



## ADMINISTRATIVE SERVICES DEPARTMENT

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### CITY COUNCIL STAFF REPORT

Meeting: March 16, 2023

#### Subject

Consider the City Manager's Third Quarter Financial Report for Fiscal Year 2022-23

#### Recommended Action

1. Receive the City Manager's Third Quarter Financial Report for Fiscal Year 2022-23;
2. Adopt Resolution No. 23-XXX and Budget Modification 23-277 decreasing appropriations by \$2,758,528 and increasing revenues by \$4,902,598

#### Reasons for Recommendation

##### **Background**

On June 9, 2022, the City Council adopted the Fiscal Year (FY) 2022-23 Budget, a \$130,587,325 spending plan funded by \$130,244,157 in revenue and \$343,168 in fund balance. The FY 2022-23 Adopted Budget reflected a \$5.1 million increase from the FY 2022-23 Proposed Budget, mainly due to operating changes, the City Work Program, and the Capital Improvement Program.

As described in the City Manager's First Quarter Financial Report presented to the City Council on November 15, 2022, the budget was revised to account for encumbrances and carryover appropriations.<sup>1</sup> As part of the FY 2021-22 year-end close, additional funds were carried forward from FY 2021-22 to FY 2022-23 due to encumbrances of \$13,280,075 and carryover appropriations of \$65,916,968. The largest encumbrances were for capital projects (\$7.4 million) and The Rise (formerly known as Vallco Town Center) (\$2.3 million), while the largest carryovers were for capital projects (\$34.3 million) and The Rise (\$19.7 million).

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<sup>1</sup> Encumbrances are outstanding commitments related to unfilled purchase orders or unfilled contracts that are rolled over to the following fiscal year until those obligations are fulfilled or terminated. Carryover appropriations are unencumbered funds for unfinished projects carried over to the following fiscal year to be spent for the same purpose for which they were approved.

The City Council approved \$6.0 million in additional appropriations during the first three quarters of FY 2022-23. This includes \$2.4 million for negotiated amendments to the City's employee compensation programs, \$0.7 million for the Memorial Park Specific Plan, \$0.7 million for vehicle and equipment replacement as part of the First Quarter Financial Report, and \$0.6 million for the Housing Element.

As a result of these budget adjustments, encumbrances, and carryovers, the amended budget as of March 31, 2023, totaled \$215,768,924. The budget adjustments are summarized in the table below.

**Third Quarter Financial Report Summary of Budget Adjustments by Fund**

Fund	FY 2022-23			Adjustments	FY 2022-23 Amended
	Adopted Budget	Carryovers	Encumbrances	Approved in 1st, 2nd, and 3rd Quarters	Budget as of March 31, 2023
General	95,167,779	23,785,988	5,041,683	3,841,218	127,836,668
Special Revenue	11,244,109	18,140,319	3,965,049	180,458	33,529,935
Debt Service	2,675,800	-	-	-	2,675,800
Capital Projects	3,633,600	22,285,752	3,688,943	900,000	30,508,295
Enterprise	9,003,331	1,154,594	118,032	140,426	10,416,383
Internal Service	8,862,706	550,315	466,368	922,454	10,801,843
<b>Total All Funds</b>	<b>\$ 130,587,325</b>	<b>\$ 65,916,968</b>	<b>\$ 13,280,075</b>	<b>\$ 5,984,556</b>	<b>\$ 215,768,924</b>

For detailed descriptions of the budget adjustments, please refer to Attachment C.

**Discussion**

The Third Quarter Financial Report, reported as of March 31, 2023, is a critical tool for the City to evaluate its current revenue outlook and make necessary adjustments to the budget in response to changing spending priorities. It provides an overview of the City's budget status, including its revenue outlook, expenditure patterns, and other key financial metrics. Additionally, the report helps the City ensure that it stays on track toward achieving its goals and objectives by providing valuable insights into the City's financial performance. By using this information to make informed decisions and take appropriate actions, the City can maintain its fiscal sustainability.

Fund	FY 2022-23 Amended	Requested Third	
	Budget as of March 31, 2023	Quarter Adjustments	Year-End Projections
General	127,836,668	275,173	128,111,841
Special Revenue	33,529,935	(1,347,491)	32,182,444
Debt Service	2,675,800	(1,755,555)	920,245
Capital Projects	30,508,295	-	30,508,295
Enterprise	10,416,383	69,345	10,485,728
Internal Service	10,801,843	-	10,801,843
<b>Total All Funds</b>	<b>\$ 215,768,924</b>	<b>\$ (2,758,528)</b>	<b>\$ 213,010,396</b>

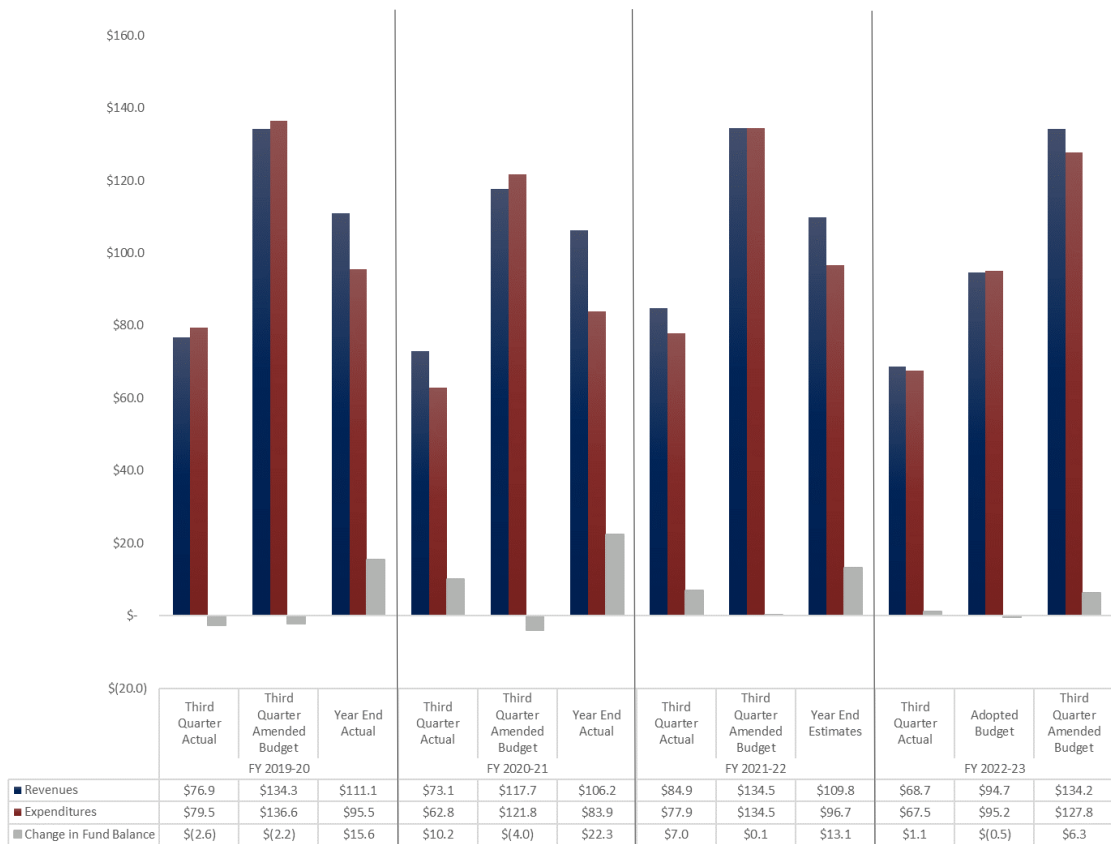
There are minimal requests for funding in the third quarter report. In addition, staff is also recommending defunding some Capital Improvement Program (CIP) projects and increasing revenue in some tax categories to better align year-end actuals with the

budget. The City will continue to closely monitor revenue and expenditure trends in the coming months. This ongoing analysis is critical to ensuring that the City's budget remains responsive to the needs of its constituents and is aligned with the City's goals and objectives. By proactively managing its budget, the City can remain fiscally responsible and provide essential services and programs to its community.

**General Fund**

The chart below shows amended budget, third quarter, and year-end revenues and expenditures.

**4-Year Comparison of Revenues, Expenditures, and Changes to Fund Balance  
(\$ in millions)**



The General Fund's historical financial data indicates that amended expenditures have often exceeded amended revenues, leading to a decrease in fund balance. This decrease in fund balance is not due to a structural deficit; rather, the City transferred excess fund balance from the General Fund to the Capital Reserve as part of its Fund Balance Policy. The City's encumbrance and budget carryover process has resulted in increases to fund balance at the end of most fiscal years.

By continuing to monitor and manage its financial resources effectively, the City can ensure that it maintains a healthy fund balance in the General Fund.

## Revenue

General Fund revenue is tracking at \$16.3 million, or 19%, lower than the same time last year due to changes in the City's revenue sources as shown in the following table.

### Comparison of FY 2021-22 and FY 2022-23 Third Quarter Revenues General Fund

Revenue Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
05 - Sales tax	34,610,258	23,266,311	(11,343,948)	-33%
10 - Property tax	17,987,045	19,454,531	1,467,486	8%
15 - Transient occupancy	2,276,564	4,516,559	2,239,995	98%
20 - Utility tax	2,135,032	2,860,234	725,202	34%
25 - Franchise fees	1,521,067	1,760,801	239,734	16%
30 - Other taxes	1,482,448	959,183	(523,265)	-35%
35 - Licenses and permits	3,096,601	3,036,665	(59,936)	-2%
40 - Use of money and property	1,507,345	1,993,092	485,748	32%
45 - Intergovernmental revenue	3,857,143	1,299,052	(2,558,091)	-66%
50 - Charges for services	9,791,909	8,000,003	(1,791,906)	-18%
55 - Fines and forfeitures	193,836	222,066	28,229	15%
60 - Miscellaneous	1,495,860	1,173,421	(322,438)	-22%
65 - Transfers in	4,862,387	61,140	(4,801,247)	-99%
70 - Other financing sources	104,369	65,655	(38,714)	-37%
<b>Grand Total</b>	<b>\$ 84,921,864</b>	<b>\$ 68,668,712</b>	<b>\$ (16,253,151)</b>	<b>-19%</b>

*Sales Tax* revenue is \$23.3 million, representing a 33% decline from the previous year due to lower business-to-business and County pool sales tax revenue. The City's sales tax revenue is derived from five primary economic categories, including business-to-business, state and county pools, restaurants and hotels, general consumer goods, and fuel and service stations. County pool revenue is based on the City's share of direct sales tax in the County. As a result, when sales tax decreases, the City's share of the County pool decreases.

In FY 2022-23, the City's business-to-business sales tax revenue is lower than in the previous fiscal year due to a shift from online to in-store shopping. From FY 2019-20 to FY 2021-22, the COVID-19 pandemic significantly impacted the City's revenues from sales taxes, but certain sectors, such as business-to-business sales tax and County pool allocation, had experienced an increase. This was mainly attributed to the rise in online sales due to statewide shelter-in-place mandates and the higher demand for computer and electronics equipment due to a shift to remote work during the pandemic.

Although the City's sales tax revenues reached historic highs in FY 2020-21 and FY 2021-22, the City considers it a one-time event. The recovery of the restaurant and hotel, general consumer goods, and automotive industry groups did not offset the declines in business-to-business sales tax and County pool allocation as online sales decreased from their recent historic highs.



The California Department of Tax and Fee Administration (CDTFA) manages the collection and administration of sales and use taxes, which is a significant source of revenue for the state and local governments. Businesses are required to register for a sales tax permit and collect taxes from their customers, and the collected taxes are then remitted to the CDTFA for distribution to the relevant local governments. In addition, the CDTFA conducts audits to ensure tax compliance by businesses. The City receives a portion of the sales tax revenue generated within its boundaries, which funds a wide range of City services and programs.

In December 2021, the California Department of Tax and Fee Administration (CDTFA) notified the City of an ongoing audit concerning one of its taxpayers. In March 2023, the City received a verbal notification from the CDTFA, stating that there may have been a misallocation of tax funds to the City, which could potentially affect City revenues. The CDTFA is anticipated to issue a formal letter in the next four to six months, containing the final results of the audit and the actual amount of money that has been misallocated.

As a result, in FY 2023-24, the City expects a 73% decline in sales tax revenue from original FY 2023-24 budget estimates and an overall reduction in total revenue of 28%, equivalent to \$30 million. Sales tax revenues are estimated to generate \$11.4 million in FY 2023-24, down 64% from the FY 2022-23 Adopted Budget. No adjustments are being made to sales tax in the current fiscal year as a decision by CDTFA will not occur until after the fiscal year close.

*Property Tax* revenue increased by \$1.5 million, or 8%, compared to last year. In FY 2022-23, the City's property tax roll grew \$2.08 billion, or 7.2%. This growth was \$1.09 billion more than in FY 2021-22 when the property tax roll grew by \$986 million, or 3.5%. Residential use values increased \$1.26 billion, or 7.2%, representing 61% of all growth experienced in the City. Commercial properties increased by \$1.07 billion, or 13.1%, due to the addition of assets by Campus Holdings at the Apple site. Industrial use grew \$280 million, or 24.7%, due to Apple parcel growth, some of which showed the transfer of assets from the unsecured to the secured roll.<sup>2</sup> Unsecured assets decreased by \$655 million, or 38%.

The growth in home sales was strong in 2021, leading to an increase in median sale prices reflected in the 2022-23 tax rolls. Although many cities saw median price increases, new concerns over rising interest rates and inflation are leading to a decrease in home sales. The median sale price for Cupertino detached single-family homes in January through December 2022 was \$2,932,500, an increase of \$122,500 or 4.36% from

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<sup>2</sup> Secured property generally includes buildings and land, whereas unsecured property generally includes properties that are portable, such as boats, aircraft, business equipment, and other possessory interests.

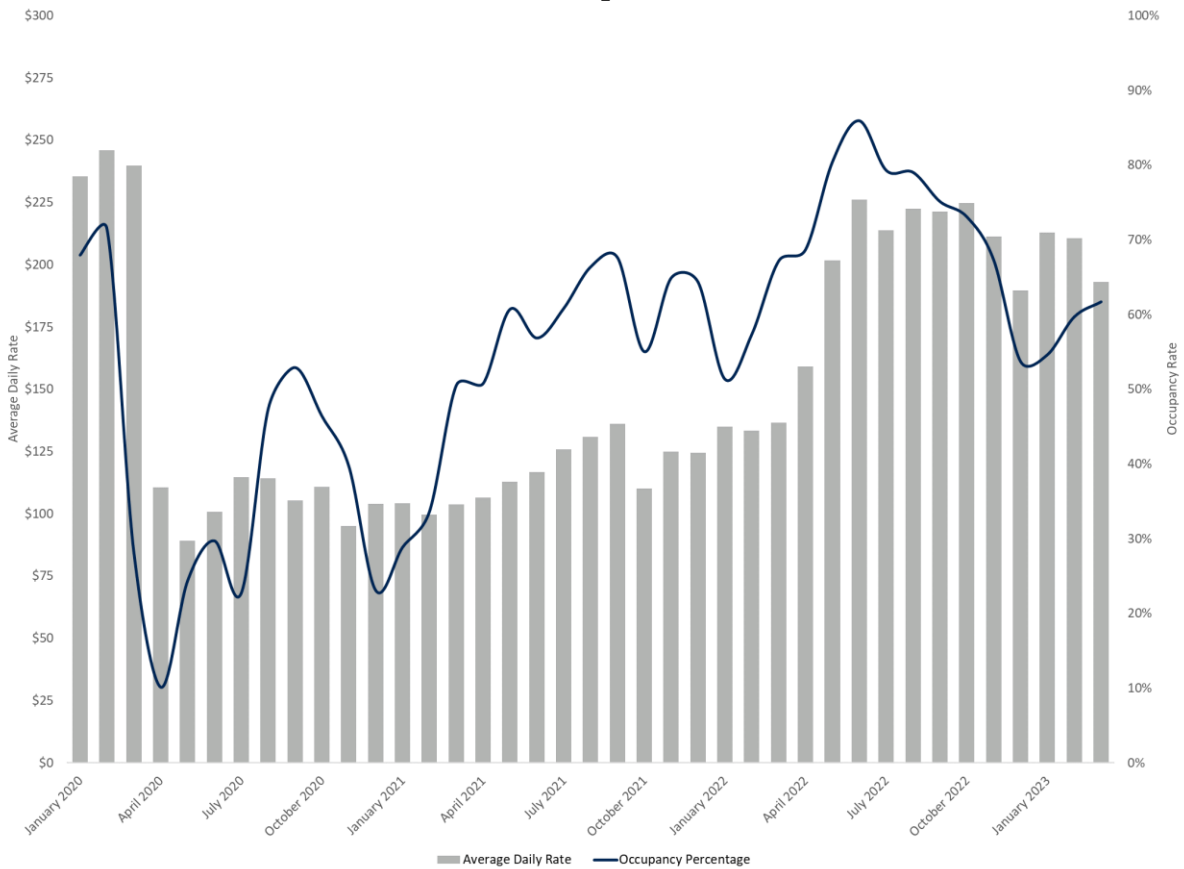
the same period in 2021. The annual consumer price index (CPI) applied per Proposition 13 was 2% this year after a 1.036% increase in the prior year.

The City’s property tax base remains strong and HdL, the City’s property tax consultant, is projecting property tax growth over the next five years as shown in the table below.

FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
31,223,141	32,324,317	33,606,651	35,024,886	36,531,087

*Transient Occupancy Tax (TOT)* revenue increased by \$2.2 million, or 98%, compared to the previous year due to increased travel, but it is still lower than pre-pandemic levels. This significant increase is due to the relaxation of pandemic-based travel restrictions that previously reduced travel. With increased travel and employees returning to work onsite, the City's TOT revenues have been directly and significantly affected. The average daily rates and occupancy rates for hotels are now closer to pre-pandemic levels, as shown in the table below.

**Average Daily Rates and Occupancy Rates by Month  
Hotels in Cupertino**



TOT was originally budgeted to end FY 2022-23 at \$5 million. However, staff expects to exceed the estimated \$5 million in the current fiscal year. The anticipated increase is due

to the relaxation of prior pandemic-based restrictions, allowing for increased travel. Staff anticipates a recovery to reach \$7.5 million in FY 2023-24, which is a 50% increase from the FY 2022-23 Adopted Budget. To ensure accurate monitoring of these activities, staff will continue to bring forward recommendations and adjustments as necessary. Economic regulations and other factors impacting TOT revenues will be monitored, and the impact will be reported as part of the quarterly financial reports.

*Utility Tax* increased by approximately \$725,000, or 34%, over the previous third quarter period due to the timing of Utility User Tax (UUT) payments recorded.

*Franchise Fees* increased by approximately \$240,000, or 16%, primarily due to increased Recology franchise fees collected.

*Other Taxes* decreased by approximately \$523,000, or 35% primarily due to decreased property transfer taxes.

*Licenses and Permits* decreased by approximately \$60,000, or 2%, which is a nominal change.

*Use of Money and Property* increased by approximately \$486,000, or 32%, due to increased interest earnings from the City's investment portfolio.

*Intergovernmental Revenue* decreased by \$2.6 million, or 66%, representing a 66% decline compared to the same period last year. This reduction is primarily due to the recognition of American Rescue Plan Act (ARPA) revenue in the previous fiscal year (FY 2021-22). In May 2023, the City was able to fully realize all revenue related to ARPA, due to Treasury rules that allowed the City to claim all lost revenue using a standard allowance if the loss was less than \$10 million.

*Charges for Services* decreased by \$1.8 million, or 18%, driven mainly by decreases in cost allocation charges and general service fees.

