

City of Cupertino – Budget Document Improvements and Performance Measures

~~Draft~~ Updated Implementation Action Plan

~~March~~ April 2025

Making the Most of the Draft Implementation Action Plan

Baker Tilly has developed this draft Implementation Action Plan to assist the City of Cupertino with the phasing and scheduling of 33 recommendations in the project report. That report sets forth the analysis leading to each recommendation. The work involved in implementing the recommendations will need to be integrated into the other work of the departments tasked with their completion, along with appropriate assignments of responsibility and with identification of specific planned completion dates. The draft Action Plan begins that process with guidance about a recommended priority assignment. Priority 1 recommendations are those that we believe are the most important to accomplish without delay or are easy to accomplish. Priority 2 recommendations have less importance in the near term or have an added element of complication to complete or require a significant amount of resources (perhaps internal and external) to assist with completion. Priority 3 recommendations are the least urgent to complete, either due to span of control or complexity. Department.

We suggest that you use this document to prepare a final Action Plan for the City of Cupertino. In doing so, the management team will need to identify specific target dates for completing implementation activities associated with each recommendation. Additionally, you may want to modify the described activities for implementing an individual recommendation based on internal knowledge of what will be required for completion or adjust the assignment of responsibility based on pending or future workload or other considerations. Where a draft task calls for an event to occur “regularly” or with a preset frequency (e.g., quarterly, monthly) you’ll want to ensure that your implementing procedure or policy is written to accomplish that objective. Prudent implementation of most recommendations will require “circling back” after the work of implementation has begun to fine-tune the work or the milestones based on experience. This step is not explicitly called out for each recommendation; however, assessing the progress of implementation (via “circling back”) should be a part of your normal management system. We would be happy to set up a consultation with you to support the conversion of this draft into the final Action Plan you can use to manage implementation.

To turn this draft into the Action Plan that is used to manage implementation, replace the column titled “Priority” with actual completion dates. Target dates can be specific (e.g., September 1) or by month or quarter (e.g., 3Q 2025), as appropriate to the individual action.

All of the work to implement the strategies is in addition to the normal work of involved City staff. Baker Tilly has staff associates who are experienced in implementing many of the actions identified in this draft Action Plan. We welcome the opportunity to assist you in doing so, and in any case, we remain available to consult with you in whatever way we can be helpful. Please do not hesitate to contact Carol Jacobs at 949-809-5588 or Steve Toler at 408-385-3414 if we can be of assistance. Steve Toler can be reached by email at Steve.Toler@bakertilly.com.

The discipline of project planning is basic to the successful execution of the work ahead. We hope that you find the draft Implementation Action Plan useful in that regard.

Rec No.	Recommendation	Implementation Steps	Priority ¹	Department Responsible ²	Comments
1	Ensure the document includes a title page, improved table of contents, consistent layout and orientation.	- Review the budget document for consistent formatting including font, font size, page orientation - Ensure title page and table of contents are properly formatted	1	Admin Services	FY26 Implementation
2	Isolate the Budget Message as a standalone section.	Move the Strategic Goals Budget Message section to the front of the document in the Introduction Section	2	Admin Services	FY26 Implementation
3	Incorporate the City’s Mission in the Budget Guide section with the Strategic Goals subsection and move them to the Introduction section after the City’s organization chart.	- Condense the City’s Mission in the Budget Guide section areas of the Budget Message - Move to the introduction section	2	Admin Services	FY26 Implementation
4	Eliminate the Notable Accomplishments and New Initiatives sections by condensing its content into a bulleted one or two sentence description for each accomplishment and relocate each relevant accomplishment to the respective Department section.	- Condense Notable Accomplishments and New Initiatives sections into small bulleted or narrative list by Department - Move each bulleted description into relevant Department section - Remove Notable Accomplishments and New Initiatives sections	2	Admin Services	FY26 Implementation
5	Summarize high-level notable accomplishments and new initiatives within the City Manager’s Budget Message	- Summarize high-level notable accomplishments and new initiatives into a small paragraph - Put this paragraph in the City Manager’s Budget Message	2	Admin Services/ City Manager’s Office	FY26 Implementation
6	Elevate the Budget Overview subsection as its own section in the budget document.	- Add the existing Budget Overview subsection as it’s own new section - Include the following subsections: - Budget Roadmap, - Changes to the Budget and Policies, - Budget by Fund, - Service-Level Reductions, - Special Projects, - Current Economic Update, - Key Budget Assumptions, and - Ongoing Challenges	2	Admin Services	FY26 Implementation

¹Priority 1: Important to accomplish without delay and/or easy to accomplish.

