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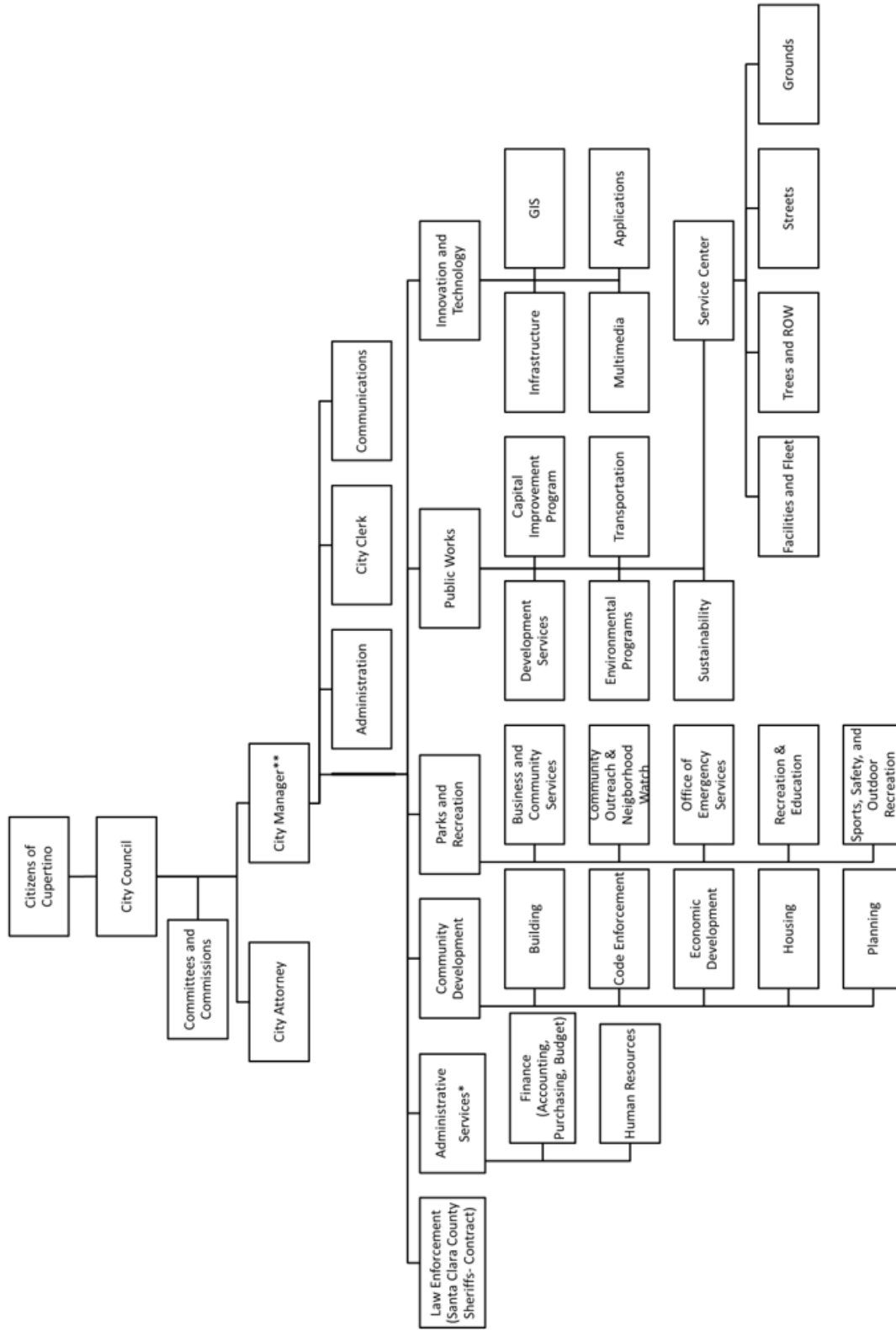
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Introduction

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City Organizational Chart



*The City Treasurer is the Director of Administrative Services

**The City Manager is the City's Municipal Employee Relations Officer

Our Mission

The mission of the City of Cupertino is to provide exceptional service, encourage all members of the community to take responsibility for one another, and support the values of education, innovation, and collaboration.

City Strategic Vision and Council Goals

On March 3, 2025, City Council participated in a Priority Setting Workshop to set the priorities for the next two Fiscal Years, modified Council Goals, and unanimously adopted a Strategic Vision Framework to guide decision-making and long-term planning for Cupertino.

Council voted to split the existing “Sustainability and Fiscal Strategy” goal into two separate ones – Environmental Sustainability and Fiscal Strategy – resulting in a total of six Council Goals. While these are intended as multi-year goals, City Council reviews them every two years and may reaffirm or revise as needed.

The newly-adopted Strategic Vision Framework features focus areas – Fiscal Resilience, Small Business Revitalization, and Emergency Management – to help guide strategic initiatives and resource allocation to better serve the community.



The City Council goal-setting and strategic planning process is paramount to provide a framework for the City's priorities, City budget, and the two-year City Work Program. This process ensures that the City's efforts are aligned with the goals set by the City Council and are important to the Cupertino community.

FY 2025-27 City Work Program

On March 18, 2025, the City Council approved a list of 19 priority items for the FY 2025-2027 City Work Program (CWP). This list includes 13 new items, which would require an additional \$2.28 million to complete. The remaining six items are ongoing, which do not require new funding, as they were previously allocated a combined \$1.07 million to complete. In total, the entire FY 2025-2027 CWP would cost a total of \$3.35 million to complete over a two year period.

Final FY 2025-2027 City Work Program							
#	Project Title	Project Description	Council Goal	Est budget (Not including staff costs)	Project Size	Lead Department(s)	Estimated Timeline
1	Economic Development for Retail and Small Businesses	1.1 Streamline permitting process for small businesses 1.2 Retention and recruitment of retail and small businesses: Explore options to support small businesses/startups, fill empty storefronts, and encourage entry of new forms of retail to promote revitalization • Explore more themed events like restaurant week, and other festivals to bring vitality to Cupertino businesses • Improve placemaking in the city and the city's revenue stream 1.3 Create a small business council, provide regulatory support. 1.4 Restore the EDC 1.5 Explore a Grants Analyst Position	Quality of Life, Fiscal Strategy	0.5 FTE will be requested during proposed budget 1.1: \$100,000 1.2: \$100,000 1.3: \$0 1.4: \$0 1.5: \$0 100-71-705 750-260	Large	Community Development	Year 1 start
2	Permit Streamlining and Simplification for Small Home Upgrades	Develop a suite of improvements to (1) improve access to, and (2) speed the processing of permits for small home upgrades so as to enhance compliance and improve overall efficiency. Improve turnaround times. Set SLA' s for staff and outsourced reviewers, customer service KPI' s, templates to reduce back and forth, internal staff expertise to reduce consulting expenses.	Quality of Life	\$250,000 100-71-701 750-261	Medium	Community Development	Year 1 start Year 2 end
3	Financial, Investment, and Cashflow Policy Review	Review and assess the City's investment policy and best practices with an analysis of quarterly treasurers report. Establish a cashflow management policy with the goal to reduce the total percentage in cash from 20% to 2% and to reduce the total percentage in cash and cash-equivalent to at most 10%, on par with other cities.	Fiscal Strategy	\$25,000 100-40-400 700-702	Small	Administrative Services	Year 1
4	Defensible Impact Fee Nexus Study for Traffic Impact Fee, Retail Impact Fee, BMR Impact Fee, and Parkland Impact Fee	Conduct nexus studies to review a range of impact fees, such as Traffic Impact Fee, Retail Impact Fee, BMR Impact Fee, and Parkland Impact Fee, and other means of offsetting conversion of commercial land uses to residential to ensure the impact fees are defensible against legal challenges.	Fiscal Strategy	\$1 Million 100-71-705 750-263 265-72-711 750-263 100-80-800 750-263 100-88-844 750-263	Large	City Attorney's Office	Year 2 Start
5	Water Conservation Policies	Reduce irrigation while increasing pollinator supporting vegetation (turf conversion). Optimize irrigation systems including CUSD use agreement sites.	Environmental Sustainability	\$250,000 100-84-813 750-264	Medium	Public Works	Year 1 start Year 2 end
6	Enhance Senior Services	6.1 Due to the high cost of senior centers, many seniors have to "age in place", but do still need services typically provided in senior centers, in addition to common home maintenance. 6.2 Utilizing the survey results conducted in 2022 and 2023 to meet the needs of Cupertino seniors 6.3 Consider consultant services similar to Palo Alto or Saratoga Senior Center to enhance services, while reducing cost to the city. NOTE: Cupertino Age-Friendly could make a presentation on the result of 2023 survey, in collaboration with the city staff. NOTE: Successful Aging Solutions & Community Consulting (SASCC), who runs the Saratoga Senior Center could provide a free gap analysis and feasibility analysis	Quality of Life	\$65,000 100-60-601 750-265	Large	Parks & Recreation	Year 1 start Year 2 end
7	City Properties: Planning for Optimal Use	Future planning strategies for Stockmeir house/garages, Blech House, Blue Pheasant. Goal of judicial use of city-owned properties. Investigate potential purchase of CUSD Finch/Phil property. Include the McClellan Barn and the house at the entrance of Blackberry Farm.	Quality of Life	\$200,000 100-80-800 750-266	Medium	Public Works	Year 1 start Year 2 end
8	5G Ordinance	Prepare an ordinance that regulates small cellular facilities in the public right of way.	Quality of Life	\$0	Small	Public Works	Year 1

Final FY 2025-2027 City Work Program

#	Project Title	Project Description	Council Goal	Est budget (Not including staff costs)	Project Size	Lead Department(s)	Estimated Timeline
9	Emergency Operations Readiness	Review fire, earthquake tornado, active shooter, Tsunami, hazardous transport accident policies; and ensure EOC is active and functioning with a permanent position not consultant running the program.	Quality of Life	\$40,000 100-60-601 750-267	Medium	Parks & Recreation	Year 1 start Beyond for completion.
10	Urban Forest Program	Create an Urban Forest Master Plan that includes an updated and expanded tree list which will increase the number of trees, enhance the City's tree canopy, and promote landscaping throughout the City.	Environmental Sustainability	\$250,000 (\$110,000 is already allocated for the tree list item under the current CWP.) 100-86-825 750-235	Medium	Public Works	Year 1 start Year 2 end
11	Add notifications for SB 330 and other projects during the application and approval process	11.1 Consider a community meeting requirement for any major project application, especially those requiring a general plan amendment, as some other cities have adopted. 11.2 Consider increasing notification radius from 300 feet to 500 feet (or even 1000 feet for major projects) for any project application, especially those requiring a general plan amendment. 11.3 Improve notification methods for SB 330 preliminary applications, streamlined projects, not requiring planning/council approval and other projects	Public Engagement and Transparency, Housing	\$10,000 100-71-701 750-268	Small	Community Development/CMO	Year 1 start
12	Unhoused Policies	Determine best practices for limited budget smaller cities to manage the unhoused. Review RV practices in surrounding cities for impacts and potential adoption. Review transitional housing outcomes in surrounding cities. Policies to include nimble contingency plans.	Quality of Life	\$100,000 100-72-720 750-269	Large	Community Development	Year 1 start Year 2 end
13	City Hall Retrofit and City Hall Annex Renovation including the EOC	Implement the previously approved 2022 Council plan with EOC migration	Quality of Life	\$0	Small	Public Works	Year 1
Total Funding Needed for New Projects				\$2,280,000			

Ongoing CWP Items

#	Project Title	Project Description	Council Goal	Est budget (Not including staff costs)	Project Size	Lead Department(s)	Estimated Timeline
14	Preserve existing and develop new BMR/ELI Housing <i>Ongoing CWP Item</i>	Explore opportunities to preserve existing expiring BMR housing. Develop ELI (Extremely Low Income) and BMR housing units for Developmentally Disabled Individuals (IDD) on City-owned property as well as the County-owned sites.	Housing	\$250,000 (Already Allocated, no new funding needed) 100-71-702 750-235	N/A	CDD	Year 1 start Year 2 end
15	Residential and Mixed Use Residential Design Standards <i>Ongoing CWP Item</i>	Create objective design standards for residential projects, including ensuring adequate buffers from neighborhood low-density residential development	Housing, Quality of Life	\$240,000 (Already Allocated, no new funding needed) 100-71-702 750-090	N/A	CDD	Year 1
16	Speed Limit Lowering (AB 43) <i>Ongoing CWP Item</i>	Lower speed limits where feasible pursuant to state adopted Assembly Bill 43	Transportation	\$0	N/A	Public Works	Year 1
17	Sign Ordinance <i>Ongoing CWP Item</i>	Update Sign Ordinance	Quality of Life	\$200,000 (Already Allocated, no new funding needed) 100-71-702 750-102	N/A	CDD	Year 1 Start, Year 2 end
18	Active Transportation Plan <i>Ongoing CWP Item</i>	This item is a consolidation of existing and new transportation efforts aiming to further goals outlined in the City's Vision Zero Initiative, including: 18.1 Review and update the bike plan 18.2 Review and update the pedestrian plan 18.3 Review current Complete Streets Policy and propose adjustments to create a better interface between all modes of transportation	Transportation	\$330,000 (Already Allocated, no new funding needed) 100-88-844 750-243	N/A	Public Works	Year 1
19	Bicycle Facilities <i>Ongoing CWP Item</i>	Increase the inventory of bicycle facilities and amenities, such as bike racks, citywide.	Transportation	\$50,000 (Already Allocated, no new funding needed) 100-88-844 750-219	N/A	Public Works	Year 1
Total Funding Already Allocated				1,070,000			
Total combined				3,350,000			

Directory of City Officials

City Council



Liang Chao
Mayor



Kitty Moore
Vice Mayor



J.R. Fruen
Council Member



Sheila Mohan
Council Member



R "Ray" Wang
Council Member

Directory of City Officials

Pamela Wu – City Manager
Vacant – Assistant City Manager
Floy Andrews – Contract City Attorney
Kristina Alfaro – Director of Administrative Services
Ben Fu – Director of Community Development
Chad Mosley – Director of Public Works
Rachelle Sander – Director of Parks and Recreation
Teri Gerhardt – Chief Technology Officer

Commissions and Committees

ARTS AND CULTURE COMMISSION

Archana Panda
Susan Chen
David Wang
Kiran Varshneya Rohra
Gurmeet Lamba

AUDIT COMMITTEE

Kitty Moore
Eno Schmidt
Hanyan Wu
Sheila Mohan

BICYCLE PEDESTRIAN COMMISSION

Hervé Marcy
Gerhard Eschelbeck
Joel Wolf
Munisekaran Madhipatla
Ilango Ganga

ECONOMIC DEVELOPMENT COMMITTEE

Vacant

HOUSING COMMISSION

Usha Narayan
Connie Cunningham
Elida" Lida" Xhindi
Ryan Golze
Yuyi He

LIBRARY COMMISSION

Chandra Sakthivel
Janki Chokshi
Liyan Zhao
Minna Xu
Qin Pan

PARKS AND RECREATION COMMISSION

Carol Stanek
Claudio Bono
Gopal Kumarappan
Sheela Sreekanth
Seema Swamy

PLANNING COMMISSION

Santosh Rao
David Fung
Seema Lindskog
Steven Scharf
Tracy Kosolcharoen

PUBLIC SAFETY COMMISSION

Nirmalendu Das
Ravi Kiran Singh Sapaharam
Sashikala Begur
Sidarth Rajaram

SUSTAINABILITY COMMISSION

Alexander Fung
Conny Yang
Jack Carter
Susan Hansen
Sonali Padgaonkar

TEEN COMMISSION

Anika Mukherjee
Anushree Misra
Brianna Su
Chelsea Lau
Harly Liu
Peter Chen
Rohin Garg
Shivika Biswari

TECHNOLOGY, INFORMATION & COMMUNICATIONS COMMISSION

Balaram Donthi
Emma Shearin
Mukesh Garg
Prabir Mohanty
Sudeep Kumar

GFOA Distinguished Budget Presentation Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Cupertino
California**

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director



Government Finance Officers Association
203 North LaSalle Street, Suite 2700
Chicago, Illinois 60601-1210
312.977.9700 fax: 312.977.4806

December 26, 2024

Kristina Alfaro
Director of Administrative Services
City of Cupertino, California

Dear Kristina:

A panel of independent reviewers have completed their examination of your Annual budget document for the period beginning July 2024. We are pleased to inform you that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

Your Distinguished Budget Presentation Award is valid for one year. To continue your participation in the program, it will be necessary to submit your next budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption.

Your electronic award package contains the following:

- **Scores and Comments.** Each entity submitting a budget to the program is provided with reviewers' scores for each of the categories on which the budget document was judged along with reviewers' confidential comments and suggestions for possible improvements to the budget document. We urge you to carefully consider these suggestions as you prepare your next budget.
- **Budget Award.** A camera-ready reproduction of the Award is included for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria. Please refer to the instructions for reproducing your Award in your next budget (also included in your award package).
- **Certificate of Recognition.** When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award.
- **Sample press release.** Attaining this Award is a significant accomplishment. The sample press release may be used to give appropriate publicity to this notable achievement.

In addition, award recipients will receive via mail either a plaque (if the government is a first-time recipient or has received the Award fifteen times since it received its last plaque) or a brass medallion to affix to the plaque.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at www.gfoa.org. If we can be of further assistance, please contact the Awards Programs staff at (312) 977-9700.

Sincerely,

Michele Mark Levine
Director, Technical Services Center

CSMFO Operating Budget Excellence Award



Budget Message

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Budget Message

May 1, 2025

To our valued Cupertino community, Honorable Mayor Chao, City Council Members, and dedicated staff,

As I committed to you during the time of our financial challenges *"In the face of these challenges, I firmly believe that the best for Cupertino is yet to come, and that the commitment of the City's residents, City Council, and employees will create a new and different Cupertino."*

Today, that vision is beginning to take shape. I am pleased to present a balanced budget for the current fiscal year, achieved through several years of thoughtful planning. In addition, I'm proud to share a 10-year financial forecast that reflects the City's ongoing fiscal discipline, projecting only a modest deficit in the final two years.

This year marks the start of a new chapter for our City—one built on collaboration, perseverance, and a shared commitment to progress. Earlier this year Council adopted a Strategic Vision Framework to guide decision-making and long-term planning for the City. The Framework outlines six goals and key focus areas to ensure that the priorities and the budget are strategically aligned to best serve the community. Before we talk about the future I want to recognize some notable accomplishments from this past fiscal year:

- Adopted a new Strategic Vision Framework
- Enhanced public safety by adopting a policy and purchasing Automated License Plate Reader cameras (ALPR)
- Earned prestigious budget awards from both the GFOA and CSMFO, and completed the Annual Comprehensive Financial Report ahead of schedule with a clean audit opinion
- Certified the Housing Element
- Advanced equity through a draft Anti-Displacement Policy
- Launch of the redesigned City website with enhanced integration and user functionality.
- Significantly increased educational outreach by doubling 3rd Grade Creek Tours and revamped the Preschool Program for added flexibility.
- Teen engagement grew with new volunteer opportunities and the successful Teen Resource Fair
- Adoption of the Vision Zero Action Plan and reduction of speed limits to improve bike and pedestrian safety.
- Major infrastructure projects like McClellan Road Separated Bikeways Phase 3 and De Anza Boulevard Buffered Bike Lanes were completed

A full list of accomplishments is included in each department section.

This outlook demonstrates our commitment to the Strategic Vision and the effectiveness of our long-term financial strategies. We emerge as a nimble and flexible organization, having reduced the budget by almost \$24 million dollars over the last two years, including a reduction of 15 vacant full-time positions. We have strong reserves, retaining the dollars we set aside for a potential CDTEA payback, as a result of the audit of one of our top sales taxpayers. Additionally, the unassigned fund balance has grown over the last two years through prudent spending and strategic decision-making. We anticipate ending fiscal year 2024-25 with \$157 million in fund balance in the General Fund, reflecting our commitment to maintaining an adaptable and responsive city.

With a strong operational foundation in place, we now turn our focus to the future—identifying opportunities to restore services, safeguard our current position, and invest strategically to ensure the City's long-term financial resilience.

City staff have developed a Strategic Budgeting Framework: Restore, Protect, and Invest (RPI)

Strategic Budgeting Framework: Restore, Protect, Invest

Purpose: A fiscally responsible approach to rebuilding core services, enhancing safety, and making targeted investments with high return on public value.

1 Restore

Objective: Bring back services where need is greatest.

- **Actions:** Use data (service usage, social indicators) to guide restoration.
- **ROI:** Supports community resilience, and public trust.
- **Example:** Restoring funding for Shakespeare in the Park, Community Funding and funding for internal audit contract.

2. Protect - Fix It First

Objective: Maintain and enhance existing infrastructure before expanding.

- **Actions:** Prioritize repairs, safety retrofits, and preventive maintenance.
- **ROI:** Avoid costly breakdowns and extend asset life.
- **Example:** Various needed maintenance repairs and equipment replacement throughout the City.

3. Invest - Strategic Adds

Objective: Invest in programs that offer a strong fiscal or social return.

- **Actions:** Prioritize programs with demonstrated outcomes or indirect revenue impact.
- **ROI:** Prevents future costs, ensures proper positions are in place to move the organization forward or drives revenue growth.
- **Example:** Strategic Plan, position adds and reclassification to align with work needed to be performed, and investment in staff training.

With this budgeting framework in mind, the Fiscal Year 2025-26 Proposed Budget is recommended at \$134,997,435 across all funds with estimated revenues of \$134,154,373 and the use of one-time funds of \$843,062. Focusing on the General Fund, the City's largest tax-supported fund, a proposed budget of \$98,120,775, with estimated revenues of \$97,229,134 resulting in a use of fund balance \$891,641.

Included in this Proposed Budget are a total of \$8.26 million in budget requests, with \$2.28 million in City Work Program request, \$2 million in CIP and \$3.98 million in department request for funding. The department requests are listed by RPI category.

RPI Category	Ongoing	One Time	Total Requests
Restore	\$476,358	\$45,000	\$521,753
Protect	\$110,055	\$1,717,401	\$1,827,456
Invest	\$1,022,856	\$611,500	\$1,634,356
TOTALS	\$1,609,753	\$2,373,901	\$3,983,565

In closing, I want to express my heartfelt gratitude to our community, City Council, and the dedicated staff of Cupertino. Addressing a significant budget deficit in such a short time was no small task—and naturally, it brought uncertainty. But through collaboration, determination, and a shared commitment to our city's future, we've emerged focused and better prepared to meet future challenges

Thank you for your support and tireless efforts,



Pamela Wu

City Manager

Budget Overview

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Budget Overview

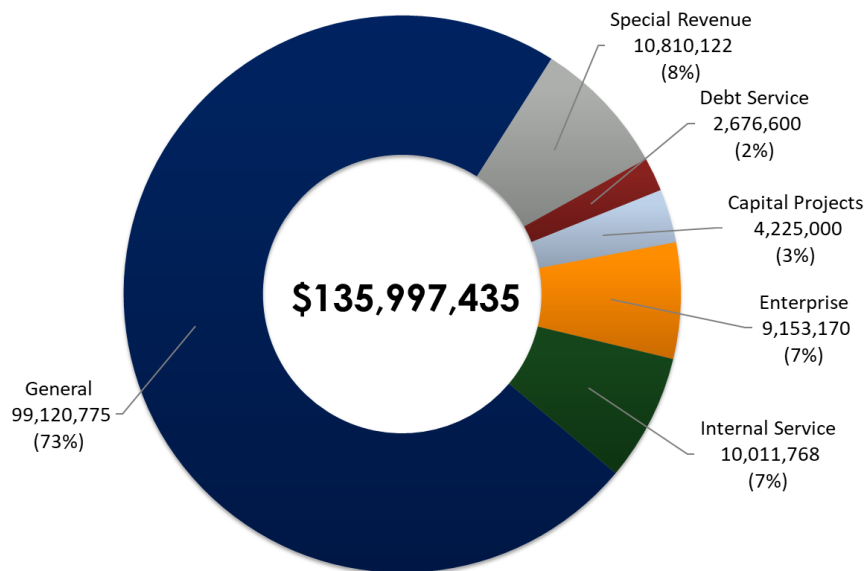
The Adopted Budget for the upcoming fiscal year highlights a decrease in both expenditures and revenues compared to the previous year's Adopted Budget. Total expenditures are expected to be \$136.0 million, a \$10.6 million, or 7.3%, decrease from the previous year Adopted Budget. Similarly, total revenues are anticipated to be \$135.2 million, a \$4.2 million or 3.0%, decrease from last year's Adopted Budget.

FY 2025-26 General Fund expenditures, which supports the majority of City operations, are expected to be \$99.1 million, an increase of \$9.1 million or 10.0%, from the previous year's Adopted Budget. General Fund revenues are anticipated to be \$97.2 million, which is a \$7.4 million or 8.3%, increase from the previous year's Adopted Budget, resulting in a use of fund balance of \$1.9 million. The budget is short of balancing and staff recommends using unassigned fund balance to fill the funding gap this year. The General Fund's ending fund balance is projected to decrease to \$156.7 million from the FY 2024-25 Amended Budget (Year End projected).

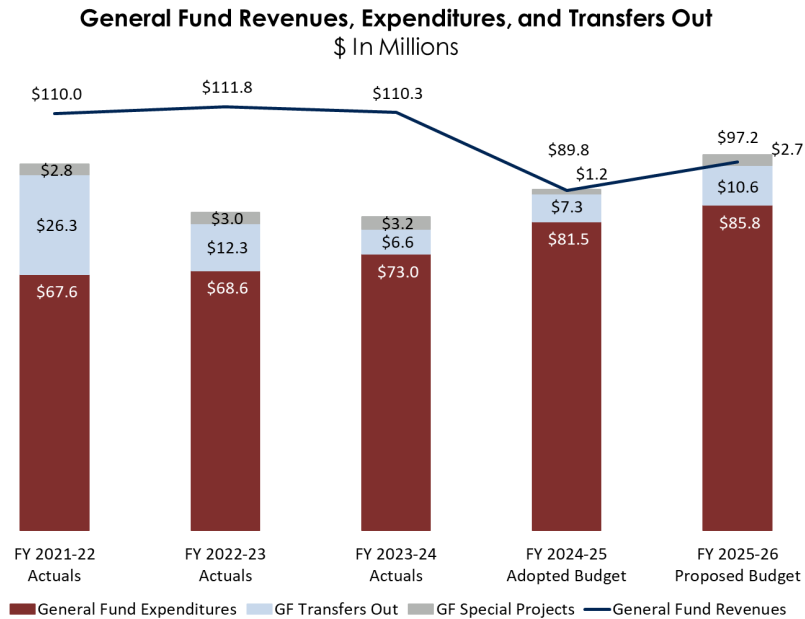
Fund Type	Proposed Revenues	Proposed Expenditures	Change in Fund Balance/Net Position
General	97,229,134	99,120,775	(1,891,641)
Special Revenue	14,322,146	10,810,122	3,512,024
Debt Service	2,676,600	2,676,600	-
Capital Projects	4,000,000	4,225,000	(225,000)
Enterprise	7,326,084	9,153,170	(1,827,086)
Internal Service	9,600,409	10,011,768	(411,359)
TOTAL \$	135,154,373	\$ 135,997,435	\$ (843,062)

As shown in the chart below, the largest fund is the General Fund at 73%.

**FY 2025-26 Proposed Budget
Expenditures by Fund**



The graph below summarizes the changes in the City’s General Fund over the last five years:

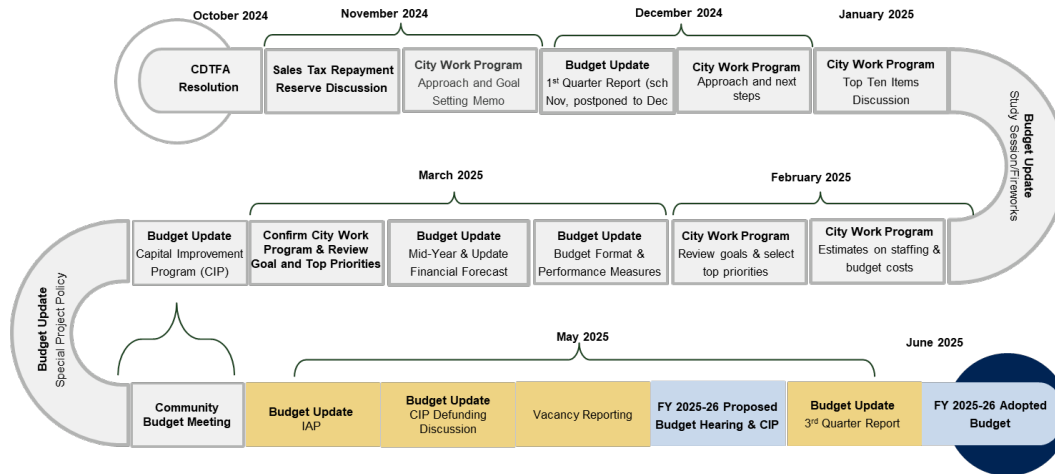


The FY 2025-26 Proposed Budget funds a total of 210 positions, representing an increase of three positions from the FY 2024-25 Amended Budget.

