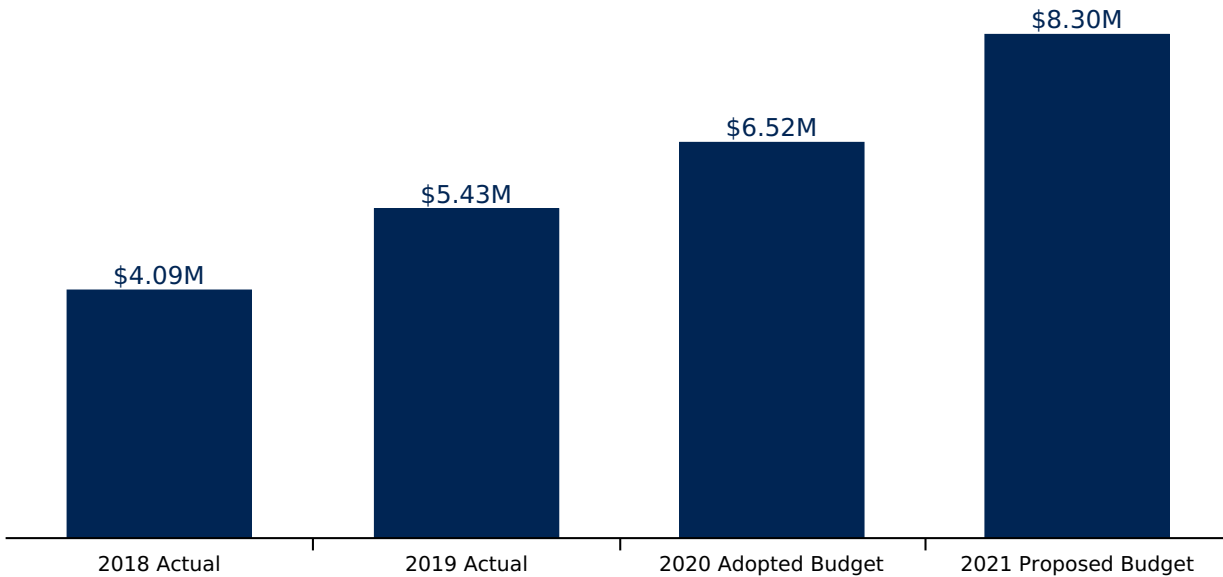
Proposed Budget

It is recommended that City Council approve a budget of \$8,304,413 for the Administration department. This represents an increase of \$1,780,002 (27.3%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 1,300	\$ 27,592	\$ -
Charges for Services	\$ 813,509	\$ 712,070	\$ 1,127,708	\$ 1,388,254
Miscellaneous Revenue	\$ 40,418	\$ 20,506	\$ 20,500	\$ 27,592
Total Revenues	\$ 853,927	\$ 733,876	\$ 1,175,800	\$ 1,415,846
Expenditures				
Employee Compensation	\$ 1,944,122	\$ 1,820,343	\$ 1,876,732	\$ 2,524,754
Employee Benefits	\$ 780,889	\$ 653,296	\$ 739,163	\$ 1,019,993
Materials	\$ 280,122	\$ 361,441	\$ 403,089	\$ 484,249
Contract Services	\$ 642,397	\$ 1,998,612	\$ 2,385,409	\$ 2,840,402
Cost Allocation	\$ 376,097	\$ 537,762	\$ 469,747	\$ 481,712
Special Projects	\$ 65,510	\$ 59,291	\$ 127,000	\$ 285,092
Contingencies	\$ 911	\$ -	\$ 523,271	\$ 668,211
Total Expenditures	\$ 4,090,048	\$ 5,430,745	\$ 6,524,411	\$ 8,304,413
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 3,236,119	\$ 4,696,869	\$ 5,348,611	\$ 6,888,567

Staffing

Total current positions - 14.20 FTE

Total proposed positions - 17.85 FTE

City Manager

Budget Unit 100-12-120

General Fund - City Manager - City Manager

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 480,014
Total Expenditures	\$ 1,338,451
Fund Balance	\$ -
General Fund Costs	\$ 858,437
% Funded by General Fund	64.1%
Total Staffing	3.90 FTE

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 goals and objectives.

Service Objectives

- Accomplish the Council-approved City Work Program.
- Manage City operations.
- Ensure 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,338,451 for the City Manager program. This represents an increase of \$77,194 (6.1%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to negotiated salary increases, contract services related to Federal legislative support, and the work program item to reduce secondhand smoke exposure.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Policies Reducing Secondhand Smoke Exposure	\$27,592	\$27,592	County Grant	Support research/outreach for reducing secondhand smoke exposure
Total	\$27,592	\$27,592		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ 27,592	\$ -
Charges for Services	\$ 319,144	\$ 332,342	\$ 401,525	\$ 452,422
Miscellaneous Revenue	\$ 770	\$ 3,145	\$ -	\$ 27,592
Total Revenues	\$ 319,914	\$ 335,487	\$ 429,117	\$ 480,014
Expenditures				
Employee Compensation	\$ 620,086	\$ 450,190	\$ 758,600	\$ 843,072
Employee Benefits	\$ 234,891	\$ 120,510	\$ 286,460	\$ 293,674
Materials	\$ 42,119	\$ 52,935	\$ 77,045	\$ 48,193
Contract Services	\$ 15,569	\$ 62,307	\$ 95,792	\$ 121,000
Cost Allocation	\$ 31,937	\$ 55,273	\$ 40,423	\$ -
Special Projects	\$ -	\$ -	\$ -	\$ 27,592
Contingencies	\$ 911	\$ -	\$ 2,937	\$ 4,920
Total Expenditures	\$ 945,513	\$ 741,215	\$ 1,261,257	\$ 1,338,451
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 625,599	\$ 405,728	\$ 832,140	\$ 858,437

Staffing

Total current positions - 3.90 FTE

Total proposed positions - 3.90 FTE

There are no changes to the current level of staffing.

Sustainability

Budget Unit 100-12-122

General Fund - City Manager - Sustainability

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 951,523
Fund Balance	\$ -
General Fund Costs	\$ 951,523
% Funded by General Fund	100.0%
Total Staffing	1.80 FTE

Program Overview

The Sustainability Division works to implement the City's Climate Action Plan, and work across departments 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 program teams with regional partners and adjacent jurisdictions, and seeks grant funding 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 a 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 utility management and conservation and adapt these to 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.

Proposed Budget

It is recommended that City Council approve a budget of \$951,523 for the Sustainability program. This represents an increase of \$395,860 (71.2%) from the FY 2019-20 Adopted Budget.

The primary new project proposed is the Climate Action Plan update (CAP 2.0), which is a legislative priority of the State of California in response to SB100 and other legislation addressing greenhouse gas mitigation and adapting to climate risks such as wildfire and droughts. The increase since the previous year's budget also reflects a fully-staffed division as of August 2019, which has been under staffed during the last two fiscal years.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Sustainable Infrastructure Investment-grade audit	\$10,000	\$10,000	Offset the cost with utility cost avoidance.	Identify costs and scope of work for new sustainable infrastructure for City facilities. Target 5% utility cost savings each year (see proposed performance indicator to reduce utility cost exposure).
Climate Action & Adaptation 2.0	\$210,000	\$210,000	General Fund	Provide guidance and action plans for each department to comply with State regulations, provide enhanced community services, and build economic opportunities for local residents and businesses. The Climate Action Plan must include a carbon neutral goal by 2045 to align with California State targets.
Green Procurement Program Development	\$2,000	\$2,000	General Fund	Create program and update policies for sustainable procurement. Funding request to build staff capacity by attending a seminar.
Total	\$222,000	\$222,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 39,648	\$ 5,963	\$ 13,000	\$ -
Total Revenues	\$ 39,648	\$ 5,963	\$ 13,000	\$ -
Expenditures				
Employee Compensation	\$ 163,835	\$ 172,616	\$ 172,185	\$ 244,755
Employee Benefits	\$ 80,863	\$ 90,645	\$ 82,848	\$ 118,784
Materials	\$ 28,837	\$ 14,035	\$ 36,182	\$ 33,028
Contract Services	\$ 161,313	\$ 109,918	\$ 138,850	\$ 119,584
Cost Allocation	\$ 191,006	\$ 155,255	\$ 116,846	\$ 208,182
Special Projects	\$ 65,510	\$ 33,423	\$ -	\$ 222,000
Contingencies	\$ -	\$ -	\$ 8,752	\$ 5,190
Total Expenditures	\$ 691,364	\$ 575,892	\$ 555,663	\$ 951,523
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 651,715	\$ 569,929	\$ 542,663	\$ 951,523

Staffing

Total current positions - 1.40 FTE

Total proposed positions - 1.80 FTE

Staff time is being reallocated across Sustainability Commission and Public Works (resource recovery) to better reflect actual time spent in this program.

Office of Communications

Budget Unit 100-12-126

General Fund - City Manager - Office of Communications

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 710,191
Fund Balance	\$ -
General Fund Costs	\$ 710,191
% Funded by General Fund	100.0%
Total Staffing	2.95 FTE

Program Overview

The Office of Communications is responsible for community outreach to ensure that residents have access to timely, useful, and important information. The Office of Communications 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. The Office of Communications 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

Proposed Budget

It is recommended that City Council approve a budget of \$710,191 for the Office of Communications program. This represents an increase of \$41,084 (6.1%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in materials for project and events marketing printing and negotiated increases in salary and benefits. This increase is offset by a decrease in contract services.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 150,385	\$ 121,818	\$ 260,873	\$ -
Miscellaneous Revenue	\$ -	\$ -	\$ 7,500	\$ -
Total Revenues	\$ 150,385	\$ 121,818	\$ 268,373	\$ -
Expenditures				
Employee Compensation	\$ 196,961	\$ 249,333	\$ 256,668	\$ 360,868
Employee Benefits	\$ 83,865	\$ 95,524	\$ 110,723	\$ 144,494
Materials	\$ 100,954	\$ 112,689	\$ 118,790	\$ 158,972
Contract Services	\$ 26,983	\$ 33,926	\$ 96,710	\$ 40,861
Cost Allocation	\$ 60,307	\$ 70,741	\$ 28,441	\$ -
Special Projects	\$ -	\$ -	\$ 50,000	\$ -
Contingencies	\$ -	\$ -	\$ 7,775	\$ 4,996
Total Expenditures	\$ 469,070	\$ 562,213	\$ 669,107	\$ 710,191
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 318,685	\$ 440,394	\$ 400,734	\$ 710,191

Staffing

Total current positions - 2.65 FTE

Total proposed positions - 2.95 FTE

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

Video

Budget Unit 100-12-305

General Fund - City Manager - Video

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 293,110
Total Expenditures	\$ 781,333
Fund Balance	\$ -
General Fund Costs	\$ 488,223
% Funded by General Fund	62.5%
Total Staffing	3.00 FTE

Program Overview

In FY 2020-21, this program transferred from Innovation Technology to the City Manager’s Office. Historical data can be found under Budget Unit 100-31-305. The primary goal of the Video Division is to increase public awareness, interest, understanding, and participation in the issues, programs, and services presented by the City of Cupertino. The staff promotes City services and programs through its 24/7 government access channel, radio station, digital signage network, City website, and numerous online video platforms. In addition, the video staff provides multimedia production services and technical support for all City departments. Video staff also oversees the design, maintenance, and engineering of the City’s broadcast and audiovisual systems.

Service Objectives

Video staff works together to manage and maintain the following city services:

- City Channel, the government access television channel which provides 24/7 information to Cupertino residents, includes full coverage of city meetings, community events, town hall forums, press conferences, election coverage, and local speaker series, as well as educational programming and state government affairs programming
- Webcasting and video on demand services for live streaming city meetings, events and other programs of interest
- Radio Cupertino for emergency and community information for public service announcements, traffic alerts, and weather forecasts
- Digital signage to promote city programs and events via electronic displays in city facilities
- Multimedia production services and maintenance of city video equipment

Proposed Budget

It is recommended that City Council approve a budget of \$781,333 for the Video program.

This budget represents a decrease from the FY 2019-20 Adopted Budget. The decrease is primarily due to the completion of a one-time project funded in the previous fiscal year for Cupertino Room's A/V upgrade. Decreased costs in cost allocation are due to a change in allocation methodology. Decreased costs in salary

are due to staff time being reallocated to better reflect actual time spent in the program.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Community Hall Podium Replacement	\$15,000	\$15,000	PEG fund	Replace the Community Hall podium with updated current technology.
Portable Signal Generator/Analyzer	\$9,000	\$9,000	PEG fund	Portable, battery-operated signal generator/analyzer that can be quickly connected to cables and components.
Wireless Video Transmission System	\$11,500	\$11,500	PEG fund	A system to broadcast live video wirelessly from the field using a high-end, camera mounted transmitter.
Total	\$35,500	\$35,500		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 293,110
Total Revenues	\$ -	\$ -	\$ -	\$ 293,110
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 397,965
Employee Benefits	\$ -	\$ -	\$ -	\$ 178,244
Materials	\$ -	\$ -	\$ -	\$ 61,137
Contract Services	\$ -	\$ -	\$ -	\$ 104,228
Special Projects	\$ -	\$ -	\$ -	\$ 35,500
Contingencies	\$ -	\$ -	\$ -	\$ 4,259
Total Expenditures	\$ -	\$ -	\$ -	\$ 781,333
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 488,223

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 3.00 FTE

In FY 2020-21, Video staff transferred from Innovation Technology to the City Manager's Office.

Public Access Support

Budget Unit 100-12-307

General Fund - City Manager - Public Access Support

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 80,020
Fund Balance	\$ -
General Fund Costs	\$ 80,020
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

Program Overview

The City assists in the funding of the KMVT Community Access Television Program.

Service Objectives

- Encourage Cupertino-based individuals and groups to use the community television production facilities for the purpose of expressing their interests, concerns, and ideas in a socially responsible manner.
- Provide professional training in hands-on video production by providing access to television equipment, computers, and software that would be otherwise out of reach of the average person.
- Provide workshops on all aspects of television production--including how to run a video camera, photography, editing, visual effects, social media, podcasting, and video blogging.
- Assist individuals and community groups to develop and produce programs for broadcast on the community access channel.

Proposed Budget

It is recommended that City Council approve a budget of \$80,020 for the Public Access Support program.

This budget reflects the City's partnership with KMVT.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ -	\$ -	\$ 75,120
Cost Allocation	\$ -	\$ -	\$ -	\$ 3,022
Contingencies	\$ -	\$ -	\$ -	\$ 1,878
Total Expenditures	\$ -	\$ -	\$ -	\$ 80,020
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 80,020

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Community Outreach and Neighborhood Watch

Budget Unit 100-12-632

General Fund - City Manager - Community Outreach and Neighborhood Watch

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 191,823
Fund Balance	\$ -
General Fund Costs	\$ 191,823
% Funded by General Fund	100.0%
Total Staffing	0.75 FTE

Program Overview

Community Outreach programs facilitate communication and enhance cultural understanding in Cupertino neighborhoods. Block Leaders are instrumental in building connected communities, delivering timely and pertinent information to neighbors, and providing input to 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 Parks and Recreation System Master Plan.
- Create and implement Neighborhood Watch meetings and groups.
- Disseminate important City news and safety information.
- Organize and conduct annual National Night Out initiative.

Proposed Budget

It is recommended that City Council approve a budget of \$191,823 for the Community Outreach and Neighborhood Watch program. This represents an increase of \$16,938 (9.7%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from the previous fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 68,853	\$ 89,316	\$ 90,970
Employee Benefits	\$ -	\$ 21,550	\$ 29,200	\$ 32,425
Materials	\$ -	\$ 9,450	\$ 8,943	\$ 11,272
Contract Services	\$ -	\$ -	\$ 1,789	\$ -
Cost Allocation	\$ -	\$ 29,357	\$ 43,100	\$ 56,874
Special Projects	\$ -	\$ -	\$ 2,000	\$ -
Contingencies	\$ -	\$ -	\$ 537	\$ 282
Total Expenditures	\$ -	\$ 129,210	\$ 174,885	\$ 191,823
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 129,210	\$ 174,885	\$ 191,823

Staffing

Total current positions - 0.75 FTE

Total proposed positions - 0.75 FTE

There are no changes to the current level of staffing.

Disaster Preparedness

Budget Unit 100-12-633

General Fund - City Manager - Disaster Preparedness

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 400,275
Fund Balance	\$ -
General Fund Costs	\$ 400,275
% Funded by General Fund	100.0%
Total Staffing	0.95 FTE

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 emergencies, 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.

Proposed Budget

It is recommended that City Council approve a budget of \$400,275 for the Disaster Preparedness program. This represents an increase of \$4,884 (1.2%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to the one-time budgeting of the Continuity of Operations Plan in FY 2019-20.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 1,300	\$ -	\$ -
Total Revenues	\$ -	\$ 1,300	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 80,231	\$ 127,596	\$ 165,751
Employee Benefits	\$ -	\$ 24,121	\$ 39,525	\$ 52,268
Materials	\$ -	\$ 15,746	\$ 38,835	\$ 44,503
Contract Services	\$ -	\$ -	\$ 6,000	\$ 7,630
Cost Allocation	\$ -	\$ 60,802	\$ 106,193	\$ 128,820
Special Projects	\$ -	\$ -	\$ 75,000	\$ -
Contingencies	\$ -	\$ -	\$ 2,242	\$ 1,303
Total Expenditures	\$ -	\$ 180,900	\$ 395,391	\$ 400,275
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 179,600	\$ 395,391	\$ 400,275

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 0.95 FTE

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

Economic Development

Budget Unit 100-12-705

General Fund - City Manager - Economic Development

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 432,819
Fund Balance	\$ -
General Fund Costs	\$ 432,819
% Funded by General Fund	100.0%
Total Staffing	1.00 FTE

Program Overview

The Economic Development program specifically targets business retention, expansion, and attraction with a focus on small business development, in order to support the City's financial stability.

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, agencies, and organizations to create a strong and cohesive network offering business support and 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.

Proposed Budget

It is recommended that City Council approve a budget of \$432,819 for the Economic Development program. This represents an increase of \$92,485 (27.2%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in staffing services offset by a decrease in salary and benefits.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 63,749	\$ 79,716	\$ -
Employee Benefits	\$ -	\$ 18,332	\$ 23,632	\$ 1,221
Materials	\$ -	\$ 20,163	\$ 53,085	\$ 54,995
Contract Services	\$ -	\$ 45,272	\$ 141,988	\$ 316,900
Cost Allocation	\$ -	\$ 25,257	\$ 32,159	\$ 50,406
Special Projects	\$ -	\$ 2,500	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 9,754	\$ 9,297
Total Expenditures	\$ -	\$ 175,273	\$ 340,334	\$ 432,819
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 175,272	\$ 340,334	\$ 432,819

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

There are no changes to the current level of staffing.

City Clerk

Budget Unit 100-13-130

General Fund - City Clerk - City Clerk

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 91,584
Total Expenditures	\$ 513,767
Fund Balance	\$ -
General Fund Costs	\$ 422,183
% Funded by General Fund	82.2%
Total Staffing	2.50 FTE

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; compliance with Public Records Act requests; and provides partial mail service for all City Departments.

Service Objectives

- 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.
- Process and sort routine incoming and outgoing mail and packages daily for each department.

Proposed Budget

It is recommended that City Council approve a budget of \$513,767 for the City Clerk program. This represents an increase of \$10,082 (2.0%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from the previous fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 80,948	\$ 63,559	\$ 65,544	\$ 91,584
Total Revenues	\$ 80,948	\$ 63,559	\$ 65,544	\$ 91,584
Expenditures				
Employee Compensation	\$ 316,102	\$ 347,154	\$ 292,467	\$ 311,593
Employee Benefits	\$ 125,429	\$ 118,002	\$ 116,739	\$ 141,916
Materials	\$ 25,342	\$ 23,452	\$ 23,894	\$ 24,609
Contract Services	\$ 37,394	\$ 42,893	\$ 33,380	\$ 34,179
Cost Allocation	\$ 53,590	\$ 47,103	\$ 34,341	\$ -
Contingencies	\$ -	\$ -	\$ 2,864	\$ 1,470
Total Expenditures	\$ 557,857	\$ 578,604	\$ 503,685	\$ 513,767
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 476,909	\$ 515,045	\$ 438,141	\$ 422,183

Staffing

Total current positions - 2.50 FTE

Total proposed positions - 2.50 FTE

There are no changes to the current level of staffing.

Duplicating and Mail Services

Budget Unit 100-13-132

General Fund - City Clerk - Duplicating and Mail Services

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 75,812
Fund Balance	\$ -
General Fund Costs	\$ 75,812
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

Program Overview

The Duplicating and Mail budget provides paper, envelope, and postage supplies Citywide, and is responsible for the maintenance costs of the postage and folder-inserter machines.

Service Objectives

- Supply paper, envelope, and postage Citywide and maintain postage and folder-inserter machines.

Proposed Budget

It is recommended that City Council approve a budget of \$75,812 for the Duplicating and Mail Services program. This represents an increase of \$32,867 (76.5%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in cost allocation resulting from a change in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 19,907	\$ 25,683	\$ -	\$ -
Employee Benefits	\$ 7,219	\$ 10,028	\$ -	\$ -
Materials	\$ 37,376	\$ 36,055	\$ 35,000	\$ 36,050
Contract Services	\$ 13,781	\$ 8,121	\$ 5,900	\$ 5,900
Cost Allocation	\$ -	\$ 21	\$ -	\$ 32,813
Special Projects	\$ -	\$ 23,368	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,045	\$ 1,049
Total Expenditures	\$ 78,283	\$ 103,276	\$ 42,945	\$ 75,812
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 78,282	\$ 103,277	\$ 42,945	\$ 75,812

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Elections

Budget Unit 100-13-133

General Fund - City Clerk - Elections

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 162,466
Fund Balance	\$ -
General Fund Costs	\$ 162,466
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$162,466 for the Elections program. This represents an increase of \$162,209 (63116.3%) from the FY 2019-20 Adopted Budget.

The increase is due to an increase in election services and materials for the Santa Clara County Election Nov 2020 (every 2 years) and election year costs for consolidation with the County Registrar of Voters.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ 11,398	\$ -	\$ -
Total Revenues	\$ -	\$ 11,398	\$ -	\$ -
Expenditures				
Materials	\$ 254	\$ 6,766	\$ 245	\$ 6,947
Contract Services	\$ -	\$ 101,710	\$ -	\$ 150,000
Cost Allocation	\$ 188	\$ -	\$ -	\$ 1,595
Contingencies	\$ -	\$ -	\$ 12	\$ 3,924
Total Expenditures	\$ 442	\$ 108,476	\$ 257	\$ 162,466
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 442	\$ 97,078	\$ 257	\$ 162,466

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

City Manager Contingency

Budget Unit 100-14-123

General Fund - City Manager Discretionary - City Manager Contingency

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 582,904
Fund Balance	\$ -
General Fund Costs	\$ 582,904
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

Program Overview

The City Manager Contingency program was established to meet citywide unexpected expenses that may occur during the year. In FY 2013-14, a Contingencies expenditure category was added to each General Fund program to serve as a contingency for any unexpected expenditures that might occur during the year. In FY 2020-21, program contingencies were reduced from 5% of budgeted General Fund materials and contract services to 2.5%. Program contingencies have been allocated proportionately among operating programs based on each program's share of General Fund budget for materials and contract services. The City Manager Contingency is a second level of contingency established for unexpected expenditures that may occur over the program contingency. In FY 2020-21, City Manager contingencies were also reduced from 5% of budgeted General Fund materials and contract services to 2.5%. This brings total contingencies for the General Fund to 5% of 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. Program contingency budgets may be used to cover unanticipated program expenses at the department's discretion, while use of the City Manager Contingency will require City Manager approval. The Sheriff's and City Attorney services contracts are excluded from the contingency calculation.

Proposed Budget

It is recommended that City Council approve a budget of \$582,904 for the City Manager Contingency program. This represents an increase of \$96,551 (19.9%) from the FY 2019-20 Adopted Budget.

City Manager contingencies were updated to 2.5% of budgeted General Fund materials and contract services.

This budget includes an additional \$279,306 in contingencies for unforeseen Public Works maintenance and repairs.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ -	\$ 45,320	\$ -	\$ -
Cost Allocation	\$ 821	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 486,353	\$ 582,904
Total Expenditures	\$ 821	\$ 45,320	\$ 486,353	\$ 582,904
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 821	\$ 45,320	\$ 486,353	\$ 582,904

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

City Attorney

Budget Unit 100-15-141

General Fund - City Attorney - City Attorney

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 551,138
Total Expenditures	\$ 2,083,029
Fund Balance	\$ -
General Fund Costs	\$ 1,531,891
% Funded by General Fund	73.5%
Total Staffing	1.00 FTE

Program Overview

The City Attorney is appointed by the City Council to manage the legal affairs of the City, including the operation of the City Attorney's Office. The City Attorney's Office provides all legal services that are needed to support the City Council, City Commissions, City Manager, department directors, and City staff.

Service Objectives

The mission of the City Attorney's Office is to protect and defend the City by all legal and ethical means and to provide the municipal corporation with high-quality legal service and advice. These legal services include the following:

- Prosecute and defend the City in any legal action such as civil matters involving personal injury or property damage, code enforcement, or any administrative action arising out of City business.
- Manage all liability claims filed against the City including investigation and disposition.
- Attend City Council, Planning Commission, and other public meetings as requested.
- Prepare and review proposed legislation including ordinances and resolutions.
- Draft and/or review contracts, agreements, and other legal documents.
- Conduct legal research and analysis, and prepare legal memoranda.
- Provide legal support for special projects, among other things.

Proposed Budget

It is recommended that City Council approve a budget of \$2,083,029 for the City Attorney program. This represents a decrease of \$11,505 (-0.5%) from the FY 2019-20 Adopted Budget.

The following table shows contract attorney services for fiscal year.

Legal Services	Appropriation
General City Attorney Services	\$1,200,000
Specialized Attorney Services	\$405,000
Litigation and Related Services	\$260,000
Total	\$1,865,000

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 263,032	\$ 194,351	\$ 399,766	\$ 551,138
Total Revenues	\$ 263,032	\$ 194,351	\$ 399,766	\$ 551,138
Expenditures				
Employee Compensation	\$ 627,231	\$ 362,534	\$ 100,184	\$ 109,780
Employee Benefits	\$ 248,622	\$ 154,584	\$ 50,036	\$ 56,967
Materials	\$ 45,240	\$ 24,830	\$ 11,070	\$ 4,543
Contract Services	\$ 387,357	\$ 1,594,465	\$ 1,865,000	\$ 1,865,000
Cost Allocation	\$ 38,248	\$ 93,953	\$ 68,244	\$ -
Contingencies	\$ -	\$ -	\$ -	\$ 46,739
Total Expenditures	\$ 1,346,698	\$ 2,230,366	\$ 2,094,534	\$ 2,083,029
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,083,666	\$ 2,036,016	\$ 1,694,768	\$ 1,531,891

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

There are no changes to the current level of staffing.

Law Enforcement

Budget Unit	Program	2021 Proposed Budget
Law Enforcement		\$ 14,792,330
100-20-200	Law Enforcement	\$ 14,741,850
100-20-201	Interoperability Project	\$ 50,480
100-20-202	Code Enforcement	\$ -
Total		\$ 14,792,330

Department Overview

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,037,328
Total Expenditures	\$ 14,792,330
Fund Balance	\$ -
General Fund Costs	\$ 13,755,002
% Funded by General Fund	93.0%
Total Staffing	0.00 FTE

Organization

Captain Rich Urena, Office of the Sheriff

Law Enforcement
(Contracted)

Performance Measures

Goal: Maintain a safe environment to live, work, learn and play.

Benefit: All members of the community are safe, informed, empowered and supported.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Response time for emergency calls				
Priority 1	4.14	4.39	3.96	5 minutes
Priority 2	7.14	6.23	6.74	9 minutes
Priority 3	14.36	12.11	12.42	20 minutes
% programs maintaining minimum attendance				
Teen Academy	100%	72%	48%	80%
Citizen Academy	100%	92%	200%	80%

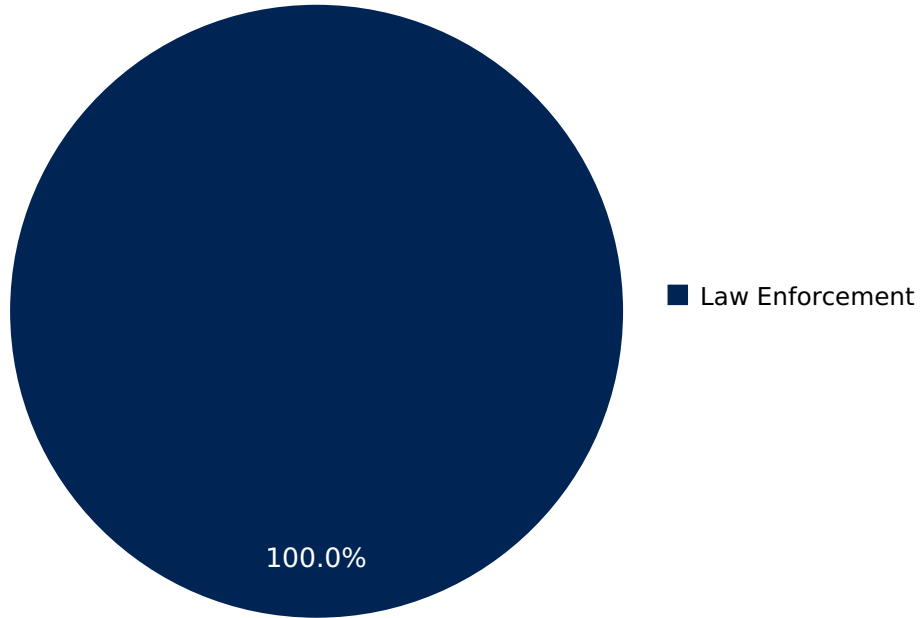
Workload Indicators

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Total Priority 1 Calls	61	67	32
Total Priority 2 Calls	4,990	4,185	2,197
Total Priority 3 Calls	5,570	5,014	2,706
Total Teen/Community Academy Participants	74	41	62

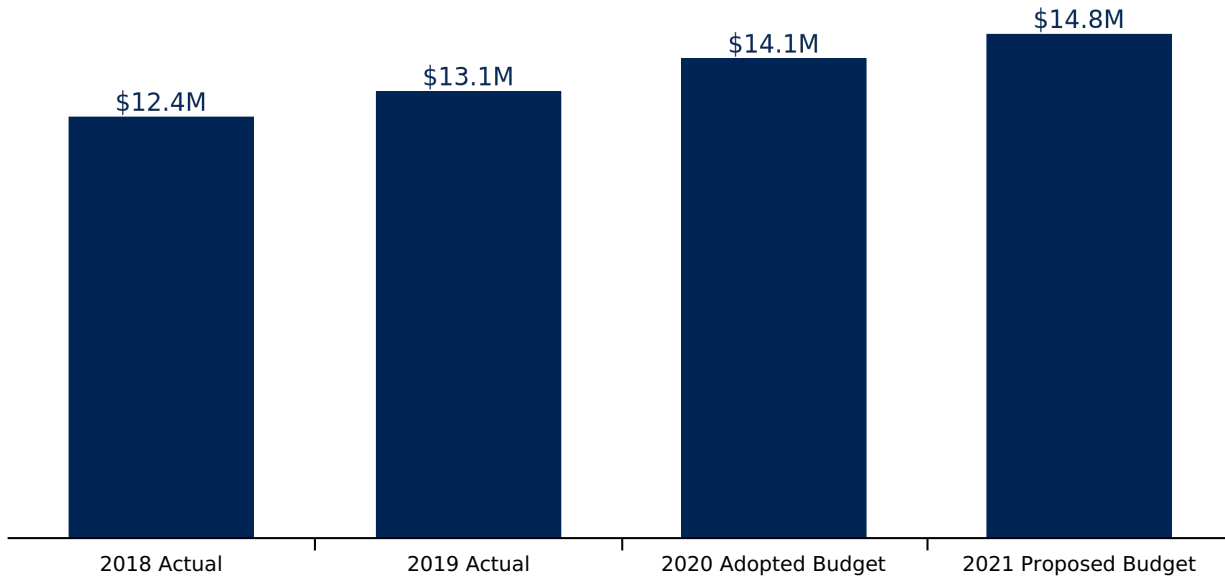
Proposed Budget

It is recommended that City Council approve a budget of \$14,792,330 for the Law Enforcement department. This represents an increase of \$714,393 (5.1%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 139,416	\$ 148,747	\$ 100,500	\$ -
Charges for Services	\$ 131,842	\$ 352,944	\$ 61,500	\$ -
Fines and Forfeitures	\$ 575,032	\$ 320,922	\$ 350,000	\$ 200,000
Miscellaneous Revenue	\$ -	\$ 561,271	\$ 558,979	\$ 837,328
Total Revenues	\$ 846,290	\$ 1,383,884	\$ 1,070,979	\$ 1,037,328
Expenditures				
Employee Compensation	\$ 236,925	\$ 81,099	\$ -	\$ -
Employee Benefits	\$ 97,924	\$ 38,072	\$ -	\$ -
Materials	\$ 92,046	\$ 54,519	\$ 51,803	\$ 53,357
Contract Services	\$ 11,772,706	\$ 12,884,671	\$ 13,965,319	\$ 14,614,029
Cost Allocation	\$ 163,020	\$ 50,370	\$ 58,388	\$ 123,731
Contingencies	\$ -	\$ -	\$ 2,427	\$ 1,213
Total Expenditures	\$ 12,362,621	\$ 13,108,731	\$ 14,077,937	\$ 14,792,330
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 11,516,331	\$ 11,724,848	\$ 13,006,958	\$ 13,755,002

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Law Enforcement

Budget Unit 100-20-200

General Fund - Law Enforcement - Law Enforcement

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,037,328
Total Expenditures	\$ 14,741,850
Fund Balance	\$ -
General Fund Costs	\$ 13,704,522
% Funded by General Fund	93.0%
Total Staffing	0.00 FTE

Program Overview

The Law Enforcement program provides law enforcement, emergency communications, School Resource Officers, and the Youth Probation Program. Law enforcement services are provided by the Santa Clara County Sheriff's Office, while communications services are provided by the Santa Clara County General Services Administration. The County's Youth Probation Program, also managed by the Sheriff's Office, 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 that was added in the FY 2017 school year.

Service Objectives

- Protect life and property through innovative and progressive policing methods.
- Respond to Priority 1 emergency situations within an average of fewer 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.

