

CC 1-17-2024

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Fiscal Year 2024-25
Potential Service-Level
Reductions

Supplemental Report



ADMINISTRATIVE SERVICES DEPARTMENT

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**CITY COUNCIL STAFF REPORT
SUPPLEMENTAL 1**

Meeting: January 17, 2024

Agenda Item #1

Subject

Provide input to staff on potential service-level reductions for the FY 2024-25 Proposed and Final Budgets

Recommended Action

Provide input to staff on potential service-level reductions for the FY 2024-25 Proposed and Final Budgets

Background:

Staff's responses to questions received from councilmembers are shown in italics.

Q1: The current budgeted amount for School Site Maintenance is \$1,237,763, considering the actuals have been very close to this number, will staff please consider adjusting the savings to match the Budget? (**Councilmember Moore**)

Staff response: The adopted budget for School Site Maintenance is \$1,383,586. The \$1,237,763 takes into account estimated revenue of \$145,000 to come up with the General Fund costs of \$1,237,763. Prior year actual costs for FY 2020-21 to FY 2022-23 have ranged from \$1.3-1.4M, this budget is aligned with prior year actual costs. The \$1,237,763 budget for this program includes salaries and benefits for staff, as well as materials, contract services, special projects, cost allocation, and contingencies. If the City were to eliminate this program, the City would receive immediate savings in the cuts associated with materials, contract services, special projects, cost allocation, and contingencies. The city would not immediately realize the savings in salary and benefits. These costs would be reallocated to other programs. Basically, the savings the city would realize immediately through eliminating this program is approximately \$737,000.

Q2: The budgeted revenue on p. 516 is \$145,823, while the estimated revenue is shown in the SLR Summary table as approximately \$57k, which is likely what the adjusted fees have resulted in. What was the impact of the field use fee calculation adjustments the City

Council approved a couple of years ago? (**Councilmember Moore**)

Staff response: The budgeted revenue on p. 516 is the partial water reimbursement from the district to the city. The estimated revenue for the water reimbursement in the 2024 adopted budget is \$145,823, which is allocated to Public Works Grounds Maintenance.

The revenue estimated in the 2024 adopted budget for field use permit revenue is \$150,000. \$57,000 is the estimated field permit revenue currently received from just the school district fields, which is allocated to the Parks and Recreation Department. The fee adjustment by council has been impacted by the pandemic and field closures due to rain, but the revenue is currently 2 percent more than before the adjustment. The fiscal year 22-23 season saw 26 days of field closures due to rain.

Q3: Library maintenance, both interior and exterior is covered by the JPA along with Janitorial services. The city covers the aquarium contract which had been \$36,000 annually, but the current budget shows a reduction on page 564 of \$8,395, which would further reduce the General Fund Costs to \$36k - \$8,395 = \$27,605 instead of the \$88,380 shown. This could be reflected in the SLR Summary? (**Councilmember Moore**)

Staff response: All ongoing reductions approved by City Council as part of the Fiscal Year 2023-24 Adopted budget are already included in the base budget. The reduction is already reflected as the contract services budget was originally \$462,881 but was adopted at \$454,486 (page 564), showing the \$8,395 difference. There is no need to reflect in the SLR summary.

Q4: Several Special Projects were canceled as shown below, from the City's Q1 update, saving about \$1.2 M. That would have freed up previously assigned funds to the unassigned fund balance, can someone point to where this has been accounted for? (**Councilmember Moore**)

Staff response: Any reduced expenditures in the prior fiscal year are accounted for in year-end unaudited fund balance in their respective funds.

Q5: Here are the Special Projects the Q1 update indicate are continuing, note that about \$40M has been appropriated in prior year and current Special Projects' budgets. Are any of these set to be canceled? Does staff have some recommendations on which ones could be added to the 1/17/2024 suggestions? (**Councilmember Moore**)

Staff response: Staff reviews the special projects on a quarterly basis and at year-end close to assess the project status and if a project should continue. Departments reviewed these projects as part of the First Quarter Financial Report, and recommendations for eliminating some projects can be found in Attachment A. Additional reductions to City Work Program items as identified by CWP in the title will be discussed with the Council in March.

Q6: Would you please break out the bullet point services the SR2S program provides (listed below), for instance how much is the crossing guard program costing, hosting working group meetings, Earth Day, Fall Bike festival, and newsletters.

2016 Measure B funding for Bicycle/Pedestrian Education and encouragement was \$33,060 for FY 23 as shown in the Q1 Update, November 21, 2023, PDF 55. The Safe Routes 2 School Budget Unit 100-88-846 mentions that “Program expenses are cost-recovered through Measure B grant funding.” (see page 614 of the FY 24 Adopted Budget) The Budget does not show how much of the SR2S budget is cost-recovered specifically from Measure B, but does show \$154,000 in unspecified revenue with expenditures of \$732,278 and total General Fund costs of \$578,278. There are no Councilmembers assigned to this group, which holds regularly scheduled monthly hybrid meetings on Zoom and in person at the city. <https://www.cupertino.org/our-city/departments/public-works/transportation-mobility/safe-routes-2-school> There are no meeting minutes kept for the SR2S Working Group meetings. “The Cupertino Safe Routes to School Working Group is a partnership between City staff, Cupertino Union School District, Fremont Union High School District, public schools in Cupertino, parents, high school students, and community groups such as Walk Bike Cupertino and the Cupertino Rotary Club.” It appears that the City Council formed the group in 2015.