Position	Department	Description	FTE
FY 2024-25 Amended Budget			207.00
FY 2025-26 Proposed Budget			
Receptionist	City Manager's Office	Adding Position	1.00
Management Analyst (Grants)	Administrative Services	Adding Position	1.00
Maintenance Worker I/II	Public Works	Adding Position	1.00
FY 2025-26 Proposed Budget			210.00

Budget Roadmap

This is the second year the city has utilized the budget roadmap graphic to inform the Council and public of a various touch points and components of the budget that are completed prior to the Proposed Budget Study Session and Final Budget Adoption. This year, included many stops along our budget roadmap to budget adoption as illustrated in the graphic below:



Changes to the Budget and Policies

Budget Format and Performance Measures Report and Implementation Action Plan

In Fall 2024, the City engaged Baker Tilly US, LLP to conduct a comprehensive review of its Budget Document and Performance Measures. The primary objective of this engagement was to enhance clarity, accessibility, and to strategically align the City's annual budget document and to improve the effectiveness of performance measures in tracking progress toward key citywide goals. The draft Budget Format Implementation Action Plan (IAP) was presented to the City Council in March 2025. This plan included 32 recommendations that were prioritized 1-3, with 1 being the highest priority. One additional recommendation was added by City Council for a total of 33. For further details on this IAP, please see City Council staff report dated March 4, 2025. The updated IAP will be before City Council for approval on May 6, 2025.

The FY 2025-26 budget document accomplished 15 of the 33 recommendations which also includes a request for funding to assist in completing the Strategic Plan. It is also expected the Capital Improvement Plan will print with the budget this year, this would bring total recommendations accomplished between the two documents to 17 recommendations implemented or 50% implementation rate for the first year of the IAP.

Special Projects Policy

As part of the Implementation Action Plan outlined above, the creation of a Special Projects Policy was identified as a top priority. Accordingly, City Council adopted the Special Projects Policy in March 2025 and is included in the financial policies on the City's website. This accomplishment is included in the total above.

Revised Fees

Matrix Consulting Group recently conducted a comprehensive fee study that was presented to City Council in February 2024. City Council will consider the FY 2025-26 fee schedule in May 2025 with the newly adopted fees going into effect 60 days after adoption in mid-July 2025. Increased fee revenue has not been included in this budget.

Investment Policy

The City Council annually updates and adopts a City Investment Policy that is in compliance with State statutes on allowable investments. By policy, the Audit Committee reviews the policy and acts as an oversight committee on investments. The policy directs that an external auditor performs agreed-upon procedures to review City compliance with the policy. The Audit Committee reviewed and accepted the current Investment Policy on April 28, 2025. The City Council will consider the City's Investment Policy in May 2025.

GANN Appropriations Limit

In 1979, California voters approved Proposition 4, the Gann Initiative, and added Article XIII B to the California State Constitution. Article XIII B mandates a limit on the amount of proceeds of taxes that state and local governments can receive and appropriate (authorize to spend) each year. The purpose of this law is to limit government spending by putting a cap on the total proceeds of taxes that may be appropriated each year. Proposition 111 and Senate Bill 88, approved by California voters on June of 1990 offered cities more flexibility in choosing inflation and population factors to calculate the limit.

Data to complete the FY 2025-26 GANN is not yet available from the State of California, Department of Finance. This will be updated as part of the final budget.

Citywide Conference and Training Budget Add-backs

As part of a budget reduction strategy, citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference.

Contingencies

Contingency dollars have been calculated from department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets. The City Manager Contingency is the only remaining budget with contingencies as an expense category.

Reorganizations

The City Manager's Office underwent a reorganization in late FY 2024-25, transferring Economic Development to the Community Development Department and Office of Emergency Management to Parks and Recreation. Both program budgets had previously been housed in their current departments.

Budget by Fund

General Fund

The General Fund is the primary source of funding for critical services in the community, including law enforcement, public works, community development, park maintenance, code enforcement, and administrative support services. These services are financed mainly by local taxes such as sales tax, property tax, and transient occupancy tax, as well as other discretionary sources. The General Fund is responsible for financing services that do not have dedicated funding sources, ensuring that essential public services are available to the community.

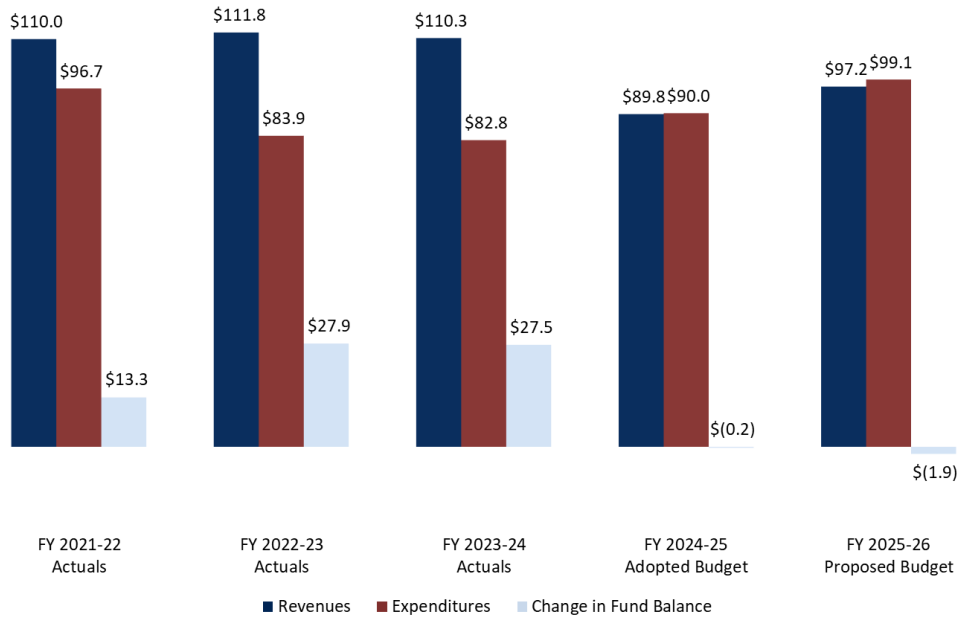
General Fund revenues for the upcoming fiscal year are projected to be \$97.2 million, which is a \$7.4 million or 8.3%, increase from the previous year's Adopted Budget. This is primarily due to a projected increase in property tax revenues, an increase in use of money and property related to the new water lease agreement, and grant revenues related to the City's community shuttle program.

General Fund expenditures for the next fiscal year are \$99.1 million, an increase of \$9.1 million or 10.0%, from the previous year's Adopted Budget. This is a result of budget requests totaling \$2.4 million, including \$1.4 million in one-time costs. The rise in Contract Services was mainly driven by higher costs associated with the City's general service agreement for law enforcement and the community shuttle program, as well as increased transfers to support enterprise fund operations.

Although General Fund expenditures are increasing in FY 2025-26, the City will continue to demonstrate proactive fiscal stewardship while Fiscal Accountability measures focus on aligning budgets with actual costs and streamlining expenses. These strategies blend cost reduction with service adjustment, reflecting an effort to manage financial constraints, optimize resource allocation, and consider potential impacts on community services.

The following chart shows four years of total revenue, expenditures, and changes to fund balance for the General Fund:

General Fund Revenues, Expenditures, and Change in Fund Balance In Millions

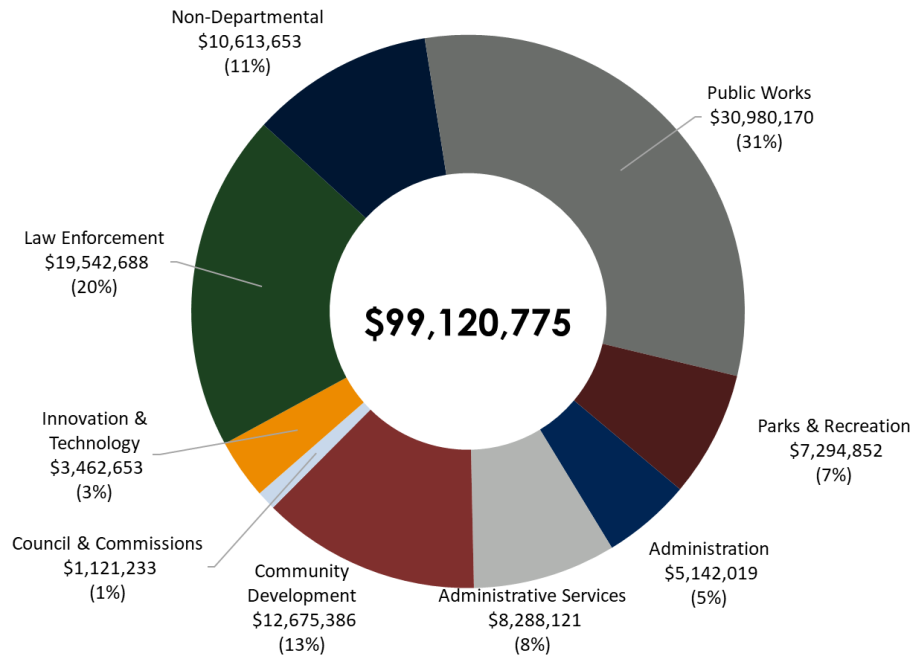


In FY 2025-26, the General Fund's unassigned fund balance is projected to be \$39.2 million, an increase of \$0.1 million, or 0.3%, from the FY 2024-25 Amended Budget (Year End Projected). Unassigned fund balance represents fund balance that is available for use and is not assigned, restricted, or committed. Total fund balance is estimated to be \$156.7 million, a decrease of \$0.6 million, or 0.4%, from the FY 2024-25 Amended Budget (Year End Projected). The slight decrease in total fund balance is due to one-time projects included in this year's budget. With the budget just short of balancing, staff recommends using unassigned fund balance to fill the small gap in funding this year.

GENERAL FUND FUND BALANCE						
Classification	2022-23 Actual	2023-24 Actual	2024-25 Adopted Budget	2024-25 Year End Projected	2025-26 Proposed Budget	Percent Change
Unassigned	71,603,813	25,965,405	23,630,860	39,069,295	39,181,179	0.3%
All Other Classifications	66,952,526	140,129,914	127,130,508	118,178,439	117,494,554	-0.6%
TOTAL FUND BALANCE	138,556,339	166,095,319	150,761,368	157,247,734	156,675,732	-0.4%

As shown in the graph below, the majority of General Fund resources are used to support Public Works (31%), Law Enforcement (20%), Community Development (13%), Non-Departmental (11%), Administrative Services (8%), Parks and Recreation (7%), and Administration (5%). Non-Departmental expenditures are transfers to other funds.

FY 2025-26 Proposed Budget General Fund Expenditures by Department



Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources that are legally restricted for expenditures for particular purposes. For example, gas tax revenues or development impact fees. The largest Special Revenue Fund is allocated to streets, roads, and transportation, while other funds are designated for storm drain management, affordable housing programs, and park development.

For the upcoming fiscal year, the Proposed Budget for Special Revenue Funds is \$10.8 million, which represents a decrease of \$3.1 million compared to the FY 2024-25 Adopted Budget. Capital Outlays are lower due to lower Capital Improvement Program (CIP) projects and lower Cost Allocation expenses. Matrix Consulting Group updated the Cost Allocation Plan (CAP) based on a CAP study performed in 2023.

The Special Revenue Funds receive funding from two sources: \$12.3 million in restricted department revenue and \$2.1 million in transfers, resulting in a total funding of \$14.3 million. The Special Revenue Funds are expected to end the year with a fund balance of \$40.8 million, reflecting an increase of \$9.3 million from last year's Adopted Budget. This increase in fund balance is mainly due to increased Measure B and interest revenues.

Debt Service Funds

The Public Facilities Corporation Debt Service Fund provides for the payment of principal, interest, and associated administrative costs incurred with issuing debt instruments. On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par, and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next ten years or almost \$5 million in total savings. The debt is expected to be fully paid by FY 2029-30.

The Proposed Budget for Debt Service Funds is \$2.7 million, relatively unchanged from the FY 2024-25 Amended Budget. The Debt Service Funds are funded by \$2.7 million in transfers from the General Fund.

Capital Projects Funds

Capital Projects Funds are used for the acquisition or construction of major capital facilities and infrastructure. Capital Projects Funds include the Capital Improvement Projects Fund, Stevens Creek Corridor Park Fund, and Capital Reserve Fund. These funds are used to finance the implementation of projects identified in the City's five-year Capital Improvement Program (CIP).

The Proposed Budget for Capital Projects Funds is \$4.2 million, a decrease of \$17.8 million from last year's Adopted Budget. This decrease is due to decreased transfers from the Capital Reserve Fund to the Capital Improvement Projects Fund and a decrease in CIP projects for the year.

The Capital Projects Funds are primarily funded through a combination of transfers from the General Fund, grants, donations, development impact fees, and other dedicated revenue sources. As projects are completed, any remaining funds are typically rolled over into the Capital Reserve Fund to be used for future projects.

Enterprise Funds

Enterprise Funds are designed to support services that are funded directly by fees charged for goods or services. The City's Enterprise Funds include Resource Recovery for the solid waste collection franchise, Blackberry Farm for the City-owned golf course, Sports Center for the Cupertino Sports Center, and Recreation Programs for cultural, youth, teen, sports, and physical recreation programs.

The Proposed Budget for Enterprise Funds is \$9.2 million, similar to the prior year Adopted Budget amount. The Enterprise Funds are funded by \$5.6 million in program revenue, \$1.7 million in transfers in, and \$1.9 million in reserves. The Enterprise Funds are projected to end the year with \$4.8 million in reserves, a decrease of \$2.2 million from last year's Adopted Budget. This decrease is due to the use of reserves, which were accumulated in previous years. During the pandemic, the Parks and Recreation funds accumulated reserves as revenues were higher than expenditures.

Internal Service Funds

Internal Service Funds are for goods or services provided to other City departments or governments on a cost-reimbursement basis. These funds include programs for innovation and technology, workers' compensation, equipment, compensated absences, long-term disability, and retiree medical insurance.

The Proposed Budget for Internal Service Funds is \$10.0 million, which is a slight increase of \$1.4 million, compared to last year's Adopted Budget. The Internal Service Funds are funded by \$6.0 million in program revenue, \$3.6 million in transfers from the General Fund, and \$0.4 million in reserves. The Internal Service Funds are projected to end the fiscal year with \$3.2 million in reserves, decreasing by \$2.5 million from last year's Adopted Budget.

Special Projects

The FY 2025-26 Proposed Budget allocates funds for Special Projects, which are typically one-time operational projects. This includes City Council Work (CWP) Program items that are included in the Special Project expense category. We have split special projects below to be reflective of the CWP and all other special projects. The Special Projects are detailed in the respective program's Special Project section and summarized in the table below. Some Special Projects' budgets from previous fiscal years may also be carried forward into FY 2025-26. For a more detailed list of the CWPs, please see the Strategic Goals section in the Introduction.

City Council Work Program

Program	GL Account	Project	Expenditure	Funding Source	Strategic Goal
CITY WORK PROGRAM					
COUNCIL AND COMMISSIONS					
100 Council and Commissions	100-10-100-700-702	CWP - Invest & Cashflow Policy Rev	25,000	General Fund	Fiscal Strategy
TOTAL COUNCIL AND COMMISSIONS			25,000		
COMMUNITY DEVELOPMENT					
701 Community development	100-71-701-750-268	CWP - Notification For SB330 & Oth	10,000	General Fund	Quality of Life
701 Community development	100-71-701-750-260	CWP - Permit Str & Sim SMH Upgrade	250,000	General Fund	Quality of Life
720 Community development	100-72-720-750-269	CWP - Unhoused Polides	100,000	General Fund	Quality of Life
705 Community development	100-71-705-750-260	CWP - Econ Dev for Retail and SMB	200,000	General Fund	Quality of Life, Fiscal Strategy
705 Community development	100-71-705-750-263	CWP - Various Impact Fee	150,000	General Fund	Fiscal Strategy
711 Community development	265-72-711-750-263	CWP - Various Impact Fee	250,000	BMR Housing	Fiscal Strategy
TOTAL COMMUNITY DEVELOPMENT			960,000		
PUBLIC WORKS					
800 Public works	100-80-800-750-266	CWP - City Prop: Plan for Opti Use	200,000	General Fund	Quality of Life
800 Public works	100-80-800-750-263	CWP - Various Impact Fee	300,000	General Fund	Fiscal Strategy
844 Public works	100-88-844-750-263	CWP - Various Impact Fee	300,000	General Fund	Fiscal Strategy
813 Public works	100-84-813-750-264	CWP - Water Conservation Policy	250,000	General Fund	Environmental Sustainability
825 Public works	100-86-825-750-235	CWP - Tree List	140,000	General Fund	Environmental Sustainability
TOTAL PUBLIC WORKS			1,190,000		
PARKS & RECREATION					
601 Recreation services	100-60-601-750-265	CWP - Enhance Senior Services	65000	General Fund	Quality of Life
601 Recreation services	100-60-601-750-267	CWP - EO Readiness	40000	General Fund	Quality of Life
TOTAL PARKS & RECREATION			105,000		
TOTAL CITY WORK PROGRAM			\$ 2,280,000		

All Other Special Projects

OTHER SPECIAL PROJECTS					
Program		Project	Expenditure	Funding Source	
ADMINISTRATION					
126 Administration	100-12-126-750-277	Cupertino 70th Anniversary Celebration	5,000	General Fund	
TOTAL ADMINISTRATION			5,000		
ADMINISTRATIVE SERVICES					
425 Administrative services	100-41-425-750-278	Citywide Purchasing Training	20,000	General Fund	
400 Administrative services	100-40-400-750-279	Strategic Plan	200,000	General Fund	
426 Administrative services	100-41-426-750-280	Tax Measure	20,000	General Fund	
TOTAL ADMINISTRATIVE SERVICES			240,000		
INNOVATION & TECHNOLOGY					
310 Information Services	610-34-310-750-250	Adapt TS Expansion	225,000	Innovation & Technology	
TOTAL INNOVATION & TECHNOLOGY			225,000		
PUBLIC WORKS					
122 Public works	100-81-122-750-281	Greenhouse Gas Inventory Assessment	40,000	General Fund	
TOTAL PUBLIC WORKS			40,000		
TOTAL OTHER SPECIAL PROJECTS			\$ 510,000		
TOTAL SPECIAL PROJECTS			\$ 2,790,000		

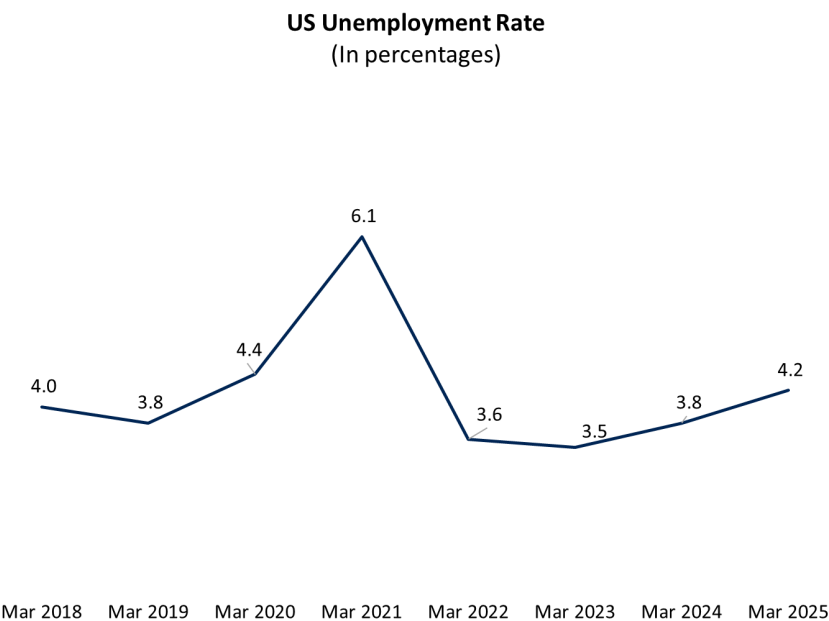
Current Economic Update

National and State Economic Conditions

In the first quarter of 2025, the U.S. economy grew at a modest annualized rate of 1.1%, signaling a slowdown from the 2.3% expansion in the final quarter of 2024. This deceleration was primarily due to a significant reduction in business inventories, which subtracted approximately 2.3 percentage points from overall growth. Companies typically cut inventories when anticipating a downturn, reflecting cautious economic sentiment.

The Federal Reserve's aggressive interest rate hikes—nine increases over the past year—have raised borrowing costs, particularly affecting the housing market and consumer spending. Banks have tightened lending standards, making it more challenging for consumers and businesses to obtain credit. Despite a slight easing of inflation from last year's four-decade high, it remains well above the Fed's 2% target, contributing to concerns about a potential recession.

Looking ahead, economists project continued economic challenges, with some forecasting a mild recession in the near future. The Federal Reserve aims to achieve a "soft landing" by cooling growth enough to curb inflation without triggering a severe downturn. However, there is skepticism about the success of this strategy, with some models indicating a high probability of recession within the next year.



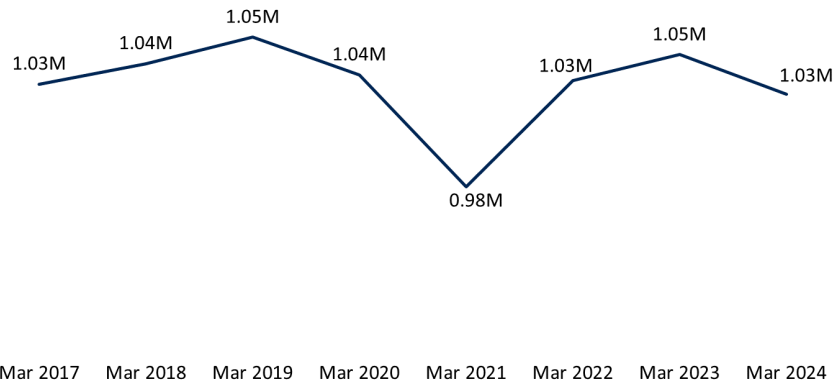
As of March 2025, the U.S. unemployment rate is 4.2%, showing a slight increase from 3.8% in March 2024. The Employment Development Department also noted that March 2025 marks the fifth consecutive month that unemployment decreased in California (-7,000), with the total number of unemployed persons dropping by 24,300 persons over that timeframe. Although California lost 11,600 nonfarm jobs in March, it increased year-over by 46,500 jobs between March 2024 and March 2025. Since April 2020, California gained 3,057,800 jobs, averaging 51,827 jobs per month.

The California Association of Realtors (CAR) reported a 6.7 % increase in statewide median home prices in March. Additionally, the statewide single-family home sales for March 2024 are up 3.5% in March 2024. Similarly, Santa Clara County's growth rate is at 11.3% in prices of single-family homes and a 4.4% increase in sales compared to the same period last year.

Cupertino Economic Conditions

The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 4.2% in March 2024, up from the year-ago estimate of 3.2%. This was below the unemployment rate for California and the nation during the same period. The number of employed persons was 1.03 million in March 2024, down from 1.05 million in March 2023.

Monthly Employment - San Jose/Santa Clara MSA
Number of Employed Persons (not seasonally adjusted)



Housing prices remain relatively strong compared to the same period in 2022. Based on data from Redfin, the median sales price for all home types was \$3,300,000 for March 2024 compared to \$2,758,000 in March 2023 . The City experienced a net taxable value increase of 4.6% for the FY 2023-24 tax roll.

Key Budget Assumptions

Revenue Assumptions

The City's General Fund revenues heavily depend on property tax, sales tax, and transient occupancy tax (TOT). However, the CDTFA audit is expected to alter the way sales tax is allocated to the City, leading to a significant reduction in sales tax revenue. As a result, the City anticipates General Fund revenues to decrease by \$30 million, or 28%, from original projections.

Personnel Assumptions

FY 2024-25 salaries and benefits reflect the cost-of-living adjustments and health insurance contribution increases approved by the City Council in November 2023.

Employees who have yet to reach the top step in their classification's salary range are eligible to receive a step increase on their anniversary date. Typically, classifications have five steps, with each increase equivalent to a 5% increase in salary. Currently, approximately 38% of employees are below Step 5.

Non-Personnel Assumptions

Non-Personnel budgets were developed based on previous year's actual expenditures and adjusted for the current year's needs. One-time projects were excluded to reflect ongoing expenditure needs. In response to the anticipated revenue shortfall resulting from the CDTFA audit, departments were asked to find ways to reduce the base budget. To balance the budget, various categories including materials, contract services, capital outlays, special projects, transfers to other funds, and contingencies were reduced in the Adopted Budget.

Ongoing Challenges

Retirement Benefits

Rising retirement costs are driving the increase in employee benefits. Cupertino offers retirement benefits to its employees through the California Public Employee's Retirement System (CalPERS), which experienced a significant decline in its assets due to poor investment returns during the Great Recession. Moreover, changes in actuarial assumptions and enhanced benefits due to higher life expectancies have further increased the plan's liabilities. Consequently, the City's pension costs have escalated considerably and currently constitute one of the City's largest financial obligations.

The table below illustrates the City's CalPERS costs over the next few years.

	Projected CalPERS Contributions					
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Projected Payroll	\$ 25,383,350	\$ 26,094,083	\$ 26,824,717	\$ 27,575,810	\$ 28,347,932	\$ 29,141,675
Normal Cost (%)	10.5%	10.3%	10.1%	10.0%	9.8%	9.7%
Normal Cost	\$ 2,655,098	\$ 2,687,691	\$ 2,709,296	\$ 2,757,581	\$ 2,778,097	\$ 2,826,742
UAL Payment (%)	22.4%	23.3%	21.4%	23.0%	22.9%	22.7%
UAL Payment	\$ 5,694,852	\$ 6,082,000	\$ 5,740,000	\$ 6,332,000	\$ 6,479,000	\$ 6,607,000
Total Contribution (%)	32.9%	33.6%	31.5%	33.0%	32.7%	32.4%
Total Contribution	\$ 8,349,950	\$ 8,769,691	\$ 8,449,296	\$ 9,089,581	\$ 9,257,097	\$ 9,433,742

In December 2016, the CalPERS Board of Administration implemented a three-year phase-in beginning in FY 2018-19 to lower the discount rate from 7.5% to 7.0%, resulting in significant increases in retirement costs. In FY 2021-22, the discount rate was further reduced to 6.8% due to the FY 2020-21 investment gain of 21.3%, which triggered the Funding Risk Mitigation Policy.

To mitigate the impact of pension rate volatility on the City's budget, the City established a Section 115 Trust in May 2018. The Section 115 Pension Trust had a balance of \$19.1 million as of June 30, 2023, which can be utilized to fund pension costs.