Proposed Budget

It is recommended that City Council approve a budget of \$14,741,850 for the Law Enforcement program. This represents an increase of \$715,649 (5.1%) from the FY 2019-20 Adopted Budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 139,416	\$ 148,747	\$ 100,500	\$ -
Charges for Services	\$ 129,610	\$ 352,631	\$ 61,500	\$ -
Fines and Forfeitures	\$ 295,283	\$ 255,217	\$ 350,000	\$ 200,000
Miscellaneous Revenue	\$ -	\$ 561,271	\$ 558,979	\$ 837,328
Total Revenues	\$ 564,309	\$ 1,317,866	\$ 1,070,979	\$ 1,037,328
Expenditures				
Materials	\$ 51,483	\$ 50,703	\$ 51,803	\$ 53,357
Contract Services	\$ 11,505,817	\$ 12,805,201	\$ 13,916,780	\$ 14,565,490
Cost Allocation	\$ 70,655	\$ 41,818	\$ 57,618	\$ 123,003
Total Expenditures	\$ 11,627,955	\$ 12,897,722	\$ 14,026,201	\$ 14,741,850
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 11,063,646	\$ 11,579,857	\$ 12,955,222	\$ 13,704,522

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Interoperability Project

Budget Unit 100-20-201

General Fund - Law Enforcement - Interoperability Project

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 50,480
Fund Balance	\$ -
General Fund Costs	\$ 50,480
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$50,480 for the Interoperability Project program. This represents a decrease of \$1,256 (-2.4%) from the FY 2019-20 Adopted Budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 48,359	\$ -	\$ 48,539	\$ 48,539
Cost Allocation	\$ 274	\$ 1,059	\$ 770	\$ 728
Contingencies	\$ -	\$ -	\$ 2,427	\$ 1,213
Total Expenditures	\$ 48,633	\$ 1,059	\$ 51,736	\$ 50,480
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 48,633	\$ 1,059	\$ 51,736	\$ 50,480

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Code Enforcement

Budget Unit 100-20-202

General Fund - Law Enforcement - Code Enforcement

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

In FY 2018-19, this program was transferred to a new Code Enforcement division in Planning and Community Development as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-74-202. This program will remain in order to maintain historical data. Once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 2,232	\$ 313	\$ -	\$ -
Fines and Forfeitures	\$ 279,749	\$ 65,705	\$ -	\$ -
Total Revenues	\$ 281,981	\$ 66,018	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 236,925	\$ 81,099	\$ -	\$ -
Employee Benefits	\$ 97,924	\$ 38,072	\$ -	\$ -
Materials	\$ 40,563	\$ 3,816	\$ -	\$ -
Contract Services	\$ 218,530	\$ 79,470	\$ -	\$ -
Cost Allocation	\$ 92,091	\$ 7,493	\$ -	\$ -
Total Expenditures	\$ 686,033	\$ 209,950	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 404,052	\$ 143,932	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Innovation and Technology

Budget Unit	Program	2021 Proposed Budget
I&T Administration		\$ 407,779
610-30-300	Innovation & Technology Administration	\$ 407,779
Video		\$ -
100-31-305	Video	\$ -
100-31-307	Public Access Support	\$ -
Applications		\$ 2,031,386
100-32-308	Applications	\$ 2,031,386
Infrastructure		\$ 2,136,777
610-34-310	Infrastructure	\$ 2,136,777
GIS		\$ 1,106,521
610-35-986	GIS	\$ 1,106,521
Total		\$ 5,682,463

Department Overview

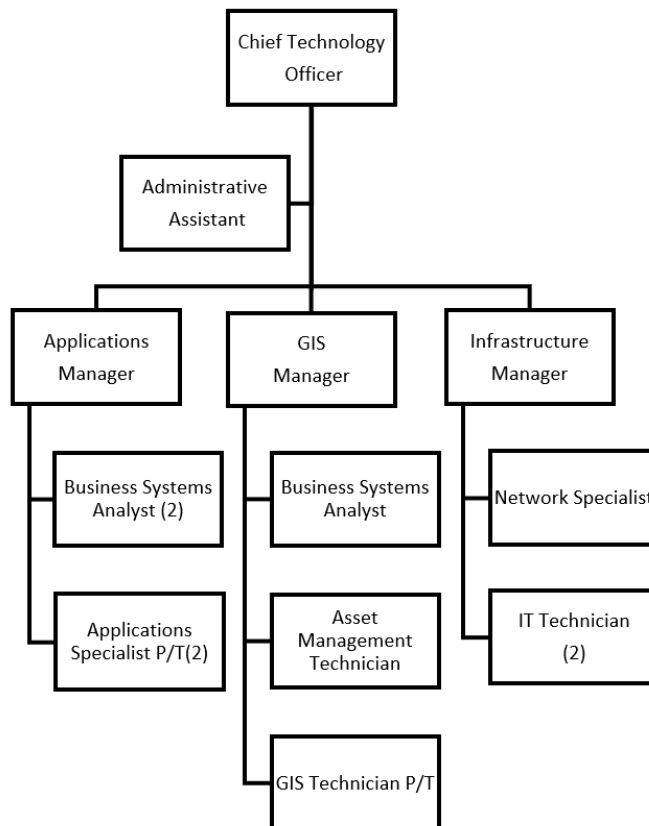
Budget at a Glance

2021 Proposed Budget

Total Revenues	\$ 3,989,234
Total Expenditures	\$ 5,682,463
Fund Balance	\$ (565,646)
General Fund Costs	\$ 1,127,583
% Funded by General Fund	19.8%
Total Staffing	11.93 FTE

Organization

Bill Mitchell, Chief Technology Officer



Performance Measures

Goal: Provide superior delivery of information and technology services to city employees and constituents while continually enhancing levels of engagement.

Benefit: Integrated information services enable customer access to the tools and information they need, when and where they need it.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July - Dec	Ongoing Target
GIS: Open Data average site visits per month	200	210	180	190
GIS: % of time spent Developing Applications/% of time Maintaining applications	Not tracked	Not tracked	Not tracked	35%/65%
GIS: Met Requests within SLA (map, data, Web maps, Cityworks, schema, other) completed	100%	100%	100%	100%
GIS: Increase Property Information (Internal/External) site visits per month	369/No Data	420/383	601/624	610/440
GIS: Cityworks utilization - # of operational asset types Cupertino maintains vs # of operational asset types maintained in Cityworks. Also the % increase of work units completed (WOs, INSP,SRs)	42/18 10%	42/20 14%	42/21 20%	42/25 25%
Infrastructure: Percentage based upon number of scheduled projects/Number of projects completed on time	160% 8/5	100% 6/6	100% 3/3 (July - Dec) 60% 3/5 (FY20)	100%
Infrastructure: Percentage based upon number of HelpDesk KACE tickets/SLA measurements	99%	99%	99.7% 1114/1117	90%
Infrastructure: % Customer satisfaction based upon Satisfaction Rate from KACE tickets	100%	99%	100.00%	85%
Infrastructure: % of network uptime (not including planned maintenance)	99.99%	99.80%	99.90%	99%
Applications: % of citywide-enterprise application project management performed on time and on budget	96%	95%	95%	95%
Applications: Number of website visits/hits ²	1,573,821	1,615,799	846,389	5% annual increase

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July - Dec	Ongoing Target
Applications: Number of support request for the applications support per month	*	*	25	20

Video³

¹ Tracking started in FY 2016-17 Q2

² Corrected to include total number of visits/hits

³ Video Division Performance Measures can be found in the Administration Department

Workload Indicators

Applications Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Application Support & Maintenance ¹	Not tracked	Not tracked	Not tracked
Application Development ²	Not tracked	Not tracked	Not tracked
Percentage of Project Management Performed on Time and Budget for Citywide Applications ³	96%	96%	96%

¹The Applications division is responsible for supporting enterprise applications like ERP, Land Management System, Recreation System, Laserfiche and many e-services custom applications like bid management, permit parking etc. business license as well as city's mobile apps. All these applications require constant support and maintenance. The related tasks may range from providing user access updates to issues that may require intensive programming to resolve. Troubleshooting existing or building new application configuration rules and parameters based on the current business process or new requirements. Creating custom application workflows in back office applications like Accela, and New World. Configure fee schedules in enterprise applications. Some issues require working and coordinating with software vendors to identify and resolve business workflows and other operational related problems. Coordinating the scheduling of corrective patches and upgrades between vendors and staff.

²The Applications division creates custom applications like Community Hall Speaker Card app and Bid Management app. The application development goes through all stages of Software Development Life Cycle (SDLC) of Requirement-gathering, Analysis, Designing, Coding, Testing and Deployment of these applications. The Application team works with various staff members and other key stakeholders during various phases of SDLC. Application staff gather business requirements, participate in a variety of system user and work groups to identify user needs and operational, programmatic, and or regulatory changes affecting application requirements and other related issues. Perform software application coding, building system integration and interfaces between applications. Perform end user application tests for functionality and usability. Writing test scripts based on business processes. Perform system tests, integration test and performance (volume) tests.

³This measure involves the task of project research and communications, project charter creation, creating or reviewing statement of work, contractor research and selection process, activity and resource planning, creation of work breakdown structure, team building, time management, deliverable management, customer satisfaction, risk management, communication management, project closeout process and documentation.

Infrastructure Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Percentage of helpdesk requests completed 48 hours or less ¹	99%	Not tracked	Not tracked
% of network uptime ²	99.9%	Not tracked	Not tracked
Number of IT Projects Completed ³	160% 8/5	Not tracked	Not tracked

¹Infrastructure is responsible for the acquisition, maintenance and support of all computer hardware necessary for the City's leading edge network (server, storage, switch, security, appliance) and end user (PC, tablet, VoIP Devices, Smartphones) services. Exemplary customer service coupled with highly skilled staff is the trademark of this team.

²Ensuring the City's vast network environment meets Business Continuity and Disaster Recovery requirements is a major responsibility of Infrastructure. Two geographically diverse data centers connected with a high speed Ethernet connection that traverses over 1000 miles provides this much needed service. 24x7 monitoring is done via a plethora of tools and contract services managed by Infrastructure.

³PC based applications such as Microsoft Office, Team Collaboration, Adobe, Softphone, Antivirus, Teleconferencing and many more are procured, configured, maintained and supported. Citywide education of these products as well as end user security is the responsibility of Infrastructure which ensures a skilled City staff that know how to utilize software efficiently and securely.

GIS Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Hours Spent Web Application Development ¹ Map, Data, Analysis, Report, Application Configuration Requests, Workflow Enhancements Completed Requests ²	Not tracked	Not tracked	Not tracked
Number of I&T workplan projects completed ³	360	Not tracked	Not tracked
	Not tracked	Not tracked	Not tracked

¹The GIS Division builds web applications for staff to use as a tool in their daily workflows. The web application Property Info is a great example of this. Staff use it to review properties for development - select a property see all the associated layers of data, and access any related laserfiche documents. Property info is the main web mapping application staff use so we are constantly making improvements based on requests or new advancements in web development, or available widgets. We also create a number of web applications for the public <https://www.cupertino.org/online-services/open-government-data/city-maps/web-maps-and-applications> everything from the service finder that give residents a one stop shop of all City services to the CIP story map that give the public a visually appealing way to quickly interpret what capitol improvement projects are scheduled this year, where the project is located, what the project entails, and current status.

2GIS receives requests from staff and sometimes Commissioners, Sheriffs office, City Council members...These requests range from hard copy maps (ex. Update a zoning designation and print all new zoning maps) to interactive web maps (ex. PW had a consultant evaluate a section of Regnart Rd and Chad asked us to create a web map with the data point locations and associate photos), data request (ex. how many Trees were trimmed this year), Data changes (ex. can I see this layer symbolized by status and added to property info application), crystal report requests (ex. fleet wants a report that shows how many times each vehicle has a repair work order based on a dynamic timeframe), to application modifications (ex. the Tree Division is tasked with mediating a tree virus issue and they would like a new work order type so they can track the problem over time or Planning had us create a layer for private trees and then add it to the Property info application.) Evaluating staff use of an application and implementing ways to streamline that workflow. Reduce the number of steps to performing a task by configuring/coding an application in a way that eliminates redundancies. We are also asked to configure GIS for enterprise applications such as Accela and ActiveNet.

3Project research and communications, project charter creation, SOW creation, contractor research and selection process, activity & resource planning/work breakdown structure, team building and motivation, time management, deliverable management, ensuring customer satisfaction, risk management, communication management, project closeout process, documentation

Video Division

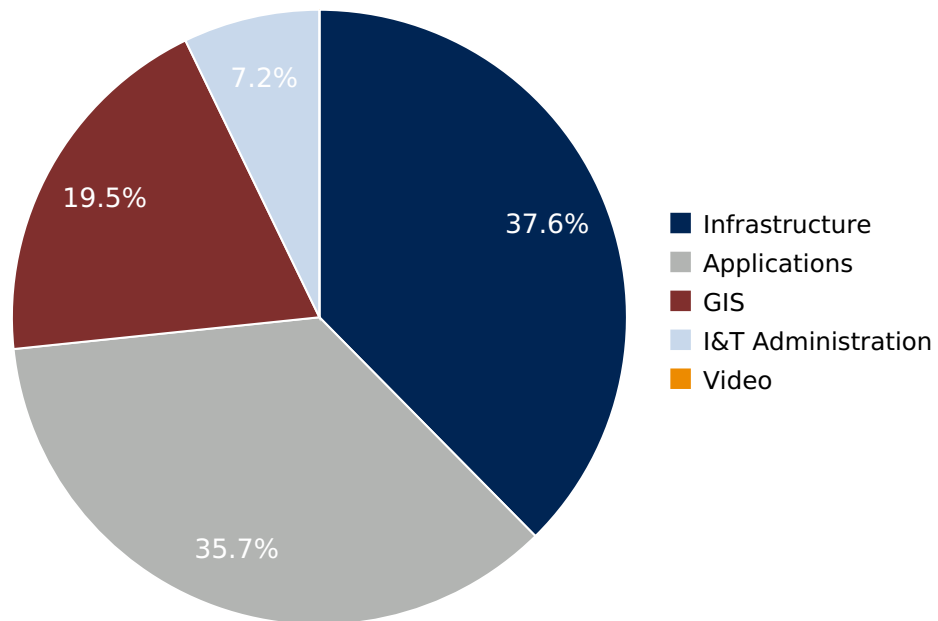
Video Division Workload Indicators can be found in the Administration Department

Proposed Budget

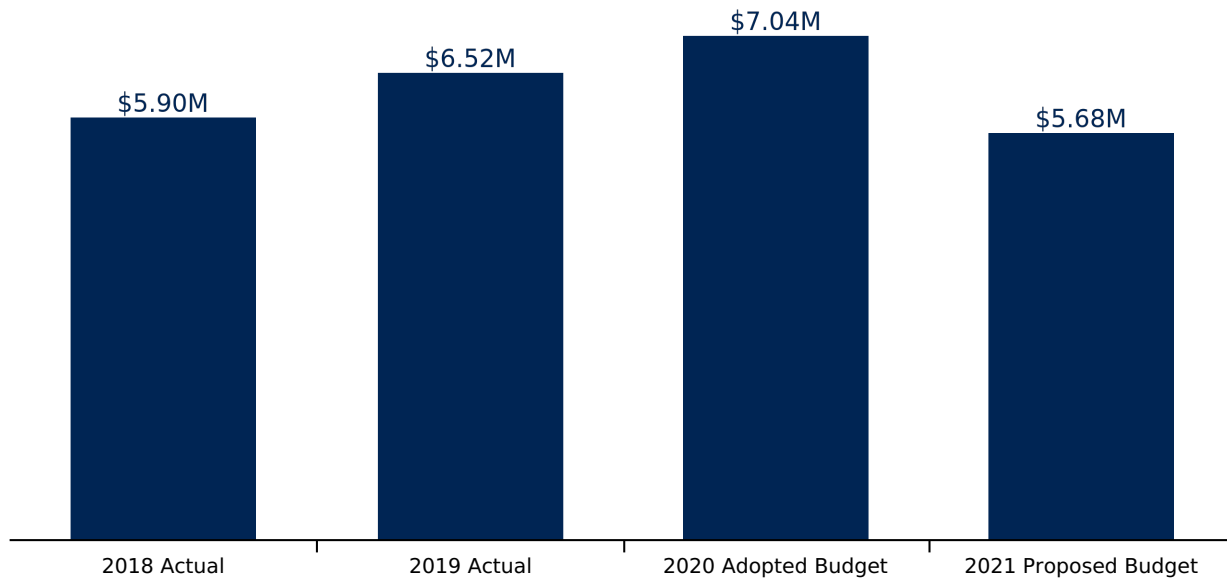
It is recommended that City Council approve a budget of \$5,682,463 for the Innovation and Technology department. This represents a decrease of \$1,358,157 (-19.3%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to a decrease in cost allocation expenses. Cost allocation charges are decreasing due to a change in methodology for allocating Internal Service Fund charges to other Departments.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 13,496	\$ -	\$ -
Charges for Services	\$ 10,491	\$ 3,765,092	\$ 2,741,301	\$ 3,989,234
Total Revenues	\$ 10,491	\$ 3,778,588	\$ 2,741,301	\$ 3,989,234
Expenditures				
Employee Compensation	\$ 1,875,708	\$ 2,060,331	\$ 2,075,295	\$ 1,935,740
Employee Benefits	\$ 800,653	\$ 818,248	\$ 818,509	\$ 786,454
Materials	\$ 1,509,073	\$ 1,200,801	\$ 1,497,068	\$ 1,804,586
Contract Services	\$ 741,129	\$ 917,642	\$ 860,743	\$ 490,949
Cost Allocation	\$ 781,281	\$ 1,295,911	\$ 1,340,726	\$ 246,932
Special Projects	\$ 191,925	\$ 230,769	\$ 345,500	\$ 340,000
Contingencies	\$ -	\$ -	\$ 102,779	\$ 77,802
Total Expenditures	\$ 5,899,769	\$ 6,523,702	\$ 7,040,620	\$ 5,682,463
Fund Balance	\$ (2,381,425)	\$ 257,917	\$ (858,222)	\$ (565,646)
General Fund Costs	\$ 3,507,850	\$ 3,003,035	\$ 3,441,097	\$ 1,127,583

Staffing

Total current positions - 14.95 FTE

Total proposed positions - 11.93 FTE

Innovation & Technology Administration

Budget Unit 610-30-300

Information Technology - I&T Administration - Innovation & Technology Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 407,779
Fund Balance	\$ (407,779)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.53 FTE

Program Overview

The Innovation & Technology Department Administration Division is responsible for the strategic planning, governance, policy setting, and leadership in the use of digital services for the City. The services include a state of the art network which provides transport for best of class business applications, e.g., financial, land management, recreation, asset management, HR, e-commerce and work order management. Additionally, Administration ensures oversight of budget, tactical plans, succession planning, partnership development (internal/external) and staffing. Procurement and budget monitoring are also responsibilities of Administration.

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.

Proposed Budget

It is recommended that City Council approve a budget of \$407,779 for the Innovation & Technology Administration program. This represents an increase of \$109,781 (36.8%) from the FY 2019-20 Adopted Budget.

The increase is mainly due to special projects in FY 2019-20 related to the Work Program. The projects include pilot adaptive traffic signaling, pilot multi-modal traffic count, pilot noise measurement, pilot pollution monitoring, pilot trash collection, and pilot water scheduling. Cost allocation charges are decreasing due to a

change in methodology for allocating Internal Service Fund charges to other Departments.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Pilot Adaptive Traffic Signaling	\$65,000	\$65,000	General Fund	Adaptive Traffic Signaling (ATS) to mitigate traffic
Pilot Multi-modal Traffic Count	\$40,000	\$40,000	General Fund	Tools to measure multi-modal traffic in real-time
Pilot Noise Measurement	\$35,000	\$35,000	General Fund	IOT sensors will be deployed to measure noise levels due to air traffic
Pilot Pollution Monitoring	\$35,000	\$35,000	General Fund	IOT sensors will be deployed to measure particulate size
Pilot Trash Collection	\$25,000	\$25,000	General Fund	IOT sensors will be used to create a more efficient pick-up schedule based on the volume of trash in a container.
Pilot Waste Management	\$10,000	\$10,000	General Fund	Moisture sensors will be used to determine if/when a median should be watered
Total	\$210,000	\$210,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 359,741	\$ 235,631	\$ -
Total Revenues	\$ -	\$ 359,741	\$ 235,631	\$ -
Expenditures				
Employee Compensation	\$ 143,639	\$ 95,800	\$ 81,057	\$ 112,457
Employee Benefits	\$ 66,242	\$ 39,116	\$ 33,737	\$ 45,468
Materials	\$ 14,004	\$ 9,900	\$ 17,223	\$ 16,784
Contract Services	\$ 3,017	\$ 21,329	\$ 75,223	\$ 16,000
Cost Allocation	\$ 20,080	\$ 85,954	\$ 89,236	\$ -
Special Projects	\$ -	\$ -	\$ -	\$ 210,000
Contingencies	\$ -	\$ -	\$ 1,522	\$ 7,070
Total Expenditures	\$ 246,982	\$ 252,099	\$ 297,998	\$ 407,779
Fund Balance	\$ (246,981)	\$ 107,642	\$ (62,367)	\$ (407,779)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.55 FTE

Total proposed positions - 0.53 FTE

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

Video

Budget Unit 100-31-305

General Fund - Video - Video

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

In FY 2020-21, this program will be transferred to the City Manager's Office. A complete discussion of this program can be found under Budget Unit 100-12-305. 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 13,496	\$ -	\$ -
Charges for Services	\$ 10,491	\$ 11,164	\$ 9,600	\$ -
Total Revenues	\$ 10,491	\$ 24,660	\$ 9,600	\$ -
Expenditures				
Employee Compensation	\$ 501,030	\$ 493,401	\$ 505,959	\$ -
Employee Benefits	\$ 184,147	\$ 177,043	\$ 189,897	\$ -
Materials	\$ 37,688	\$ 38,380	\$ 107,040	\$ -
Contract Services	\$ 86,141	\$ 103,565	\$ 110,468	\$ -
Cost Allocation	\$ 204,749	\$ 344,883	\$ 280,610	\$ -
Special Projects	\$ 126,281	\$ 188,879	\$ 155,000	\$ -
Contingencies	\$ -	\$ -	\$ 9,125	\$ -
Total Expenditures	\$ 1,140,036	\$ 1,346,151	\$ 1,358,099	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,129,545	\$ 1,321,493	\$ 1,348,499	\$ -

Staffing

Total current positions - 3.25 FTE

Total proposed positions - 0.00 FTE

Public Access Support

Budget Unit 100-31-307

General Fund - Video - Public Access Support

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

In FY 2020-21, this program will be transferred to the City Manager’s Office. A complete discussion of this program can be found under Budget Unit 100-12-307. 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 68,121	\$ 70,301	\$ 71,542	\$ -
Cost Allocation	\$ 893	\$ 1,961	\$ 1,828	\$ -
Contingencies	\$ -	\$ -	\$ 3,577	\$ -
Total Expenditures	\$ 69,014	\$ 72,262	\$ 76,947	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 69,014	\$ 72,262	\$ 76,947	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Applications

Budget Unit 100-32-308

General Fund - Applications - Applications

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,307,803
Total Expenditures	\$ 2,031,386
Fund Balance	\$ -
General Fund Costs	\$ 723,583
% Funded by General Fund	35.6%
Total Staffing	3.50 FTE

Program Overview

The Applications Division is responsible for requirements gathering, design, development, procurement, project management, implementation and ongoing maintenance of all enterprise applications, e.g., Financial Enterprise Resource Planning (ERP), Land Based Management System, Recreation Software. Additionally and Electronic Content Management (Records Retention). Additionally, the Applications Division is responsible for the City's website, Intranet, mobile apps and e-service applications, e.g., permit request/payment, public records act (PRA), job application, business license, contract and bid management applications.

Service Objectives

- Deliver business solutions that meet customer requirements and integrate within the City's application framework.
- Assist departments in developing streamlined and effective business processes that are easy to understand and translate into existing and new enterprise applications.
- Work closely with City staff and members of the community to ensure that the City's enterprise applications are relevant and provide value to all the stakeholders.
- Collaborate with various City departments to determine that the City's enterprise applications meet the functional requirements and long-term application implementation 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.

Proposed Budget

It is recommended that City Council approve a budget of \$2,031,386 for the Applications program. This represents an increase of \$87,735 (4.5%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to increases in salaries, benefits, and materials expenses. This is offset by a decrease in cost allocation expenses. The increase in salaries and benefits expenses is due to negotiated increases. The increase in materials expenses is related to enhancing ProjectDox software which is utilized for

electronic plan submission and review. Cost allocation charges are decreasing due to a change in methodology for allocating Internal Service Fund charges to other Departments.

ProjectDox improves the permitting process, making it fast and easy to submit requests, plan check review documents and drawings, and process corrections - all visible to the customer. IT is proposing to move the current on-prem application to cloud based enterprise SaaS. The move allows for increased functionality for Building and provides additional workflows for Planning and Public Works. Additionally, this change aligns with the IT Strategic Plan in transitioning from on-prem to the cloud based applications.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Vehicle Miles Travelled	\$25,000	\$25,000	General Fund	Select an application that can automate analysis of Vehicle Miles Travelled (VMT) through crowd sourcing or similar technology.
Total	\$25,000	\$25,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ -	\$ 1,307,803
Total Revenues	\$ -	\$ -	\$ -	\$ 1,307,803
Expenditures				
Employee Compensation	\$ 425,079	\$ 488,649	\$ 506,539	\$ 623,650
Employee Benefits	\$ 152,025	\$ 167,895	\$ 172,493	\$ 225,939
Materials	\$ 872,533	\$ 510,914	\$ 776,401	\$ 989,941
Contract Services	\$ 214,457	\$ 298,617	\$ 187,502	\$ 131,833
Cost Allocation	\$ 84,240	\$ 143,205	\$ 178,096	\$ -
Special Projects	\$ 11,250	\$ -	\$ 80,000	\$ 25,000
Contingencies	\$ -	\$ -	\$ 42,620	\$ 35,023
Total Expenditures	\$ 1,759,584	\$ 1,609,280	\$ 1,943,651	\$ 2,031,386
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,759,583	\$ 1,609,280	\$ 1,943,651	\$ 723,583

Staffing

Total current positions - 3.45 FTE

Total proposed positions - 3.50 FTE

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

Infrastructure

Budget Unit 610-34-310

Information Technology - Infrastructure - Infrastructure

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,767,098
Total Expenditures	\$ 2,136,777
Fund Balance	\$ 34,321
General Fund Costs	\$ 404,000
% Funded by General Fund	18.9%
Total Staffing	4.50 FTE

Program Overview

The IT Infrastructure Division is responsible for technology-related expenses for the citywide management of information technology services. The Infrastructure Manager and staff are responsible for computer helpdesk, network 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 of systems. Infrastructure is also tasked with ensuring that the City continues to follow best practices in technology adoption and security practices.

Service Objectives

- Provide and continuously improve helpdesk support as this function is often the face of IT that staff interacts with on a daily basis.
- Maintain standards and procedures for the replacement, support, and maintenance of all City-owned computing devices, printers, networks, peripherals and systems defined by City policy.
- Continue innovation and outreach to ensure the City follows best IT practices relating to equipment, policy, and security practices.

Proposed Budget

It is recommended that City Council approve a budget of \$2,136,777 for the Infrastructure program. This represents a decrease of \$131,055 (-5.8%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to a decrease in cost allocation expenses. This is offset by increases to negotiated salaries, benefits, and materials expenses. The increase to salaries and benefits expenses is due to negotiated increases. The increase to materials expenses is due to new projects such as the Blackberry Farm Zoom Room. Cost allocation charges are decreasing due to a change in methodology for allocating Internal Service Fund charges to other Departments.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Artificial Intelligence Remediation	\$50,000	\$50,000	General Fund	See Below
Facility Battery	\$40,000	\$40,000	General Fund	See Below
Total	\$90,000	\$90,000		

In FY 2020-21, Infrastructure plans to implement AI remediation tools. Cyber intrusion, e.g., Ransomware, continues to negatively impact both public and private entities. Each year reports of cities falling victim to ransomware and the significant cost in dollars, downtime and customer service is of significant concern. Recently the financial impact to individual cities were in the millions of dollars. The AI will learn the City's network patterns and isolate patterns that deviate outside the norm, allowing the City to respond immediately to cyber intrusion. Ongoing costs will be \$50,000 per year if approved.

A data center facility battery for City Hall is also planned. Due to more stringent air quality regulations, replacing the generator is not viable with the current state of the City Hall building, which is currently near maximum critical loads. In the event a power event damages critical infrastructure due to generator malfunction or brownout, the City risks extended downtime due to equipment damage. An extended run-time backup battery will ensure proper operation and protection of critical business equipment.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 2,284,031	\$ 1,629,376	\$ 1,767,098
Total Revenues	\$ -	\$ 2,284,031	\$ 1,629,376	\$ 1,767,098
Expenditures				
Employee Compensation	\$ 445,632	\$ 537,277	\$ 527,859	\$ 645,656
Employee Benefits	\$ 235,859	\$ 248,851	\$ 251,652	\$ 283,050
Materials	\$ 503,552	\$ 516,478	\$ 431,601	\$ 593,060
Contract Services	\$ 254,464	\$ 300,142	\$ 306,254	\$ 252,554
Cost Allocation	\$ 373,784	\$ 553,720	\$ 605,404	\$ 246,932
Special Projects	\$ 34,829	\$ 41,890	\$ 110,500	\$ 90,000
Contingencies	\$ -	\$ -	\$ 34,562	\$ 25,525
Total Expenditures	\$ 1,848,120	\$ 2,198,358	\$ 2,267,832	\$ 2,136,777
Fund Balance	\$ (1,298,412)	\$ 85,672	\$ (566,456)	\$ 34,321
General Fund Costs	\$ 549,708	\$ -	\$ 72,000	\$ 404,000

Staffing

Total current positions - 4.50 FTE

Total proposed positions - 4.50 FTE

There are no changes to the current level of staffing.

GIS

Budget Unit 610-35-986

Information Technology - GIS - GIS

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 914,333
Total Expenditures	\$ 1,106,521
Fund Balance	\$ (192,188)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.40 FTE

Program Overview

The Geographic Information Systems (GIS) program captures, manages, analyzes, and displays all forms of geographically referenced information for the City of Cupertino. Through maps, reports, dashboards, 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!

Service Objectives

- Cupertino GIS works to provide and support state-of-the-art GIS mapping services and applications in the rapidly evolving and expanding field of geospatial technology.
- Create, collect, maintain, and distribute high quality, up-to-date, and complete geospatial data.
- Ensure that the City’s GIS systems and data are available for day-to-day City and regional purposes.
- Share the City’s GIS data and services as widely as possible.
- Raise the awareness of GIS.
- Integrate spatial technology into Cupertino’s business processes and applications.
- Support emergency planning, response, and recovery.

Proposed Budget

It is recommended that City Council approve a budget of \$1,106,521 for the GIS program. This represents an increase of \$10,428 (1.0%) from the FY 2019-20 Adopted Budget.

The budget is relatively unchanged from the prior fiscal year. Increases in salaries and benefits are due to negotiated increases. This is offset by decreases in cost allocation expenses. Cost allocation charges are decreasing due to a change in methodology for allocating Internal Service Fund charges to other Departments.

In FY 2020-21, GIS plans to pilot different sensor programs. ESRI IOT for Analytics is a SaaS solution that enables users to ingest, visualize, and analyze spatial big data real-time to gain insights that allow for analysis and data driven action. This application will allow the City to categorize and make sense of the data generated

from sensors. This is the underlying software for all IOT pilot programs adopted for the FY 2020-21 Work Program. GIS also plans to implement telematics for City vehicles. Telematics will enable fleet managers to download engine performance, and vehicle operations data for City vehicles. This data will help improve preventative maintenance, operator safety, fuel efficiency, vehicle utilization, and reduce vehicle downtime.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
IoT for Analytics	\$15,000	\$15,000	General Fund	A SaaS solution that enables users to ingest, visualize, and analyze spatial big data real-time to gain insights that allow for analysis and data driven action.
Total	\$15,000	\$15,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 1,110,156	\$ 866,694	\$ 914,333
Total Revenues	\$ -	\$ 1,110,156	\$ 866,694	\$ 914,333
Expenditures				
Employee Compensation	\$ 360,328	\$ 445,204	\$ 453,881	\$ 553,977
Employee Benefits	\$ 162,380	\$ 185,343	\$ 170,730	\$ 231,997
Materials	\$ 81,296	\$ 125,129	\$ 164,803	\$ 204,801
Contract Services	\$ 114,929	\$ 123,688	\$ 109,754	\$ 90,562
Cost Allocation	\$ 97,535	\$ 166,188	\$ 185,552	\$ -
Special Projects	\$ 19,565	\$ -	\$ -	\$ 15,000
Contingencies	\$ -	\$ -	\$ 11,373	\$ 10,184
Total Expenditures	\$ 836,033	\$ 1,045,552	\$ 1,096,093	\$ 1,106,521
Fund Balance	\$ (836,032)	\$ 64,603	\$ (229,399)	\$ (192,188)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 3.20 FTE

Total proposed positions - 3.40 FTE

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

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Administrative Services

Budget Unit	Program	2021 Proposed Budget
Administrative Services		\$ 940,863
100-40-400	Administrative Services Administration	\$ 940,863
Finance		\$ 2,049,662
100-41-405	Accounting	\$ 1,644,911
100-41-406	Business Licenses	\$ 404,751
Human Resources		\$ 4,431,444
100-44-412	Human Resources	\$ 1,228,043
642-44-414	Retiree Benefits	\$ 1,211,333
100-44-417	Insurance Administration	\$ 923,953
620-44-418	Workers Compensation Insurance	\$ 276,223
641-44-419	Short Term and Long Term Disability	\$ 171,837
641-44-420	Compensated Absences	\$ 620,055
Total		\$ 7,421,969

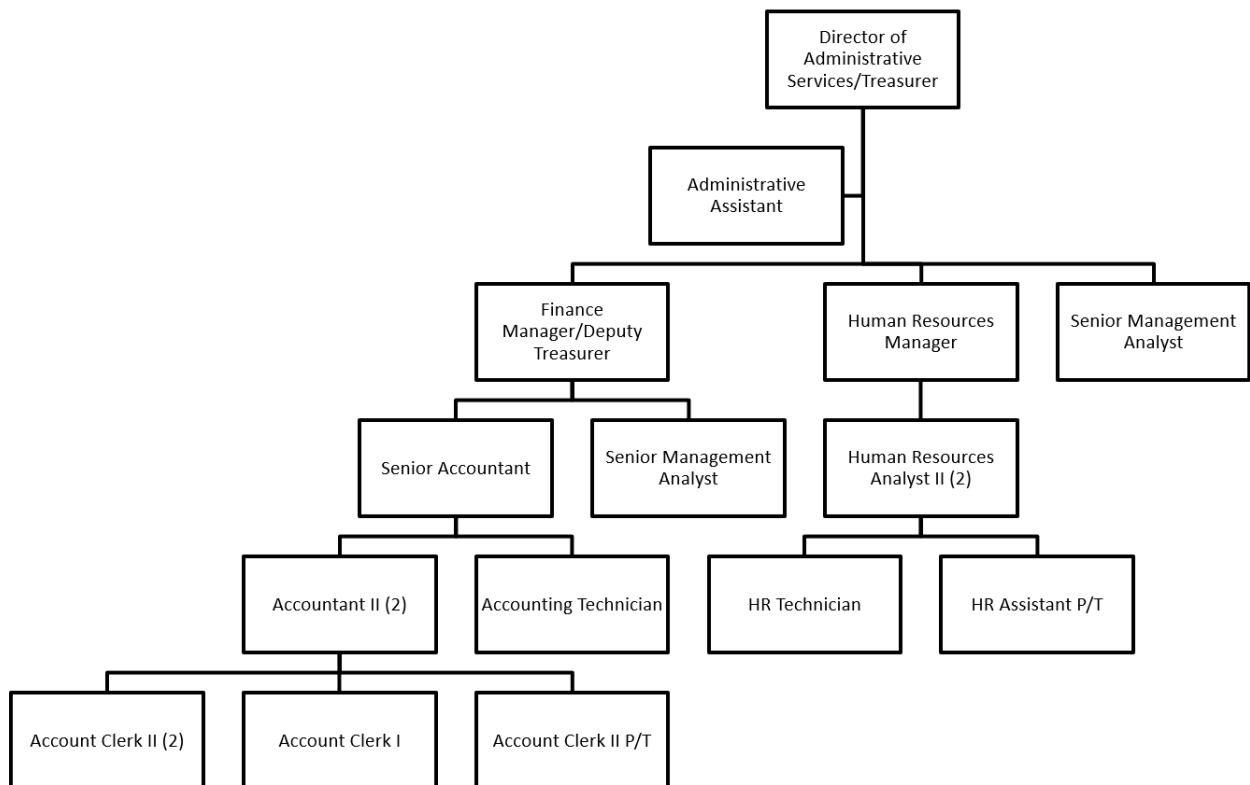
Department Overview

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 4,156,788
Total Expenditures	\$ 7,421,969
Fund Balance	\$ (1,777,063)
General Fund Costs	\$ 1,488,118
% Funded by General Fund	20.1%
Total Staffing	15.90 FTE

Organization

Kristina Alfaro, Director of Administrative Services



Performance Measures

Finance Division

Goal: Financial Stability - Provide a sustainable level of core services that are funded from ongoing and stable revenue sources.