- **Crossing Guards**
- **Events**
Cupertino Safe Routes to School hosts numerous events throughout the year.
- **Working Group Meetings throughout the year**
The Cupertino Safe Routes to School Working Group meets most months of the school year to collaborate in expanding the program.
- **Earth Day Activity in April**
In 2023, Safe Routes to School is organizing a walking tour of the Regnant Creek Trail in conjunction with the City's annual Earth and Arbor Day Festival. Check the [Regnant Creek Trail Tour](#) page for details.
- Typically the Cupertino Safe Routes to School team hosts family-friendly bike rides that allow participants to experience city landmarks and parks. We're changing it up this year to highlight the brand new, long-anticipated opening of the Regnant Creek Trail in the spring.
- **High School Student Representative Program recruitment in the spring**
Cupertino's Safe Routes to School program recruits high school students who are passionate about either bicycling, healthy lifestyles, accessibility, safe transportation, and/or campus safety as part of our [Working Group](#).
- **Middle School Bike Skills Workshops: June through September**
These bike safety workshops prepare rising 6th, 7th, and 8th graders to bike to middle school and beyond.
- **Summer Bike Challenges in June and July**

The summer is a great time to ride a bike! Explore the City, get some exercise, and have some fun while earning prizes.

Update: This program was started during the COVID 19 pandemic, when in-person bike events were not possible. Now that the pandemic is waning, Safe Routes to School has partnered with the Cupertino Library to offer bike challenges through their Summer Reading Program.

- **[Fall Bike Fest in September](#)**

A family-focused event that is held in the fall. Join us to enjoy a bike safety rodeo, pedal-powered bike blender smoothies, bike decorating, bike rides, and more!

- **Getting to School**

The City of Cupertino strongly encourages all families to choose alternative transportation for traveling to and from school. Alternative transportation includes walking, biking, carpooling, and transit. To this end, Cupertino Safe Routes to School has developed various resources to assist families in determining appropriate routes for walking and biking to school. Please reference the resources below when planning your child's route to school. Below are helpful resources to assist Cupertino families in making healthy and sustainable transportation decisions.

[Suggested Routes to School Map for Each School](#)

[Interactive Map for Cupertino Schools](#)

[Via-Cupertino Shuttle](#)

The City of Cupertino collects data on how students travel to and from Cupertino schools. View the reports below to understand Cupertino student transportation trends.

- [Student Travel Data Reports](#)

- **Newsletters**

Stay up to date on all things Safe Routes to School. Our monthly newsletter includes infrastructure updates, upcoming events, safety tips, stories of student-led projects, and much more! View our past newsletters here:

- [Newsletters](#)

- Receive future newsletters in your inbox by subscribing to our email list. To subscribe, enter your email into the SR2S Newsletter box here:

- [E-Notification Signup](#)

Check out our Back to School page to make sure you are prepared to walk, bike or scooter to school:

- [Back to School](#)

Discover safety tips, videos, and much more! Learn how to become a safer pedestrian and cyclist by reviewing our Safe Routes to School educational resources.

- [Resources](#)

- **Transportation Projects for Student Safety**

Cupertino also has the Bicycle and Pedestrian Commission with expenditures of \$62,715 and overlapping service objectives with SR2S. The members of the Commission are appointed by City Council and while the meetings are not recorded, or hybrid on Zoom, there are meeting minutes available.

Perhaps there is some overlap between these groups?

(Councilmember Moore)

Staff response:

<i>Bike Ped Education and Education at events</i>	<i>\$16,800</i>
<i>Pedestrian Education Program</i>	<i>\$49,169</i>
<i>Online Outreach for Events</i>	<i>\$500</i>
<i>Cost-share of SAM insurance policy with P&R</i>	<i>\$1,500</i>
<i>Crossing guard contract (does not include \$40K reimbursements)</i>	<i>\$301,293</i>
<i>Banners, flyers, newsletters, brochures, etc. in multiple languages</i>	<i>\$5,860</i>
<i>Supplies for various programs</i>	<i>\$22,465</i>
<i>Annual Bike Fest Event Support</i>	<i>\$16,300</i>
<i>Kindergarten Education for All Schools</i>	<i>\$11,200</i>

The City receives reimbursements through Measure B funds for a portion of the SR2S program. These funds vary per year, but on average the City receives approximately \$47,000 annually towards the program.

The expenditures for the Bicycle and Pedestrian Commission includes salary and benefits as well as other overhead items, including materials and cost allocations. There is no overlap in the costs or services between these two programs.

Q7: Public Works: Reduce Public Works materials, and contract services and part time positions: only two examples of reductions are listed, and the total amount is far from \$1,768,539. Can you provide more information on how the \$1,768,539 is reached?

(Councilmember Wei)

Staff response: See revised Attachment A for further detail.

Q8: Could you name a few cities by us that require sidewalk maintenance and tree maintenance paid by property owners? **(Councilmember Wei)**

Staff response: Based on current knowledge, the following table provides information on the entity responsible for maintaining the described assets within the public right of way for neighboring Cities.

City	Sidewalk Maintenance Responsibility	Street Tree Maintenance Responsibility
<i>San Jose</i>	<i>Property Owner</i>	<i>Property Owner</i>
<i>Campbell</i>	<i>City</i>	<i>City</i>
<i>Sunnyvale</i>	<i>Property Owner & City *</i>	<i>City</i>

<i>Mountain View</i>	<i>City</i>	<i>City</i>
<i>Palo Alto</i>	<i>Property Owner</i>	<i>City</i>
<i>Los Altos</i>	<i>Property Owner</i>	<i>Property Owner</i>
<i>Saratoga</i>	<i>Property Owner</i>	<i>Property Owner</i>

* Sunnyvale requires property owners to maintain sidewalks where they are situated within easements.