*Fines and Forfeitures* increased by \$28,000, or 15%, primarily due to increased citations administered over the prior year.

*Miscellaneous Revenue* decreased by approximately \$322,000, or 22%, primarily due to a restitution payment in FY 2021-22 related to the 2014 embezzlement. This decrease is offset by increases in a donation agreement for sheriff services and community amenity payments for the Cupertino Village and De Anza Hotel.

*Transfers In* decreased by \$4.8 million, or 99%, due to the one-time transfer of funds to General Fund departments as part of the American Rescue Plan Act funding strategy in FY 2021-22. In May 2023, the City was able to fully realize all revenue related to ARPA,

due to Treasury rules that allowed the City to claim all lost revenue using a standard allowance if the loss was less than \$10 million.

*Other Financing Sources* decreased by \$39,000, or 37% due to the timing of refundable deposit revenues received.

**Expenditures**

General Fund expenditures are down \$10.3 million, or 13%, when compared to the same time last year. The following table shows the differences between General Fund expenditures as of the third quarter in the current fiscal year and the prior fiscal year:

**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Expenditures  
General Fund**

Expenditure Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
05 - Employee compensation	14,648,204	16,265,454	1,617,250	11%
10 - Employee benefits	6,939,529	7,571,464	631,935	9%
15 - Materials	3,123,066	3,646,725	523,659	17%
20 - Contract services	15,744,635	17,894,031	2,149,397	14%
25 - Cost allocation	8,961,047	7,789,471	(1,171,576)	-13%
30 - Capital outlays	32,700	16,293	(16,408)	-50%
31 - Special projects	1,846,542	1,963,361	116,819	6%
35 - Contingencies	2,640	277	(2,363)	-90%
45 - Transfer out	26,099,371	11,996,300	(14,103,071)	-54%
50 - Other financing uses	477,138	403,660	(73,478)	-15%
<b>Grand Total</b>	<b>\$ 77,874,872</b>	<b>\$ 67,547,036</b>	<b>\$ (10,327,835)</b>	<b>-13%</b>

*Salary and Benefits* have increased by approximately \$2.2 million, or 10%. This increase in compensation is primarily due to negotiated cost-of-living adjustments approved by the City Council on August 16, 2022 and 14 new full-time benefitted positions (FTE) added in the FY 2022-23 Adopted Budget. Benefit increases were primarily driven by retirement and workers’ compensation costs.

*Materials* costs have increased by approximately \$524,000, or 17%, primarily due to increases in Public Works materials costs, particularly water and electricity costs.

*Contract Services* have increased by approximately \$2.1 million, or 14%, primarily driven by the rise in the City’s law enforcement contract with the Santa Clara County Sheriff’s Office.

*Cost Allocation* decreased by approximately \$1.2 million, or 13%, primarily due to decreased Innovation & Technology and Human Resources Cost Allocation Plan (CAP) charges.<sup>3</sup>

*Capital Outlay* costs decreased by approximately \$16,000, or 50% mainly due to decreased capitalizable facilities costs.

*Special Projects* increased by approximately \$117,000, or 6%, due to fluctuations in one-time expenditures.

*Contingencies* were higher last year due to the purchase of a sound meter for code enforcement.

*Transfers Out* decreased by approximately \$14.1 million, or 54%, due to the one-time transfer of funds to General Fund departments as part of the American Rescue Plan Act funding strategy as well as a Mid-Year transfer to the Capital Reserve in FY 2021-22.

*Other Financing Uses* decreased by approximately \$73,000, or 15%, due to refundable deposit on-call contracts for the Community Development Department.

## Special Revenue Funds

### Revenue

Special Revenue Funds revenue is tracking at \$15.6 million, or 67%, lower than the same time last year primarily due to a one-time park dedication fee in FY 2021-22 and decreased transfers from the General Fund.

### Comparison of FY 2021-22 and FY 2022-23 Special Revenue Funds Third Quarter Revenues

Revenue Category	Third Quarter 2022	Third Quarter 2023	Variance (\$)	Variance (%)
30 - Other taxes	9,166,712	818,126	(8,348,586)	-91%
40 - Use of money and property	443,631	479,815	36,184	8%
45 - Intergovernmental revenue	2,310,158	2,510,931	200,773	9%
50 - Charges for services	1,184,098	994,276	(189,822)	-16%
55 - Fines and forfeitures	36,154	-	(36,154)	-100%
60 - Miscellaneous	6,719	2,000	(4,718)	-70%
65 - Transfers in	10,322,824	3,025,000	(7,297,824)	-71%
<b>Grand Total</b>	<b>\$ 23,470,295</b>	<b>\$ 7,830,149</b>	<b>\$ (15,640,146)</b>	<b>-67%</b>

<sup>3</sup> The cost allocation plan (CAP) allocates indirect and overhead costs to the departments that benefit from them. Costs incurred by central service providers (e.g., City Manager's Office, City Attorney's Office, Finance, Human Resources, Facilities, etc.) are charged to the departments that benefit from the services (e.g., Parks & Recreation). The purpose of the CAP is to help the City to determine the true cost of providing services.

*Other Taxes* decreased by approximately \$8.3 million, or 91%, due to decreased park dedication fees. In FY 2021-22, the City received a one-time park dedication fee due to a development agreement for Westport, which contributed to the Other Taxes revenue that year.

*Use of Money and Property* increased by approximately \$36,000, or 8%, due to increased interest earnings from the City's investment portfolio.

*Intergovernmental Revenue* increased by approximately \$200,000, or 9%, due to increased SB1 and Gas Tax revenues and a Highway Safety Improvement Program (HSIP) grant for the Homestead Road/De Anza Traffic Signal Modification project.

*Charges for services* decreased by approximately \$190,000, or 16%, primarily due to decreased engineering fees. In FY 2021-22, the City received a one-time traffic impact fee due to a development agreement for Westport, which contributed to the Charges for Services revenue that year.

*Fines and forfeitures* were higher last year due to revenues that were incorrectly recorded in the Environmental Management Clean Creek Storm Drain Fund and reclassified to the General Fund later in FY 2021-22.

*Transfers In* decreased by approximately \$7.3 million, or 71%, due to decreased transfers to the Transportation Fund and capital projects.

Interfund transfers are the movement of cash between one or more funds. As part of the Adopted Budget process, transfers from the General Fund to other City funds serve as operating subsidies to ensure that each fund has a positive fund balance at the end of the fiscal year. Additionally, when Capital Improvement Program (CIP) projects are authorized by City Council, a transfer from the Capital Reserve to the appropriate fund is necessary to record the costs and activities of the project. For more information on the City's operating and capital transfers, refer to the General Fund Contribution Schedule and General Fund Transfers in the Financial Schedules section of the FY 2022-23 Adopted Budget.

### ***Expenditures***

Special Revenue Funds expenditures are tracking at \$2.4 million, or 32%, higher than the same time last year due primarily to increases in capital outlays.

**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Expenditures  
Special Revenue Funds**

Expenditure Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
05 - Employee compensation	1,229,083	1,390,159	161,076	13%
10 - Employee benefits	620,807	661,455	40,648	7%
15 - Materials	541,227	444,948	(96,279)	-18%
20 - Contract services	262,181	511,752	249,571	95%
25 - Cost allocation	994,459	893,675	(100,784)	-10%
30 - Capital outlays	1,769,384	3,784,754	2,015,370	114%
31 - Special projects	1,834,353	1,811,335	(23,017)	-1%
45 - Transfer out	381,000	561,140	180,140	47%
<b>Grand Total</b>	<b>\$ 7,632,493</b>	<b>\$ 10,059,219</b>	<b>\$ 2,426,725</b>	<b>32%</b>

*Salary and Benefits* increased by approximately \$0.2 million, or 11%, primarily due to negotiated cost-of-living adjustments approved by the City Council on August 16, 2022.

*Materials* decreased by approximately \$0.1 million, or 18% primarily due to decreased CDBG grant expenditures.

*Contract Services* increased by approximately \$0.2 million, or 95%, primarily due to a street pavement maintenance project.

*Cost Allocation* decreased by approximately \$0.1 million, or 10%, primarily due to decreased Innovation & Technology and City Council CAP charges.

*Capital Outlays* increased by approximately \$2.0 million, or 114%, due to the Orange Avenue Sidewalk Improvements and Memorial Park Pond Repurposing projects.

*Special Projects* remained relatively unchanged from the previous year.

*Transfers Out* increased by \$0.2 million, or 47%, primarily due to a transfer from the Park Dedication Fund to the Capital Improvement Fund for the Memorial Park Specific Plan.

**Debt Service Funds**

*Revenue*

Debt Service Funds revenue is similar to last year.

**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Revenues  
Debt Service Funds**

Revenue Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
65 - Transfers in	2,621,000	2,675,800	54,800	2%
<b>Grand Total</b>	<b>\$ 2,621,000</b>	<b>\$ 2,675,800</b>	<b>\$ 54,800</b>	<b>2%</b>

*Expenditures*

Debt Service Funds expenditures are similar to last year.



**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Expenditures  
Debt Service Funds**

Expenditure Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
20 - Contract services	1,500	1,500	-	0%
40 - Debt services	398,000	360,400	(37,600)	-9%
<b>Grand Total</b>	<b>\$ 399,500</b>	<b>\$ 361,900</b>	<b>\$ (37,600)</b>	<b>-9%</b>

**Capital Projects Funds**

*Revenue*

Capital Projects Funds revenue is lower than last year due to fewer transfers to fund capital projects.

**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Revenues  
Capital Projects Funds**

Revenue Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
45 - Intergovernmental revenue	1,472,565	462,480	(1,010,085)	-69%
50 - Charges for services	-	46,146	46,146	N/A
60 - Miscellaneous	80,000	56,522	(23,478)	-29%
65 - Transfers in	17,557,048	3,000,000	(14,557,048)	-83%
<b>Grand Total</b>	<b>\$ 19,109,613</b>	<b>\$ 3,565,149</b>	<b>\$ (15,544,465)</b>	<b>-81%</b>

*Expenditures*

Capital Projects Funds expenditures are lower than last year due to fewer transfers to fund capital projects and reduced expenditures for capital projects.

**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Expenditures  
Capital Projects Funds**

Expenditure Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
05 - Employee compensation	167	4,757	4,590	2748%
10 - Employee benefits	98	1,933	1,835	1866%
20 - Contract services	33,513	262,137	228,624	682%
30 - Capital outlays	6,743,683	2,773,244	(3,970,439)	-59%
45 - Transfer out	11,422,048	23,600	(11,398,448)	-100%
<b>Grand Total</b>	<b>\$ 18,199,508</b>	<b>\$ 3,065,671</b>	<b>\$ (15,133,838)</b>	<b>-83%</b>

**Enterprise Funds**

*Revenue*

Enterprise Funds revenue is tracking at approximately \$0.5 million, or 10%, higher than the same time last year due primarily to increased charges for services.

**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Revenues**  
**Enterprise Funds**

Revenue Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
40 - Use of money and property	430,897	496,321	65,424	15%
45 - Intergovernmental revenue	-	83,693	83,693	N/A
50 - Charges for services	3,790,874	4,620,611	829,737	22%
60 - Miscellaneous	-	-	-	N/A
65 - Transfers in	886,801	399,600	(487,201)	-55%
<b>Grand Total</b>	<b>\$ 5,108,572</b>	<b>\$ 5,600,225</b>	<b>\$ 491,652</b>	<b>10%</b>

*Use of Money and Property* increased by \$65,000, or 15%, due to an increase in field permit rentals and increased interest earnings from the City’s investment portfolio.

*Intergovernmental Revenue* is up \$84,000 due to a grant to assist with meeting the requirements of Senate Bill (SB) 1383, the State’s Short-Lived Climate Pollutant Reduction Strategy.

*Charges for services* increased by approximately \$830,000, or 22%, primarily due to increased revenues from Parks and Recreation programs and classes. Programs and classes returned as pandemic restrictions eased.

*Transfers In* are down approximately \$0.5 million, or 55%, due to decreased transfers from the General Fund.

**Expenditures**

Overall expenditures are tracking at \$0.7 million, or 13%, higher than the same time last year due primarily to increases in compensation and contract services.

**Comparison of FY 2021-22 and FY 2022-23 Third Quarter Expenditures**  
**Enterprise Funds**

Expenditure Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
05 - Employee compensation	896,805	1,170,018	273,212	30%
10 - Employee benefits	355,286	440,608	85,322	24%
15 - Materials	225,892	302,854	76,962	34%
20 - Contract services	2,740,325	3,266,983	526,659	19%
25 - Cost allocation	775,580	592,454	(183,126)	-24%
30 - Capital outlays	172,158	342	(171,816)	-100%
31 - Special projects	82,775	204,587	121,812	147%
50 - Other financing uses	54,516	40,845	(13,671)	-25%
<b>Grand Total</b>	<b>\$ 5,303,337</b>	<b>\$ 6,018,690</b>	<b>\$ 715,353</b>	<b>13%</b>

*Salary and Benefits* increased by approximately \$0.4 million, or 29%, primarily due to negotiated cost-of-living adjustments approved by the City Council on August 16, 2022.

*Materials* increased by approximately \$77,000, or 34%, primarily due to increased expenditures for electricity, small tools and equipment, and general supplies.

*Contract Services* increased by approximately \$0.5 million, or 19%, primarily due to increased programs and classes provided by Parks and Recreation. Programs and classes returned as pandemic restrictions eased.

*Cost Allocation* decreased by approximately \$0.2 million, or 24%, primarily due to decreased Finance and Human Resources CAP charges.

*Capital Outlays* decreased by approximately \$0.2 million, or 100%, due to projects that differ in scope and timing from year to year.

*Special Projects* increased by approximately \$0.1 million, or 147%, due to projects that differ in scope and timing from year to year.

*Other Financing Uses* decreased by approximately \$14,000, or 25%, due to lower depreciation expenses.

### Internal Service Funds

#### Revenue

Internal Service Funds revenue is tracking at \$1.4 million, or 25%, higher than the same time last year due to an increase in transfers in.

### Comparison of FY 2021-22 and FY 2022-23 Third Quarter Revenues Internal Service Funds

Revenue Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
40 - Use of money and property	70,391	108,372	37,981	54%
50 - Charges for services	3,593,067	3,121,185	(471,882)	-13%
60 - Miscellaneous	84	-	(84)	-100%
65 - Transfers in	1,652,359	3,419,500	1,767,141	107%
70 - Other financing sources	277,364	327,787	50,422	18%
<b>Grant Total</b>	<b>\$ 5,593,265</b>	<b>\$ 6,976,844</b>	<b>\$ 1,383,579</b>	<b>25%</b>

*Use of Money and Property* increased by \$38,000, or 54%, due to increased interest earnings from the City's investment portfolio.

*Charges for Services* decreased by approximately \$472,000, or 13%, due to decreased cost allocation charges. Cost allocation decreased due to lower cost allocation expenses that need to be allocated.

*Transfers In* increased by approximately \$1.8 million, or 107%, due to increased transfers from the General Fund to the Innovation & Technology and Compensated Absences Fund.

*Other Financing Sources* increased by approximately \$50,000, or 18%, due to higher depreciation expenses.

### **Expenditures**

Internal Service Funds expenditures are tracking at \$0.5 million, or 10%, higher than the same time last year due primarily to increases in materials and contract services.

#### **Comparison of FY 2021-22 and FY 2022-23 Third Quarter Expenditures Internal Service Funds**

Expenditure Category	3rd Quarter 2022	3rd Quarter 2023	Variance (\$)	Variance (%)
05 - Employee compensation	1,276,218	1,339,841	63,624	5%
10 - Employee benefits	1,570,672	1,618,046	47,374	3%
15 - Materials	810,826	995,082	184,256	23%
20 - Contract services	574,603	829,993	255,390	44%
25 - Cost allocation	45,613	46,532	919	2%
31 - Special projects	511,923	458,435	(53,488)	-10%
35 - Contingencies	-	-	-	N/A
50 - Other financing uses	232,635	225,443	(7,192)	-3%
<b>Grand Total</b>	<b>\$ 5,022,489</b>	<b>\$ 5,513,372</b>	<b>\$ 490,883</b>	<b>10%</b>

*Salary and Benefits* increased by \$0.1 million, or 4%, primarily due to negotiated cost-of-living adjustments approved by the City Council on August 16, 2022.

*Materials* increased by \$184,000, or 23%, mainly due to increases in Innovation & Technology software expenditures.

*Contract Services* increased by \$255,000, or 44%, largely due to increases in workers' compensation insurance premiums.

*Special Projects* decreased by approximately \$53,000, or 10%, due to the timing of expenditures for vehicle and equipment replacement.

*Other Financing Uses* remain relatively unchanged from last fiscal year.

### **Budget Adjustment Requests**

The City's departments regularly evaluate their budget expenditures throughout the fiscal year to ensure they stay within their budget appropriations. In case of any variance, they can request budget adjustments as necessary as part of the quarterly reports.

As of the third quarter, some departments are requesting budget adjustments to ensure that they stay within their budget appropriations by year-end. In addition, staff is also recommending defunding some Capital Improvement Program (CIP) projects and increasing revenue in some categories to better align year-end actuals with the budget. The recommended adjustments are summarized below.

Fund	Department	Expense	Revenue	Change in Fund Balance	Proposal
<b>GENERAL FUND</b>					
100 General Fund	PW	77,340	77,340	-	Apple Park Transportation Demand Monitoring Program
100 General Fund	PW	177,606	177,606	-	Library Utilities
100 General Fund	P&R	14,349	-	(14,349)	Hidden Treasures Proceeds
100 General Fund	Admin. Svcs.	-	1,000,000	1,000,000	Transient Occupancy Tax
100 General Fund	PW	5,878	-	(5,878)	Wilson Park Maintenance
<b>TOTAL GENERAL FUND</b>		<b>275,173</b>	<b>1,254,946</b>	<b>979,773</b>	
<b>SPECIAL REVENUE FUNDS</b>					
270 Transportation Fund	PW	(197,491)	-	197,491	CIP Project Defunding
280 Park Dedication	PW	(1,150,000)	-	1,150,000	CIP Project Defunding
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>(1,347,491)</b>	<b>-</b>	<b>1,347,491</b>	
<b>CAPITAL IMPROVEMENT FUNDS</b>					
420 Capital Improvement Funds	PW	(1,755,555)	-	1,755,555	CIP Project Defunding
<b>TOTAL CAPITAL IMPROVEMENT FUNDS</b>		<b>(1,755,555)</b>	<b>-</b>	<b>1,755,555</b>	
<b>ENTERPRISE FUNDS</b>					
560 Blackberry Farm	P&R	6,843	161,000	154,157	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	P&R	71,093	261,000	189,907	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	P&R	72,853	-	(72,853)	Windscreens Replacement
580 Recreation Program	P&R	21,675	510,000	488,325	Revenues and Bank Charges - Request for Additional Funds
580 Recreation Program	PW	(103,119)	-	103,119	CIP Project Defunding
<b>TOTAL ENTERPRISE FUNDS</b>		<b>69,345</b>	<b>932,000</b>	<b>862,655</b>	
<b>INTERNAL SERVICE FUNDS</b>					
642 Retiree Medical	Admin. Svcs.	-	2,715,652	2,715,652	Retiree Health
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>-</b>	<b>2,715,652</b>	<b>2,715,652</b>	
<b>TOTAL ALL FUNDS</b>		<b>\$ (2,758,528)</b>	<b>\$ 4,902,598</b>	<b>\$ 7,661,126</b>	

### *Hidden Treasures Proceeds*

The Parks and Recreation department is requesting a one-time expense of \$14,347 to cover the costs of running an event. This amount has been funded by community donations received at the Senior Center, and will be factored into the total cost of the event. Any remaining funds will be incorporated into the Stay Active Fund to support future programs.