Benefit: Citizens can enjoy high quality of services that meet community priorities.

Performance Measure	FY 2018 July-Jun	FY 2019 July-Jun	FY 2020 July-Dec	Ongoing Target
General fund balance as a % of budgeted appropriations	55%	70%	64%	35%
Credit Rating	AA+	AA+	AA+	AA+
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	45%	48%	57%	63%
Actual revenue vs. budget (within x% budget)	4%	5%	41%	10%
Actual expenditures (% below budget)	13%	10%	46%	5%

Human Resources Division

Goal: To create a thriving organization with meaningful careers in public service.

Benefit: The agency supports a professional and engaged workforce offering diverse and quality community services.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
# of Worker's Compensation Cases	16	12	10	0
Total Recordable Injury Rate YTD	6.4%	4.6%	3.8%	0%
% absenteeism (% of total annual work hours)	4%	2%	2%	2%
% turnover rate	6%	7%	3%	1%
% employee satisfaction	N/A	N/A	N/A	100%
% employee participation in wellness activities	63%	63%	47%	75%
Average # of applications received per recruitment	40	37	43	50
Recruitment timeline - # days from hiring request to offer letter	82	68	83	60
# of employees using the Telework program	15	16	14	17
% utilization of full-service employee portal	100%	100%	100%	100%

Workload Indicators

Finance Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
# of vendor checks processed	6,793	6,536	2,953
# of payroll checks processed	10,387	10,301	5,401
# of business license applications	1,294	1,154	516
# of business license renewals	3,034	2,893	1,153
# of journal entries posted	2,830	4,521	2,279
# of purchase orders approved	597	600	340
# of receipts processed	9,766	13,913	9,496

Human Resources Division

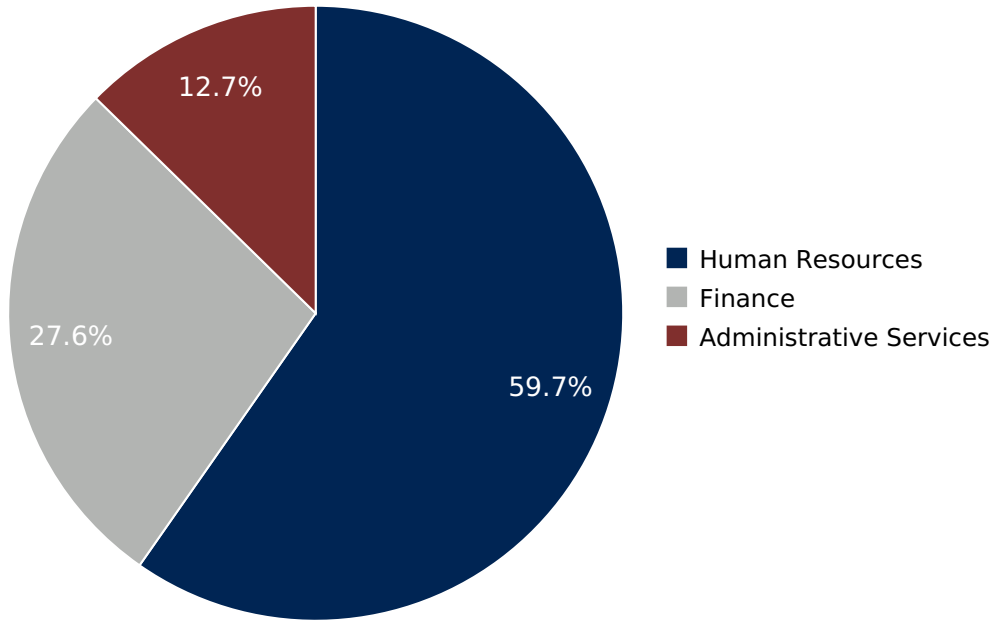
Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
# of regular recruitments	21	21	14
# of regular new hires	26	16	7
# of temporary new hires	101	105	19
# of personnel payroll changes	702	938	547
# of full-time employee exits processed	21	21	9
# of mandated training classes offered*	7	1	-
# of employees participating in the wellness program	111	119	86

* some trainings mandated every other year, however not on the same annual schedule

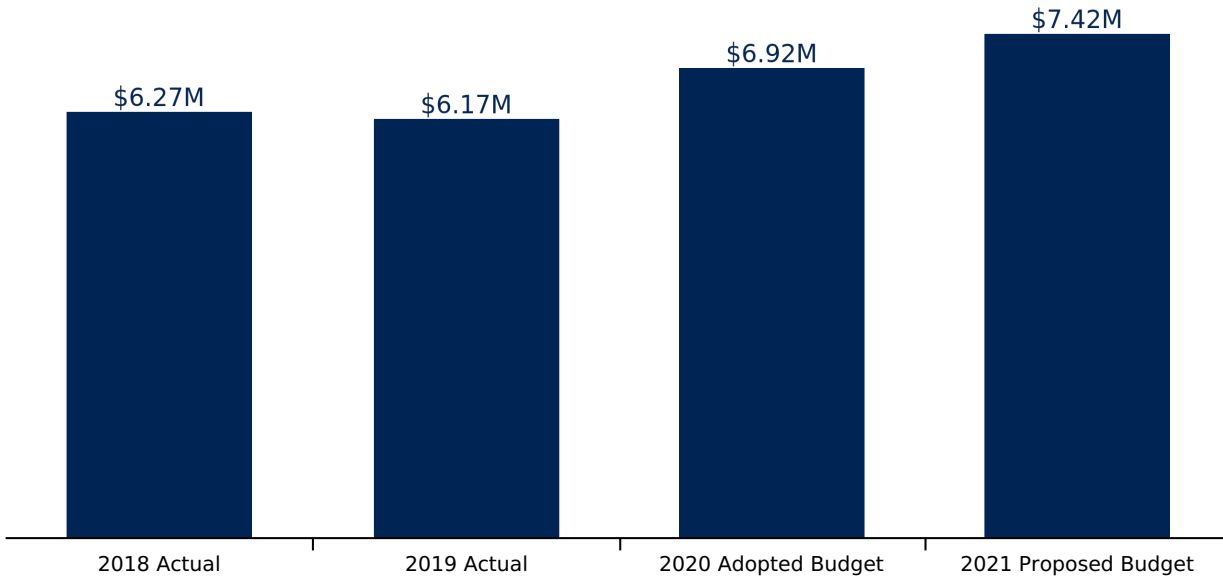
Proposed Budget

It is recommended that City Council approve a budget of \$7,421,969 for the Administrative Services department. This represents an increase of \$505,075 (7.3%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 3,322,468	\$ 3,324,380	\$ 4,133,645	\$ 4,156,788
Miscellaneous Revenue	\$ 22,178	\$ 60,999	\$ 2,293	\$ -
Total Revenues	\$ 3,344,646	\$ 3,385,379	\$ 4,135,938	\$ 4,156,788
Expenditures				
Employee Compensation	\$ 1,480,663	\$ 1,759,429	\$ 1,984,355	\$ 2,150,761
Employee Benefits	\$ 1,738,589	\$ 1,865,631	\$ 1,857,420	\$ 2,179,568
Materials	\$ 155,416	\$ 140,482	\$ 290,702	\$ 300,925
Contract Services	\$ 2,620,686	\$ 2,104,076	\$ 2,340,001	\$ 2,374,960
Cost Allocation	\$ 277,742	\$ 299,513	\$ 266,331	\$ 341,705
Contingencies	\$ -	\$ -	\$ 178,085	\$ 74,050
Total Expenditures	\$ 6,273,096	\$ 6,169,131	\$ 6,916,894	\$ 7,421,969
Fund Balance	\$ 1,947,697	\$ 105,210	\$ 1,847,178	\$ (1,777,063)
General Fund Costs	\$ 4,876,147	\$ 2,888,963	\$ 4,628,134	\$ 1,488,118

Staffing

Total current positions - 16.00 FTE

Total proposed positions - 15.90 FTE

Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 185,799
Total Expenditures	\$ 940,863
Fund Balance	\$ -
General Fund Costs	\$ 755,064
% Funded by General Fund	80.3%
Total Staffing	3.75 FTE

Program Overview

The Administrative Services Administration program oversees and coordinates the Human Resources/Risk Management, Finance, Budget, and Treasury divisions. Staff support is provided to the Fiscal Strategic and Audit Committees, as well as the Santa Clara County Leadership Academy.

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.
- Manage the City's Contract for Law Enforcement Services with the Santa Clara County Sheriff's Office.
- Manage the City's budget process.
- Provide staff support to the Santa Clara County Leadership Academy

Proposed Budget

It is recommended that City Council approve a budget of \$940,863 for the Administrative Services Administration program. This represents an increase of \$79,277 (9.2%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits offset by a decrease in cost allocation resulting from a change in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 67,900	\$ 52,182	\$ 69,263	\$ 185,799
Miscellaneous Revenue	\$ -	\$ 51,504	\$ 2,293	\$ -
Total Revenues	\$ 67,900	\$ 103,686	\$ 71,556	\$ 185,799
Expenditures				
Employee Compensation	\$ 417,410	\$ 586,160	\$ 503,097	\$ 576,540
Employee Benefits	\$ 179,213	\$ 242,161	\$ 221,239	\$ 260,866
Materials	\$ 67,560	\$ 48,002	\$ 93,817	\$ 97,316
Contract Services	\$ 50,855	\$ 14,179	\$ 3,500	\$ 3,618
Cost Allocation	\$ 55,459	\$ 47,985	\$ 35,067	\$ -
Contingencies	\$ -	\$ -	\$ 4,866	\$ 2,523
Total Expenditures	\$ 770,497	\$ 938,487	\$ 861,586	\$ 940,863
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 702,597	\$ 834,801	\$ 790,030	\$ 755,064

Staffing

Total current positions - 3.80 FTE

Total proposed positions - 3.75 FTE

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

Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 2,114,792
Total Expenditures	\$ 1,644,911
Fund Balance	\$ -
General Fund Costs	\$ (469,881)
% Funded by General Fund	-28.6%
Total Staffing	6.85 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,644,911 for the Accounting program. This represents an increase of \$166,546 (11.3%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits and contract services for internal audit offset by a decrease in cost allocation as a result of a change in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 906,996	\$ 1,197,426	\$ 1,673,028	\$ 2,114,792
Miscellaneous Revenue	\$ 7,977	\$ 9,495	\$ -	\$ -
Total Revenues	\$ 914,973	\$ 1,206,921	\$ 1,673,028	\$ 2,114,792
Expenditures				
Employee Compensation	\$ 564,178	\$ 631,541	\$ 742,506	\$ 848,090
Employee Benefits	\$ 232,070	\$ 282,102	\$ 312,458	\$ 377,014
Materials	\$ 29,587	\$ 35,726	\$ 37,322	\$ 38,537
Contract Services	\$ 833,287	\$ 260,518	\$ 312,220	\$ 368,470
Cost Allocation	\$ 80,321	\$ 80,706	\$ 58,882	\$ -
Contingencies	\$ -	\$ -	\$ 14,977	\$ 12,800
Total Expenditures	\$ 1,739,443	\$ 1,290,593	\$ 1,478,365	\$ 1,644,911
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 824,469	\$ 83,672	\$ (194,663)	\$ (469,881)

Staffing

Total current positions - 6.90 FTE

Total proposed positions - 6.85 FTE

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

Business Licenses

Budget Unit 100-41-406

General Fund - Finance - Business Licenses

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 404,751
Fund Balance	\$ -
General Fund Costs	\$ 404,751
% Funded by General Fund	100.0%
Total Staffing	1.10 FTE

Program Overview

The Business Licenses program monitors 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.

Proposed Budget

It is recommended that City Council approve a budget of \$404,751 for the Business Licenses program. This represents an increase of \$187,270 (86.1%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in cost allocation resulting from a change in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 54,515	\$ 75,264	\$ 80,383	\$ 93,138
Employee Benefits	\$ 24,387	\$ 37,305	\$ 42,069	\$ 59,579
Materials	\$ 905	\$ 416	\$ -	\$ -
Contract Services	\$ 6,271	\$ 6,508	\$ -	\$ -
Cost Allocation	\$ 99,764	\$ 75,257	\$ 95,029	\$ 252,034
Total Expenditures	\$ 185,842	\$ 194,750	\$ 217,481	\$ 404,751
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 185,842	\$ 194,750	\$ 217,481	\$ 404,751

Staffing

Total current positions - 1.10 FTE

Total proposed positions - 1.10 FTE

There are no changes to the current level of staffing.

Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,609,812
Total Expenditures	\$ 1,228,043
Fund Balance	\$ -
General Fund Costs	\$ (381,769)
% Funded by General Fund	-31.1%
Total Staffing	3.85 FTE

Program Overview

The Human Resources Division is responsible for the administration of human resource, employee benefits, and labor relation programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee training and development, benefits, and retirement. In addition, Human Resources administers 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 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,228,043 for the Human Resources program. This represents a decrease of \$112,794 (-8.4%) from the FY 2019-20 Adopted Budget.

The decrease in salary is due to a reduction in part-time staffing. The decrease in contract services is due to the end of the HR office space lease. The decrease in cost allocation is due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 708,224	\$ 788,243	\$ 959,351	\$ 1,609,812
Miscellaneous Revenue	\$ 14,201	\$ -	\$ -	\$ -
Total Revenues	\$ 722,425	\$ 788,243	\$ 959,351	\$ 1,609,812
Expenditures				
Employee Compensation	\$ 398,729	\$ 436,100	\$ 616,234	\$ 585,422
Employee Benefits	\$ 222,405	\$ 214,096	\$ 262,695	\$ 280,114
Materials	\$ 57,355	\$ 56,335	\$ 159,563	\$ 165,072
Contract Services	\$ 286,428	\$ 389,069	\$ 240,962	\$ 184,176
Cost Allocation	\$ 18,646	\$ 57,838	\$ 42,307	\$ -
Contingencies	\$ -	\$ -	\$ 19,076	\$ 13,259
Total Expenditures	\$ 983,563	\$ 1,153,438	\$ 1,340,837	\$ 1,228,043
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 261,139	\$ 365,195	\$ 381,486	\$ (381,769)

Staffing

Total current positions - 3.85 FTE

Total proposed positions - 3.85 FTE

There are no changes to the current level of staffing.

Retiree Benefits

Budget Unit 642-44-414

Retiree Medical - Human Resources - Retiree Benefits

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,211,333
Fund Balance	\$ (1,168,333)
General Fund Costs	\$ 43,000
% Funded by General Fund	3.5%
Total Staffing	0.00 FTE

Program Overview

The Retiree Benefits program administers 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,211,333 for the Retiree Benefits program. This represents an increase of \$134,071 (12.4%) from the FY 2019-20 Adopted Budget.

The increase is due to increased retiree benefit costs.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Benefits	\$ 1,059,248	\$ 1,075,908	\$ 1,000,000	\$ 1,179,851
Contract Services	\$ -	\$ -	\$ 20,000	\$ 20,000
Cost Allocation	\$ 5,525	\$ 5,745	\$ 6,262	\$ 10,982
Contingencies	\$ -	\$ -	\$ 51,000	\$ 500
Total Expenditures	\$ 1,064,773	\$ 1,081,653	\$ 1,077,262	\$ 1,211,333
Fund Balance	\$ 1,303,711	\$ 49,821	\$ 1,314,738	\$ (1,168,333)
General Fund Costs	\$ 2,368,484	\$ 1,131,474	\$ 2,392,000	\$ 43,000

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Insurance Administration

Budget Unit 100-44-417

General Fund - Human Resources - Insurance Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 923,953
Fund Balance	\$ -
General Fund Costs	\$ 923,953
% Funded by General Fund	100.0%
Total Staffing	0.15 FTE

Program Overview

The Insurance Administration program 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.
- Promote work environment that emphasizes safe work practices.

Proposed Budget

It is recommended that City Council approve a budget of \$923,953 for the Insurance Administration program. This represents an increase of \$31,802 (3.6%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in cost allocation resulting from a change in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 718,110	\$ 788,243	\$ 959,351	\$ -
Total Revenues	\$ 718,110	\$ 788,243	\$ 959,351	\$ -
Expenditures				
Employee Compensation	\$ 17,488	\$ 11,054	\$ 17,310	\$ 19,372
Employee Benefits	\$ 7,759	\$ 5,186	\$ 8,327	\$ 9,623
Materials	\$ 9	\$ 3	\$ -	\$ -
Contract Services	\$ 715,994	\$ 593,373	\$ 817,833	\$ 827,910
Cost Allocation	\$ 956	\$ 10,698	\$ 7,789	\$ 46,350
Contingencies	\$ -	\$ -	\$ 40,892	\$ 20,698
Total Expenditures	\$ 742,206	\$ 620,314	\$ 892,151	\$ 923,953
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 24,096	\$ (167,929)	\$ (67,200)	\$ 923,953

Staffing

Total current positions - 0.15 FTE

Total proposed positions - 0.15 FTE

There are no changes to the current level of staffing.

Workers Compensation Insurance

Budget Unit 620-44-418

Workers' Compensation - Human Resources - Workers Compensation Insurance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 246,385
Total Expenditures	\$ 276,223
Fund Balance	\$ (29,838)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.20 FTE

Program Overview

This program provides oversight of the Workers' Compensation program, including claims, proactive Risk Management, return to work accommodations and excess workers compensation insurance.

Service Objectives

- Manage employee personal injuries and illnesses and provide proactive risk management for disability avoidance.
- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.

Proposed Budget

It is recommended that City Council approve a budget of \$276,223 for the Workers Compensation Insurance program. This represents an increase of \$18,834 (7.3%) from the FY 2019-20 Adopted Budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 921,238	\$ 498,286	\$ 472,652	\$ 246,385
Total Revenues	\$ 921,238	\$ 498,286	\$ 472,652	\$ 246,385
Expenditures				
Employee Compensation	\$ 28,343	\$ 19,310	\$ 24,825	\$ 28,199
Employee Benefits	\$ 13,507	\$ 8,873	\$ 10,632	\$ 12,521
Contract Services	\$ 300,538	\$ 235,169	\$ 195,486	\$ 205,786
Cost Allocation	\$ 13,442	\$ 16,896	\$ 16,672	\$ 24,572
Contingencies	\$ -	\$ -	\$ 9,774	\$ 5,145
Total Expenditures	\$ 355,830	\$ 280,248	\$ 257,389	\$ 276,223
Fund Balance	\$ 565,408	\$ 218,037	\$ 215,263	\$ (29,838)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing.

Short Term and Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Short Term and Long Term Disability

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 171,837
Fund Balance	\$ (171,837)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

This program oversees claims and premiums associated with Long and Short Term Disability.

Service Objectives

- Obtain and manage insurance policies
- Negotiate rates
- Coordination of claims

Proposed Budget

It is recommended that City Council approve a budget of \$171,837 for the Short Term and Long Term Disability program. This represents an increase of \$12,703 (8.0%) from the FY 2019-20 Adopted Budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 151,893	\$ 156,540	\$ 150,000	\$ 165,000
Cost Allocation	\$ 615	\$ 1,616	\$ 1,634	\$ 2,712
Contingencies	\$ -	\$ -	\$ 7,500	\$ 4,125
Total Expenditures	\$ 152,508	\$ 158,156	\$ 159,134	\$ 171,837
Fund Balance	\$ (152,508)	\$ (158,156)	\$ (159,134)	\$ (171,837)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Compensated Absences

Budget Unit 641-44-420

Compensated Absence/LTD - Human Resources - Compensated Absences

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 620,055
Fund Balance	\$ (407,055)
General Fund Costs	\$ 213,000
% Funded by General Fund	34.4%
Total Staffing	0.00 FTE

Program Overview

This program provides 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.

Proposed Budget

It is recommended that City Council approve a budget of \$620,055 for the Compensated Absences program. This represents a decrease of \$12,634 (-2.0%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 275,420	\$ 448,720	\$ 600,000	\$ 600,000
Cost Allocation	\$ 3,014	\$ 2,772	\$ 2,689	\$ 5,055
Contingencies	\$ -	\$ -	\$ 30,000	\$ 15,000
Total Expenditures	\$ 278,434	\$ 451,492	\$ 632,689	\$ 620,055
Fund Balance	\$ 231,086	\$ (4,492)	\$ 476,311	\$ (407,055)
General Fund Costs	\$ 509,520	\$ 447,000	\$ 1,109,000	\$ 213,000

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

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Parks and Recreation

Budget Unit	Program	2021 Proposed Budget
Parks and Recreation		\$ 1,605,078
100-60-601	Recreation Administration	\$ 1,286,738
100-60-634	Park Planning and Restoration	\$ -
100-60-636	Library Services	\$ 318,340
Business and Community Services		\$ 1,734,229
100-61-602	Administration	\$ 762,614
100-61-605	Cultural Events	\$ 469,639
100-61-630	Facilities	\$ 501,976
100-61-632	Community Outreach and Neighborhood Watch	\$ -
Recreation and Education		\$ 4,735,247
100-62-608	Administration	\$ 802,958
580-62-613	Youth Teen Recreation	\$ 1,983,296
100-62-623	Senior Center	\$ 1,432,125
100-62-639	Teen Programs	\$ 314,113
100-62-640	Neighborhood Events	\$ 202,755
Sports, Safety and Outdoor Recreation		\$ 6,214,983
100-63-612	Park Facilities	\$ 1,329,493
100-63-615	Administration	\$ 110,200
560-63-616	Blackberry Farm Golf Course	\$ 691,328
580-63-620	Outdoor Recreation	\$ 1,301,328
570-63-621	Sports Center Operations	\$ 2,782,634
100-63-633	Disaster Preparedness	\$ -
Total		\$ 14,289,537

Department Overview

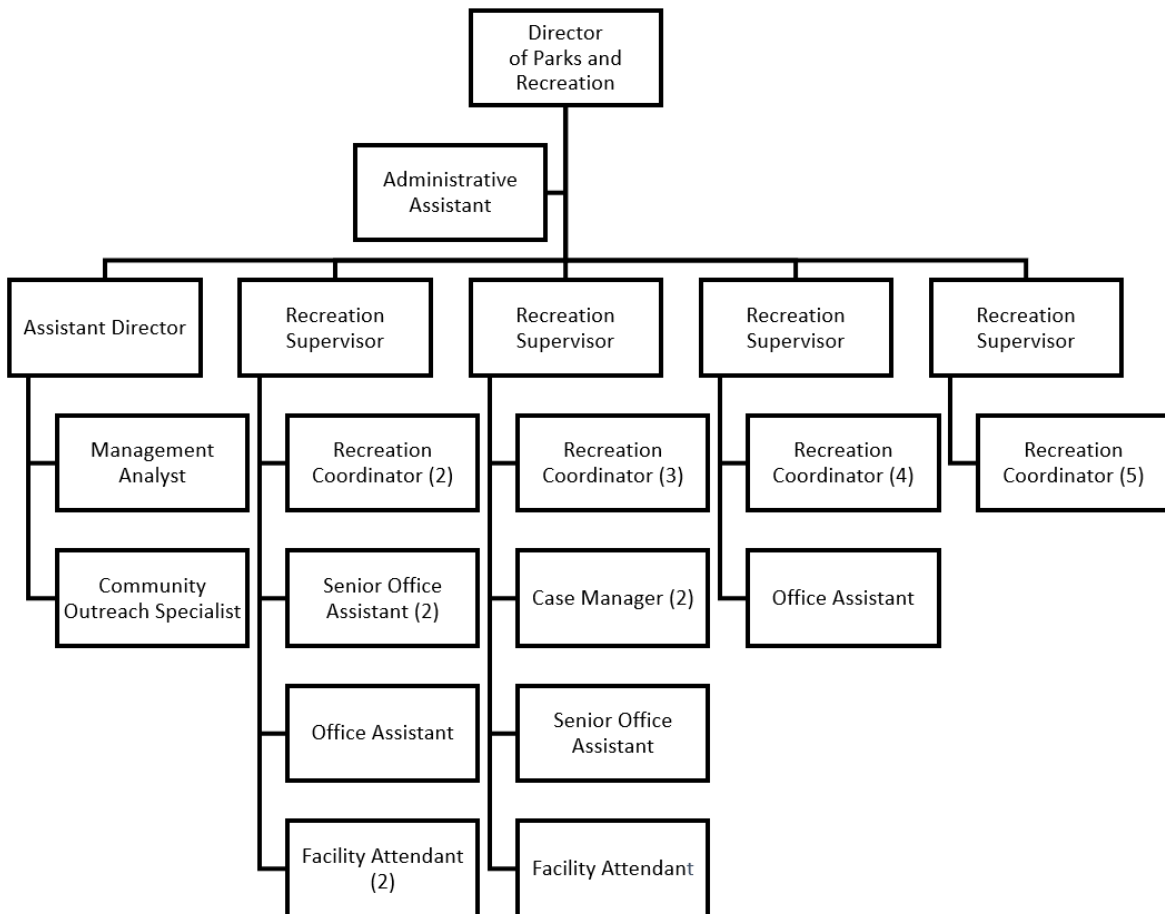
Budget at a Glance

2021 Proposed Budget

Total Revenues	\$ 5,701,329
Total Expenditures	\$ 14,289,537
Fund Balance	\$ 437,268
General Fund Costs	\$ 9,025,476
% Funded by General Fund	63.2%
Total Staffing	31.90 FTE

Organization

Randy Schwartz, Interim Director of Parks and Recreation



Performance Measures

Goal: Create a positive, healthy and connected community.

Benefit: Cupertino has an exceptional system of parks & services that align with community values.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
% of Parks and Recreation Department customers surveyed who rate services as good or excellent	97% ¹	98%	98%	85%
% of programs maintaining minimum registration	70% ¹	70%	69%	80%
% Department's total cost recovery for all (direct and indirect) costs	63% ¹	44%	53%	40%
# of new programs or events offered	119 ¹	105	59	50
% change in participants ²	22% ¹	-7%	-3%	+1%

¹ Due to a server crash in FY 2017-18, activity, facility, and customer information is estimated for the period January – June 2018.

² Decrease due to lack of volunteers to do class counts.

Workload Indicators

Business and Community Services Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of reservations at Quinlan Center	560	402	263
Number of festival applications received	10	10	6

Recreation and Education Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of registrations	2,633	9,165	5,396
Number of survey respondents	110	2187	1501
Number of Senior Center classes offered	246	320	129
Number of Senior Center trips offered	44	45	19

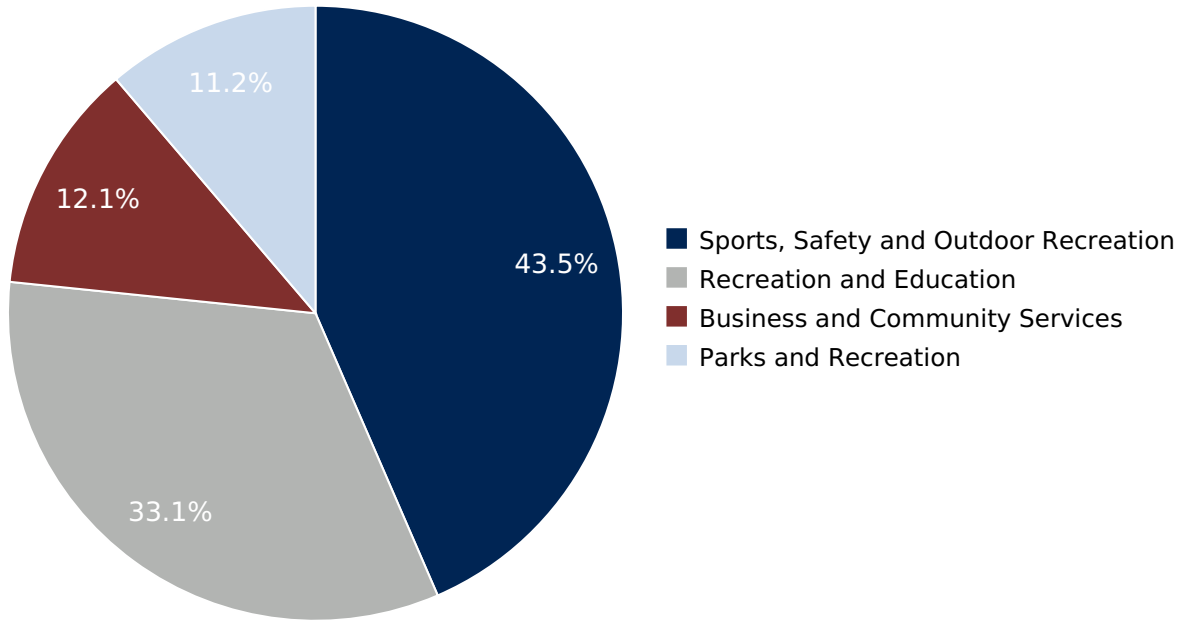
Sports, Safety, and Outdoor Recreation Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of programs offered	835	567	332
Number of picnic reservations at BBF	154	154	227
Number of rounds of golf at BBF Golf Course	28,193	27,205	14,476
Number of Sports Center Memberships	1,885	1,829	1,802

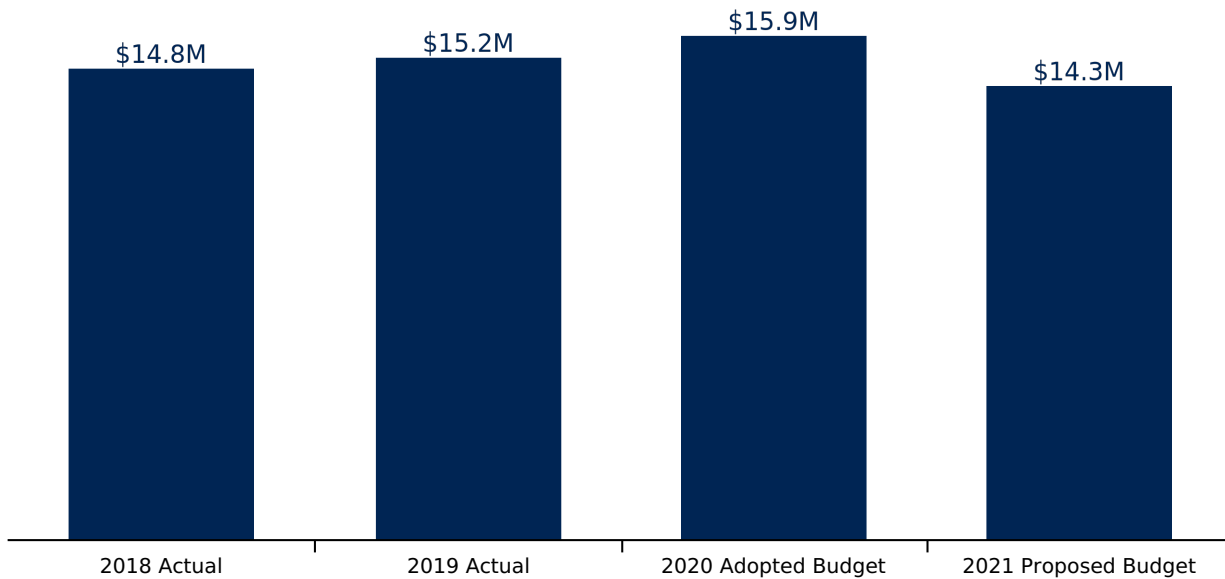
Proposed Budget

It is recommended that City Council approve a budget of \$14,289,537 for the Parks and Recreation department. This represents a decrease of \$1,578,682 (-9.9%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 538,585	\$ 617,779	\$ 400,000	\$ 751,520
Charges for Services	\$ 6,189,628	\$ 5,503,172	\$ 5,608,759	\$ 4,918,809
Miscellaneous Revenue	\$ 43,850	\$ -	\$ -	\$ 31,000
Total Revenues	\$ 6,772,063	\$ 6,120,951	\$ 6,008,759	\$ 5,701,329
Expenditures				
Employee Compensation	\$ 4,559,850	\$ 4,276,261	\$ 4,673,165	\$ 4,802,552
Employee Benefits	\$ 1,544,745	\$ 1,346,670	\$ 1,423,806	\$ 1,516,311
Materials	\$ 780,270	\$ 766,499	\$ 775,552	\$ 798,742
Contract Services	\$ 4,151,481	\$ 4,382,802	\$ 4,181,011	\$ 4,846,007
Cost Allocation	\$ 3,652,570	\$ 4,327,431	\$ 4,539,528	\$ 2,229,446
Special Projects	\$ 146,362	\$ 79,258	\$ 57,500	\$ -
Contingencies	\$ -	\$ -	\$ 217,657	\$ 96,479
Total Expenditures	\$ 14,835,278	\$ 15,178,921	\$ 15,868,219	\$ 14,289,537
Fund Balance	\$ (476,286)	\$ (1,535,531)	\$ (547,989)	\$ 437,268
General Fund Costs	\$ 7,586,928	\$ 7,522,438	\$ 9,311,471	\$ 9,025,476

Staffing

Total current positions - 32.15 FTE

Total proposed positions - 31.90 FTE

Recreation Administration

Budget Unit 100-60-601

General Fund - Parks and Recreation - Recreation Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,286,738
Fund Balance	\$ -
General Fund Costs	\$ 1,286,738
% Funded by General Fund	100.0%
Total Staffing	4.55 FTE

Program Overview

The Recreation Administration program provides overall department administration, project management, community outreach, and support to the Parks and Recreation and Library Commissions.

Service Objectives

- Provide overall department administration, budget control, contract support, policy development, and employee development and evaluation.
- Support the Planning and Public Works Departments in the development, renovation, and improvements of parks and open spaces.
- Complete long-term and strategic plans for the Department including the Parks and Recreation System Master Plan and 3 Year Strategic Plan.
- Monitor and facilitate partnerships in regards to Library and other community organizations.
- Outreach to the community in conjunction with programs and the Parks and Recreation System Master Plan.
- Promote partnerships with Cupertino Union School District, Fremont Union High School District, and De Anza College with quarterly meetings and joint projects.

Proposed Budget

It is recommended that City Council approve a budget of \$1,286,738 for the Recreation Administration program. This represents an increase of \$56,626 (4.6%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged since last fiscal year. This budget will fund a new Summer Camp Recreation Guide that will increase awareness of Cupertino summer camps to increase revenue and community participation.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 39,600	\$ -	\$ -	\$ -
Total Revenues	\$ 39,600	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 301,717	\$ 450,419	\$ 658,554	\$ 686,212
Employee Benefits	\$ 107,447	\$ 166,122	\$ 278,883	\$ 305,203
Materials	\$ 50,180	\$ 51,321	\$ 181,301	\$ 203,668
Contract Services	\$ 27,050	\$ 1,618	\$ 72,912	\$ 84,452
Cost Allocation	\$ 36,814	\$ 35,426	\$ 27,563	\$ -
Contingencies	\$ -	\$ -	\$ 10,899	\$ 7,203
Total Expenditures	\$ 523,208	\$ 704,906	\$ 1,230,112	\$ 1,286,738
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 483,608	\$ 704,906	\$ 1,230,112	\$ 1,286,738

Staffing

Total current positions - 4.60 FTE

Total proposed positions - 4.55 FTE

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

Park Planning and Restoration

Budget Unit 100-60-634

General Fund - Parks and Recreation - Park Planning and Restoration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

In FY 2018-19, this program was transferred to Public Works. A complete discussion of this program can be found under Budget Unit 100-82-806. 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 151,063	\$ 55,606	\$ -	\$ -
Employee Benefits	\$ 63,248	\$ 24,386	\$ -	\$ -
Materials	\$ 2,354	\$ 22	\$ -	\$ -
Contract Services	\$ 1,050	\$ -	\$ -	\$ -
Cost Allocation	\$ 16,662	\$ 6,796	\$ -	\$ -
Total Expenditures	\$ 234,377	\$ 86,810	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 234,377	\$ 86,810	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Library Services

Budget Unit 100-60-636

General Fund - Parks and Recreation - Library Services

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 318,340
Fund Balance	\$ -
General Fund Costs	\$ 318,340
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

Program Overview

This budget augments the existing library service currently provided to our community through the Santa Clara County (SCC) Library Joint Powers Authority.