Q9: CWP License Plate Readers Project - how much is this specific project cost?
(**Councilmember Wei**)

Staff response: The current allocated budget is \$60,000 for the installation of an estimated 20 LPR Cameras. If installed, there is an ongoing annual cost of \$2,500 per camera (or \$50,000 annually for the 20 cameras).

Q10: Reduce Funding for Partnerships: how much savings per Partner? (**Councilmember Wei**)

Staff response: The savings are \$60,000 for the Chamber and \$8,293 for Sister Cities, and \$1,014 for other business memberships.

Q11: What school grounds are covered under the field use agreement? (**Vice Mayor Fruen**)

Staff response: This information can be found online at <https://www.cupertino.org/our-city/departments/parks-recreation/reservations-permits/sports-fields-courts>.

Q12: How will sidewalk maintenance by the residents be enforced? Also need to update in the SLR attachment to say Cupertino Union not unified. (**Vice Mayor Fruen**)

Staff response: The City would continue to provide temporary corrections to rapidly respond to unacceptable conditions. The City would then issue letters to residents notifying them of the need to perform maintenance on the sidewalk adjacent to their property and would provide a reasonable timeline for the resident to respond to the notice. Should the corrective work not be addressed in a timely manner, the city would be considering issuing code violations. The process would require a municipal code modification.

Q13: What is being reduced from Sister Cities, does this include room usage, how much does that cost the city? (**Councilmember Moore**)

Staff response: The current Sister City policy limits travel, which results in budget savings related to travel and gifts. The use of meeting room space is not included in the reductions. The policy allows for free use of meeting space for Sister City Committees each year. The cost of the maximum allowed space reservations, if exhausted, per Sister City Committee is approximately \$700 per year.

Q14: What does the historical society contract cost the City? Can it be included in the SLR discussions? (**Councilmember Moore**)

Staff response: The total grant funding provided pursuant to the agreement shall not exceed the annual sum of \$40,000. The contract is currently for a three-year term (\$120,000) with an option for two addition years (\$80,000) for a total sum of \$200,000 over five years.

Additionally, the agreement includes 18 meeting rooms and four large rooms at the Quinlan Community Center per calendar year and the Historical Museum space at Quinlan Community Center. Depending on the time of the meeting or event and the room rented, the monetary value ranges. Meeting Room refers to the Conference Room and Large Rooms refer to the Cupertino and Social Room. The space the museum currently occupies at Quinlan Community Center is relatively the same size as the Social Room.

Q15: Can I get a listing of all contracts the City has with non-profits? (**Councilmember Chao**)

Staff response: The support the City provides to non-profits is described on the City website: <https://www.cupertino.org/our-city/departments/finance/non-profit-support-opportunities>

Q16: Can we further reduce our fleet and SLR amount for "Defer Vehicle and Equipment Replacement"? (**Councilmember Moore**)

Staff response: The City has already made significant reductions to this budget (approximately \$693,000 over the last two years). The City could reduce this budget further; however, the State has mandated that 50% of new vehicle and equipment purchases be no-emissions vehicles. Currently, no-emissions vehicles are more costly than traditional gasoline/diesel vehicles, so a certain level of funding is required in order to meet this mandate. Staff does not recommend reducing the budget for this program any further at this time.

Q17: Can we add removing AI from McClellan to the SLRs? (**Councilmember Moore**)

Staff response: The AI project for McClellan is currently at a stage where cancellation is not feasible due to contractual obligations and the expenditure of approximately half of the \$60,000 budget.

Q18: Can we get information on the Senior Center costs; what programs are funded, and which are costs recovery. Be sure to include the travel program. (**Councilmember Chao and Councilmember Moore**)

Staff response: A link is provided below to a saved view on the City's financial transparency portal showing actual revenues versus expenditures:
[Senior Center](#)

Q19: Can we get more information on the preschool program, does that costs recover? (**Councilmember Moore**)

Staff response: Preschool is 125% cost recovery.

Q20: Can we get more information on BBF and Sports center, do those costs recover?
(Councilmember Chao)

Staff response: Links are provided below saved views on the City's financial transparency portal showing actual revenues versus expenditures:

[Blackberry Farm](#)

[Sports Center](#)

Q21: I believe we continue to pay for an annual contract for legislative consultant, which was meant to support the Legislative Review Committee with almost monthly meetings. Now that the Legislative Review Committee is decommissioned, I'd like to revisit this item. How much is annual contract? **(Councilmember Chao)**

Staff response: City currently has an agreement with the legislative consultant, Gonsalves and Sons, in the annual amount of not to exceed \$56,500.

Q22: I believe the city has contracted a PR consultant last year. Do we still have continued contract on that area? If so, how much? **(Councilmember Chao)**

Staff response: The agreement with Native Digital is in the amount of \$174,732.

Q23: What other similar contracts are there under the City Manager's Office?
(Councilmember Chao)

Staff response: There are no other PR agreements in the City Manager's Office.

