



ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109
CUPERTINO.ORG

CITY COUNCIL STAFF REPORT

Meeting: January 22, 2025

Subject

Study Session for the use of Committed Future Use Reserve one-time funds.

Recommended Action

Provide staff direction on the future allocation of how the City should allocate one-time funds from the future use reserve.

Reasons for Recommendation

Background

At the November 19, 2024, City Council meeting, staff proposed three different options for allocating \$74.5 million in one-time funds resulting from the uncommitting of the Sales Tax Repayment Reserve. A copy of this staff report is included as Attachment A.

City Council approved an alternative approach, allocating \$10.0 million to a one-time Additional Discretionary Payment to CalPERS to address the City's Unfunded Accrued Liability retirement costs and establishing the Committed Future Use Reserve for the remaining \$64.5 million. Additionally, Council directed staff to conduct a study session in January 2025 to explore potential uses for the remaining one-time funds.

Detailed reductions implemented in the FY 2023-24 and FY 2024-25 Adopted Budgets are included in the staff report as Attachments B and C.

Next Steps

Following the study session, staff will incorporate Council's direction into the FY 2024-25 Mid-Year Financial Report and/or the FY 2025-26 Proposed Budget.

Sustainability Impact

No sustainability impact.

Fiscal Impact

There are no fiscal impacts as part of this study session.

City Work Program (CWP) Item:
No.

CWP Item Description:
Not applicable.

Council Goal:
Public Engagement and Transparency
Sustainability and Fiscal Strategy

Environmental Quality Act
Not applicable.

Prepared by: Toni Oasay-Anderson, Senior Management Analyst
Reviewed by: Kristina Alfaro, Director of Administrative Services
Reviewed by: Tina Kapoor, Deputy City Manager
Approved for Submission by: Pamela Wu, City Manager
Attachments:
A – November 19, 2024 Staff Report and Allocation Plan
B – FY 2023-24 Budget Reductions
C – FY 2024-25 Service Level Reductions