Priority 2: Second tier of importance to accomplish and/or may involve some complexity or time to complete.

Priority 3: Least urgent to complete and/or may take longer to set-up or to execute.

²To establish clear accountability there should be a single manager assigned responsibility for completing implementation of each recommendation. Where more than one manager is identified in this column, responsibility should be clarified when the Final Action Plan is prepared.

Rec No.	Recommendation	Implementation Steps	Priority ¹	Department Responsible ²	Comments
7	Report Department reductions at the summary level and refer to the Department section for further detail.	- Use the newly created Budget Overview section in Recommendation #6 to create a four page narrative - Refer to the individual Department sections for further detail	2	Admin Services	FY26 Implementation
8	Complete and publish the FY 2024-25 Budget at a Glance document to summarize the budget for the casual user.	Publish the above four page narrative from Recommendation #7 as a separate City's Budget at a Glance document	2	Admin Services	April 2025
9	Move the Mission Statement to the strategic goals section.	Move the Mission Statement from the Budget Guide section to the Strategic SGoals section.	2	Admin Services	FY26 Implementation
10	Move the Elements of the Budget Document, Glossary of Budget Terminology, Commonly Used Acronyms, and Revenues/Expenditures/Fund Balance Table to the Appendix.	- Move the following Elements of the Budget Document to the appendix - Glossary of Budget Terminology - Commonly Used Acronyms - Revenues/Expenditures/Fund Balance Table	2	Admin Services	FY26 Implementation
11	Eliminate the City Profile, Education, Programs and Applications, Community and Recreation Services and Things to Do and See subsections of the Community Profile section from the budget document.	- Remove the following subsections of the Community Profile section - City Profile - Education - Programs and Applications - Community and Recreation Services - Things to Do and See	2	Admin Services	FY26 Implementation
12	Update all policies to provide a summary of the policy and include a link to the official policy on the City's website.	- Remove the full financial policies from the budget document <u>to retain in an appendix with the budget and any revision dates</u> - Include a summary of the relevant financial policies and a link to the full policy on the City's website	3	Admin Services	FY26 Implementation
13	Eliminate the Flow of Funds Chart and replace it with a narrative description of how taxes are used to fund City services within the Budget Overview section of the budget.	- Eliminate the Flow of Funds Chart in the All Funds Financial Schedule section - Include a narrative of how taxes are used to fund City services within the Budget Overview section	3	Admin Services	FY28 Implementation
14	Revise the General Fund Contribution Schedule subsection to include a brief narrative of General Funds resources that are being contributed to other funds, refer to the General Fund Transfers subsection, and eliminate the existing table.	- Develop a draft narrative summary for City Manager's Office review and feedback - Eliminate the existing table of the General Fund Contribution Schedule in the General Fund Financial Schedules sections - Refer to the General Fund Transfers subsection in the narrative	2	Admin Services	FY27 Implementation