Summary of Proposed Budget Requests by Department

Fund	Department	RPI	Request	Frequency	Expense Recurring	Expense One Time
100	Admin Services	Invest	Administration - Assistant ASD (Budget Manager overfill)	Recurring	17,011	
100	Admin Services	Invest	Purchasing - Qtywide Purchasing Training	One Time		20,000
100	Admin Services	Restore	Admin Services - DEI Events	Recurring	5,000	
100	Admin Services	Restore	HR - Qtywide Employee Events	Recurring	10,000	
100	Admin Services	Invest	Purchasing - Admin Services - Grants Analyst (New position)	Recurring	207,883	
100	Admin Services	Invest	Admin - Strategic Plan	One Time		200,000
100	Admin Services	Invest	Budget - Analyze Potential Tax Measures	One Time		20,000
Multiple	Admin Services	Restore	Citywide Conferences and Training	Recurring	182,253	
Admin Services Total					422,147	240,000
100	CDD	Invest	Housing - Assistant Housing Coordinator (Planning Manager underfill/new classification)	Recurring	105,126	
100	CDD	Invest	Econ Dev - PT Management Analyst	Recurring	63,733	
100	CDD	Invest	Code Enforcement - Sr. Code Enforcement Officer to Division Manager	Recurring	53,546	
100	CDD	Restore	Building - Building On call contracts	Recurring	90,000	
100	CDD	Restore	Building - Building On call contracts	Recurring	50,000	
CDD Total					362,405	0
100	Qty Council	Restore	City Council - Meals Increase (10-100)	Recurring	3,000	
100	Qty Council	Restore	City Council - Restoring Internal Auditor Contract Funding	Recurring	25,000	20,000
100	Qty Council	Restore	Community Funding Grant Program	Recurring	32,500	
City Council Total					60,000	20,000
100	CMO	Invest	Communications - 70th Anniversary/ Communications - Community Service Awards	One Time		5,000
100	CMO	Invest	City Manager - Receptionist (new position)	Recurring	113,774	
CMO Total					113,774	5,000
100	I&T	Restore	Applications - Additional Accela Licenses	Recurring	5,500	
610	I&T	Protect	Network Glue for Network Diagram and Management	Recurring	6,000	
610	I&T	Invest	GIS - Chatbot	Recurring		5,000
100	I&T	Restore	Applications - Energy Management System	Recurring	33,500	
100	I&T	Invest	Applications - Social Media Ret Archiving App	Recurring		7,500
100	I&T	Invest	Applications - ZenDesk Licenses for PW	Recurring	4,140	
100	I&T	Invest	I&T Logikult - Applications	Recurring	33,600	
610	I&T	Invest	GIS - 811 Integration Software	Recurring		15,000
610	I&T	Invest	GIS - AI Solution for CMO Staff Reports or State Bill Tracking	Recurring		10,000
610	I&T	Invest	GIS - BSA to Principal BSA	Recurring	15,352	
610	I&T	Invest	GIS - ESRI Enterprise Licenses	Recurring	3,800	
610	I&T	Invest	GIS - OmniData	Recurring	23,000	
610	I&T	Invest	Infrastructure - Adaptive Traffic Signal Expansion	One Time		225,000
610	I&T	Protect	Infrastructure - Endpoint and Patch Management System	Recurring	15,000	
610	I&T	Invest	I&T - Infrastructure - Mitel Packet Fusion Replacement	Recurring	6,000	
610	I&T	Invest	I&T - Infrastructure - Poster Printer replacement	One Time		5,000
610	I&T	Invest	I&T - Infrastructure - Sr. Center Tech Lab Projection System	One Time		16,000
610	I&T	Protect	I&T - Infrastructure - Switches and Firewall Upgrade	One Time		21,000
I&T Total					146,892	304,500
100	Law Enforcement	Invest	Law Enforcement - ALPR (20-200)	Recurring	60,000	-
Law Enforcement Total					60,000	-
100	P&R	Restore	Events, Youth, Teen - Funding for Shakespeare in the Park	Recurring	30,000	
100	P&R	Restore	Events, Youth, Teen - Tree Lights Installation and Removal	Recurring	10,000	
560	P&R	Protect	Outdoor - BBF Golf Course Hitting Range Equipment and Netting	Recurring	5,820	
560	P&R	Protect	Outdoor - BBF Golf Course Pull Carts	One Time		5,000
570	P&R	Protect	Sports and Fitness - Interior Gate Access	One Time		28,968
570	P&R	Protect	Sports and Fitness - Small Tools and Equipment	Recurring	12,000	
100,580	P&R	Protect	Events, Youth, Teen - Santa Suits	Recurring	5,000	
100	P&R	Protect	Festival Costs	Recurring	38,235	
					101,055	33,968
100	PW	Protect	Facilities - Battery Back-Up System at the Library	One Time		47,137
100	PW	Protect	Facilities - Radio Replacement Project	One Time		80,000
100	PW	Protect	Facilities - Service Center Building Fascia Board Replacement& Painting	One Time		103,000
100	PW	Protect	Facilities - QCC Activity Room Hardwood Floor Sand/Buffering	One Time		7,000
100	PW	Protect	Facilities - QCC Dance Room Hardwood Floor Sand/Buffering	One Time		21,000
100	PW	Protect	Facilities - Quinlan Community Center Door Hardware Upgrade	Recurring	20,000	
100	PW	Protect	Facilities - Senior Center Gutter Replacement on Mary Ave	One Time		11,225
100	PW	Protect	Facilities - EEC sliding door replacement	One Time		35,000
100	PW	Protect	Facilities - Monta Vista Building Painting	One Time		37,000
100	PW	Protect	Facilities - Replace Siding, Paint, Repair Dry Rot at Wilson Pottery and Restroom Facility	One Time		46,000
100	PW	Protect	Facilities - Replace All Batteries on Battery Back-Up System at Community Hall	One Time		7,071
100	PW	Protect	Grounds - Dugout Roof Replacements Faria & Regnart Schools	One Time		22,000
100	PW	Protect	Grounds - Irrigation Pump Replacements - Eaton	One Time		43,000
100	PW	Protect	Grounds Linda Vista Park BBQ Replacement	One Time		10,000
100	PW	Invest	Grounds (various) - Vegetation Management	Recurring	115,000	
100	PW	Invest	Maintenance Worker I (New position)	Recurring	126,474	
100	PW	Restore	SR2S - Bike Ped Education Annual Increase	One Time		25,000
100	PW	Invest	Sustainability - Greenhouse Gas Inventory Assessment	One Time		40,000
100	PW	Protect	Trees/ROW - Gopher and Squirrel Control	Recurring	8,000	
100	PW	Protect	Trees/ROW - RP & Mainline repair South De Anza	One Time		30,000
100	PW	Protect	Trees/ROW - SCB at Janice Retaining Wall Installation	One Time		25,000
100	PW	Invest	Trees/ROW - Sonic Tomography Unit	One Time		25,000
230	PW	Protect	Streets - Storm Drain Grates Replacement	One Time		40,000
560	PW	Protect	Facilities BBF Golf Course - Replace Epoxy Flooring	One Time		17,000
560	PW	Protect	Facilities BBF Golf Course Restroom Project	One Time		20,000
560	PW	Protect	Facilities - BBF Golf Course - Shed Bathroom Project	One Time		5,000
560	PW	Invest	Grounds - BBF Golf Course - Vegetation Management	Recurring	10,000	
570	PW	Protect	Facilities - Sports Center Energy Management System Upgrade	One Time		160,000
570	PW	Protect	Facilities - Sports Center Lighting Controls Upgrade	One Time		100,000
630	PW	Protect	Fleet Air Compressor Replacement	One Time		16,000
630	PW	Invest	Fleet - Diagnostic scan tool	One Time		18,000
630	PW	Protect	Fleet - Vehicle Assets	One Time		780,000
PW Total					279,474	1,770,433
Grand Total					1,408,170	2,373,901

Summary of CIP Projects

Project	Program	External Funding	City Funding	Total Proposed Budget
ADA Improvements	420-99-007	-	110,000	110,000
Facilities Condition Assessment (FCA) Implementation	420-99-063	-	940,000	940,000
Outfall Repairs	420-99-276	-	950,000	950,000
TOTAL		\$ -	\$ 2,000,000	\$ 2,000,000

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Budget Guide

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Elements of the Budget Document

The budget is the City's fundamental policy document. It describes the City's goals and details how resources are allocated to achieve these goals. The budget serves as the annual financial plan, an operations guide, and a communications tool.

The budget guide provides an overview of the elements of the budget document. It includes a glossary of budget terminology. The budget document includes the following key elements:

Budget Message: This section includes the City Manager's transmittal letter submitting the budget to the City Council. The Budget Message also summarizes the City's current and long-term financial position, highlights new programs and organizational changes addressed in the budget, and outlines both short and long-term goals of our city government.

Budget Guide: This section includes the City's Mission and other tools to assist the reader in identifying key terminology in the budget document.

Community Profile: This section describes Cupertino's history, the economic and city profiles, community statistics, recreation and community services, education, and additional areas of interest in the city.

Financial Policies: This section provides financial policies.

All Funds Financial Schedules: This section provides financial information on projected revenues, expenditures, fund balances, and reserves for all funds.

General Fund Financial Schedules: This section provides financial information on projected revenues, expenditures, fund balances, and reserves for the General Fund. It also includes a long-term forecast of revenues, expenditures, and fund balance for the General Fund. Revenue and expenditure assumptions are discussed.

Departmental Operating Budgets: This section details historical and budgeted expenditures by operating department. The City is organized into eight key operating functions, including Council and Commissions, Administration, Law Enforcement, Innovation and Technology, Administrative Services, Parks and Recreation, Community Development, and Public Works. Each department budget includes a summary narrative, financial information for the department and each of its major divisions, and staffing information.

Expenditures for employee compensation and benefits are based on negotiated contracts. The materials categories of expenditures are based on a zero-base budget, with increases each year by the Consumer Price Index (CPI). Contract services are also based on a zero-based budget, with increases each year based on negotiated increases or CPI. Capital outlays are justified each year by the departments. Special Projects include one-time operational projects.

Non-Departmental Operating Budgets: This section details historical and budgeted expenditures for inter-fund transfers and debt service payments.

Capital Improvement Program (CIP): The Capital Improvement Program is in a separate document, called Capital Improvement Program, that details the proposed capital projects for the next five fiscal years. The five-year plan denotes funding sources and a description of each project. The City Council approves funding for capital projects yearly. The project may expend the funds over multiple years.

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Community Profile

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History

“This place of San Joseph Cupertino has good water and much firewood, but nothing suitable for a settlement because it is among the hills very near to the range of cedars which I mentioned yesterday, and lacks level lands.”

When Spanish explorer San Juan Bautista De Anza traveled through California in 1776, he and his party documented these words about the land surrounding Stevens Creek, named back then Arroyo San Joseph Cupertino. However, first impressions can often be misleading. Underneath the spiny, overgrown bush was a completely different land waiting to be uncovered. During this time, the area was populated by Native Americans who hunted and gathered, prospering from the abundant resources the land had to offer.

It wasn't until 1848 when the first American settler, Elijah Stephens, a blacksmith from South Carolina, moved to the area—at this time, named simply 'West Side' and primarily owned by the government. After crossing over the Sierra Nevada in wagons, he discovered the true value of the land underneath the bush and proceeded to purchase over 300 acres of farmland to grow grapes and blackberries. Stephens pioneered the way for farmers, which established West Side as an agricultural hot spot. The land Stephens owned eventually became Blackberry Farm, and the road, creek, and reservoir were all named after him, although misspelled.

In the early West Side, many of the newest advances in agriculture were being developed. Settlers were drawn to the land because of its rich earth, where they were able to grow products that competed on the world market. Once the bush had been cleared, they grew grapes, which covered the West Valley area with vineyards by the late 1800s. By the 1900s, a plant louse called Phylloxera spread throughout the vineyards, attacking the roots of the grapevines, killing the grapes, and putting a halt to wine production. As a solution, nearly everything was replanted with fruit orchards. When the fruit trees blossomed, visitors would come to the orchards for “The Valley of Heart's Delight” festivals, which celebrated the prosperous agriculture of the West Valley area.

Apart from the farmland, West Side was primarily known as a crossroads, an intersection between Saratoga-Sunnyvale Road and Stevens Creek. This served as a way station for travelers to pass through while going from town to town. As more people came to West Side to take advantage of the rich farmland, more family holdings gathered around the crossroads. Starting off as just a post office and home union store, West Side's humble crossroads brought many diverse communities, all attracted by the preferable climate and profitable market for crops.

As more people were drawn to the area around the crossroads, the orchards were gradually replaced with modern houses for workers. The population steadily grew, and the face of West Side changed, progressing into a more modern town. The community wanted to rename the city, so as to not confuse it with other cities, as well as establish a unique identity. John T. Doyle, a lawyer from San Francisco, and writer of historical anthologies on the area chose the name “Cupertino” after the original name of the creek.

After the post-World War II population boom, the growing community petitioned for Cupertino to become an incorporated town. Members of the community were worried that the alternative to incorporation was to have parts of Cupertino annexed by surrounding cities, splitting up the community and erasing the local culture. To preserve the rural atmosphere, lower taxes for farmers, start a local government, and prepare for growth, Cupertino voted for incorporation. In 1955, Cupertino officially became the 13th city in Santa Clara County.

By the 1970s, Cupertino once again began to undergo dramatic changes. The growing community attracted several large technology corporations. Lockheed Martin, HP, Intel, and many other big names established themselves in Silicon Valley. Apple Inc. was founded in Cupertino in 1976 and quickly grew into the tech giant it's known for today.



Apple Park Visitor Center

In the late 20th century, Cupertino and the surrounding areas experienced another surge in population growth, this time due to the immigration of people from Asian countries. Immigration laws at the time were in favor of families looking to move to Silicon Valley. People immigrated here for a variety of reasons—whether they were aspiring for career prospects with major tech companies, or striving for quality education for their children, everyone who immigrated here had a common goal: to find opportunities to work hard for a better life for themselves and their families.

Community Economic Profile

Cupertino, with a population of 57,237 and City limits stretching across 13-square miles, is considered one of the most prestigious cities to live and work in the Bay Area.

Economic health is an essential component to maintaining a balanced city, which provides high-level opportunities and services that create and help sustain a sense of community and quality of life. Public and private interests must be mutual so that success as a partnership is a direct reflection of success as a community. The cornerstone of this partnership is a cooperative and responsive government that fosters residential and business prosperity and strengthens working relationships among all sectors of the community.

Because Cupertino is mostly built-out city, the City of Cupertino focuses on business retention and revitalization, while at the same time, being supportive of redevelopment projects to bring in new investment. Cupertino is world-renowned as the home to high-tech giants, such as Apple, Inc. and Amazon, and as a community with stellar public schools. De Anza College, one of the largest single-campus community colleges in the country, is another major employer and a magnet for attracting local and international students. The City's proactive economic development efforts and a high-touch approach has resulted in an innovative environment for start-ups and growing companies to thrive, including Moxo, DURECT Corporation, Claspp, Mirapath, Aemetis Inc, Mist Systems, and many more. The City strives to retain our companies and attract new ones through active outreach and a responsive, streamlined, and customer-oriented entitlement process.

Cupertino is excited to have a number of mixed-use development projects offering diverse retail and dining options, as well as providing additional housing opportunities to meet the needs of the growing community. There are also quite a few development projects already entitled including: Westport Cupertino, Marina Plaza, Alan Row, and Canyon Crossing. Further, City Council recently approved the 283,000 square foot mixed Office/Commercial Apple development at 19191 Vallco Parkway.



Main Street

The Main Street and Nineteen800 mixed-use developments continue to offer a vibrant downtown area for Cupertino, offering a large selection of restaurants and retailers, including Alexander's Steakhouse, Eureka!, Oren's Hummus, Lazy Dog, Ippudo, HaiDiLao Hotpot Restaurant, Pineapple Thai, Pressed Juicery, Orangetheory Fitness, 85 Degree Bakery, Somi Somi, Sul & Beans, Kura Sushi, Vitality Bowls, Tan Cha, Koja Kitchen, Bishops Cuts/Colors, Capezio, Howard's Shoes, Philz Coffee, Pacific Catch, Holder's Country Inn, Koi Palace Contempo, and Meet Fresh. Housing, office, and the Residence Inn by Marriott and Main Street Cupertino Lofts are available to support the thriving area. Benihana, Bowlmor, and Cupertino Ice Center also serve as long-time anchors.

Serving as a long-time retail anchor for the community, The Marketplace has a variety of stores and restaurants popular with students, families, and working professionals. They include Galpao Gaucho (Brazilian Steakhouse), Daiso, Marukai Groceries, Harumi Sushi, La Patisserie Bakery, Beard Papa's, Legend's Pizza, Icicles, Kong's Tofu & BBQ, and One Pot Shabu Shabu to name a few.

The shopping center improvements to Cupertino Village reflect building upgrades and renovations, newly constructed buildings, parking, and open space. The shopping center, located in the northeast portion of the city, is home to 99 Ranch Market, Duke of Edinburgh Pub & Restaurant, Ume Tea, Tofu Plus, Kira Kira Beauty, Ten Ren Tea, Fantasia Coffee & Tea, Happy Lemon, Shanghai Family Restaurant, and many other Asian restaurants, bakeries, and shops. The property owners have also received approval to construct a new full-service boutique hotel with 185 rooms to accommodate business and leisure travelers.

Cupertino features many other retail opportunities, including TJ Maxx and Home Goods, Whole Foods, Target, Party City, and over 180 food and beverage establishments to serve residents and the local workforce. There are seven hotels providing over 1,000 rooms, to serve the area: The Aloft Cupertino, Cupertino Hotel, Hilton Garden Inn, Hyatt House, Juniper Hotel operated by Curio, Marriott Courtyard, and the Residence Inn by Marriott.

Another longtime retail anchor in north Cupertino is Homestead Square Shopping Center, located at Homestead Road and De Anza Boulevard. This shopping center includes a Safeway, Starbucks, Ulta Beauty, Ross Stores, Pet Club, Michael's, FedEx, and numerous restaurants, such as Fish's Wild, Pho Hoa Noodle Soup, Yayoi Teishoku Japanese Restaurant, and Chipotle.

The City recently approved second modifications to the Rise Development. Formerly the Vallco Town Center Development, the Rise is a mixed-use housing development with 2,669 units, of which 890 units are affordable to lower income households. The project also includes 47 townhomes, approximately 1.95 million square feet of office space, 226,000 square feet of retail space, and at grade open space areas.



Apple Park Retail Store

Apple Park, Apple's newest corporate campus, features approximately 2.8 million square feet of office and R&D space north of Highway 280 between Wolfe Road and Tantau Avenue. A state-of-the-art Visitors Center, Observation Deck, flagship retail store, and café offer the public a place to learn, explore, and shop.

Community Statistics

Facts and Figures ¹

Population in City Limits	57,237
Average Household Income	\$295,070
Average Age	54
Registered Voters	33,697
Democrats	15,400
Republicans	4,628
American Independent	571
Other	348
No Political Party Designated	12,750

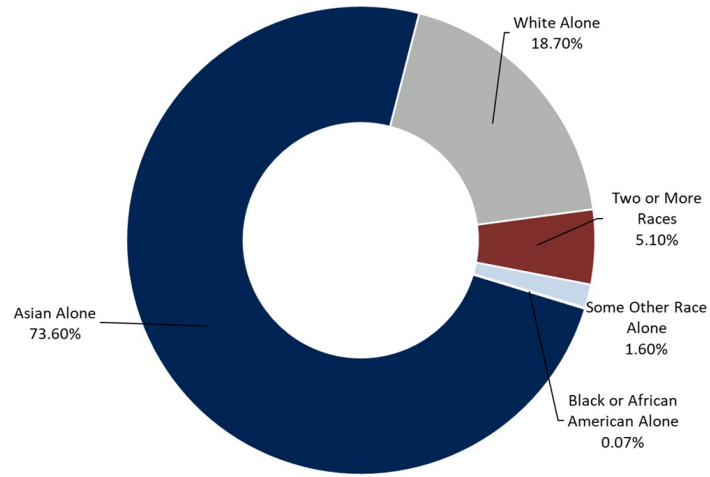
¹ Claritas 2025 Estimates and County of Santa Clara Registrar of Voters as of April 21, 2025

Top 25 Sales Tax Producers 2024 (in Alphabetical Order) ²

- 99 Ranch Market
- Alexander's Steak House
- Apple
- Argonaut Window & Door
- Benihana
- BJ's Restaurant & Brewhouse
- California Dental Arts
- Chevron
- Chipotle
- Cupertino Car Wash
- Dish N Dash
- Galpao Gaucho
- Great Gas Cupertino
- Haidilao Hot Pot
- Home Eat
- Insight Direct
- Insight Public Sector
- Kura Revolving Sushi Bar
- Lazy Dog Cafe
- Rotten Robbie
- Safeway
- Shane Company
- Target
- TJ Maxx
- Whole Foods Market

² HdL Companies 3Q 2024 Sales Tax Update

Population by Single Classification Race



Source: Claritas 2025

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Financial Policies

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Financial Policies

Financial policies can now be found at: <https://www.cupertino.gov/budget> in the Financial Policies accordion or scan the QR code below.

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All Funds Financial Schedules

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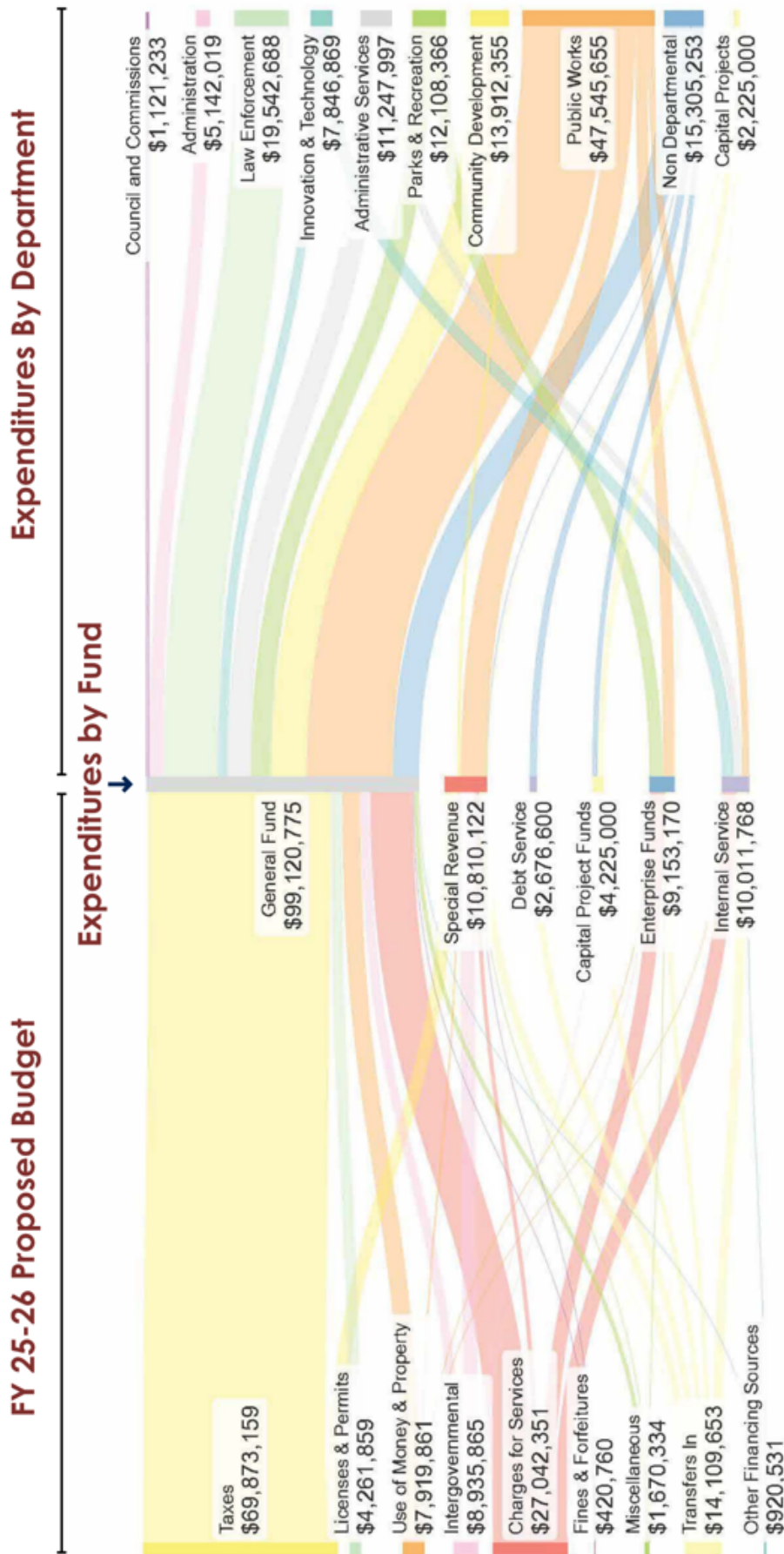
Financial Overview by Fund

Revenue Categories	General Fund	2025-26 Proposed Budget					All Funds
		Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	
Sales Tax	11,983,958	-	-	-	-	-	11,983,958
Property Tax	35,413,310	-	-	-	-	-	35,413,310
Transient Occupancy	7,500,000	-	-	-	-	-	7,500,000
Utility Tax	4,206,907	-	-	-	-	-	4,206,907
Franchise Fees	4,394,563	-	-	-	-	-	4,394,563
Other Taxes	1,736,718	4,637,703	-	-	-	-	6,374,421
Licenses & Permits	4,261,859	-	-	-	-	-	4,261,859
Use of Money & Property	6,538,880	749,830	-	-	531,450	99,701	7,919,861
Intergovernmental	3,569,332	5,351,721	-	-	14,812	-	8,935,865
Charges for Services	15,162,032	1,504,373	-	-	5,044,822	5,331,124	27,042,351
Fines & Forfeitures	410,760	10,000	-	-	-	-	420,760
Miscellaneous	1,668,815	1,519	-	-	-	-	1,670,334
Other Financing Sources	367,000	-	-	-	-	553,531	920,531
Transfers In	15,000	2,067,000	2,676,600	4,000,000	1,735,000	3,616,053	14,109,653
TOTAL REVENUES	\$ 97,229,134	\$ 14,322,146	\$ 2,676,600	\$ 4,000,000	\$ 7,326,084	\$ 9,600,409	\$ 135,154,373

Appropriation Categories	2025-26 Proposed Budget						
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	All Funds
Employee Compensation	24,182,741	1,602,256	-	-	2,010,726	1,720,661	29,516,384
Employee Benefits	10,595,638	797,878	-	-	746,937	2,347,371	14,487,824
Materials	6,174,481	1,013,894	-	-	758,663	1,297,849	9,244,887
Contract Services	31,496,502	692,575	-	225,000	3,578,026	1,730,697	37,722,800
Cost Allocation	11,993,327	2,197,032	-	-	1,676,251	949,737	16,816,347
Capital Outlays	274,433	1,583,075	-	2,000,000	-	-	3,857,508
Special Projects	2,694,000	2,908,412	-	-	160,000	1,039,000	6,801,412
Contingencies	50,000	-	-	-	-	-	50,000
Debt Service	-	-	2,676,600	-	-	-	2,676,600
Transfers Out	10,594,653	15,000	-	2,000,000	-	-	12,609,653
Other Financing Uses	1,065,000	-	-	-	222,567	926,453	2,214,020
TOTAL EXPENDITURES	\$ 99,120,775	\$ 10,810,122	\$ 2,676,600	\$ 4,225,000	\$ 9,153,170	\$ 10,011,768	\$ 135,997,435

	\$	(1,891,641)	\$	3,512,024	\$	-	\$	(225,000)	\$	(1,827,086)	\$	(411,359)	\$	(843,062)
	CHANGE IN FUND BALANCE/													

Flow of Funds Chart (Sankey)



The three most important things to learn from this chart:

1. The chart above demonstrates how revenues (left to right) and expenditures (right to left) flow out of and into each type of City fund.
2. Where revenues meet expenditures at the center of the chart (fund line type), a gap to the left is indicative of expenditures exceeding revenue and a decrease in fund balance/savings for that type of fund.
3. A gap to the right is indicative of an increase in fund balance/savings for that type of fund.

All Funds Summary

This section provides information on the FY 2025-26 Special Revenue, Debt Service, Capital Project, Enterprise, and Internal Service Funds budgets including, expenditure and revenue highlights, transfers to other funds, reserve funds, and the financial forecast. For descriptions of funds, see Financial Policies: Fund Structure.

Revenue Estimates

Estimates for FY 2025-26 fund balance and individual revenue accounts are based upon a careful examination of the collection history and patterns as they relate to such factors as seasonality and performance in the economic environment that the City is most likely to encounter in the coming year. Each source of revenue can be influenced by external and/or internal factors outside of the City's control.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Park Dedication, Transportation, Storm Drain, and Environmental Management/Clean Creeks funds.

