

CC 09-16-2025

Item No. 10

Internal Audit Work
Program: Special
Revenue Fund Process
Review

Supplemental Report



ADMINISTRATIVE SERVICES DEPARTMENT

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CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Meeting: September 16, 2025

Agenda Item #: 10

Subject

Internal Audit Work Program: Special Revenue Fund Process Review

Recommended Action

Receive the Special Revenue Fund Process Review Report

Background:

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

Q1: Where do SB 2 Funds exist?

Staff Response: The City has yet to receive SB 2 funds.

Q2: Where do Measure B 2016 Funds exist?

Staff Response: Measure B Funds are recorded in Fund 270 – Transportation Fund through a reimbursement process.

Q3: What are the conditions of SB 1600? How are street improvements being classified in the transportation fund?

Staff Response: SB 1600 report is typically provided to City Council in November of each year, providing an update on the status of all funds. The annual budget allows the use of these funds. Below Market Rate (BMR), Park Dedication, and Traffic Impact have their own designated funds, whereas, other fees collected are placed in a General Fund reserve and tracked separately.

Street improvements in the Transportation Fund are recorded to Capital Outlay – Annual Asphalt Project (900-921).

Q4: Regarding Art in lieu of funds, is this a special revenue fund and the money that was moved for Jollyman park, does it need to be tracked?

Staff Response: Art in lieu funds are recorded as a restricted fund (303-311) in the General Fund. The funds that were specific for Jollyman Park were fully utilized on May 2, 2023 when transferred from the CIP fund for project costs.

CC 09-16-2025

Item No. 11

Accept Legislative
Review Subcommittee
recommendation for SB
63, SB 707 and Measure A

Supplemental Report



CITY MANAGER'S OFFICE

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CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Meeting: September 16, 2025

Agenda Item #11

Subject

Accept Ad-Hoc Legislative Review Committee (LRC) City Council Subcommittee recommendation regarding Senate Bill 63, Senate Bill 707, and Measure A

Recommended Action

Accept the Ad-Hoc LRC City Council Subcommittee recommendation to request a veto for Senate Bill 63 and Senate Bill 707, oppose Measure A, and authorize the Mayor to send position letters to the State and County

Background:

This supplemental report includes a corrected version of the draft opposition letter for Measure A, the County Sales Tax Measure set for the November 2025 ballot. The letter with the corrected title is included as Attachment E.

Attachments Provided with Original Staff Report:

- A. *Subcommittee Report*
- B. *SB 63 Draft Request for Veto Letter*
- C. *SB 707 Draft Request for Veto Letter*
- D. *Measure A Draft Opposition Letter*

Attachments Provided with Supplemental 1:

- E. *Measure A Draft Opposition Letter – Corrected*



MAYOR LIANG CHAO
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September 16, 2025

Santa Clara County Board of Supervisors
70 West Hedding Street
East Wing, 10th Floor
San Jose, CA 95110

RE: Measure A – Sales Tax Measure (November 2025 Ballot)
Notice of OPPOSITION

Dear County Board of Supervisors:

On behalf of the City of Cupertino, I am writing to express our opposition to Measure A, the proposed 0.625 percent countywide sales tax increase appearing on the November 2025 ballot. While we recognize the fiscal challenges facing the County and the importance of sustaining healthcare services, we believe Measure A places an undue burden on residents and lacks the accountability and transparency that voters deserve.

Sales taxes are among the most regressive forms of revenue, disproportionately affecting low-income households, working families, and seniors on fixed incomes. At a time when many residents are already struggling with high costs of living, an additional tax would deepen financial strain. Moreover, because Measure A is structured as a general tax, the revenues are not dedicated specifically to healthcare services. Without clear safeguards, funds could be diverted to other purposes, undermining public trust and failing to ensure that the measure addresses the very healthcare challenges it is intended to resolve.

The timing of this proposal is also problematic. Placing such a significant revenue measure on a special election ballot reduces public awareness and limits voter participation, which does not reflect the level of engagement this issue deserves. Even if Measure A is approved, the projected revenues will cover only a portion of the County's long-term healthcare funding shortfall, leaving critical gaps unaddressed and creating uncertainty for the future of our public hospital system.