Q24: I have requested a more detailed budget of the SR2S in the prep session, since there has never been an update to the Council on that area. I'd like to know the staffing and annual budget for last year, and if possible, the last 5 years. **(Councilmember Chao)**

Staff response:

The Safe Routes to School program meets monthly to provide information and updates on the program. Members of the public can sign up to be notified of upcoming meetings on the Safe Routes to School Working Group webpage at: <https://www.cupertino.org/our-city/departments/public-works/transportation-mobility/safe-routes-2-school/get-involved/working-group>

The Safe Routes to School Program also releases a regular newsletter with information regarding upcoming events, safety tips, stories of student-led projects, as well as general updates regarding the program. Members of the public can sign up to receive the newsletter via email at the Safe Routes to School webpage here: <https://www.cupertino.org/our-city/departments/public-works/transportation-mobility/safe-routes-2-school/newsletters>

Historical budget, actuals and staffing for the SR2S program can be found in the City's Adopted budget book pages 614-615. In addition, staff has created a saved view on OpenGov that shows historical budget and actual expenses and can be found [here](#).

Q25: I have requested a more detailed budget of the Senior Center in the prep session, since there has never been an update to the Council on that area. I'd like to know the staffing and annual budget for last year, and if possible, the last 5 years. (**Councilmember Chao**)

Staff response: A link is provided below to a saved view on the City's financial transparency portal showing actual revenues versus expenditures. Staffing information can be found in the City's Adopted Budget:

[Senior Center](#)

Q26: I'd like clarification on the homeless jobs program on whether the contract is still active. I'd like to know what other similar grant/contract the city currently has with other nonprofit/social service organizations. Could the expenses be covered with the CDBG grant? (**Councilmember Chao**)

Staff response:

The contract with West Valley Community Services (WVCS) for the Homeless Jobs Program is still active. Although the program did not receive any additional funding from the City Work Program budget for FY 2023-24, they were allowed to extend the period of performance for their previous contract to expend the remaining funds that they received through the FY 2022-23 CWP.

The table below shows the current grants for FY 2023-24 as adopted by City Council on May 2, 2023, other nonprofits/social service organizations for the Housing and Human Services program,

Rebuilding Together Silicon Valley
Live Oak Adult Day Services
God's Promise
Project Sentinel
Catholic Charities of Santa Clara County
Maitri
Senior Adults Legal Assistance

The Homeless Jobs Program would be eligible for CDBG funding under the category of "public services". However, the program would have to compete with other applicants for a limited amount of funding. In addition, CDBG public service funding is currently not available until FY 2025-26 due to a two-year approval cycle.

Q27: I'd like an update on the contract/grant for Cupertino Historic Society, which is \$40,000/year, while Cupertino historically only gave a grant of \$10,000 or at most \$20,000 before 2019, I believe. Since the financial situation of the City is very different now, what

options the city has? **(Councilmember Chao)**

Staff response: Based on the grant funding and license agreement in place, we can renegotiate the funding reimbursement by negotiating a reduction of the obligations by the Cupertino Historical Society to the City or terminate the agreement on the 30 days' notice clause in the contract.

Q28: Besides the Historic Society, we learned last year that Cupertino had been giving funding to Shakespeare in the Park, a fantastic program. But the city will likely be stopping that funding. In the spirit of fairness, I'd like to know what other contracts (funding in that format) the city has with other organizations? I'd like to explore what services they are providing and whether there is potential to obtain other sources of grant funding. **(Councilmember Chao)**

Staff response: The Parks and Recreation Department has two of these funding formats and they are the Historical Society and Shakespeare in the Park.

Q29: For the last item in the table, "Eliminate select city work program". Some of those were programs from last year. Could you provide an update on the program, when did it starts. and the budget for each item being considered for elimination. **(Councilmember Chao)**

Staff response: The start date, status, and budget of the city work program items recommended for elimination in Attachment A can be viewed on the City Work Program Dashboard at cupertino.org/cityworkprogram. Additionally, the License Plate Readers project has been on hold due to the County revising their policies on usage for LPR. Also, the Regulating Diversified Retail project was not identified as a priority item by Council during the prioritization session for FY 23-24.

Attachments Provided with Original Staff Report:

A. *Potential Service-Level Reductions Summary*

CC 1-17-2024

#1

Fiscal Year 2024-25
Potential Service-Level
Reductions

Amended Attachment A -
Potential Service-Level
Reductions Summary

Potential Service-Level Reductions (SLR) Summary

Grouping	Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)	Service Level Impact Narrative
Operations and Maintenance	Public Works	Reduce Public Works Materials and Contract Services and Part-Time Positions	\$ 1,768,539	None	Some contracts for general services, such as park tree maintenance (\$168,880), will move in-house, extending maintenance timelines; reduction in Public Works Part-time Positions (\$352,136), reduction in storm drain inspection contract services due to the purchase of the rover x (\$230,000), sidewalk curb and gutter service reductions (\$338,000), elimination of the Sherriff Work Program (\$85,000). Additional base budget reductions in materials and contract services across 60 programs within the Public Works Department (approx. \$600,000).
Operations and Maintenance	Various	Shift Credit Card Fees to Customers	\$ 432,668	None	Customers would pay a credit card transaction fee for any payments made using a credit card. Currently, the City does not charge credit card fees to customers. Many jurisdictions charge customers a credit card transaction fee for any payments made using a credit card.
Operations and Maintenance	City Manager's Office/Community Development	Reduce Part-Time Staffing, Reclassify Positions and Reduce Recruitment Advertising	\$ 286,348	None	The CMO reclassified the Communications Manager to a lower level position. This will result in decreased capacity in the Communications Division. Reduction of part-time positions in CMO and CDD. This could result in reduced administrative and communications support in CMO. This could cause a delay and decrease in the operations of the permit counter and the ability to provide historic levels of customer service to resident and community members on all matters related to the Community Development Department.
Operations and Maintenance	Parks & Recreation	Reduce Funding for Library Extra Hours	\$ 160,000	None	No immediate impact. The City has historically budgeted for increased library hours. This reduction will have no immediate impact to current operational hours, since Santa Clara County Library District has historically received funds from the state to cover these costs and has not been charging the City for 12 additional operating hours per week. If state funds are discontinued, this will become a true service level reduction.
Operations and Maintenance	Public Works	Reduce Impec Janitorial Contract	\$ 100,000	None	Further reductions in cleaning frequency for City facilities. Reduced cleaning has a direct impact on user experience and leads to quicker degradation of facility infrastructure.
Operations and Maintenance	City Manager's Office	Reduce Scene from 10 months to quarterly	\$ 92,400	None	Reduction results in less promotion of City services and less community outreach opportunities.
Operations and Maintenance	Administrative Services	Reduce Budget for Internal Audit	\$ 70,000	None	Reduction in the number of internal audit projects. Audits would occur on a less frequent basis.
Operations and Maintenance	Public Works	Reduce Crossing Guard Services	\$ 50,000	None	Reduction in the number of intersections served by crossing guards. The City currently receives \$20K from FUHSD and \$20K from CUSD. High schools could be eliminated from the crossing guard contract, resulting in a reduction of approximately \$70K, but could lose the \$20K from FUHSD (\$50K savings). Enhancing cost sharing could result in reducing expenditures.
Operations and Maintenance	Parks & Recreation	Reduce Parks & Recreation Expenses	\$ 33,619	None	Elimination of the Poet Laureate Program and Helping Hands Program. Reduce part-time staff for the preschool program, with a shift in focus to a more robust Tiny Tots (3 year old) program.

Potential Service-Level Reductions (SLR) Summary

Grouping	Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)	Service Level Impact Narrative
Operations and Maintenance	Parks & Recreation	Reduce Park Ranger Services	\$ 31,155	None	Reduction in hours planned for part-time rangers at the Stevens Creek Corridor and McClellan Ranch Preserve, resulting in a reduced ranger presence at the Environmental Education Center and for some of the nature based programs and events.
Operations and Maintenance	City Manager's Office	Eliminate Minimum Wage Mailers	\$ 23,202	None	The City currently prints and mails minimum wage information to businesses. This reduction would result in emailed forms, requiring businesses to print on their own.
Operations and Maintenance	Parks & Recreation	Reduce Senior Center Part-Time Staffing and Supplies	\$ 21,748	None	Reduction in hours planned for part-time staff at the Senior Center resulting in longer wait times for customers at the counter, reduced rental support, and reduced amenities in programs and events.
Operations and Maintenance	Administrative Services/Community Development	Reduce Conferences and Training	\$ 11,046	None	The decrease in conference attendance and training opportunities for staff might result in staff being less updated on current changes, new developments, and best practices within their field. The reduction could potentially lead to higher staff turnover rates.
Infrastructure	Capital Improvement Program	Reduce General Fund Transfers to the Capital Improvement Fund	\$ 2,000,000	2	City will initiate and complete CIP projects with the current Capital Reserve fund. The City will initiate only critical health and safety projects, or projects that will create revenue or savings to the City budget. A reduction in capital renewal will lead to a longterm aging of infrastructure impacting the attractiveness of this infrastructure to the public.
Infrastructure	Public Works	Shift Sidewalk Maintenance to Property Owners ¹	\$ 1,000,000	1.4	The California Streets and Highway Code sections 5610-5618 assigns responsibility for sidewalks to the adjacent property owner. Cupertino has historically assumed the costs of this work. This proposal will eliminate this service and shift sidewalk maintenance responsibilities to adjacent property owners. This practice is fairly standard across the region.
Infrastructure	Public Works	Shift School District Grounds Maintenance to School District ¹	\$ 737,394	4.2	This reduction would end the field maintenance agreement with the Cupertino Union School District. The school districts would need to take on the maintenance responsibilities. The City would forego revenue (approximately \$57K) from field rentals and the school district could potentially add revenue.
Infrastructure	Public Works	Shift Street Tree Maintenance to Property Owners ¹	\$ 455,008	3	Similar to sidewalk maintenance, street tree maintenance responsibility could shift to adjacent property owners. This practice is fairly standard across the region.
Infrastructure	Public Works	Defer Vehicle and Equipment Replacement	\$ 180,000	None	Defer vehicle and equipment replacements until future years (increasing the replacement cycle from approximately 7 years to 10 years on average). Additionally, reducing the overall size of the City fleet. This may increase cost and staff time to repair assets that were deferred for replacements.