Revenue

Revenue sources have decreased by \$4.5 million. Use of Money & Property is decreasing due to lower projected interest earnings. Intergovernmental is decreasing due to federal and state grants.

REVENUE SOURCES	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Other Taxes	891,503	349,283	4,628,530	4,637,703
Use of Money & Property	721,017	1,909,734	1,062,944	749,830
Intergovernmental	3,582,440	5,084,582	8,996,441	5,351,721
Charges for Services	1,576,678	1,524,539	1,880,000	1,504,373
Miscellaneous Revenue	30,083	57,584	-	1,519
Fines and Forfeitures	23,371	2,746	20,000	10,000
Transfers In	3,025,000	3,449,019	2,241,580	2,067,000
Total Revenue Sources	\$ 9,850,092	\$ 12,377,486	\$ 18,829,495	\$ 14,322,146

Expenditures

Expenditure uses have decreased by \$3.1 million. Capital Outlays are lower due to lower Capital Improvement Program (CIP) projects and lower Cost Allocation expenses.

EXPENDITURE USES	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Employee Compensation	1,814,298	1,664,054	1,785,475	1,602,256
Employee Benefits	755,875	812,815	953,406	797,878
Materials	713,237	655,235	1,047,713	1,013,894
Contract Services	667,154	614,337	555,004	692,575
Cost Allocation	1,191,567	1,220,614	2,030,054	2,197,032
Capital Outlays	4,936,812	4,223,820	4,974,024	1,583,075
Special Projects	2,133,588	994,423	2,586,687	2,908,412
Contingencies	-	-	8,985	-
Transfers Out	1,908,631	1,182,951	15,000	15,000
Total Expenditure Uses	\$ 14,121,161	\$ 11,368,250	\$ 13,956,348	\$ 10,810,122

Fund Balance

Fund balance represents fund savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Beginning Balance	46,826,925	42,555,856	43,565,092	37,320,575
Change in Fund Balance	(4,271,070)	1,009,236	4,873,147	3,512,024
Ending Balance	\$ 42,555,856	\$ 43,565,092	\$ 48,438,239	\$ 40,832,599

Debt Service Fund

The Debt Service Fund provides for the payment of principal, interest, and associated administrative costs incurred with the issuance of debt instruments for the City's Public Facilities Corporation. The budget funds the Corporation's annual payment of principal and interest on the City Hall/Community Hall/Library Certificates of Participation (COP) that will be paid off by July 1, 2030.

On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold in order to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par, and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next ten years or almost \$5 million in total savings.

Revenue

Revenue sources are relatively unchanged from the last fiscal year. The \$2.7 million transfer from the General Fund funds the annual payment of principal and interest for the City's debt.

REVENUE SOURCES	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Use of Money & Property	(5,099)	-	-	-
Other Financing Sources	-	-	-	-
Transfers In	2,675,800	2,677,600	2,676,200	2,677,600
Total Revenue Sources	\$ 2,670,701	\$ 2,677,600	\$ 2,676,200	\$ 2,677,600

Expenditures

Expenditure uses are relatively unchanged from the last fiscal year. The \$2.7 million in expenditures represents the annual payment of principal and interest for the City's debt.

EXPENDITURE USES	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Debt Service	2,675,800	2,677,600	2,676,200	2,676,600
Transfers Out	-	-	-	-
Total Expenditure Uses	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200	\$ 2,676,600

Fund Balance

Fund balance represents fund savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Beginning Balance	1,750	(3,349)	(3,349)	250
Change in Fund Balance	(5,099)	-	-	-
Ending Balance	\$ (3,349)	\$ (3,349)	\$ (3,349)	\$ 250

Capital Project Funds

This fund pays for the acquisition of major capital facilities and/or construction of major capital projects.

Revenue

Revenue sources have decreased by \$9.6 million. As a result of the revenue shortfalls stemming from the CDTFA audit, the annual transfers from the General Fund to the Capital Reserve had been reduced until FY 2029-30. With resolution reached with CDTFA in October 2024, these transfers have since restarted in March 2025.

REVENUE SOURCES	2022-23	2023-24	2024-25	2025-26
	Actual	Actual	Adopted	Proposed Budget
Use of Money and Property	(327,494)	794,137	-	-
Intergovernmental	462,480	352,570	5,850,000	-
Charges for Services	51,675	-	-	-
Miscellaneous	109,855	161,337	-	-
Transfers In	6,454,311	4,552,250	7,785,000	4,000,000
Total Revenue Sources	\$ 6,750,827	\$ 5,860,294	\$ 13,635,000	\$ 4,000,000

Expenditures

Expenditure uses have decreased by \$17.8 million due to less CIP projects this year.

EXPENDITURE USES	2022-23	2023-24	2024-25	2025-26
	Actual	Actual	Adopted	Proposed Budget
Employee Compensation	4,757	-	-	-
Employee Benefits	1,933	-	-	-
Contract Services	343,680	249,182	175,000	225,000
Capital Outlays	4,075,557	4,076,680	13,635,000	2,000,000
Cost Allocation	-	-	-	-
Transfers Out	2,489,154	4,333,318	8,247,580	2,000,000
Total Expenditure Uses	\$ 6,915,082	\$ 8,659,180	\$ 22,057,580	\$ 4,225,000

Fund Balance

Fund balance represents fund savings and is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending fund balance.

CHANGES TO FUND BALANCE	2022-23	2023-24	2024-25	2025-26
	Actual	Actual	Adopted	Proposed Budget
Beginning Balance	34,924,537	34,760,282	31,961,397	8,026,081
Change in Fund Balance	(164,254)	(2,798,886)	(8,422,580)	(225,000)
Ending Balance	\$ 34,760,282	\$ 31,961,397	\$ 23,538,817	\$ 7,801,081

Enterprise Funds

Enterprise Funds are set up for the provision of specific services that are funded directly by fees charged for those goods or services. Enterprise Funds include the Resource Recovery, Sports Center, Blackberry Farm Golf Course, and Recreation funds.

Revenue

Revenue sources have increased by approximately \$0.7 million. In FY 2023-24, as a result of anticipated revenue shortfalls due to the CDTEFA audit, transfers from the General Fund to the Enterprise Funds had been reduced as part of an expenditure reduction strategy aimed at decreasing General Fund subsidies of Enterprise Funds. Transfers to the Enterprise Funds have resumed closer to historical levels in FY 2024-25.

REVENUE SOURCES	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Use of Money & Property	713,518	982,420	833,000	531,450
Intergovernmental	98,851	-	14,000	14,812
Charges for Services	6,591,006	6,080,846	5,247,500	5,044,822
Miscellaneous Revenue	-	-	-	-
Transfers In	400,879	799,810	514,000	1,735,000
Total Revenue Sources	\$ 7,804,255	\$ 7,863,075	\$ 6,608,500	\$ 7,326,084

Expenditures

Expenditure uses have remained relatively unchanged from the prior fiscal year.

EXPENDITURE USES	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Employee Compensation	1,612,325	1,742,135	1,922,348	2,010,726
Employee Benefits	(54,532)	1,020,726	839,347	746,937
Materials	412,827	363,986	691,338	758,663
Contract Services	4,736,292	3,870,517	3,661,846	3,578,026
Contingencies	-	-	54,339	-
Cost Allocation	789,939	939,358	1,577,430	1,676,251
Special Projects	297,015	286,326	362,733	160,000
Transfers Out	264,959	205,989	161,841	222,567
Total Expenditure Uses	\$ 8,058,825	\$ 8,429,036	\$ 9,271,222	\$ 9,153,170

Net Position

Enterprise funds carry net position instead of fund balance. Net position is calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending net position. However, some of these resources are not liquid and represent capital assets. These monies are generally accumulated to support capital replacement and/or expansion needs. It is projected to decrease due to revenues being lower than expenditures.

CHANGES TO NET POSITION	2022-23 Actual	2023-24 Actual	2024-25 Adopted	2025-26 Proposed
Beginning Balance	10,424,536	10,169,967	9,604,006	6,597,553
Change in Net Position	(254,570)	(565,960)	(2,662,722)	(1,827,086)
Ending Balance	\$ 10,169,967	\$ 9,604,006	\$ 6,941,284	\$ 4,770,467

Internal Service Funds

Internal Service Funds are used for areas where goods or services are provided to other departments or governments on a cost-reimbursement basis. Internal Service Funds include Information & Technology, Vehicle & Equipment Replacement, Workers' Compensation, Compensated Absences & Long-Term Disability, and Retiree Medical funds.

Revenue

Revenue sources have increased by \$1.8 million due to an increase in charges for services. In FY 2023-24, the City resumed transfers to the Retiree Medical Fund because the City's Other Post-Employment Benefits (OPEB) plan is below 100% funded.

REVENUE SOURCES	2022-23	2023-24	2024-25	2025-26
	Actual	Actual	Adopted	Proposed Budget
Use of Money & Property	(22,194)	341,084	218,000	99,701
Charges for Services	4,169,821	4,171,856	4,717,314	5,331,124
Miscellaneous	1,385,759	5,928	-	-
Transfers In	3,429,398	1,417,684	2,380,398	3,616,053
Other Financing Uses	466,620	30,750	468,984	553,531
Total Revenue Sources	\$ 9,429,405	\$ 5,967,302	\$ 7,784,696	\$ 9,600,409

Expenditures

Expenditure uses have increased by \$1.4 million due to increase in cost allocation and special projects.

EXPENDITURE USES	2022-23	2023-24	2024-25	2025-26
	Actual	Actual	Adopted	Proposed Budget
Employee Compensation	1,895,784	1,942,297	1,818,488	1,720,661
Employee Benefits	2,393,823	2,457,676	2,409,499	2,347,371
Materials	1,190,393	1,460,904	1,046,922	1,297,849
Contract Services	1,440,449	1,156,349	1,798,760	1,730,697
Cost Allocation	62,042	57,622	304,459	949,737
Special Projects	398,365	295,779	440,000	1,039,000
Contingencies	-	-	26,622	-
Other Financing Uses	798,599	546,696	798,599	926,453
Total Expenditure Uses	\$ 8,179,455	\$ 7,917,323	\$ 8,643,349	\$ 10,011,768

Net Position

Internal Service Funds carry net position instead of fund balance. Net position is calculated in the same manner as fund balance, taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending net position. However, some of the resources are not liquid and represent capital assets. These monies are generally accumulated to support capital replacement and/or expansion needs. Net positions is relatively unchanged from the prior fiscal year.

CHANGES TO NET POSITION	2022-23	2023-24	2024-25	2025-26
	Actual	Actual	Adopted	Proposed Budget
Beginning Balance	7,166,944	8,416,894	6,466,873	3,566,457
Change in Net Position	1,249,950	(1,950,021)	(858,653)	(411,359)
Ending Balance	\$ 8,416,894	\$ 6,466,873	\$ 5,608,220	\$ 3,155,098

All Funds Revenues

REVENUES					
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Percent
Fund	Actual	Actual	Adopted Budget	Proposed Budget	Change
GENERAL FUND					
100 General Fund	111,825,331	110,306,310	89,804,468	97,229,134	8.3%
130 Investment Fund	-	-	-	-	N/A
TOTAL GENERAL FUNDS	\$ 111,825,331	\$ 110,306,310	\$ 89,804,468	\$ 97,229,134	8.3%
SPECIAL REVENUE FUNDS					
210 Storm Drain Improvement	12,711	85,387	11,000	1,987	-81.9%
215 Storm Drain AB1600	83,001	180,071	143,604	148,661	3.5%
230 Env Mgmt Cln Crk Strm Drain	1,525,864	1,547,966	2,174,000	1,841,776	-15.3%
260 CDBG	216,984	381,373	239,381	688,342	187.6%
261 HCD Loan Rehab	(284)	4,270	-	-	N/A
265 BMR Housing	399,558	432,528	4,657,926	4,794,296	2.9%
270 Transportation Fund	6,633,107	8,735,022	11,103,584	6,557,476	-40.9%
271 Traffic Impact	49,909	42,781	20,000	16,658	-16.7%
280 Park Dedication	922,607	954,526	478,000	271,673	-43.2%
281 Tree Fund	6,633	13,562	2,000	1,277	-36.2%
TOTAL SPECIAL REVENUE FUNDS	\$ 9,850,092	\$ 12,377,486	\$ 18,829,495	\$ 14,322,146	-23.9%
DEBT SERVICE FUNDS					
365 Public Facilities Corp	2,670,701	2,677,600	2,676,200	2,676,600	0.0%
TOTAL DEBT SERVICE FUNDS	\$ 2,670,701	\$ 2,677,600	\$ 2,676,200	\$ 2,676,600	0.0%
CAPITAL PROJECTS FUNDS					
420 Capital Improvement Fund	1,344,038	5,231,023	13,635,000	2,000,000	-85.3%
427 Stevens Creek Corridor Park	(803)	3,154	-	-	N/A
429 Capital Reserve	5,407,592	626,117	-	2,000,000	N/A
TOTAL CAPITAL PROJECTS FUNDS	\$ 6,750,827	\$ 5,860,294	\$ 13,635,000	\$ 4,000,000	-70.7%
ENTERPRISE FUNDS					
520 Resource Recovery	1,831,184	2,566,516	1,784,000	1,668,508	-6.5%
560 Blackberry Farm	677,347	696,543	824,000	703,608	-14.6%
570 Sports Center	3,131,935	2,428,478	1,877,000	2,332,718	24.3%
580 Recreation Program	2,163,789	2,171,538	2,123,500	2,621,250	23.4%
TOTAL ENTERPRISE FUNDS	\$ 7,804,255	\$ 7,863,075	\$ 6,608,500	\$ 7,326,084	10.9%
INTERNAL SERVICE FUNDS					
610 Innovation & Technology	4,991,899	3,725,066	3,635,178	4,770,612	31.2%
620 Workers' Compensation	455,108	147,235	558,984	598,299	7.0%
630 Vehicle/Equip Replacement	1,610,890	1,580,854	1,385,136	1,610,838	16.3%
641 Compensated Absence/LTD	1,002,405	514,147	613,000	674,607	10.1%
642 Retiree Medical	1,369,103	-	1,592,398	1,946,053	22.2%
TOTAL INTERNAL SERVICE FUNDS	\$ 9,429,405	\$ 5,967,302	\$ 7,784,696	\$ 9,600,409	23.3%
TOTAL ALL FUNDS	\$ 148,330,610	\$ 145,052,067	\$ 139,338,359	\$ 135,154,373	-3.0%

All Funds Expenditures

EXPENDITURES						
Fund	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Percent	
	Actual	Actual	Adopted Budget	Proposed Budget	Change	
GENERAL FUND						
100 General Fund	83,947,811	82,767,330	90,041,794	99,120,775	10.1%	
130 Investment Fund	-	-	-	-	N/A	
TOTAL GENERAL FUNDS	\$ 83,947,811	\$ 82,767,330	\$ 90,041,794	\$ 99,120,775	10.1%	
SPECIAL REVENUE FUNDS						
210 Storm Drain Improvement	135,840	2,065,949	-	-	N/A	
215 Storm Drain AB1600	-	-	-	-	N/A	
230 Env Mgmt Cln Crk Strm Drain	1,615,378	1,799,544	1,912,473	2,054,231	7.4%	
260 CDBG	272,762	569,670	701,158	490,162	-30.1%	
261 HCD Loan Rehab	-	-	-	-	N/A	
265 BMR Housing	753,958	637,853	722,539	746,807	3.4%	
270 Transportation Fund	7,874,828	5,686,337	10,605,178	7,503,922	-29.2%	
271 Traffic Impact	-	-	-	-	N/A	
280 Park Dedication	3,407,255	593,897	-	-	N/A	
281 Tree Fund	61,140	15,000	15,000	15,000	0.0%	
TOTAL SPECIAL REVENUE FUNDS	\$ 14,121,161	\$ 11,368,250	\$ 13,956,348	\$ 10,810,122	-22.5%	
DEBT SERVICE FUNDS						
365 Public Facilities Corp	2,677,300	2,679,100	2,676,200	2,676,600	0.0%	
TOTAL DEBT SERVICE FUNDS	\$ 2,677,300	\$ 2,679,100	\$ 2,676,200	\$ 2,676,600	0.0%	
CAPITAL PROJECTS FUNDS						
420 Capital Improvement Fund	6,106,649	5,268,932	13,810,000	2,225,000	-83.9%	
427 Stevens Creek Corridor Park	8,432	5,950	-	-	N/A	
429 Capital Reserve	800,000	3,384,299	8,247,580	2,000,000	-75.8%	
TOTAL CAPITAL PROJECTS FUNDS	\$ 6,915,082	\$ 8,659,180	\$ 22,057,580	\$ 4,225,000	-80.8%	
ENTERPRISE FUNDS						
520 Resource Recovery	2,038,314	2,247,781	3,222,990	2,966,958	-7.9%	
560 Blackberry Farm	799,166	673,789	1,042,617	999,305	-4.2%	
570 Sports Center	3,456,537	3,113,580	2,447,000	2,515,928	2.8%	
580 Recreation Program	1,764,808	2,393,886	2,558,615	2,670,979	4.4%	
TOTAL ENTERPRISE FUNDS	\$ 8,058,825	\$ 8,429,036	\$ 9,271,222	\$ 9,153,170	-1.3%	
INTERNAL SERVICE FUNDS						
610 Innovation & Technology	4,036,021	4,462,499	3,600,434	4,384,216	21.8%	
620 Workers' Compensation	541,636	36,615	571,410	495,813	-13.2%	
630 Vehicle/Equip Replacement	1,578,725	1,321,216	2,024,394	2,667,676	31.8%	
641 Compensated Absence/LTD	627,416	771,045	838,066	786,752	-6.1%	
642 Retiree Medical	1,395,657	1,401,947	1,609,045	1,677,311	4.2%	
TOTAL INTERNAL SERVICE FUNDS	\$ 8,179,455	\$ 7,993,323	\$ 8,643,349	\$ 10,011,768	15.8%	
TOTAL ALL FUNDS	\$ 123,899,633	\$ 121,896,218	\$ 146,646,493	\$ 135,997,435	-7.3%	

All Funds Expenditures by Department

Department	EXPENDITURES				Percent Change
	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget	
Administration	6,511,384	6,318,520	6,553,963	5,142,019	-21.5%
Administrative Services	8,541,010	9,035,304	10,555,630	11,247,997	6.6%
Capital Improvement Program	12,013,372	9,420,816	17,903,800	2,225,000	-87.6%
Community Development	11,693,554	11,866,677	12,949,001	13,912,355	7.4%
Council and Commissions	1,100,397	953,857	1,113,918	1,121,233	0.7%
Innovation & Technology	6,437,191	7,276,900	6,723,427	7,846,869	16.7%
Law Enforcement	15,276,933	16,204,350	18,648,806	19,542,688	4.8%
Non-Departmental	15,909,497	12,682,631	18,311,642	15,305,253	-16.4%
Parks & Recreation	10,594,323	10,902,176	10,911,367	12,108,366	11.0%
Public Works	35,715,961	37,130,663	42,974,939	47,545,655	10.6%
TOTAL	\$ 123,793,622	\$ 121,791,895	\$ 146,646,493	\$ 135,997,435	-7.3%

All Funds Fund Balance

Fund	Actual Ending Fund Balance as of 6/30/2024	FY 2024-25 Amended Budget Revenues	FY 2024-25 Amended Budget	Projected Ending Fund Balance as of 6/30/2025	FY 2025-26 Proposed Budget Revenues	FY 2025-26 Proposed Budget Expenditures	Proposed Budget Ending Fund Balance as of 6/30/2026
GENERAL FUND							
100 General Fund	166,095,319	122,076,588	137,608,861	150,563,046	97,229,134	99,120,775	148,671,405
130 Investment Fund	-	-	-	-	-	-	-
TOTAL GENERAL FUNDS	\$ 166,095,319	\$ 122,076,588	\$ 137,608,861	\$ 150,563,046	\$ 97,229,134	\$ 99,120,775	\$ 148,671,405
SPECIAL REVENUE FUNDS							
210 Storm Drain Improvement	142,571	11,000	54,239	99,332	1,987	-	101,319
215 Storm Drain AB1600	2,050,609	143,604	-	2,194,213	148,661	-	2,342,874
230 Env Mgmt Cln Crk Strm Drain	968,556	2,174,000	2,622,388	520,168	1,841,776	2,054,231	307,713
260 CDBG	1,505,547	292,951	754,728	1,043,770	688,342	490,162	1,241,950
261 HCD Loan Rehab	226,287	-	-	226,287	-	-	226,287
265 BMR Housing	9,371,421	4,657,926	960,840	13,068,507	4,794,296	746,807	17,115,996
270 Transportation Fund	13,635,360	14,235,513	22,182,929	5,687,944	6,557,476	7,503,922	4,741,498
271 Traffic Impact	812,887	20,000	-	832,887	16,658	-	849,545
280 Park Dedication	19,046,081	478,000	5,940,456	13,583,625	271,673	-	13,855,298
281 Tree Fund	76,842	2,000	15,000	63,842	1,277	15,000	50,119
TOTAL SPECIAL REVENUE FUNDS	\$ 47,836,161	\$ 22,014,994	\$ 32,530,580	\$ 37,320,575	\$ 14,322,146	\$ 10,810,122	\$ 40,832,599
DEBT SERVICE FUNDS							
365 Public Facilities Corp	250	2,676,200	2,676,200	250	2,676,600	2,676,600	250
TOTAL DEBT SERVICE FUNDS	\$ 250	\$ 2,676,200	\$ 2,676,200	\$ 250	\$ 2,676,600	\$ 2,676,600	\$ 250
CAPITAL PROJECTS FUNDS							
420 Capital Improvement Fund	20,984,648	18,004,281	37,624,372	1,364,557	2,000,000	2,225,000	1,139,557
427 Stevens Creek Corridor Park	154,548	-	1,899	152,649	-	-	152,649
429 Capital Reserve	10,986,456	4,070,000	8,547,580	6,508,876	2,000,000	2,000,000	6,508,876
TOTAL CAPITAL PROJECTS FUNDS	\$ 32,125,651	\$ 22,074,281	\$ 46,173,851	\$ 8,026,081	\$ 4,000,000	\$ 4,225,000	\$ 7,801,081
ENTERPRISE FUNDS							
520 Resource Recovery	5,122,605	1,784,000	3,687,885	3,218,720	1,668,508	2,966,958	1,920,270
560 Blackberry Farm	757,155	824,000	1,050,766	530,389	703,608	999,305	234,692
570 Sports Center	1,225,462	1,877,000	2,541,542	560,920	2,332,718	2,515,928	377,710
580 Recreation Program	2,753,355	2,123,500	2,589,330	2,287,525	2,621,250	2,670,979	2,237,796
TOTAL ENTERPRISE FUNDS	\$ 9,858,576	\$ 6,608,500	\$ 9,869,523	\$ 6,597,553	\$ 7,326,084	\$ 9,153,170	\$ 4,770,467
INTERNAL SERVICE FUNDS							
610 Innovation & Technology	1,094,594	3,666,742	3,755,493	1,005,843	4,770,612	4,384,216	1,392,239
620 Workers' Compensation	2,250,845	558,984	571,410	2,238,419	598,299	495,813	2,340,905
630 Vehicle/Equip Replacement	2,742,003	1,385,136	2,616,712	1,510,427	1,610,838	2,667,676	453,589
641 Compensated Absence/LTD	455,427	613,000	838,066	230,361	674,607	786,752	118,216
642 Retiree Medical	(1,401,947)	1,592,398	1,609,045	(1,418,594)	1,946,053	1,677,311	(1,149,852)
TOTAL INTERNAL SERVICE FUNDS	\$ 5,140,923	\$ 7,816,260	\$ 9,390,726	\$ 3,566,457	\$ 9,600,409	\$ 10,011,768	\$ 3,155,098
TOTAL ALL FUNDS	\$ 261,056,880	\$ 183,266,823	\$ 238,249,741	\$ 206,073,962	\$ 135,154,373	\$ 135,997,435	\$ 205,230,900

For descriptions of funds, see Financial Policies: Fund Structure.