Rec No.	Recommendation	Implementation Steps	Priority ¹	Department Responsible ²	Comments
		Publish the updated section for incorporation into the annual budget document			
15	Refer the reader to the Department section or OpenGov for further detail.	- Review architecture and links in OpenGov to ensure accuracy and usability of financial schedules that provide the same or similar information as in the current budget document - Make revisions to OpenGov as required - Modify text references in the General Fund Financial Schedules section in each department to direct readers to the department sections, appendix and/or OpenGov - Condense Revenues section detail - Add reference to Open Gov to show further detail	2	Admin Services	FY27 Implementation
16	Condense the General Fund Revenues to provide an overview of the key revenue sources, and include the more detailed descriptions and analysis in the General Fund Forecast subsection.	- Develop a revised draft of a condensed General Funds revenue section (e.g., start with an outline, then complete a draft based on prior budget) - Move the more detailed descriptions and analysis in the General Fund Forecast subsection - Ensure consistency in formatting and align structure across both sections for clarity - Publish the updated section as part of the draft budget	2	Admin Services	FY26 Implementation
17	Review each Department section to include the following components: 1) Department description; 2) Organizational chart (by division/program including number of assigned personnel FTE equivalents); 3) Personnel summary (subtotals by position); 4) Key priorities, with emphasis on how they achieve the citywide strategic plan/priorities; 5) Performance measures with a reference to key departmental priorities and citywide strategic plan/priorities; and 6) Revenue and Expenditure summary by division/program and by expenditure type (personnel costs, materials and services, capital outlay, etc.).	- Review each Department section to ensure there is consistency in including the following components: - Department description - Organizational chart - Personnel summary - Key priorities - Performance measures - Revenue and Expenditure summary	3	Admin Services	FY27 Implementation
18	Eliminate the program budget information in the Department sections and refer the user to OpenGov to obtain further detail.	- Eliminate the program budget information in the departmental sections - Add reference to Open Gov for the reader to obtain further detail at the program budget level	2	Admin Services	Per Council hold off on this for awhile. FY27 Implementation

Rec No.	Recommendation	Implementation Steps	Priority ¹	Department Responsible ²	Comments
19	Develop a minimum five-year Capital Improvement Plan (CIP) and incorporate the CIP plan into the budget document.	- Develop the Capital Improvement Plan should be created and include the following elements: - CIP Overview - CIP Process that explains the definition of a project and the planning process - Project descriptions - Financial Summary by Year - Funding Availability - The CIP should be included as part of the annual budget with similar timelines so that the recommended operating and capital budgets are published within the budget schedule.	2 1	Public Works/ Admin Services	FY26 Implementation
20	Affirm primary responsibility and lead role of the development of the CIP Plan to Public Works as a shared responsibility and collaboration with other departments.	- Assign the lead role of development of the CIP to the Public Works Department - Conduct cross-departmental CIP meetings to ensure input is received - Develop a department coordination framework that defines roles, responsibility for input and collaboration - Discuss and disseminate the framework with departments. - Conduct periodic check-ins on CIP plan development to include the City Manager, and representatives from Public Works and Administrative Services	1	City Manager's Office, delegated to Public Works	FY26 Implementation, internal Standard Operating Procedure (SOP)
21	Assign compilation and publication of the CIP Plan section of the budget document to the Administrative Services Department's Budget division.	- Assign the lead role of compilation and publication of the CIP to the Admin Services Department - Standardize CIP formatting and structure to ensure consistency in CIP descriptions, budget projections and reporting - Establish a review and submission timelines for the draft and final CIP version in the context of the broader budget process - Collaborate with Public Works to inform final development of the finalized CIP plan - Incorporate the capital budget in the recommended budget document.	1	City Manager's Office, delegated to Admin Services	FY26 Implementation
22	Complete the FY 2024-25 Capital Budget and issue as Volume 2 of the current adopted budget.	Complete the FY 2024-25 Capital Budget already in progress (performed by Public Works)	1	Public Works/ Admin Services	Completed April 2025

Rec No.	Recommendation	Implementation Steps	Priority ¹	Department Responsible ²	Comments
		Issue the Capital Budget as Volume 2 of the current adopted budget.			
23	Provide clear quarterly tracking of CIP priorities, progress, and alignment with Council work programs.	- Develop a quarterly reporting framework to define reporting element such as progress tracking, estimated time of construction and completion, and tracking against budget - Establish a reporting calendar to set quarterly review deadlines on City Council agendas - Implement the CIP progress reporting - Check-in with City Council and department leaders to evaluate CIP progress reporting and opportunities to improve it	<u>32</u>	City Manager's Office, delegated to Public Works	<u>FY27 Implementation</u>
24	Create a detailed appendix for fund transfers, enterprise funds, and grant funding usage.	- Create a framework to report the following: - Fund transfers - Enterprise funds - Grant funding - Compile the fund transfer and grant data to document all sources and uses of funds - Publish the developed report(s)	2	Admin Services	<u>FY27 Implementation</u>
25	Ensure all appropriated funds and consulting services are tracked and reported against original purposes.	- Review current tracking mechanisms and implement any necessary changes based on feedback received from City Councilmembers regarding past reports - Review the current expense report that shows budget and actual expenditures for all appropriated funds - Create a report in OpenGov that highlights the consulting services expenses compared to the original budget. - Keep clear documentation of all consulting services budgets.	3	Admin Services	<u>FY28 Implementation</u>
26	Develop and implement a Special Projects policy to address such issues as definitions, approval authorities, timelines, projects spanning multiple fiscal years, budget carryovers for projects extending into a subsequent fiscal year, and periodic reporting timelines and form.	- Develop a special projects policy that addresses: - Definition of special projects - Form of reporting - Frequency of reporting - Follow-up on items and direction from City Council	<u>31</u>	City Manager's Office	<u>Completed April 2025</u>