Service Objectives

- Provide increased library service for our constituents through support of the Go Go Biblio Program.
- Explore partnerships with the SCC Library for recreation and community programs.

Proposed Budget

It is recommended that City Council approve a budget of \$318,340 for the Library Services program. This represents a decrease of \$479,700 (-60.1%) from the FY 2019-20 Adopted Budget.

Decreased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 449,295	\$ 468,023	\$ 117,000	\$ 117,000
Cost Allocation	\$ 334,021	\$ 501,482	\$ 681,040	\$ 198,415
Contingencies	\$ -	\$ -	\$ -	\$ 2,925
Total Expenditures	\$ 783,316	\$ 969,505	\$ 798,040	\$ 318,340
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 783,316	\$ 969,505	\$ 798,040	\$ 318,340

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Administration

Budget Unit 100-61-602

General Fund - Business and Community Services - Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 762,614
Fund Balance	\$ -
General Fund Costs	\$ 762,614
% Funded by General Fund	100.0%
Total Staffing	3.75 FTE

Program Overview

The Business Division supports department programs and services through the provision of customer service and analytical support, development, and administration of policies, and administration of recreation management software. The division is also responsible for the department's community outreach programs, including community festivals and City events at a variety of parks. This division also 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.
- Administer and manage recreation software system for customer registration, memberships, point-of-sale, and facility rentals.
- Collect and analyze data from customer satisfaction surveys and program and revenue reports to improve programs and services.
- Increase participation at City events including 4th of July, Summer Concerts, Cinema at Sundown, Shakespeare in the Park, and the Tree Lighting Ceremony.
- Issue parks and facilities permits for individual customers as well as community festivals and events that promote our diverse culture and connected community.
- Maintain a positive relationship with neighborhoods adjacent to our facilities and parks.

Proposed Budget

It is recommended that City Council approve a budget of \$762,614 for the Administration program. This represents an increase of \$20,108 (2.7%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from last fiscal year. Increased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 432,066	\$ 407,471	\$ 391,823	\$ 323,637
Employee Benefits	\$ 221,792	\$ 204,778	\$ 200,351	\$ 182,434
Materials	\$ 8,687	\$ 12,607	\$ 2,321	\$ 2,390
Contract Services	\$ 3,811	\$ 3,934	\$ -	\$ -
Cost Allocation	\$ 130,188	\$ 135,290	\$ 147,895	\$ 254,093
Special Projects	\$ 5,313	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 116	\$ 60
Total Expenditures	\$ 801,857	\$ 764,080	\$ 742,506	\$ 762,614
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 801,857	\$ 764,080	\$ 742,506	\$ 762,614

Staffing

Total current positions - 5.00 FTE

Total proposed positions - 3.75 FTE

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

Cultural Events

Budget Unit 100-61-605

General Fund - Business and Community Services - Cultural Events

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 31,000
Total Expenditures	\$ 469,639
Fund Balance	\$ -
General Fund Costs	\$ 438,639
% Funded by General Fund	93.4%
Total Staffing	0.70 FTE

Program Overview

The Business and Community Service Division's events program produces the City's special events including 4th of July festivities and Big Bunny 5K, and those hosted at Memorial Park and Quinlan Community Center including the Summer Concert Series, Cinema at Sundown, Shakespeare in the Park, and Tree Lighting. This 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, Diwali Festival, and more.

Service Objectives

- Provide a summer concert series at Memorial Park.
- Produce a summer movie series at Memorial Park.
- Partner with the San Francisco Shakespeare Company to produce Free Shakespeare in the Park in Cupertino.
- Organize and facilitate the 4th of July Independence Day celebration and fireworks show.
- Organize and facilitate the Big Bunny 5K fun run.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$469,639 for the Cultural Events program. This represents an increase of \$166,780 (55.1%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due negotiated salary and benefit changes. The increase is mainly due to departmental reorganization. This budget now includes expenses for Big Bunny 5K which was moved from 580-63-620.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ 31,000
Total Revenues	\$ -	\$ -	\$ -	\$ 31,000
Expenditures				
Employee Compensation	\$ 103,939	\$ 71,232	\$ 64,735	\$ 104,897
Employee Benefits	\$ 40,295	\$ 29,846	\$ 26,264	\$ 39,342
Materials	\$ 12,872	\$ 7,925	\$ 7,798	\$ 40,950
Contract Services	\$ 144,543	\$ 179,672	\$ 153,207	\$ 219,004
Cost Allocation	\$ 42,685	\$ 45,209	\$ 43,037	\$ 58,947
Contingencies	\$ -	\$ -	\$ 7,818	\$ 6,499
Total Expenditures	\$ 344,334	\$ 333,884	\$ 302,859	\$ 469,639
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 344,334	\$ 333,884	\$ 302,859	\$ 438,639

Staffing

Total current positions - 0.50 FTE

Total proposed positions - 0.70 FTE

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

Facilities

Budget Unit 100-61-630

General Fund - Business and Community Services - Facilities

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 206,455
Total Expenditures	\$ 501,976
Fund Balance	\$ -
General Fund Costs	\$ 295,521
% Funded by General Fund	58.9%
Total Staffing	3.00 FTE

Program Overview

Community Hall provides space for City Council meetings and various Commission meetings, as well as facility rental space available for a variety of activities including business meetings, community events, and Cupertino Library programs. The Quinlan Community Center houses the administrative office of the Parks and Recreation Department and serves as facility space for rentals and a variety of recreational, social, and community activities.

Service Objectives

- Provide a rental facility for community meetings, business functions, social events, 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 online registration for recreation programs.
- Schedule facility space for contractual and staff-run classes and camps.
- House the Cupertino Historical Society.
- Serve as an Emergency Operations Shelter in case of disasters.

Proposed Budget

It is recommended that City Council approve a budget of \$501,976 for the Facilities program. This represents an increase of \$21,733 (4.5%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes. Decreased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 116,757	\$ 213,102	\$ 138,000	\$ 170,000
Charges for Services	\$ 489,372	\$ 458,471	\$ 401,282	\$ 36,455
Total Revenues	\$ 606,129	\$ 671,573	\$ 539,282	\$ 206,455
Expenditures				
Employee Compensation	\$ 306,411	\$ 244,541	\$ 285,429	\$ 342,331
Employee Benefits	\$ 106,126	\$ 68,225	\$ 99,285	\$ 127,096
Materials	\$ 56,656	\$ 33,778	\$ 30,110	\$ 26,379
Contract Services	\$ 8,210	\$ 12,060	\$ 5,220	\$ 5,376
Cost Allocation	\$ 85,157	\$ 151,524	\$ 58,657	\$ -
Contingencies	\$ -	\$ -	\$ 1,542	\$ 794
Total Expenditures	\$ 562,560	\$ 510,128	\$ 480,243	\$ 501,976
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (43,569)	\$ (161,445)	\$ (59,039)	\$ 295,521

Staffing

Total current positions - 2.50 FTE

Total proposed positions - 3.00 FTE

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

Community Outreach and Neighborhood Watch

Budget Unit 100-61-632

General Fund - Business and Community Services - Community Outreach and Neighborhood Watch

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

In FY 2018-19, this program was transferred to the City Manager's Office. A complete discussion of this program can be found under Budget Unit 100-12-632. 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 116,904	\$ 40,485	\$ -	\$ -
Employee Benefits	\$ 42,824	\$ 13,650	\$ -	\$ -
Materials	\$ 8,166	\$ 4,179	\$ -	\$ -
Contract Services	\$ 1,769	\$ 91	\$ -	\$ -
Cost Allocation	\$ 42,400	\$ 9,786	\$ -	\$ -
Total Expenditures	\$ 212,063	\$ 68,191	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 212,063	\$ 68,190	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Administration

Budget Unit 100-62-608

General Fund - Recreation and Education - Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 25,000
Total Expenditures	\$ 802,958
Fund Balance	\$ -
General Fund Costs	\$ 777,958
% Funded by General Fund	96.9%
Total Staffing	3.35 FTE

Program Overview

This program includes administrative support of senior programs offered at the senior center. Administrative duties support the facility and senior programs that focus on enhancing a healthy lifestyle through quality education, recreation, travel, socials, case management services, volunteer opportunities, and facility rentals.

Service Objectives

- Provide management and supervision of all programs, activities, personnel, and facilities within the senior services division.
- Establish program goals and priorities.
- Ensure operational hours accommodate community desires.
- Provide first-rate customer service and manage customer registration, memberships, point-of-sale, and facility rentals at the Senior Center.

Proposed Budget

It is recommended that City Council approve a budget of \$802,958 for the Administration program. This represents a decrease of \$10,846 (-1.3%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes. Decreased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 22,455	\$ 28,134	\$ 25,000	\$ 25,000
Miscellaneous Revenue	\$ 4,250	\$ -	\$ -	\$ -
Total Revenues	\$ 26,705	\$ 28,134	\$ 25,000	\$ 25,000
Expenditures				
Employee Compensation	\$ 425,324	\$ 323,242	\$ 357,732	\$ 393,605
Employee Benefits	\$ 168,223	\$ 114,270	\$ 127,224	\$ 150,085
Materials	\$ 40,374	\$ 22,426	\$ 13,310	\$ 15,880
Contract Services	\$ 20,840	\$ 3,836	\$ 2,800	\$ 2,800
Cost Allocation	\$ 452,107	\$ 690,664	\$ 311,932	\$ 240,121
Special Projects	\$ 45,506	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 806	\$ 467
Total Expenditures	\$ 1,152,374	\$ 1,154,438	\$ 813,804	\$ 802,958
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,125,669	\$ 1,126,305	\$ 788,804	\$ 777,958

Staffing

Total current positions - 3.35 FTE

Total proposed positions - 3.35 FTE

There are no changes to the current level of staffing.

Youth Teen Recreation

Budget Unit 580-62-613

Recreation Program - Recreation and Education - Youth Teen Recreation

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,108,517
Total Expenditures	\$ 1,983,296
Fund Balance	\$ (874,779)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.60 FTE

Program Overview

This program encompasses fee-based youth and teen programs such as academic and enrichment classes, STEAM programming, recreational camps, preschool, and special events, enrichment classes for adults, and special interest programming.

Service Objectives

- Provide a preschool program, summer camps, and an extensive variety of contract classes for youth, teens, 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 and interest in programs.
- Increase the number of youth and teen Science Technology Engineering Art, and Math (STEAM) programs offered.
- Expand all-day summer camp offerings to meet daycare needs of working families.
- Provide family-oriented programs designed to increase community engagement.
- Provide safe, fun, life-long learning activities that promote the foundations of self-confidence, skill development, and personal growth.
- Provide programs that enhance cultural awareness to youth and teens.

Proposed Budget

It is recommended that City Council approve a budget of \$1,983,296 for the Youth Teen Recreation program. This represents a decrease of \$480,046 (-19.5%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to decreased costs in cost allocation due to a change in allocation methodology, partially offset by increases in contract agreements.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 1,468,822	\$ 1,222,219	\$ 1,037,390	\$ 1,108,517
Total Revenues	\$ 1,468,822	\$ 1,222,219	\$ 1,037,390	\$ 1,108,517
Expenditures				
Employee Compensation	\$ 495,400	\$ 392,428	\$ 461,639	\$ 444,713
Employee Benefits	\$ 134,393	\$ 78,652	\$ 73,364	\$ 83,645
Materials	\$ 72,296	\$ 68,662	\$ 23,627	\$ 32,030
Contract Services	\$ 900,752	\$ 844,453	\$ 797,672	\$ 1,142,683
Cost Allocation	\$ 357,107	\$ 346,668	\$ 1,070,264	\$ 250,857
Contingencies	\$ -	\$ -	\$ 36,776	\$ 29,368
Total Expenditures	\$ 1,959,948	\$ 1,730,863	\$ 2,463,342	\$ 1,983,296
Fund Balance	\$ (491,126)	\$ (508,644)	\$ (1,425,952)	\$ (874,779)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 1.60 FTE

Total proposed positions - 1.60 FTE

There are no changes to the current level of staffing.

Senior Center

Budget Unit 100-62-623

General Fund - Recreation and Education - Senior Center

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 437,000
Total Expenditures	\$ 1,432,125
Fund Balance	\$ -
General Fund Costs	\$ 995,125
% Funded by General Fund	69.5%
Total Staffing	4.65 FTE

Program Overview

This program includes the coordination and delivery of program services for seniors at the Senior Center. Staff coordinates a well-maintained Senior Center for adults age 50+; and senior adult recreation programs such as enrichment classes, educational presentations, group trips and tours, and social events. In addition, the Senior Center team leverages members to support programs and services through over 24,000 hours of volunteer service annually. Staff provides Case Management services and information and referral to assist seniors to remain independent and safe in their own homes.

Service Objectives

- Enhance partnerships with Fremont Union High School District Adult Education, the Santa Clara County Library District, De Anza College, and other local nonprofit agencies.
- Provide appreciation events for senior volunteers who support the Parks and Recreation Department throughout the year.
- Provide multi-lingual senior case management services.
- Offer fitness and enrichment courses, educational presentations, group trips and tours, and socialization opportunities to adults age 50+.
- Provide volunteer service opportunities for adults age 50+.
- Provide a senior focused annual health fair.

Proposed Budget

It is recommended that City Council approve a budget of \$1,432,125 for the Senior Center program. This represents an increase of \$15,794 (1.1%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from the previous fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 1,833	\$ 3,846	\$ -	\$ -
Charges for Services	\$ 470,818	\$ 388,892	\$ 430,150	\$ 437,000
Total Revenues	\$ 472,651	\$ 392,738	\$ 430,150	\$ 437,000
Expenditures				
Employee Compensation	\$ 581,360	\$ 528,003	\$ 535,164	\$ 619,458
Employee Benefits	\$ 186,248	\$ 194,515	\$ 194,081	\$ 102,513
Materials	\$ 127,725	\$ 129,906	\$ 122,694	\$ 130,274
Contract Services	\$ 256,676	\$ 255,290	\$ 191,875	\$ 215,052
Cost Allocation	\$ 552,901	\$ 415,210	\$ 357,244	\$ 356,195
Contingencies	\$ -	\$ -	\$ 15,273	\$ 8,633
Total Expenditures	\$ 1,704,910	\$ 1,522,924	\$ 1,416,331	\$ 1,432,125
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,232,258	\$ 1,130,186	\$ 986,181	\$ 995,125

Staffing

Total current positions - 4.65 FTE

Total proposed positions - 4.65 FTE

There are no changes to the current level of staffing.

Teen Programs

Budget Unit 100-62-639

General Fund - Recreation and Education - Teen Programs

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 5,020
Total Expenditures	\$ 314,113
Fund Balance	\$ -
General Fund Costs	\$ 309,093
% Funded by General Fund	98.4%
Total Staffing	0.55 FTE

Program Overview

This program supports teen programs and services for the Recreation and Education Division. It provides for the supervision and operation of the Cupertino Teen Center, the satellite Teen Center at Lawson Middle School, the Youth Activity Board, the Cupertino Teen Leadership Academy, and the teen summer volunteer program.

Service Objectives

- Empower youth by creating enriching and stress-free programs that foster physical, mental, and social development.
- Provide an exclusive space for Cupertino Teens to de-stress, create, study, and to socially develop.
- Create opportunities for youth and teens to build their leadership abilities by creating activities, events, and programs by teens for teens.
- Create reciprocal engagement and outreach efforts between the City of Cupertino and Cupertino teens.
- Develop teen leadership skills and career growth opportunities by providing an interactive teen leadership program.
- Provide the opportunity for teens to gain applied skills and develop leadership abilities by volunteering in a summer camp and/or an Aquatic Learn -to Swim program.
- Foster the partnership with Lawson Middle School to bring the Cupertino Teen Center to a local school community.
- Create programs that support mental health and wellness in youth and teens.

Proposed Budget

It is recommended that City Council approve a budget of \$314,113 for the Teen Programs program. This represents an increase of \$55,243 (21.3%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to the addition of a \$40,000 contract agreement with Cupertino Union School District for Teen Center at Lawson Middle School.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ 210	\$ 5,000	\$ 2,520
Charges for Services	\$ -	\$ 962	\$ 2,500	\$ 2,500
Total Revenues	\$ -	\$ 1,172	\$ 7,500	\$ 5,020
Expenditures				
Employee Compensation	\$ -	\$ 113,823	\$ 197,431	\$ 173,684
Employee Benefits	\$ -	\$ 14,299	\$ 16,352	\$ 30,452
Materials	\$ -	\$ 23,870	\$ 37,205	\$ 38,595
Contract Services	\$ -	\$ 1,761	\$ 7,882	\$ 40,800
Cost Allocation	\$ -	\$ -	\$ -	\$ 28,397
Contingencies	\$ -	\$ -	\$ -	\$ 2,185
Total Expenditures	\$ -	\$ 153,753	\$ 258,870	\$ 314,113
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 152,581	\$ 251,370	\$ 309,093

Staffing

Total current positions - 0.35 FTE

Total proposed positions - 0.55 FTE

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

Neighborhood Events

Budget Unit 100-62-640

General Fund - Recreation and Education - Neighborhood Events

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 202,755
Fund Balance	\$ -
General Fund Costs	\$ 202,755
% Funded by General Fund	100.0%
Total Staffing	0.40 FTE

Program Overview

The Neighborhood Programs provide a varied schedule of summer events in neighborhood parks. Events include outdoor concerts, outdoor movies, performances, and free arts and fitness programs in the parks. These programs are designed to engage new customers and to promote current programs. This program will continue to develop partnerships with local agencies, businesses, and non-profits to better engage our community.

Service Objectives

- To provide outdoor summer concerts in neighborhood parks.
- To provide outdoor summer movies in neighborhood parks.
- To provide outdoor summer fitness opportunities in neighborhood parks.
- To provide outdoor summer arts opportunities in neighborhood parks.
- To provide an array of outdoor cultural special events in neighborhood parks.
- To provide activities for kids and families of all ages.
- To build community through partnerships with local agencies, businesses and non-profits.

Proposed Budget

It is recommended that City Council approve a budget of \$202,755 for the Neighborhood Events program. This represents an increase of \$33,187 (19.6%) from the FY 2019-20 Adopted Budget.

This budget remains relative unchanged from the previous fiscal year. The decrease in salary costs is due to...

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 5,000	\$ -
Total Revenues	\$ -	\$ -	\$ 5,000	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 61,618	\$ 84,022	\$ 86,072
Employee Benefits	\$ -	\$ 2,667	\$ 6,666	\$ 21,325
Materials	\$ -	\$ 41,809	\$ 20,033	\$ 20,859
Contract Services	\$ -	\$ 66,096	\$ 58,847	\$ 59,800
Cost Allocation	\$ -	\$ -	\$ -	\$ 12,683
Contingencies	\$ -	\$ -	\$ -	\$ 2,016
Total Expenditures	\$ -	\$ 172,190	\$ 169,568	\$ 202,755
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 172,190	\$ 164,568	\$ 202,755

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.40 FTE

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

Park Facilities

Budget Unit 100-63-612

General Fund - Sports, Safety and Outdoor Recreation - Park Facilities

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 269,000
Total Expenditures	\$ 1,329,493
Fund Balance	\$ -
General Fund Costs	\$ 1,060,493
% Funded by General Fund	79.8%
Total Staffing	3.43 FTE

Program Overview

Blackberry Farm provides the community with recreational space to swim, picnic, enjoy ranger-led activities, and the Stevens Creek Trail. McClellan Ranch Preserve offers environmental education classes/creek tours to school groups, nature programs, and is the location of the Community Garden program and non-profit operations 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 and swim lessons.
- Continue to offer a Junior Lifeguard course for teens, ages 13 -15.
- Engage and provide the community with annual 4th of July, Pooch Plunge, and Corridor Stroll events.
- Partner with the Audubon Society to provide Wildlife & Harvest Day at Blackberry Farm.
- Increase residential usage of the facility.
- Continue to offer Park Ranger-led activities such as interpretive walks, star-gazing events, and implement 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.
- 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, Santa Clara Valley Audubon Society, Rolling Hills 4H and UCCE Master Gardeners in providing public education programs.
- Expand programming opportunities for teens.

- Increase volunteer/docent opportunities at McClellan Ranch.
- Develop and increase community garden programming.

Creekside Park Building:

- Rent facility for nonprofit board meetings, birthday parties, school group picnics, and other similar activities.
- Provide contract and staff-run classes and camps.
- Provide space for year-round farmers' market

Monta Vista Recreation Center:

- Provide gymnastics classes via a certified gymnastics business.
- Offer department run preschool program.
- Provide contract and staff-run classes and camps.
- Make space available for co-sponsored clubs and rentals.

Proposed Budget

It is recommended that City Council approve a budget of \$1,329,493 for the Park Facilities program. This represents a decrease of \$923,399 (-41.0%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes. Decreased costs in cost allocation are due to a change in allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 201,787	\$ 203,590	\$ 204,000	\$ 84,000
Charges for Services	\$ 197,733	\$ 176,470	\$ 180,000	\$ 185,000
Total Revenues	\$ 399,520	\$ 380,060	\$ 384,000	\$ 269,000
Expenditures				
Employee Compensation	\$ 585,928	\$ 663,199	\$ 709,998	\$ 729,338
Employee Benefits	\$ 114,806	\$ 145,783	\$ 147,805	\$ 181,660
Materials	\$ 110,726	\$ 107,451	\$ 94,435	\$ 97,005
Contract Services	\$ 48,532	\$ 17,946	\$ 89,251	\$ 86,926
Cost Allocation	\$ 954,759	\$ 1,277,319	\$ 1,202,972	\$ 229,792
Special Projects	\$ 62,643	\$ 74,498	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 8,431	\$ 4,772
Total Expenditures	\$ 1,877,394	\$ 2,286,196	\$ 2,252,892	\$ 1,329,493
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,477,874	\$ 1,906,136	\$ 1,868,892	\$ 1,060,493

Staffing

Total current positions - 3.28 FTE

Total proposed positions - 3.43 FTE

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

Administration

Budget Unit 100-63-615

General Fund - Sports, Safety and Outdoor Recreation - Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 110,200
Fund Balance	\$ -
General Fund Costs	\$ 110,200
% Funded by General Fund	100.0%
Total Staffing	0.45 FTE

Program Overview

This program supports all facets of the Sports, Safety, and Outdoor Recreation Division. It provides for the supervision and operation of the Cupertino Sports Center, Blackberry Farm Golf Course, 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 offering of recreation programs for all ages including sports leagues, camps/classes, nature programs, volunteer opportunities, drop-in activities, special events, aquatics, golf, and specialty classes.

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.
- Continue to improve coordination among staff within the Stevens Creek Corridor in order to enhance customer service and the experience for park visitors.
- Oversee marketing, budget development, and program plans for all locations.
- Continue to expand the aquatics program.

Proposed Budget

It is recommended that City Council approve a budget of \$110,200 for the Administration program. This represents a decrease of \$3,978 (-3.5%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes. The decrease in materials is primarily due to the removal of a one-time project in the previous fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 186,622	\$ 49,338	\$ 46,034	\$ 54,067
Employee Benefits	\$ 69,295	\$ 18,936	\$ 16,279	\$ 24,066
Materials	\$ 6,228	\$ 2,600	\$ 8,465	\$ 270
Contract Services	\$ 3,889	\$ 412	\$ -	\$ -
Cost Allocation	\$ 87,147	\$ 108,578	\$ 43,392	\$ 31,790
Contingencies	\$ -	\$ -	\$ 8	\$ 7
Total Expenditures	\$ 353,181	\$ 179,864	\$ 114,178	\$ 110,200
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 353,181	\$ 179,864	\$ 114,178	\$ 110,200

Staffing

Total current positions - 0.40 FTE

Total proposed positions - 0.45 FTE

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

Blackberry Farm Golf Course

Budget Unit 560-63-616

Blackberry Farm - Sports, Safety and Outdoor Recreation - Blackberry Farm Golf Course

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 340,000
Total Expenditures	\$ 691,328
Fund Balance	\$ (21,328)
General Fund Costs	\$ 330,000
% Funded by General Fund	47.7%
Total Staffing	1.15 FTE

Program Overview

Blackberry Farm Golf Course provides a nine-hole golf facility to the community that serves all ages.

Service Objectives

- Increase the golfer base through private golf instruction, family events, high school golf team partnerships, leagues, and camps.
- Continue to operate a golf course concession where customers may purchase golfing accessories and golf instruction.

Proposed Budget

It is recommended that City Council approve a budget of \$691,328 for the Blackberry Farm Golf Course program. This represents a decrease of \$823 (-0.1%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year. Increases in compensation and benefits are due to negotiated salary and benefit changes.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 30,910	\$ 28,489	\$ 27,000	\$ 30,000
Charges for Services	\$ 314,754	\$ 288,128	\$ 300,000	\$ 310,000
Total Revenues	\$ 345,664	\$ 316,617	\$ 327,000	\$ 340,000
Expenditures				
Employee Compensation	\$ 136,361	\$ 148,832	\$ 168,337	\$ 170,410
Employee Benefits	\$ 50,556	\$ 41,855	\$ 42,698	\$ 58,778
Materials	\$ 98,956	\$ 93,667	\$ 106,249	\$ 108,003
Contract Services	\$ 258,776	\$ 258,580	\$ 267,345	\$ 255,345
Cost Allocation	\$ 97,561	\$ 91,476	\$ 91,074	\$ 89,471
Special Projects	\$ 32,900	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 16,448	\$ 9,321
Total Expenditures	\$ 675,110	\$ 634,410	\$ 692,151	\$ 691,328
Fund Balance	\$ (29,446)	\$ (317,793)	\$ 244,849	\$ (21,328)
General Fund Costs	\$ 300,000	\$ -	\$ 610,000	\$ 330,000

Staffing

Total current positions - 1.15 FTE

Total proposed positions - 1.15 FTE

There are no changes to the current level of staffing.

Outdoor Recreation

Budget Unit 580-63-620

Recreation Program - Sports, Safety and Outdoor Recreation - Outdoor Recreation

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 876,225
Total Expenditures	\$ 1,301,328
Fund Balance	\$ 840,897
General Fund Costs	\$ 1,266,000
% Funded by General Fund	97.3%
Total Staffing	2.07 FTE

Program Overview

This program encompasses the coordination and delivery of a wide range of sports, fitness, and outdoor activities for youth and adults.

Service Objectives

- Operate a summer learn-to-swim program for infants, children, teens, and adults.
- Coordinate spring, summer, and fall adult softball leagues.
- Provide sports, dance, fitness, and wellness classes for youth, teens, and adults.
- Manage user group field rentals under the Cupertino Union School District/City Joint Use Agreement.
- Increase nature, blacksmithing, and environmental classes for parent/child, teen, and adult demographics.
- Increase youth and teen activities to better accommodate working parents.
- Provide an afternoon summer nature program to provide all-day camp options for families.
- Offer fee-based gardening programs for youth and adults.

Proposed Budget

It is recommended that City Council approve a budget of \$1,301,328 for the Outdoor Recreation program. This represents a decrease of \$286,432 (-18.0%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to a reduction in contract services for one-time projects that were funded in the previous fiscal year, including \$30,000 for field and use analysis. The decrease is also due to departmental reorganization of its programs. Big Bunny 5K was previously budgeted in this account. Due to the reorganization, Big Bunny is now budgeted in Cultural Events 100-61-605.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 163,670	\$ 139,590	\$ -	\$ 140,000
Charges for Services	\$ 845,638	\$ 624,377	\$ 1,201,937	\$ 736,225
Total Revenues	\$ 1,009,308	\$ 763,967	\$ 1,201,937	\$ 876,225
Expenditures				
Employee Compensation	\$ 335,428	\$ 305,646	\$ 364,143	\$ 289,910
Employee Benefits	\$ 101,340	\$ 111,674	\$ 103,062	\$ 99,226
Materials	\$ 112,440	\$ 120,385	\$ 68,194	\$ 31,552
Contract Services	\$ 464,655	\$ 409,487	\$ 720,311	\$ 582,844
Cost Allocation	\$ 258,603	\$ 245,281	\$ 265,476	\$ 281,896
Special Projects	\$ -	\$ -	\$ 30,500	\$ -
Contingencies	\$ -	\$ -	\$ 36,074	\$ 15,900
Total Expenditures	\$ 1,272,466	\$ 1,192,473	\$ 1,587,760	\$ 1,301,328
Fund Balance	\$ (263,159)	\$ (428,506)	\$ 179,177	\$ 840,897
General Fund Costs	\$ -	\$ -	\$ 565,000	\$ 1,266,000

Staffing

Total current positions - 2.42 FTE

Total proposed positions - 2.07 FTE

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

Sports Center Operations

Budget Unit 570-63-621

Sports Center - Sports, Safety and Outdoor Recreation - Sports Center Operations

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 2,403,112
Total Expenditures	\$ 2,782,634
Fund Balance	\$ 492,478
General Fund Costs	\$ 872,000
% Funded by General Fund	31.3%
Total Staffing	2.25 FTE

Program Overview

The Cupertino Sports Center offers a variety of health and wellness activities including a full fitness center, child care, and a wide assortment of fitness classes, youth sports classes, and a variety of racquet sports, including tennis, table tennis, pickle ball, and badminton classes, camps, and programs.

Service Objectives

- Increase memberships, participation in fitness classes, and enrollment in contract camps and classes.
- Market programs through social media, the recreation schedule, a new electronic sign on Stevens Creek Blvd., 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.

Proposed Budget

It is recommended that City Council approve a budget of \$2,782,634 for the Sports Center Operations program. This represents an increase of \$237,071 (9.3%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes. The increase is primarily due to cost increases for various contract agreements.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 1,173	\$ 818	\$ 1,000	\$ 300,000
Charges for Services	\$ 2,402,491	\$ 2,343,653	\$ 2,050,500	\$ 2,103,112
Total Revenues	\$ 2,403,664	\$ 2,344,471	\$ 2,051,500	\$ 2,403,112
Expenditures				
Employee Compensation	\$ 308,350	\$ 373,687	\$ 348,124	\$ 384,218
Employee Benefits	\$ 103,327	\$ 99,189	\$ 91,492	\$ 110,486
Materials	\$ 39,774	\$ 41,425	\$ 59,810	\$ 50,887
Contract Services	\$ 1,561,619	\$ 1,859,543	\$ 1,696,689	\$ 2,033,925
Cost Allocation	\$ 183,146	\$ 246,455	\$ 238,982	\$ 196,789
Special Projects	\$ -	\$ 4,760	\$ 27,000	\$ -
Contingencies	\$ -	\$ -	\$ 83,466	\$ 6,329
Total Expenditures	\$ 2,196,216	\$ 2,625,059	\$ 2,545,563	\$ 2,782,634
Fund Balance	\$ 307,445	\$ (280,588)	\$ 453,937	\$ 492,478
General Fund Costs	\$ 99,996	\$ -	\$ 948,000	\$ 872,000

Staffing

Total current positions - 2.25 FTE

Total proposed positions - 2.25 FTE

There are no changes to the current level of staffing.

Disaster Preparedness

Budget Unit 100-63-633

General Fund - Sports, Safety and Outdoor Recreation - Disaster Preparedness

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

In FY 2018-19, this program was transferred to the City Manager's Office. A complete discussion of this program can be found under Budget Unit 100-12-633. 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 92,977	\$ 46,691	\$ -	\$ -
Employee Benefits	\$ 34,825	\$ 17,823	\$ -	\$ -
Materials	\$ 32,836	\$ 4,466	\$ -	\$ -
Contract Services	\$ 14	\$ -	\$ -	\$ -
Cost Allocation	\$ 21,312	\$ 20,267	\$ -	\$ -
Total Expenditures	\$ 181,964	\$ 89,247	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 181,964	\$ 89,246	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

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Planning and Community Development

Budget Unit	Program	2021 Proposed Budget
Planning & Community Development		\$ 730,583
100-70-700	Community Development Administration	\$ 730,583
Planning		\$ 3,805,468
100-71-701	Current Planning	\$ 2,998,045
100-71-702	Mid and Long Term Planning	\$ 806,696
100-71-704	Annexations	\$ 727
100-71-705	Economic Development	\$ -
Housing Services		\$ 1,190,196
260-72-707	CDBG General Admin	\$ 97,195
260-72-709	CDBG Capital/Housing Projects	\$ 260,000
260-72-710	CDBG Public Service Grants	\$ 65,000
265-72-711	BMR Affordable Housing Fund	\$ 661,071
100-72-712	Human Service Grants	\$ 106,930
Building		\$ 4,043,931
100-73-713	General Building	\$ 899,738
100-73-714	Building Plan Review	\$ 1,658,248
100-73-715	Building Code Enforcement	\$ 1,402,918
100-73-718	Muni Code Enforcement	\$ 83,027
Code Enforcement		\$ 1,157,600
100-74-202	Code Enforcement	\$ 1,157,600
Total		\$ 10,927,778

Department Overview

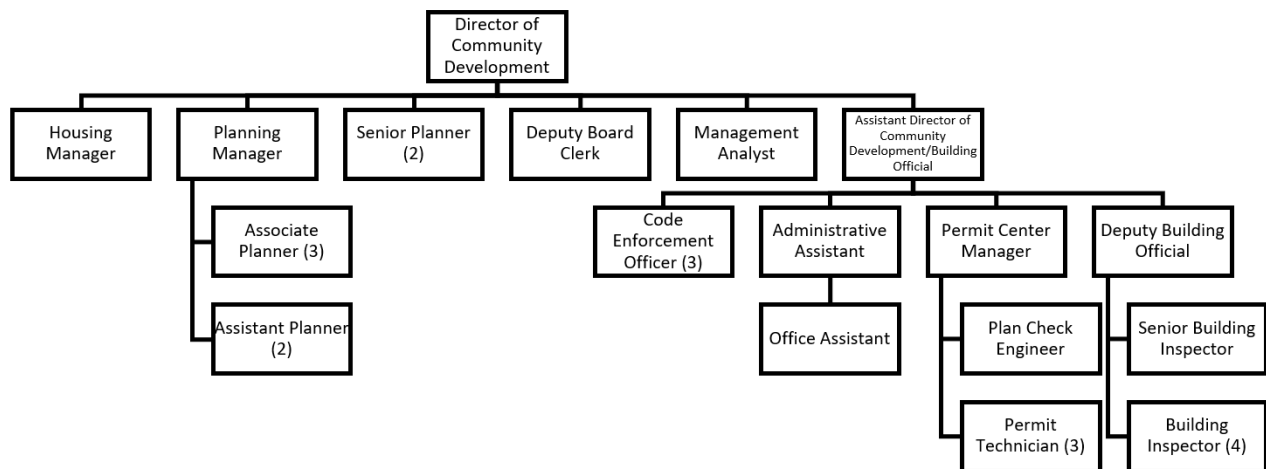
Budget at a Glance

2021 Proposed Budget

Total Revenues	\$ 7,950,218
Total Expenditures	\$ 10,927,778
Fund Balance	\$ 2,343,202
General Fund Costs	\$ 5,320,762
% Funded by General Fund	48.7%
Total Staffing	28.49 FTE

Organization

Benjamin Fu, Director of Community Development



Performance Measures

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.

Benefit: Cupertino is a thriving city to live, work, learn and play.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Building permit applications plan reviewed within 15 business days ¹	N/A	N/A	85%	80%
Customer/Applicants visiting the Building Permit Counter shall be assisted within 15 minutes	N/A	N/A	90%	80%
Applicants visiting the Planning Counter shall be assisted	N/A	N/A	89%	50%
Building permit applications reviewed over-the-counter (OTC)	65%	68%	88%	75%
Average number of days to initiate investigation of code complaints	1.96	1.35	1.4	<7
Code enforcement cases resolved without issuance of citations	92.98%	88.63%	90%	80%
Landlord-tenant counseling and dispute resolution cases provided	70	55	14	100 per year
Below market rate rental and purchase vacancies filled	30	11	14	15 per year
Housing resources and referrals provided	1040	1040	520	400 per year
Complimentary/courtesy prelim app reviews completed within 4 weeks ²	N/A	N/A	69%	80%
Public Outreach Events	N/A	N/A	7	12 per year

¹ We will be able to report the percentage of building plan reviews completed within 15 business days and the percentage of building inspections requested online when the new land use and permitting software goes live.