General Fund Financial Schedules

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General Fund Contribution Schedule

Fund Type/Budget Unit	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net	Proposed Budget General Fund
GENERAL FUND					
10 City Council					
100-10-100	City Council	106,119	593,801	-	487,682
100-10-101	Community Funding	-	33,086	-	33,086
100-10-104	Historical Society	-	40,000	-	40,000
100-10-110	Sister Cities	-	53,452	-	53,452
11 Commissions					
100-11-131	Telecommunication Commission	-	22,260	-	22,260
100-11-140	Library Commission	-	27,327	-	27,327
100-11-142	Arts and Culture Commission	-	30,867	-	30,867
100-11-150	Public Safety Commission	-	19,917	-	19,917
100-11-155	Bike/Ped Safety Commission	-	16,815	-	16,815
100-11-160	Recreation Commission	-	25,230	-	25,230
100-11-165	Teen Commission	-	14,908	-	14,908
100-11-170	Planning Commission	-	124,073	-	124,073
100-11-175	Housing Commission	-	71,165	-	71,165
100-11-180	Sustainability Commission	-	17,210	-	17,210
100-11-190	Audit Committee	-	31,122	-	31,122
12 City Manager					
100-12-120	City Manager	1,461,511	2,133,359	-	671,848
100-12-122	Sustainability	-	-	-	-
100-12-126	Office of Communications	335,733	481,413	-	145,680
100-12-305	Video	-	-	-	-
100-12-307	Public Access Support	-	-	-	-
100-12-632	Comm Outreach & Neigh Watch	-	-	-	-
100-12-633	Disaster Preparedness	-	-	-	-
100-12-705	Economic Development	-	-	-	-
13 City Clerk					
100-13-130	City Clerk	222,387	910,716	-	688,329
100-13-132	Duplicating/Mail Services	30,805	41,561	-	10,756
100-13-133	Elections	-	-	-	-
14 City Manager Discretionary					
100-14-123	City Manager Contingency	-	50,000	-	50,000
15 City Attorney					
100-15-141	City Attorney	382,216	1,524,970	-	1,142,754
20 Law Enforcement					
100-20-200	Law Enforcement SC Sheriff	1,939,512	19,542,688	-	17,603,176
100-20-201	Interoperability Project	-	-	-	-
31 I&T Video					
100-31-305	Video	85,163	1,132,993	-	1,047,830
32 I&T Applications					
100-32-308	Applications	1,804,856	2,329,660	-	524,804
40 Administrative Services					
100-40-400	Admin Services Administration	36,070	665,251	-	629,181
41 Finance					
100-41-405	Accounting	1,918,912	2,169,694	-	250,782
100-41-406	Business Licenses	-	290,993	-	290,993
100-41-425	Purchasing	387,426	719,444	-	332,018
100-41-426	Budgeting	577,634	377,711	-	(199,923)
44 Human Resources					
100-44-412	Human Resources	1,139,591	1,527,704	-	388,113
100-44-417	Insurance Administration	1,676,374	2,537,324	-	860,950
60 Recreation & Community Service					
100-60-601	Recreation Administration	-	1,564,405	-	1,564,405
100-60-634	Park Planning and Restoration	-	-	-	-
100-60-636	Library Services	-	-	-	-

Fund Type/Program	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net	Proposed Budget General Fund
61 Business and Community Services					
100-61-602	Administration	-	532,187	-	532,187
100-61-605	Cultural Events	-	439,791	-	439,791
100-61-630	Facilities	182,988	454,549	-	271,561
62 Recreation and Education					
100-62-608	Administration	74,925	784,167	-	709,242
100-62-623	Youth, Teen and Senior Adult Rec	350,000	729,356	-	379,356
100-62-639	Youth and Teen Programs	9,550	255,582	-	246,032
100-62-640	Neighborhood Events	40,000	95,680	-	55,680
63 Sports, Safety & Outdoor Rec					
100-63-612	Park Facilities	207,016	1,518,999	-	1,311,983
100-63-615	Administration	-	-	-	-
70 Planning & Community Development					
100-70-700	Community Development Admin	-	423,697	-	423,697
71 Planning					
100-71-701	Current Planning	1,895,300	3,626,108	-	1,730,808
100-71-702	Mid Long Term Planning	78,750	886,746	-	807,996
100-71-704	Annexations	-	-	-	-
100-71-705	Economic Development	-	999,057	-	999,057
72 Housing Services					
100-72-712	Human Services Grants	50,000	55,615	-	5,615
73 Building					
100-73-713	General Building	315,000	1,083,311	-	768,311
100-73-714	Construction Plan Check	1,800,000	2,341,590	-	541,590
100-73-715	Building Inspection	2,120,000	1,415,320	-	(704,680)
100-73-718	Muni-Bldg Code Enforcement	-	70,117	-	70,117
74 Code Enforcement					
100-74-202	Code Enforcement	245,000	1,653,825	-	1,408,825
80 PW Admin					
100-80-800	Public Works Admin	107,241	1,594,162	-	1,486,921
81 Environmental Programs					
100-81-122	Sustainability Division	-	418,126	-	418,126
100-81-803	Environment Management	-	-	-	-
82 Developmental Services					
100-82-804	Plan Review	3,048,070	1,395,413	-	(1,652,657)
100-82-806	CIP Administration	-	1,147,808	-	1,147,808
83 Service Center					
100-83-807	Service Center Administration	67,757	1,108,056	-	1,040,299
84 Grounds					
100-84-808	McClellan Ranch Park	-	195,091	-	195,091
100-84-809	Memorial Park	-	829,549	-	829,549
100-84-811	BBF Ground Maintenance	-	320,775	-	320,775
100-84-812	School Site Maintenance	255,721	1,498,026	-	1,242,305
100-84-813	Neighborhood Parks	-	2,571,070	-	2,571,070
100-84-814	Sport Fields Jollyman, Creekside	-	816,611	-	816,611
100-84-815	Civic Center Ground Maint	173,292	221,993	-	48,701
85 Streets					
100-85-818	Storm Drain Maintenance	-	-	-	-
100-85-848	Street Lighting	22,637	1,097,276	-	1,074,639
100-85-850	Environmental Materials	-	207,110	-	207,110
86 Trees and Right of Way					
100-86-261	Trail Maintenance	-	222,833	-	222,833
100-86-824	Overpasses and Medians	-	1,789,535	-	1,789,535
100-86-825	Street Tree Maintenance	16,500	2,266,017	-	2,249,517
100-86-826	Sheriff Work Program	-	641,771	-	641,771
87 Facilities and Fleet					
100-87-827	Bldg Maint City Hall	287,893	506,171	-	218,278
100-87-828	Bldg Maint Library	1,452,828	1,347,650	-	(105,178)
100-87-829	Bldg Maint Service Center	-	555,292	-	555,292

Fund Type/Budget Unit	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net	Proposed Budget General Fund
100-87-830	Bldg Maint Quinlan Center	3,500	637,103	-	633,603
100-87-831	Bldg Maint Senior Center	-	375,834	-	375,834
100-87-832	Bldg Maint McClellan Ranch	944	300,636	-	299,692
100-87-833	Bldg Maint Monta Vista Ct	-	237,282	-	237,282
100-87-834	Bldg Maint Wilson	-	181,494	-	181,494
100-87-835	Bldg Maint Portal	-	31,870	-	31,870
100-87-837	Bldg Maint Creekside	-	133,489	-	133,489
100-87-838	Comm Hall Bldg Maint	-	283,406	-	283,406
100-87-839	Teen Center Bldg Maint	-	2,167	-	2,167
100-87-840	Park Bathrooms	-	168,840	-	168,840
100-87-841	BBF Facilities Maintenance	-	549,423	-	549,423
100-87-852	Franco Traffic Operations Center	-	64,548	-	64,548
100-87-857	City Hall Annex	-	4,046	-	4,046
88 Transportation					
100-88-265	Community Shuttle	2,899,936	4,070,272	-	1,170,336
100-88-844	Traffic Engineering	-	1,422,418	-	1,422,418
100-88-845	Traffic Signal Maintenance	19,522	737,456	-	717,934
100-88-846	Safe Routes 2 School	90,000	1,029,551	-	939,551
TOTAL DEPARTMENTAL		\$ 27,918,679	\$ 87,466,986	\$ -	\$ 59,548,307
100-90-001	No Department	69,299,455	10,613,653	-	(58,685,802)
TOTAL NON-DEPARTMENTAL		\$ 69,299,455	\$ 10,613,653	\$ -	\$ (58,685,802)
CHANGE IN FUND BALANCE		\$ -	\$ -	\$ (862,505)	\$ (862,505)
TOTAL GENERAL FUND		\$ 97,218,134	\$ 98,080,639	\$ (862,505)	\$ -
SPECIAL REVENUE FUNDS					
210-90-001	No Department	1,987	-	1,987	-
215-90-001	No Department	148,661	-	148,661	-
230-81-802	Non Point Source	1,514,373	1,457,191	57,182	-
230-81-853	Storm Drain Fee	-	-	-	-
230-81-854	General Fund Subsidy	-	11,990	(11,990)	-
230-81-855	Storm Drain Maintenance	-	585,050	(585,050)	-
230-90-001	No Department	10,403	-	327,403	317,000
260-72-707	CDBG General Admin	77,400	72,695	4,705	-
260-72-709	CDBG Capital/Housing Projects	282,067	359,467	(77,400)	-
260-72-710	CDBG Public Service Grants	58,000	58,000	-	-
260-90-001	No Department	20,875	-	270,875	250,000
265-72-711	BMR Affordable Housing Fund	4,532,926	746,807	3,786,119	-
265-90-001	No Department	261,370	-	261,370	-
270-85-820	Sidewalk Curb and Gutter	-	1,419,712	(1,419,712)	-
270-85-821	Street Pavement Maintenance	3,174,460	5,310,436	(2,135,976)	-
270-85-822	Street Sign Marking	-	773,774	(773,774)	-
270-90-001	No Department	1,883,016	-	3,383,016	1,500,000
270-99-270	Bollinger Rd Corridor Design	-	-	-	-
270-99-271	Rdway Safety Improvements - HS	-	-	-	-
271-90-001	No Department	16,658	-	16,658	-
280-90-001	No Department	271,673	-	271,673	-
281-90-001	No Department	1,277	15,000	(13,723)	-
TOTAL SPECIAL REVENUE FUNDS		\$ 12,255,146	\$ 10,810,122	\$ 3,512,024	\$ 2,067,000
DEBT SERVICE FUNDS					
365-90-001	No Department	-	-	-	-
365-90-500	Facility Lease	-	2,676,600	-	2,676,600
TOTAL DEBT SERVICE FUNDS		\$ -	\$ 2,676,600	\$ -	\$ 2,676,600
CAPITAL PROJECTS FUNDS					
420-99-007	ADA Improvements	-	110,000	-	110,000
420-99-047	CIP Prelim Planning & Design	-	125,000	(125,000)	-
420-99-048	Capital Project Support	-	100,000	(100,000)	-
420-99-056	St Light Install - Annual Infill	-	-	-	-
420-99-085	Playground EQ (Creekside&Variat	-	-	-	-
420-99-272	EVCS Expansion - Service Center	-	-	-	-
420-99-273	McClellan Rd Bridge Replacement	-	-	-	-
420-99-274	PV Systems Design & Installation	-	-	-	-
420-99-275	Vai Avenue Outfall	-	-	-	-
429-90-001	No Department	-	2,000,000	-	2,000,000
TOTAL CAPITAL PROJECTS FUNDS		\$ -	\$ 2,335,000	\$ (225,000)	\$ 2,110,000

Fund Type/Budget Unit	Description	Proposed Budget Revenues	Proposed Budget Expenditures	Proposed Budget Change in Fund Balance/Net	Proposed Budget General Fund
ENTERPRISE FUNDS					
520-81-801	Resources Recovery	1,668,508	2,966,958	(1,298,450)	-
520-90-001	No Department	-	-	-	-
560-63-616	BBF Golf Course	693,000	547,098	145,902	-
560-87-260	BBF Golf Maintenance	-	112,649	(112,649)	-
560-84-268	Golf Grounds Maintenance	-	339,558	(339,558)	-
560-90-001	No Department	10,608	-	10,608	-
570-63-621	Sports Center Operation	1,086,500	1,595,437	(508,937)	-
570-87-836	Bldg Maint Sports Center	-	920,491	(920,491)	-
570-90-001	No Department	11,218	-	1,246,218	1,235,000
580-62-613	Youth Teen Recreation	1,300,000	1,797,833	(497,833)	-
580-63-620	Outdoor Recreation	775,500	873,146	402,354	500,000
580-90-001	No Department	45,750	-	45,750	-
TOTAL ENTERPRISE FUNDS		\$ 5,591,084	\$ 9,153,170	\$ (1,827,086)	\$ 1,735,000
INTERNAL SERVICE FUNDS					
610-30-300	Administration	89,599	224,231	(134,632)	-
610-34-310	Infrastructure	2,532,269	2,856,513	675,756	1,000,000
610-35-986	GIS	1,128,627	1,303,472	(174,845)	-
610-90-001	No Department	20,117	-	20,117	-
620-44-418	Workers Compensation Insurance	553,531	495,813	57,718	-
620-90-001	No Department	44,768	-	44,768	-
630-85-849	Equipment Maintenance	1,580,629	1,867,792	(287,163)	-
630-90-001	No Department	30,209	-	30,209	-
630-90-985	Fixed Assets Acquisition	-	799,884	(799,884)	-
641-44-419	Long Term Disability	-	130,875	(130,875)	-
641-44-420	Compensated Absence	-	655,877	14,123	670,000
641-90-001	No Department	4,607	-	4,607	-
642-44-414	HR Retiree Benefits	-	1,677,311	268,742	1,946,053
TOTAL INTERNAL SERVICE FUNDS		\$ 5,984,356	\$ 10,011,768	\$ (411,359)	\$ 3,616,053
TOTAL ALL FUNDS		\$ 121,048,720	\$ 133,067,299	\$ 186,074	\$ 12,204,653

General Fund Summary

The General Fund is the City's main operating fund, responsible for providing essential services such as law enforcement, public works, community development, park maintenance, code enforcement, and administrative support. It is funded by discretionary sources such as property tax, sales tax, transient occupancy tax, and utility tax. The General Fund is typically reserved for operations that lack other dedicated funding sources, while operations such as street maintenance, solid waste collection, and recreation are funded from other sources, detailed in the All Funds Summary section of this document.

For FY 2025-26, General Fund revenues are estimated at \$97.2 million, a \$31.5 million, or -24.5% decrease from the previous year's Projected Budget. General Fund expenditures are estimated to be \$99.1 million, a \$38.5 million or -28.0%, decrease from the previous year's Projected Budget. Since expenditures exceed revenues, the estimated use of fund balance is \$1.9 million. The budget is short of balancing, and staff recommends using unassigned fund balance to fill the gap in funding this year. The General Fund's ending fund balance is projected to be \$146.9 million.

GENERAL FUND OPERATING SUMMARY					
	2022-23	2023-24	2024-25	2025-26	Percent
	Actual	Actual	Projected	Proposed	Change
Beginning Fund Balance \$	110,678,819	\$ 138,556,339	\$ 166,095,319	\$ 157,247,734	-5.3%
Operating Revenues	111,825,331	110,306,310	128,761,277	97,229,134	-24.5%
Operating Expenditures	83,947,811	82,767,330	137,608,861	99,120,775	-28.0%
Net Revenues - Expenditures \$	27,877,520	\$ 27,538,980	\$ (8,847,584)	\$ (1,891,641)	-78.6%
Unassigned	71,603,813	25,965,405	39,069,295	39,181,179	0.3%
All Other Classifications	66,952,526	140,129,914	118,178,439	117,494,554	-0.6%
Total Ending Fund Balance \$	138,556,339	\$ 166,095,319	\$ 157,247,734	\$ 156,675,732	-0.4%

**Beginning Fund Balance has been updated to reflect audit ending balance from FY 2023-24*

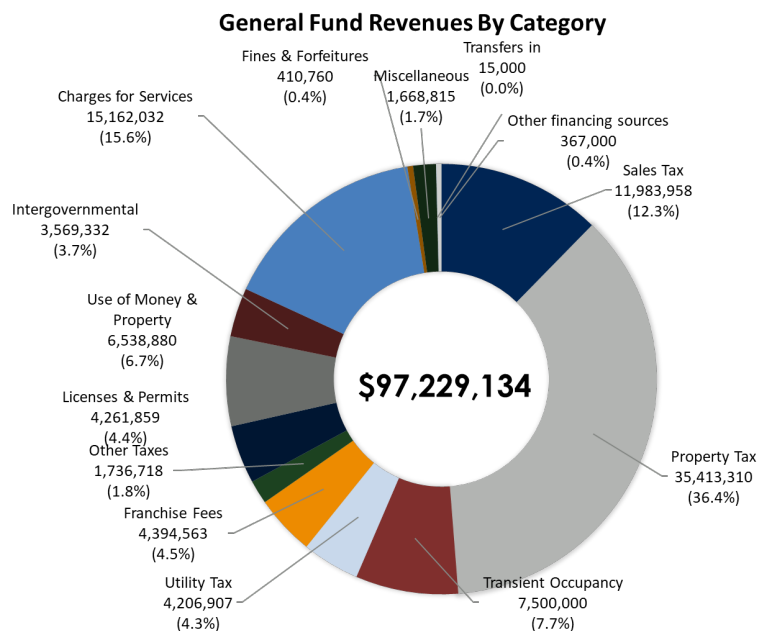
General Fund Revenues

FY 2025-26 General Fund revenue sources have been carefully evaluated by considering collection history, seasonal patterns, and economic performance. These estimates are based on projected increases or decreases in activity and receipts in the upcoming year. It is important to note that each revenue source can be affected by external or internal factors beyond the City's control.

As shown in the chart below, FY 2025-26 revenues are estimated at \$97.2 million, a \$5.6 million, or 8.3% increase from the FY 2024-25 Adopted Budget. This increase is primarily due to an increase in Property Tax, Intergovernmental Revenues, and Franchise Fees. These revenue categories will be discussed in greater detail in the following sections.

GENERAL FUND REVENUE SUMMARY					
REVENUES	2022-23 Actuals	2023-24 Actuals	2024-25 Adopted	2025-26 Proposed	Percent Change
Sales Tax	34,819,341	30,961,166	11,648,962	11,983,958	2.9%
Property Tax	31,889,638	33,036,853	33,174,977	35,413,310	6.7%
Transient Occupancy	7,062,150	6,486,798	7,731,947	7,500,000	-3.0%
Utility Tax	4,103,906	3,935,917	4,130,140	4,206,907	1.9%
Franchise Fees	3,995,018	4,313,669	3,509,346	4,394,563	25.2%
Other Taxes	1,471,789	1,621,328	1,684,329	1,736,718	3.1%
Licenses & Permits	4,093,631	4,412,057	3,665,866	4,261,859	16.3%
Use of Money & Property	3,033,683	9,098,441	4,697,122	6,538,880	39.2%
Intergovernmental	7,771,411	1,404,322	2,471,990	3,569,332	44.4%
Charges for Services	10,841,202	12,181,459	15,102,136	15,162,032	0.4%
Fines & Forfeitures	303,573	416,402	395,000	410,760	4.0%
Miscellaneous	1,306,454	2,199,861	1,210,653	1,668,815	37.8%
Transfers in	861,140	111,000	15,000	15,000	0.0%
Other financing sources	272,396	127,037	367,000	367,000	0.0%
TOTAL REVENUES	\$ 111,825,331	\$ 110,306,310	\$89,804,468	\$ 97,229,134	8.3%

The majority of Cupertino's General Fund operating revenues are generated by property taxes (36%), charges for services (16%), sales taxes (12%), and transient occupancy taxes (8%). The chart below illustrates the sources of General Fund revenue by category.



The FY 2025-26 General Fund revenue estimates are discussed by category below.

Sales Tax

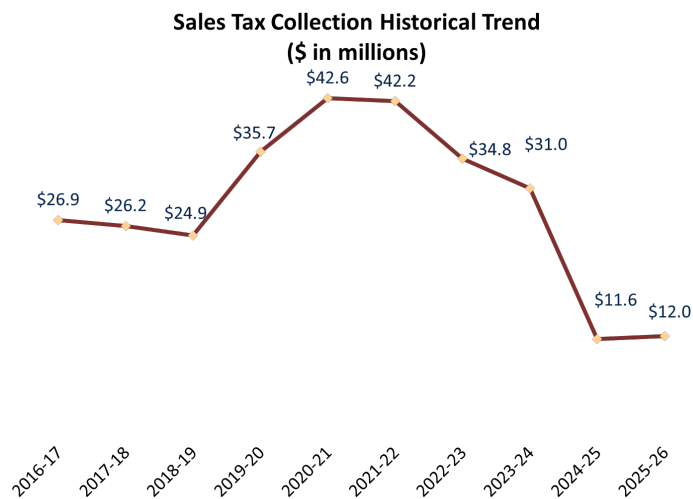
Sales and Use Tax, commonly known as the "sales tax," consists of two components: an excise tax levied on retailers for selling tangible personal property, and an excise tax applied to purchases from out-of-state vendors that are not required to collect tax on their sales. The revenue generated from sales and use taxes collected within Cupertino's boundaries is allocated by the State to various agencies, with the City receiving one percent, as depicted in the chart to the right. The City considered the ¼ cent sales tax revenue source imposed on local governments. However, the City decided not to proceed with this item for the 2024 election due to unknown conflicting proposals.

Agency	Sales Tax Distribution
State	6.000%
VTA	1.125%
City of Cupertino	1.000%
County General Purpose	0.750%
County Transportation	0.250%
Total:	9.125%

The City's sales tax revenue comes from five primary economic categories: business-to-business (including electronic equipment and software manufacturers and distributors), state and county pools, restaurants and hotels, general consumer goods, and fuel and service stations and other. The California Department of Tax and Fee Administration (CDTFA) manages the collection and administration of sales and use taxes, which is a significant source of revenue for the state and local governments. Businesses are required to register for a sales tax permit and collect taxes from their customers, and the collected taxes are then remitted to the CDTFA for distribution to the relevant local governments. In addition, the CDTFA conducts audits to ensure tax compliance by businesses. The City receives a portion of the sales tax revenue generated within its boundaries, which funds a wide range of City services and programs.

In December 2021, the CDTFA informed the City of an audit that would be conducted on one of its taxpayers. The City was verbally informed in March 2023 of the CDTFA's preliminary determination that tax dollars had been misallocated to the City, and potential impacts on City funds were provided. This resulted in both a one-time repayment of past sales tax revenues and an ongoing reduction of approximately \$30 million in sales tax revenue.

In October 2024, the City resolved the dispute with CDTFA regarding the distribution of sales tax revenues to Cupertino. The settlement reached with the CDTFA allows the City to keep the funds previously allocated and anticipated for receipt through June 2024 and avoid lengthy and costly litigation.



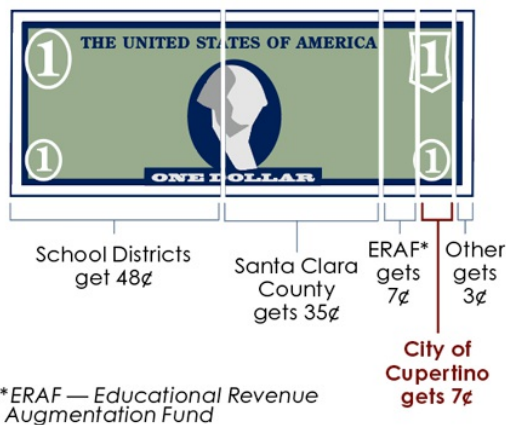
SALES & USE TAX	
FY 23-24 Actual	30,961,166
FY 24-25 Adopted	11,648,962
FY 24-25 Estimate	11,648,962
FY 25-26 Proposed	11,983,958
% of General Fund	12.33%
% Change from FY 24-25 Adopted	2.88%

Property Tax

Under current law, property is assessed at actual full cash value, with the maximum levy being 1% of the assessed valuation. The assessed value of real property that has not changed ownership can be adjusted by the change in the California Consumer Price Index (CCPI) up to a maximum of 2% per year. Property that changes ownership, property that is substantially altered, newly-constructed property, State-assessed property, and personal property are assessed at the full market value in the first year and subject to the two percent cap thereafter.

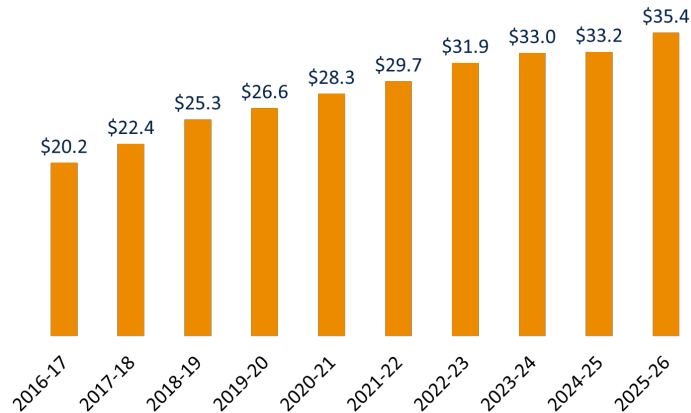
In 1978, voters approved the passage of Proposition 13, which froze property tax rates and limited the amount that rates could increase each year. Cupertino had one of the lowest property tax rates in Santa Clara County, receiving only \$0.02 for every \$1.00 paid. Subsequent legislation required Counties to provide "no/low tax" cities with a Tax Equity Allocation (TEA) equal to 7% of the property tax share. However, the property tax distribution for the no/low tax cities in Santa Clara County was limited to 55% of what other TEA cities in the State received.

For every dollar paid in property taxes:



In FY 2006-07, West Valley cities won the passage of State legislation which restored a portion of TEA property tax revenue. This TEA change provided an additional \$1.35 million in property tax annually and increased the City's share of property taxes to 5.6%. In conjunction with three other West Valley cities, Cupertino continued legislative efforts to gain parity with other no/low property tax cities in the State. In FY 2015-16, Governor Brown agreed to restore TEA revenues over a five-year period. In FY 2019-20 TEA was fully restored, and Cupertino kept approximately 7.0% of property tax revenues in FY 2019-20 compared to 6.72% in FY 2018-19. Additionally, the Educational Revenue Augmentation Fund (ERAF), enacted in July of 1992 by the State Legislature to shift local tax revenues from cities, counties, and special districts to a State control ERAF, absorbs the shift-back of the TEA.

Property Tax Historical Trend
(\$ in millions)



PROPERTY TAX	
FY 23-24 Actual	33,036,853
FY 24-25 Adopted	33,174,977
FY 24-25 Estimate	33,174,977
FY 25-26 Proposed	35,413,310
% of General Fund	36.42%
% Change from FY 24-25 Adopted	6.75%

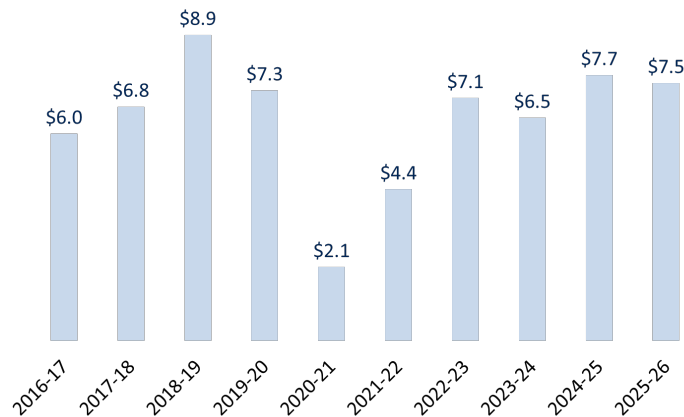
The citywide growth in value in the FY 2024-25 assessment roll was \$1.4 billion, an increase of 4.4%. This is in comparison to the positive increase in 2023-24 tax year of \$1.4 billion for an increase of 4.6%. The bulk of the increase was due to increases in residential properties by \$1.1 billion, or 5.7%. This category makes up 63.2% of the net taxable value. Unsecured property tax decreased by \$64.7 million, or 5.7%. This category makes up 3.2% of the net taxable value. Lastly, commercial property values increased by \$225.1 million, or 2.5%. This category makes up 27.7% of the net taxable value.

The FY 2025-26 Property Tax revenue estimate is based on 2024-25 values and estimated changes according to HdL, the City's property tax consultant. HdL also provides insight into real estate trends for calendar year 2024, the year that influences the 2025-26 property values enrolled. In the 2024 calendar year, counties are still experiencing declines in the number of recorded sales from 2023. Home sales pulled back in June as interest rates remained high. Home sales have continued to trend lower than those reported over the past several years and median sale value growth has not been as large as we have seen in many of the years since 2020.

Transient Occupancy Taxes

Transient occupancy taxes (TOT) are levied on hotels and short-term room rentals located in the City at 12% of room revenues. In November 2011, 83% of voters approved increasing the rate from 10% to 12%. This rate increase contributed to the upward trend shown in the TOT Historical Trend graph.

Transient Occupancy Tax Historical Trend
(\$ in millions)



\$7.5 million is anticipated in TOT revenues during FY 2025-26, a 3% decrease from the FY 2024-25 Adopted Budget. According to HdL, business travel has not returned compared to pre-pandemic levels. Occupancy is improving a couple of percentage points each year, however, the Average Daily Rate may still be too low, compared to prior years. So, while the Average Daily Rate is increasing, it doesn't appear that it is driven by demand. Historical growth in TOT revenues is due to new hotels. Since 2015, the following hotels have been added to the City: Marriott at Main Street and Hyatt House at Vallco. Staff will continue to monitor this revenue source and bring forward adjustments and recommendations as necessary.

TRANSIENT OCCUPANCY TAX	
FY 23-24 Actual	6,486,798
FY 24-25 Adopted	7,731,947
FY 24-25 Estimate	7,731,947
FY 25-26 Proposed	7,500,000
% of General Fund	7.71%
% Change from FY 24-25 Adopted	-3.00%

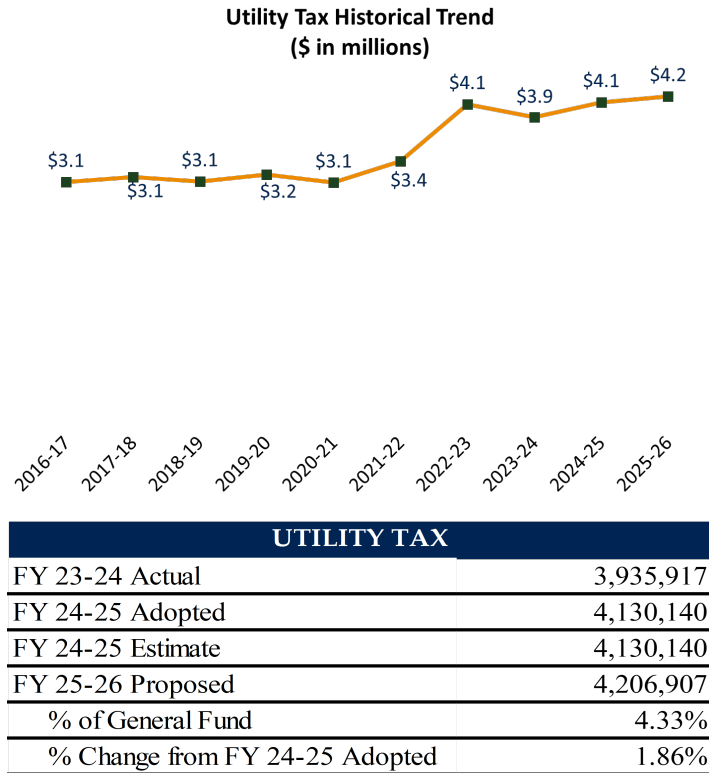
Utility Tax

The utility user tax (UUT), approved by voters in 1990, is assessed on gas, electricity, and telecommunication services provided within the City's jurisdiction at a rate of 2.4% of billed charges. Revenues generated from this tax can be used for general City purposes.