To help cover the expenses of the program and sustain the Stay Active Fund, staff is requesting permission to use the revenue generated from the Hidden Treasures event. This amounts to \$14,347 and will be used to reimburse the costs of the program, ensuring that the department can continue to provide high-quality activities for the community.

### *Revenues and Bank Charges - Request for Additional Funds*

The Parks and Recreation department requests a one-time expense of \$99,611 which will be offset from revenues from the Blackberry Farm (BBF) Golf Course, Cupertino Sports Center, and Youth and Teen. The revenue received to date has exceeded what was originally estimated, requiring additional funds to cover the bank charges from the additional revenue earned and projected revenue for the rest of the fiscal year. The bank charges incurred by the City are 4.25% of the revenue earned. These charges are associated with credit card transactions and are not currently passed on to the customer.

### *Retiree Health*

Staff recommends seeking a reimbursement from the Section 115 OPEB Trust for retiree health expenses in FY 2021-22 and FY 2022-23. This trust was set up by the City in FY 2009-10 to support its Other Post-Employment Benefits (OPEB) obligations. The Section

115 OPEB Trust is solely designated for retiree health costs, and the funds can be used to pay the benefits administrator or to reimburse the City for OPEB Plan benefits and costs.

It's worth noting that the OPEB plan is currently more than 100% funded, with a balance of \$33.3 million as of March 31, 2023. This presents an opportunity for the City to cease General Fund transfers to the Retiree Health Fund.

*Transient Occupancy Tax (TOT)*

As of the current period, Transient Occupancy Tax (TOT) revenues have exceeded original projections. Moreover, Apple will be hosting their Worldwide Developers Conference in Cupertino in June 2023, which is expected to generate additional revenue for the City.

Given these developments, staff recommends that we increase our estimate for sales tax revenue by \$1 million. This adjustment will better align our year-end projections with the increased revenue that we anticipate from TOT and the Apple event. This will help ensure that we have accurate and realistic revenue estimates, which will be critical for effective budget planning and financial management for the City.

*Library Utilities*

The Public Works Department requests an increase in the library utilities budget due to utility costs exceeding original projections. The current budget is expected to be expended before the end of the fiscal year. These expenses are reimbursed annually by the Santa Clara County Library District.

*Wilson Park Maintenance*

The Public Works Department requests an increase for sewer services as utility costs have increased beyond budget projections.

*Apple Park Transportation Demand Monitoring Program*

The Public Works department requests an increase which will be offset by a deposit from Apple. Funds will be used to continue years 3 and 4 of the City's traffic monitoring of the Apple Park campus, as required per the project's conditions of approval. Monitoring of traffic at Apple Park is required to ensure that the site's traffic generation is within thresholds established under their approved development permit.

*Windscreens Replacement*

Currently, the screens at the Sports Center's tennis courts are torn due to natural wear and tear, allowing more dust, dirt, and trash to accumulate on the courts creating a safety hazard for players. Staff requests an increase to replace and install the windscreens.

### CIP Project Defunding

CIP has recently prioritized both the ongoing and proposed projects for FY 2023-24. Taking into account the project ranking sheet that was included in the March 7<sup>th</sup> Council meeting staff report attachments, staff carefully reconsidered both active and dormant projects and updated the prioritization list, which is now reflected in Attachment I. Projects that fall below the line are considered low-priority. As a result, staff recommends defunding \$3.2 million in projects, which are listed in the table below.

BIKE/PED/ TRANSPORTATION PROJECT	STREETS & INFRASTRUCTURE PROJECT	FACILITIES PROJECT
		PARKS PROJECT

DEFUND PROPOSAL: EXISTING CIP PROJECTS	City Funding	External Project Funding	Total Project Budget	Remaining Balance (Jan '23)	Amount to be Defunded
Memorial Park - Amphitheater Improvements	\$1,150,000	\$0	\$1,150,000	\$1,150,000	\$1,150,000
Stevens Creek Corridor Park Chain Master Plan	\$406,470	\$0	\$406,470	\$203,322	\$203,322
Bicycle Boulevard Interim Improvements, Phase 3	\$1,197,000	\$0	\$1,197,000	\$0	\$0
Civic Center Parking Improvements	\$1,000,000	\$0	\$1,000,000	\$797,221	\$797,221
McClellan Road Separated Bike Corridor, Phase 4 (Byrne Ave to Imperial Ave)	\$0	\$1,000,000	\$1,000,000	\$0	\$0
Traffic Calming	\$200,000	\$0	\$200,000	\$197,491	\$197,491
City-Owned Properties Analysis (Stockmeir, Byrne, Blesch)	\$90,000		\$90,000	\$90,000	\$90,000
Electric Vehicle Parking Expansion	\$200,000	\$208,000	\$408,000	\$408,000	\$200,000
Interim City Hall	\$501,162	\$0	\$501,162	\$465,012	\$465,012
Multi-Site Sustainable Infrastructure Upgrade	\$284,449	\$217,551	\$502,000	\$320,670	\$103,119
<b>Total</b>	<b>5,029,081</b>	<b>1,425,551</b>	<b>\$6,454,632</b>	<b>\$3,631,716</b>	<b>\$3,206,165</b>

### Fund Balance

The City's General Fund ended FY 2020-21 with \$96.9 million in total fund balance. Staff anticipates the General Fund will end FY 2021-22 with \$110.0 million in fund balance, an increase of \$13.1 million from the prior year, due to revenues being higher than expenditures. At mid-year, staff projected the General Fund to end FY 2022-23 with \$121.5 million in fund balance. As of third quarter, the General Fund is expected to end FY 2022-23 with \$122.4 million in fund balance, with \$64.1 million in unassigned fund balance.

### General Fund Classification of Fund Balance

Classification	Year End		Adopted Budget 2022-23	1st Quarter Year	Mid-Year Year	3rd Quarter Year
	Actual 2020-21	Projection 2021-22		End Projection 2022-23	End Projection 2022-23	End Projection 2022-23
Non Spendable	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
Restricted	19.9	18.8	24.2	18.8	18.8	18.8
Committed	19.1	34.1	34.1	34.1	34.1	34.1
Assigned	4.9	5.0	3.0	5.0	5.0	5.0
Unassigned	52.4	51.6	48.3	63.2	63.1	64.1
<b>TOTAL FUND BALANCE</b>	<b>\$ 96.9</b>	<b>\$ 110.0</b>	<b>\$ 110.1</b>	<b>\$ 121.6</b>	<b>\$ 121.5</b>	<b>\$ 122.4</b>

To date, the City's external auditors have not completed their review of the City's financials. Revenue, expenditure, and fund balance totals listed in this report are preliminary and subject to change after a full review by the City's auditors. City Staff does not anticipate many, if any, changes to these figures.



Per the City's Fund Balance Policy, unassigned fund balance over \$500,000 is to be used in the following order to replenish committed/restricted fund balances with any remaining balances to be placed in the Capital Reserve:

1. Economic Uncertainty Reserve
2. CalPERS Reserve (Section 115 Pension Trust)
3. Capital Projects Reserve
4. Sustainability Reserve
5. Unassigned

As of third quarter, all priority areas have been fully funded. Per the City's Fund Balance policy, it has been the City's practice to recommend the transfer of unassigned fund balance as part of the mid-year financial report. However, this year, the City did not recommend the use of unassigned fund balance at mid-year due to the uncertainty surrounding a sales tax audit of one of the City's taxpayers by the California Department of Tax and Fee Administration (CDTFA). While the impact of this audit is unknown, it has the potential to significantly affect the City's sales tax revenues.

Staff anticipates bringing recommendations on the use of fund balance to the City Council once more information regarding the sales tax audit is available. The City is committed to maintaining a responsible and sustainable approach to its financial management, and will continue to closely monitor and analyze revenue and expenditure trends in order to make informed budgetary decisions.

### **Staffing**

As of March 31, 2023, the FY 2022-23 Amended Budget includes a total of 226 full-time equivalent (FTE) positions.

### **City Manager Discretionary Fund**

In the FY 2022-23 Adopted Budget, City Council approved \$75,000 in funding for the City Manager Discretionary Fund. The quarterly financial reports will detail the City Manager's use of the discretionary fund and may include recommendations to replenish depending on the extent and nature of use. As of March 31, 2023, \$12,163.50 has been used for the following:

- \$2,263.50 for environmental consulting services for the initial preparation of a Phase I environmental site assessment at 21801 Stevens Creek Boulevard; and
- \$9,900 for PlaceWorks to review the Permanente Creek restoration project.

### **Special Projects**

Beginning FY 2022-23, the quarterly financial reports will provide a status update on special projects including the budget, amount spent, and estimated completion date. See Attachment F for FY 2022-23 special projects as of March 31, 2023.

## **Grants**

In February 2019, the City contracted with California Consulting to identify and apply for State and Federal grants on the City's behalf. Originally under Public Works, the contract was later transferred to Administrative Services in the amount of \$75,509 in FY 2022-23. The pilot program aims to centralize the grant function and maximize grant opportunities. Updates on the progress of the grants will be provided in the quarterly financial reports, including this third quarter report.

During FY 2021-22 and 2022-23, the City applied for 19 competitive grants totaling \$32.9 million. To this date, the City has been awarded \$21 million. Furthermore, during FY 2018-19, 2019-20, and 2020-21, the City applied for 8 additional grants totaling \$8.3 million. Of these 8 grants, the City has been awarded \$7.4 million.

Also, during FY 2021-22 and 2022-23, the City applied for 15 non-competitive grants totaling \$4.1 million. See Attachment G for further details on grants applied, pending, awarded, and not awarded.

## **Capital Improvement Program**

Beginning FY 2022-23, the quarterly financial reports will provide a revised estimate and update on Capital Improvement Program (CIP) projects. The Public Works Department recommends defunding \$3.2 million in CIP projects as described above. See Attachment H for the status of projects and I for a ranking of projects.

## Sustainability Impact

No sustainability impact.

## Fiscal Impact

Based on the Third Quarter Financial Report, the City's current financial position is stable. City staff recommends a decrease of \$2,758,528 to appropriations and an increase of \$4,902,598 to revenues, which would increase fund balance by \$7,661,126. The City will continue to monitor its revenue and expenditure trends closely to ensure it remains on track toward achieving its budgetary goals and objectives.

## California Environmental Quality Act

Not applicable.

Prepared by: Thomas Leung, Budget Manager

Reviewed by: Kristina Alfaro, Director of Administrative Services

Approved for Submission by: Pamela Wu, City Manager

## Attachments:

A – Fiscal Year 2022-23 Third Quarter Financial Report

B – Draft Resolution

C – Description of Carryovers and Adjustments as of March 31, 2023

D – Description of Budget Transfers as of March 31, 2023

- E – FY 2022-23 Third Quarter Recommended Adjustments
- F – FY 2022-23 Third Quarter Special Projects Update as of March 31, 2023
- G – Competitive and Non-Competitive Citywide Grants Tracking
- H – CIP Project Status May 2023
- I – CIP Project Ranking May 2023

# FY 2022-23 Third Quarter Report

The following is the Third Quarter Financial Report, submitted by the Administrative Services Department for the period July 1, 2022 to March 31, 2023 of Fiscal Year (FY) 2022-23. It has been prepared to inform the City Council, City leadership, and the public of the City's fiscal status.

This [Financial Report](#) is interactive. Click on a chart to learn more.

## Background

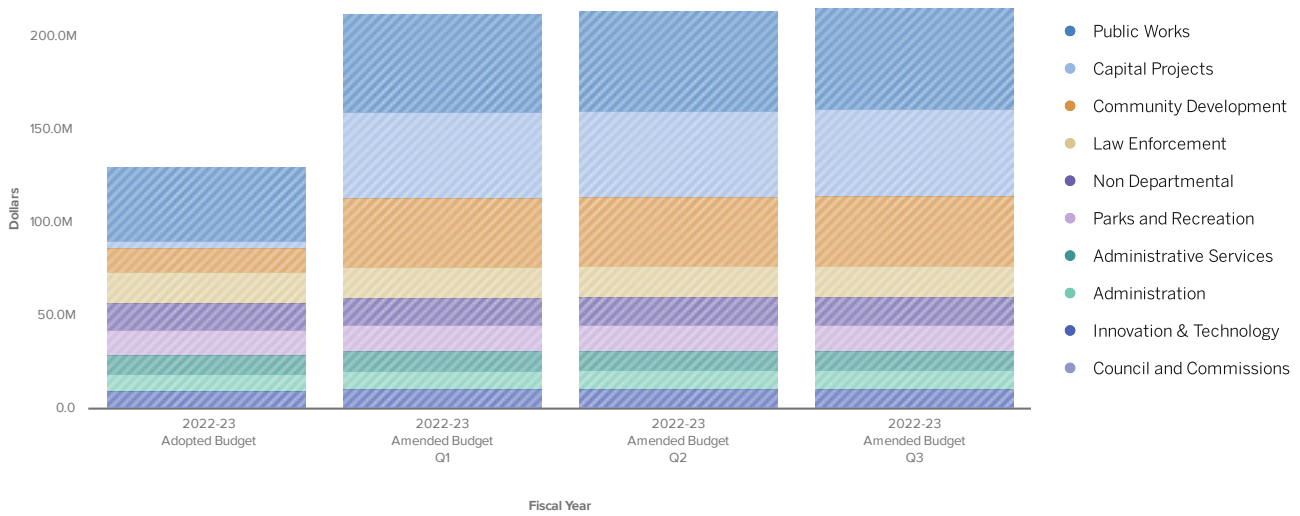
On June 9, 2022, the City Council adopted the Fiscal Year (FY) 2022-23 Budget, a \$130,587,325 spending plan funded by \$130,244,157 in revenue and \$343,168 in fund balance. The FY 2022-23 Adopted Budget reflected a \$5.1 million increase from the FY 2022-23 Proposed Budget, mainly due to operating changes, the City Work Program, and the Capital Improvement Program.

As described in the City Manager's First Quarter Financial Report presented to the City Council on November 15, 2022, the budget was revised to account for encumbrances and carryover appropriations. As part of the FY 2021-22 year-end close, additional funds were carried forward from FY 2021-22 to FY 2022-23 due to encumbrances of \$13,280,075 and carryover appropriations of \$65,916,968. The largest encumbrances were for capital projects (\$7.4 million) and The Rise (formerly known as Vallco Town Center) (\$2.3 million), while the largest carryovers were for capital projects (\$34.3 million) and The Rise (\$19.7 million).

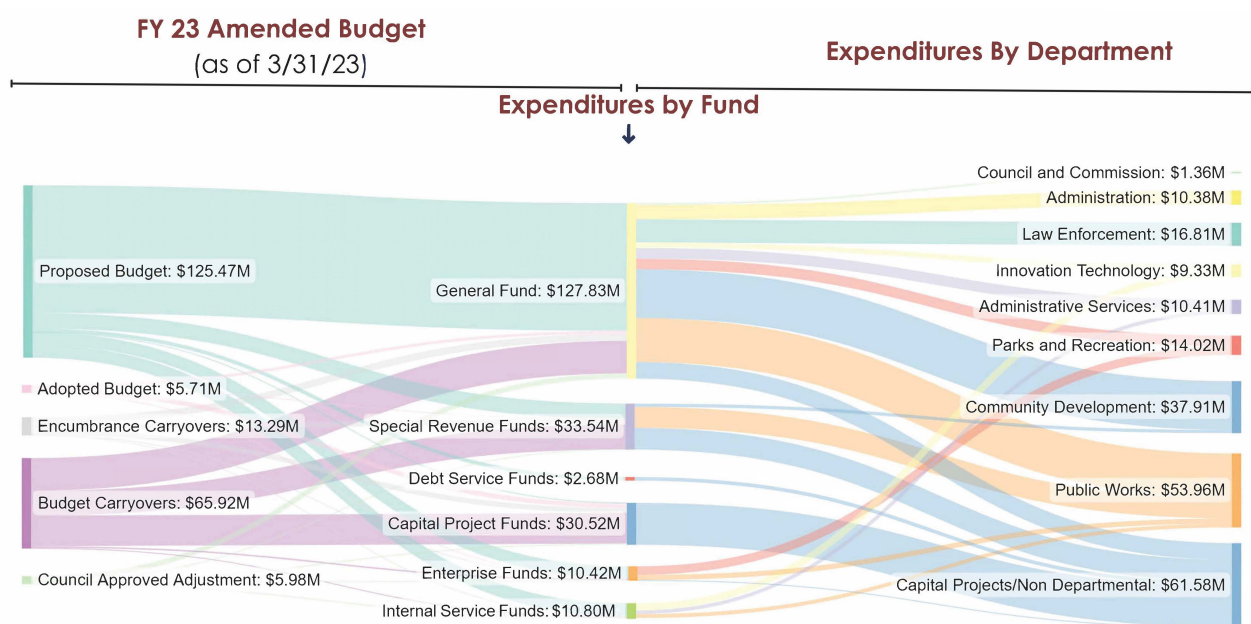
The City Council approved \$6.0 million in additional appropriations during the first three quarters of FY 2022-23. This includes \$2.4 million for negotiated amendments to the City's employee compensation programs, \$0.7 million for the Memorial Park Specific Plan, \$0.7 million for vehicle and equipment replacement as part of the First Quarter Financial Report, and \$0.6 million for the Housing Element.

As a result of these budget adjustments, encumbrances, and carryovers, the amended budget as of March 31, 2023, totaled \$215,768,924.

## Amended Budget



## Flow of Funds Chart (in Millions)

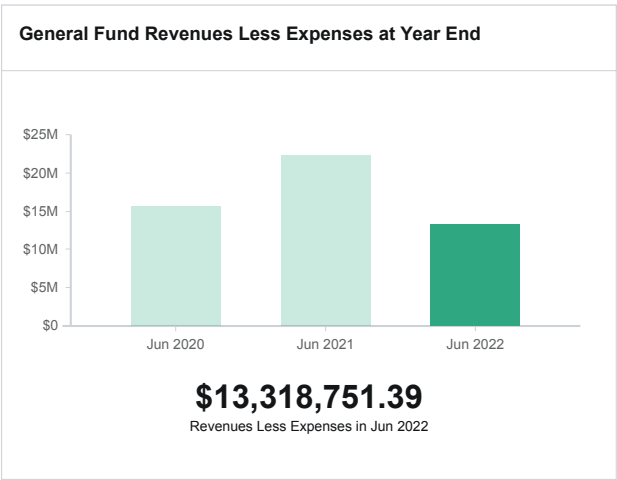
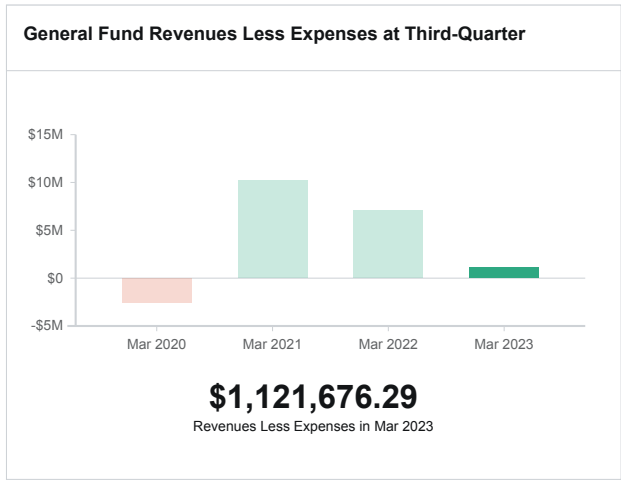
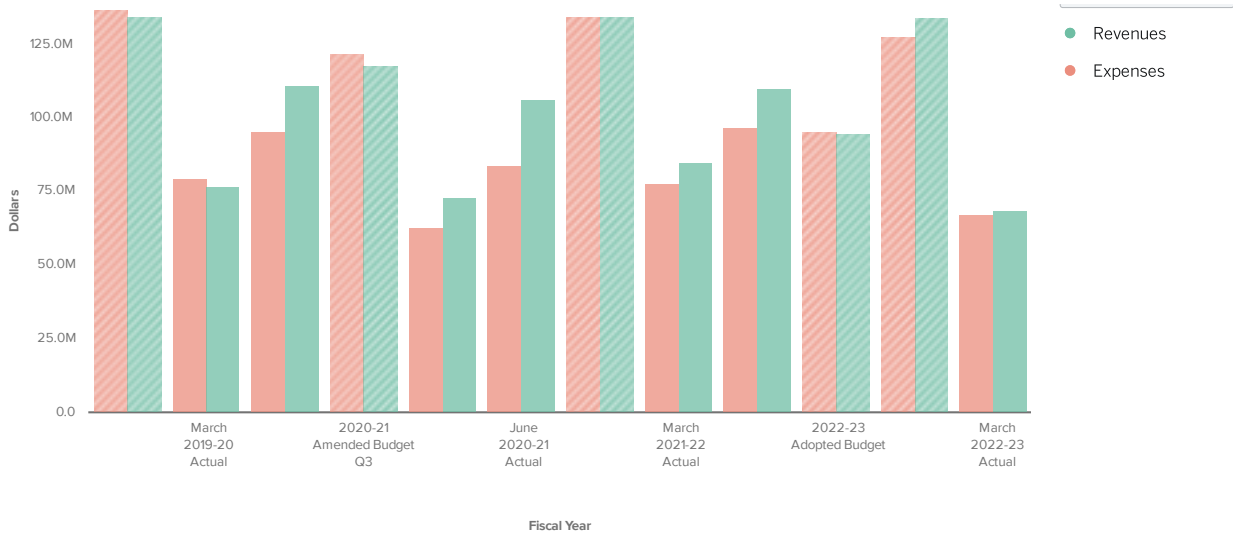


## General Fund Revenues, Expenditures, and Fund Balance

The chart below shows amended budget, third quarter, and year-end revenues and expenditures.