Potential Service-Level Reductions (SLR) Summary

Grouping	Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)	Service Level Impact Narrative
Fiscal Accountability	Law Enforcement	Align Law Enforcement Budget with Actuals	\$ 1,000,000	None	Over the last year and a half, the Sheriff's Office has provided significantly less service than allowed under the budget with no apparent impact to crime. This reduction aligns the budget with the actual hours provided.
Fiscal Accountability	Innovation & Technology	Reduce Budget for IT	\$ 779,187	None	Reduced applications utilized by City staff; Cancelled ERP Implementation; Prolonged tech refresh cycles; Significantly reduced replacement parts and supplies, Reduced outside expert technical support. This reduction would reduce efficiencies from some technology uses where the city has historically been comparatively advanced.
Fiscal Accountability	Public Works	Utility True-up	\$ 398,407	None	Reduction aligns budget with actuals
Fiscal Accountability	City Attorney's Office	Align City Attorney's Office Contract Services and Materials with Actuals	\$ 226,561	None	Reduction aligns budget with FY 2023-24 Actuals. Specialized outside counsel and legal services are necessary to cover specialized legal representation and services.
Fiscal Accountability	Parks & Recreation	Consolidate Learn to Swim Program	\$ 87,118	None	Consolidate the Learn to Swim program into 100-63-612 under BBF, due to the program now being run from the BBF Pool and fully integrated into those operations. Consolidated part-time staff and program supplies and expenses into that program.
Fiscal Accountability	Administrative Services	Reduce Unemployment Insurance	\$ 64,148	None	New costs are reflective of post-COVID estimates
Community Benefit	Parks & Recreation/Public Works	Reduce 4th of July Funding	\$ 138,000	None	Elimination of 4th of July evening fireworks due to the significant cost of the event, including the fireworks, sheriff cost, and rental of equipment needed, as well as staff time needed.
Community Benefit	Council	Reduce Funding for Partnerships	\$ 69,307	None	Reduction in funding for partnerships including Chamber and Sister Cities. Reduction in cross cultural exchange and economic development opportunities.
Community Benefit	City Manager's Office	Reduce City Events/Outreach	\$ 63,166	None	Reduction in City events and outreach including the Community Academy, Public Safety Forum, State of the City, and CREST. Reduction could limit community outreach about public safety, law enforcement, Council goals and initiatives.
Community Benefit	Parks & Recreation	Reduce Budget for Paid Events	\$ 38,675	None	Reduction in part-time staffing scheduled for these events and program (e.g., Spelling Bee and Hack Cupertino). Will continue to offer current programs, but support with more volunteers and full-time staff.
Community Benefit	Parks & Recreation	Shift Sheriff Fees for Festivals to Festival Organizers	\$ 34,992	None	Sheriff expenses for festivals will no longer be covered by the City and will be charged directly to festival organizers starting in FY 2024-25.
Community Benefit	Parks & Recreation	Reduce Budget for Concerts and Movies	\$ 25,424	None	Consolidation of the Neighborhood Events program to reduce part-time staffing expenses and the reallocation of some events such as movies and band performances to Memorial Park.
Community Benefit	Public Works	Eliminate Earth Day Festival	\$ 19,126	None	Direct impact to quality of life through community events. Less opportunity for the City to advance goals, especially community outreach, around the Climate Action Plan. Staff time is not included within the Fiscal Impact number.

Potential Service-Level Reductions (SLR) Summary

Grouping	Department	Service-Level Reductions	Fiscal Impact	Full-Time Staffing Impact (FTE)	Service Level Impact Narrative
Community Benefit	City Manager's Office	Eliminate Select City Work Program Projects	\$ 75,000	None	Elimination of the CWP Enhance the Block Leader Program (grants to Block Leaders for community events), CWP Regulate Diversified Retail, and CWP License Plate Readers projects. Reduction in engagement with community. Reduction in retail diversity. Reduction in support for law enforcement to locate vehicles and suspects associated with criminal activity.
			\$ 10,472,238	10.6	

¹ Reduction will take place over time. Staffing reduction will be through attrition as positions become vacant.

CC 1-17-2024

#5

2024 Council Committee
Assignments

Attachment A - Draft 2024
Council Committee
Assignments

Supplemental Report

Draft 2024 Council Committees

Association of Bay Area Governments (ABAG)	JR Fruen - Primary Hung Wei - Alternate	Annually in April or May Bay Area Metro Center Yerba Buena Conference Room 375 Beale Street San Francisco, California
County of Santa Clara Housing and Community Development Advisory Committee	Kitty Moore - Primary JR Fruen - Alternate	3-4 times a year Sounty of Santa Clara, Board of Supervisors' Chambers, County Government Center – 70 West Hedding Street, 1st Floor, San Jose, CA 95110 6:15pm
Historical Society Advisory Council	Hung Wei - Primary Liang Chao - Alternate	3rd Wednesday of the month at 4:30 p.m. Cupertino Chamber of Commerce (hybrid in-person/zoom if possible)
Silicon Valley Regional Interoperability Authority (SVRIA)	Liang Chao - Primary Kitty Moore - Alternate	Every two months on the 4th Wednesday of the month Santa Clara PD 601 El Camino, Santa Clara
Santa Clara County Cities Association - Board of Directors	Sheila Mohan -Primary JR Fruen - Alternate	Monthly on the 2nd Thursday of the Month 7pm at Sunnyvale City Hall, West conference Room 456 W Olive Ave, Sunnyvale 94086
Santa Clara County Cities Association - City Selection Committee	Sheila Mohan-Primary JR Fruen - Alternate	As needed and will be held before Board Meeting on 2nd Thursday of the Month 6pm at Sunnyvale City Hall, West conference Room 456 W Olive Ave, Sunnyvale 94086
Santa Clara County Cities Association - Legislative Committee	JR Fruen - Primary Sheila Mohan - Alternate	As needed 6pm at Sunnyvale City Hall, West conference Room 456 W Olive Ave, Sunnyvale 94086