Workload Indicators

Planning Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of preliminary reviews	82	90	55
Number of planning applications received	169	138	97
Number of planning counter inquiries	N/A	N/A	1606

Housing Services Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of housing resources and referrals	1040	1040	520
Number of BMR rental and ownership vacancies filled	30	11	14
Number of landlord tenant counseling and dispute cases received	70	55	14
Number of annual HUD documents (CAPER, Action Plan, Consolidated Plan, Affirmatively Furthering Fair Housing) completed	2	2	2
Housing and Human Services Grant Funds inquiries	30	35	25

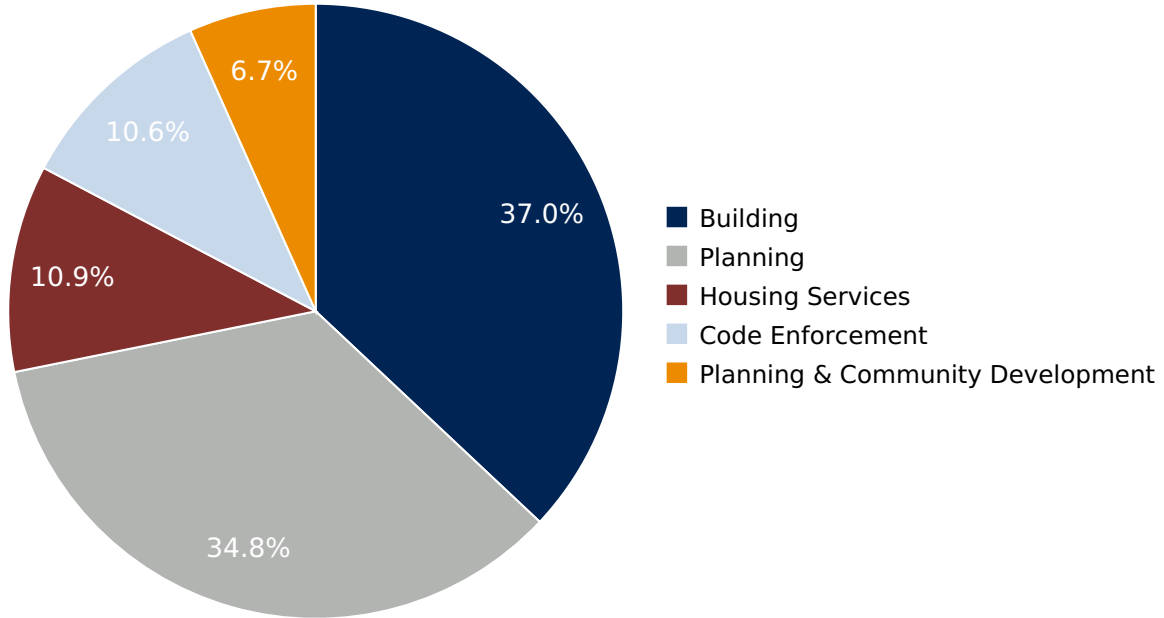
Building Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of permits received	2,322	2,321	1,267
Number of inspections requested	16,026	13,625	7,298
Number of building counter inquiries	N/A	N/A	3,781

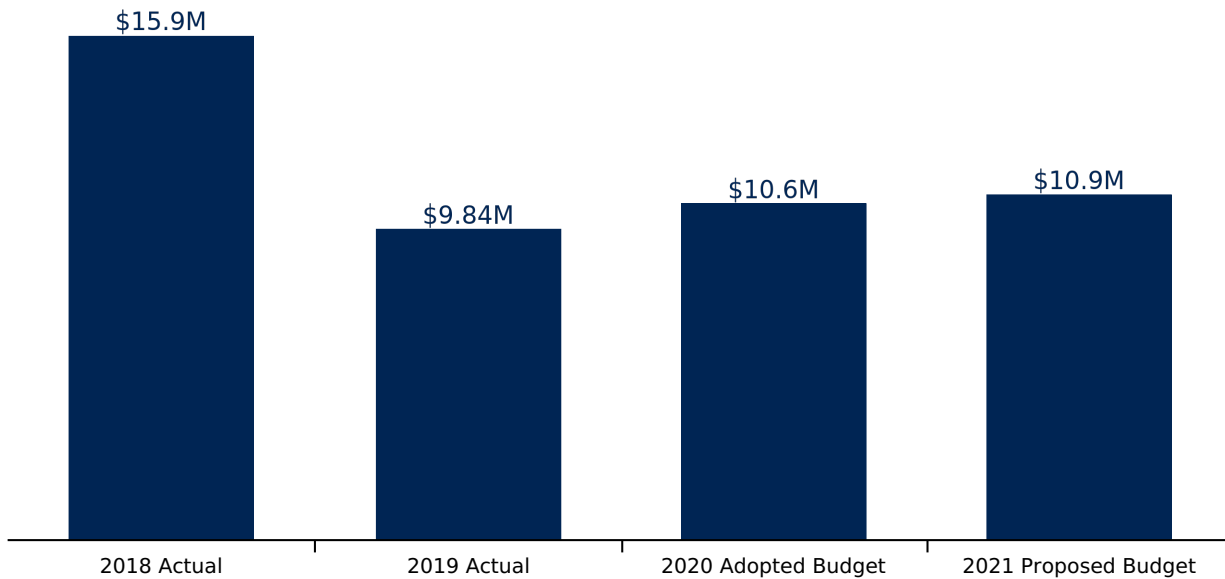
Proposed Budget

It is recommended that City Council approve a budget of \$10,927,778 for the Planning and Community Development department. This represents an increase of \$278,773 (2.6%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Taxes	\$ 165,324	\$ 159,179	\$ 3,000	\$ 3,025,898
Licenses and Permits	\$ 2,728,492	\$ 4,072,243	\$ 2,500,000	\$ 3,115,000
Use of Money and Property	\$ 3,265	\$ 2,659	\$ 3,300	\$ 3,300
Intergovernmental Revenue	\$ 316,688	\$ 344,323	\$ 361,597	\$ 397,270
Charges for Services	\$ 5,830,945	\$ 3,387,551	\$ 1,310,000	\$ 1,135,000
Fines and Forfeitures	\$ -	\$ 190,550	\$ 265,000	\$ 225,000
Miscellaneous Revenue	\$ 683,494	\$ 302,940	\$ 139,539	\$ 48,750
Total Revenues	\$ 9,728,208	\$ 8,459,445	\$ 4,582,436	\$ 7,950,218
Expenditures				
Employee Compensation	\$ 3,051,272	\$ 3,132,061	\$ 3,448,362	\$ 3,866,430
Employee Benefits	\$ 1,254,973	\$ 1,271,121	\$ 1,441,002	\$ 1,699,406
Materials	\$ 595,759	\$ 714,672	\$ 753,792	\$ 873,685
Contract Services	\$ 316,008	\$ 334,768	\$ 563,170	\$ 579,388
Cost Allocation	\$ 2,069,309	\$ 2,490,593	\$ 2,923,486	\$ 3,842,758
Special Projects	\$ 8,659,121	\$ 1,895,890	\$ 1,503,500	\$ 50,000
Contingencies	\$ -	\$ -	\$ 15,693	\$ 16,111
Total Expenditures	\$ 15,946,442	\$ 9,839,105	\$ 10,649,005	\$ 10,927,778
Fund Balance	\$ (4,017,687)	\$ (269,573)	\$ (676,319)	\$ 2,343,202
General Fund Costs	\$ 2,200,550	\$ 1,110,087	\$ 5,390,250	\$ 5,320,762

Staffing

Total current positions - 28.39 FTE

Total proposed positions - 28.49 FTE

Community Development Administration

Budget Unit 100-70-700

General Fund - Planning & Community Development - Community Development Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 730,583
Fund Balance	\$ -
General Fund Costs	\$ 730,583
% Funded by General Fund	100.0%
Total Staffing	0.50 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$730,583 for the Community Development Administration program. This represents an increase of \$5,960 (0.8%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ 20	\$ -	\$ -
Total Revenues	\$ -	\$ 20	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 101,233	\$ 79,223	\$ 100,414	\$ 112,188
Employee Benefits	\$ 38,455	\$ 30,403	\$ 39,127	\$ 37,199
Materials	\$ 14,886	\$ 5,596	\$ 23,955	\$ 24,674
Contract Services	\$ 3,727	\$ 1,843	\$ 100,000	\$ 103,380
Cost Allocation	\$ 146,586	\$ 498,053	\$ 454,929	\$ 449,941
Contingencies	\$ -	\$ -	\$ 6,198	\$ 3,201
Total Expenditures	\$ 304,887	\$ 615,118	\$ 724,623	\$ 730,583
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 304,887	\$ 615,098	\$ 724,623	\$ 730,583

Staffing

Total current positions - 0.50 FTE

Total proposed positions - 0.50 FTE

There are no changes to the current level of staffing.

Current Planning

Budget Unit 100-71-701

General Fund - Planning - Current Planning

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,045,000
Total Expenditures	\$ 2,998,045
Fund Balance	\$ -
General Fund Costs	\$ 1,953,045
% Funded by General Fund	65.1%
Total Staffing	7.48 FTE

Program Overview

The Current Planning program serves to review projects and implement City ordinances, land use plans and the General Plan goals and objectives through the planning review and building plan check processes.

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, land use plans 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.
- Review building permits to ensure implementation of zoning requirements, environmental mitigation measures and planning entitlement conditions of approval.

Proposed Budget

It is recommended that City Council approve a budget of \$2,998,045 for the Current Planning program. This represents an increase of \$515,289 (20.8%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in cost allocation resulting from a change in methodology and Marina Plaza legal fees.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Marina Plaza	\$50,000	\$57,500		Marina Plaza project legal fees

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 1,400,389	\$ 1,534,193	\$ 1,100,000	\$ 1,000,000
Miscellaneous Revenue	\$ 88,813	\$ 70,846	\$ 75,000	\$ 45,000
Total Revenues	\$ 1,489,202	\$ 1,605,039	\$ 1,175,000	\$ 1,045,000
Expenditures				
Employee Compensation	\$ 856,419	\$ 875,109	\$ 957,430	\$ 1,003,612
Employee Benefits	\$ 330,183	\$ 326,246	\$ 357,547	\$ 407,829
Materials	\$ 19,957	\$ 31,711	\$ 31,430	\$ 32,374
Contract Services	\$ 22,705	\$ 2,334	\$ -	\$ -
Cost Allocation	\$ 725,723	\$ 729,234	\$ 1,126,277	\$ 1,502,671
Special Projects	\$ 282,993	\$ 388,463	\$ 8,500	\$ 50,000
Contingencies	\$ -	\$ -	\$ 1,572	\$ 1,559
Total Expenditures	\$ 2,237,980	\$ 2,353,097	\$ 2,482,756	\$ 2,998,045
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 748,778	\$ 748,056	\$ 1,307,756	\$ 1,953,045

Staffing

Total current positions - 7.43 FTE

Total proposed positions - 7.48 FTE

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

Mid and Long Term Planning

Budget Unit 100-71-702

General Fund - Planning - Mid and Long Term Planning

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 138,750
Total Expenditures	\$ 806,696
Fund Balance	\$ -
General Fund Costs	\$ 667,946
% Funded by General Fund	82.8%
Total Staffing	2.49 FTE

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 City processes and regulations are in compliance with State and Federal regulations, including the California Environmental Quality Act (CEQA).
- Review and implement policies in the General Plan, Housing Element, Zoning Ordinance, Specific, Conceptual and Master Plans.
- Coordinate with various local, regional, State and Federal agencies on projects.
- Facilitate the planning and implementation of the City Council's annual community development goals and objectives.

Proposed Budget

It is recommended that City Council approve a budget of \$806,696 for the Mid and Long Term Planning program. This represents a decrease of \$1,074,048 (-57.1%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to FY2019-20 special projects totaling \$1.28 million offset by an increase in cost allocation resulting from a change in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 1,467,516	\$ 1,415,725	\$ 210,000	\$ 135,000
Miscellaneous Revenue	\$ 150,591	\$ 160,835	\$ 15,000	\$ 3,750
Total Revenues	\$ 1,618,107	\$ 1,576,560	\$ 225,000	\$ 138,750
Expenditures				
Employee Compensation	\$ 289,923	\$ 282,913	\$ 309,606	\$ 386,265
Employee Benefits	\$ 111,372	\$ 103,392	\$ 116,272	\$ 151,978
Materials	\$ 4,659	\$ 2,417	\$ 4,100	\$ 4,224
Contract Services	\$ 2,550	\$ 847	\$ -	\$ -
Cost Allocation	\$ 151,267	\$ 157,674	\$ 170,561	\$ 264,123
Special Projects	\$ 1,496,955	\$ 920,313	\$ 1,280,000	\$ -
Contingencies	\$ -	\$ -	\$ 205	\$ 106
Total Expenditures	\$ 2,056,726	\$ 1,467,556	\$ 1,880,744	\$ 806,696
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 438,619	\$ (109,004)	\$ 1,655,744	\$ 667,946

Staffing

Total current positions - 2.44 FTE

Total proposed positions - 2.49 FTE

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

Annexations

Budget Unit 100-71-704

General Fund - Planning - Annexations

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 727
Fund Balance	\$ -
General Fund Costs	\$ 727
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

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

Proposed Budget

It is recommended that City Council approve a budget of \$727 for the Annexations program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 141	\$ 903	\$ -	\$ 727
Total Expenditures	\$ 141	\$ 903	\$ -	\$ 727
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 141	\$ 903	\$ -	\$ 727

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Economic Development

Budget Unit 100-71-705

General Fund - Planning - Economic Development

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

In FY 2018-19, this program was transferred to Administration as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-12-705. This program will remain in order to maintain historical data. Once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 95,026	\$ 37,374	\$ -	\$ -
Employee Benefits	\$ 29,480	\$ 11,075	\$ -	\$ -
Materials	\$ 16,576	\$ 5,887	\$ -	\$ -
Contract Services	\$ 44,893	\$ 10,327	\$ -	\$ -
Cost Allocation	\$ 28,270	\$ 8,419	\$ -	\$ -
Special Projects	\$ 75,083	\$ 16,728	\$ -	\$ -
Total Expenditures	\$ 289,328	\$ 89,810	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 289,328	\$ 89,810	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

CDBG General Admin

Budget Unit 260-72-707

CDBG - Housing Services - CDBG General Admin

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 79,450
Total Expenditures	\$ 97,195
Fund Balance	\$ (17,745)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.39 FTE

Program Overview

The General Administration of the Community Development Block Grant (CDBG) federal entitlement program is reserved for program administration costs to cover salary and benefits of staff who operate the CDBG program. The CDBG program is a federal entitlement program which serves low- and moderate-income Cupertino residents. CDBG program administration costs represent 20% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Prepare and submit an Annual Plan to the US Department of Housing and Urban Development (HUD).
- Prepare and submit annual Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Prepare and submit a five-year Consolidated Plan to HUD.
- Meet quarterly with Santa Clara County CDBG Coordinators.
- Conduct four-eight public hearings per year to allocate CDBG funding, review Annual Plan, CAPER, and Consolidated Plan.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$97,195 for the CDBG General Admin program. This represents an increase of \$27,918 (40.3%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 60,128	\$ 48,691	\$ 72,319	\$ 79,450
Total Revenues	\$ 60,128	\$ 48,691	\$ 72,319	\$ 79,450
Expenditures				
Employee Compensation	\$ 37,917	\$ 36,624	\$ 45,758	\$ 65,674
Employee Benefits	\$ 22,211	\$ 20,011	\$ 23,519	\$ 31,521
Total Expenditures	\$ 60,128	\$ 56,635	\$ 69,277	\$ 97,195
Fund Balance	\$ -	\$ (7,944)	\$ 3,042	\$ (17,745)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.39 FTE

Total proposed positions - 0.39 FTE

There are no changes to the current level of staffing.

CDBG Capital/Housing Projects

Budget Unit 260-72-709

CDBG - Housing Services - CDBG Capital/Housing Projects

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 261,532
Total Expenditures	\$ 260,000
Fund Balance	\$ 1,532
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants and loans to non-profit developers and agencies for eligible activities such as public improvements, property acquisition for affordable housing, rehabilitation of affordable units, and development of affordable housing. CDBG Capital/Housing costs represent 65% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on an annual basis for Capital/Housing Projects.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- Coordinate entitlement process with the Planning Division for affordable development projects.
- Monitor project progress of grantees through the construction phase.
- Coordinate CEQA/NEPA environmental review processes for all affordable developments.
- Coordinate preparation of all grant and loan agreements, Deeds of Trust, Promissory Notes, and Regulatory Agreements.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$260,000 for the CDBG Capital/Housing Projects program. This represents an increase of \$19,798 (8.2%) from the FY 2019-20 Adopted Budget.

The increase is due to an increase in grant funding allocation.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 3,265	\$ 2,659	\$ 3,300	\$ 3,300
Intergovernmental Revenue	\$ 208,577	\$ 240,201	\$ 235,038	\$ 258,232
Total Revenues	\$ 211,842	\$ 242,860	\$ 238,338	\$ 261,532
Expenditures				
Materials	\$ 224,461	\$ 240,201	\$ 240,202	\$ 260,000
Total Expenditures	\$ 224,461	\$ 240,201	\$ 240,202	\$ 260,000
Fund Balance	\$ (12,620)	\$ 2,659	\$ (1,864)	\$ 1,532
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

CDBG Public Service Grants

Budget Unit 260-72-710

CDBG - Housing Services - CDBG Public Service Grants

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 59,588
Total Expenditures	\$ 65,000
Fund Balance	\$ (5,412)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants to nonprofit agencies serving low- and moderate-income Cupertino residents. The agencies provide services such as food assistance, job training, emergency housing, legal assistance, etc. CDBG Public Services costs represent 15% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$65,000 for the CDBG Public Service Grants program. This represents an increase of \$15,000 (30.0%) from the FY 2019-20 Adopted Budget.

The increase is due to an increase in grant funding allocation.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 47,983	\$ 55,431	\$ 54,240	\$ 59,588
Total Revenues	\$ 47,983	\$ 55,431	\$ 54,240	\$ 59,588
Expenditures				
Materials	\$ 47,983	\$ 55,431	\$ 50,000	\$ 65,000
Total Expenditures	\$ 47,983	\$ 55,431	\$ 50,000	\$ 65,000
Fund Balance	\$ -	\$ -	\$ 4,240	\$ (5,412)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

BMR Affordable Housing Fund

Budget Unit 265-72-711

BMR Housing - Housing Services - BMR Affordable Housing Fund

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 3,025,898
Total Expenditures	\$ 661,071
Fund Balance	\$ 2,364,827
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.41 FTE

Program Overview

This program covers administration of the Below Market Rate (BMR) Housing program.

Service Objectives

- Contract with BMR Program Administrator annually for services relating to rental and ownership units.
- Prepare and monitor agreement, process monthly reimbursement requests, and provide technical assistance to BMR Program Administrator.
- Review and maintain the Policy and Procedures Manual for Administering Deed Restricted Affordable Housing Units (BMR Manual).
- Review and maintain the BMR Housing Mitigation Program Procedural Manual (Housing Mitigation Manual)

Proposed Budget

It is recommended that City Council approve a budget of \$661,071 for the BMR Affordable Housing Fund program. This represents a decrease of \$23,666 (-3.5%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits, affordable housing placement program and public service grant costs offset by FY 2019-20 \$180,000 in special projects.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Taxes	\$ 165,324	\$ 159,179	\$ 3,000	\$ 3,025,898
Charges for Services	\$ 34,135	\$ 29,145	\$ -	\$ -
Miscellaneous Revenue	\$ 4,754	\$ 901	\$ -	\$ -
Total Revenues	\$ 204,213	\$ 189,225	\$ 3,000	\$ 3,025,898
Expenditures				
Employee Compensation	\$ 32,733	\$ 37,739	\$ 47,152	\$ 67,674
Employee Benefits	\$ 18,681	\$ 20,648	\$ 24,237	\$ 32,480
Materials	\$ 183,393	\$ 227,955	\$ 232,150	\$ 310,786
Contract Services	\$ 177,626	\$ 78,934	\$ 201,170	\$ 201,288
Cost Allocation	\$ 2,582	\$ -	\$ 28	\$ 48,843
Special Projects	\$ 3,794,265	\$ 88,236	\$ 180,000	\$ -
Total Expenditures	\$ 4,209,280	\$ 453,512	\$ 684,737	\$ 661,071
Fund Balance	\$ (4,005,067)	\$ (264,288)	\$ (681,737)	\$ 2,364,827
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.41 FTE

Total proposed positions - 0.41 FTE

There are no changes to the current level of staffing.

Human Service Grants

Budget Unit 100-72-712

General Fund - Housing Services - Human Service Grants

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 106,930
Fund Balance	\$ -
General Fund Costs	\$ 106,930
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

Program Overview

The City of Cupertino sets aside \$100,000 from its General Fund for non-profit agencies providing services to low- and moderate-income Cupertino residents. Eligible programs include senior services, homeless services, and others that serve low- and moderate-income residents.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance.

Proposed Budget

It is recommended that City Council approve a budget of \$106,930 for the Human Service Grants program. This represents a decrease of \$910 (-0.8%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ 40,000	\$ 83,599	\$ 100,000	\$ 100,000
Cost Allocation	\$ 1,836	\$ 3,010	\$ 2,840	\$ 4,430
Contingencies	\$ -	\$ -	\$ 5,000	\$ 2,500
Total Expenditures	\$ 41,836	\$ 86,609	\$ 107,840	\$ 106,930
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 41,836	\$ 86,609	\$ 107,840	\$ 106,930

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

General Building

Budget Unit 100-73-713

General Fund - Building - General Building

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 315,000
Total Expenditures	\$ 899,738
Fund Balance	\$ -
General Fund Costs	\$ 584,738
% Funded by General Fund	65.0%
Total Staffing	2.92 FTE

Program Overview

The General Building program establishes the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, accessibility, sanitation, adequate lighting and ventilation and energy conservation; safety to life and property from fire and other hazards attributed to the built environment; and to provide safety to fire fighters and emergency responders during emergency operations.

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

Proposed Budget

It is recommended that City Council approve a budget of \$899,738 for the General Building program. This represents an increase of \$108,477 (13.7%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits and cost allocation.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Licenses and Permits	\$ 305,951	\$ 396,662	\$ 300,000	\$ 315,000
Charges for Services	\$ 350	\$ 2,466	\$ -	\$ -
Miscellaneous Revenue	\$ 53	\$ 158	\$ -	\$ -
Total Revenues	\$ 306,354	\$ 399,286	\$ 300,000	\$ 315,000
Expenditures				
Employee Compensation	\$ 332,847	\$ 322,821	\$ 359,785	\$ 410,670
Employee Benefits	\$ 136,400	\$ 133,281	\$ 152,528	\$ 179,641
Materials	\$ 18,852	\$ 17,328	\$ 19,240	\$ 18,479
Contract Services	\$ 3,650	\$ 1,011	\$ -	\$ -
Cost Allocation	\$ 236,112	\$ 270,495	\$ 258,746	\$ 290,486
Special Projects	\$ 13,053	\$ 8,292	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 962	\$ 462
Total Expenditures	\$ 740,914	\$ 753,228	\$ 791,261	\$ 899,738
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 434,561	\$ 353,941	\$ 491,261	\$ 584,738

Staffing

Total current positions - 2.92 FTE

Total proposed positions - 2.92 FTE

There are no changes to the current level of staffing.

Building Plan Review

Budget Unit 100-73-714

General Fund - Building - Building Plan Review

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,300,000
Total Expenditures	\$ 1,658,248
Fund Balance	\$ -
General Fund Costs	\$ 358,248
% Funded by General Fund	21.6%
Total Staffing	5.90 FTE

Program Overview

The Building Plan Review program is responsible for the timely and accurate review and approval of construction drawings for all residential, commercial and industrial permit applications for buildings and structures to ensure the proposed design meets or exceeds the minimum life safety, plumbing, mechanical, electrical, accessibility, energy and structural safety standards of the California Building Code and all governing local amendments.

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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,658,248 for the Building Plan Review program. This represents an increase of \$201,212 (13.8%) from the FY 2019-20 Adopted Budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Licenses and Permits	\$ 927,741	\$ 1,505,039	\$ 1,000,000	\$ 1,300,000
Charges for Services	\$ 463,108	\$ 110,007	\$ -	\$ -
Miscellaneous Revenue	\$ 69,466	\$ 26,501	\$ 49,539	\$ -
Total Revenues	\$ 1,460,315	\$ 1,641,547	\$ 1,049,539	\$ 1,300,000
Expenditures				
Employee Compensation	\$ 596,332	\$ 630,862	\$ 658,969	\$ 743,419
Employee Benefits	\$ 271,670	\$ 281,577	\$ 302,174	\$ 356,239
Materials	\$ 6,437	\$ 19,815	\$ 6,865	\$ 7,189
Contract Services	\$ 6,802	\$ 6,305	\$ -	\$ -
Cost Allocation	\$ 349,802	\$ 436,132	\$ 453,685	\$ 551,221
Special Projects	\$ 459,558	\$ 110,860	\$ 35,000	\$ -
Contingencies	\$ -	\$ -	\$ 343	\$ 180
Total Expenditures	\$ 1,690,601	\$ 1,485,551	\$ 1,457,036	\$ 1,658,248
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 230,287	\$ (155,995)	\$ 407,497	\$ 358,248

Staffing

Total current positions - 5.90 FTE

Total proposed positions - 5.90 FTE

There are no changes to the current level of staffing.

Building Code Enforcement

Budget Unit 100-73-715

General Fund - Building - Building Code Enforcement

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,500,000
Total Expenditures	\$ 1,402,918
Fund Balance	\$ -
General Fund Costs	\$ (97,082)
% Funded by General Fund	-6.9%
Total Staffing	5.15 FTE

Program Overview

The Building Inspection program is established to enforce certain minimum standards pursuant to the California Building Code and all local amendments for all new and existing buildings and structures within the City of Cupertino jurisdiction. These minimum standards include public safety, health and general welfare through structural strength, stability, sanitation, adequate light and ventilation, and safety to life and property from fire, hurricane, and other hazards attributed to the built environment. These include alteration, repair, removal, demolition, use, and occupancy of buildings, structures or premises. The Building Inspections Division also regulates the installation and maintenance of all electrical, gas, mechanical and plumbing systems, which may be referred to as service systems. The program also responds to stormwater pollution protection, 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,402,918 for the Building Code Enforcement program. This represents an increase of \$227,822 (19.4%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits and cost allocation.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Licenses and Permits	\$ 1,494,800	\$ 2,170,542	\$ 1,200,000	\$ 1,500,000
Charges for Services	\$ 2,465,447	\$ 292,735	\$ -	\$ -
Miscellaneous Revenue	\$ 369,817	\$ 43,679	\$ -	\$ -
Total Revenues	\$ 4,330,064	\$ 2,506,956	\$ 1,200,000	\$ 1,500,000
Expenditures				
Employee Compensation	\$ 582,740	\$ 536,891	\$ 582,979	\$ 643,621
Employee Benefits	\$ 242,557	\$ 224,832	\$ 267,646	\$ 306,336
Materials	\$ 15,776	\$ 17,411	\$ 28,250	\$ 32,750
Contract Services	\$ 52,726	\$ 71,494	\$ -	\$ -
Cost Allocation	\$ 317,989	\$ 299,990	\$ 294,808	\$ 419,429
Special Projects	\$ 2,537,214	\$ 362,998	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,413	\$ 782
Total Expenditures	\$ 3,749,002	\$ 1,513,616	\$ 1,175,096	\$ 1,402,918
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (581,061)	\$ (993,339)	\$ (24,904)	\$ (97,082)

Staffing

Total current positions - 5.15 FTE

Total proposed positions - 5.15 FTE

There are no changes to the current level of staffing.

Muni Code Enforcement

Budget Unit 100-73-718

General Fund - Building - Muni Code Enforcement

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 83,027
Fund Balance	\$ -
General Fund Costs	\$ 83,027
% Funded by General Fund	100.0%
Total Staffing	0.25 FTE

Program Overview

The Community Development Code Enforcement program provides 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.

Proposed Budget

It is recommended that City Council approve a budget of \$83,027 for the Muni Code Enforcement program. This represents a decrease of \$14,754 (-15.1%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to a decrease in cost allocation offset by an increase in negotiated salary and benefits.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 126,102	\$ 62,523	\$ 28,636	\$ 31,201
Employee Benefits	\$ 53,964	\$ 29,045	\$ 13,028	\$ 14,868
Materials	\$ 2,779	\$ 3,134	\$ -	\$ 80
Contract Services	\$ 1,329	\$ 764	\$ -	\$ -
Cost Allocation	\$ 109,001	\$ 64,205	\$ 56,117	\$ 36,878
Total Expenditures	\$ 293,175	\$ 159,671	\$ 97,781	\$ 83,027
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 293,174	\$ 159,671	\$ 97,781	\$ 83,027

Staffing

Total current positions - 0.25 FTE

Total proposed positions - 0.25 FTE

There are no changes to the current level of staffing.

Code Enforcement

Budget Unit 100-74-202

General Fund - Code Enforcement - Code Enforcement

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 225,000
Total Expenditures	\$ 1,157,600
Fund Balance	\$ -
General Fund Costs	\$ 932,600
% Funded by General Fund	80.6%
Total Staffing	3.00 FTE

Program Overview

The Code Enforcement program provides enforcement of various provisions of the municipal code relating to parking citations, noise, animal control, zoning and building, 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,157,600 for the Code Enforcement program. This represents an increase of \$269,948 (30.4%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to an increase in negotiated salary and benefits and cost allocation.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 3,280	\$ -	\$ -
Fines and Forfeitures	\$ -	\$ 190,550	\$ 265,000	\$ 225,000
Total Revenues	\$ -	\$ 193,830	\$ 265,000	\$ 225,000
Expenditures				
Employee Compensation	\$ -	\$ 229,982	\$ 357,633	\$ 402,106
Employee Benefits	\$ -	\$ 90,611	\$ 144,924	\$ 181,315
Materials	\$ -	\$ 4,187	\$ 17,600	\$ 18,129
Contract Services	\$ -	\$ 160,909	\$ 262,000	\$ 274,720
Cost Allocation	\$ -	\$ 22,478	\$ 105,495	\$ 274,009
Contingencies	\$ -	\$ -	\$ -	\$ 7,321
Total Expenditures	\$ -	\$ 508,167	\$ 887,652	\$ 1,157,600
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 314,337	\$ 622,652	\$ 932,600

Staffing

Total current positions - 3.00 FTE

Total proposed positions - 3.00 FTE

There are no changes to the current level of staffing.

Public Works

Budget Unit	Program	2021 Proposed Budget
Public Works Administration		\$ 891,430
100-80-800	Public Works Administration	\$ 891,430
Environmental Programs		\$ 3,480,124
520-81-801	Resource Recovery	\$ 1,722,438
230-81-802	Non-Point Source	\$ 1,050,690
230-81-855	Storm Drain Maintenance	\$ 706,996
Developmental Services		\$ 3,137,651
100-82-804	Plan Review	\$ 1,673,271
100-82-806	CIP Administration	\$ 1,464,380
Service Center		\$ 1,253,059
100-83-807	Service Center Administration	\$ 1,253,059
Grounds		\$ 6,529,815
100-84-808	McClellan Ranch Park	\$ 150,623
100-84-809	Memorial Park	\$ 798,045
100-84-811	BBF Ground Maintenance	\$ 174,799
100-84-812	School Site Maintenance	\$ 1,572,920
100-84-813	Neighborhood Parks	\$ 2,501,181
100-84-814	Sport Fields Jollyman, Creekside	\$ 808,542
100-84-815	Civic Center Maintenance	\$ 523,705
Streets		\$ 10,223,524
100-85-818	Storm Drain Maintenance	\$ -
270-85-820	Sidewalk Curb and Gutter	\$ 2,561,810
270-85-821	Street Pavement Maintenance	\$ 4,216,014
270-85-822	Street Sign Marking	\$ 865,538
100-85-848	Street Lighting	\$ 887,925
630-85-849	Equipment Maintenance	\$ 1,497,347
100-85-850	Environmental Materials	\$ 194,890
Trees and Right of Way		\$ 3,791,476
100-86-824	Overpasses and Medians	\$ 1,530,928
Total		\$ 37,550,746

Budget Unit	Program	2021 Proposed Budget
100-86-825	Street Tree Maintenance	\$ 1,693,951
100-86-826	Sheriff Work Program	\$ 566,597
Facilities and Fleet		\$ 4,509,135
100-87-827	City Hall Maintenance	\$ 472,117
100-87-828	Library Maintenance	\$ 619,431
100-87-829	Service Center Maintenance	\$ 290,074
100-87-830	Quinlan Community Center Maintenance	\$ 561,635
100-87-831	Senior Center Maintenance	\$ 380,519
100-87-832	McClellan Ranch Maintenance	\$ 210,120
100-87-833	Monta Vista Community Center Maintenance	\$ 242,758
100-87-834	Wilson Park Maintenance	\$ 68,527
100-87-835	Portal Park Maintenance	\$ 84,596
570-87-836	Sports Center Maintenance	\$ 533,237
100-87-837	Creekside Park Maintenance	\$ 104,149
100-87-838	Community Hall Maintenance	\$ 231,318
100-87-839	Teen Center Maintenance	\$ 47,874
100-87-840	Park Bathrooms Maintenance	\$ 120,681
100-87-841	Blackberry Farm Maintenance	\$ 530,158
100-87-852	Franco Traffic Operations Center	\$ 11,941
Transportation		\$ 2,766,374
100-88-844	Traffic Engineering	\$ 1,263,216
100-88-845	Traffic Signal Maintenance	\$ 903,114
100-88-846	Safe Routes 2 School	\$ 600,044
Non-Departmental		\$ 968,158
210-90-978	Minor Storm Drain Improvement	\$ -
630-90-985	Fixed Assets Acquisition	\$ 968,158
Total		\$ 37,550,746

Department Overview

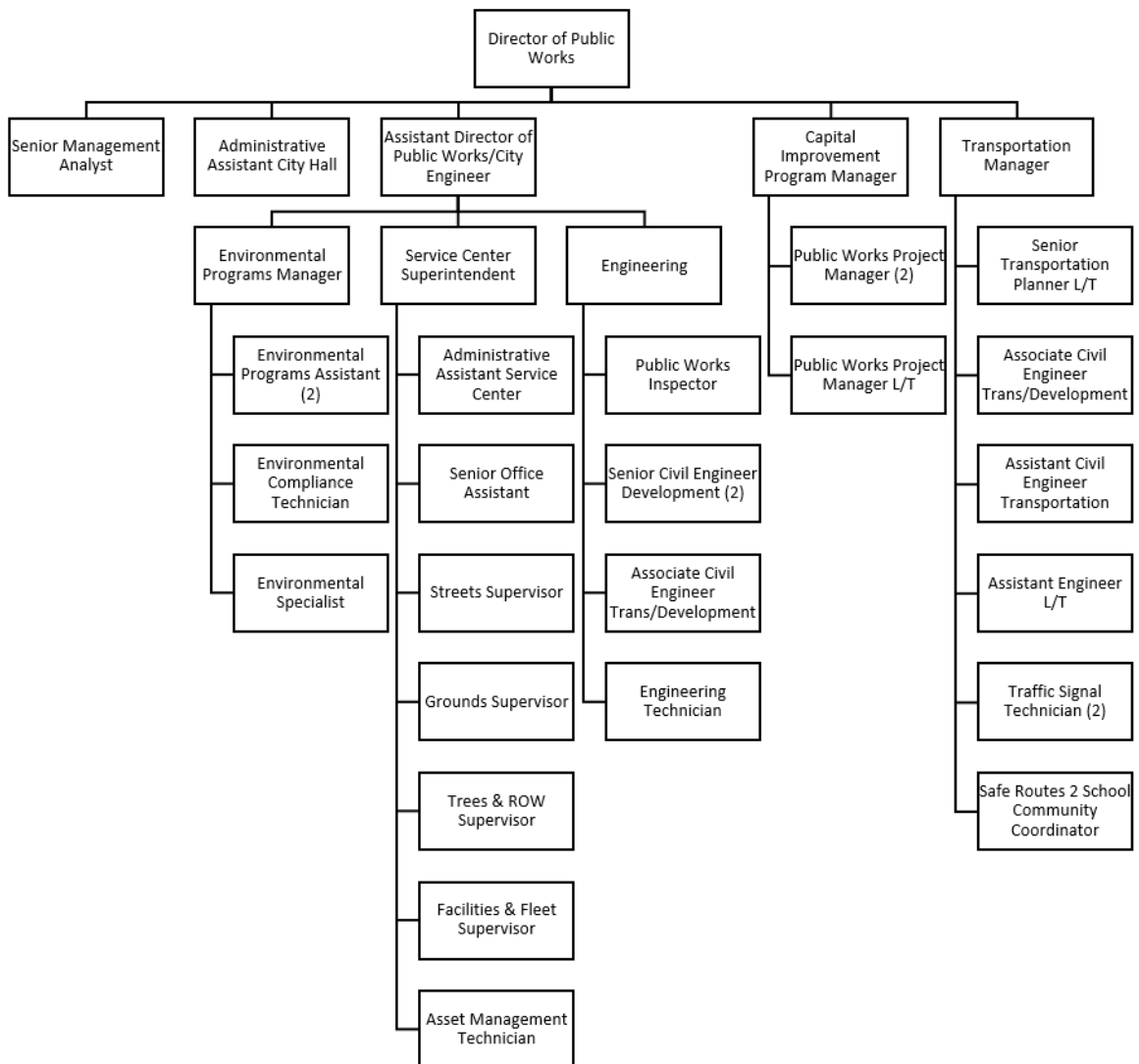
Budget at a Glance

2021 Proposed Budget

Total Revenues	\$ 9,141,403
Total Expenditures	\$ 37,550,746
Fund Balance	\$ (7,872,744)
General Fund Costs	\$ 20,551,599
% Funded by General Fund	54.7%
Total Staffing	90.15 FTE

Organization

Roger Lee, Director of Public Works



Performance Measures

Capital Project Delivery

Goal: Deliver capital projects on time and within budget.