The General Fund's historical financial data indicates that amended expenditures have often exceeded amended revenues, leading to a decrease in fund balance. This decrease in fund balance was not due to a structural deficit; rather, the City transferred excess fund balance from the General Fund to the Capital Reserve as part of its Fund Balance Policy. The City's encumbrance and budget carryover process has resulted in increases to fund balance at the end of most fiscal years.

By continuing to monitor and manage its financial resources effectively, the City can ensure that it maintains a healthy fund balance in the General Fund.



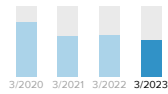
## General Fund Revenue and Expenditure Trends

As of March 31, 2023, the General Fund has spent \$67.5 million, which accounts for 53% of the total budgeted appropriations. This spending level is lower than the range of expenditures at the Third Quarter point of the prior three years, which were between 67% and 75% of the budgeted expenditures.

On the revenue side, the General Fund has generated \$68.7 million, which represents 51% of the budgeted revenue. This revenue level is also lower than the range of revenues at the Third Quarter point of the prior three years, which were between 58% and 77% of the budgeted revenues.

**General Fund Revenues - Third Quarter Budget vs Actuals**

Data Updated Apr 28, 2023, 12:05 PM

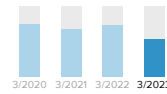


**51.18%**

In Revenues of **\$134,163,396.00** Budgeted through Mar 2023

**General Fund Expenditures - Third Quarter Budget vs Actuals**

Data Updated Apr 28, 2023, 12:05 PM



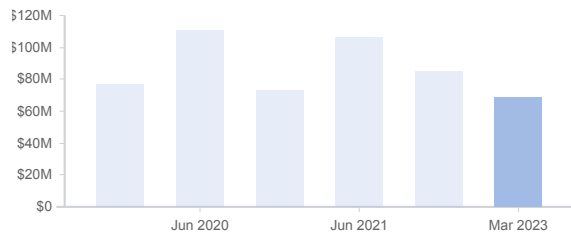
**52.84%**

In Expenses of **\$127,836,668.00** Budgeted through Mar 2023

As of March 31, 2023, General Fund revenue is tracking at \$16.3 million, or 19%, lower than the same time last year primarily due to decreases in sales tax revenue and the recognition of American Rescue Plan Act revenue last year.

General Fund expenditures are down \$10.3 million, or 13%, when compared to the same time last year due to the one-time transfer of funds to General Fund departments as part of the American Rescue Plan Act funding strategy as well as a Mid-Year transfer to the Capital Reserve in FY 2021-22.

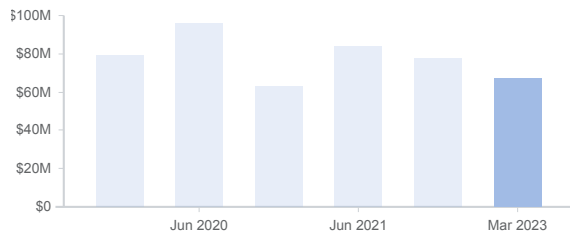
**General Fund Revenues - Third Quarter vs Year End Actual**



**\$68,668,712.34**

Revenues in Mar 2023

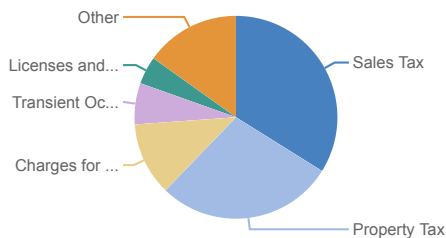
**General Fund Expenditures - Third Quarter vs Year End Actual**



**\$67,547,036.05**

Expenses in Mar 2023

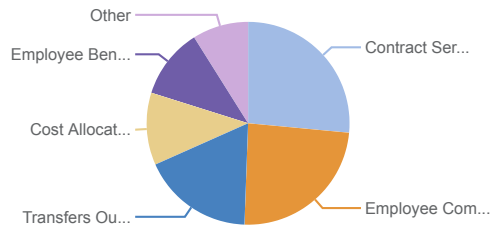
**General Fund Revenues by Type**



**\$68,668,712.34**

Revenues in Mar 2023

**General Fund Expenditures by Type**



**\$67,547,036.05**

Expenses in Mar 2023



# General Fund Classification of Fund Balance

The City's General Fund ended FY 2020-21 with \$96.9 million in total fund balance. Staff anticipates the General Fund will end FY 2021-22 with \$110.0 million in fund balance, an increase of \$13.1 million from the prior year, due to revenues being higher than expenditures. At mid-year, staff projected the General Fund to end FY 2022-23 with \$121.5 million in fund balance. As of third quarter, the General Fund is expected to end FY 2022-23 with \$122.4 million in fund balance, with \$64.1 million in unassigned fund balance.

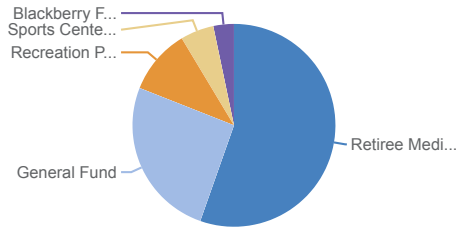
Classification	Actual		Year End		Adopted Budget		1st Quarter Year		Mid-Year Year		3rd Quarter Year	
	2020-21		Projection		2022-23		End Projection		End Projection		End Projection	
Non Spendable	\$	0.4	\$	0.4	\$	0.4	\$	0.4	\$	0.4	\$	0.4
Restricted		19.9		18.8		24.2		18.8		18.8		18.8
Committed		19.1		34.1		34.1		34.1		34.1		34.1
Assigned		4.9		5.0		3.0		5.0		5.0		5.0
Unassigned		52.4		51.6		48.3		63.2		63.1		64.1
<b>TOTAL FUND BALANCE</b>	<b>\$</b>	<b>96.9</b>	<b>\$</b>	<b>110.0</b>	<b>\$</b>	<b>110.1</b>	<b>\$</b>	<b>121.6</b>	<b>\$</b>	<b>121.5</b>	<b>\$</b>	<b>122.4</b>

## Recommended Adjustments

As of the third quarter, some departments are requesting budget adjustments to ensure that they stay within their budget appropriations by year-end. In addition, staff is also recommending defunding some Capital Improvement Program (CIP) projects and increasing revenue in some categories to better align year-end actuals with the budget. The recommended adjustments are summarized below.

Fund	Department	Expense	Revenue	Change in Fund Balance	Proposal
<b>GENERAL FUND</b>					
100 General Fund	PW	77,340	77,340	-	Apple Park Transportation Demand Monitoring Program
100 General Fund	PW	177,606	177,606	-	Library Utilities
100 General Fund	P&R	14,349	-	(14,349)	Hidden Treasures Proceeds
100 General Fund	Admin. Svcs.	-	1,000,000	1,000,000	Transient Occupancy Tax
100 General Fund	PW	5,878	-	(5,878)	Wilson Park Maintenance
<b>TOTAL GENERAL FUND</b>		<b>275,173</b>	<b>1,254,946</b>	<b>979,773</b>	
<b>SPECIAL REVENUE FUNDS</b>					
270 Transportation Fund	PW	(197,491)	-	197,491	CIP Project Defunding
280 Park Dedication	PW	(1,150,000)	-	1,150,000	CIP Project Defunding
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>(1,347,491)</b>	<b>-</b>	<b>1,347,491</b>	
<b>CAPITAL IMPROVEMENT FUNDS</b>					
420 Capital Improvement Funds	PW	(1,755,555)	-	1,755,555	CIP Project Defunding
<b>TOTAL CAPITAL IMPROVEMENT FUNDS</b>		<b>(1,755,555)</b>	<b>-</b>	<b>1,755,555</b>	
<b>ENTERPRISE FUNDS</b>					
560 Blackberry Farm	P&R	6,843	161,000	154,157	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	P&R	71,093	261,000	189,907	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	P&R	72,853	-	(72,853)	Windscreens Replacement
580 Recreation Program	P&R	21,675	510,000	488,325	Revenues and Bank Charges - Request for Additional Funds
580 Recreation Program	PW	(103,119)	-	103,119	CIP Project Defunding
<b>TOTAL ENTERPRISE FUNDS</b>		<b>69,345</b>	<b>932,000</b>	<b>862,655</b>	
<b>INTERNAL SERVICE FUNDS</b>					
642 Retiree Medical	Admin. Svcs.	-	2,715,652	2,715,652	Retiree Health
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>-</b>	<b>2,715,652</b>	<b>2,715,652</b>	
<b>TOTAL ALL FUNDS</b>		<b>\$ (2,758,528)</b>	<b>\$ 4,902,598</b>	<b>\$ 7,661,126</b>	

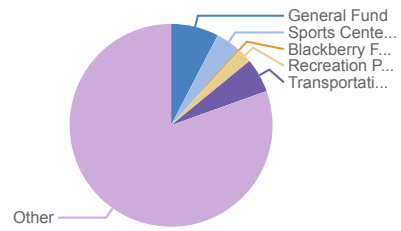
### Revenue Adjustments by Fund



**\$4,902,598.00**

Funds in 2023

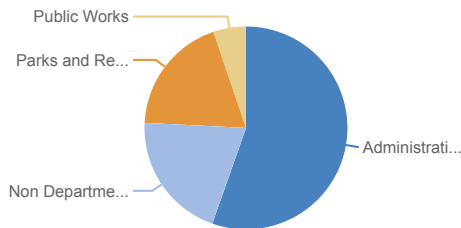
### Expenditure Adjustments by Fund



**-\$2,758,528.00**

Funds in 2023

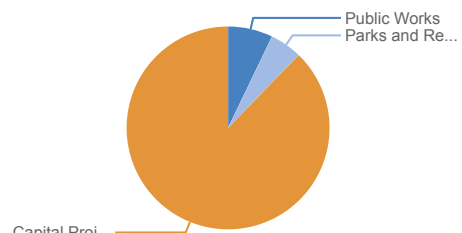
### Revenue Adjustments by Department



**\$4,902,598.00**

Departments in 2023

### Expenditure Adjustments by Department



**-\$2,758,528.00**

Departments in 2023

## Summary

Based on the Third Quarter Financial Report, the City's current financial position is stable. City staff recommends a decrease of \$2,758,528 to appropriations and an increase of \$4,902,598 to revenues, which would increase fund balance by \$7,661,126. The City will continue to monitor its revenue and expenditure trends closely to ensure it remains on track toward achieving its budgetary goals and objectives.

[City of Cupertino, California](#)

Cupertino City Hall  
10300 Torre Avenue  
Cupertino, CA 95014-3202

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**RESOLUTION NO. 23-XXX**

**A RESOLUTION OF THE CUPERTINO CITY COUNCIL AMENDING THE OPERATING BUDGET FOR FISCAL YEAR 2022-23 BY APPROPRIATING, TRANSFERRING, AND UNAPPROPRIATING MONIES FOR SPECIFIED FUNDS**

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

WHEREAS, accomplishing City Council directives, projects and programs, and performing staff duties and responsibilities likewise depends on the monies available for that purpose; and

WHEREAS, the City Manager has determined that the balances from the funds specified in this resolution are adequate to cover the proposed amended appropriations, and therefore recommends the fund reallocations described herein.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve the recommended fund reallocations and ratifies the attached amended appropriations as set forth in Exhibit A.

BE IT FURTHER RESOLVED that this Resolution is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA") because it has no potential for resulting in physical change in the environment. In the event that this Resolution is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action to amend the operating budget for Fiscal Year 2022-23 by appropriating, transferring, and unappropriating monies for specified funds would have no or only a de minimis effect on the environment. The foregoing determination is made by the City Council in its independent judgment.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 16th day of May 2023, by the following vote:

Vote

Members of the City Council

AYES:

NOES:

ABSENT:

ABSTAIN:

SIGNED:  _____ Hung Wei, Mayor City of Cupertino	_____ Date
ATTEST:  _____ Kirsten Squarcia, City Clerk	_____ Date

## Exhibit A

<b>Appropriation Amendment by Fund</b>	<b>Appropriation Amendment</b>	<b>Revenue Amendment</b>	<b>Fund Balance (Use of)</b>
General Fund	275,173	1,254,946	979,773
Special Revenue Funds	(1,347,491)	-	1,347,491
Capital Projects Funds	(1,755,555)	-	1,755,555
Enterprise Funds	69,345	932,000	862,655
Internal Service Funds	-	2,715,652	2,715,652
<b>Total Appropriation Amendment All Funds</b>	<b>\$(2,758,528)</b>	<b>\$4,902,598</b>	<b>\$7,661,126</b>

**Detailed Budget Carryovers, Encumbrance Carryovers, and Council-approved Adjustments** Attachment C  
**as of March 31, 2023**

<b>Budget Adjustment Type</b>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>BUDGET CARRYOVERS</b>			
<b>GENERAL FUNDS</b>			
Budget Carryovers	100 General Fund	CDD Budget Carryovers	20,416,269
Budget Carryovers	100 General Fund	CMO budget carryovers	182,759
Budget Carryovers	100 General Fund	I&T Special Project carryover	142,000
Budget Carryovers	100 General Fund	P&R Special Project carryovers	46,052
Budget Carryovers	100 General Fund	Parks and Rec budget carryovers	32,313
Budget Carryovers	100 General Fund	PW budget carryovers	2,615,595
Budget Carryovers	100 General Fund	Various applications improvements	302,000
Budget Carryovers	100 General Fund	Zoom room/Video office	49,000
<b>TOTAL GENERAL FUNDS</b>			<b>23,785,988</b>
<b>SPECIAL REVENUE FUNDS</b>			
Budget Carryovers	210 Storm Drain Improvement	CIP Carryovers	1,883,247
Budget Carryovers	265 BMR Housing	CDD Budget Carryovers	437,459
Budget Carryovers	270 Transportation Fund	CIP Carryovers	1,153,036
Budget Carryovers	270 Transportation Fund	Curren Consulting 2022-05-12	(2,408)
Budget Carryovers	270 Transportation Fund	PW budget carryovers	5,531,136
Budget Carryovers	280 Park Dedication	CIP Carryovers	8,637,849
Budget Carryovers	280 Park Dedication	Memorial Park CIP carryover	500,000
<b>TOTAL SPECIAL REVENUE FUNDS</b>			<b>18,140,319</b>
<b>CAPITAL PROJECTS FUNDS</b>			
Budget Carryovers	420 Capital Improvement Fund	CIP Carryovers	22,285,642
Budget Carryovers	427 Stevens Creek Corridor Park	CIP Carryovers	110
<b>TOTAL CAPITAL PROJECTS FUNDS</b>			<b>22,285,752</b>
<b>ENTERPRISE FUNDS</b>			
Budget Carryovers	520 Resource Recovery	PW budget carryovers	491,445
Budget Carryovers	560 Blackberry Farm	CIP Carryovers	2,054
Budget Carryovers	560 Blackberry Farm	PW budget carryovers	137,000
Budget Carryovers	570 Sports Center	CIP Carryovers	25,000
Budget Carryovers	570 Sports Center	PW budget carryovers	45,000
Budget Carryovers	580 Recreation Program	CIP Carryovers	320,670
Budget Carryovers	580 Recreation Program	Parks and Rec budget carryovers	133,425
<b>TOTAL ENTERPRISE FUNDS</b>			<b>1,154,594</b>

**Detailed Budget Carryovers, Encumbrance Carryovers, and Council-approved Adjustments** Attachment C  
**as of March 31, 2023**

<b>Budget Adjustment Type</b>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>INTERNAL SERVICE FUNDS</b>			
Budget Carryovers	610 Innovation & Technology	Facility Battery	40,000
Budget Carryovers	610 Innovation & Technology	I&T Special Project carryover	314,730
Budget Carryovers	630 Vehicle/Equip Replacement	PW budget carryovers	195,585
<b>TOTAL INTERNAL SERVICE FUNDS</b>			<b>550,315</b>
<b>TOTAL BUDGET CARRYOVERS</b>			<b>65,916,968</b>



**Detailed Budget Carryovers, Encumbrance Carryovers, and Council-approved Adjustments Attachment C  
as of March 31, 2023**

<b>Budget Adjustment Type</b>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>ENCUMBRANCE CARRYOVERS</b>			
<b>GENERAL FUNDS</b>			
Encumbrance Carryovers	100 General Fund	Year End Soft Close	5,041,683
<b>TOTAL GENERAL FUNDS</b>			<b>5,041,683</b>
<b>SPECIAL REVENUE FUNDS</b>			
Encumbrance Carryovers	210 Storm Drain Improvement	Year End Soft Close	68,632
Encumbrance Carryovers	230 Env Mgmt Cln Crk Strm Drain	Year End Soft Close	73,795
Encumbrance Carryovers	260 CDBG	Year End Soft Close	44,230
Encumbrance Carryovers	265 BMR Housing	Year End Soft Close	59,022
Encumbrance Carryovers	270 Transportation Fund	Year End Soft Close	2,181,034
Encumbrance Carryovers	280 Park Dedication	Year End Soft Close	1,538,336
<b>TOTAL SPECIAL REVENUE FUNDS</b>			<b>3,965,049</b>
<b>CAPITAL PROJECTS FUNDS</b>			
Encumbrance Carryovers	420 Capital Improvement Fund	Year End Soft Close	3,672,662
Encumbrance Carryovers	427 Stevens Creek Corridor Park	Year End Soft Close	16,281
<b>TOTAL CAPITAL PROJECTS FUNDS</b>			<b>3,688,943</b>
<b>ENTERPRISE FUNDS</b>			
Encumbrance Carryovers	520 Resource Recovery	Year End Soft Close	74,888
Encumbrance Carryovers	560 Blackberry Farm	Year End Soft Close	14,465
Encumbrance Carryovers	570 Sports Center	Year End Soft Close	28,679
<b>TOTAL ENTERPRISE FUNDS</b>			<b>118,032</b>
<b>INTERNAL SERVICE FUNDS</b>			
Encumbrance Carryovers	610 Innovation & Technology	Year End Soft Close	109,936
Encumbrance Carryovers	630 Vehicle/Equip Replacement	Year End Soft Close	356,432
<b>TOTAL INTERNAL SERVICE FUNDS</b>			<b>466,368</b>
<b>TOTAL ENCUMBRANCE CARRYOVERS</b>			<b>13,280,075</b>