Draft 2024 Council Committees

Santa Clara County Library District Joint Powers Authority - Board of Directors	Kitty Moore - Primary Sheila Mohan - Alternate	Quarterly 1:30pm at Library Services & Support Center 1370 Dell Ave., Campbell, CA 95008
Santa Clara Valley Water Commission	JR Fruen - Primary Kitty Moore - Alternate	Quarterly on the 4th Wednesday of the Month Times and locations vary each month
Santa Clara Valley Transportation Authority (PAC) Policy Advisory Committee	JR Fruen - Primary Hung Wei - Alternate	Monthly on the 2nd Thursday of the Month 4pm at VTA River Oaks Campus 3331 North First Street, Conference Room B-106
School Partnership and School Liaison (CUSD, FUHSD, De-Anza CC)	Hung Wei - Primary Liang Chao - Alternate	Quarterly Quinlan Community Center
West Valley Mayors and City Managers	Sheila Mohan - Primary JR Fruen - Alternate	Monthly on the 4th Wednesday of the Month 12pm Location changes monthly
State Route 85 Corridor Policy Advisory Board	Hung Wei - Primary Kitty Moore - Alternate	Quarterly on a Monday of the month selected 10am Location changes each quarter
Silicon Valley Clean Energy Authority (SVCEA) JPA	Sheila Mohan - Primary Hung Wei - Alternate	Monthly on the 2nd Wednesday of the month 7pm Cupertino Community Hall
Stevens Creek Corridor Transit Steering Committee	Hung Wei - Primary Kitty Moore - Alternate	Corridor Tour - Feb. 7 or 8 (9-12) SC Meeting 3: mid-late February SC Meeting 4: mid May (Before Memorial Day) SC Meeting 5: early - mid Sept (after Labor Day)

Draft 2024 Council Committees

Audit Committee (City of Cupertino)	Sheila Mohan and Hung Wei	Meets monthly, usually 4th Monday of month City Hall 4pm-6pm in Conference Room A
Disaster Council (Cupertino)	Liang Chao - Primary Kitty Moore - Alternate	Quarterly on 3rd Thursday of the Month City Hall 2pm in EOC
Sister City Committees	Hung Wei - Primary Kitty Moore - Alternate	As needed City Hall
* When in-person, otherwise by videoconference.		

CC 1-17-2024

#12

Municipal Code
Amendments Two-Story
Permits and Accessory
Dwelling Units

Supplemental Report



**COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION**

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
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**CITY COUNCIL STAFF REPORT
SUPPLEMENTAL 1**

Meeting: January 17, 2024

Agenda Item #12

Subject

Consider Proposed amendments to Municipal Code Chapter 19.12, Chapter 19.28 and Chapter 19.112 regarding Two-Story Permit and Accessory Dwelling Unit (ADU) laws. (Application No. MCA-2023-002; Applicant: City of Cupertino; Location: City-wide)

Recommended Action

Conduct the first reading of Ordinance No. 23-2254: "An Ordinance of The City Council of the City of Cupertino to amend Municipal Code Chapter 19.12, Chapter 19.28 and Chapter 19.112 Regarding Two-Story Permit and Accessory Dwelling Unit (ADU) Laws" (Attachment A) to amend the following:

- a. Chapter 19.12, Administration, and
- b. Chapter 19.28 Single-Family Residential (R-1) Zones.
- c. Chapter 19.112, Accessory Dwelling Units (ADU)

Background:

Staff's responses to questions received from councilmember are shown in italics.

Q1: Councilmember question (**Councilmember Chao**)

I would like to know whether each of this request (about emails submitted by Peggy Griffith on January 15, 2024, as well as an email from Jennifer Griffin on January 16, 2024) is legally permissible in the City's Muni Code. If the information is available on the options chosen by other cities, I would like to know. Note that I may or may not agree with all of the requests below. But I do wish to know if each of them is a viable option for the Council to consider.

Staff response: The amendments to CMC 19.112, Accessory Dwelling Units, are reflective of State mandates for their development, as well as modifications proposed by the Planning Commission at their scheduled hearing on November 14, 2023. Below is a summary of response in regard to the emails submitted by members of the public:

- Separate Sale of ADUs: Although the AB 1033 gives the option for local jurisdictions to sell ADUs as separate units as condominiums, the current recommendation is that City Council does not allow this.
- Owner Occupancy of Principle Unit: Under AB 976, the State does not permit local jurisdictions to implement an owner occupancy requirement to allow ADUs on a particular parcel.
- Short Term Rentals of ADUs: Currently, the Cupertino Municipal Code, as well as State law, does not permit ADUs to be used as Short-Term Rentals. Please refer to CMC [19.112.020\(4\)](#) for more information.
- Multi-level ADUs: The State allows for ADUs to be up to two stories. The amendments to the Municipal Code do not recommend any ADU to be more than two stories.
- Rooftop Equipment: The city cannot impose any development standards on statewide/streamlined ADUs. However, the city does implement noise standards for AC units and other similar structures based on the City's Noise Ordinance.
- Balconies and Windowsills: The City cannot impose any development standards on statewide/streamlined ADUs.

Attachments Provided with the Original Staff Report:

- A. Draft Ordinance No. 23-2254 (clean)
- B. Draft Ordinance No. 23-2254 (redline)
- C. Planning Commission Resolution No. 2023-17
- D. Gov. Code Sections 65852.2 and 65852.22
- E. Public Comment

CC 1-17-2024

#13

Council Report

Amended Attachment C -
Council Reports, Moore

Supplemental Report



CITY COUNCIL ACTIVITY REPORT

Meeting: [Click or tap to enter a date.](#)

Reporting Councilmember: Councilmember Kitty Moore

Report Activity Dates: 11/28/23 to 1/8/24

Event Date, Title, and Description:

December 1, 2023. City of Cupertino Tree Lighting at the Quinlan Center. Parks and Recreation Director Sander led an excellent celebration with music, crafts, Gogo Biblio, and a special visitor.

December 4, 2023. Prep. Session on Revenue tax measures.