Benefit: Residents and businesses are assured their community is being improved by efficient use of taxes and fees.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Projects are on budget	100% (7)	100% (4)	TBD	80%
Projects are on time	100% (7)	75% (3 of 4)	TBD	90%

Development Services

Goal: Provide timely review and permitting of privately completed improvements within the public right of way.

Benefit: Customers receive quality reviews and permitting on a defined schedule.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Respond to complete plan submittals or applications within two (2) weeks	99%	N/A	N/A	90%
Respond to complete encroachment permit applications within (2) weeks	N/A	93%	95%	90%
Respond to public inquiries at the Public Works counter in City Hall within 15 minutes.	100%	100%	94%	95%

Dependable Infrastructure

Goal: Maintain timely levels of service to meet community and environment requirements at optimal life-cycle costs.

Benefit: Cupertino has well maintained infrastructure and programs that meets the needs of the community.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Pavement condition index (PCI) > or equal to 82	81	85	85	90
Respond to and close Sidewalk 311 request within 2 business days	100%	100%	100%	99%
Troubleshoot, respond to and close Streetlight 311 requests within 3 business days	100%	100%	100%	99%
Storm Drain System: Total number of storm drain inlets inspected/cleaned in Fiscal Year	100%	100%	100%	100%
Roadway Signs repaired/replaced within 4 business days of being damaged	100%	100%	100%	100%
Facilities: % of Preventative Maintenance work orders completed within 14 calendar days	New Measure	New Measure	New Measure	95%
% of Preventative Maintenance work orders for vehicles completed within 14 calendar days of the due date	New Measure	New Measure	New Measure	95%

Environment

Goal: Protect our natural environment for current and future generations.

Benefit: Current and future residents enjoy a healthy, sustainable environment.

Performance Measure	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec	Ongoing Target
Respond to reports of actual or potential discharge the same business day	95%	90%	82%	95%
Percent of businesses in compliance during annual proactive stormwater pollution prevention inspections	N/A	93%	N/A	75%
Diversion: Residents and businesses separating organics	New Measure	New Measure	New Measure	100%
% of street trees maintained within annual maintenance zones	New Measure	New Measure	New Measure	98%
Number of trees planted compared to number of trees removed	Removed: 67 Planted: 53 79%	Removed: 155 Planted: 192 124%	Removed: 82 Planted: 95 116%	110%

Workload Indicators

Capital Improvement Program

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of projects started in the first year funded	8/13	N/A	N/A
Number of Active Projects vs Total number of projects	29/40	N/A	N/A

Developmental Services Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of development permit applications received	428	434	214
Number of encroachment permits applications received	121	136	67
Number of customers serviced at the counter	Not Tracked	Not Tracked	797

Streets Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Storm Drain Inlets Inspected/Cleaned	815	1,063	819
Roadway Signs Repaired/Replaced	404	721	173
Sidewalk/Pathway Assets Repaired	1,036	738	270
Streetlight Outages/Investigated/Resolved	175	39	24

Facilities and Fleet Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of Preventative Maintenance work orders received	New Measure	New Measure	New Measure
Number of Preventative Maintenance work orders for vehicles received	New Measure	New Measure	New Measure

Environmental Programs Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of actual or potential discharges	126	125	N/A
Number of stormwater pollution prevention inspections	N/A	N/A	N/A
Number of outreach site visits, workshops, events and activities to educate residents and businesses	65	126	46

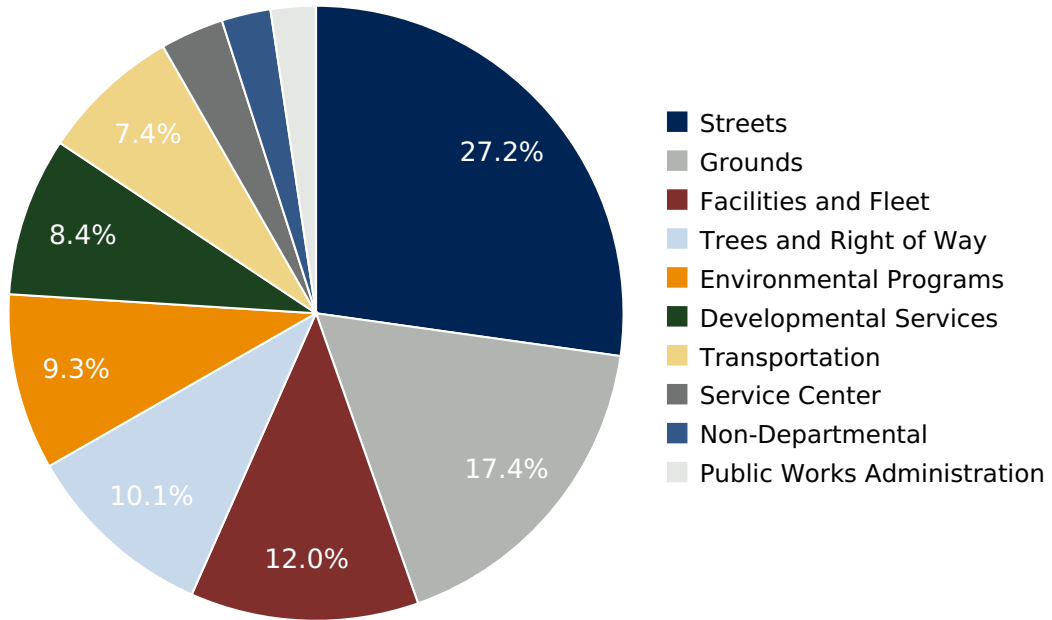
Trees and Right of Way Division

Workload Indicator	FY 2018 July-June	FY 2019 July-June	FY 2020 July-Dec
Number of trees maintained vs number of active trees within maintenance zones	2,988	896/1,648	364/1,437
Number of trees planted/number of trees removed	53/67	155/192	82/95

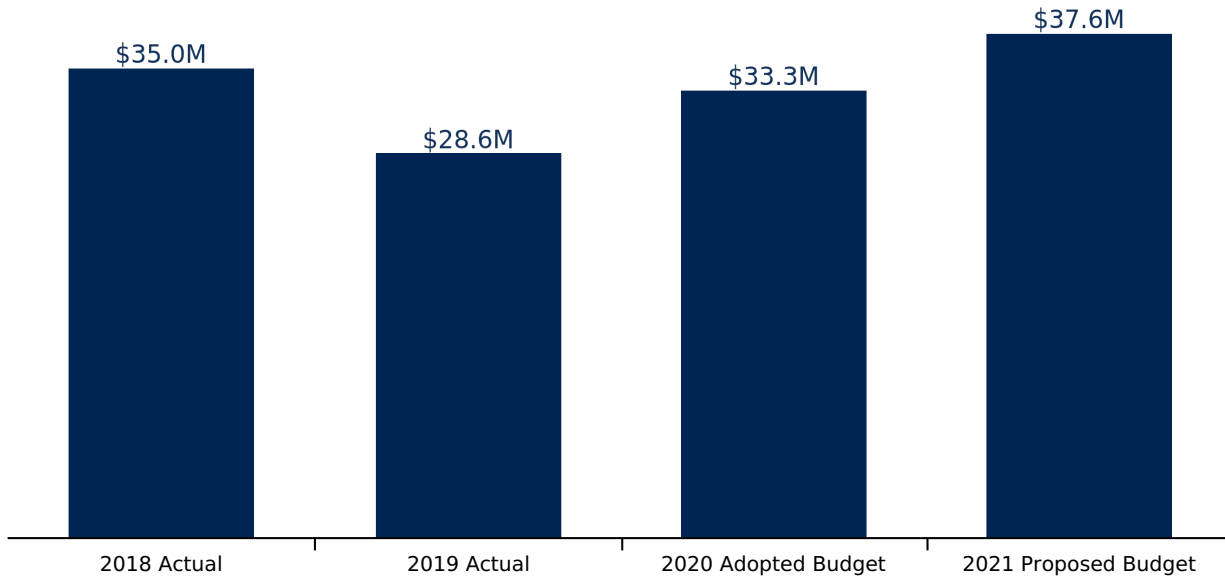
Proposed Budget

It is recommended that City Council approve a budget of \$37,550,746 for the Public Works department. This represents an increase of \$4,230,286 (12.7%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 275,069	\$ 216,483	\$ 210,770	\$ 238,442
Intergovernmental Revenue	\$ 955,327	\$ 1,693,844	\$ 6,055,305	\$ 1,691,950
Charges for Services	\$ 6,838,460	\$ 6,889,754	\$ 9,050,219	\$ 7,054,767
Fines and Forfeitures	\$ 27,902	\$ 22,541	\$ 10,000	\$ 10,000
Miscellaneous Revenue	\$ 964,867	\$ 197,736	\$ 390,493	\$ 146,244
Total Revenues	\$ 9,061,625	\$ 9,020,358	\$ 15,716,787	\$ 9,141,403
Expenditures				
Employee Compensation	\$ 7,617,713	\$ 7,865,671	\$ 8,958,370	\$ 9,861,882
Employee Benefits	\$ 3,589,800	\$ 3,528,882	\$ 4,132,297	\$ 4,703,469
Materials	\$ 3,433,779	\$ 3,212,328	\$ 3,792,650	\$ 4,335,670
Contract Services	\$ 4,104,863	\$ 3,705,523	\$ 4,060,858	\$ 4,246,272
Cost Allocation	\$ 3,860,953	\$ 3,838,768	\$ 4,930,595	\$ 6,911,037
Capital Outlays	\$ 101,200	\$ 4,000	\$ 1,000,000	\$ 1,000,000
Special Projects	\$ 12,260,174	\$ 6,490,496	\$ 5,971,985	\$ 6,204,496
Contingencies	\$ -	\$ -	\$ 473,705	\$ 287,920
Total Expenditures	\$ 34,968,482	\$ 28,645,668	\$ 33,320,460	\$ 37,550,746
Fund Balance	\$ (5,551,988)	\$ 871,138	\$ (1,708,472)	\$ (7,872,744)
General Fund Costs	\$ 20,354,869	\$ 20,506,452	\$ 15,895,201	\$ 20,551,599

Staffing

Total current positions - 90.75 FTE

Total proposed positions - 90.15 FTE

Public Works Administration

Budget Unit 100-80-800

General Fund - Public Works Administration - Public Works Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 120,000
Total Expenditures	\$ 891,430
Fund Balance	\$ -
General Fund Costs	\$ 771,430
% Funded by General Fund	86.5%
Total Staffing	3.05 FTE

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, stormwater 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 a 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.

Proposed Budget

It is recommended that City Council approve a budget of \$891,430 for the Public Works Administration program. This represents a decrease of \$44,011 (-4.7%) from the FY 2019-20 Adopted Budget.

This decrease is represented by an increase in negotiated staffing costs offset by decreases in materials, contract services, and cost allocation charges. Most significantly, the Program budgeted \$100,000 for a grant management contractor in FY 19-20 that is not budgeted for FY 20-21. The increase in revenue is due to the transfer of rental payments for the Blue Pheasant Restaurant. In prior years, the Blue Pheasant Restaurant's Lease Agreement was managed by the Parks and Recreation Department and the generated revenue was recorded in the Park Facilities program.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Municipal Water System	\$50,000	\$50,000	General Fund	Municipal Water System (City Council Work Program)
Total	\$50,000	\$50,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ -	\$ -	\$ 120,000
Charges for Services	\$ 13,843	\$ 728	\$ -	\$ -
Total Revenues	\$ 13,843	\$ 728	\$ -	\$ 120,000
Expenditures				
Employee Compensation	\$ 492,767	\$ 435,895	\$ 546,007	\$ 588,451
Employee Benefits	\$ 173,702	\$ 139,533	\$ 191,458	\$ 232,171
Materials	\$ 23,015	\$ 18,685	\$ 32,600	\$ 19,081
Contract Services	\$ 844	\$ 7,319	\$ 105,525	\$ -
Cost Allocation	\$ 69,802	\$ 72,830	\$ 52,945	\$ -
Special Projects	\$ 23,803	\$ -	\$ -	\$ 50,000
Contingencies	\$ -	\$ -	\$ 6,906	\$ 1,727
Total Expenditures	\$ 783,933	\$ 674,262	\$ 935,441	\$ 891,430
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 770,090	\$ 673,534	\$ 935,441	\$ 771,430

Staffing

Total current positions - 3.05 FTE

Total proposed positions - 3.05 FTE

There are no changes to the current level of staffing.

Resource Recovery

Budget Unit 520-81-801

Resource Recovery - Environmental Programs - Resource Recovery

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,435,188
Total Expenditures	\$ 1,722,438
Fund Balance	\$ (287,250)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.50 FTE

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; 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 with preparations to recycle organics. Provide landlords and property owners with support and educational materials for their tenants. Visit the management of each multi-family complex via a knock and talk campaign to distribute free kitchen pails and guidance to help residents sort kitchen waste for their central garbage and recycling area. Conduct waste characterization studies to determine future services.
- 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 giveaway 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,722,438 for the Resource Recovery program. This represents a decrease of \$642,580 (-27.2%) from the FY 2019-20 Adopted Budget.

This decrease is due to staffing reallocations and decreases in contract services and special projects. The greatest decrease is due to a special project in FY 19-20 for solid waste hauler RFP development that was not budgeted for in FY 20-21.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Trash Enclosure SWMP	\$2,500	\$2,500	Resource Recovery	Trash Enclosure for Storm Water Master Plan
Single Use Plastics Ordinance	\$30,000	\$30,000	Resource Recovery	Single Use Plastics Ordinance
Total	\$32,500	\$32,500		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 71,114	\$ 101,341	\$ -	\$ -
Intergovernmental Revenue	\$ 14,781	\$ 30,023	\$ 15,000	\$ 15,000
Charges for Services	\$ 2,475,967	\$ 1,658,612	\$ 1,270,000	\$ 1,420,188
Miscellaneous Revenue	\$ 69,114	\$ 61,643	\$ 66,000	\$ -
Total Revenues	\$ 2,630,976	\$ 1,851,619	\$ 1,351,000	\$ 1,435,188
Expenditures				
Employee Compensation	\$ 514,086	\$ 486,937	\$ 534,397	\$ 371,232
Employee Benefits	\$ 276,031	\$ 236,592	\$ 220,152	\$ 144,051
Materials	\$ 32,959	\$ 42,135	\$ 75,796	\$ 72,478
Contract Services	\$ 1,604,941	\$ 780,363	\$ 1,045,724	\$ 803,608
Cost Allocation	\$ 166,494	\$ 186,630	\$ 182,873	\$ 275,854
Special Projects	\$ -	\$ 3,228	\$ 250,000	\$ 32,500
Contingencies	\$ -	\$ -	\$ 56,076	\$ 22,715
Total Expenditures	\$ 2,594,511	\$ 1,735,885	\$ 2,365,018	\$ 1,722,438
Fund Balance	\$ 36,464	\$ 115,735	\$ (1,014,018)	\$ (287,250)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 4.20 FTE

Total proposed positions - 2.50 FTE

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

Non-Point Source

Budget Unit 230-81-802

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Non-Point Source

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,532,493
Total Expenditures	\$ 1,050,690
Fund Balance	\$ 481,803
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.85 FTE

Program Overview

The Non-Point Source program manages the City's compliance with its State-mandated Municipal Regional Stormwater NPDES Permit; 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 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; post-construction 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,050,690 for the Non-Point Source program. This represents an increase of \$307,412 (41.4%) from the FY 2019-20 Adopted Budget.

This is mostly due to increases in street sweeping and inlet drain protection services and increases in cost allocation charges. The increase in revenue is due to the addition of the 2019 Clean Water Fees to this program.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Trash Enclosure SWMP	\$2,500	\$2,500	Non-Point Source	Trash Enclosure in accordance with Storm Water Master Plan
Total	\$2,500	\$2,500		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 255	\$ 524	\$ -	\$ -
Charges for Services	\$ 369,443	\$ 369,014	\$ 370,000	\$ 1,522,493
Fines and Forfeitures	\$ 27,902	\$ 22,541	\$ 10,000	\$ 10,000
Total Revenues	\$ 397,600	\$ 392,079	\$ 380,000	\$ 1,532,493
Expenditures				
Employee Compensation	\$ 210,662	\$ 221,636	\$ 221,319	\$ 319,706
Employee Benefits	\$ 96,863	\$ 96,764	\$ 101,711	\$ 156,579
Materials	\$ 3,169	\$ 27,812	\$ 32,848	\$ 35,764
Contract Services	\$ 263,079	\$ 239,633	\$ 299,841	\$ 389,248
Cost Allocation	\$ 66,387	\$ 73,001	\$ 70,925	\$ 136,205
Special Projects	\$ -	\$ -	\$ -	\$ 2,500
Contingencies	\$ -	\$ -	\$ 16,634	\$ 10,688
Total Expenditures	\$ 640,160	\$ 658,846	\$ 743,278	\$ 1,050,690
Fund Balance	\$ (158,441)	\$ 169,232	\$ 296,722	\$ 481,803
General Fund Costs	\$ 84,120	\$ 436,000	\$ 660,000	\$ -

Staffing

Total current positions - 2.90 FTE

Total proposed positions - 2.85 FTE

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

Storm Drain Maintenance

Budget Unit 230-81-855

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Storm Drain Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 706,996
Fund Balance	\$ (706,996)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.20 FTE

Program Overview

Maintenance of storm drain system to provide the efficient flow of stormwater and to comply with stormwater 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.

Proposed Budget

It is recommended that City Council approve a budget of \$706,996 for the Storm Drain Maintenance program.

This is a newly established Program for the purposes of consolidating storm drain maintenance activities.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Service Center IND Inspection	\$5,000	\$5,000	Non-Point Source	Service Center IND Inspections
Total	\$5,000	\$5,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 223,786
Employee Benefits	\$ -	\$ -	\$ -	\$ 101,262
Materials	\$ -	\$ -	\$ -	\$ 24,465
Contract Services	\$ -	\$ -	\$ -	\$ 252,762
Cost Allocation	\$ -	\$ -	\$ -	\$ 92,340
Special Projects	\$ -	\$ -	\$ -	\$ 5,000
Contingencies	\$ -	\$ -	\$ -	\$ 7,381
Total Expenditures	\$ -	\$ -	\$ -	\$ 706,996
Fund Balance	\$ -	\$ -	\$ -	\$ (706,996)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 2.20 FTE

Staffing allocations increased to reflect the recording of the newly created program.

Plan Review

Budget Unit 100-82-804

General Fund - Developmental Services - Plan Review

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 731,489
Total Expenditures	\$ 1,673,271
Fund Balance	\$ -
General Fund Costs	\$ 941,782
% Funded by General Fund	56.3%
Total Staffing	5.00 FTE

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 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 permits and prevent runoff from polluting nearby watersheds. Work closely with the Environmental Programs Division to continue inspecting job sites 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, Public Works Maintenance and Operations and Parks and Recreation as needed to facilitate private developments and public infrastructure projects.

Proposed Budget

It is recommended that City Council approve a budget of \$1,673,271 for the Plan Review program. This represents an increase of \$356,675 (27.1%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to professional consulting services for development permit surveying and adjustments in cost allocations.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Alternatives to New City Hall	\$25,000	\$25,000	General Fund	Investigate alternatives for New City Hall
Total	\$25,000	\$25,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ 31,233	\$ 9,270	\$ 31,500
Charges for Services	\$ 1,011,940	\$ 667,697	\$ 1,521,160	\$ 688,144
Miscellaneous Revenue	\$ 93,509	\$ 11,411	\$ 130,812	\$ 11,845
Total Revenues	\$ 1,105,449	\$ 710,341	\$ 1,661,242	\$ 731,489
Expenditures				
Employee Compensation	\$ 572,352	\$ 726,468	\$ 724,006	\$ 804,380
Employee Benefits	\$ 241,255	\$ 283,463	\$ 309,231	\$ 322,042
Materials	\$ 19,851	\$ 9,501	\$ 10,585	\$ 12,246
Contract Services	\$ 118,379	\$ 195,943	\$ 90,388	\$ 180,326
Cost Allocation	\$ 179,733	\$ 171,369	\$ 177,337	\$ 323,847
Special Projects	\$ 563,781	\$ 97,297	\$ -	\$ 25,000
Contingencies	\$ -	\$ -	\$ 5,049	\$ 5,430
Total Expenditures	\$ 1,695,351	\$ 1,484,041	\$ 1,316,596	\$ 1,673,271
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 589,902	\$ 773,701	\$ (344,646)	\$ 941,782

Staffing

Total current positions - 5.50 FTE

Total proposed positions - 5.00 FTE

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

CIP Administration

Budget Unit 100-82-806

General Fund - Developmental Services - CIP Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,464,380
Fund Balance	\$ -
General Fund Costs	\$ 1,464,380
% Funded by General Fund	100.0%
Total Staffing	6.20 FTE

Program Overview

The Capital Improvement Program (CIP) provides design and construction administration for all capital improvement projects including streets, sidewalks, storm drainage, buildings, parks, bicycle and pedestrian improvements and other public facilities.

Service Objectives

- Ensure that all public improvements are designed and constructed in accordance with community expectations and City standards.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,464,380 for the CIP Administration program. This represents an increase of \$80,686 (5.8%) from the FY 2019-20 Adopted Budget.

The increase is represented by staffing reallocations, partially offset by decreases due to methodology changes in calculating cost allocations.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 374,747	\$ 468,286	\$ 898,365	\$ 1,003,803
Employee Benefits	\$ 127,546	\$ 164,939	\$ 380,534	\$ 443,986
Materials	\$ 9,675	\$ 8,268	\$ 15,102	\$ 16,186
Contract Services	\$ 26,010	\$ 368	\$ 15,904	\$ -
Cost Allocation	\$ 87,944	\$ 74,624	\$ 72,239	\$ -
Contingencies	\$ -	\$ -	\$ 1,550	\$ 405
Total Expenditures	\$ 625,922	\$ 716,485	\$ 1,383,694	\$ 1,464,380
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 625,922	\$ 716,484	\$ 1,383,694	\$ 1,464,380

Staffing

Total current positions - 6.00 FTE

Total proposed positions - 6.20 FTE

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

Service Center Administration

Budget Unit 100-83-807

General Fund - Service Center - Service Center Administration

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 98,674
Total Expenditures	\$ 1,253,059
Fund Balance	\$ -
General Fund Costs	\$ 1,154,385
% Funded by General Fund	92.1%
Total Staffing	3.50 FTE

Program Overview

The Service Center Administration program manages Public Works maintenance operations that include the major divisions of streets, grounds, trees and medians, facilities and fleet, as well as the minor divisions of signs/markings, storm drain, sidewalk, curb and gutter, overpasses and storm water; provides customer service to the general public; provides administrative support for maintenance staff, supervisors, and management; general training prioritization; assignment of service calls; provides oversight of various contracted services including street sweeping, janitorial and a wide variety of maintenance and minor public works contracts; manages the sheriff's work furlough program 7 days per week; 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 of trees, sidewalk repair, striping and legends, street signs, vehicle and equipment, streetlights and stormwater pollution.
- Maintain records of all complaints and requests for services by tracking responses through computer programs and written service request forms.
- Process the payments for all services and materials generated through the Service Center.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$1,253,059 for the Service Center Administration program. This represents an increase of \$1,229 (0.1%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged from last fiscal year. Increases due to departmental materials consolidation is offset with decreases to cost allocation due to a change in methodology.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Sources	Description
Facilities Office Reconfiguration - Various Sites	\$95,000	\$95,000	General Fund	Facilities Office Reconfiguration - Various Sites
Total	\$95,000	\$95,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 59,867	\$ 61,075	\$ 60,000	\$ 62,933
Miscellaneous Revenue	\$ 12,517	\$ 34,669	\$ 25,000	\$ 35,741
Total Revenues	\$ 72,384	\$ 95,744	\$ 85,000	\$ 98,674
Expenditures				
Employee Compensation	\$ 398,819	\$ 367,372	\$ 421,033	\$ 476,257
Employee Benefits	\$ 153,860	\$ 148,076	\$ 184,434	\$ 197,380
Materials	\$ 107,892	\$ 63,001	\$ 76,162	\$ 131,385
Contract Services	\$ 262,909	\$ 22,436	\$ 8,557	\$ 17,973
Cost Allocation	\$ 644,091	\$ 339,672	\$ 482,408	\$ 331,330
Capital Outlays	\$ 13,267	\$ -	\$ -	\$ -
Special Projects	\$ 129,318	\$ 457,010	\$ 75,000	\$ 95,000
Contingencies	\$ -	\$ -	\$ 4,236	\$ 3,734
Total Expenditures	\$ 1,710,156	\$ 1,397,567	\$ 1,251,830	\$ 1,253,059
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,637,772	\$ 1,301,823	\$ 1,166,830	\$ 1,154,385

Staffing

Total current positions - 3.65 FTE

Total proposed positions - 3.50 FTE

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

McClellan Ranch Park

Budget Unit 100-84-808

General Fund - Grounds - McClellan Ranch Park

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 150,623
Fund Balance	\$ -
General Fund Costs	\$ 150,623
% Funded by General Fund	100.0%
Total Staffing	0.40 FTE

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 Parks & Recreation Department for all of the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$150,623 for the McClellan Ranch Park program. This represents an increase of \$59,006 (64.4%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to cost allocation adjustments and an appropriation for backflow prevention device replacements in FY 20-21.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 29,393	\$ 30,076	\$ 30,356	\$ 40,975
Employee Benefits	\$ 13,758	\$ 13,992	\$ 14,665	\$ 20,753
Materials	\$ 15,354	\$ 15,214	\$ 16,635	\$ 33,312
Contract Services	\$ 10,750	\$ 15,200	\$ 10,080	\$ 12,360
Cost Allocation	\$ 956	\$ 11,786	\$ 18,545	\$ 42,081
Contingencies	\$ -	\$ -	\$ 1,336	\$ 1,142
Total Expenditures	\$ 70,211	\$ 86,268	\$ 91,617	\$ 150,623
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 70,210	\$ 86,268	\$ 91,617	\$ 150,623

Staffing

Total current positions - 0.30 FTE

Total proposed positions - 0.40 FTE

Staffing allocations have been adjusted to better reflect actual activities in the program.

Memorial Park

Budget Unit 100-84-809

General Fund - Grounds - Memorial Park

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 798,045
Fund Balance	\$ -
General Fund Costs	\$ 798,045
% Funded by General Fund	100.0%
Total Staffing	2.50 FTE

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, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, 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.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$798,045 for the Memorial Park program. This represents an increase of \$14,973 (1.9%) from the FY 2019-20 Adopted Budget.

This budget remains relatively unchanged from last year. Decreases in staffing were offset by increases in cost allocation charges due to a change in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 14,000	\$ -	\$ -	\$ -
Total Revenues	\$ 14,000	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 233,435	\$ 261,346	\$ 279,167	\$ 209,464
Employee Benefits	\$ 122,804	\$ 128,154	\$ 128,531	\$ 109,320
Materials	\$ 172,237	\$ 141,858	\$ 186,484	\$ 184,225
Contract Services	\$ 26,216	\$ 22,633	\$ 24,652	\$ 30,584
Cost Allocation	\$ 29,474	\$ 83,673	\$ 153,681	\$ 258,949
Capital Outlays	\$ 47,851	\$ -	\$ -	\$ -
Special Projects	\$ 9,950	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 10,557	\$ 5,503
Total Expenditures	\$ 641,967	\$ 637,664	\$ 783,072	\$ 798,045
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 627,966	\$ 637,664	\$ 783,072	\$ 798,045

Staffing

Total current positions - 3.00 FTE

Total proposed positions - 2.50 FTE

Staffing allocations have been adjusted to better reflect actual activities in the program.

BBF Ground Maintenance

Budget Unit 100-84-811

General Fund - Grounds - BBF Ground Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 174,799
Fund Balance	\$ -
General Fund Costs	\$ 174,799
% Funded by General Fund	100.0%
Total Staffing	1.00 FTE

Program Overview

Blackberry Farm is 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, 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 and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, 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.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$174,799 for the BBF Ground Maintenance program.

This program has been created for purposes of more discretely presenting the grounds maintenance costs attributable to Blackberry Farm.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 120,076
Employee Benefits	\$ -	\$ -	\$ -	\$ 49,884
Materials	\$ -	\$ -	\$ -	\$ 360
Contract Services	\$ -	\$ -	\$ -	\$ 3,106
Contingencies	\$ -	\$ -	\$ -	\$ 1,373
Total Expenditures	\$ -	\$ -	\$ -	\$ 174,799
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 174,799

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 1.00 FTE

The increase in staffing for this newly created Program is represented by an re-distribution of Grounds Maintenance staff within the Public Works Department.

School Site Maintenance

Budget Unit 100-84-812

General Fund - Grounds - School Site Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 143,700
Total Expenditures	\$ 1,572,920
Fund Balance	\$ -
General Fund Costs	\$ 1,429,220
% Funded by General Fund	90.9%
Total Staffing	4.20 FTE

Program Overview

Under a joint use agreement with 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, Regnart, 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 and other maintenance.
- Provide quarterly maintenance that may include fertilization, aerating, over-seeding, top dressing, 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.
- Provide logistical support to the Park and Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$1,572,920 for the School Site Maintenance program. This represents an increase of \$411,602 (35.4%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to increases in water services charges and to one-time special projects for Hyde Middle School and Collins School. Additionally, there are increases in cost allocation due to a change in methodology.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Irrigation Pump for Hyde Middle School	\$85,000	\$85,000	General Fund	Irrigation Pump for Hyde Middle School
Dedicated Water Service at Collins School	\$60,000	\$60,000	General Fund	Dedicated Water Service at Collins School
Hyde Middle School Fence Repairs	\$6,600	\$6,600	General Fund	Hyde Middle School Fence Repairs
Total	\$151,600	\$151,600		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 135,000	\$ 143,707	\$ 135,000	\$ 143,700
Total Revenues	\$ 135,000	\$ 143,707	\$ 135,000	\$ 143,700
Expenditures				
Employee Compensation	\$ 310,059	\$ 327,671	\$ 335,106	\$ 367,561
Employee Benefits	\$ 160,866	\$ 163,835	\$ 177,090	\$ 206,910
Materials	\$ 357,372	\$ 286,591	\$ 386,127	\$ 478,886
Contract Services	\$ 16,556	\$ 19,433	\$ 17,217	\$ 5,459
Cost Allocation	\$ 85,733	\$ 106,639	\$ 206,111	\$ 346,605
Special Projects	\$ 143,717	\$ -	\$ 19,500	\$ 151,600
Contingencies	\$ -	\$ -	\$ 20,167	\$ 15,899
Total Expenditures	\$ 1,074,303	\$ 904,169	\$ 1,161,318	\$ 1,572,920
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 939,303	\$ 760,462	\$ 1,026,318	\$ 1,429,220

Staffing

Total current positions - 4.30 FTE

Total proposed positions - 4.20 FTE

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

Neighborhood Parks

Budget Unit 100-84-813

General Fund - Grounds - Neighborhood Parks

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 2,501,181
Fund Balance	\$ -
General Fund Costs	\$ 2,501,181
% Funded by General Fund	100.0%
Total Staffing	8.60 FTE

Program Overview

Neighborhood Parks include 13 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 Avenue Dog Park, Monta Vista, Portal, Somerset, Varian, Wilson, Three Oaks, Hoover, Canyon Oak (Little Rancho), Franco Park, Sterling/Barnhart, and Oak Valley.

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, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, 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 with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize Weekend Work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$2,501,181 for the Neighborhood Parks program. This represents an increase of \$664,178 (36.2%) from the FY 2019-20 Adopted Budget.

Increased costs in cost allocation are due to one-time project expenses and a change in allocation methodology for IT charges. Materials increased due to increased costs in water services and the addition of playground resurfacing materials. Contract services increased due to the addition of park pathways/parking lot maintenance expenses.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Master Valve and Flow Sensor at Hoover Park	\$12,000	\$12,000	General Fund	Master Valve and Flow Sensor Installation at Hoover Park
Tot Lot Rubber Resurfacing	\$80,000	\$80,000	General Fund	Resurfacing at Wilson, Sterling Barnhardt, and Franco Park
Irrigation and Domestic Service	\$70,000	\$70,000	General Fund	Replace irrigation and domestic service at Portal Park
Environmental Consulting Services	\$14,000	\$14,000	General Fund	Environmental Consulting Services at Stevens Creek Corridor Park
Total	\$176,000	\$176,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 548,016	\$ 576,364	\$ 601,627	\$ 668,743
Employee Benefits	\$ 277,329	\$ 295,279	\$ 318,627	\$ 368,546
Materials	\$ 380,745	\$ 312,131	\$ 407,429	\$ 492,358
Contract Services	\$ 78,994	\$ 105,127	\$ 72,428	\$ 151,519
Cost Allocation	\$ 105,213	\$ 165,814	\$ 363,239	\$ 619,768
Special Projects	\$ 112,474	\$ 65,700	\$ 49,660	\$ 176,000
Contingencies	\$ -	\$ -	\$ 23,993	\$ 24,247
Total Expenditures	\$ 1,502,771	\$ 1,520,415	\$ 1,837,003	\$ 2,501,181
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,502,772	\$ 1,520,415	\$ 1,837,003	\$ 2,501,181

Staffing

Total current positions - 8.30 FTE

Total proposed positions - 8.60 FTE

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

Sport Fields Jollyman, Creekside

Budget Unit 100-84-814

General Fund - Grounds - Sport Fields Jollyman, Creekside

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 808,542
Fund Balance	\$ -
General Fund Costs	\$ 808,542
% Funded by General Fund	100.0%
Total Staffing	2.50 FTE

Program Overview

The sports 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. Sports 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 and 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, programmed play structure inspections, and other maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing sports fields for seasonal use.
- Maintain sports fields for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$808,542 for the Sport Fields Jollyman, Creekside program. This represents an increase of \$86,969 (12.1%) from the FY 2019-20 Adopted Budget.