**Detailed Budget Carryovers, Encumbrance Carryovers, and Council-approved Adjustments Attachment C  
as of March 31, 2023**

<b>Budget Adjustment Type</b>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>COUNCIL ACTIONS</b>			
<b>GENERAL FUNDS</b>			
Council Action	100 General Fund	CC Approved Budget Modification Number 2223-231	200,000
Council Action	100 General Fund	Amend CEA OE3 Unrep Appointed Compensation	1,960,788
Council Action	100 General Fund	City Attorney Contract	24,192
Council Action	100 General Fund	External Auditor Contract	43,600
Council Action	100 General Fund	Increase appropriations - Cupertino Historical Society FY 22-23	20,000
Council Action	100 General Fund	Housing Element	617,868
<b>TOTAL GENERAL FUNDS</b>			<b>2,866,448</b>
<b>SPECIAL REVENUE FUNDS</b>			
Council Action	230 Env Mgmt Cln Crk Strm Drain	Amend CEA OE3 Unrep Appointed Compensation	49,532
Council Action	260 CDBG	Amend CEA OE3 Unrep Appointed Compensation	8,020
Council Action	265 BMR Housing	Amend CEA OE3 Unrep Appointed Compensation	27,207
Council Action	270 Transportation Fund	Amend CEA OE3 Unrep Appointed Compensation	89,461
<b>TOTAL SPECIAL REVENUE FUNDS</b>			<b>174,220</b>
<b>CAPITAL PROJECTS FUNDS</b>			
Council Action	420 Capital Improvement Fund	Budget transfer & allocation for Mem Park Plan approved 7/7/2022	650,000
Council Action	420 Capital Improvement Fund	Council-approved budget adjustment for Wilson Park BB Court	160,000
Council Action	420 Capital Improvement Fund	council-approved budget adjustment for Wilson Park Garden	90,000
<b>TOTAL CAPITAL PROJECTS FUNDS</b>			<b>900,000</b>
<b>ENTERPRISE FUNDS</b>			
Council Action	520 Resource Recovery	Amend CEA OE3 Unrep Appointed Compensation	36,569
Council Action	560 Blackberry Farm	Amend CEA OE3 Unrep Appointed Compensation	10,395
Council Action	570 Sports Center	Amend CEA OE3 Unrep Appointed Compensation	29,737
Council Action	580 Recreation Program	Amend CEA OE3 Unrep Appointed Compensation	26,208
<b>TOTAL ENTERPRISE FUNDS</b>			<b>102,909</b>
<b>INTERNAL SERVICE FUNDS</b>			
Council Action	610 Innovation & Technology	Amend CEA OE3 Unrep Appointed Compensation	103,851
Council Action	620 Workers' Compensation	Amend CEA OE3 Unrep Appointed Compensation	2,360
Council Action	630 Vehicle/Equip Replacement	Amend CEA OE3 Unrep Appointed Compensation	28,431
<b>TOTAL INTERNAL SERVICE FUNDS</b>			<b>134,642</b>
<b>TOTAL COUNCIL ACTIONS</b>			<b>4,178,219</b>

**Detailed Budget Carryovers, Encumbrance Carryovers, and Council-approved Adjustments** Attachment C  
**as of March 31, 2023**

<b>Budget Adjustment Type</b>	<b>Fund</b>	<b>Description</b>	<b>Amount</b>
<b>FIRST QUARTER ADJUSTMENTS</b>			
<b>GENERAL FUNDS</b>			
First Quarter Adjustments	100 General Fund	Backwater Check Valve Replacement	8,201
First Quarter Adjustments	100 General Fund	Community Outreach Printing and Mailing	9,650
First Quarter Adjustments	100 General Fund	Construction Plan Check	500,000
First Quarter Adjustments	100 General Fund	Earth and Arbor Day Festival Services	7,150
First Quarter Adjustments	100 General Fund	Greenhouse Gas Emissions Inventory Update	20,000
First Quarter Adjustments	100 General Fund	McClellan Ranch Path Repair	11,965
First Quarter Adjustments	100 General Fund	Pool Equipment Preventive Maintenance	13,804
First Quarter Adjustments	100 General Fund	Transfer to I&T Fund for Faro Scanners	118,766
First Quarter Adjustments	100 General Fund	Tree Maintenance	136,734
First Quarter Adjustments	100 General Fund	Utilities Adjustments	118,500
First Quarter Adjustments	100 General Fund	Valley Water Cost Share Program	30,000
<b>TOTAL GENERAL FUNDS</b>			<b>974,770</b>
<b>SPECIAL REVENUE FUNDS</b>			
First Quarter Adjustments	230 Env Mgmt Cln Crk Strm Drain	Utilities Adjustments	6,238
<b>TOTAL SPECIAL REVENUE FUNDS</b>			<b>6,238</b>
<b>ENTERPRISE FUNDS</b>			
First Quarter Adjustments	520 Resource Recovery	Household Hazardous Waste (HHW)	31,377
First Quarter Adjustments	520 Resource Recovery	SB 1383 Grant Fund Allocation	6,140
<b>TOTAL ENTERPRISE FUNDS</b>			<b>37,517</b>
<b>INTERNAL SERVICE FUNDS</b>			
First Quarter Adjustments	610 Innovation & Technology	Faro Scanners for the Sheriff's Office	118,766
First Quarter Adjustments	630 Vehicle/Equip Replacement	Vehicle and Equipment Replacement	669,046
<b>TOTAL INTERNAL SERVICE FUNDS</b>			<b>787,812</b>
<b>TOTAL FIRST QUARTER ADJUSTMENTS</b>			<b>1,806,337</b>
<b>BUDGET CARRYOVER, ENCUMBRANCE CARRYOVER, AND COUNCIL APPROVED ADJUSTMENT TOTAL</b>			<b>85,181,599</b>
<b>FY 2022-23 ADOPTED BUDGET</b>			<b>130,587,325</b>
<b>FY 2022-23 AMENDED BUDGET AS OF MARCH 31, 2023 \$</b>			<b>215,768,924</b>

## Budget Transfers as of March 31, 2023

Attachment D

GL Account	Description	Amount
100-41-405 700-702 - Contract Services General Service Agreement	California Consulting Contract	75,510
100-80-800 700-702 - Contract Services General Service Agreement	California Consulting Contract	(75,510)
100-70-700 600-635 - Materials Special Departmental Exp	SB9 postcards	(2,595)
100-70-700 719-705 - Contingencies Contingencies	SB9 postcards	(1,535)
100-71-701 600-635 - Materials Special Departmental Exp	SB9 postcards	(519)
100-71-701 719-705 - Contingencies Contingencies	SB9 postcards	(839)
100-71-702 719-705 - Contingencies Contingencies	SB9 postcards	(558)
100-71-701 600-602 - Materials Printing and Duplication	SB9 postcards	6,046
100-31-305 600-605 - Materials Meeting Expenses	Transferring funds	(5,460)
100-32-308 600-606 - Materials Software	Transferring funds	(40,000)
100-31-305 600-606 - Materials Software	Transferring funds	45,460
100-32-308 600-606 - Materials Software	Budget transfer	(40,000)
100-32-308 700-702 - Contract Services General Service Agreement	Budget transfer	40,000
100-32-308 600-606 - Materials Software	Transferring funds	(100,000)
100-32-308 700-702 - Contract Services General Service Agreement	Transferring funds	100,000
610-30-300 600-629 - Materials Conference and Training	Transferring funds	(2,400)
610-30-300 700-701 - Contract Services Training and Instruction	Transferring funds	2,400
610-34-310 600-606 - Materials Software	Transferring funds	(49,000)
610-34-310 900-969 - Capital Outlay Software	Transferring funds	49,000
100-12-633 750-230 - Special Projects Business Continuity Resilience	2223-254 Econ Dev Business Continuity Resilience Fund	(500,000)
100-12-705 750-230 - Special Projects Business Continuity Resilience	2223-254 Econ Dev Business Continuity Resilience Fund	500,000
610-35-986 600-605 - Materials Meeting Expenses	Budget transfer	160
610-35-986 700-701 - Contract Services Training and Instruction	Budget transfer	(160)
100-32-308 600-606 - Materials Software	Data Warehouse project - transfer from materials to Contract ser	(20,000)
100-32-308 700-702 - Contract Services General Service Agreement	Data Warehouse project - transfer from materials to Contract ser	20,000

## Budget Transfers as of March 31, 2023

Attachment D

610-34-310 600-608 - Materials Sml Tools and Equipment	Faro scanner purchase	(118,834)
610-34-310 900-945 - Capital Outlay Fixed Asset Acquisition	Faro scanner purchase	118,834
610-35-986 700-701 - Contract Services Training and Instruction	Fund GIS contract services	(11,000)
610-35-986 700-702 - Contract Services General Service Agreement	Fund GIS contract services	11,000
100-31-305 500-505 - Employee Compensation Overtime	fund project Video OT	8,000
100-31-305 600-608 - Materials Sml Tools and Equipment	fund project Video OT	(4,000)
100-31-305 600-606 - Materials Software	fund projected Video OT	(4,000)
100-32-308 600-605 - Materials Meeting Expenses	funding Mtg Exp. for projected working lunches due to ERP interv	1,000
100-32-308 600-606 - Materials Software	funding Mtg Exp. for projected working lunches due to ERP interv	(1,000)
100-71-701 701-701 - Refundable Deposit Expense On-Call Contracts	Increase on call contracts	30,000
100-71-701 701-702 - Refundable Deposit Expense Special Contracts	Increase on call contracts	(30,000)
610-34-310 500-504 - Employee Compensation Stand By	IT Stand By transfer	14,000
610-34-310 719-705 - Contingencies Contingencies	IT Stand By transfer	(14,000)
100-71-701 500-501 - Employee Compensation Salaries Full Time	Planning staffing report	(109,200)
100-71-701 700-702 - Contract Services General Service Agreement	Planning staffing report	109,200
100-31-305 600-608 - Materials Sml Tools and Equipment	Transfer for Video staff to attend National Broadcasters Conf	(8,000)
100-31-305 600-629 - Materials Conference and Training	Transfer for Video staff to attend National Broadcasters Conf	8,000
100-31-305 500-505 - Employee Compensation Overtime	transfer overtime from Video to Multimedia	(8,000)
100-12-305 500-505 - Employee Compensation Overtime	transfer overtime from Video to Multimedia	8,000
<b>TOTAL</b>		<b>\$ -</b>

# FY 2022-23 Third Quarter Recommended Adjustments

Fund	GL Account	Revenue	Expenditure	Change in Fund Balance	Proposal
<b>GENERAL FUNDS</b>					
100 General Fund	100-62-623-600-602	-	398	(398)	Hidden Treasures Proceeds
100 General Fund	100-62-623-600-613	-	2,977	(2,977)	Hidden Treasures Proceeds
100 General Fund	100-62-623-600-635	-	10,852	(10,852)	Hidden Treasures Proceeds
100 General Fund	100-62-623-700-702	-	122	(122)	Hidden Treasures Proceeds
100 General Fund	100-87-828-450-405	177,606	-	177,606	Library Utilities
100 General Fund	100-87-828-600-620	-	10,946	(10,946)	Library Utilities
100 General Fund	100-87-828-600-641	-	166,660	(166,660)	Library Utilities
100 General Fund	100-87-834-600-644	-	5,878	(5,878)	Wilson Park Maintenance
100 General Fund	100-88-844-450-405	77,340	-	77,340	Apple Park Transportation Demand Monitoring Program
100 General Fund	100-88-844-900-923	-	77,340	(77,340)	Apple Park Transportation Demand Monitoring Program
100 General Fund	100-90-001-403-401	1,000,000	-	1,000,000	Transient Occupancy Tax
<b>TOTAL GENERAL FUNDS</b>		<b>1,254,946</b>	<b>275,173</b>	<b>979,773</b>	
<b>SPECIAL REVENUE FUNDS</b>					
270 Transportation Fund	270-99-087-900-905	-	(197,491)	197,491	CIP Project Defunding
280 Park Dedication	280-99-253-900-905	-	(1,150,000)	1,150,000	CIP Project Defunding
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>-</b>	<b>(1,347,491)</b>	<b>1,347,491</b>	
<b>CAPITAL PROJECTS FUNDS</b>					
420 Capital Improvement Fund	420-90-898-700-702	-	(15,199)	15,199	CIP Project Defunding
421 Capital Improvement Fund	420-90-898-900-905	-	(188,123)	188,123	CIP Project Defunding
422 Capital Improvement Fund	420-99-074-700-702	-	(465,012)	465,012	CIP Project Defunding
423 Capital Improvement Fund	420-99-078-900-905	-	(797,221)	797,221	CIP Project Defunding
424 Capital Improvement Fund	420-99-251-900-905	-	(200,000)	200,000	CIP Project Defunding
425 Capital Improvement Fund	420-99-264-700-702	-	(90,000)	90,000	CIP Project Defunding
<b>TOTAL CAPITAL PROJECTS FUNDS</b>		<b>-</b>	<b>(1,755,555)</b>	<b>1,755,555</b>	
<b>ENTERPRISE FUNDS</b>					
560 Blackberry Farm	560-63-616-420-433	7,000	-	7,000	Revenues and Bank Charges - Request for Additional Funds
560 Blackberry Farm	560-63-616-420-444	4,000	-	4,000	Revenues and Bank Charges - Request for Additional Funds
560 Blackberry Farm	560-63-616-450-403	150,000	-	150,000	Revenues and Bank Charges - Request for Additional Funds
560 Blackberry Farm	560-63-616-700-707	-	6,843	(6,843)	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	570-63-621-450-403	261,000	-	261,000	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	570-63-621-700-702	-	60,000	(60,000)	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	570-63-621-700-707	-	11,093	(11,093)	Revenues and Bank Charges - Request for Additional Funds
570 Sports Center	570-63-621-900-959	-	72,853	(72,853)	Windscreens Replacement

## FY 2022-23 Third Quarter Recommended Adjustments

Attachment E

580 Recreation Program	580-62-613-450-403	510,000	-	510,000	Revenues and Bank Charges - Request for Additional Funds
580 Recreation Program	580-62-613-700-707	-	21,675	(21,675)	Revenues and Bank Charges - Request for Additional Funds
580 Recreation Program	580-99-090-900-905	-	(103,119)	103,119	CIP Project Defunding
<b>TOTAL ENTERPRISE FUNDS</b>		<b>932,000</b>	<b>69,345</b>	<b>862,655</b>	
<b>INTERNAL SERVICE FUNDS</b>					
642 Retiree Medical	642-44-414-421-401	2,715,652	-	2,715,652	Retiree Health
<b>TOTAL INTERNAL SERVICE FUNDS</b>		<b>2,715,652</b>	<b>-</b>	<b>2,715,652</b>	
<b>TOTAL ALL FUNDS</b>		<b>\$ 4,902,598</b>	<b>\$ (2,758,528)</b>	<b>\$ 7,661,126</b>	

**FY 2022-23 Special Projects Update  
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Department	Program	Account	FY 2022-23 Amended Budget	FY 2022-23 Q3 Actuals	FY 2022-23 Q3 Status	Est Completion	Q3 Notes (e.g., carried over to next fiscal year)
Administration	120 City Manager	750.228 - CWP Safe Gun Storage Ordinance	12,000	-	Not Started	July 2023	
Administration	122 Sustainability Division	750.018 - Climate Action Plan	90,383	86,486	Completed	June 2023	
Administration	122 Sustainability Division	750.019 - Employee Commute Program	17,041	11,206	In Progress	June 2023	
Administration	122 Sustainability Division	750.069 - Sustainable Infrastructure Audit	10,000	-	Not Started	December 2023	
Administration	122 Sustainability Division	750.106 - Electric Cooking Workshop Series	6,400	-	Not Started	June 2023	
Administration	122 Sustainability Division	750.176 - Climate AP Vision Summary Doc	10,000	-	Not Started	June 2023	
Administration	122 Sustainability Division	750.223 - CWP Electrification Study	50,000	-	In Progress	November 2023	Due to staff turnover, this WP item will likely carry over to next fiscal year
Administration	126 Office of Communications	750.220 - CWP Community Engagement Alt T/P	12,000	-	Cancelled		
Administration	126 Office of Communications	750.225 - CWP Integrated Plan for Engagmnt	30,000	-	Cancelled		
Administration	305 Video	900.945 - Fixed Asset Acquisition	10,000	9,549	Completed	October 2022	
Administration	633 Disaster Preparedness	750.230 - Business Continuity Resilience	500,000	-	In Progress		
Administration	705 Economic Development	750.103 - CWP Regulate Diversified Retail	5,000	-	Cancelled		Funding will be used for Retail recruitment efforts (TK)
Administration	705 Economic Development	750.179 - Econ Dev Strategy Outreach	20,000	-	Cancelled		Funding will be allocated for another CMO project (TK)
Administration	705 Economic Development	750.221 - CWP Cupertino Store Implementatn	145,000	13,602	Completed	June 2023	
Administration	705 Economic Development	750.230 - Business Continuity Resilience	500,000	-	In Progress		
Administrative services	405 Accounting	750.189 - Fee Study	75,000	-	In Progress	December 2023	
Administrative services	412 Human Resources	750.214 - Hybrid Recruitment Strategy	40,000	-	Cancelled		Funding will be transferred to CMO
Administrative services	412 Human Resources	750.215 - Online Marketing and Branding	50,000	-	Cancelled		Funding will be transferred to CMO
Administrative services	412 Human Resources	750.229 - CWP Student Internship Program	15,000	-	Cancelled		
Administrative services	425 Purchasing	750.190 - Purchasing - Grant Program	100,000	-	Cancelled		
Administrative services	426 Budgeting	750.217 - CWP Analyze Potential Rev Measrs	15,000	-	In Progress	June 2023	
Community Development	700 Community Development Admin	750.104 - CWP Homeless Jobs Program	302,983	90,518	In Progress	June 2023	
Community Development	701 Current Planning	750.007 - The Hamptons	108,640	-	In Progress	Development Agreement to expire 2025, waiting for applicant to submit	Carry over to next FY.
Community Development	701 Current Planning	750.009 - Marina Plaza	66,512	43,194	In Progress	June 2025	Carry over to next FY.
Community Development	701 Current Planning	750.029 - Vallco Town Center	198,850	10,170	In Progress	Indefinite	Carry over to next FY.



