



## ADMINISTRATIVE SERVICES DEPARTMENT

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### CITY COUNCIL STAFF REPORT

Date: April 7, 2026

#### Subject

Approve a budget modification in the amount of \$475,000 for ballot measure preparation services and County of Santa Clara Registrar of Voter election services fees.

#### Recommended Action

1. Approve a Budget Adjustment in the amount of \$475,000 in the General Fund for ballot support services with TeamCivX and election services fees from the County of Santa Clara Registrar of Voters (GL# 100-41-405 700-702)
2. Adopt Resolution No. 26-xxx approving budget modification #2526-437, approving a additional General Fund appropriation in the amount of \$475,000 for ballot support services with TeamCivX and election services fees from the County of Santa Clara Registrar of Voters (GL# 100-41-405 700-702).

#### Background

The City is currently forecasting a revenue shortfall in future fiscal years due to increases in the County of Santa Clara Sheriff contract for public safety services. In response, on February 19 staff presented to City Council potential revenue generating measures for consideration. Council directed staff to further analyze business tax, the Utility User Tax (UUT), and sales tax options in addition to other measures to create cost effectiveness while retaining business competitiveness.

On March 3, Council directed staff to return with a plan for a proposed parkland ballot measure that would provide further protections for recreational facilities and parkland sites.

On March 17, Council considered additional analysis on business tax, UUT, and sales tax options and directed staff to contract for ballot measure support services that will evaluate expanding and/or extending the UUT that expires during fiscal year 2030-31 and pursuing a parkland rezoning protection effort. In March 2026, staff conducted a competitive procurement process and selected TeamCivX to provide feasibility assessment, awareness building, and ballot measure development services for each of these potential ballot measures. A contract with TeamCivX is currently in development and will be awarded under the City Manager's authority with City Council budget approval. The County of Santa Clara Registrar of Voters administers the election on behalf of the City and charges fees for election services, including labor, materials, and administrative support necessary to conduct the election.

### Reasons for Recommendation and Available Options

To adequately prepare for placing any ballot measure on the November 3, 2026, general election, it is important to begin feasibility assessment services with TeamCivX in April 2026. These efforts will include a thorough assessment of the local landscape, recent election results and additional research to design an opinion survey of local voters. This survey will consider extending the current UUT and possible slight increase in the tax rate while also soliciting feedback on a parkland rezoning measure. The opinion survey will be reviewed and approved by staff before it is conducted with a representative sample of likely voters in Cupertino. The results of the feasibility assessment will generate recommendations for how to structure the ballot measure(s), necessary communication to support the measure and, if the ballot measure(s) do not appear viable, recommended alternative strategies for pursuit. These recommendations will be provided to Council for consideration on which measure(s) to pursue.

If Council determines to not proceed with either measure, staff will terminate the remaining contract tasks with TeamCivX and conclude this effort. If Council determines a ballot measure should be pursued, staff will engage TeamCivX to provide awareness to Cupertino residents and businesses of the proposed measure(s) and offer opportunities for community input. All communications will be reviewed by staff and the City Attorney's Office to ensure it complies with state law. After collecting input through the outreach measures, TeamCivX will work closely with the City in developing the ballot measure language for the City Attorney's review before providing to the County of Santa Clara Registrar of Voters. Staff will provide updates to Council as the City proceeds with informational communication to Cupertino residents and businesses, and through development of the ballot measure.

Based on the information presented, staff recommends approving the budget adjustment so feasibility assessment efforts can begin for potential ballot measures related to UUT and parkland rezoning.

### Sustainability Impact

No sustainability impact.

### Fiscal Impact

An additional General Fund appropriation of \$475,000 is requested to support ballot measure preparation services and fees for election services provided by the County of Santa Clara Registrar of Voters. A corresponding increase in appropriations to the applicable budget (100-41-405 700-702) is required, as no funding is currently allocated for these services.

The estimated cost to complete the initial feasibility assessment phase, including survey design, polling, and analysis of voter sentiment, is approximately \$74,000, with total costs dependent on the scope of services, including outreach and ballot measure development.

If Council elects not to proceed with one or both ballot measures following the feasibility assessment, any remaining appropriated funds will be returned to the General Fund.

### City Work Program (CWP) Item/Description

None

Council Goal:

N/A.

California Environmental Quality Act

No California Environmental Quality Act impact.

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Prepared by: Greg Card, Purchasing Manager

Reviewed by: Jonathan Orozco, Acting Director of Administrative Services

Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, City Manager

Attachments:

A – Draft Budget Resolution