	Utility User Tax Comparison			
	Gas/Electric	Cable	Water	Telecom
Sunnyvale	2.0%	-	-	2.0%
Cupertino	2.4%	-	-	2.4%
Mountain View	3.0%	-	-	3.0%
Los Altos	3.5%	3.2%	3.5%	3.2%
Palo Alto	5.0%	-	5.0%	4.8%
Gilroy	5.0%	5.0%	-	5.0%
San Jose	5.0%	-	5.0%	4.5%

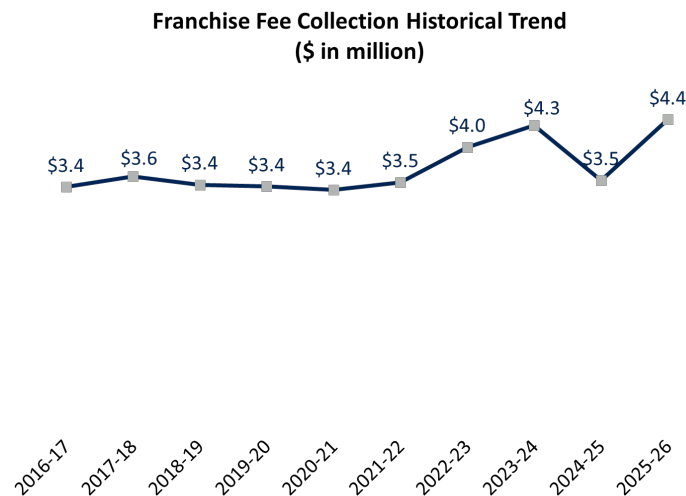
The City's tax rate is generally lower than that of other cities within Santa Clara County, as shown in the chart above. In March 2002, voters approved extending the utility tax's sunset date from 2015 to 2030. This extension corresponded with the extended debt maturity date resulting from the refinancing of debt for capital improvement projects. To maintain tax revenues received from telecom services, voters passed a measure in 2009 to update the ordinance to the changing technology in this area.

In FY 2025-26, budgeted revenues are in line with FY 2024-25 Adopted Budget amounts. This revenue source will be monitored closely as the fiscal year progresses.



Franchise Fees

Franchise fees are received from cable, solid waste, water, gas, and electricity franchisees that operate in the City. The fees range from 1% to 12% of the franchisee's gross revenues, depending on each agreement. As shown in the graph below, these revenues are relatively steady and not sensitive to economic fluctuations, aside from a spike in revenue in FY 2023-24. This revenue spike was related to a combination of the new franchise agreement with associated rate increases plus the demolition of the Oaks shopping center, which increased the usage of Recology debris boxes.

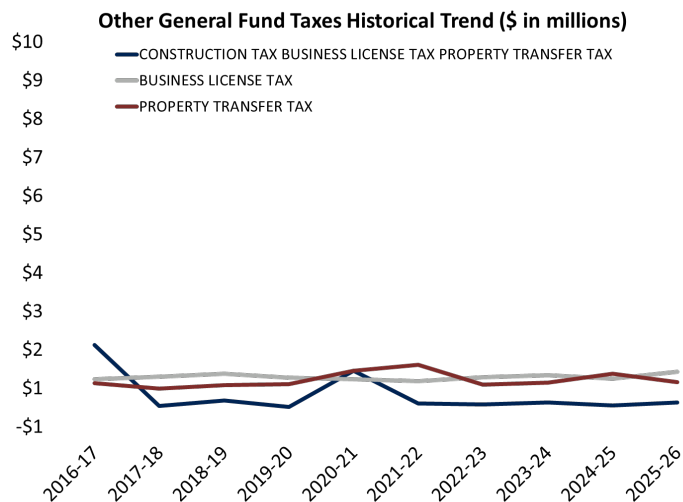


FRANCHISE FEES	
FY 23-24 Actual	4,313,669
FY 24-25 Adopted	3,509,346
FY 24-25 Estimate	3,509,346
FY 25-26 Proposed	4,394,563
% of General Fund	4.52%
% Change from FY 24-25 Adopted	25.22%

In FY 2025-26, budgeted revenues are expected to increase approximately 25.22% from the prior year Adopted Budget due to **alignment of actual dollars received**. This revenue source will be monitored closely as the fiscal year progresses.

Other Taxes

Other taxes are comprised mainly of business license taxes, construction taxes, and property transfer taxes. As shown in the graph, business license and property transfer taxes are relatively steady, while construction taxes are extremely volatile and sensitive to economic fluctuations.

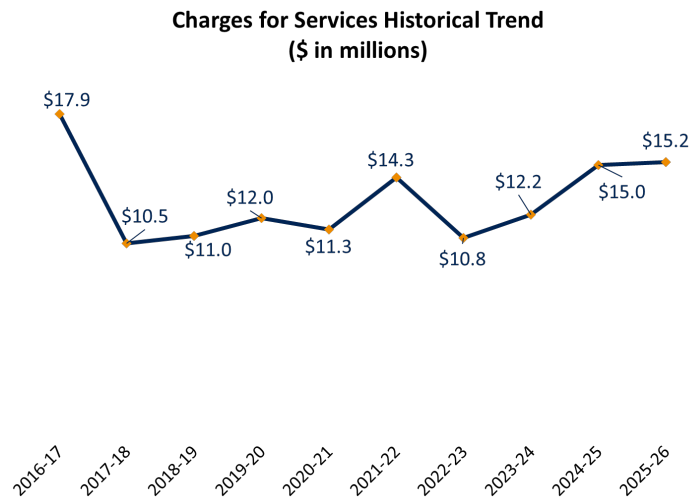


OTHER TAXES	
FY 23-24 Actual	1,621,328
FY 24-25 Adopted	1,684,329
FY 24-25 Estimate	1,684,329
FY 25-26 Proposed	1,736,718
% of General Fund	1.79%
% Change from FY 24-25 Adopted	3.11%

Revenues in this category have returned to historic levels after Apple Park and Main Street developments have completed. In FY 2025-26, these revenues are expected to increase slightly from the prior year adopted budget. The projected increase is based on estimated increases in business license taxes and property transfer taxes. According to HdL, for FY 2025-26, the projected increase from known 2024 transfers is used to estimate value growth. For this scenario, the estimated growth from transfers in 2026-27 adjusts the growth as a percentage of real value in 2025-26 by 5.0%. For years 2027-28 and later, growth is based on the historical average rate of real property growth due to properties that have transferred ownership.

Charges for Services

Charges for Services account for charges to users of City services funded by the General Fund as well as internal City-wide overhead. The City attempts to recover the cost of the services, including planning, zoning, and engineering permit processing for new property development, as well as some recreation-related fees. As such, this revenue source is sensitive to economic fluctuations, as shown in the graph below.



Beginning in FY 2013-14, enterprise funds, internal service funds, and special funds began charging for overhead services previously subsidized by the General Fund. Some internal strategic support services (Human Resources, Finance, City Clerk, etc.) also began charging internal departments to capture the true cost of providing various programs and services within City operations. After a comprehensive Cost Allocation Plan was received and filed by Council in February 2024, internal strategic support services (City Council, Facilities, Maintenance, etc.) were included. In FY 2023-24, the City’s administration changed its methodology for tracking developer deposits driven by increased developer activity, and, as a result, both budgets for revenues and expenses were increased by anticipated deposit amounts leading to another large increase in revenue.

CHARGES FOR SERVICES	
FY 23-24 Actual	12,181,459
FY 24-25 Adopted	15,102,136
FY 24-25 Estimate	17,416,062
FY 25-26 Proposed	15,162,032
% of General Fund	15.59%
% Change from FY 24-25 Adopted	0.40%

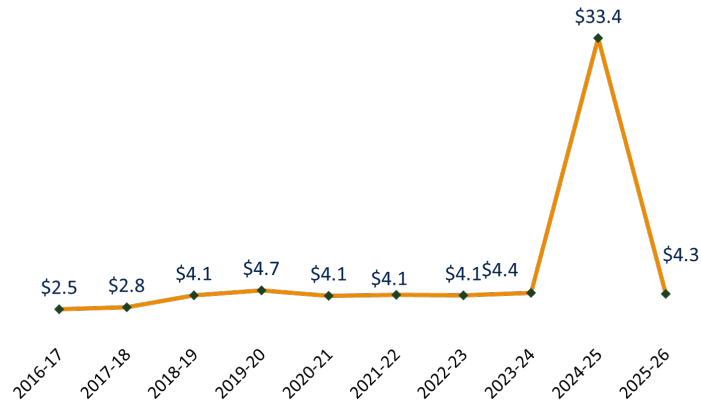
In FY 2024-25, estimated revenues are expected to come in roughly \$2.3 million higher compared to budgeted levels due to the Vallco Town Center (renamed the Rise) and its scheduled commencement in FY 2023-24, in which the applicant received approval of value-engineered and modified plans. Revenues are carried forward until project completion.

FY 2025-26 revenues are projected to be 0.4% lower than the prior year adopted budget. This projected decrease is primarily due to a reduction in Other Service Fees, following the reclassification of an account to its appropriate budget category of Intergovernmental revenue. Other contributing factors are a decrease in Vallco Town Center (the Rise) engineering fees.

Licenses and Permits

Licenses and permits include fees for reviewing building plans, building inspections, construction, tenant improvements, and commercial/residential installations for compliance with state and municipal building codes.

Licenses & Permits Historical Trend
(\$ in millions)



Apple Park and large residential projects (Rosebowl, Biltmore expansion, Main Street) generated significant permitting revenues in FY 2013-14 (not shown in the trend chart above). Since then, activity has slowed until FY 2018-19, when revenues came in 48.8% higher. Although this revenue source is relatively consistent from year to year, fluctuations may occur depending on the timing of projects being completed. The \$34 million estimated amount in FY 2024-25 is due to plan check fee revenues anticipated to be recognized for Vallco Town Center (renamed The Rise). In FY 2025-26, revenues are budgeted at \$4.3 million, a 16.2% increase from the prior year adopted budget.

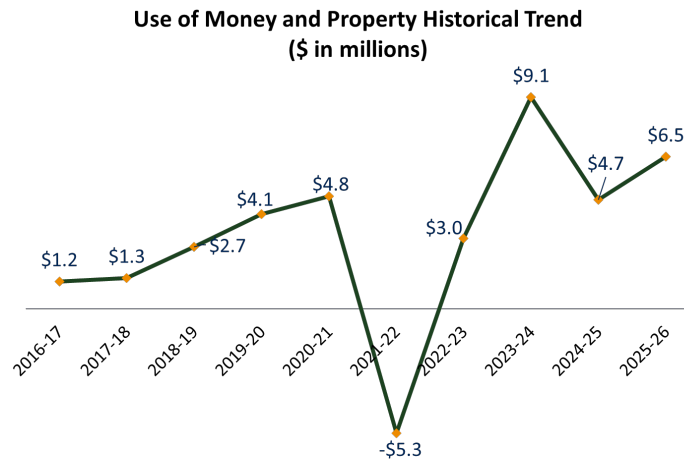
LICENSES AND PERMITS	
FY 23-24 Actual	4,412,057
FY 24-25 Adopted	3,665,866
FY 24-25 Estimate	33,413,146
FY 25-26 Proposed	4,261,859
% of General Fund	4.38%
% Change from FY 24-25 Adopted	16.26%

Use of Money and Property

The use of money and property category is comprised of General Fund interest earnings as well as facility and concession rental income of City-owned property. As of March 31, 2025, the City's portfolio included \$67.3 million invested with the Local Agency Investment Fund (LAIF) and a total market value of \$172.4 million with Chandler Asset Management. As of March 31, 2025, the City also had \$22.5 million in its Section 115 Pension Trust, which is restricted for pension costs.

Fluctuations in this revenue category are a result of investment earnings, as rental income is fairly steady. Investment earnings were higher in FY 2020-21 and FY 2023-24 due to investment gains in the City's Section 115 Pension Trust. Investment earnings fell in FY 2021-22 and FY 2024-2025 due to mark-to-market adjustments to account for unrealized losses in the City's portfolio.

The portfolio's market value fluctuates depending on interest rates. When interest rates decrease after an investment is purchased, the market value of the investment increases. In contrast, when interest rates increase after an investment is purchased, the market value of the investment decreases. At the time of purchase, the City intends to hold all investments until maturity, meaning that changes in market value will not impact the City's investment principal. If the market value decreases, the City will incur an unrealized loss. However, the loss will only be realized if the City sells its investments before their maturity.



USE OF MONEY AND PROPERTY	
FY 23-24 Actual	9,098,441
FY 24-25 Adopted	4,697,122
FY 24-25 Estimate	4,697,122
FY 25-26 Proposed	6,538,880
% of General Fund	6.73%
% Change from FY 24-25 Adopted	39.21%

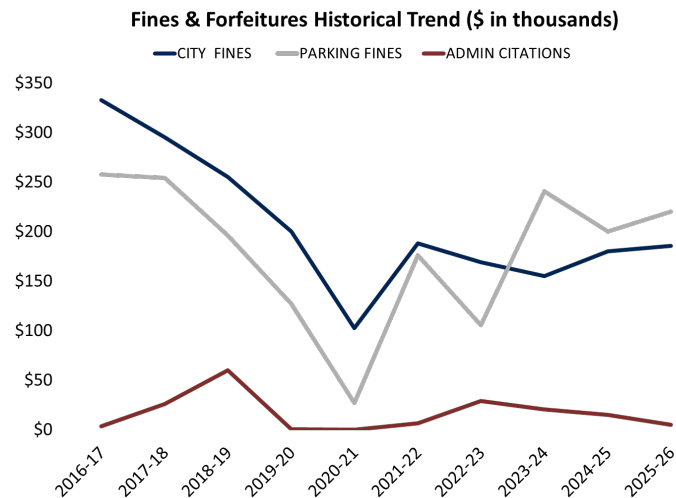
Investment earnings are a function of the amount of cash available for investment, current interest rates, and the composition of investments. The City's investment objectives, in order of priority, are:

- Safety to ensure the preservation of capital
- Sufficient liquidity for cash needs
- A market rate of return consistent with the investment program

In FY 2025-26, revenues in this category have increased 39.2% from the prior year adopted budget primarily due to the City's new water system lease agreement, which provides approximately \$1.8 million in annual revenues for the life of the 12-year contract with San Jose Water Company. These revenues began in the current fiscal year, FY 2024-25, and will conclude in FY 2036-37, which is beyond the current forecast.

Fines and Forfeitures

Fines and forfeitures account for revenues generated from vehicle, parking, and miscellaneous code violations issued by the County Sheriff and the City's Code Enforcement officers. Revenues in this category dropped significantly in FY 2020-21 due to pandemic related restrictions and have increased over the next few years as society continued to rebound from the pandemic. In FY 2024-25, this revenue source is expected to reach \$395,000. Revenues in FY 2025-26 are expected to slightly increase 4.0% from the prior year adopted budget driven by an expected rise in citations issued as the Code Enforcement division reaches full staffing this fiscal year.



FINES AND FORFEITURES	
FY 23-24 Actual	416,402
FY 24-25 Adopted	395,000
FY 24-25 Estimate	395,000
FY 25-26 Proposed	410,760
% of General Fund	0.42%
% Change from FY 24-25 Adopted	3.99%

Intergovernmental

Intergovernmental revenues are made up of federal, state, and regional grants, including miscellaneous intergovernmental revenue.

INTERGOVERNMENTAL	
FY 23-24 Actual	1,404,322
FY 24-25 Adopted	2,471,990
FY 24-25 Estimate	2,682,904
FY 25-26 Proposed	3,569,332
% of General Fund	3.67%
% Change from FY 24-25 Adopted	44.39%

FY 2025-26 revenues in this category are anticipated to be 44.4% higher than the prior year adopted budget primarily attributed to anticipated funds received from other cities for the Via community shuttle. This revenue has been reclassified from Charges for Services to its appropriate budget category of Intergovernmental revenues. The increase is also due to an increase in anticipated state grant revenues received, primarily due to a grant for the Via community shuttle.

Miscellaneous Revenue

Miscellaneous revenues account for unanticipated revenues such as donations and administrative fees.

MISCELLANEOUS REVENUE	
FY 23-24 Actual	2,199,861
FY 24-25 Adopted	1,210,653
FY 24-25 Estimate	1,210,653
FY 25-26 Proposed	1,668,815
% of General Fund	1.72%
% Change from FY 24-25 Adopted	37.84%

FY 2025-26 miscellaneous revenues are budgeted 37.8% higher than the prior year adopted budget. The majority of the General Fund's miscellaneous revenues are due to Sheriff services from Apple for Law Enforcement services at Apple Park.

Other Financing Sources

Other Financing Sources generally account for refundable deposit revenues within the Community Development Department. With significant fluctuations, year-over-year, staff conservatively estimate these revenues. In FY 2025-26, revenues are projected to be relatively consistent with the prior year adopted budget.

OTHER FINANCING SOURCES	
FY 23-24 Actual	127,037
FY 24-25 Adopted	367,000
FY 24-25 Estimate	367,000
FY 25-26 Proposed	367,000
% of General Fund	0.38%
% Change from FY 24-25 Adopted	0.00%

Transfers In

Transfers In represent the movement of funds from one City fund to another, the General Fund in this case.

TRANSFERS IN	
FY 23-24 Actual	111,000
FY 24-25 Adopted	15,000
FY 24-25 Estimate	15,000
FY 25-26 Proposed	15,000
% of General Fund	0.02%
% Change from FY 24-25 Adopted	0.00%

In FY 2023-24, actual transfers were high due to a transfer in from the Capital Reserve for the I-280/Wolfe project. FY 2024-25 is anticipated to end the year within budgeted levels. In FY 2025-26, the City plans to transfer \$15,000 from the City's Tree Fund to the General Fund to support ongoing tree maintenance operations.

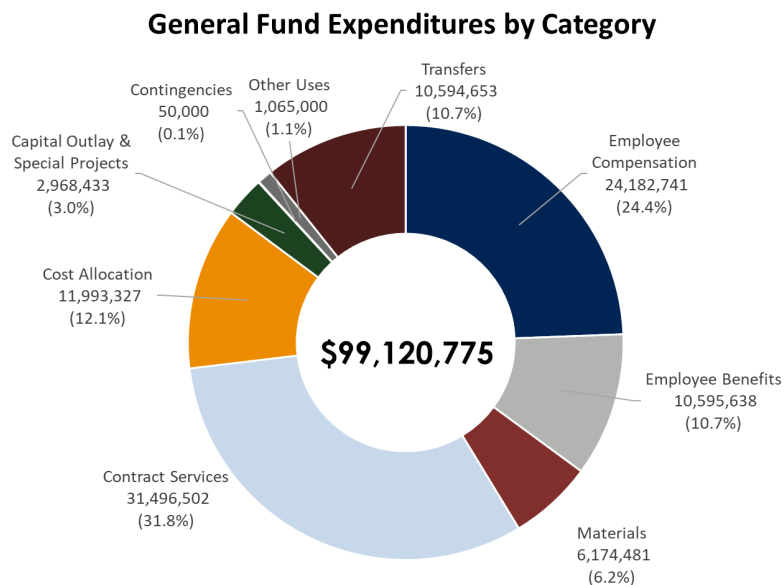
General Fund Expenditures

The estimates for FY 2025-26 General Fund expenditures are based on a thorough analysis of anticipated personnel and non-personnel costs. To create a more fiscally responsible budget, department budgets reflect a base budget with only justified ongoing expenses. This accounts for changes in personnel costs as well as any other anticipated or known increased costs in FY 2025-26.

As shown in the chart on the next page, FY 2025-26 expenditures are estimated at \$99.1 million, which represents an \$9.1 million, or 10.1%, increase compared to the adopted budget from the prior year. This budget reflects increases in Contract Services, Capital Outlay and Special Projects, and Cost Allocation.

GENERAL FUND EXPENDITURE SUMMARY					
	2022-23	2023-24	2024-25	2025-26	Percent
EXPENDITURES	Actual	Actual	Adopted	Proposed	Change
Employee Compensation	21,760,345	21,367,731	23,388,317	24,182,741	3.4%
Employee Benefits	8,464,077	9,503,988	11,329,376	10,595,638	-6.5%
Total Personnel Costs	30,224,422	30,871,719	34,717,693	34,778,379	0.2%
Non-Personnel Costs					
Materials	5,507,090	5,215,228	5,775,194	6,174,481	6.9%
Contract Services	21,845,913	25,655,721	29,216,149	31,496,502	7.8%
Cost Allocation	10,385,961	10,257,656	10,638,580	11,993,327	12.7%
Capital Outlay & Special Projects	3,020,115	3,683,913	1,165,000	2,968,433	154.8%
Contingencies	277	5,732	254,580	50,000	-80.4%
Other Uses	619,687	482,077	925,000	1,065,000	15.1%
Total Non-Personnel	41,379,044	45,300,327	47,974,503	53,747,743	12.0%
Transfers	12,344,345	6,595,284	7,349,598	10,594,653	44.2%
TOTAL EXPENDITURES	\$83,947,811	\$82,767,330	\$90,041,794	\$99,120,775	10.1%

The largest General Fund operating expenditure categories include Employee Compensation and Benefits (35.1%), Contract Services (31.8%), Cost Allocation (12.1%), Materials (6.2%), and Transfers (10.7%) as illustrated in the FY 2025-26 General Fund Expenditures by Category chart.



Personnel Costs

In FY 2025-26, personnel costs are expected to reach \$34.7 million, accounting for 35% of the General Fund expenditures. These costs include salaries and compensation for benefited and part-time staff (68%), retirement benefits (15%), and other fringe benefits (17%), such as health coverage.

To obtain these figures, the City extracted data from the payroll system and made necessary updates to account for vacant positions, new hires, salary adjustments, and reallocated positions. Furthermore, the projected costs of benefits for the upcoming year, such as retirement and health plans, were taken into consideration. A transfer to the Retiree Medical Fund for retiree healthcare, which is an ongoing expense, is budgeted in FY 2025-26.

The FY 2025-26 Adopted Budget includes funding for a total of 210 positions, representing an increase of 3 positions from the FY 2024-25 Amended Budget.

Position	Department	Description	FTE
FY 2024-25 Amended Budget			207.00
FY 2025-26 Proposed Budget			
Receptionist	City Manager's Office	Adding Position	1.00
Management Analyst (Grants)	Administrative Services	Adding Position	1.00
Maintenance Worker I/II	Public Works	Adding Position	1.00
FY 2025-26 Proposed Budget			210.00

Non-Personnel

In FY 2025-26, non-personnel costs make up 54% of the total at \$99.1 million. Contract services are the largest component at 31.8%, followed by Cost Allocation at 12.1%, Transfers at 10.7%, and Materials at 6.2%.

One-time projects were separated into a different category in FY 2013-14 to ensure expenditure trends reflect ongoing needs. In FY 2017-18, special projects and capital outlays were categorized separately from other costs. Per the City Council Special Project Policy adopted in FY 2024-25, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Non-Personnel budgets were developed based on previous year's base budget and adjusted for the current year's needs. One-time projects were excluded to reflect ongoing expenditure needs. Materials and contract services were adjusted by CPI, where applicable.

Contingencies

In FY 2013-14, a contingencies expenditure category was added to each program to provide a cushion for any unforeseen expenses. In FY 2020-21, the program contingencies and City Manager Contingency were reduced from 5% to 2.5%. To further reduce expenditures, in FY 2021-22, the City Manager Contingency was reduced to \$75,000. In FY 2022-23, program contingencies was reduced to 1.25%, and the City Manager Contingency was reduced to \$50,000. The City has a track record of underspending in this category. The program contingency budget may be used by departments to cover unanticipated expenses at their discretion, while the City Manager Contingency requires the approval of the City Manager and is reported to the City Council quarterly for transparency and accountability.

General Fund Transfers

Transfers out represent transfers of monies out of the General Fund to various other funds. These transfers provide resources to the receiving fund to support operating and capital expenditures. Transfers from the General Fund are as follows:

Receiving Fund	Description	FY 2024-25	FY 2025-26
		Adopted Budget	Proposed Budget
Environmental Management Fund	Environmental Management	-	317,000
Community Development Block Grant (CDBG)	Community Development Block Grant	-	250,000
Transportation Fund	Sidewalk, Curb, and Gutter Maintenance	1,500,000	2,500,000
Debt Service Fund	Annual Debt Payment	2,676,200	2,676,600
Blackberry Farm Fund	Blackberry Farm Golf	55,000	-
Sports Center Fund	Sports Center	434,000	1,235,000
Innovation & Technology Fund	IT Infrastructure	200,000	-
Compensated Absences/LTD Fund	Compensated Absences	591,000	670,000
Retiree Medical Fund	Retiree Medical	1,609,045	1,946,053
TOTAL		\$ 7,065,245.00	\$ 9,594,653.00

For descriptions of funds, see Financial Policies: Fund Structure.

General Fund Fund Balance

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, prepaid items, property held for resale, and long-term notes receivable.

Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action (resolution) that imposed the constraint originally.

Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The intent is expressed by the City Council or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. Through the adopted budget, the City Council establishes assigned fund balance policy levels and also sets the means and priority for the City Manager to fund these levels.

Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Only the General Fund reports a positive unassigned fund balance. A governmental fund other than the General Fund may report a negative unassigned fund balance if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to those purposes.

In circumstances when an expenditure may be made for which amounts are available in multiple fund balance classifications, the fund balance in General Fund will generally be used in the order of restricted, unassigned, and then assigned reserves. In other governmental funds, the order will generally be restricted and then assigned.

General Fund Classification of Fund Balance

Classification	2022-23 Actual	2023-24 Actual	2024-25 Adopted Budget	2024-25 Year End Projected	2025-26 Proposed Budget
<u>Nonspendable</u>					
Loans Receivable	970,962	428,431	435,000	428,431	435,000
Advance to Other Funds	3,000,000	3,000,000	-	3,000,000	3,000,000
Inventories/Prepaid Items	29,626	21,383	-	21,383	21,383
Total Nonspendable	4,000,588	3,449,814	435,000	3,449,814	3,456,383
<u>Restricted</u>					
CASp Certification and Training	-	7,628	12,377	7,628	7,628
Section 115 Pension Trust	19,088,859	21,663,664	19,088,859	21,663,664	21,663,664
Public Access Television	-	1,639,443	1,565,153	429,443	429,443
Public Art In-Lieu	-	-	-	-	-
Total Restricted	19,088,859	23,310,735	20,666,389	22,100,734	22,100,734
<u>Committed</u>					
Sales Tax Repayment Reserve	-	74,500,000	77,554,500	-	-
For Future Use Reserve	-	-	-	64,500,000	64,500,000
Economic Uncertainty Reserve	24,000,000	24,000,000	21,346,728	18,000,000	22,309,545
Capital Projects Reserve	10,000,000	10,000,000	-	10,000,000	5,000,000
Sustainability Reserve	127,891	127,891	127,891	127,891	127,891
Total Committed	34,127,891	108,627,891	99,029,119	92,627,891	91,937,436
<u>Assigned</u>					
Reserve for Encumbrances*	9,735,187	4,741,474	7,000,000	-	-
Total Assigned	9,735,187	4,741,474	7,000,000	-	-
Total Unassigned	71,603,813	25,965,405	23,630,860	39,069,295	39,181,179
TOTAL FUND BALANCE	\$ 138,556,339	\$ 166,095,319	\$ 150,761,368	\$ 157,247,734	\$ 156,675,732

*Beginning with the FY 2025–26 Budget, the City will no longer present projected or proposed fund balance amounts. Instead, prior year actuals will be updated to reflect recorded activity. This adjustment is being made to align with the City's practice of budgeting under the assumption that all appropriations will be fully expended within the fiscal year.

General Fund Forecast

Overview

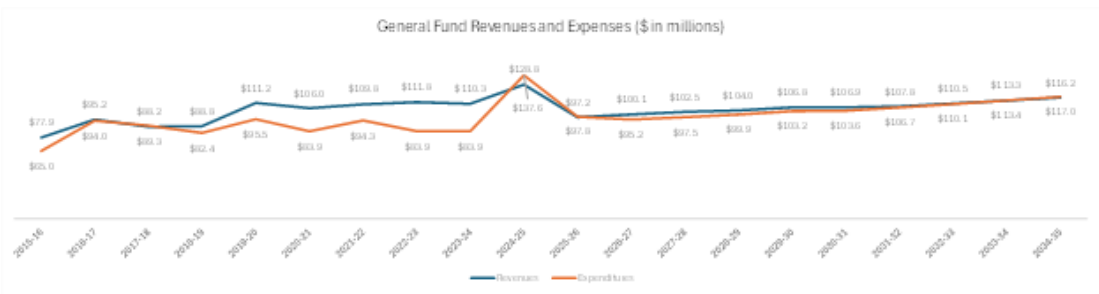
The City has reached resolution on the California Department of Tax and Fee Administration (CDTFA) Audit, this budget focuses on the 10-year forecast post this resolution. While long-term projections may be less precise than short-term projections, they can help identify potential structural budget issues in advance.