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Department	Program	Account	FY 2022-23 Amended Budget	FY 2022-23 Q3 Actuals	FY 2022-23 Q3 Status	Est Completion	Q3 Notes (e.g., carried over to next fiscal year)
Community Development	701 Current Planning	750.091 - Banning Gas Powered Leaf Blowers	1,158	7,594	Completed	November 2022	
Community Development	702 Mid Long Term Planning	750.032 - General Plan	239,805	-	Cancelled		This GP fee is collected with Building Permits to aid comprehensive GP updates.
Community Development	702 Mid Long Term Planning	750.048 - Urban Village	250,000	-	Cancelled		
Community Development	702 Mid Long Term Planning	750.049 - MuniCode Updates	25,000	-	Cancelled		
Community Development	702 Mid Long Term Planning	750.055 - Dark Sky	10,000	-	Completed		
Community Development	702 Mid Long Term Planning	750.090 - Residential/Mixed Use Design	204,649	1,930	In Progress	Expected to be completed with the adoption of the Housing Element	Carry over to next FY.
Community Development	702 Mid Long Term Planning	750.092 - General Plan Auth Process	6,500	-	Cancelled		
Community Development	702 Mid Long Term Planning	750.100 - CWP Development Accountability	10,000	-	Cancelled		
Community Development	702 Mid Long Term Planning	750.101 - CWP RHNA and Gen Plan Update	1,464,895	253,200	In Progress	January 2024	Carry over to next FY.
Community Development	702 Mid Long Term Planning	750.102 - CWP Sign Ordinance Update	25,000	-	Cancelled		
Community Development	702 Mid Long Term Planning	750.135 - Laserfiche planning map scanning	30,000	-	In Progress	June 2023	
Community Development	711 BMR Affordable Housing Fund	750.051 - CWP End Homelessness	228,775	5,375	In Progress	June 2023	CC to determine if this item will continue next FY
Community Development	711 BMR Affordable Housing Fund	750.052 - Habitat for Humanity (ELI)	241,957	870	Cancelled		
Community Development	711 BMR Affordable Housing Fund	750.093 - De Anza Housing Program	25,000	-	Cancelled		
Community Development	713 General Building	750.036 - Ongoing Bldg Recrd scan/conversn	14,387	-	In Progress		Carry over to next FY.
Community Development	714 Construction Plan Check	750.031 - Westport	152,574	103,042	In Progress	June 2024	Carry over to next FY.
Community Development	714 Construction Plan Check	750.067 - VTC	14,607,164	8,927	In Progress	2028	Carry over to next FY.
Community Development	715 Building Inspection	750.067 - VTC	5,406,634	-	Not Started	2032	Carry over to next FY.
Innovation & Technology	300 Administration	750.087 - Pollution Monitoring	14,500	14,500	In Progress	July 2023	
Innovation & Technology	300 Administration	750.107 - Security Framework and Audit	60,000	-	In Progress	July 2023	
Innovation & Technology	300 Administration	750.173 - CWP Lehigh & SC Quarry	27,000	6,500	In Progress	July 2023	
Innovation & Technology	300 Administration	750.197 - Aclima & Envirosuite Pilot Ext	66,000	-	In Progress	July 2023	
Innovation & Technology	300 Administration	750.222 - CWP Cybersecurity Public Edu	7,500	-	In Progress		
Innovation & Technology	300 Administration	750.224 - CWP Hybrid Mtg for CC and Commis	15,000	-	In Progress	July 2023	
Innovation & Technology	300 Administration	750.227 - CWP License Plate Readers	60,000	-	In Progress	July 2023	
Innovation & Technology	305 Video	750.109 - Radio Windows 10 Replacement	10,000	-	In Progress		
Innovation & Technology	305 Video	900.945 - Fixed Asset Acquisition	-	1,367	In Progress		
Innovation & Technology	305 Video	900.995 - Special Projects - CDD/I&T	68,000	15,503	In Progress	June 2023	
Innovation & Technology	308 Applications	750.115 - ERP Exploration	50,000	2,962	In Progress	May 2023	
Innovation & Technology	308 Applications	750.117 - Green Halo	3,465	3,465	Completed	Completed	

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Department	Program	Account	FY 2022-23 Amended Budget	FY 2022-23 Q3 Actuals	FY 2022-23 Q3 Status	Est Completion	Q3 Notes (e.g., carried over to next fiscal year)
Innovation & Technology	308 Applications	750.120 - Performance Management App	32,000	-	Cancelled		
Innovation & Technology	308 Applications	750.121 - Pre-Employment Assessment/Tests	5,000	-	Cancelled		
Innovation & Technology	308 Applications	750.123 - Redesign of City Website	45,000	24,300	In Progress	September 2023	
Innovation & Technology	308 Applications	750.180 - CAP Implementation Software	20,000	-	Cancelled		
Innovation & Technology	308 Applications	750.181 - ERP (Phase II)	106,928	-	In Progress	May 2023	
Innovation & Technology	308 Applications	750.182 - Zendesk for Parks and Rec	40,000	-	Cancelled		
Innovation & Technology	308 Applications	750.183 - ACA Guide & Wrapper	25,000	-	In Progress	April 2023	
Innovation & Technology	308 Applications	750.184 - Accela Roadmap	25,000	-	In Progress	April 2023	
Innovation & Technology	308 Applications	750.185 - ActiveNet Roadmap	25,000	-	In Progress	April 2023	
Innovation & Technology	308 Applications	750.186 - Consolidated Code Enf Services	40,000	-	In Progress	April 2023	
Innovation & Technology	308 Applications	750.187 - Crisis Management Software	15,000	-	Cancelled		
Innovation & Technology	308 Applications	750.188 - Semi Annual ADA Consultant	35,000	26,000	In Progress	June 2023	
Innovation & Technology	310 Infrastructure	750.124 - ActiveNet Additional Readers	9,000	-	In Progress		
Innovation & Technology	310 Infrastructure	750.125 - Council Voting System and Timer	32,000	-	Cancelled		
Innovation & Technology	310 Infrastructure	750.130 - Senior Center Access Controls	16,000	-	In Progress		
Innovation & Technology	310 Infrastructure	750.131 - Wireless Bridge	1,650	(74)	Cancelled		
Innovation & Technology	310 Infrastructure	750.171 - Quinlan Touch Screen	40,000	14,870	In Progress	May 2023	
Innovation & Technology	310 Infrastructure	750.198 - Office 365 E5 Licenses	7,000	-	Cancelled		
Innovation & Technology	310 Infrastructure	750.199 - City Facilities Video Capture	60,000	33,718	In Progress	May 2023	
Innovation & Technology	310 Infrastructure	750.200 - CH Ent Server & Storage Tech Ref	150,000	-	Not Started		
Innovation & Technology	310 Infrastructure	750.201 - Digital Signage	25,000	-	Not Started		
Innovation & Technology	310 Infrastructure	750.202 - CAD & RMS Wan Link	7,200	-	Not Started		
Innovation & Technology	310 Infrastructure	750.203 - Suppl Wi-Fi Exp in Public Areas	20,500	1,765	Cancelled		
Innovation & Technology	310 Infrastructure	750.204 - Proactive Man Risk & Sec Monitor	23,000	5,019	In Progress	May 2023	
Innovation & Technology	310 Infrastructure	750.205 - Public Bike Smart Rack DockTech	2,000	-	Not Started		
Innovation & Technology	310 Infrastructure	750.206 - Sign Shop Printer Warranty	3,000	-	In Progress	April 2023	
Innovation & Technology	310 Infrastructure	900.945 - Fixed Asset Acquisition	164,850	6,016	Completed	June 2023	Faro Scanners
Innovation & Technology	310 Infrastructure	900.969 - Software	49,000	49,000	Completed	February 2023	
Innovation & Technology	986 GIS	750.166 - AR McClellan Ranch	40,000	-	In Progress	April 2023	
Innovation & Technology	986 GIS	750.167 - Data Governance & Data Warehouse	75,000	45,990	Cancelled		
Innovation & Technology	986 GIS	750.207 - Additional Telematics Devices	5,300	-	In Progress	April 2023	
Innovation & Technology	986 GIS	750.208 - Geotab Keyless Solution	6,000	-	Cancelled		
Innovation & Technology	986 GIS	750.209 - Google Query	5,000	-	In Progress	January 2023	
Innovation & Technology	986 GIS	750.210 - Business Process Automation Plat	42,000	-	In Progress	May 2023	
Innovation & Technology	986 GIS	750.211 - Drone Instructor Training	1,600	775	In Progress	April 2023	
Innovation & Technology	986 GIS	750.212 - Laserfiche Scanning	30,000	-	In Progress	March 2023	
Innovation & Technology	986 GIS	750.213 - Amazon EC2 Instance t3aXLarge	5,000	5,000	Completed	March 2023	
Innovation & Technology	986 GIS	750.216 - CIP Management System	98,205	81,180	In Progress	June 2023	
Public Works	800 Public Works Admin	750.071 - Municipal Water System	22,677	-	In Progress	June 2023	Ongoing work plan item
Public Works	801 Resources Recovery	750.041 - HHW and PaintCare	62,717	73,123	In Progress	Ongoing	
Public Works	801 Resources Recovery	750.084 - Single Use Plastics Ordinance	106,245	7,954	In Progress	June 2023	
Public Works	801 Resources Recovery	750.137 - SB1383 Procurement Requirements	127,553	-	In Progress	Ongoing	
Public Works	801 Resources Recovery	750.174 - New Lndfill Agrmnt/Solid Wst con	350,000	31,960	In Progress	Ongoing	
Public Works	802 Non Point Source	750.196 - Storm Water (SWPPP) Update	19,100	12,161	In Progress	June 2026	
Public Works	804 Plan Review	750.039 - PW Scanning Project	64,009	24,295	In Progress	June 2023	

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Department	Program	Account	FY 2022-23 Amended Budget	FY 2022-23 Q3 Actuals	FY 2022-23 Q3 Status	Est Completion	Q3 Notes (e.g., carried over to next fiscal year)
Public Works	804 Plan Review	750.067 - VTC	1,961,366	-	In Progress	FY 2026	
Public Works	804 Plan Review	750.105 - CWP Revisit 5G	250,000	-	In Progress	June 2023	
Public Works	804 Plan Review	750.191 - BBF Golf Netting Support Inspect	6,000	713	In Progress	December 2023	
Public Works	807 Service Center Administration	750.043 - Office Reconfiguration	210,331	33,929	In Progress	Ongoing	
Public Works	808 McClellan Ranch Park	750.025 - Special Maintenance	70,000	-	Completed	Completed	Park Path Repairs
Public Works	808 McClellan Ranch Park	750.138 - 4H Perimeter Fence Replacement	30,000	-	In Progress	June 2023	
Public Works	809 Memorial Park	750.025 - Special Maintenance	15,000	-	In Progress	Ongoing	memorial park veterans memorial
	811 BBF Ground Maintenance	750.025 - Special Maintenance	30,000	17,900	Completed	Completed	Scenic Circle Bridge Repair
Public Works	812 School Site Maintenance	750.025 - Special Maintenance	30,000	-	Completed	Completed	budget-pedestrian
Public Works	812 School Site Maintenance	750.140 - Backflow Prevention Device Repl	6,000	4,798	Completed	June 2023	
Public Works	813 Neighborhood Parks	750.025 - Special Maintenance	83,000	-	In Progress	June 2023	irrigation pump
Public Works	813 Neighborhood Parks	750.074 - Tot Lot Rubber Resurfacing	38,273	-	In Progress	June 2023	
Public Works	813 Neighborhood Parks	750.140 - Backflow Prevention Device Repl	10,809	11,283	Completed	Completed	
Public Works	813 Neighborhood Parks	750.141 - Basketball Court Resurfacing	20,000	-	In Progress	June 2023	
Public Works	813 Neighborhood Parks	900.990 - Special Projects - PW	25,000	-	In Progress	June 2023	Portal Park Concrete replacement
Public Works	814 Sport Fields Jollyman CRK	750.140 - Backflow Prevention Device Repl	4,000	-	Completed	Completed	
Public Works	814 Sport Fields Jollyman CRK	750.141 - Basketball Court Resurfacing	10,000	-	In Progress	June 2023	
Public Works	820 Sidewalk Curb and Gutter	750.020 - Annual Sidewalk Curb & Gutter	1,813,664	171,576	In Progress	June 2023	
Public Works	821 Street Pavement Maintenance	900.921 - Annual Asphalt Project	5,527,844	1,596,077	In Progress	June 2023	
Public Works	822 Street Sign Marking	750.025 - Special Maintenance	10,300	10,266	Completed	Completed	Holiday banner replacement
	822 Street Sign Marking	900.945 - Fixed Asset Acquisition	-	5,852	Completed		Reversible Vibroplate
Public Works	824 Overpasses and Medians	750.192 - Mound Removals	141,900	70,775	Completed	Completed	under budget
Public Works	824 Overpasses and Medians	750.193 - Split Rail Fence-SCB & Mary Ave	16,400	18,255	Completed	Completed	
Public Works	824 Overpasses and Medians	750.194 - Trench Work	40,000	-	In Progress	June 2023	
Public Works	825 Street Tree Maintenance	900.911 - Trees and Badges	15,000	8,869	In Progress	Ongoing	
Public Works	827 Bldg Maint City Hall	750.144 - Electrical Preventive Maint	25,000	-	In Progress	June 2023	
Public Works	827 Bldg Maint City Hall	750.145 - Fascia Repair and Painting	60,000	42,692	Completed	Completed	
Public Works	827 Bldg Maint City Hall	750.146 - Lower Floor Recarpeting	70,000	58,640	Completed	Completed	
Public Works	827 Bldg Maint City Hall	750.147 - Boiler Preventive Maintenance		2,535	Completed	Completed	
Public Works	828 Bldg Maint Library	750.025 - Special Maintenance	45,000	-	In Progress	June 2023	
Public Works	828 Bldg Maint Library	750.147 - Boiler Preventive Maintenance	5,000	3,209	Completed	Completed	
Public Works	829 Bldg Maint Service Center	750.025 - Special Maintenance	109,500	13,424	In Progress	June 2023	AC replacement, conf room carpet, locker room flooring, mechanic bay lighting
Public Works	829 Bldg Maint Service Center	750.150 - Shop Building Roof Recoating	-	-	Completed	Completed	

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Department	Program	Account	FY 2022-23 Amended Budget	FY 2022-23 Q3 Actuals	FY 2022-23 Q3 Status	Est Completion	Q3 Notes (e.g., carried over to next fiscal year)
Public Works	829 Bldg Maint Service Center	750.152 - Locksmith Training	4,000	4,000	Completed	Completed	
							Conf room carpet replacement, stage floor refinishing
Public Works	830 Bldg Maint Quinlan Center	750.025 - Special Maintenance	34,000	19,440	In Progress	June 2023	
Public Works	830 Bldg Maint Quinlan Center	750.147 - Boiler Preventive Maintenance	5,000	2,580	Completed	Completed	
							AC Replacement, Deck repair, energy management system upgrades, partial roof replacement
Public Works	831 Bldg Maint Senior Center	750.025 - Special Maintenance	188,500	6,050	In Progress	June 2023	
Public Works	831 Bldg Maint Senior Center	900.945 - Fixed Asset Acquisition	-	6,257	Completed	Completed	Ice Machine
Public Works	832 Bldg Maint McClellan Ranch	750.025 - Special Maintenance	55,000	-	In Progress	June 2023	replacement, milk

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Department	Program	Account	FY 2022-23 Amended Budget	FY 2022-23 Q3 Actuals	FY 2022-23 Q3 Status	Est Completion	Q3 Notes (e.g., carried over to next fiscal year)
Public Works	836 Bldg Maint Sports Center	750.025 - Special Maintenance	66,000	17,179	In Progress	June 2023	Locker room floor replacement, raquetball court floor refinishing, Ventilation preventive maint & repair,
Public Works	836 Bldg Maint Sports Center	750.155 - Exterior Painting	45,000	63,327	Completed	Completed	
Public Works	836 Bldg Maint Sports Center	750.157 - Door Refinishing	13,520	2,744	Completed	Completed	
	831 Bldg Maint Senior Center	900.945 - Fixed Asset Acquisition	-	8,300	Completed	Completed	Ice Machine
Public Works	838 Comm Hall Bldg Maint	750.148 - Exterior Door Painting	4,000	-	Completed	Completed	
Public Works	841 BBF Facilities Maintenance	750.025 - Special Maintenance	25,000	-	In Progress	Ongoing as needed	Blesch, Byrne, & Stocklmeir Maint allowance
Public Works	841 BBF Facilities Maintenance	750.162 - Uninterrupted Power Supply	5,000	5,000	Completed	Completed	
Public Works	844 Traffic Engineering	750.040 - Planned Transportation Project	80,000	6,485	Completed	Completed	
Public Works	844 Traffic Engineering	750.061 - Community Shuttle Pilot Program	836,485	522,100	In Progress	June 2023	
Public Works	844 Traffic Engineering	750.079 - Adaptive Traffic Signaling	160,000	58,404	In Progress	June 2023	
Public Works	844 Traffic Engineering	750.163 - VMT to LOS Standards	130,000	-	Not Started	June 2024	
Public Works	844 Traffic Engineering	750.195 - Lawson Middle School Bikeway	40,000	34,959	In Progress	Completed	
Public Works	844 Traffic Engineering	750.219 - CWP Bicycle Facilities	50,000	-	In Progress	June 2023	
Public Works	844 Traffic Engineering	750.231 - SC Corridor Vision Study	154,079	-	In Progress	June 2023	
Public Works	845 Traffic Signal Maintenance	750.079 - Adaptive Traffic Signaling	13,156	-	In Progress	Completed	
Public Works	846 Safe Routes 2 School	750.080 - Pedestrian Education	23,158	27,416	In Progress	June 2024	
Public Works	846 Safe Routes 2 School	750.165 - Riding for Focus Program	49,000	-	Cancelled	Cancelled	
Public Works	848 Street Lighting	750.025 - Special Maintenance	8,300	7,919	Completed	Completed	Street light pole replacement, service center exterior building LED fixtures
Public Works	848 Street Lighting	900.990 - Special Projects - PW	213,000	212,630	Completed	Completed	
Public Works	849 Equipment Maintenance	750.078 - Mechanic Shop Hose Reels	49,615	49,615	Completed	Completed	
Public Works	853 Storm Drain Fee	750.062 - Permeable Pavement	12,500	-	In Progress	Ongoing as needed	
Public Works	853 Storm Drain Fee	750.063 - Rainwater Capture	22,894	175	In Progress	Ongoing as needed	
Public Works	854 General Fund Subsidy	750.064 - Low Income Cost Share	8,000	271	In Progress	Ongoing as needed	
Public Works	854 General Fund Subsidy	750.065 - CUSD Joint Use Cost Share	21,868	8,713	In Progress	Ongoing	
Public Works	985 Fixed Assets Acquisition	900.945 - Fixed Asset Acquisition	1,171,448	144,560	In Progress	June 2023	

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Department	Program	Account	FY 2022-23 Amended Budget	FY 2022-23 Q3 Actuals	FY 2022-23 Q3 Status	Est Completion	Q3 Notes (e.g., carried over to next fiscal year)
Parks & Recreation	601 Rec & Comm Svcs Administration	750.096 - CWP Mental Health Support	9,274	-	In Progress	Ongoing	CWP was completed previous FY and now just an ongoing P&R program.
Parks & Recreation	601 Rec & Comm Svcs Administration	750.098 - CWP Senior Strategy	66,778	25,400	In Progress	June 2023	
Parks & Recreation	601 Rec & Comm Svcs Administration	750.164 - CWP Dogs Off Leash Area	5,000	391	In Progress	June 2023	
Parks & Recreation	601 Rec & Comm Svcs Administration	750.218 - CWP Artwork at the Library/Exhib	10,000	-	In Progress	June 2023	
Parks & Recreation	601 Rec & Comm Svcs Administration	750.226 - CWP Intergenerational Engagement	20,000	-	In Progress	Ongoing	
Parks & Recreation	616 BBF Golf Course	900.945 - Fixed Asset Acquisition	137,000	-	In Progress	December 2023	