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27	Review the City’s annual budget resolution and/or expenditure and budget policies to ensure they align with City Council authorities provided to the City Manager or designee in managing the annual budget, including use of contracted and/or consulting services to achieve the City’s annual service delivery goals expressed in the adopted budget.	- Review the City’s annual budget resolution and/or expenditure and budget policies to ensure the following: - Authorities provided to the City Manager - Use of contracted or consulting services - Make any changes or updates as needed	1	City Manager’s Office	<u>FY26 Implementation</u>
28	Review the City’s current budget community engagement strategy with the City Council to ensure it is successfully meeting the needs for identifying community priorities and to inform the community about how City services are funded.	- Present the City’s current budget community engagement strategy to the City Council - Solicit feedback on additional community engagement strategies - Make any changes or updates as needed	1	City Manager’s Office	<u>FY26 Implementation</u>
29	Review educational content on the budget’s role as a financial planning tool and document in light of any changes to the engagement strategy using easy-to-understand content and graphics.	- Review the proposed changes to the community engagement strategies - Update educational content and engagement strategy with easy-to-understand content and graphics based on proposed changes	1	Admin Services/ City Manager’s Office	<u>FY26 Implementation</u>
30	Leverage tools like OpenGov to create interactive, department-focused summaries for each user type including the community, council and staff.	- Review the current OpenGov design and layout for departments and solicit feedback for improvements - Move the current year so the newest information is listed first on the main page - Develop content based on the needs of the community and council - Include links in the budget document to OpenGov to create more tailored content	1	Admin Services	<u>FY27 Implementation, will need more time to develop and implement this recommendation</u>
31	Develop a citywide strategic plan that includes a review of the core values, mission and vision by the City Council to form the appropriate strategic goals and priorities for the organization and its operating departments.	- Determine if the strategic plan will be done with assistance from consultants or in house - Work with City Council to create a city-wide strategic plan according to the following framework - Core Values - Mission - Vision - Organizational Goals - Organizational Strategies - Strategic Priorities - Personal Priorities	1	City Manager’s Office	<u>FY26 Implementation, a FY26 Proposed Budget request will be made for dollars to complete a strategic plan.</u>

Rec No.	Recommendation	Implementation Steps	Priority ¹	Department Responsible ²	Comments
		• Incorporate strategic plan into planning for the budget document and performance measures			
32	Establish performance standards for each performance measure and reevaluate at least biennially.	• Review Baker Tilly’s suggested performance measures by Department • Obtain City Council approval on the set of performance measures to be implemented, informed by the Baker Tilly report and any subsequent creation of a citywide strategic plan • Identify roles and responsibilities within each department to identify the metrics to be tracked, gather the data, and develop the reports • Implement a tracking mechanism by developing a reporting structure to monitor compliance and effectiveness (e.g., quarterly, semi-annually) • Create a process for reviewing performance and updating performance measures with the City Council periodically (semi-annually) and as part of the annual budget process	1	City Manger’s Office, delegated to each department	<u>FY26/FY27 Implementation this will follow the strategic plan to ensure alignment with City Council vision and priorities</u>
<u>33</u>	<u>Conduct a study session to review the Performance Measures update in Q1</u>	• <u>Review updated performance measures</u> • <u>Bring to City council as a study session</u>	<u>1</u>	<u>City Manger’s Office, delegated to each department</u>	<u>FY26/FY27 Implementation, this will follow the strategic plan to ensure alignment with City Council vision and priorities.</u>