The City of Cupertino fully supports efforts to sustain and strengthen healthcare access for all residents, but we believe Measure A is not the right approach. We urge the Board to pursue alternatives that are more equitable, transparent, and sustainable, and to engage cities as true partners in developing solutions. We stand ready to work collaboratively toward strategies that protect public health without placing an excessive burden on our residents.

For these reasons, the City of Cupertino opposes Measure A.

Sincerely,

A handwritten signature in black ink that reads "Liang Chao". The signature is written in a cursive, flowing style.

Liang Chao

Mayor

City of Cupertino

cc. Supervisor Margaret Abe-Koga, District 5
The Honorable Josh Becker
The Honorable Patrick Ahrens

CC 09-16-2025

Item No. 18

Award DIALOG Design LP
for the City Hall Annex
Improvements

Supplemental Report



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Meeting: September 16, 2025

Agenda Item #18

Subject

Award of a design professional services agreement to DIALOG Design LP for the City Hall Annex Improvements project (420-99-248) for the renovation of an existing building located at 10455 Torre Avenue for a total not-to-exceed amount of \$493,243.

Recommended Action

1. Award a design professional services agreement to DIALOG Design LP for the City Hall Annex Project for basic services in the amount not to exceed \$448,243;
2. Authorize the City Manager to execute a Design Professional Services Agreement with DIALOG Design LP when all conditions have been met; and
3. Authorize the Director of Public Works to execute any necessary additional services, up to a contingency amount of \$45,000 (approximately 10% of base services,) for a total not to exceed amount of \$493,243.

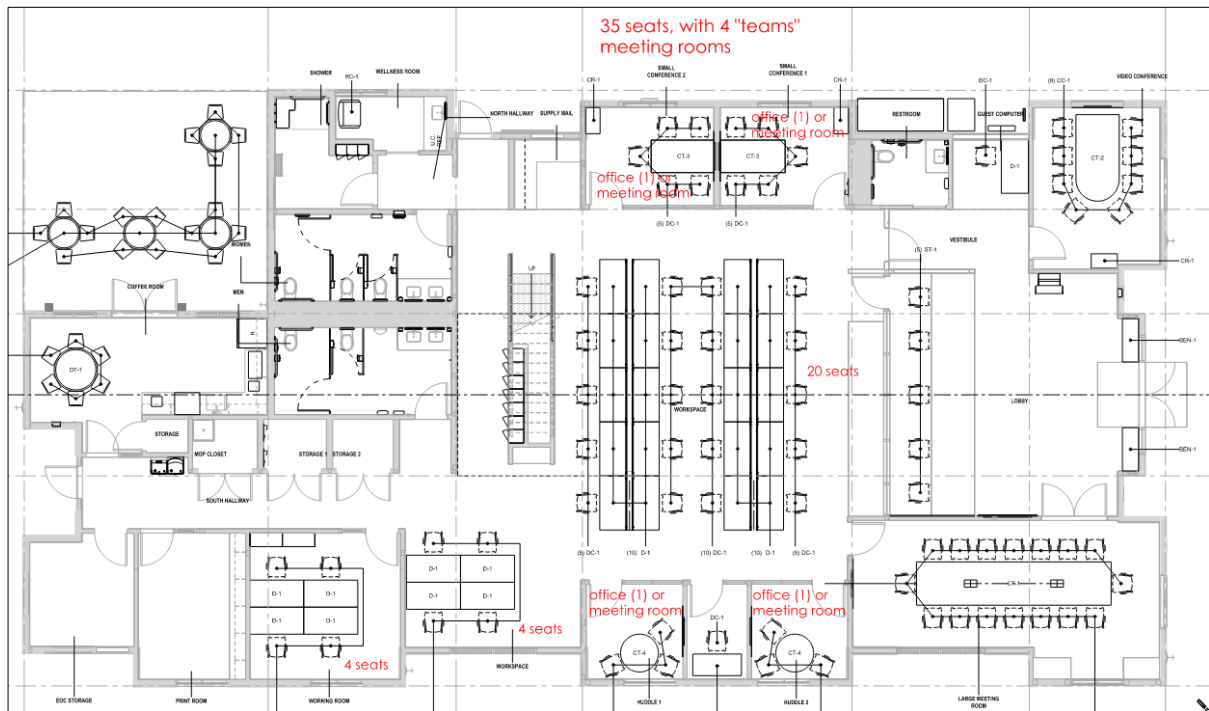
Background:

A webpage has been added to the City's website with background information on the City Hall Annex project: <https://www.cupertino.gov/Your-City/Departments/Public-Works/Capital-Improvement-Programs-Projects/City-Hall-Annex-Project>

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

Q1: I recall staff telling me the Torre Ave final design will accommodate 30-35 staff. Am I understanding this right? The entire building will only accommodate 35 at the most?

Staff response: That is correct. The furniture plan from the design drawings is available for download at the link provided above. For ease of reference, a screenshot is copied below.



Attachments Provided with Original Staff Report:

A. Draft Agreement

CC 09-16-2025

Item No. 22

Options on Commission
Oversight of
Transportation Matters

Supplemental Report



PUBLIC WORKS DEPARTMENT

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CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Date: September 16, 2025

Agenda Item #22

Subject

Options on Commission Oversight of Transportation Matters

Recommended Action

Provide input to staff on the preferred options for having transportation projects reviewed by commissions and provide direction to staff to take the necessary steps to implement the changes.

Background:

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

Q1: I had a chance to speak with Chad and David about looking into cities that do not have a BPC but a Planning and Transportation Commission. Here are some examples to take a look at. I'm not in favor of removing the BPC, I think we should have an advisory group but we should centralized Land Use and Transportation. If you have a moment, research how these cities are doing it:

- **Palo Alto:** The city's Planning and Transportation Commission (PTC) is responsible for a variety of projects, including parking programs, on-demand transit services, and car-free street initiatives.
- **San Carlos:** The Planning and Transportation Commission makes recommendations on land use, traffic, and circulation improvements for pedestrians and bicyclists, and reviews capital improvement programs related to transportation.

- **Walnut Creek:** The Transportation Commission advises the Planning Commission and City Council on all issues affecting parking and transportation, including the General Plan's Transportation Element.
- **Mission Viejo:** The Planning and Transportation Commission reviews and makes recommendations on a range of transportation matters, including traffic conditions, parking, and traffic safety programs.

Staff response:

Palo Alto has a Planning and Transportation Commission (PTC) which advises the City Council on transportation matters. Palo Alto also has a Pedestrian and Bicycle Advisory Committee (PABAC), a non-Brown Act group which advises staff. Members of the former are appointed by Council whereas members of the latter are self-appointed. Palo Alto has had this structure for over two decades.

Walnut Creek has a Transportation Commission that advises the Planning Commission and the City Council. They also have a Bicycle Advisory Committee, which advises the Transportation Commission on matters relating to bicycle planning and bicycle transportation in the city. The Transportation Commission appoints members to the Bicycle Advisory Committee.

San Carlos has a Planning and Transportation Commission which advises the City Council on transportation matters ranging from review of preliminary plans to higher level review of transportation policy documents and presentations related to bike/ped safety. Their Bicycle and Pedestrian Commission was merged with the Planning Commission in 2022. Commissioners are generally well-versed and informed regarding transportation-related matters.

Mission Viejo has a Planning and Transportation Committee which, in addition to advising Council on matters relating to land use and planning legislation, also acts in advisory capacity to the City Council on all traffic matters relating to: receiving complaints relating to traffic matters; surveying, reviewing, and making recommendations relative to traffic conditions, improvement of traffic conditions, and the administration and enforcement of traffic regulations; surveying, reviewing, and recommending plans for improved parking; and surveying, reviewing, and recommending safety programs, campaigns, and activities to educate the public in traffic safety.

Q2: I am warming up to the staff recommendation of the Transportation and Mobility Commission, so I hope to get more clarify on the functions of such a

commission. If you know of a city with a similar commission, I hope to take a look at their powers and functions section in the Muni Code to get a more concrete idea.