**Competitive Citywide Grants Tracking**

Department	Name of Grant	Description of Grant	Grant Amount	Date Applied	Date Due	Status (Grant Awarded, Pending Results, Grant Denied)	Grant Amount Awarded	Date Awarded
Administration	National Association of City and County Health Officials (NACCHO) Respond, Innovate, Sustain, and Equip (RISE) Awards	To provide resources to the MRC network to support COVID-19 response efforts.	\$25,000	3/4/2022	3/4/2022	Grant Awarded	\$25,000	8/11/2022
Administration	California Electric Vehicle Infrastructure Project	Purchase and installation of EV charging infrastructure at publicly-owned sites (\$4,500 per charging port)	\$130,500	12/22/2020	12/22/2020	Funds Partially Reserved	\$130,500	10/27/2022
Administration	Community Decarbonization Engagement Grant	Competitive grant for community engagement around decarbonization topics from SVCE	\$100,000	4/1/2022	4/4/2022	Grant Awarded	111,500	2/2/2023
Community Development Department	Santa Clara County Permanent Local Housing Allocation (PLHA) Consortium	CA Dept of Housing & Community Development (HCD)	\$165,510	12/15/2021	12/30/2021	Grant Awarded to County PLHA Consortium	\$165,510	N/A
Community Development	Santa Clara County Permanent Local Housing	CA Dept of Housing & Community	\$257,254	12/15/2021	12/30/2021	Grant Awarded to	\$257,254	N/A
Community Development Department	2020 Local Early Action Planning (LEAP) Grants Program	CA Dept of Housing & Community Development (HCD) funding to accelerate progress of Housing Element towards state housing goals	\$300,000	7/1/2020	7/1/2020	Grant Awarded	\$300,000	10/6/2020
Information & Technology and Community Development Department	Dept. of Housing and Community Development	Financial assistance for implementation of softwares that accelerate and streamline Housing Production	\$310,000	3/20/2020	12/31/2022	Grant Awarded	\$310,000	3/24/2020
Public Works	TIRCP (Transit and Intercity Rail Program)	5-year expansion of Via shuttle, including partnership with City of Santa Clara	\$8,465,000	3/3/2022	3/8/2022	Grant Awarded	\$8,465,000	7/11/2022
Public Works	HSIP (Highway Safety Improvement Program)	Improving safety at signalized intersections	\$2,005,900	9/12/2022	9/12/2022	Grant Denied	N/A	N/A
Public Works	HSIP (Highway Safety Improvement Program)	Improving safety on roadway segments	\$3,561,800	9/12/2022	9/12/2022	Grant Awarded	\$3,205,620	3/15/2023
Public Works	HSIP (Highway Safety Improvement Program)	Improving safety on roadway segments	\$4,450,200	9/12/2022	9/12/2022	Grant Denied	N/A	N/A
Public Works	OBAG (One Bay Area Grant) Cycle 3	De Anza Blvd buffered bike lanes	\$500,000	7/27/2022	7/27/2022	Grant Denied	N/A	N/A
Public Works	Safe Streets 4 All (SS4A)	Bollinger Road road diet traffic analysis, outreach and engineering design	\$360,000	9/15/2022	9/15/2022	Pending Results	N/A	N/A
Public Works	Cupertino Library Expansion	Federal Community Project Funding Grant	\$1,000,000	3/25/2021	6/10/2022	Grant Awarded	\$1,000,000	N/A
Public Works	Federal Community Project Funding Grant	Funding for Jollyman All Inclusive Play Area	\$1,000,000	4/25/2022	6/10/2022	Grant Denied	\$1,000,000	N/A
Public Works	State Specified Grant	Funding for Jollyman All Inclusive Play Area	\$1,000,000	3/17/2022	7/1/2022	Grant Awarded	\$1,000,000	N/A
Public Works	PG&E Community Grant	Funding for Jollyman All Inclusive Play Area	\$25,000	8/8/2022	9/1/2022	Grant Awarded	\$25,000	10/3/2022
Public Works	Santa Clara County AIPG	Funding for Jollyman All Inclusive Play Area	\$1,440,000	10/10/2018	10/12/2018	Grant Awarded	\$1,440,000	5/13/2019
Public Works	McClellan Road Bridge Reconstruction	State Funding Grant	\$7,500,000	3/17/2022	7/1/2022	Pending Results	\$5,000,000	N/A
Public Works	TDA3	Funding for Tamien Innu (I-280 Trail)-East	\$1,015,022	12/1/2021	12/1/2021	Grant Awarded	\$1,015,022	5/25/2022
Public Works	2016 Measure B Capital Projects	Funding for Tamien Innu (I-280 Trail)-East	\$920,978	12/1/2021	12/1/2021	Grant Awarded	\$920,978	11/12/2021
Public Works	2016 Measure B Capital Projects	Funding for Tamien Innu (I-280 Trail)-Central	\$460,000	7/1/2020	7/1/2020	Grant Awarded	\$460,000	7/14/2020
Public Works	2016 Measure B Capital Projects	Funding for Tamien Innu (I-280 Trail)-Central	\$3,725,000	7/1/2020	7/1/2020	Pending Results	\$3,725,000	N/A
Public Works	Sustainable Transportation Planning Grant	Bollinger Road road diet traffic analysis, outreach and engineering design	\$318,707	3/14/2023	3/14/2023	Pending Results	N/A	N/A
Public Works and Administration	CalOES Hazard Mitigation Grant Program Project Subapplication	Cupertino Civic Center Plaza Microgrid study and construction	\$979,402	6/17/2021	6/17/2021	Pending Results	N/A	N/A
Public Works - Environmental Programs Division	EPA Recycling Education and Outreach	Improve the effectiveness of residential and community recycling and composting programs through public education and outreach. Increase collection rates and decrease contamination across the nation	\$1,400,000	2/15/2023	2/15/2023	Pending Results	N/A	N/A
Public Works	2016 Measure B Noise Abatement Program	Funding for Tamien Innu (I-280 Trail)-Central	\$15,000	3/23/2023	3/31/2023	Pending Results	N/A	N/A

**Non-Competitive Citywide Grants Tracking**

Department	Name of Grant	Description of Grant	Grant Amount	Date Applied	Date Due	Staff Contact	Status (Grant Awarded, Pending Results, Grant Denied)	Grant Amount Awarded	Date Awarded
Administration	Energy Efficiency Community Block Grant	EECBG funds for use in developing energy efficiency services or strategies, code enforcement, other uses	\$139,518		N/A	4/28/2023 Andre Duurvoort	Pending Results	\$139,518	Dates and exact amount not yet known
Administration	Reach Codes/Building Codes	Silicon Valley Clean Energy grant to support reach codes development	\$10,000	3/18/2022	4/30/2022	Andre Duurvoort	Grant Reserved	\$10,000	11/30/2022
Community Development	Community Development Block Grant (CDBG)	U.S. Dept of Housing & Urban Development (HUD) Federal Entitlement Allocation	\$412,800	8/26/2021	Annually: 6/30	Kerri Heusler	Grant Awarded	\$412,800	2/25/2021
Community Development Department	Community Development Block Grant (CDBG)	U.S. Dept of Housing & Urban Development (HUD) Federal Entitlement Allocation	\$388,459	10/5/2022	Annually: 6/30	Kerri Heusler	Grant Awarded	\$388,459	9/26/2022
Community Development Department	CDBG-CV CARES Act Funding	U.S. Dept of Housing & Urban Development (HUD) Emergency COVID Allocation	\$553,939	8/26/2021	6/30/2022	Kerri Heusler	Grant Awarded	\$553,939	8/20/2021
Community Development Department	Santa Clara County Home Investment Partnerships Program (HOME) Consortium	U.S. Dept of Housing & Urban Development (HUD) Federal Entitlement Allocation	\$993,289		N/A	Annually: 6/30 Kerri Heusler	Grant Awarded to County HOME Consortium	\$993,289	2/25/2021
Community Development Department	Santa Clara County Home Investment Partnerships Program (HOME) Consortium	U.S. Dept of Housing & Urban Development (HUD) Federal Entitlement Allocation	\$1,083,978		N/A	Annually: 6/30 Kerri Heusler	Grant Awarded to County HOME Consortium	\$1,083,978	9/26/2022
Community Development Department	Regional Early Action Planning ( REAP) Grants of 2021	CA Dept of Housing & Development (HCD) funding and technical assistance for implementation of software to help streamline housing approvals	\$52,613	11/1/2022	11/1/2022		Grant Awarded	\$52,613	12/1/2022
Public Works	Bicycle/Pedestrian Education & Encouragement	2016 Measure B	\$33,090	9/8/2022		N/A Cherie Walkowiak (or David Stillman?)	Grant Awarded	\$33,090	9/29/2022
Public Works	Sustainable Infrastructure/Energy Resiliency Grant	To support energy resiliency capital improvements	\$255,798	6/29/2022		N/A Ryan Do	Grant Awarded	\$255,798	6/29/2022
Public Works	CalRecycle SB 1383 Local Assistance Grant Program	One-time grant program meant to provide aid in the implementation of regulation requirements associated with SB 1383.	\$83,693	1/21/2022	2/1/2022	Ursula Syrova	Grant Awarded	\$83,693	4/27/2022
Public Works	CalRecycle Beverage Container Recycling City/County Payment Program	Provide opportunities for beverage container recycling. Allowable uses include 2 staff attending annual CA Resource Recovery Association conference, water refill stations, and recycling receptacles.	\$14,812		Funds must be expensed between 5/03/2022 - 4/1/2024	Annually: Ursula Syrova dates vary	Grant Awarded	\$14,812	5/28/2021
Public Works	CalRecycle Beverage Container Recycling City/County Payment Program	Provide opportunities for beverage container recycling. Allowable uses include 2 staff attending annual CA Resource Recovery Association conference, water refill stations, and recycling receptacles.	Pending	Pending		Annually: Ursula Syrova dates vary	Pending	Pending	Pending
Parks and Recreation	Community Fourth of July Fireworks Events	The County of Santa Clara allocates a total of \$25,000 to sponsor up to two fireworks events in each of the five supervisorial districts (\$5,000 per district). The County's fireworks grant program, which was suspended for three years during the COVID-19 pandemic, returns for 2023.	\$5,000	3/15/2023	3/31/2023	Jacinta Liang	Pending Results	Pending	Pending
Innovation and Technology	California Automated Permit Processing (CalAPP) Program	CalAPP is providing a one time grant for the enhancement of Solar permit applications	\$60,000	2/15/2023	5/31/2027	Marilyn Pavlov	Grant Awarded	\$60,000	4/4/2023





**PUBLIC WORKS DEPARTMENT  
CAPITAL IMPROVEMENTS PROGRAM (CIP) DIVISION**

CITY HALL  
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**CIP PROJECT UPDATE**

*Program Overview, Accomplishments & Status*

The Capital Improvement Program (CIP) Administration Division 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. The Division ensures that all public improvements are designed and constructed in accordance with community expectations and City standards. The Division places safety of the public, City employees, and workers as the highest priority in the delivery of capital projects.

**May 2023; Q3 FY2022 - 2023**

**Status of Current CIP Projects**

The categories below directly correlate to the categories in the FY22-27 CIP Schedule. Furthermore, the projects are color-coded to illustrate the type of project. These 'types' are somewhat intuitively, rather than effectively ascribed to the projects, as many projects would fall into multiple categories.

<i>Facilities related CIP Projects (orange) – 5 active projects, 4 queued</i>
<i>Streets and Grounds related CIP Projects (red) – 5 active projects, 2 completed, 1 queued</i>
<i>Traffic, Bike and Pedestrian related CIP Projects (blue) – 9 active projects, 4 completed, 2 queued</i>
<i>Parks and Recreation System related CIP Projects (green) - 9 active projects, 4 completed, 2 queued</i>

Total: 25 active projects, 12 completed, 10 in the queue (paused).

**ACTIVE PROJECTS**

<b>Project Title</b>	<b>Description</b>	<b>Current Phase</b>	<b>Scheduled Completion</b>	<b>Status/Notes</b>
Bicycle Boulevard Interim Improvements, Ph. 3	Improvements from 2016 Bicycle Transportation Plan.	Design	TBD	Phase 3 outreach and design in progress.

ACTIVE PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Civic Center Parking Analysis	Analyze the parking requirement for the Civic Center. Implement mitigation measures identified in 2018 report.	Feasibility/ Report, Implementation	Ongoing, Book Drop lane completed	Torre Avenue Book Drop completed Summer 2022. New project planned: additional surface parking spaces behind Community Hall. <i>Implementation of mitigation measures dependent upon increased staff parking demands at City Hall.</i>
DeAnza Blvd Buffered Bike Lanes	Restripe De Anza Blvd to include a painted buffered zone between the existing bike lane and the vehicle lanes.	Design	Summer 2023	Design Process underway
<b>Tamien Innu Trail – East &amp; Central Segments (Externally Funded)<sup>1</sup></b>	Design and construct an off-street bicycle and pedestrian facility parallel to the I-280 HWY, from De Anza Blvd. Wolfe Road (Central), from Wolfe Rd. to Vallco Parkway (East)	Design	Spring 2024 for East segment; Fall 2024 for Central Segment	Design phase for Central segment will pause now that IS/MND is underway; East segment will continue into Final Documentation, Bid and Construction.
McClellan Road Separated Bike Corridor, Phase 3 (Externally Funded, in part)	Improve pedestrian and bicycle safety by reconfiguring the intersection and vehicle movements.	Bid	Summer 2023	<b>Bids for Construction received and were greater than Engineer’s Estimate.</b>
School Walk Audit Implementation (Externally Funded, in part)	Construct infrastructure related improvements around schools that were identified as part of the comprehensive School Walk Audit study.	Ongoing/ Construction	Ongoing	

ACTIVE PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Stevens Creek Boulevard CL IV Bikeway - Phase 2 – Design & Construction (Externally Funded, in part) <sup>2</sup>	Design and Construction of the separated bikeway along Stevens Creek Blvd from Wolfe Road to DeAnza Blvd (2A) and De Anza Blvd to US-85 (2B).	Design/Bid	2024	Phase 2A Construction will be posted for public bid process in <b>late Summer 2023</b> . Phase 2B Design is underway.
Stevens Creek Boulevard CL IV Bikeway – <b>Bandley Drive</b> (Externally Funded, in part)	Signal upgrades at Bandley Drive.	Design/Bid	2024	<b>This work is combined with Construction of Phase 2B of the SCB bikeway project. Phase 2B Design is underway.</b>
Traffic Calming	Funding to respond to citizen requests for traffic calming to reduce vehicle speeds, improve pedestrian and bike safety.	Ongoing	Ongoing	Ongoing; responding to resident concerns when they occur.
ADA Improvements (Multi-year funding)	This is an ongoing program funded annually to improve accessibility at all public facilities throughout the City.	Design	Ongoing	Undertaking improvements at Wilson Park, Wintergreen Dr. entrance.
City Hall and Community Hall Improvements (Programming and Feasibility)	Programming, Feasibility and Community Outreach to form the basis of a renovation strategy for the buildings.	Feasibility/ Report	N.A.	Meetings with City Hall Project Subcommittee are complete.

ACTIVE PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
City Hall Annex (10455 Torre Avenue Improvements)	Program, plan and build facility improvements required for interim facility to accommodate staff while City Hall is remodeled, as well as the long-term use of this facility.	Design	Fall 2024	Design process underway. EOC scope added to the project in October 2022.
Citywide Building Condition Assessment Implementation & Report Update	Implement recommendations identified as a priority in the Comprehensive Facility Condition and Use Assessment.	Construction/Ongoing,		Sports Center Fire Panel Replacement: work is complete, awaiting final inspection. 2018 Report Update/Dashboard creation: research and report generation underway.
Library Expansion Project	Develop a design and construct a 5600 SF addition to the existing Library building.	Building: complete. Donor wall and Landscaping are active.	2023	Building Construction is complete. Donor wall final panels fabrication and installation is underway. Landscaping project paused due to staff availability.
All Inclusive Play Area & Adult Assistive Bathroom Facility (Jollyman Park) (Externally Funded, in part) <sup>3</sup>	At Jollyman Park, Design and construct an all-inclusive playground and an adult-assistive bathroom facility adjacent to the new AIPG.	Design	Summer 2024	Design process nearing completion. Bid and permit phase will follow.
Annual Playground Replacement (Multi-year funding)	Replacement of older playground equipment that is dated and worn.	Creekside Tot Lot - Complete	Ongoing	Creekside Tot Lot construction complete; opened in October 2022. Creekside School-Age playground design in process; reviewed at May 2023 Parks & Rec Commission. Grant funding received for additional [smaller] playgrounds – in process.

ACTIVE PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Blackberry Farm Pool Improvements	Make improvements to the pools and facility related to safety, accessibility, and maintenance.	Bid, Permit	Winter 2023	Bid process is underway. Construction is scheduled to begin in Fall 2023.
Blackberry Farm Golf Renovation / Alternative Use Study	Study to determine options for the BBF Golf Course: minor repairs or alternative use ('natural habitat').	Report is complete, Council presentation/process in progress.		Consultants' reports and Public comments are compiled. Report delivered to Joint Commission (Parks & Rec, Bicycle/Ped, Sustainability) on 8/08/2022. Awaiting opportunity to present to Council for further action (July 2023).
Citywide [Satellite] Community Garden (Wilson Park)	Develop a program to establish community gardens throughout the City.	Construction	Late Spring 2023	Construction is underway; scheduled for completion in Summer 2023.
Full-sized Outdoor Basketball Court (Wilson Park) (Externally Funded, in part)	Install a full-size basketball court at a park, following the Parks and Recreation System Master Plan.	Bid	Summer 2023	Construction is underway; scheduled for completion in June 2023.

ACTIVE PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Lawrence-Mitty Park and Trail Plan	Develop a Master Plan for a proposed neighborhood park located on several acres of land adjacent to Saratoga Creek, near the intersection of Lawrence Expressway and Mitty Way.	Design	Winter 2025	The community vision/outreach phase is complete for the conceptual design phase. The final conceptual layout will be developed in early 2023, followed by environmental clearance (CEQA) work. Final design and permitting will begin in late 2023. Construction is anticipated to begin in late 2024 and be completed in late 2025.
Memorial Park - Specific Plan Design	Following the findings of the Master Plan process, develop a conceptual design for Phase One features and amenities.	Design	Fall 2023	Public input received; conceptual design alternatives developed. <b>Design plans and reports are in process.</b>
Park Amenity Improvements (Multi-year funding)	Funding for various park amenities such as benches, hydration stations, outdoor table tennis, cornhole, shade structures, pickleball striping, etc.	Construction	Ongoing	8 hydration stations have been installed at various parks. Outdoor table tennis tables have been installed at Jollyman Park and Wilson Park. Pickleball striping completed at court 2 at Memorial Park.

ACTIVE PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
City Bridge Maintenance Repairs (Externally Funded, in part)	Repair 5 bridges as recommended in the Caltrans Bridge Report along with additional improvements to prolong the useful life of the bridges.	Advertise/Bid	Summer 2023	Construction documents have been completed. The project is <b>ready</b> to be advertised for bid in early 2023 and work completed by summer 2023. The work is partially funded (80%) through the Bridge Preventative Maintenance Program, a federally funded program.
City Lighting LED Transition Assessment	Develop a strategy to transition the City's streetlight infrastructure, and other City operated lights, from induction to LED fixtures to meet the "Dark Sky" requirements and reduce light pollution	Feasibility/ Report	Under Review	Survey is complete. Council requested revisions to the report. This work is underway.
Pumpkin and Fiesta Storm Drain Project, Phase 1 & 2	Design storm drainage improvements at Pumpkin Drive, Fiesta Lane, as identified in the Storm Drain Master Plan.	Phase 1- Advertise/Bid; Phase 2-Design	Phase 1- Summer 2023; Phase 2- TBD	Design is complete for Phase 1 and will be constructed spring/summer 2023. Preliminary site analysis and design for Phase 2 will start in early 2023.
Regnart Road Improvements, Phase 1	Phase 1 will construct a retaining wall to stabilize the road slope to the creek from Sta 28+40 to 29+80 (approx. 140 LF).	Design, Permits	2023	Phase 1 design is complete. <b>Environmental permitting is complete, and the project team is getting ready to post the bid documents so that construction can begin in the Summer/Fall 2023.</b>
Street Light Installation - Annual Infill (Multi-year funding)	Design and install streetlights on an as needed basis.	Complete	Ongoing	Installations for this fiscal year are <b>ongoing</b> . Year 3 of 5.