The following chart shows a structural deficit that begins in FY 2033-34 due to expenditures (3.76% average annual growth rate) growing at a faster rate than revenues (1.71% AAGR).

Although this forecast is an improvement from FY 2024-25 Adopted Budget, comparing this forecast to the update forecast provided to the City Council in March 2025 we now have the last two years of the forecast with modest deficits. This is driven primarily by increased expenditures from higher growth than expected in Materials and Contracts and Special Projects. Most notably law enforcement costs have materialized at 6% vs. the 4% in the forecast. Additionally, staff has ongoing requests for:

- Salaries and Benefits for the addition of three new positions and two part-time positions that total \$768,316.
- Materials and contracts total \$544,340.

This forecast does not assume increases fees scheduled to be presented to City Council on May 6, 2025.



The results of an audit by CDTFA have been finalized. The final impact of this audit have resulted in a decline of \$30 million, or 73%, in sales tax revenues. This resulted in an overall decrease to total City revenues of \$30 million, or 28%, from the original FY 2023-24 forecast. The ongoing impacts of the audit are included in this forecast.

The Council and staff have demonstrated proactive fiscal stewardship in response to the evolving financial landscape. The FY 2023-24 Adopted Budget, and FY2024-25 budget both included significant reductions totaling almost \$24 million dollars as illustrated in the table1 below:

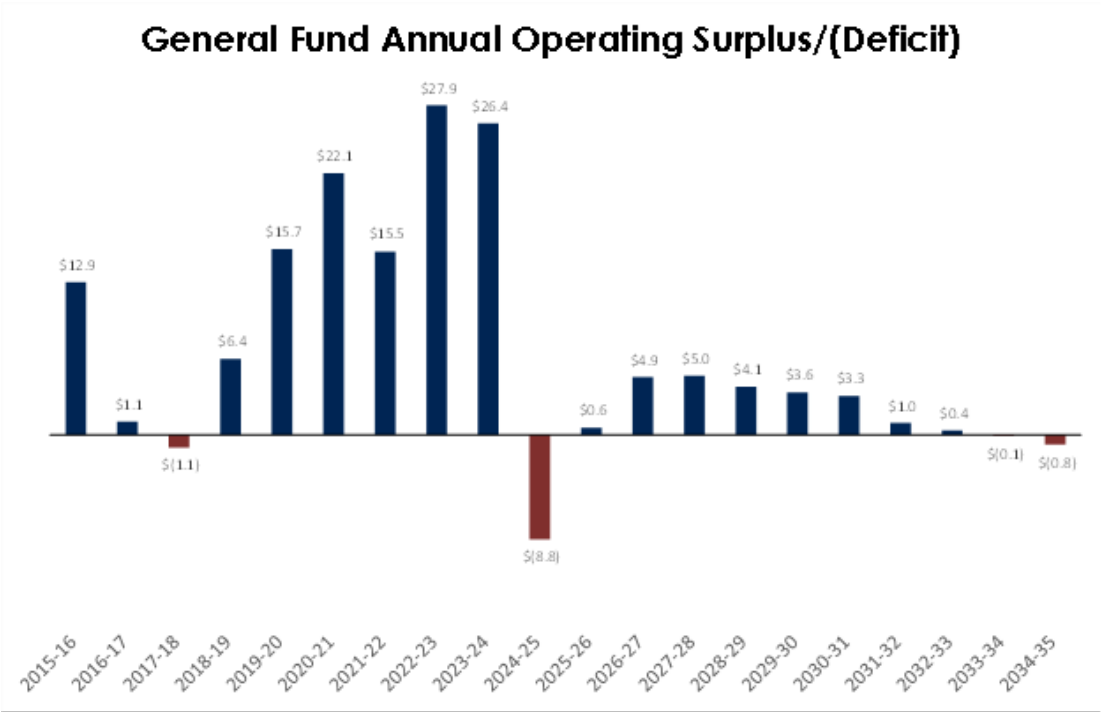
Category	FY24		Summary
Materials & Contracts	\$5.5M		Reductions across departments, most notably reductions to street pavement maintenance and training and development
Staffing	\$2.4M		13 FTE positions
Transfers ¹	\$5.8M		Reduced Transfers out to other funds
Capital Outlays, Special Project, Contingencies and Cost Allocations ¹	\$1.4M		Reduced all categories listed
FY24 Reductions	\$15.1M		
		FY25	
Community Benefits		\$0.1M	4 th of July Fireworks ¹
Fiscal Accountability		\$2.8M	Align Law Enforcement costs with actuals, ERP, and legal costs
Infrastructure		\$2.9M	No CIP reserve transfer and tree maintenance moved in-house
Operations and Maintenance		\$2.9M	Elimination of two Project Managers and reduction of part-time staff. Includes additional materials and contract reductions.
Total FY25 Reductions		\$8.7M	

Additionally, on October 10, 2023, the Council established a committed Sales Tax Repayment Reserve with an initial allocation of \$56.5 million. This reserve was designed to address a potential adverse CDTFA decision and the uncertain outcome of the anticipated legal challenge. Funding came from Unassigned fund balance, the Capital Projects Reserve, and the Economic Uncertainty Reserve. Staff will be going to Council on May 21, 2024, to increase the Sales Tax Repayment Reserve to \$74.5 million.

In October 2024, the City reached resolution with the CDTFA which allowed the City to keep previously disputed revenues but the ongoing reductions to sales tax will remain and are included in this forecast.

In November 2024 staff brought a plan to allocate the Sales Tax Repayment Reserve. Ultimately, City Council voted to allocate \$10 million for an Additional Discretionary Payment (ADP) to CalPERS, the City’s retirement system, resulting in reduced retirement costs throughout the forecast. The remaining \$64.5 million has been placed in a new committed reserve, “Reserved for Future Use”. Any use of these dollars must have approval from the City Council.

As we progress through the current fiscal year and other in the forecast, staff will continue to keep the Council, Community and Staff up to date on the City’s Financial Forecast.



The City has been successful in making reductions needed to help balance the General Fund budget for all but two of the years, with deficits now beginning in FY2034 of the forecast, again an improvement over last year but a decline from the Mid-Year Financial Report, as discussed in the overview section of the forecast.

In the out years, the deficit is primarily due to a recession scenario in FY 2027-28, and the sunset of the Utility Users Tax in FY 2030-31.

This forecast is still an improvement and continues to give the City the ability to balance the budget without the use of reserves.

Forecast Methodology

A financial forecast is a crucial tool for planning and budgeting, allowing staff to analyze trends and anticipate the long-term impacts of budget decisions. It plays a vital role in modeling the effects of various factors, such as retirement costs, employee compensation, and revenues, on the City's budget.

It is important to note that the forecast is not a plan but rather a model that relies on revenue and cost assumptions, which are updated regularly as new information becomes available. While cost projections, which are based on known costs, are relatively reliable, revenue forecasts are subject to uncertainties related to future economic conditions. Economic forecasts can change frequently, making it difficult to commit to a particular prediction of the future. As such, staff must update the forecast regularly to ensure it reflects the latest information and trends.

While economic conditions are the primary drivers for economically sensitive revenues such as sales tax and property tax, other factors drive non-economically sensitive categories such as utility user taxes and franchise fees. These revenue categories are more heavily impacted by utility rate changes, energy prices, and consumption levels. Revenues from local, state, and federal agencies are primarily driven by grant and reimbursement funding. As a result, these revenues experience no significant net gain or loss

during economic expansions or slowdowns. All revenue projections are based upon trend analysis, including a careful examination of the collection history and patterns related to seasonality and the economic environment the City is most likely to encounter in the future. Staff also considered the impacts of the CDTFA audit in determining the sales tax estimates.

A discussion of the national and local economic outlooks used to develop the revenue estimates for the forecast is included below. To create the revenue forecasts, the City reviewed national, state, and regional economic forecasts from multiple sources, including the Congressional Budget Office, California's Legislative Analyst's Office (LAO), and the Center for Continuing Study of the California Economy (CCSCE). To develop the sales tax, property tax, and transient occupancy tax (TOT) revenue projections, the City worked with HdL Companies, a tax consultant.

The City's Consumer Price Index (CPI) forecasts are from:

- UCLA Anderson Forecast for the Nation and California
- California Department of Transportation's California County-Level Economic Forecast

In 2019, the City worked with UFI (Urban Futures, Inc.), a financial advisory and consulting firm, to:

- Review, update, and enhance the City's baseline financial forecast.
- Evaluate fiscal strategies, including potential local revenue measures.
- Develop capital financing options, structures, and estimates for identified projects.
- Prepare an analysis of city charter costs/benefits related to fiscal activities.

In 2024, the City worked with Baker Tilly to validate the City's financial forecast. In collaboration with Baker Tilly, the City has made the following updates to the forecast:

- Increased the sales tax growth rate.
- Adjusted the recession scenario from every 4 years to every 7 years to align with post-World War II patterns.
- Incorporated 2% salary savings to account for vacant positions.
- Updated CPI data source to UCLA Anderson Forecast.
- Adjusted interest earnings to align with current reserves and investment strategy.
- Implemented updates to the Economic Uncertainty Reserve level every year.

In 2025 staff further reviewed the forecast the City has made the following updates:

- Aligned Property Tax, Transient Occupancy Tax, and Franchise Fee revenue estimates with historical actuals.
- Included interest earnings related to the \$74.5 million, now \$64.5 in the forecast.
- Update the vacancy rate from 2% to 4% to better align with historical vacancy rates.
- Included the water lease payment into the forecast.
- Resumed transfers out to the Capital Reserve in all years of the forecast.

National Economic Outlook

In the first quarter of 2025, the U.S. real gross domestic product (GDP) contracted at an annualized rate of 0.3%, marking the first decline since early 2022. This downturn was primarily driven by a significant surge in imports, as businesses and consumers accelerated purchases ahead of newly announced tariffs by the Trump administration. The resulting record trade deficit substantially offset gains from consumer spending and business investment.

Despite the contraction, the labor market remained relatively stable, with the unemployment rate holding at 4% and layoffs remaining minimal. However, early indicators suggest potential economic weakening, with signs of slower job growth and declining wage gains.

Inflationary pressures have shown signs of easing. The Consumer Price Index (CPI) rose 2.4% over the 12 months ending March 2025, down from 2.8% in the previous period. Core inflation, which excludes food and energy, increased by 2.8% over the same period, marking the smallest 12-month increase since March 2021.

Cupertino Economic Outlook

The City does not anticipate significant impacts on property tax revenues in FY 2025-26. The City is optimistic about the future of transient occupancy tax (TOT) revenues, as the relaxation of pandemic-related restrictions has boosted business travel. However, the recovery of this crucial tax revenue has been slower than expected.

As more information becomes available, staff will bring forward updates and adjustments to City Council regularly as necessary.

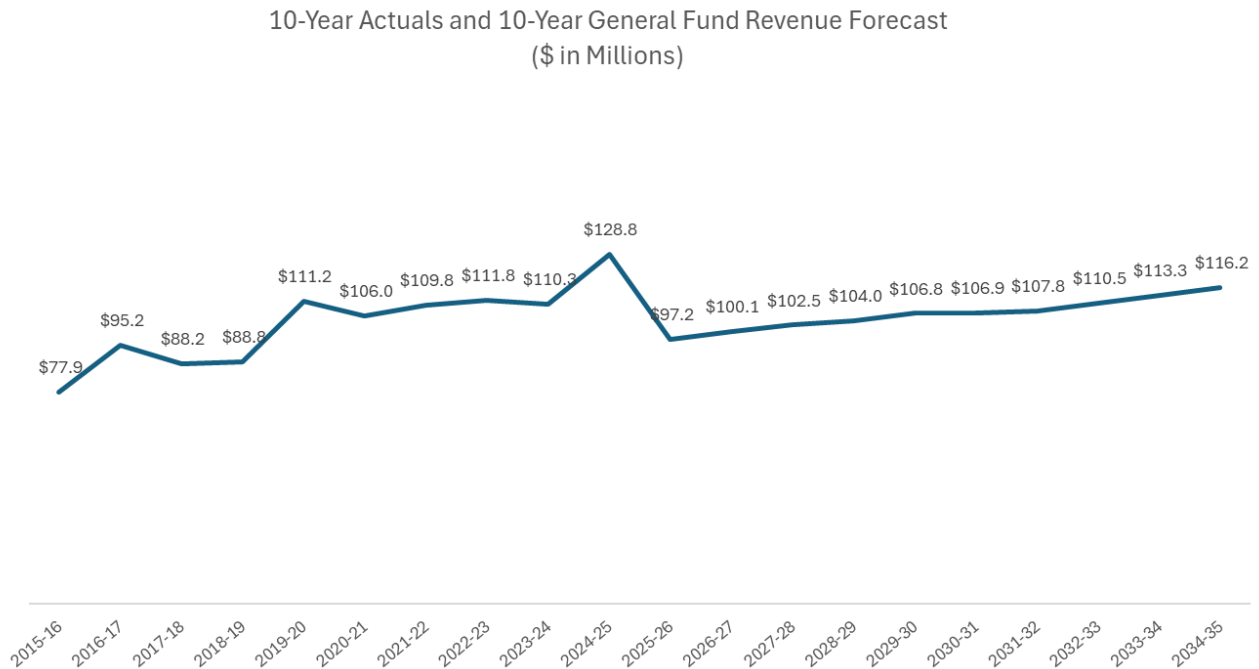
Revenues

The City relies heavily on three revenue sources: property tax, sales tax, and transient occupancy tax (TOT), which together make up the majority of its General Fund revenues.

The City's General Fund revenues are projected to be \$97.2 million in FY 2025-26 and are expected to increase over the forecast period. Property tax and transient occupancy tax are expected to continue to be consistent revenue sources, with projected increases. However, sales tax is projected to decrease significantly due to the CDTFA resolution.

The National Bureau of Economic Research (NBER), an American private nonprofit research organization, defines the beginning and ending dates of recessions. The NBER defines a recession as "a significant decline in economic activity spread across the economy, lasting more than two quarters which is six months, normally visible in real gross domestic product (GDP), real income, employment, industrial production, and wholesale-retail sales. Since World War II, recessions have lasted an average of 10 months and have occurred, on average, about every 6.5 years. As a result, the forecast assumes a recession every seven years where most revenues remain flat while expenditure continues to increase. The forecast incorporates a recession scenario in FY 2027-28. This is a change from the previous recessionary assumption of every four years. The update was made based on a recommendation from Baker Tilly.

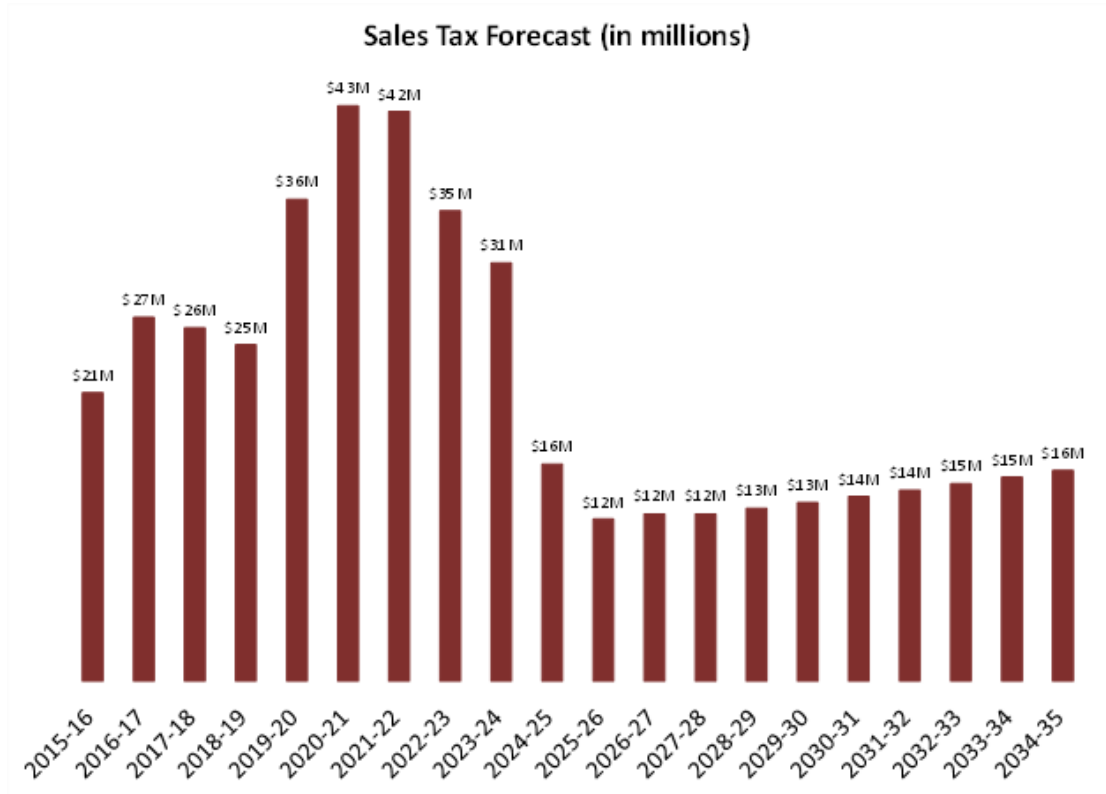
Per City Council direction in April 2025 as part of the Budget Format Review item, 10 years of historical actual data is now shown along with 10 years of forecast data for each revenue category.



	GENERAL FUND REVENUES FORECAST & UNBUDGETED																			
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
REVENUES																				
Sales Tax	23,130	26,402	26,145	24,902	35,457	42,377	42,175	34,819	30,944	14,064	11,964	12,379	12,709	12,789	12,296	11,640	11,156	11,610	12,009	12,483
Property Tax	181,39	20,219	22,434	25,011	26,487	26,274	26,274	31,000	33,037	34,204	35,413	36,531	37,646	38,761	39,875	40,986	42,108	43,232	44,350	45,479
Transient Occupancy Tax	58,02	6,024	6,811	8,001	7,366	7,111	6,105	7,062	6,487	7,297	7,360	7,626	7,846	7,846	8,010	8,168	8,324	8,476	8,626	8,773
Utility Tax	3,571	3,082	3,146	3,090	3,182	3,074	3,136	4,118	3,936	4,307	4,294	4,342	4,362	4,362	4,439	4,492	-	-	-	-
Retail Sales Tax	34,736	3,100	3,564	34,455	3,419	3,368	3,400	3,095	4,214	4,214	4,305	4,275	4,276	4,256	4,235	4,215	4,204	4,203	4,193	4,183
Other Taxes	22,946	2,982	1,340	3,640	4,402	2,629	1,905	1,172	1,621	1,684	1,737	1,760	1,823	1,823	1,845	1,869	1,864	2,008	2,047	2,086
Earnouts and Penalties	3,073	3,107	2,736	4,103	4,493	4,068	4,142	4,094	4,412	3,113	4,362	4,280	4,305	4,305	4,336	4,348	4,369	4,391	4,413	4,435
Grant of Money and Property	4,418	1,210	1,243	3,681	4,390	4,409	5,573	3,014	9,098	8,056	4,407	5,281	5,447	5,467	5,439	4,017	6,105	6,234	6,408	6,589
Intergovernmental	436	330	1,004	474	788	1,451	4,418	7,771	1,018	2,683	3,949	3,587	3,665	3,665	3,633	3,611	3,609	3,628	3,646	3,715
Charges for Services	154,55	17,163	80,546	109,576	11,966	11,245	14,296	80,41	12,181	13,409	15,162	15,828	16,431	16,431	16,030	15,440	14,852	14,630	14,227	13,846
Rentals and Permits	539	363	525	511	328	329	370	304	436	345	411	411	411	411	411	411	411	411	411	411
Miscellaneous	1,206	1,823	1,899	1,102	1,218	1,263	1,941	1,208	2,208	2,099	1,510	1,528	1,644	1,644	1,644	1,644	1,612	1,705	1,806	1,883
Transfer In	36	2,362	2,254	80	10,022	89	4,842	894	111	15	15	45	45	45	45	45	15	15	15	15
Other Financing Sources	986	5,747	5,247	1,671	451	557	393	223	127	2	367	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 75,942	\$ 95,361	\$ 96,211	\$ 100,141	\$ 111,179	\$ 105,960	\$ 106,040	\$ 111,226	\$ 110,106	\$ 120,545	\$ 121,229	\$ 120,132	\$ 121,142	\$ 121,081	\$ 120,409	\$ 119,649	\$ 118,740	\$ 118,336	\$ 118,109	\$ 118,300

Sales Tax

Prior to FY 2023-24, sales tax has been the City's largest revenue source. Sales taxes are collected at the point of sale and remitted to the California Department of Tax and Fee Administration (CDTFA), formerly the Board of Equalization.



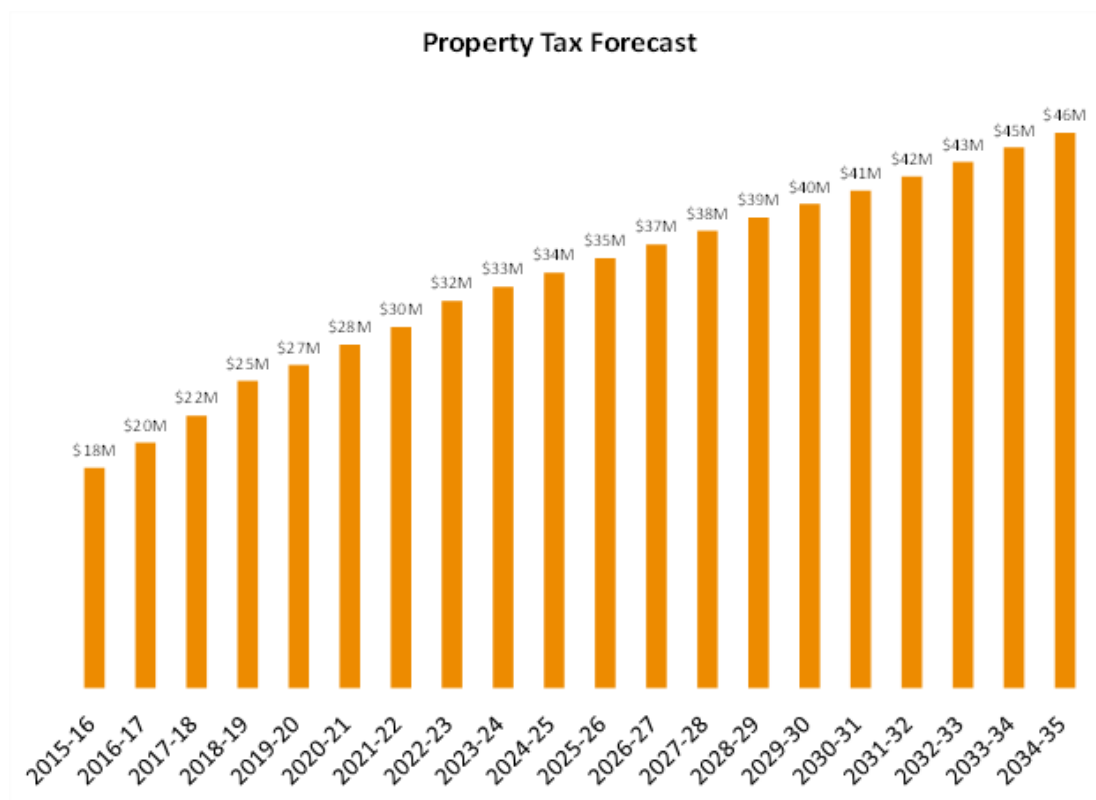
Sales tax revenues are projected to increase by an average annual growth rate of 2.98% in the forecast. Staff used moderate estimates for business and industry, general consumer goods, restaurants and hotels, and state and county pools.

Historically major drivers that caused fluctuation in this revenue category stemmed from the following:

- Sales Tax Localization Agreement with Apple (FY15, impact in FY17 and FY18)
- Negotiated a new sales tax-sharing agreement split (changed from 50/50 to 35/65 in the middle of FY14)
- Closeout of the triple flip (FY17)
- Wayfair Decision/AB 147 (changed how out of state online purchases are taxed and distributed FY21)
- Online and Business to Business increased significantly from FY20 to FY23
- County Pool increased from FY20 to FY23 due to the strong performance of online and B2B, as well as the decline of most other Santa Clara County agencies' sales tax during the same time.
- California Department of Tax and Fee Administration (CDTFA) audit in FY24

Property Tax

Property taxes are projected to remain stable in the near term. However, the impact of potential remote work on property taxes in the long term is uncertain. The trend towards remote work has caused people to reconsider where they choose to live, which could lead to a decrease in demand for residential real estate. The high-interest rate environment and a slow turnover rate of properties in the City may also impact this revenue category. Additionally, companies may need less office space if fewer employees are working at the office, which could decrease demand for commercial office space. This could result in a reduction of property tax revenue for the City.



In FY 2025-26, property tax revenues are expected to reach \$35.4 million and increase at an average annual growth rate of 2.88% in the forecast. The moderate forecast is based on a range of factors, including historical trends for the City and projections for the region. While property tax has grown at an average annual rate of 11% historically, this projection assumes a lower growth rate. Historical property tax growth has been due to significant development projects such as Main Street and Apple Park, as well as the restoration of Tax Equity Allocation (TEA) revenues from FY 2015-16 to FY 2019-20.

Historically, major drivers that caused fluctuation in this revenue category stemmed from the following:

- 5.6% to 7% City property tax share due to Tax Equity Allocation (TEA) restoration from FY15 to FY20 and Education Revenue Augmentation Fund (ERAF) shift
- Apple Park and other developments
- Increase in residential and other commercial property values.

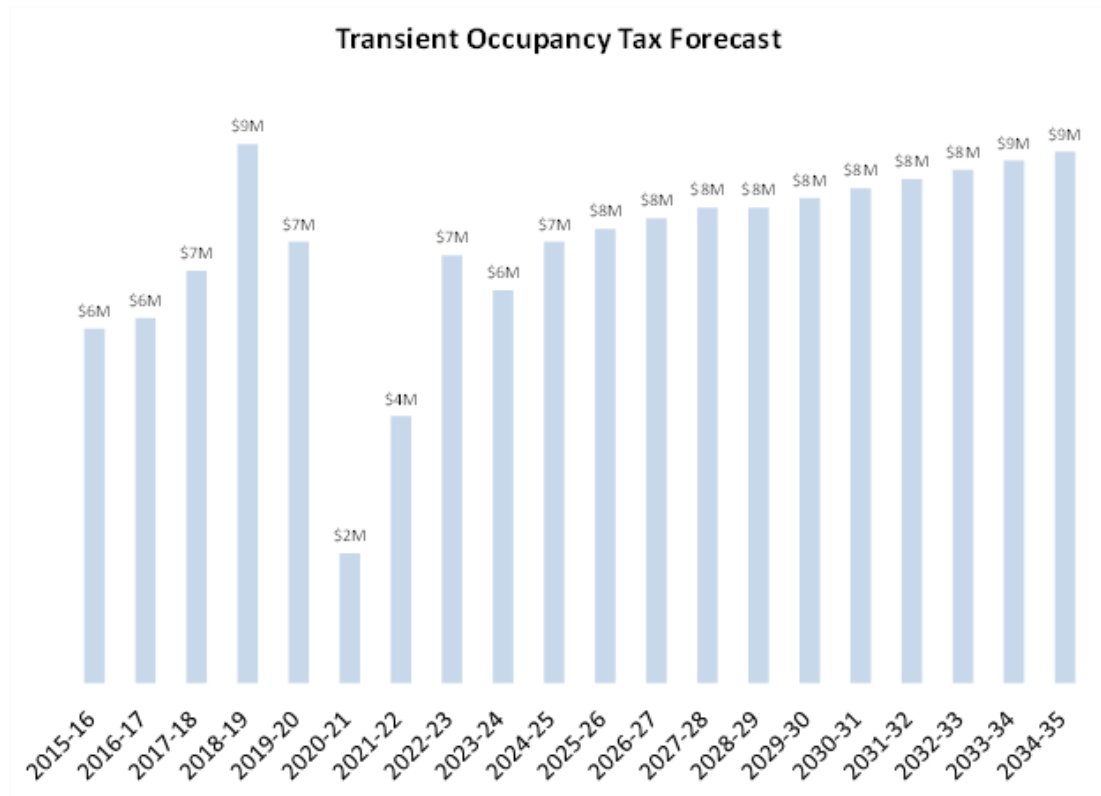
The current projection does not assume any such developments in the near future, resulting in a more modest growth rate forecast. The City will continue to monitor economic and market trends to ensure that property tax revenue projections remain accurate.