Staff response:

Staff is not aware of another City that has a "Transportation and Mobility Commission" in the bay area. However, there are cities that do have a "Transportation Commission". The Cities of Alameda and Davis are two examples. The City of Alameda has a "Transportation Commission" with the following duties:

- Develop transportation policy recommendations for City Council approval. Such policy recommendations shall be consistent with other adopted City plans and policies. The Transportation Commission shall consider the economic, community development (including environmental, aesthetic, public health and safety, and social welfare) and legal impacts of any recommended policies.*
- Review and advise the appropriate City departments, committees, commissions, boards, and City Manager on transportation related documents.*
- Review major transportation plans, including project plans and documents that affect transportation systems in the City for the purpose of providing comments and advising the Planning Board and/or City Council, when and where appropriate, on the consistency of the proposed plans or documents with established and/or adopted City of Alameda transportation policies.*
- Review and provide recommendations on referrals submitted by Public Works Director pursuant to Alameda Municipal Code subsections [8-1.1](#), [8-5.1](#), [8-8.1](#), [8-20.3](#), [8-20.4](#) and [8-27.3](#).*
- Perform the role as an appeals hearing board as designated in Alameda Municipal Code subsection [8-1.3](#).*

The City of Davis also has a Transportation Commission, with the following powers which may be more aligned with a direction Cupertino could take:

Advise City Council on matters relating to transportation and transit.

- Advise on transportation programs, policies, projects, and planning efforts for all modes including active transportation (bicycle, pedestrian, scooters, etc.), transit (Unitrans, Yolobus, etc.), and vehicular.*
- Serve as the lead commission on implementation of transportation aspects of the Climate Action & Adaptation Plan.*
- Hold a public meeting once a year to review any proposed Unitrans route, schedule, and fare changes.*

Q3: Also, it was mentioned that MTC/VTa have some grant requirement about the existence of a commission, did you send us the exact language of the requirement in a supplemental report? I somehow couldn't find it.

The exact language for MTC requirements related to grant eligibility was not previously provided in a supplemental report.

According to [MTC Resolution No. 4108](#), “each county and city is required to have a Bicycle and Pedestrian Advisory Committee (BPAC) or equivalent body review and prioritize TDA Article 3 bicycle and pedestrian projects and to participate in the development and review of comprehensive bicycle, pedestrian, or active transportation plans. BPACs should be composed of both bicyclists and pedestrians.” Alternatively, “an agency can apply to MTC for exemption from the city BPAC requirement if they can demonstrate that the countywide BPAC provides for expanded city representation.”

Complete Streets (CS) Policy ([MTC Resolution No 4493](#)) also has implications regarding the BPAC. This policy applies to “projects funded all or in part with regional discretionary funding or receiving MTC endorsements.” Regional discretionary funding includes STP/CMAQ (OBAG) and other federal funding programs at MTC’s discretion. Several other funding sources require MTC endorsement and apply to this policy. Project sponsors applying for such funding sources must submit a Complete Streets Checklist, reviewed by a BPAC or equivalent body.

According to MTC staff, “While the Complete Streets Policy ([Res. 4493](#)) does not define BPAC equivalents, the TDA-3 Policy and Procedures ([Res. 4108](#)) and its accompanying [supplemental guidance](#) do provide more details. In the interest of consistency, we would recommend following the TDA-3 supplemental guidance for the BPAC provisions of the Complete Streets Policy. Cupertino would need to demonstrate how a successor body contains the necessary pedestrian and bicyclist expertise and representation to review Complete Streets checklists and TDA-3 projects. Without a specific proposal from Cupertino on how a successor body would satisfy the TDA-3 BPAC requirements, we are unable to advise further at this point in time but would be happy to sit down and discuss further with VTA and Cupertino. Lastly, I would emphasize that without a compliant BPAC or equivalent body, Cupertino would not be able to seek regional discretionary funding or TDA-3 funding for its projects. So it is advisable for Cupertino to discuss a proposal with MTC prior to implementing a change in order to fully consider the potential impacts of those changes.”