COMPLETED PROJECTS (or nearly complete)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Bicycle Boulevard Interim Improvements, Ph. 2	Improvements from 2016 Bicycle Transportation Plan.	Construction	March 2023	Completion expected in February/March 2023.
Homestead/De Anza – Design & Construction <sup>4</sup>	Modify traffic signal to relocate median-mounted mast arm poles to the corners.	Complete	December 2022	
Regnart Creek Trail Fencing	Construction of privacy fencing along properties abutting Regnart Creek trail.	Construction	March 2023	The Regnart Creek Trail opened in March 2023. The fencing project team is working on some minor final items.
Stelling and Alves Crosswalk Installation	Install a crosswalk and pedestrian-actuated RRFB across Stelling at the north leg of the intersection with Alves Drive.	Complete	October 2022	
<i>Annual Playground Replacement<sup>5</sup></i>	<i>Replacement of older playground equipment that is dated and worn.</i>	<i>Creekside Tot Lot - Complete</i>		<i>Creekside Tot Lot construction complete; opened in October 2022.</i>
Memorial Park - Pond Repurposing	Design and construct Memorial Park improvements, specifically addressing the immediate state of the drained ponds.	Construction	April 2023	Operations and Maintenance phase is underway to establish the plantings before opening. Silicon Valley APWA selected this project as one of the winners of its 2023 Award Program.



COMPLETED PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Sports Center Community Needs Analysis	Evaluate the potential long-term needs of the facility, the cost of renovations and repairs and the cost effectiveness of those improvements.	Complete		P&R staff performed some analysis and determined short-term improvements/repairs.
Tree Inventory - Stevens Creek Corridor	Inventory and map City-owned trees that are within the Stevens Creek Corridor, including the BBF golf course.	Feasibility/ Report	February 2023	Survey is complete, report under review by staff.
Retaining Wall Repair - Cordova Road	Replace failing retaining wall lagging with City forces.	Complete		Construction completed Summer 2022.
Sidewalk Improvements - Orange & Byrne	Acquire right-of-way as needed, initiate design and construction of sidewalks where there are gaps, as well as curb, gutter, and drainage improvements.	Complete	Fall 2022	Byrne Avenue improvements were completed in 2019. Civil work (sidewalk, curb, and gutter) is complete on Orange Avenue. Utility pole relocations on Orange Avenue will be performed by the utility companies (PG&E, AT&T, Comcast) in 2023.

PROJECTS IN THE QUEUE

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Tamien Innu Trail - West Segment	Design and construct an off-street bicycle and pedestrian facility parallel to the I-280 HWY, from the Don Burnett Bicycle – Pedestrian Bridge to De Anza Blvd.	Deferred		This segment will be on hold until the other segments are designed.
McClellan Road Separated Bike Corridor - Byrne Ave to Imperial Ave, Phase 4	Design and construct separated bike lanes on McClellan Rd. from Imperial Ave to Byrne Ave.	Deferred		Phase 4 on hold until ROW's are acquired.
Electric Vehicle Parking Expansion	Expansion of the existing level 2 charging ports at municipal properties from twelve (12) ports to thirty-two (32) ports. In addition, install five (5) level 3 (DC Fast Charging) ports.	RFQ		Project paused due to staff availability. Previously identified grant fundings are unavailable. Scope revision is necessary and underway. RFQ process (not RFP/Bid) approved by Council on 11/01/2022.
Interim City Hall	Establish an interim facility to accommodate City Staff if existing City Hall were to be replaced or significantly remodeled.	Deferred		This funding will be required to provide City Hall services while the building is under construction.

DEFERRED PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
QCC Multi-Site Sustainable Infrastructure Upgrade	Develop recommendation for Council on a complete facility upgrade for heating and cooling system, emergency power system, and renewable energy.	RFQ	2024	Project paused due to staff availability. The RFQ process for energy service companies (ESCOs) to perform audit and initiate improvements was completed. Award of Contract will come to City Council in early 2023.
Stocklmeir, Bryne and Blesch: Inspection Reports and Analysis	Instigate property inspection reports and work with outside consultants to develop initial use and business strategies appropriate for the three residential properties owned by the City.	Feasibility Study	Summer 2023	Project paused due to staff availability.
Memorial Park - Amphitheater Improvements	Design and construct Memorial Park improvements, specifically addressing the needs of the Amphitheater.	RFQ	2024	Project paused due to staff availability.

DEFERRED PROJECTS (continued)

Project Title	Description	Current Phase	Scheduled Completion	Status/Notes
Stevens Creek Corridor Park Chain Master Plan	Study the various uses of public lands along Stevens Creek for optimal public use and operation and develop a master plan.	Deferred		On hold, pending completion of Blackberry Farm Golf Renovation/ Alternative Use Study
City Lighting LED Improvements	Implement the transition of City's streetlight infrastructure from induction and other fixtures to LED fixtures to meet the "Dark Sky" Ordinance requirements and reduce light pollution and energy cost.	Deferred		Awaiting finalization of LED report before initiating this work.

Notes:

1. Previously listed as two projects: I-280 Trail – East and I-280 Trail Central Segments. **Name change to "Tamien Innu" also updated.**
2. Previously listed as **two** projects: Stevens Creek Boulevard CL IV Bikeway - Phase 2 – Design, Stevens Creek Boulevard CL IV Bikeway - Phase 2 – Construction.
3. Previously listed as two projects: All Inclusive Play Area, and AIPG Adult Assistive Bathroom Facility (Jollyman Park).
4. Previously listed as two projects: Homestead/De Anza Design, and Homestead/De Anza Construction.
5. Annual Playground Replacement project is listed in both Active and Completed Projects. The project is ongoing and additional playgrounds are planned to be initiated, but this also notes that one playground was completed in this fiscal year.:
6. Previously listed as two projects:
7. Previously listed as two projects:

## CIP PROJECT RANKINGS PROPOSED AND EXISTING PROJECTS

LEGEND	
Parks	
Streets & Infrastructure	
Transportation	
Facilities	

COUNCIL, COMMUNITY	SAFETY	MASTER PLAN	ONGOING	EXTL FUNDS	SUSTAIN-ABILITY	STAFFING
x		x				
x	x	x				
x		x				
x		x		x		
x		x				
	x		x			x
x		x		x		

Current and Proposed Projects <i>(Highest priority projects down to lowest priority projects)</i> <b>*FY23-24 proposed projects are bold text.</b>	City Funding	External Project Funding	Total Project Budget	FY23-24 City Proposed Funding	Prioritization Summary
Blackberry Farm Golf Renovation / Alternative Use Study	\$100,000	\$0	\$100,000	\$0	Study is nearly complete. Report expected to be finalized in 2023.
City Lighting LED Transition Assessment	\$50,000	\$0	\$50,000	\$0	Study is nearly complete. Report expected to be finalized in 2023.
Community Garden - Wilson Park	\$390,000	\$0	\$390,000	\$0	Project under construction. Completion projected for Summer 2023.
Full-sized Outdoor Basketball Court -Wilson Park	\$295,451	\$214,549	\$510,000	\$0	Project under construction. Completion projected for Summer 2023. External Funding Source: California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 PER CAPITA PROGRAM Prop.68
Memorial Park - Specific Plan Design	\$650,000	\$0	\$650,000	\$0	Project is nearing completion and is highly recommended in Parks and Recreation Master Plan. Design is nearly completion, pending Council and Commission review/comment.
ADA Improvements (Annually funded)	\$100,000	\$0	\$100,000	\$100,000	Priority as safety criteria, community-driven, master plan driven, and as an ongoing project. Annually Funded project, contributes to the City's Goals to improve Accessibility for the Community, and to mitigate potential litigation.
All Inclusive Play Area & Adult-Assistive Bathroom Facility (Jollyman Park)	\$2,080,000	\$2,473,000	\$4,553,000	\$0	This project provides new inclusive public amenities and significant grant funding has been awarded to the project. \$660K has been encumbered (spent) to date. External funding sources include County grant, State budget allocation, and PG&E donation.

## CIP PROJECT RANKINGS PROPOSED AND EXISTING PROJECTS

LEGEND	
	Parks
	Streets & Infrastructure
	Transportation
	Facilities

COUNCIL, COMMUNITY	SAFETY	MASTER PLAN	ONGOING	EXTL FUNDS	SUSTAIN-ABILITY	STAFFING	Current and Proposed Projects <i>(Highest priority projects down to lowest priority projects)</i> <b>*FY23-24 proposed projects are bold text.</b>				Prioritization Summary
							City Funding	External Project Funding	Total Project Budget	FY23-24 City Proposed Funding	
	x	x	x			x	Annual Playground Replacement (Year 4 of 5)				Additional \$300,000 requested for FY23-24 . Priority to address safety with replacing aging playground equipment. Additionally, the replacements are community-driven, master plan driven, and this is an ongoing project.
	x			x			City Bridge Maintenance Repairs				Necessary to ensure bridge facilities are being maintained. A large portion of the project is funded with external funds. External Funding Source: FHWA Highway Bridge Program
x	x	x	x		x		City Hall Improvements (80,000 SF, new facility, \$72M total)				No additional funds requested at this time. Priority for Safety criteria. Seismic retrofit and systems upgrades are strongly needed.
		x					Library Expansion Project (landscaping and donor wall)				Donor wall is nearing completion. Landscaping will be implemented once external grant funds are received.
	x	x	x			x	Regnart Road Improvements (all phases)				Priority for Safety criteria. Phase One of Two, to enhance stability of road through upgraded drainage, erosion control, retaining walls, railings, and more. <i>Additional funding for construction of Phase 1 will be probably be required.</i>
				x			School Walk Audit Implementation				Enhances pedestrian safety for children walking/biking to school. Fully funded by outside sources. No use of City funds anticipated at this time. External funding source includes donation from local business.

## CIP PROJECT RANKINGS PROPOSED AND EXISTING PROJECTS

LEGEND	
Parks	
Streets & Infrastructure	
Transportation	
Facilities	

COUNCIL, COMMUNITY	SAFETY	MASTER PLAN	ONGOING	EXTL FUNDS	SUSTAIN-ABILITY	STAFFING	Current and Proposed Projects <i>(Highest priority projects down to lowest priority projects)</i> <b>*FY23-24 proposed projects are bold text.</b>				Prioritization Summary	
							City Funding	External Project Funding	Total Project Budget	FY23-24 City Proposed Funding		
		x		x				\$124,432	\$25,658	\$150,090	\$0	Enhances bicycle safety along a major arterial. Number 1 priority project from 2016 Bicycle Transportation Plan. External funding source includes developer contribution.
		x		x				\$2,350,000	\$807,000	\$3,157,000	\$0	Enhances bicycle safety along a major arterial. Number 1 priority project from 2016 Bicycle Transportation Plan. Design is complete. Project anticipated to be open for bids soon. External Funding Source: OBAG2 grant
	x	x				x		<b>\$420,000</b>	<b>\$0</b>	<b>\$420,000</b>	<b>\$420,000</b>	Priority for Safety criteria. Addressing storm drain repairs/upgrades to avoid potential sinkhole issues.
	x	x						\$750,000	\$0	\$750,000	\$0	Project is necessary to ensure ongoing operation of the pool facility. Design is complete. Project anticipated to be open for bids soon.
	x		x		x	x		\$1,006,470	\$0	\$1,006,470	\$2,000,000	<b>\$2,000,000 requested.</b> Priority for Safety criteria and ongoing operation of City facilities. Many deferred maintenance projects have escalating urgency and thus priority. The plan is to first address aged/deficient fire/smoke alarm systems needed at many City facilities. Further projects will focus on fiscal payback where appropriate.
x		x						\$5,940,909	\$0	\$5,940,909	\$0	Project is funded through Development Agreement Funds from Private Developer.
		x		x				\$164,410	\$1,160,000	\$1,324,410	\$0	Necessary to enhance bicycle and pedestrian safety. Project significantly funded by outside sources. Design is complete. Construction anticipated to begin in 2023. External Funding Source: VERBS grant

## CIP PROJECT RANKINGS PROPOSED AND EXISTING PROJECTS

LEGEND	
Parks	
Streets &	
Infrastructure	
Transportation	
Facilities	

COUNCIL, COMMUNITY	SAFETY	MASTER PLAN	ONGOING	EXTL FUNDS	SUSTAIN- ABILITY	STAFFING	Current and Proposed Projects <i>(Highest priority projects down to lowest priority projects)</i> <b>*FY23-24 proposed projects are bold text.</b>				Prioritization Summary
							City Funding	External Project Funding	Total Project Budget	FY23-24 City Proposed Funding	
	x	x					<b>Pumpkin and Fiesta Storm Drain Project (all phases)</b>				Necessary to enhance public safety and reduce the risk of flooding. This area has flooded multiple times in the past. Priority in master plan. Design is complete. Construction anticipated to begin Summer 2023. Funds for the project are provided through the storm drain account.
	x			x		x	<b>Stevens Creek Bridge Repair</b>				Priority for Safety criteria, following recommendations from inspection reports issued. Federal funding is coming available after a 3 year wait. CIP staffing is in place due to existing Bridge Maintenance project. External Funding Source: FHWA Highway Bridge Program; <i>Funding revised/confirmed since 3/07/23 presentation</i>
		x					City Lighting LED improvements				Project would provide \$1M+/- in savings over the next 10 years.
		x					De Anza Boulevard Buffered Bike Lanes				Project enhances bicycle safety. Is included in the 2016 Bicycle Transportation Plan. Design is underway. VTA Grant funding is now available (must first be approved by Council). External Funding Source: TDA Article 3 Guaranteed Funds
		x		x			Tamien Innu - East & Central Segment				Project is in design and is currently funded by external sources that include a local business, Measure B Capital Projects, TDA3 Grants
		x		x			Tamien Innu - West Segment				Project is on hold. Current funding for the project is all external funding. External funding source includes donation from local business.
x	x	x			x	x	<b>City Hall Annex</b>				Necessary to accommodate public services when/if City Hall is closed for renovations/reconstruction. Also, will provide community reciliency as an EOC.



## CIP PROJECT RANKINGS PROPOSED AND EXISTING PROJECTS

LEGEND	
Parks	
Streets &	
Infrastructure	
Transportation	
Facilities	

COUNCIL, COMMUNITY	SAFETY	MASTER PLAN	ONGOING	EXTL FUNDS	SUSTAIN- ABILITY	STAFFING	Current and Proposed Projects <i>(Highest priority projects down to lowest priority projects)</i> <b>*FY23-24 proposed projects are bold text.</b>				Prioritization Summary	
							City Funding	External Project Funding	Total Project Budget	FY23-24 City Proposed Funding		
	x		x			x	<b>Street Light Installation - Annual Infill (Annually funded)</b>	\$75,000	\$0	\$75,000	\$35,000	Limited additional funds, going forward. Nice-to-have initiative to address resident concerns regarding lack of street lighting where gaps in system exist.
	x	x	x			x	<b>Park Amenity Improvements (Year 4 of 5)</b>	\$200,000	\$0	\$200,000	\$0	No additional funds, going forward. Nice-to-have initiative following Community requests and Master Plan directives. Existing project funding can be employed to implement near-future amenities.
x		x	x		x		<b>Bollinger Road Bike Improvements</b>	\$4,000,000		\$4,000,000	\$200,000	Improves sustainable means of transportation and builds upon master plan priorities. Initial Traffic Study and preliminary designs can be initiated in this FY by PW.
				x	x		<b>Civic Center Microgrid</b>	\$150,000	\$102,460	\$252,460	\$150,000	Supports our CAP goals and improves resiliency and energy efficiency at Civic Center. FEMA/CalOES funding received. Staffing TBD. External funding source includes Hazardous Mitigation Program grant funding through CalOES/FEMA.
				x			<b>Electric Vehicle Parking Expansion</b>	\$200,000	\$208,000	\$408,000	\$0	This project prepares for the future. This project can be defunded with hopes that further grant funding can be secured. External Funding Source: CAL e-VIP level 2 charging grants. Current Grant funding expired, but many grant opportunities are available when the project is ready.

## CIP PROJECT RANKINGS PROPOSED AND EXISTING PROJECTS

LEGEND	
Parks	
Streets & Infrastructure	
Transportation	
Facilities	

COUNCIL, COMMUNITY	SAFETY	MASTER PLAN	ONGOING	EXTL FUNDS	SUSTAIN-ABILITY	STAFFING	Current and Proposed Projects <i>(Highest priority projects down to lowest priority projects)</i> <b>*FY23-24 proposed projects are bold text.</b>				Prioritization Summary	
							City Funding	External Project Funding	Total Project Budget	FY23-24 City Proposed Funding		
	x	x	x	x		x	<b>Fiber Expansion - City Hall Annex</b>	<b>\$320,000</b>		<b>\$320,000</b>	<b>\$320,000</b>	Priority to enhance resiliency for EOC, and as an current project. Upgrade for the new EOC facility. Project can be staffed in conjunction with the existing CH Annex project. One of the priority projects outlined in the City's Fiber Master Plan.
				x			Multi-Site Sustainable Infrastructure Upgrade	\$284,449	\$217,551	\$502,000	\$0	Project can be defunded. External Funding Source: PG&E on-bill financing, Government and K-12 Energy Efficiency Program (GK12), Inflation Reduction Act direct-pay.
x		x			x	x	<b>San Tomas Aquino/Saratoga Creek Trail Extension, Feasibility Study</b>	<b>\$150,000</b>		<b>\$150,000</b>	<b>\$150,000</b>	Improves sustainable means of transportation and builds upon master plan priorities. Requested by Parks & Rec Commission, and Bike Ped Commission. Initial feasibility report can be initiated in this FY by PW staff.
		x					Stevens Creek Corridor Park Chain Master Plan	\$406,470	\$0	\$406,470	\$0	Project can be defunded.
		x					Civic Center Parking Improvements	\$1,000,000	\$0	\$1,000,000	\$0	Project can be defunded. Conditions have changed since this project was funded.
		x	x				Bicycle Boulevard Interim Improvements, Phase 3	\$1,197,000	\$0	\$1,197,000	\$0	These are interim improvements, and phase 3 can be defunded.
x							City-Owned Properties Analysis (Stocklmeir, Byrne, Blesch)	\$90,000		\$90,000	\$0	This project is now part of the City Work Plan. Project can be defunded in CIP and funded through CWP.
		x					Interim City Hall	\$501,162	\$0	\$501,162	\$0	This project can be defunded.
		x		x			McClellan Road Separated Bike Corridor, Phase 4 (Byrne Ave to Imperial Ave)	\$0	\$1,000,000	\$1,000,000	\$0	Project can be defunded and staff can work with external funding donor to reallocate funds to other priorities. Project is urrently not feasible due to lack of right of way. External funding source includes donation from local business.
		x					Memorial Park - Amphitheater Improvements	\$1,150,000	\$0	\$1,150,000	\$0	Project can be defunded. The planned functional improvements can be implemented as part of revitalized park design efforts in the future.
x	x						Traffic Calming	\$200,000	\$0	\$200,000	\$0	Project can be defunded.