This increase is due to cost allocation adjustments, increased costs in water services, and the addition of playground re-surfacing materials.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 198,514	\$ 212,260	\$ 222,133	\$ 198,684
Employee Benefits	\$ 97,168	\$ 106,205	\$ 115,509	\$ 103,383
Materials	\$ 206,416	\$ 164,048	\$ 223,001	\$ 252,546
Contract Services	\$ 300	\$ 15,014	\$ 315	\$ 8,871
Cost Allocation	\$ 42,072	\$ 66,998	\$ 149,449	\$ 238,074
Special Projects	\$ 12,600	\$ 9,300	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 11,166	\$ 6,984
Total Expenditures	\$ 557,070	\$ 573,825	\$ 721,573	\$ 808,542
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 557,069	\$ 573,824	\$ 721,573	\$ 808,542

Staffing

Total current positions - 3.10 FTE

Total proposed positions - 2.50 FTE

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

Civic Center Maintenance

Budget Unit 100-84-815

General Fund - Grounds - Civic Center Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 253,880
Total Expenditures	\$ 523,705
Fund Balance	\$ -
General Fund Costs	\$ 269,825
% Funded by General Fund	51.5%
Total Staffing	0.80 FTE

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 and general maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, 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.

Proposed Budget

It is recommended that City Council approve a budget of \$523,705 for the Civic Center Maintenance program. This represents an increase of \$274,725 (110.3%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to an increase and consolidation of various contract services and fuel charges across all Programs.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 175,468	\$ 196,807	\$ 204,590	\$ 253,880
Total Revenues	\$ 175,468	\$ 196,807	\$ 204,590	\$ 253,880
Expenditures				
Employee Compensation	\$ 82,372	\$ 87,113	\$ 84,111	\$ 77,106
Employee Benefits	\$ 44,406	\$ 43,952	\$ 46,391	\$ 43,943
Materials	\$ 66,936	\$ 54,924	\$ 70,934	\$ 312,167
Contract Services	\$ -	\$ -	\$ -	\$ 80,675
Cost Allocation	\$ 7,006	\$ 22,078	\$ 43,997	\$ -
Contingencies	\$ -	\$ -	\$ 3,547	\$ 9,814
Total Expenditures	\$ 200,720	\$ 208,067	\$ 248,980	\$ 523,705
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 25,252	\$ 11,261	\$ 44,390	\$ 269,825

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 0.80 FTE

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

Storm Drain Maintenance

Budget Unit 100-85-818

General Fund - Streets - Storm Drain Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

Maintenance of storm drain system to provide the efficient flow of stormwater and to comply with stormwater 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.

Proposed Budget

There is no budget requested for this program.

The activities in this Program were moved to the Environmental Management Special Revenue Fund in FY 20-21.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 117,112	\$ 108,311	\$ 129,294	\$ -
Employee Benefits	\$ 52,053	\$ 43,589	\$ 52,724	\$ -
Materials	\$ 8,162	\$ 14,044	\$ 9,776	\$ -
Contract Services	\$ 176,175	\$ 24,293	\$ 185,436	\$ -
Cost Allocation	\$ 33,530	\$ 43,770	\$ 47,104	\$ -
Contingencies	\$ -	\$ -	\$ 9,761	\$ -
Total Expenditures	\$ 387,032	\$ 234,007	\$ 434,095	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 387,031	\$ 234,007	\$ 434,095	\$ -

Staffing

Total current positions - 1.20 FTE

Total proposed positions - 0.00 FTE

The staff in this Program were moved to the Environmental Management Special Revenue Fund in FY 20-21.

Sidewalk Curb and Gutter

Budget Unit 270-85-820

Transportation Fund - Streets - Sidewalk Curb and Gutter

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 2,561,810
Fund Balance	\$ (2,561,810)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.40 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$2,561,810 for the Sidewalk Curb and Gutter program. This represents an increase of \$1,184,404 (86.0%) from the FY 2019-20 Adopted Budget.

This increase is due to the on-going special projects for sidewalk, curb, and gutter maintenance.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Annual Sidewalk Curb & Gutter	\$1,500,000	\$1,500,000	Transportation Fund/General Fund	Annual Sidewalk Curb & Gutter
Concrete Maintenance Backlog	\$550,000	\$550,000	Transportation/General Fund	Concrete Maintenance Backlog
Annual Sidewalk Grinding Project	\$80,000	\$80,000	Transportation/General Fund	Annual Sidewalk Grinding Project

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 3,765	\$ -	\$ -
Total Revenues	\$ -	\$ 3,765	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 102,099	\$ 123,763	\$ 134,552	\$ 161,978
Employee Benefits	\$ 50,970	\$ 61,597	\$ 67,722	\$ 85,044
Materials	\$ 3,833	\$ 4,730	\$ 5,195	\$ 11,594
Contract Services	\$ 80	\$ 90	\$ -	\$ 30,900
Cost Allocation	\$ 68,111	\$ 62,753	\$ 69,677	\$ 141,232
Special Projects	\$ 914,385	\$ 898,000	\$ 1,100,000	\$ 2,130,000
Contingencies	\$ -	\$ -	\$ 260	\$ 1,062
Total Expenditures	\$ 1,139,478	\$ 1,150,933	\$ 1,377,406	\$ 2,561,810
Fund Balance	\$ (289,482)	\$ (347,168)	\$ (1,156,406)	\$ (2,561,810)
General Fund Costs	\$ 849,996	\$ 800,000	\$ 221,000	\$ -

Staffing

Total current positions - 1.30 FTE

Total proposed positions - 1.40 FTE

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

Street Pavement Maintenance

Budget Unit 270-85-821

Transportation Fund - Streets - Street Pavement Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,624,285
Total Expenditures	\$ 4,216,014
Fund Balance	\$ (2,591,729)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.95 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$4,216,014 for the Street Pavement Maintenance program. This represents an increase of \$309,812 (7.9%) from the FY 2019-20 Adopted Budget.

Increases in the Program are primarily due to staffing increases to better reflect actual time spent on activities in this budget and cost allocation adjustments. Decreases in revenue are due to one-time grant and measure related revenues that were awarded in FY 19-20 that are not budgeted for FY 20-21.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Pavement Maintenance (special project)	\$2,000,000	\$2,000,000	Transportation Fund/General Fund	Annual Asphalt Project
Pavement Maintenance (capital outlay)	\$1,000,000	\$1,000,000	Transportation Fund/General Fund	Annual Asphalt Project
Total	\$3,000,000	\$3,000,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 750,546	\$ 1,520,114	\$ 5,905,305	\$ 1,533,250
Charges for Services	\$ 22,261	\$ 3,862	\$ -	\$ 3,978
Miscellaneous Revenue	\$ 772,596	\$ 84,521	\$ 163,521	\$ 87,057
Total Revenues	\$ 1,545,403	\$ 1,608,497	\$ 6,068,826	\$ 1,624,285
Expenditures				
Employee Compensation	\$ 275,484	\$ 266,381	\$ 297,698	\$ 421,137
Employee Benefits	\$ 135,934	\$ 122,979	\$ 141,722	\$ 204,518
Materials	\$ 33,406	\$ 29,731	\$ 38,761	\$ 38,623
Contract Services	\$ 35,426	\$ 120,699	\$ 192,570	\$ 198,348
Cost Allocation	\$ 145,640	\$ 174,145	\$ 223,884	\$ 347,464
Capital Outlays	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Special Projects	\$ 9,234,931	\$ 3,515,876	\$ 2,000,000	\$ 2,000,000
Contingencies	\$ -	\$ -	\$ 11,567	\$ 5,924
Total Expenditures	\$ 9,860,821	\$ 4,229,811	\$ 3,906,202	\$ 4,216,014
Fund Balance	\$ (2,315,418)	\$ 2,378,685	\$ 2,162,624	\$ (2,591,729)
General Fund Costs	\$ 6,000,000	\$ 5,000,000	\$ -	\$ -

Staffing

Total current positions - 3.35 FTE

Total proposed positions - 3.95 FTE

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

Street Sign Marking

Budget Unit 270-85-822

Transportation Fund - Streets - Street Sign Marking

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 865,538
Fund Balance	\$ (865,538)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.40 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$865,538 for the Street Sign Marking program. This represents an increase of \$146,263 (20.3%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes. Increased costs in cost allocation are due to a change in allocation methodology for IT charges.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Stanley Cutoff & Chain Saws	\$5,600	\$5,600	General Fund	Stanley Cutoff & Chain Saws
Total	\$5,600	\$5,600		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 2,680	\$ 9,566	\$ -	\$ -
Total Revenues	\$ 2,680	\$ 9,566	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 276,727	\$ 259,861	\$ 279,089	\$ 316,230
Employee Benefits	\$ 143,452	\$ 128,668	\$ 145,864	\$ 169,030
Materials	\$ 120,513	\$ 115,311	\$ 129,783	\$ 137,671
Contract Services	\$ 39,335	\$ 11,044	\$ 34,316	\$ 25,750
Cost Allocation	\$ 268,028	\$ 115,555	\$ 122,018	\$ 206,819
Special Projects	\$ 19,308	\$ -	\$ -	\$ 5,600
Contingencies	\$ -	\$ -	\$ 8,205	\$ 4,438
Total Expenditures	\$ 867,363	\$ 630,439	\$ 719,275	\$ 865,538
Fund Balance	\$ (864,683)	\$ (620,873)	\$ (719,275)	\$ (865,538)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 3.50 FTE

Total proposed positions - 3.40 FTE

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

Street Lighting

Budget Unit 100-85-848

General Fund - Streets - Street Lighting

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 887,925
Fund Balance	\$ -
General Fund Costs	\$ 887,925
% Funded by General Fund	100.0%
Total Staffing	1.05 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$887,925 for the Street Lighting program. This represents an increase of \$390,881 (78.6%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to the special project of street light pole replacement and the LED light upgrades for the Don Burnett Bridge and Linda Vista Park, the adjustment of cost allocations to the Program, and the addition of an annual agreement for street light infrastructure repair.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Street Light Pole Replacement	\$161,000	\$161,000	General Fund	Street light pole replacement
Don Burnett Bridge Pathway LED Light Upgrade	\$47,000	\$47,000	General Fund	Don Burnett Bridge Pathway LED Light Upgrade
Linda Vista Park LED Light Upgrade	\$6,000	\$6,000	General Fund	Linda Vista Park LED Light Upgrade
Total	\$214,000	\$214,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 66,064	\$ 124,003	\$ 105,751	\$ 124,061
Employee Benefits	\$ 31,914	\$ 53,055	\$ 44,216	\$ 55,232
Materials	\$ 256,096	\$ 286,924	\$ 269,806	\$ 293,213
Contract Services	\$ 2,588	\$ 101,339	\$ 2,429	\$ 65,032
Cost Allocation	\$ 22,437	\$ 39,199	\$ 49,730	\$ 127,431
Special Projects	\$ 46,129	\$ 197,959	\$ 11,500	\$ 214,000
Contingencies	\$ -	\$ -	\$ 13,612	\$ 8,956
Total Expenditures	\$ 425,228	\$ 802,479	\$ 497,044	\$ 887,925
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 425,228	\$ 802,480	\$ 497,044	\$ 887,925

Staffing

Total current positions - 0.95 FTE

Total proposed positions - 1.05 FTE

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

Equipment Maintenance

Budget Unit 630-85-849

Vehicle/Equip Replacement - Streets - Equipment Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 1,633,518
Total Expenditures	\$ 1,497,347
Fund Balance	\$ 160,171
General Fund Costs	\$ 24,000
% Funded by General Fund	1.6%
Total Staffing	3.00 FTE

Program Overview

The Fleet Division maintains all fleet equipment, including small power equipment. Equipment includes vehicles (103), rolling stock (10), trailers (28), riding mowers (16), and all power equipment (357). 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 be approved for the equipment mechanics and welding.

Proposed Budget

It is recommended that City Council approve a budget of \$1,497,347 for the Equipment Maintenance program. This represents a decrease of \$68,517 (-4.4%) from the FY 2019-20 Adopted Budget.

This budget is increasing moderately in each category and is attributable to negotiated salary and benefit increases and annual inflation for materials and contract services. This is offset by decreases in cost allocation charges due to changes in the calculation methodology.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Mechanic Shop Hose Reels	\$9,000	\$9,000	Vehicle Replacement Fund	Hose Reels for the Mechanic Shop
Total	\$9,000	\$9,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 1,056,968	\$ 1,352,200	\$ 1,633,518
Total Revenues	\$ -	\$ 1,056,968	\$ 1,352,200	\$ 1,633,518
Expenditures				
Employee Compensation	\$ 281,210	\$ 225,658	\$ 248,768	\$ 275,235
Employee Benefits	\$ 160,348	\$ 112,056	\$ 130,242	\$ 143,809
Materials	\$ 294,185	\$ 267,065	\$ 302,479	\$ 304,655
Contract Services	\$ 82,489	\$ 82,733	\$ 81,399	\$ 103,497
Cost Allocation	\$ 730,497	\$ 791,875	\$ 783,782	\$ 650,752
Special Projects	\$ 22,456	\$ (10,950)	\$ -	\$ 9,000
Contingencies	\$ -	\$ -	\$ 19,194	\$ 10,399
Total Expenditures	\$ 1,571,185	\$ 1,468,437	\$ 1,565,864	\$ 1,497,347
Fund Balance	\$ (1,571,185)	\$ (411,469)	\$ (213,664)	\$ 160,171
General Fund Costs	\$ -	\$ -	\$ -	\$ 24,000

Staffing

Total current positions - 3.00 FTE

Total proposed positions - 3.00 FTE

There are no changes to the current level of staffing.

Environmental Materials

Budget Unit 100-85-850

General Fund - Streets - Environmental Materials

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 194,890
Fund Balance	\$ -
General Fund Costs	\$ 194,890
% Funded by General Fund	100.0%
Total Staffing	0.65 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$194,890 for the Environmental Materials program. This represents an increase of \$28,787 (17.3%) from the FY 2019-20 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes and increases in materials and contract services are due to increased costs in hazardous waste/materials management, cleaning and disposal.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 54,331	\$ 60,442	\$ 57,735	\$ 64,688
Employee Benefits	\$ 25,434	\$ 26,976	\$ 28,261	\$ 32,575
Materials	\$ 18,445	\$ 32,367	\$ 24,620	\$ 32,730
Contract Services	\$ 9,125	\$ 2,157	\$ -	\$ 6,773
Cost Allocation	\$ 52,137	\$ 58,129	\$ 54,256	\$ 57,136
Contingencies	\$ -	\$ -	\$ 1,231	\$ 988
Total Expenditures	\$ 159,472	\$ 180,071	\$ 166,103	\$ 194,890
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 159,471	\$ 180,071	\$ 166,103	\$ 194,890

Staffing

Total current positions - 0.65 FTE

Total proposed positions - 0.65 FTE

There are no changes to the current level of staffing.

Overpasses and Medians

Budget Unit 100-86-824

General Fund - Trees and Right of Way - Overpasses and Medians

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 10,761
Total Expenditures	\$ 1,530,928
Fund Balance	\$ -
General Fund Costs	\$ 1,520,167
% Funded by General Fund	99.3%
Total Staffing	6.30 FTE

Program Overview

The Overpasses and Medians program maintains 31.54 developed acres of median island hardscapes and softscapes as well as 21.69 undeveloped acres of city right-of-way, the landscaped area of the Lawrence trail, and the landscaped area 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 the planting of appropriate plant stock.

Proposed Budget

It is recommended that City Council approve a budget of \$1,530,928 for the Overpasses and Medians program. This represents an increase of \$279,338 (22.3%) from the FY 2019-20 Adopted Budget.

Increases in this budget are primarily due to changes in methodology for calculating IT and vehicle cost allocation charges.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 791	\$ 4,652	\$ -	\$ 10,761
Total Revenues	\$ 791	\$ 4,652	\$ -	\$ 10,761
Expenditures				
Employee Compensation	\$ 443,892	\$ 463,208	\$ 471,560	\$ 506,867
Employee Benefits	\$ 236,388	\$ 233,368	\$ 244,647	\$ 274,057
Materials	\$ 195,719	\$ 188,138	\$ 230,260	\$ 206,697
Contract Services	\$ 64,134	\$ 97,752	\$ -	\$ 45,357
Cost Allocation	\$ 248,423	\$ 227,651	\$ 273,248	\$ 491,649
Special Projects	\$ -	\$ -	\$ 19,725	\$ -
Contingencies	\$ -	\$ -	\$ 12,150	\$ 6,301
Total Expenditures	\$ 1,188,556	\$ 1,210,117	\$ 1,251,590	\$ 1,530,928
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,187,766	\$ 1,205,465	\$ 1,251,590	\$ 1,520,167

Staffing

Total current positions - 6.30 FTE

Total proposed positions - 6.30 FTE

There are no changes to the current level of staffing.

Street Tree Maintenance

Budget Unit 100-86-825

General Fund - Trees and Right of Way - Street Tree Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 10,761
Total Expenditures	\$ 1,693,951
Fund Balance	\$ -
General Fund Costs	\$ 1,698,190
% Funded by General Fund	100.3%
Total Staffing	8.40 FTE

Program Overview

The Trees Division maintains the safety, health and appearance of approximately 23,300 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 to be approved for the care and planting of trees.
- Oversee street tree maintenance and removal contracts.

Proposed Budget

It is recommended that City Council approve a budget of \$1,693,951 for the Street Tree Maintenance program. This represents an increase of \$355,017 (26.5%) from the FY 2019-20 Adopted Budget.

Increases in the budget are primarily due to changes in methodology for calculating IT and vehicle cost allocation charges and increases in compensation and benefits from negotiated salary and benefit changes.

Special Projects

The following table shows the special projects for the fiscal year.

Special Projects	Appropriation	Revenue	Funding Source	Description
Trees and Badges	\$15,000	\$15,000	Tree Fund	Trees and Badges
Total	\$15,000	\$15,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 12,382	\$ 16,879	\$ 22,577	\$ 10,761
Total Revenues	\$ 12,382	\$ 16,879	\$ 22,577	\$ 10,761
Expenditures				
Employee Compensation	\$ 485,290	\$ 473,588	\$ 589,848	\$ 652,491
Employee Benefits	\$ 261,940	\$ 253,771	\$ 317,417	\$ 362,736
Materials	\$ 116,910	\$ 90,695	\$ 127,065	\$ 119,835
Contract Services	\$ 11,850	\$ 19,975	\$ 11,130	\$ 9,078
Cost Allocation	\$ 253,459	\$ 232,296	\$ 274,584	\$ 531,588
Special Projects	\$ 6,751	\$ 113,347	\$ 12,000	\$ 15,000
Contingencies	\$ -	\$ -	\$ 6,890	\$ 3,223
Total Expenditures	\$ 1,136,200	\$ 1,183,672	\$ 1,338,934	\$ 1,693,951
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,123,818	\$ 1,176,794	\$ 1,316,357	\$ 1,698,190

Staffing

Total current positions - 8.40 FTE

Total proposed positions - 8.40 FTE

There are no changes to the current level of staffing.

Sheriff Work Program

Budget Unit 100-86-826

General Fund - Trees and Right of Way - Sheriff Work Program

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 566,597
Fund Balance	\$ -
General Fund Costs	\$ 566,597
% Funded by General Fund	100.0%
Total Staffing	2.30 FTE

Program Overview

The Sheriff 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 Sheriff Work Program for a variety of non-skilled activities, including trash pick-up, weed control, right-of-way maintenance and sandbag filling.
- Offset manual work currently performed by skilled labor so as to increase overall productivity at the Service Center.

Proposed Budget

It is recommended that City Council approve a budget of \$566,597 for the Sheriff Work Program program. This represents an increase of \$116,805 (26.0%) from the FY 2019-20 Adopted Budget.

Increases in this budget are primarily due to changes in methodology for calculating IT and vehicle cost allocation charges.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 243,924	\$ 203,981	\$ 233,423	\$ 233,440
Employee Benefits	\$ 98,122	\$ 80,549	\$ 85,910	\$ 100,848
Materials	\$ 6,350	\$ 11,490	\$ 10,276	\$ 11,058
Contract Services	\$ -	\$ 22	\$ -	\$ -
Cost Allocation	\$ 76,840	\$ 93,211	\$ 119,669	\$ 220,975
Contingencies	\$ -	\$ -	\$ 514	\$ 276
Total Expenditures	\$ 425,236	\$ 389,253	\$ 449,792	\$ 566,597
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 425,236	\$ 389,253	\$ 449,792	\$ 566,597

Staffing

Total current positions - 2.30 FTE

Total proposed positions - 2.30 FTE

There are no changes to the current level of staffing.

City Hall Maintenance

Budget Unit 100-87-827

General Fund - Facilities and Fleet - City Hall Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 500,394
Total Expenditures	\$ 472,117
Fund Balance	\$ -
General Fund Costs	\$ (28,277)
% Funded by General Fund	-6.0%
Total Staffing	1.00 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$472,117 for the City Hall Maintenance program. This represents a decrease of \$170,868 (-26.6%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to one-time mechanical, electrical, and plumbing repairs that were included in the FY 19-20 budget and not included in the FY 20-21 budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 355,380	\$ 303,250	\$ 459,503	\$ 500,394
Total Revenues	\$ 355,380	\$ 303,250	\$ 459,503	\$ 500,394
Expenditures				
Employee Compensation	\$ 92,817	\$ 97,313	\$ 102,628	\$ 110,447
Employee Benefits	\$ 44,258	\$ 45,179	\$ 46,496	\$ 53,019
Materials	\$ 181,854	\$ 183,154	\$ 157,101	\$ 199,762
Contract Services	\$ 139,195	\$ 197,252	\$ 235,389	\$ 101,271
Cost Allocation	\$ 34,135	\$ 52,555	\$ 81,746	\$ -
Special Projects	\$ 27,341	\$ 14,389	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 19,625	\$ 7,618
Total Expenditures	\$ 519,600	\$ 589,842	\$ 642,985	\$ 472,117
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 164,220	\$ 286,591	\$ 183,482	\$ (28,277)

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

There are no changes to the current level of staffing.

Library Maintenance

Budget Unit 100-87-828

General Fund - Facilities and Fleet - Library Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 287,754
Total Expenditures	\$ 619,431
Fund Balance	\$ -
General Fund Costs	\$ 331,677
% Funded by General Fund	53.5%
Total Staffing	0.80 FTE

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.
- Respond 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.

Proposed Budget

It is recommended that City Council approve a budget of \$619,431 for the Library Maintenance program. This represents an increase of \$24,038 (4.0%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged from last fiscal year. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 143,833	\$ 22,310	\$ 141,500	\$ 24,009
Charges for Services	\$ 375,124	\$ 377,363	\$ 931,354	\$ 263,745
Total Revenues	\$ 518,957	\$ 399,673	\$ 1,072,854	\$ 287,754
Expenditures				
Employee Compensation	\$ 61,052	\$ 68,183	\$ 67,075	\$ 75,343
Employee Benefits	\$ 33,476	\$ 33,798	\$ 34,928	\$ 40,244
Materials	\$ 11,452	\$ 9,030	\$ 30,143	\$ 10,523
Contract Services	\$ 308,529	\$ 292,334	\$ 376,614	\$ 400,074
Cost Allocation	\$ 11,541	\$ 23,259	\$ 45,986	\$ 82,239
Special Projects	\$ 20,259	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 40,647	\$ 11,008
Total Expenditures	\$ 446,309	\$ 426,604	\$ 595,393	\$ 619,431
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (72,649)	\$ 26,930	\$ (477,461)	\$ 331,677

Staffing

Total current positions - 0.80 FTE

Total proposed positions - 0.80 FTE

There are no changes to the current level of staffing.

Service Center Maintenance

Budget Unit 100-87-829

General Fund - Facilities and Fleet - Service Center Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 290,074
Fund Balance	\$ -
General Fund Costs	\$ 290,074
% Funded by General Fund	100.0%
Total Staffing	0.70 FTE

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.
- Respond 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.

Proposed Budget

It is recommended that City Council approve a budget of \$290,074 for the Service Center Maintenance program. This represents an increase of \$685 (0.2%) from the FY 2019-20 Adopted Budget.

This budget is relatively unchanged from last fiscal year. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Storage Shed Replacement	\$7,000	\$7,000	General Fund	Storage Shed Replacement
Mechanic Shop Asbestos Removal	\$8,000	\$8,000	General Fund	Mechanic Shop Asbestos Removal
Total	\$15,000	\$15,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 429,316	\$ 323,466	\$ 262,382	\$ -
Total Revenues	\$ 429,316	\$ 323,466	\$ 262,382	\$ -
Expenditures				
Employee Compensation	\$ 56,660	\$ 60,845	\$ 61,583	\$ 68,702
Employee Benefits	\$ 29,160	\$ 29,789	\$ 30,664	\$ 35,903
Materials	\$ 71,207	\$ 54,732	\$ 95,620	\$ 42,143
Contract Services	\$ 42,010	\$ 52,806	\$ 46,505	\$ 44,995
Cost Allocation	\$ 63,292	\$ 21,652	\$ 40,518	\$ 80,684
Special Projects	\$ 34,369	\$ -	\$ -	\$ 15,000
Contingencies	\$ -	\$ -	\$ 14,499	\$ 2,647
Total Expenditures	\$ 296,698	\$ 219,824	\$ 289,389	\$ 290,074
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (132,617)	\$ (103,642)	\$ 27,007	\$ 290,074

Staffing

Total current positions - 0.70 FTE

Total proposed positions - 0.70 FTE

There are no changes to the current level of staffing.

Quinlan Community Center Maintenance

Budget Unit 100-87-830

General Fund - Facilities and Fleet - Quinlan Community Center Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 561,635
Fund Balance	\$ -
General Fund Costs	\$ 561,635
% Funded by General Fund	100.0%
Total Staffing	0.80 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$561,635 for the Quinlan Community Center Maintenance program. This represents an increase of \$48,903 (9.5%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to one-time special projects for restroom partition replacement and security system retrofit. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Restroom Partition Replacement	\$10,000	\$10,000	General Fund	Restroom Partition Replacement
Security System Retrofit	\$25,000	\$25,000	General Fund	Security System Retrofit
Total	\$35,000	\$35,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 181,950	\$ 385,272	\$ -
Total Revenues	\$ -	\$ 181,950	\$ 385,272	\$ -
Expenditures				
Employee Compensation	\$ 64,935	\$ 71,650	\$ 70,702	\$ 78,511
Employee Benefits	\$ 29,986	\$ 30,438	\$ 30,531	\$ 35,976
Materials	\$ 139,419	\$ 130,641	\$ 127,597	\$ 158,684
Contract Services	\$ 126,426	\$ 195,601	\$ 160,513	\$ 145,295
Cost Allocation	\$ 8,793	\$ 32,352	\$ 55,406	\$ 99,702
Special Projects	\$ 66,102	\$ 83,678	\$ 40,000	\$ 35,000
Contingencies	\$ -	\$ -	\$ 27,983	\$ 8,467
Total Expenditures	\$ 435,661	\$ 544,360	\$ 512,732	\$ 561,635
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 435,660	\$ 362,411	\$ 127,460	\$ 561,635

Staffing

Total current positions - 0.80 FTE

Total proposed positions - 0.80 FTE

There are no changes to the current level of staffing.

Senior Center Maintenance

Budget Unit 100-87-831

General Fund - Facilities and Fleet - Senior Center Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 380,519
Fund Balance	\$ -
General Fund Costs	\$ 380,519
% Funded by General Fund	100.0%
Total Staffing	0.80 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$380,519 for the Senior Center Maintenance program. This represents an increase of \$59,277 (18.5%) from the FY 2019-20 Adopted Budget.

The budget is increasing moderately across categories due to negotiated salary and benefit increases as well as consumer price index inflators for materials and adjustments to cost allocation methodology. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Drinking Fountain Replacement	\$6,000	\$6,000	General Fund	Drinking Fountain Replacement
Total	\$6,000	\$6,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 241,640	\$ 181,950	\$ 262,630	\$ -
Miscellaneous Revenue	\$ -	\$ -	\$ 1,700	\$ -
Total Revenues	\$ 241,640	\$ 181,950	\$ 264,330	\$ -
Expenditures				
Employee Compensation	\$ 51,115	\$ 57,894	\$ 61,994	\$ 69,883
Employee Benefits	\$ 28,660	\$ 30,160	\$ 31,625	\$ 40,208
Materials	\$ 74,913	\$ 83,535	\$ 69,717	\$ 85,492
Contract Services	\$ 104,793	\$ 77,775	\$ 94,301	\$ 95,794
Cost Allocation	\$ 1,912	\$ 13,387	\$ 35,231	\$ 78,167
Special Projects	\$ 35,586	\$ 136	\$ 12,000	\$ 6,000
Contingencies	\$ -	\$ -	\$ 16,374	\$ 4,975
Total Expenditures	\$ 296,979	\$ 262,887	\$ 321,242	\$ 380,519
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 55,339	\$ 80,937	\$ 56,912	\$ 380,519

Staffing

Total current positions - 0.80 FTE

Total proposed positions - 0.80 FTE

There are no changes to the current level of staffing.

McClellan Ranch Maintenance

Budget Unit 100-87-832

General Fund - Facilities and Fleet - McClellan Ranch Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 840
Total Expenditures	\$ 210,120
Fund Balance	\$ -
General Fund Costs	\$ 209,280
% Funded by General Fund	99.6%
Total Staffing	0.60 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$210,120 for the McClellan Ranch Maintenance program. This represents an increase of \$31,096 (17.4%) from the FY 2019-20 Adopted Budget.

The budget is increasing moderately across categories due to negotiated salary and benefit increases as well as consumer price index inflators for materials and adjustments to cost allocation methodology. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 95,425	\$ -
Miscellaneous Revenue	\$ 840	\$ 840	\$ 3,460	\$ 840
Total Revenues	\$ 840	\$ 840	\$ 98,885	\$ 840
Expenditures				
Employee Compensation	\$ 46,139	\$ 51,152	\$ 53,002	\$ 58,549
Employee Benefits	\$ 23,658	\$ 23,337	\$ 24,255	\$ 28,211
Materials	\$ 15,407	\$ 15,168	\$ 16,263	\$ 17,538
Contract Services	\$ 15,129	\$ 43,066	\$ 52,007	\$ 45,974
Cost Allocation	\$ 5,736	\$ 12,832	\$ 26,690	\$ 58,140
Special Projects	\$ 1,837	\$ 37,657	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 6,807	\$ 1,708
Total Expenditures	\$ 107,906	\$ 183,212	\$ 179,024	\$ 210,120
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 107,065	\$ 182,373	\$ 80,139	\$ 209,280

Staffing

Total current positions - 0.60 FTE

Total proposed positions - 0.60 FTE

There are no changes to the level of staffing.

Monta Vista Community Center Maintenance

Budget Unit 100-87-833

General Fund - Facilities and Fleet - Monta Vista Community Center Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 242,758
Fund Balance	\$ -
General Fund Costs	\$ 242,758
% Funded by General Fund	100.0%
Total Staffing	0.40 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$242,758 for the Monta Vista Community Center Maintenance program. This represents an increase of \$84,124 (53.0%) from the FY 2019-20 Adopted Budget.

The budget is increasing moderately across categories due to negotiated salary and benefit increases as well as consumer price index inflators for materials and adjustments to cost allocation methodology. Additionally, a one-time special projects for Monta Vista Partition and Key Replacement is contributing to the increase. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Monta Vista Partition and Key Replacement	\$57,000	\$57,000	General Fund	Monta Vista Partition and Key Replacement
Total	\$57,000	\$57,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 148,708	\$ 121,300	\$ 118,070	\$ -
Total Revenues	\$ 148,708	\$ 121,300	\$ 118,070	\$ -
Expenditures				
Employee Compensation	\$ 32,743	\$ 35,405	\$ 36,912	\$ 39,284
Employee Benefits	\$ 15,945	\$ 16,507	\$ 16,916	\$ 20,390
Materials	\$ 27,023	\$ 26,460	\$ 27,979	\$ 28,805
Contract Services	\$ 35,244	\$ 42,834	\$ 47,217	\$ 44,217
Cost Allocation	\$ 2,868	\$ 9,984	\$ 22,103	\$ 49,814
Special Projects	\$ 19,688	\$ 18,062	\$ -	\$ 57,000
Contingencies	\$ -	\$ -	\$ 7,507	\$ 3,248
Total Expenditures	\$ 133,511	\$ 149,252	\$ 158,634	\$ 242,758
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (15,197)	\$ 27,952	\$ 40,564	\$ 242,758

Staffing

Total current positions - 0.40 FTE

Total proposed positions - 0.40 FTE

There are no changes to the current level of staffing.

Wilson Park Maintenance

Budget Unit 100-87-834

General Fund - Facilities and Fleet - Wilson Park Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 68,527
Fund Balance	\$ -
General Fund Costs	\$ 68,527
% Funded by General Fund	100.0%
Total Staffing	0.20 FTE

Program Overview

This program maintains Wilson Park Ceramics Center to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$68,527 for the Wilson Park Maintenance program. This represents a decrease of \$28,635 (-29.5%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to materials and contract work performed in FY 19-20 that are not included in the FY 20-21 budget. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 77,225	\$ -
Total Revenues	\$ -	\$ -	\$ 77,225	\$ -
Expenditures				
Employee Compensation	\$ 19,031	\$ 19,077	\$ 18,565	\$ 20,105
Employee Benefits	\$ 10,089	\$ 10,108	\$ 10,338	\$ 11,723
Materials	\$ 14,070	\$ 13,002	\$ 16,156	\$ 80
Contract Services	\$ 13,952	\$ 22,414	\$ 37,013	\$ -
Cost Allocation	\$ 5,737	\$ 8,158	\$ 12,432	\$ 36,619
Special Projects	\$ 24,446	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,658	\$ -
Total Expenditures	\$ 87,325	\$ 72,759	\$ 97,162	\$ 68,527
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 87,325	\$ 72,759	\$ 19,937	\$ 68,527

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing.

Portal Park Maintenance

Budget Unit 100-87-835

General Fund - Facilities and Fleet - Portal Park Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 84,596
Fund Balance	\$ -
General Fund Costs	\$ 84,596
% Funded by General Fund	100.0%
Total Staffing	0.10 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$84,596 for the Portal Park Maintenance program. This represents an increase of \$45,273 (115.1%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to increases in water and electrical charges, janitorial services, and adjustments to cost allocation methodology. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 41,483	\$ -
Total Revenues	\$ -	\$ -	\$ 41,483	\$ -
Expenditures				
Employee Compensation	\$ 9,250	\$ 9,372	\$ 9,002	\$ 9,938
Employee Benefits	\$ 4,981	\$ 5,016	\$ 5,169	\$ 5,861
Materials	\$ 5,790	\$ 4,823	\$ 6,268	\$ 19,643
Contract Services	\$ 5,218	\$ 3,862	\$ 9,623	\$ 22,021
Cost Allocation	\$ 2,869	\$ 5,416	\$ 8,466	\$ 26,092
Special Projects	\$ 18,800	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 795	\$ 1,041
Total Expenditures	\$ 46,908	\$ 28,489	\$ 39,323	\$ 84,596
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 46,908	\$ 28,489	\$ (2,160)	\$ 84,596

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There are no changes to the current level of staffing.

Sports Center Maintenance

Budget Unit 570-87-836

Sports Center - Facilities and Fleet - Sports Center Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 533,237
Fund Balance	\$ (533,237)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.70 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$533,237 for the Sports Center Maintenance program. This represents an increase of \$62,882 (13.4%) from the FY 2019-20 Adopted Budget.