December 5, 2023. City Council Meeting.

December 9, 2023 – December 15, 2023. Wrap up of Environmental Studies courses finals Environmental Resource Management and Pollution Prevention and Environmental Resource Management and Pollution Prevention Lab. 9 courses in certificate program, A+ avg. Self-funded.

December 11, 2023. 1:1 with City Manager.

December 14, 2023. City Council reorganization.

December 16, 2023. Visited Wreaths Across America.
Meeting with Rep. Ro Khanna and office administrative staff.

December 18, 2023. 1:1 with City Manager.
Silicon Valley Hopper Ribbon Cutting with Santa Clara Councilmembers and Staff leaders from both cities who coordinated this program.

<https://www.santaclaraca.gov/Home/Components/News/News/44837/3171>

How to access SV Hopper: <https://www.cupertino.org/our-city/departments/public-works/transportation-mobility/community-shuttle>

December 19, 2023. City Council closed session.

December 21, 2023. Hsinchu Sister City visit and tour.

December 22, 2023. Submitted budget questions.

January 4, 2024. CalCities committee introductions. 4th year accepted to the CalCities Environmental Quality Policy Committee which includes councilmembers from across the state.

January 5, 2024. Group Chat: Governance vs. Politics, Social Prosperity Partners. Councilmembers and other nationwide community leaders discuss governance vs. politics.

January 8, 2024. Begin Winter quarter Environmental Studies courses: very special thank you to Prof. Jeff Staudinger for excellent environmental instruction and caring guidance. Current courses: Environmental Management Tools: Environmental Management Systems & Environmental Performance Reporting and Environmental Resource Mgmt & Pollution Prevention: Air, Water & Land. Self-funded.

Respectfully submitted in Memory of Professor Jeff Staudinger, PE, CHMM.

CC 1-17-2024

#'s 15-18

Treasurer's Reports

Supplemental Report



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
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**CITY COUNCIL STAFF REPORT
DESK ITEM**

Meeting: January 17, 2024

Agenda Items #15-18

Subject

Receive the Monthly Treasurer's Investment Report for November 2023
Receive the Monthly Treasurer's Report for November 2023
Receive the Monthly Treasurer's Investment Report for December 2023
Receive the Monthly Treasurer's Report for December 2023

Recommended Action

Receive the Monthly Treasurer's Investment Report for November 2023
Receive the Monthly Treasurer's Report for November 2023
Receive the Monthly Treasurer's Investment Report for December 2023
Receive the Monthly Treasurer's Report for December 2023

Background:

Staff's responses to questions received from councilmember are shown in italics.

Q1: The city has stopped paying Apple (BAZ INDUSTRIES) its 35% sales tax portion from the start of the 2023 sales tax period. This amount adds up to MILLIONS of dollars by now. Months ago, when this payment to Apple (BAZ) was stopped, staff said that they were setting aside Apple's share (35%) in a fund. Where is this Apple money being stored i.e. what fund is it being kept in? **(Councilmember Chao and Mayor Mohan)**

Staff response:

Funds yet to be remitted to Apple are currently accounted for in a liability account within the General Fund.

Q2: Why is this not showing up on the Monthly Treasurer's Reports? **(Councilmember Chao and Mayor Mohan)**

Staff response:

The liability is recorded as an accounting transaction, which would not be reflected in the Monthly Treasurer's Report.

Q3: Council had been receiving what had been a complete list of investments as you can see from the June 27, 2022 Audit Committee report, however at the start of 2023 Council removed the Audit Committee's authority to review the Monthly Investment reports and instead they go directly to Council and are put under Informational Items, and what has been provided was abbreviated and no longer following the requirements.

To make prudent financial decisions, the Council needs to be informed of our financial condition, please provide the fund balances and transactions for all of the accounts per Ca Gov Code 53607 and CMC 2.24.050.

See the change below:

2022 provided documents included balances for ALL accounts:

<u>Audit Committee</u>	<u>Agenda</u>	<u>June 27, 2022</u>
	<u>Staff Report</u>	
	<u>A - Chandler Investment Report May 2022</u>	
	<u>B - Chandler Custodial Statement May 2022</u>	
	<u>C - PARS Pension and OPEB Statement May 2022</u>	
	<u>D - LAIF Statement May 2022</u>	
	<u>E - Wells Fargo Operating Checking Account Statement May 2022</u>	
	<u>F - Wells Fargo Payroll Checking Account Statement May 2022</u>	
	<u>G - Wells Fargo Workers' Compensation Checking Account Statement May 2022</u>	
	<u>H - Wells Fargo Employee Benefits Checking Account Statement May 2022</u>	
	<u>I - BNY Mellon Statement May 2022</u>	

2022 provided documents to Council only include ONE account, see 15 and 17 below:

(Councilmember Moore)

Staff response: The City is in compliance with both GC 53607 and CMC 2.24.050. Fund balances for all funds are included monthly with the Monthly Treasurer's Reports (see items 16 and 18 of the January 17, 2024, City Council Meeting Agenda). Transaction reports are included in the Treasurer's Monthly Investment Report (see items 15 and 17 of the January 17, 2024, City Council Meeting Agenda).

Attachments Provided with Original Staff Report:

A – Chandler Investment Report November 2023

A – Report of City-wide Receipts, Disbursements, and Cash Balances November 2023

B – Report of City-wide Fund Balances/Net Position November 2023

A – Chandler Investment Report December 2023

A – Report of City-wide Receipts, Disbursements, and Cash Balances December 2023

B – Report of City-wide Fund Balances/Net Position December 2023