The budget is increasing moderately across categories due to negotiated salary and benefit increases as well as consumer price index inflators for contract services and adjustments to cost allocation methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 4,998	\$ -	\$ -
Total Revenues	\$ -	\$ 4,998	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 75,499	\$ 75,404	\$ 66,021	\$ 71,339
Employee Benefits	\$ 43,295	\$ 34,804	\$ 34,095	\$ 38,965
Materials	\$ 130,940	\$ 115,245	\$ 130,168	\$ 128,792
Contract Services	\$ 90,409	\$ 104,227	\$ 117,121	\$ 124,356
Cost Allocation	\$ 90,098	\$ 81,296	\$ 83,606	\$ 117,665
Special Projects	\$ 7,292	\$ -	\$ 14,000	\$ -
Contingencies	\$ -	\$ -	\$ 25,344	\$ 52,120
Total Expenditures	\$ 437,533	\$ 410,976	\$ 470,355	\$ 533,237
Fund Balance	\$ (437,533)	\$ (405,979)	\$ (470,355)	\$ (533,237)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.70 FTE

Total proposed positions - 0.70 FTE

There are no changes to the current level of staffing.

Creekside Park Maintenance

Budget Unit 100-87-837

General Fund - Facilities and Fleet - Creekside Park Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 104,149
Fund Balance	\$ -
General Fund Costs	\$ 104,149
% Funded by General Fund	100.0%
Total Staffing	0.20 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$104,149 for the Creekside Park Maintenance program. This represents an increase of \$17,127 (19.7%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to cost allocation adjustments. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 80,300	\$ 60,650	\$ 47,545	\$ -
Total Revenues	\$ 80,300	\$ 60,650	\$ 47,545	\$ -
Expenditures				
Employee Compensation	\$ 16,642	\$ 19,703	\$ 20,391	\$ 23,189
Employee Benefits	\$ 8,664	\$ 9,311	\$ 9,656	\$ 10,576
Materials	\$ 10,218	\$ 14,631	\$ 10,345	\$ 16,092
Contract Services	\$ 15,372	\$ 18,948	\$ 26,546	\$ 15,499
Cost Allocation	\$ 2,868	\$ 8,509	\$ 17,199	\$ 38,004
Special Projects	\$ -	\$ 96,486	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,885	\$ 789
Total Expenditures	\$ 53,764	\$ 167,588	\$ 87,022	\$ 104,149
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (26,536)	\$ 106,938	\$ 39,477	\$ 104,149

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing.

Community Hall Maintenance

Budget Unit 100-87-838

General Fund - Facilities and Fleet - Community Hall Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 231,318
Fund Balance	\$ -
General Fund Costs	\$ 231,318
% Funded by General Fund	100.0%
Total Staffing	0.50 FTE

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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$231,318 for the Community Hall Maintenance program. This represents a decrease of \$70,025 (-23.2%) from the FY 2019-20 Adopted Budget.

The decrease is primarily due to mechanical, electrical, and plumbing costs that were incurred in the FY 19-20 budget. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 27,280	\$ 202,167	\$ 233,028	\$ -
Total Revenues	\$ 27,280	\$ 202,167	\$ 233,028	\$ -
Expenditures				
Employee Compensation	\$ 33,952	\$ 37,845	\$ 38,039	\$ 42,926
Employee Benefits	\$ 19,540	\$ 20,231	\$ 20,927	\$ 25,778
Materials	\$ 45,005	\$ 42,681	\$ 71,214	\$ 45,110
Contract Services	\$ 66,422	\$ 81,152	\$ 132,750	\$ 51,445
Cost Allocation	\$ 3,825	\$ 14,384	\$ 28,215	\$ 63,275
Capital Outlays	\$ 31,082	\$ -	\$ -	\$ -
Special Projects	\$ 63,678	\$ 43,378	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 10,198	\$ 2,784
Total Expenditures	\$ 263,504	\$ 239,671	\$ 301,343	\$ 231,318
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 236,225	\$ 37,505	\$ 68,315	\$ 231,318

Staffing

Total current positions - 0.50 FTE

Total proposed positions - 0.50 FTE

There are no changes to the current level of staffing.

Teen Center Maintenance

Budget Unit 100-87-839

General Fund - Facilities and Fleet - Teen Center Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 47,874
Fund Balance	\$ -
General Fund Costs	\$ 47,874
% Funded by General Fund	100.0%
Total Staffing	0.10 FTE

Program Overview

This program maintains the 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.
- 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.

Proposed Budget

It is recommended that City Council approve a budget of \$47,874 for the Teen Center Maintenance program. This represents a decrease of \$7,571 (-13.7%) from the FY 2019-20 Adopted Budget.

This decrease is primarily due to a one-time special project in last year's budget for upgrades to the teen center facility. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 97,868	\$ 80,867	\$ 21,469	\$ -
Total Revenues	\$ 97,868	\$ 80,867	\$ 21,469	\$ -
Expenditures				
Employee Compensation	\$ 9,957	\$ 9,594	\$ 9,746	\$ 11,741
Employee Benefits	\$ 5,037	\$ 5,077	\$ 5,169	\$ 5,861
Materials	\$ 6,413	\$ 5,285	\$ 40	\$ 6,299
Contract Services	\$ -	\$ 8,800	\$ 17,049	\$ -
Cost Allocation	\$ 2,869	\$ 3,951	\$ 5,587	\$ 23,817
Special Projects	\$ -	\$ 16,740	\$ 17,000	\$ -
Contingencies	\$ -	\$ -	\$ 854	\$ 156
Total Expenditures	\$ 24,276	\$ 49,447	\$ 55,445	\$ 47,874
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (73,592)	\$ (31,420)	\$ 33,976	\$ 47,874

Staffing

Total current positions - 0.10 FTE

Total proposed positions - 0.10 FTE

There are no changes to the current level of staffing.

Park Bathrooms Maintenance

Budget Unit 100-87-840

General Fund - Facilities and Fleet - Park Bathrooms Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 120,681
Fund Balance	\$ -
General Fund Costs	\$ 120,681
% Funded by General Fund	100.0%
Total Staffing	0.20 FTE

Program Overview

This program maintains park restrooms to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide clean and functioning restrooms at various park locations.
- Respond 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.

Proposed Budget

It is recommended that City Council approve a budget of \$120,681 for the Park Bathrooms Maintenance program. This represents a decrease of \$23,188 (-16.1%) from the FY 2019-20 Adopted Budget.

This decrease is mostly due to mechanical, electrical, and plumbing repairs that were included in last year's budget. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 85,967	\$ -
Total Revenues	\$ -	\$ -	\$ 85,967	\$ -
Expenditures				
Employee Compensation	\$ 16,726	\$ 16,658	\$ 17,697	\$ 17,667
Employee Benefits	\$ 8,511	\$ 8,405	\$ 8,448	\$ 9,615
Materials	\$ 12,451	\$ 15,364	\$ 13,279	\$ 21,166
Contract Services	\$ 29,459	\$ 57,344	\$ 84,961	\$ 35,399
Cost Allocation	\$ 1,912	\$ 8,402	\$ 14,572	\$ 35,422
Special Projects	\$ 28,152	\$ 15,115	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,912	\$ 1,412
Total Expenditures	\$ 97,211	\$ 121,288	\$ 143,869	\$ 120,681
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 97,211	\$ 121,288	\$ 57,902	\$ 120,681

Staffing

Total current positions - 0.20 FTE

Total proposed positions - 0.20 FTE

There are no changes to the current level of staffing.

Blackberry Farm Maintenance

Budget Unit 100-87-841

General Fund - Facilities and Fleet - Blackberry Farm Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 530,158
Fund Balance	\$ -
General Fund Costs	\$ 530,158
% Funded by General Fund	100.0%
Total Staffing	0.90 FTE

Program Overview

This program maintains Blackberry Farm buildings and 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 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.

Proposed Budget

It is recommended that City Council approve a budget of \$530,158 for the Blackberry Farm Maintenance program. This represents an increase of \$79,243 (17.6%) from the FY 2019-20 Adopted Budget.

This increase is primarily due to a one-time purchase of re-circulation pumps for the pool and adjustments to cost allocations. Revenues from charges for services are decreasing due to a change in methodology for allocating facilities charges to other Departments.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Charges for Services	\$ 339,664	\$ 444,766	\$ 322,155	\$ -
Total Revenues	\$ 339,664	\$ 444,766	\$ 322,155	\$ -
Expenditures				
Employee Compensation	\$ 59,840	\$ 68,144	\$ 71,727	\$ 77,428
Employee Benefits	\$ 39,467	\$ 38,086	\$ 40,026	\$ 45,760
Materials	\$ 105,132	\$ 93,040	\$ 110,107	\$ 131,893
Contract Services	\$ 76,745	\$ 71,882	\$ 86,582	\$ 81,053
Cost Allocation	\$ 8,606	\$ 83,822	\$ 122,841	\$ 188,709
Special Projects	\$ 74,498	\$ 26,242	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 19,632	\$ 5,315
Total Expenditures	\$ 364,288	\$ 381,216	\$ 450,915	\$ 530,158
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 24,624	\$ (63,549)	\$ 128,760	\$ 530,158

Staffing

Total current positions - 0.90 FTE

Total proposed positions - 0.90 FTE

There are no changes to the current level of staffing.

Franco Traffic Operations Center

Budget Unit 100-87-852

General Fund - Facilities and Fleet - Franco Traffic Operations Center

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 11,941
Fund Balance	\$ -
General Fund Costs	\$ 11,941
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$11,941 for the Franco Traffic Operations Center program. This represents a decrease of \$40,302 (-77.1%) from the FY 2019-20 Adopted Budget.

This decrease is primarily due to a reduction in cost allocation charges for changes in methodology.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ -	\$ 414	\$ 137	\$ 134
Contract Services	\$ -	\$ 23,117	\$ -	\$ 6,137
Cost Allocation	\$ -	\$ 35,633	\$ 44,599	\$ 5,513
Special Projects	\$ -	\$ 22,164	\$ 7,500	\$ -
Contingencies	\$ -	\$ -	\$ 7	\$ 157
Total Expenditures	\$ -	\$ 81,328	\$ 52,243	\$ 11,941
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 81,328	\$ 52,243	\$ 11,941

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There are no changes to the current level of staffing.

Traffic Engineering

Budget Unit 100-88-844

General Fund - Transportation - Traffic Engineering

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ 757,666
Total Expenditures	\$ 1,263,216
Fund Balance	\$ -
General Fund Costs	\$ 505,550
% Funded by General Fund	40.0%
Total Staffing	3.40 FTE

Program Overview

The Transportation Division oversees traffic operations, traffic studies, transportation planning, and transportation capital improvements to safely and efficiently manage all modes of travel 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.
- Encourage the use of alternate modes of transportation to the single occupancy vehicle through the implementation of recommendations from the Bicycle and Pedestrian Transportation Plans.
- Supports transit initiatives, ride-share programs, carpool programs, and transportation planning work for all modes of transportation.

Proposed Budget

It is recommended that City Council approve a budget of \$1,263,216 for the Traffic Engineering program. This represents a decrease of \$1,411,807 (-52.8%) from the FY 2019-20 Adopted Budget.

This decrease is primarily due to a one-time special project pilot program for Via Shuttle. This pilot program is on-going into FY 20-21.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 55,000	\$ -	\$ -	\$ -
Charges for Services	\$ 659,196	\$ 623,129	\$ 966,184	\$ 757,666
Total Revenues	\$ 714,196	\$ 623,129	\$ 966,184	\$ 757,666
Expenditures				
Employee Compensation	\$ 376,704	\$ 429,522	\$ 474,818	\$ 505,506
Employee Benefits	\$ 149,555	\$ 165,357	\$ 198,781	\$ 213,982
Materials	\$ 14,422	\$ 13,810	\$ 105,292	\$ 23,469
Contract Services	\$ 147,477	\$ 216,177	\$ 13,546	\$ 279,663
Cost Allocation	\$ 92,467	\$ 106,461	\$ 126,644	\$ 233,018
Special Projects	\$ 679,808	\$ 766,657	\$ 1,750,000	\$ -
Contingencies	\$ -	\$ -	\$ 5,942	\$ 7,578
Total Expenditures	\$ 1,460,433	\$ 1,697,984	\$ 2,675,023	\$ 1,263,216
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 746,237	\$ 1,074,854	\$ 1,708,839	\$ 505,550

Staffing

Total current positions - 3.50 FTE

Total proposed positions - 3.40 FTE

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

Traffic Signal Maintenance

Budget Unit 100-88-845

General Fund - Transportation - Traffic Signal Maintenance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 903,114
Fund Balance	\$ -
General Fund Costs	\$ 903,114
% Funded by General Fund	100.0%
Total Staffing	2.00 FTE

Program Overview

The Traffic Signal Maintenance Division oversees the operation and maintenance of the City's 60 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.

Proposed Budget

It is recommended that City Council approve a budget of \$903,114 for the Traffic Signal Maintenance program. This represents an increase of \$348,355 (62.8%) from the FY 2019-20 Adopted Budget.

The increase is primarily due to the Adaptive Traffic Signaling and Battery Backup special project as well as increases in cost allocation due one time project expenses.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Adaptive Traffic Signaling and Battery Backup	\$180,000	\$180,000	General Fund	Adaptive Traffic Signaling and Battery Backup
Total	\$180,000	\$180,000		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 184,997	\$ 128,810	\$ 222,997	\$ 229,892
Employee Benefits	\$ 78,508	\$ 49,213	\$ 95,775	\$ 104,817
Materials	\$ 97,897	\$ 185,601	\$ 103,612	\$ 156,848
Contract Services	\$ 41,657	\$ 51,337	\$ 43,377	\$ 46,025
Cost Allocation	\$ 127,856	\$ 84,404	\$ 81,649	\$ 175,960
Special Projects	\$ (23,995)	\$ -	\$ -	\$ 180,000
Contingencies	\$ -	\$ -	\$ 7,349	\$ 9,572
Total Expenditures	\$ 506,920	\$ 499,365	\$ 554,759	\$ 903,114
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 506,921	\$ 499,365	\$ 554,759	\$ 903,114

Staffing

Total current positions - 2.00 FTE

Total proposed positions - 2.00 FTE

There are no changes to the current level of staffing.

Safe Routes 2 School

Budget Unit 100-88-846

General Fund - Transportation - Safe Routes 2 School

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 600,044
Fund Balance	\$ -
General Fund Costs	\$ 600,044
% Funded by General Fund	100.0%
Total Staffing	1.00 FTE

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 and more.
- Minimize gaps in communication between City, School Districts, and Schools and collaborate on efforts to increase student safety.
- Enhance bicyclist and pedestrian student safety through coordination of skills classes and distribution of educational material.

Proposed Budget

It is recommended that City Council approve a budget of \$600,044 for the Safe Routes 2 School program. This represents an increase of \$46,267 (8.4%) from the FY 2019-20 Adopted Budget.

With the exception of negotiated salary and benefit increases, the annual increases in materials and contract services, and the addition of the pedestrian education special project, this budget remains relatively unchanged from the previous fiscal year.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Pedestrian Education	\$41,160	\$41,160	General Fund	Pedestrian education
Total	\$41,160	\$41,160		

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 1,500	\$ -	\$ -	\$ -
Total Revenues	\$ 1,500	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 98,299	\$ 98,480	\$ 110,126	\$ 125,081
Employee Benefits	\$ 34,867	\$ 36,674	\$ 41,440	\$ 48,521
Materials	\$ 20,926	\$ 21,049	\$ 19,888	\$ 21,662
Contract Services	\$ 16,646	\$ 261,022	\$ 281,833	\$ 285,828
Cost Allocation	\$ 9,562	\$ 18,613	\$ 85,404	\$ 69,076
Special Projects	\$ -	\$ -	\$ -	\$ 41,160
Contingencies	\$ -	\$ -	\$ 15,086	\$ 8,716
Total Expenditures	\$ 180,300	\$ 435,838	\$ 553,777	\$ 600,044
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 178,801	\$ 435,837	\$ 553,777	\$ 600,044

Staffing

Total current positions - 1.00 FTE

Total proposed positions - 1.00 FTE

There are no changes to the current level of staffing.

Minor Storm Drain Improvement

Budget Unit 210-90-978

Storm Drain Improvement - Non-Departmental - Minor Storm Drain Improvement

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital Outlays	\$ 9,000	\$ 4,000	\$ -	\$ -
Total Expenditures	\$ 9,000	\$ 4,000	\$ -	\$ -
Fund Balance	\$ (9,000)	\$ (4,000)	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Fixed Assets Acquisition

Budget Unit 630-90-985

Vehicle/Equip Replacement - Non-Departmental - Fixed Assets Acquisition

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 968,158
Fund Balance	\$ (968,158)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

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.

Proposed Budget

It is recommended that City Council approve a budget of \$968,158 for the Fixed Assets Acquisition program. This represents an increase of \$374,058 (63.0%) from the FY 2019-20 Adopted Budget.

This increase is due to the one-time purchase of a vector truck for storm drain maintenance.

Special Projects

The following table shows the special projects for the fiscal year.

Replacement Vehicles	Cost
Replace #31 F-650 Dump Truck	\$105,000
Replace #64 F-350 Service Body	\$75,000
Replace #87 Ford Escape Hybrid	\$45,000
New Vactor Truck	\$399,136
Total Replacement Vehicles	\$624,136
Replacement Equipment	
Replace #946 Bigshot 500	\$42,000
New Wanco Message Board	\$20,000
Replace #311 Line Lazer 200	\$20,000
Replace #182 Toro GM 4000 Mower	\$80,000
New Hydrovac Trailer	\$85,000
Replace #107 Komatsu Forklift	\$40,000
Replace #139 Portable Toilet Trailer	\$8,000
New Wanco Arrow Board	\$10,000
Replace #134 Sitdown Electric Mower	\$30,000
Total Replacement Equipment	\$335,000
Grand Total	\$959,136

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ -	\$ -	\$ -	\$ 9,022
Special Projects	\$ (57,290)	\$ 3,025	\$ 594,100	\$ 959,136
Total Expenditures	\$ (57,290)	\$ 3,025	\$ 594,100	\$ 968,158
Fund Balance	\$ 57,290	\$ (3,025)	\$ (594,100)	\$ (968,158)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

There are no changes to the current level of staffing.

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Non-Departmental

Budget Unit	Program	2021 Proposed Budget
Non-Departmental		\$ 13,305,276
100-90-001	General Fund Transfers Out	\$ 10,121,138
281-90-001	Tree Fund Transfers Out	\$ 15,000
429-90-001	Capital Reserve Transfers Out	\$ -
365-90-500	Facility Lease Debt Service	\$ 3,169,138
100-90-502	Employee Housing Assistance	\$ -
Total		\$ 13,305,276

Department Overview

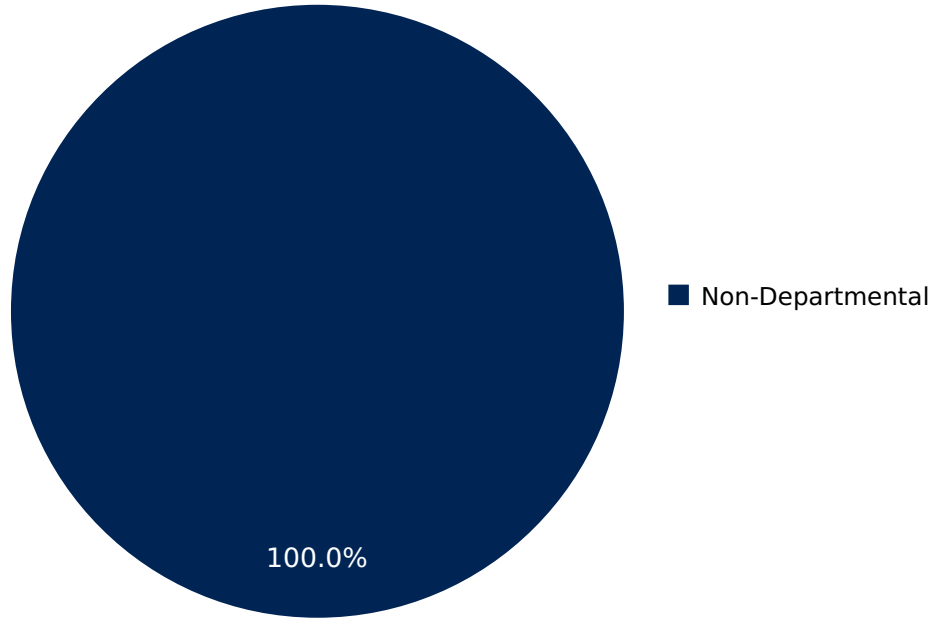
Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 13,305,276
Fund Balance	\$ (3,184,138)
General Fund Costs	\$ 10,121,138
% Funded by General Fund	76.1%
Total Staffing	0.00 FTE

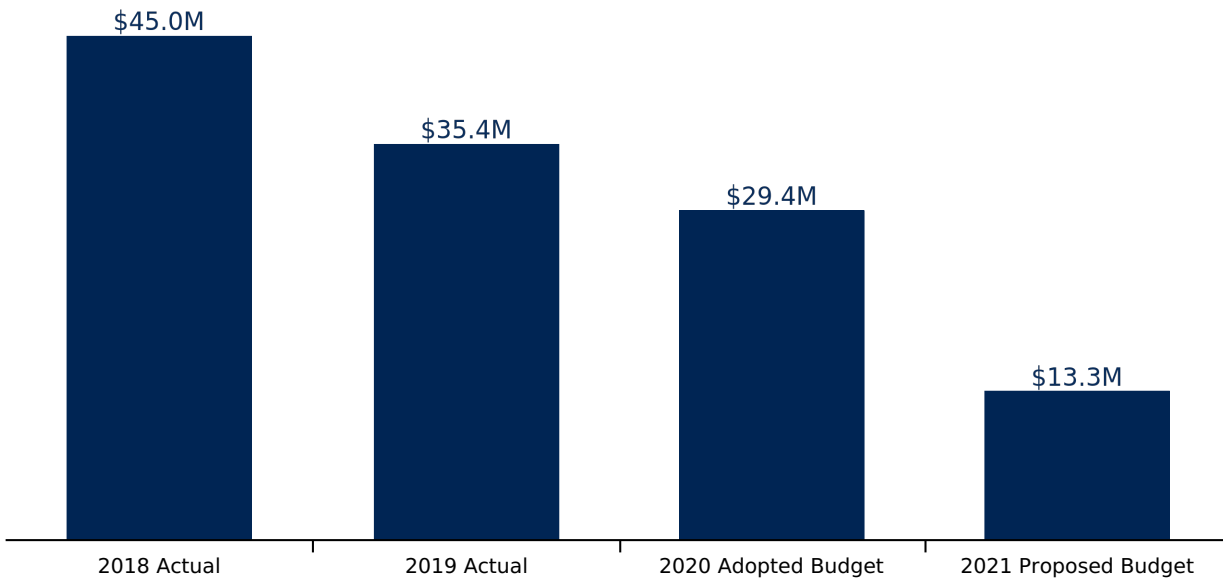
Proposed Budget

It is recommended that City Council approve a budget of \$13,305,276 for the Non-Departmental department. This represents a decrease of \$16,124,119 (-54.8%) from the FY 2019-20 Adopted Budget.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ (19,707)	\$ 126,433	\$ -	\$ -
Charges for Services	\$ 20,432	\$ 10,087	\$ 21,045	\$ -
Total Revenues	\$ 725	\$ 136,520	\$ 21,045	\$ -
Expenditures				
Materials	\$ 5,625	\$ 9	\$ -	\$ -
Contract Services	\$ 1,050	\$ -	\$ -	\$ -
Cost Allocation	\$ 42,562,330	\$ 35,358,525	\$ 29,429,395	\$ 13,305,276
Capital Outlays	\$ 2,450,108	\$ -	\$ -	\$ -
Total Expenditures	\$ 45,019,113	\$ 35,358,534	\$ 29,429,395	\$ 13,305,276
Fund Balance	\$ (1,826,044)	\$ (325,730)	\$ (18,516,074)	\$ (3,184,138)
General Fund Costs	\$ 43,192,343	\$ 34,896,284	\$ 10,892,276	\$ 10,121,138

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

General Fund Transfers Out

Budget Unit 100-90-001

General Fund - Non-Departmental - General Fund Transfers Out

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 10,121,138
Fund Balance	\$ -
General Fund Costs	\$ 10,121,138
% Funded by General Fund	100.0%
Total Staffing	0.00 FTE

Program Overview

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources and 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.

Service Objectives

Transfers out are evaluated each year to ensure funds outside of the General Fund remain with a minimum fund balance of 15% of budgeted operating expenses. These transfers are normally for Special Revenue and Enterprise funds requiring a subsidy due to revenues falling short of full program costs. In addition, the City has reoccurring transfers to fund the total budget costs associated with Annual Debt Payment, Compensated Absences, and Retiree Health.

Proposed Budget

It is recommended that City Council approve a budget of \$10,121,138 for the General Fund Transfers Out program. This represents a decrease of \$418,419 (-4.0%) from the FY 2019-20 Adopted Budget.

The General Fund transfers out for FY 2020-21 are as follows:

Receiving Fund	Description	Amount
Special Revenue Funds	Storm Drain, Non-Point Source, Sidewalk, Curb and Gutter Maintenance	\$ 3,800,000
Debt Service Funds	Annual Debt Payment	\$ 3,169,138
Enterprise Funds	Blackberry Farm Golf Course, Sports Center Operation, Outdoor Recreation	\$ 2,468,000
Internal Service Funds	IT Infrastructure, General Fund Subsidy of Compensated Absences and Retiree Medical	\$ 684,000
Total		\$ 10,121,138

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ (2,071)	\$ 9	\$ -	\$ -
Cost Allocation	\$ 24,129,372	\$ 19,376,087	\$ 10,539,557	\$ 10,121,138
Capital Outlays	\$ 2,450,108	\$ -	\$ -	\$ -
Total Expenditures	\$ 26,577,409	\$ 19,376,096	\$ 10,539,557	\$ 10,121,138
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 26,577,409	\$ 19,376,096	\$ 10,539,557	\$ 10,121,138

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Tree Fund Transfers Out

Budget Unit 281-90-001

Tree Fund - Non-Departmental - Tree Fund Transfers Out

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 15,000
Fund Balance	\$ (15,000)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources and 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.

Proposed Budget

It is recommended that City Council approve a budget of \$15,000 for the Tree Fund Transfers Out program. This represents an increase of \$3,000 (25.0%) from the FY 2019-20 Adopted Budget.

Funds are to be used for the planting and replacement cost of trees within the Right of Way and other areas throughout the City where Public Works is responsible for planting and maintaining trees.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ 971	\$ 4,317	\$ -	\$ -
Charges for Services	\$ 20,432	\$ 10,087	\$ 21,045	\$ -
Total Revenues	\$ 21,403	\$ 14,404	\$ 21,045	\$ -
Expenditures				
Cost Allocation	\$ -	\$ 10,000	\$ 12,000	\$ 15,000
Total Expenditures	\$ -	\$ 10,000	\$ 12,000	\$ 15,000
Fund Balance	\$ 21,403	\$ 4,404	\$ 9,045	\$ (15,000)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Capital Reserve Transfers Out

Budget Unit 429-90-001

Capital Reserve - Non-Departmental - Capital Reserve Transfers Out

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources and 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.

Service Objectives

Transfers out from the Capital Reserve vary from year to year depending on the projects selected in the Capital Improvement Plan. In addition, funding sources for each project are reviewed and then allocated appropriately. After this review, the remaining balance of the project left to fund is then transferred from the Capital Reserve Fund.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Use of Money and Property	\$ (20,678)	\$ 122,116	\$ -	\$ -
Total Revenues	\$ (20,678)	\$ 122,116	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 15,259,920	\$ 12,801,500	\$ 15,705,000	\$ -
Total Expenditures	\$ 15,259,920	\$ 12,801,500	\$ 15,705,000	\$ -
Fund Balance	\$ (1,841,953)	\$ (328,634)	\$ (15,352,281)	\$ -
General Fund Costs	\$ 13,438,644	\$ 12,350,750	\$ 352,719	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Facility Lease Debt Service

Budget Unit 365-90-500

Public Facilities Corp - Non-Departmental - Facility Lease Debt Service

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 3,169,138
Fund Balance	\$ (3,169,138)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

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	

Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payment
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

Proposed Budget

It is recommended that City Council approve a budget of \$3,169,138 for the Facility Lease Debt Service program. This represents a decrease of \$3,700 (-0.1%) from the FY 2019-20 Adopted Budget.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 3,173,038	\$ 3,170,938	\$ 3,172,838	\$ 3,169,138
Total Expenditures	\$ 3,173,038	\$ 3,170,938	\$ 3,172,838	\$ 3,169,138
Fund Balance	\$ (5,494)	\$ (1,500)	\$ (3,172,838)	\$ (3,169,138)
General Fund Costs	\$ 3,167,544	\$ 3,169,438	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

Employee Housing Assistance

Budget Unit 100-90-502

General Fund - Non-Departmental - Employee Housing Assistance

Budget at a Glance

	2021 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.00 FTE

Program Overview

The recruitment and hiring of top quality department heads are 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.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

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

Category	2018 Actual	2019 Actual	2020 Adopted Budget	2021 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ 7,696	\$ -	\$ -	\$ -
Contract Services	\$ 1,050	\$ -	\$ -	\$ -
Total Expenditures	\$ 8,746	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 8,746	\$ -	\$ -	\$ -

Staffing

Total current positions - 0.00 FTE

Total proposed positions - 0.00 FTE

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Fiscal Year 2020-21 Proposed Budget Personnel Summary

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Change	FY 20-21
CITY COUNCIL/COMMISSIONS								
City Council	0.50	0.45	0.30	1.15	1.05	0.85	0.00	0.85
Sister Cities	0.00	0.05	0.05	0.10	0.10	0.40	-0.30	0.10
Technology, Information & Communications Commission	0.10	0.10	0.10	0.00	0.00	0.05	0.02	0.07
Library Commission	0.05	0.05	0.05	0.05	0.05	0.03	0.07	0.10
Fine Arts Commission	0.15	0.15	0.15	0.15	0.15	0.15	0.00	0.15
Public Safety Commission	0.00	0.00	0.00	0.00	0.05	0.05	0.00	0.05
Bicycle and Pedestrian Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.15
Parks and Recreation Commission	0.05	0.10	0.10	0.10	0.10	0.12	-0.02	0.10
Teen Commission	0.25	0.25	0.30	0.30	0.30	0.30	0.00	0.30
Housing Commission	0.15	0.15	0.15	0.15	0.15	0.15	0.00	0.15
Sustainability Commission	0.00	0.00	0.10	0.10	0.10	0.10	0.05	0.15
Planning Commission	0.30	0.30	0.25	0.25	0.30	0.31	-0.05	0.26
Audit Committee	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10
	1.55	1.60	1.55	2.35	2.35	2.51	0.02	2.53
ADMINISTRATION								
City Manager	2.55	3.30	3.02	3.37	3.62	4.90	-1.00	3.90
Sustainability	0.60	1.55	1.55	1.80	1.80	1.40	0.40	1.80
Office of Communications	0.00	0.00	0.00	1.85	2.15	2.65	0.30	2.95
Video	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00
Community Outreach & Neighborhood Watch	0.00	0.00	0.00	0.00	0.00	0.75	0.00	0.75
Disaster Preparedness	0.00	0.00	0.00	0.00	0.00	0.95	0.00	0.95
Economic Development	1.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00
City Clerk	3.60	3.00	3.00	3.10	2.90	2.50	0.00	2.50
City Attorney	3.00	3.00	3.00	4.00	5.00	1.00	0.00	1.00
	10.75	10.85	10.57	14.12	15.47	15.15	2.70	17.85
INNOVATION & TECHNOLOGY								
Administration	1.80	1.15	2.45	0.85	0.70	0.55	-0.02	0.53
Cupertino Scene	0.35	0.35	0.30	0.00	0.00	0.00	0.00	0.00
Video	3.15	2.95	3.40	3.25	3.20	3.25	-3.25	0.00
Applications	0.95	0.95	0.80	3.20	3.45	3.45	0.05	3.50
GIS	0.00	2.00	2.30	2.65	3.20	3.20	0.20	3.40
Infrastructure	4.00	4.00	4.70	4.60	4.50	4.50	0.00	4.50
	10.25	11.40	13.95	14.55	15.05	14.95	-3.02	11.93
ADMINISTRATIVE SERVICES								
Administration	1.80	2.50	2.50	2.80	3.80	3.80	-0.05	3.75
Accounting	5.60	5.20	5.75	5.40	6.40	6.90	-0.05	6.85
Business Licensing	0.50	1.10	0.55	0.60	0.60	1.10	0.00	1.10
Human Resources	3.75	3.15	3.15	2.85	2.85	3.85	0.00	3.85
Insurance Administration	0.35	0.35	0.35	0.35	0.35	0.35	0.00	0.35
	12.00	12.30	12.30	12.00	14.00	16.00	-0.10	15.90
PARKS AND RECREATION								
Administration	3.05	2.95	2.85	2.90	3.85	4.55	0.00	4.55
Business and Community Services	9.85	8.85	9.55	10.60	10.30	8.00	-0.55	7.45
Recreation and Education	4.53	5.58	11.85	10.70	10.00	10.05	0.50	10.55
Sports, Safety and Outdoor Recreation	6.00	6.00	8.83	10.93	10.65	9.50	-0.15	9.35
Senior Center/Stevens Creek Trail/Blue Pheasant	7.10	8.10	0.00	0.00	0.00	0.00	0.00	0.00
Community Outreach	0.75	0.70	0.00	0.00	0.00	0.00	0.00	0.00
	31.28	32.18	33.08	35.13	34.80	32.10	-0.20	31.90
COMMUNITY DEVELOPMENT AND PLANNING								
Administration	0.90	0.90	0.55	0.55	0.55	0.60	-0.10	0.50
Planning	9.10	8.60	10.63	10.63	10.58	9.67	0.30	9.97
Housing Services	0.80	0.80	0.80	0.80	0.80	0.80	0.00	0.80
Building	12.25	13.30	13.95	13.85	13.95	13.97	0.25	14.22
Economic Development/RDA Successor Agency	0.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
Muni/Building Code Enforcement	1.75	2.70	1.25	1.25	1.25	0.25	-0.25	0.00
Code Enforcement	0.00	0.00	0.00	0.00	0.00	3.00	0.00	3.00
	24.80	27.30	28.18	28.08	28.13	28.29	0.20	28.49

Fiscal Year 2020-21 Proposed Budget Personnel Summary

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Change	FY 20-21
PUBLIC WORKS								
Administration	3.25	3.25	3.25	3.25	3.25	2.05	1.00	3.05
Environmental Programs	4.17	6.22	6.22	6.27	6.20	6.10	1.45	7.55
Development Services	7.40	7.40	7.40	7.50	8.50	11.50	-0.30	11.20
Service Center	2.30	2.70	3.70	3.05	2.55	3.65	-0.15	3.50
Grounds	19.75	19.75	19.75	19.60	20.00	20.00	0.00	20.00
Streets	13.10	13.65	13.65	13.95	13.95	13.95	-0.50	13.45
Trees and Right of Way	16.40	16.40	16.40	16.40	16.00	17.00	0.00	17.00
Facilities and Fleet	7.15	8.15	8.15	8.00	8.00	8.00	0.00	8.00
Transportation	3.60	4.60	5.60	6.50	6.50	6.50	-0.10	6.40
	77.12	82.12	84.12	84.52	84.95	88.75	1.40	90.15
LAW ENFORCEMENT								
Code Enforcement	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
	2.00	2.00	2.00	2.00	2.00	0.00	0.00	0.00
Total Benefitted Positions	169.75	179.75	185.75	192.75	196.75	197.75	1.00	198.75
Total Benefitted Positions (including Councilmembers)	174.75	184.75	190.75	197.75	201.75	202.75	1.00	203.75