Transient Occupancy Tax

The City's current forecast assumes that TOT revenues will be \$7.5 million in FY 2025-26 and gradually increase. The forecast projects an average annual growth rate of 1.76% for TOT revenues. This moderate forecast is based on historical tax collections and assumes slower growth than historical trends. Historical growth in TOT revenues was primarily due to the addition of new hotels and a voter-approved increase in the TOT rate from 10% to 12% in 2012.

Historically major drivers that caused fluctuation in this revenue category stemmed from the following:

- TOT rate increased from 10% to 12% in FY13.
- New hotels
- Short-Term Rentals
- Shelter-in-place (fourth quarter of FY20)
- Business travel affected by pandemic.

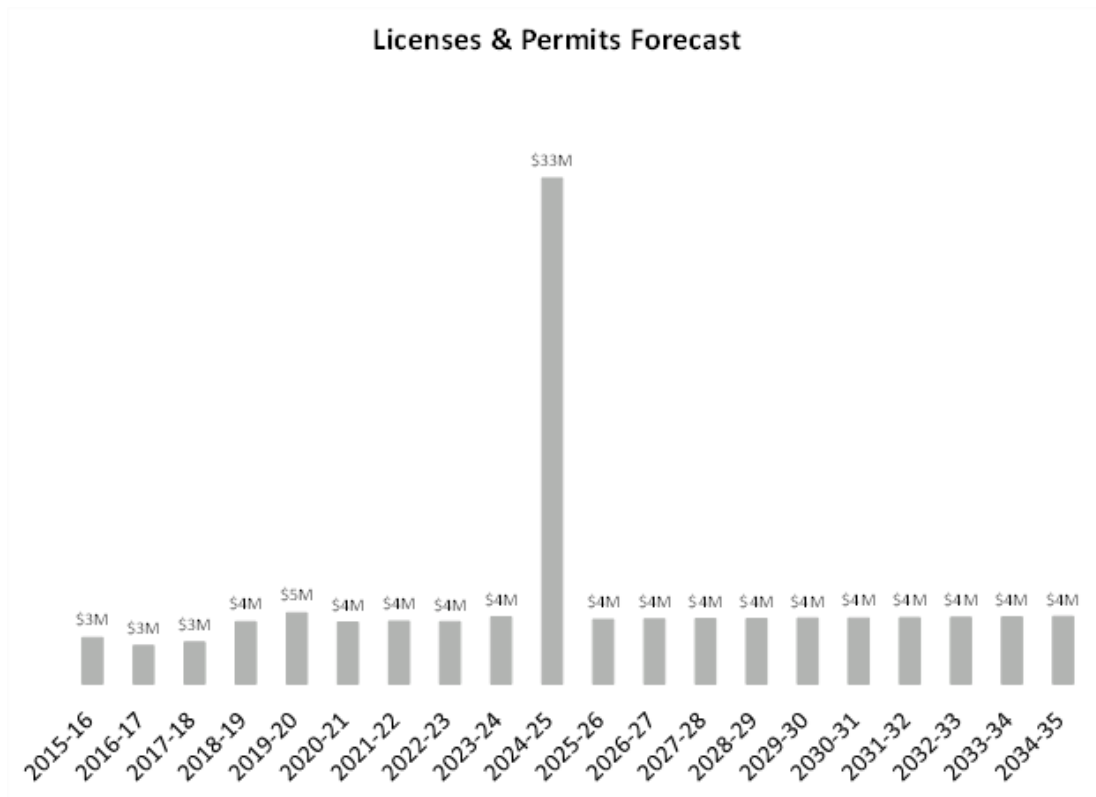


The TOT revenues are affected by the tax rate charged on hotels, occupancy rates, and average daily room rates (ADR). Given that TOT revenues in Cupertino are mainly driven by business travel, any shift in travel habits or economic conditions could significantly impact this revenue source.

Licenses and Permits

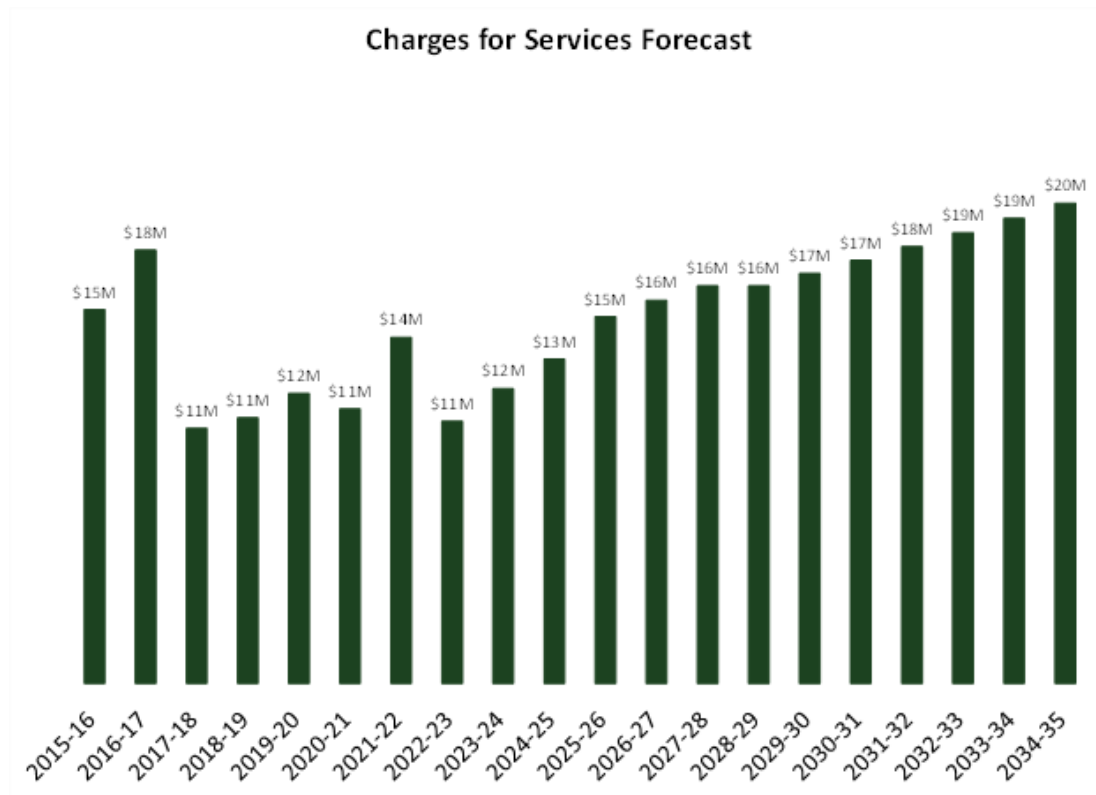
The City's forecast projects an average annual growth rate of 0.44% for licenses and permits revenue, based on forecasts of California residential building permits, non-residential building permits, and construction payrolls from the UCLA Anderson Forecast for the Nation and California.

It is important to note that this forecast does not take into account any significant development projects that are awaiting approval. If new development projects are approved, staff will update this forecast accordingly. The large spike in FY 2024-25 are due to Rise revenues that are currently budgeted.



Charges for Services

Charges for services revenues are projected to increase at an average annual growth rate of 3.04%. Other Service Fees, Cost Allocation Plan Charges for Services, and General Service Fees are expected to increase by the full-time salary growth rate. Planning Fees and Engineering Fees are forecasted based on construction and development factors, such as California residential and non-residential building permits, and construction payrolls from the UCLA Anderson Forecast for the Nation and California.



This forecast does not consider any significant development projects awaiting approval. The City will update the forecast if new projects are approved.

Other Revenue

Utility taxes are forecasted to be \$0 beginning in FY 2030-31, as the utility user tax expires in November 2030.

Franchise fees are projected to increase by an average annual growth rate of 1.52% based on a trend of historical data.

Other taxes are made up of construction, property transfer, and business license tax revenue. Revenue is projected to increase by an average of State and County CPI.

Use of money and property are projected based on the City's forecasted General Fund fund balance and the City's current investment strategy. The Section 115 Pension Trust is expected to grow at the discount rate of 6.25%.

Intergovernmental revenues are projected to grow at a rate of 0.44% each year.

Fines and Forfeitures are forecasted to remain constant in the forecast.

Miscellaneous revenues are forecasted to increase by CPI each year.

Non-operational revenues (Transfers and Other Financing Sources) are not assumed in the forecast.

Expenditures

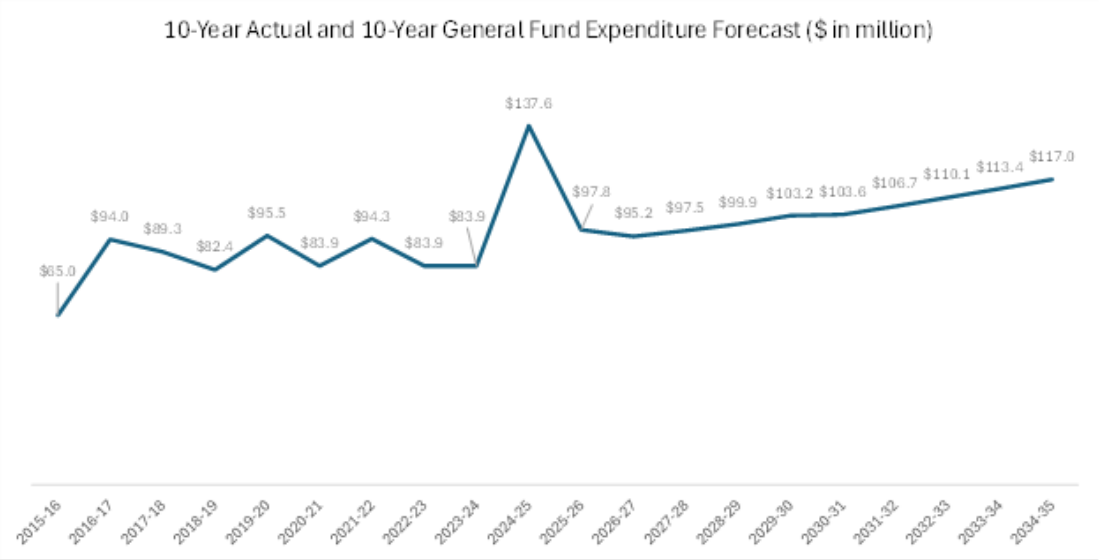
In FY 2019-20, the City developed a zero-based budget, which involved analyzing every function of the City for its needs and costs. As a result, all costs were justified, and base budget savings were achieved.

In FY 2023-24, and FY 2024-25 the City implemented several budget-balancing that are discussed earlier in this section.

In FY 2025-26, staff is requesting to add three new full-time benefited positions and 2 part-time positions totaling \$768,316 and almost \$700,000 in ongoing cost in all other expenditure categories.

To inform these decisions, the City developed a forecast based on actual expenditures in prior years and FY 2025-26 projections. The forecast also considered factors such as CPI, construction and development activity, and CalPERS Normal Cost and Unfunded Liability projections, including the ADP payment made in December 2024. The forecast will be adjusted throughout the year to account for one-time changes and budget adjustments.

Per City Council direction in April 2025 as part of the Budget Format Review item, 10 years of historical actual data is now shown along with 10 years of forecast data for each expenditure category.



	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35
General Fund Expenditures	85.0	94.0	89.3	82.4	95.5	83.9	94.3	83.9	83.9	137.6	97.8	95.2	97.5	99.9	103.2	103.6	106.7	110.1	113.4	117.0
Personnel	55.0	60.0	58.0	55.0	62.0	58.0	65.0	58.0	58.0	90.0	65.0	62.0	65.0	68.0	72.0	72.0	75.0	78.0	82.0	85.0
Salaries	45.0	48.0	46.0	45.0	50.0	46.0	52.0	46.0	46.0	70.0	50.0	48.0	50.0	52.0	55.0	55.0	58.0	60.0	62.0	65.0
Benefits	10.0	12.0	12.0	10.0	12.0	12.0	13.0	12.0	12.0	20.0	15.0	14.0	15.0	16.0	17.0	17.0	17.0	18.0	16.0	20.0
Travel	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Contractual	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Debt	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Non-Expendable	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	85.0	94.0	89.3	82.4	95.5	83.9	94.3	83.9	83.9	137.6	97.8	95.2	97.5	99.9	103.2	103.6	106.7	110.1	113.4	117.0

The chart above illustrates the projected General Fund expenditures, which are estimated to be \$97.2 million in FY 2025-26, with an expected increase over the forecast period. The forecasted expenditure growth is primarily driven by increasing Law Enforcement costs. To provide an in-depth understanding of the estimated expenditure categories in the General Fund Forecast, the following discussion focuses on the assumptions made for each category.

Personnel Expenditures

Salaries

FY 2025-26 salaries and benefits do not reflect the cost-of-living adjustments (COLA)s as the City’s labor contract are set to expire on June 30, 2025. The City is currently in the process of negotiating successor agreements. In the forecast, full-time salaries are expected to increase by estimated payroll increases from the CalPERS valuation report. On the other hand, part-time salaries are forecasted to grow at a rate of 1.5%, because historically, part-time salaries have tended to grow at a slower rate than full-time salaries. A 4% vacancy rate has been included in the out-years of the forecast. This vacancy rate was added at 2% in FY 2024-25 and is being increased this year to align with historical vacancy rates. The vacancy rate is not included in the budgeted salary and benefits as the City budget at the position level making is difficult to determine where vacancies may occur.

Employees who have yet to reach the top step in their classification’s salary range are eligible to receive a step increase on their anniversary date. 39% of employees are below the top step. Typically, classifications have five steps, with each increase equivalent to a 5% increase in salary.

Health Benefits

In FY 2025-26, health benefits account for about 11% of all personnel costs in the General Fund, primarily due to health insurance costs. The City pays employees a fixed amount for health and dental insurance costs instead of covering a percentage of premiums. As the City is currently in negotiations, health rates are forecasted to grow by 4.73% but will be updated once a successor agreement is negotiated.

Historically major drivers that caused fluctuation in this revenue category stemmed from the following:

Retirement Benefits

The forecast reflects a notable decrease in retirement-related costs as a result of the \$10 million one-time Additional Discretionary Payment (ADP) made to CalPERS in FY 2024-25 to reduce the City's Unfunded Accrued Liability (UAL). This strategic payment lowered the City's annual UAL contributions beginning in FY 2025-26, resulting in significant cost savings over the forecast period. While the annual savings gradually decline as CalPERS amortization schedules normalize, the ADP provides meaningful near-term budget relief and long-term fiscal benefits. As a result, retirement costs are projected to be lower than previously forecasted, helping to stabilize Employee Compensation and Benefits expenditures across the 10-year horizon.

Other Benefits

The forecast assumes health insurance increase by 4.73% for the second half of FY 2025-26 and then, dental insurance, and vision insurance increase by CPI. No increases were forecasted for the following benefits: internet allowance, standby pay, Employee Assistance Program, and Deferred Compensation. Rec Bucks are assumed to increase at a 0.5% growth rate.

Non-Personnel Expenditures

Non-Personnel budgets were developed based on the previous year's base budget and adjusted for the current year's needs. One-time projects were excluded to reflect ongoing expenditure needs. Materials and contract services were adjusted by CPI, where applicable.

Materials costs are forecasted to increase by CPI.

Contract Services costs are projected to grow by CPI except for the Law Enforcement contract with the Santa Clara County Sheriff's Office. Law Enforcement costs are projected to grow by 6%%. Per the terms of the contract, the annual increase is limited to the lesser of:

- Percentage increase in total compensation and annual CalPERS cost increase
- Annual CPI plus 2% and annual CalPERS cost increase

The City's current agreement with the Santa Clara County Sheriff's Office is set to expire in June 2026. These costs have been a significant driver of the City's expenditure growth in recent years, and it is expected that they will continue to increase in the coming years.

Cost Allocation is projected to grow by 2.75%.

Capital Outlays and Special Projects are projected to increase by CPI. Capital Outlays and Special Projects are being reduced as an expenditure-reduction strategy.

Contingencies have been calculated based on FY 2025-26 base materials and contracts and have been moved to materials. The only remaining is the City Manager's Contingency Fund at \$50,000 unchanged since FY 2023-24 with no escalator for these funds in the forecast.

Transfers represent the General Fund's contributions to other City funds to support debt payments, pay retiree health costs, finance capital projects, replenish capital reserves, acquire new equipment, and subsidize enterprises and operations. After the implementation of a comprehensive Cost Allocation Plan in FY 2015-16, General Fund expenses have been shifted to other City funds, causing some of those funds' revenues to fall short of expenses and necessitating the use of fund balances to cover expenses. The General Fund benefits in the near term from the cost shift; however, after fund balances in those other funds are drawn down to minimum levels and absent aggressive revenue or cost actions in those other funds, General Fund subsidies are necessary to maintain fund balance minimums.

Projected General Fund subsidies to each fund are based on the following assumptions:

- Special Revenue Funds: \$1.5 million annually.
- Debt Service Funds: \$2.7 million based on the 2012 COPS debt service schedule until FY 2030-31.
- Capital Reserve: \$2 million
- Retiree Medical Fund: Funding from FY 2024-25 to FY 2026-27 to restore OPEB plan to 100% funded. Funding normal cost in the subsequent years.
- Compensated Absences Fund: \$0.6 million annually

- Enterprise Funds: \$1.0 million annually.

Transfers from the General Fund to other funds have been reduced as part of an expenditure reduction strategy aimed at decreasing General Fund subsidies of other funds.

The City is expected to complete its debt payments for city facilities by FY 2029-30. Until then, the City will pay approximately \$2.7 million annually in principal and interest on its Certificates of Participation for City Hall, Community Hall, and Library. These funds will be transferred from the General Fund to the Debt Service Funds.

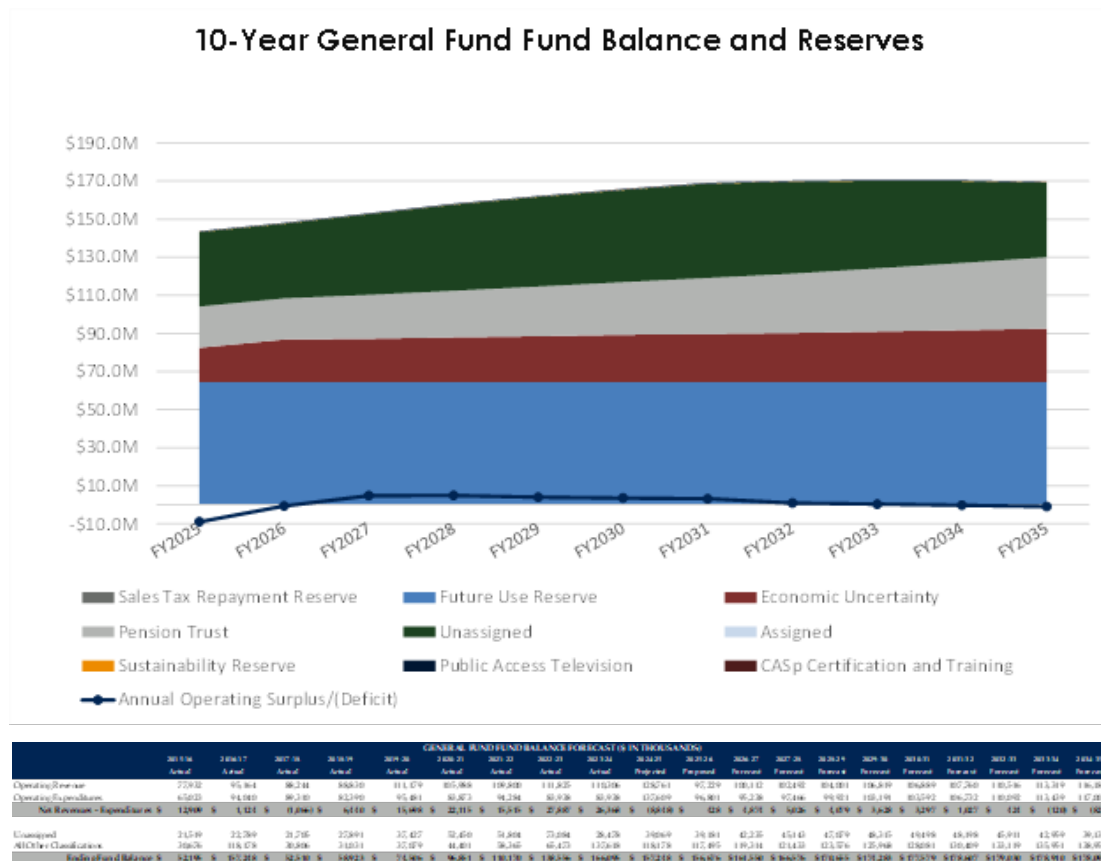
Fund Balance

The foresight of the City Council and staff in previous years to focus on ensuring healthy reserves is paying off in full.

The General Fund's Unassigned fund balance remains healthy and will be able to assist in addressing funding gaps. In addition, the General Fund's Committed and Restricted fund balance includes:

- For Future Use Reserve: may be used for any purposed as determined by City Council
- Economic Uncertainty Reserve: may be used to mitigate potential shortfalls.
- Section 115 Pension Trust: may be used to fund pension costs. Funds in the Section 115 Pension Trust are restricted and can only be used to pay CalPERS or reimburse the City for pension contributions.

In FY 2025-26, the General Fund's total fund balance is projected to be \$156.7 million, and the General Fund's Unassigned fund balance is projected to be \$39.2 million.



	GENERAL FUND FUND BALANCE FORECAST (\$ IN THOUSANDS)																							
	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Proposed	2025/26 Proposed	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31 Forecast	2031/32 Forecast	2032/33 Forecast	2033/34 Forecast	2034/35 Forecast	2035/36 Forecast	2036/37 Forecast	2037/38 Forecast	2038/39 Forecast
Nonexpendable																								
Land: Reversible	586	586	439	439	419	414	419	443	436	439	435	430	425	420	415	410	405	400	395	390	385	380	375	370
Land: Irreversible	32	31	6	-	-	-	-	-	-	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
Advance to Other Funds	-	-	-	-	-	-	-	-	-	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Total Nonexpendable \$	618	\$ 617	\$ 445	\$ 439	\$ 419	\$ 414	\$ 419	\$ 443	\$ 436	\$ 460	\$ 456	\$ 451	\$ 446	\$ 441	\$ 436	\$ 431	\$ 426	\$ 421	\$ 416	\$ 411	\$ 406	\$ 401	\$ 396	\$ 391
Expendable																								
Public Safety Power Shareoff	-	-	-	-	218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Chicago and Training	-	-	87	11	13	13	31	12	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
PS&P Section 115 Fund	-	-	-	8110	12,725	88,891	87,281	89,889	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664	21,664
Public Access Television	808	1,087	1,237	1,346	1,369	1,419	1,440	1,545	1,639	179	179	179	179	179	179	179	179	179	179	179	179	179	179	179
Retained	130	650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expendable \$	\$ 1,416	\$ 1,737	\$ 1,237	\$ 917	\$ 13,407	\$ 89,321	\$ 88,736	\$ 91,434	\$ 23,311	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011	\$ 22,011
Committed																								
Business Uncertainty	14,530	14,530	89,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
PS&P	-	-	4,230	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax Reimbursement	-	-	-	-	-	-	-	-	-	21,340	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Future Use Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Reserve	12,336	1,236	-	-	-	-	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Contingency Reserve	-	-	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123	123
Total Committed \$	\$ 17,866	\$ 15,766	\$ 93,230	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123	\$ 19,123
Assigned																								
Revenue for Expenditures	109,010	10,901	5,130	1,979	3,477	4,806	5,812	9,235	47,81	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assigned \$	\$ 109,010	\$ 10,901	\$ 5,130	\$ 1,979	\$ 3,477	\$ 4,806	\$ 5,812	\$ 9,235	\$ 47,81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Unassigned \$	\$ 2,550	\$ 22,369	\$ 21,738	\$ 2,591	\$ 31,421	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891	\$ 64,891
TOTAL FUND BALANCE \$	\$ 219	\$ 67,218	\$ 22,368	\$ 19,123	\$ 74,946	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891	\$ 164,891

Potential Budget-Balancing Strategies

Historically, the City has maintained a structurally sound budget, with revenues surpassing expenditures in most fiscal years. During periods of excess revenue, the City has transferred the surplus fund balance to the Capital Reserve Fund in accordance with the City's Fund Balance and Use of One-Time Funds Policy.

However, the forecast shows a potential structural deficit resulting from the decrease in sales tax revenue due to the CDTPA audit and the sunset of the Utility Users Tax. A structural deficit occurs when recurring expenditure consistently surpasses recurring revenues, leading to an ongoing imbalance that cannot be remedied through short-term solutions.

The City began including these strategies in FY 2018-19 and updates them at least annually or as needed.

Potential Strategy	Description	Potential Impact	Currently Recommended
Section 115 Pension Trust	<p>In FY 2017-18, the City established a Section 115 Pension Trust to mitigate pension rate volatility when CalPERS investment returns are below the discount rate or when CalPERS changes assumptions. The City can also use it to offset pension costs in any given year.</p> <p>The City established a Section 115 Trust to reduce pension rate volatility when CalPERS investment returns are below the discount rate or when CalPERS changes assumptions. The City can also use it to offset pension costs.</p>	The fund has a balance of \$21.6 million. ¹	Yes
Section 115 OPEB Trust	<p>In FY 2009-10, the City established a Section 115 OPEB Trust to help fund its retiree health obligations, also known as other post-employment benefits (OPEB).</p> <p>The OPEB plan is fully funded. Starting in FY 2022-23, retiree health costs will be funded by the OPEB Trust rather than the General Fund.</p>	The fund has a balance of \$39.2 million. ¹	Yes
Reserve for Future Use	On November 19, 2024, the City Council created this reserve from unappropriated dollars from the Sales Tax Repayment Reserve	This reserve has a balance of \$64.5 million	
Economic Uncertainty Reserve	The General Fund Economic Uncertainty Reserve may be used to mitigate potential shortfalls.	The reserve has a balance of \$21.3 million. ²	No

¹ Balance as of March 31, 2024

² Projected balance as of June 4, 2024

Expenditure Reduction Strategies

Potential Strategy	Description	Potential Impact	Currently Recommended
No new positions	Cost containment strategy	\$0	Yes
Vacancy control	Keep non-essential positions unfilled as they become vacant.	Approximately \$184,000 per position on average	Yes
Employee cost-sharing of increases to CalPERS	Negotiate to share costs of increases to CalPERS employer rates with employees. Would be subject to bargaining unit agreement.	\$250,000 approximate based on a 5% rate increase	No
Defer or eliminate negotiated increases	Would be subject to bargaining unit agreement.	Approximately \$0.3 million savings based on a 1% decrease	No
Furloughs	Employees would take up to a 10% decrease in pay in exchange for 1 unpaid furlough day per pay period. Would be subject to bargaining unit agreement.	Approximately \$4 million savings based on a 10% decrease	No
Reduction in force	Identify positions to be reduced (laid off) based on MOU provisions and service level needs.	Approximately \$184,000 per position on average	No
Reduction in capital outlays and special projects	Cost containment strategy	Varies	Yes
Reduction in contingencies	Cost containment strategy	Up to \$50,000	Yes
Defer or cancel capital projects	Cost reduction strategy	Varies	Yes

Revenue Generation Strategies

Potential Strategy	Description	Potential Impact	Currently Recommended
¼ Cent Transaction and Use Tax (TUT)	Voter approval is required. Could increase sales tax from 9.125% to 9.375%	\$5.4 million ¹	No
Transient Occupancy Tax (2% increase)	Voter approval is required. Could increase transient occupancy tax from 12% to 14%	\$1.25M at \$7.5M base	No
Parcel Tax	Voter approval is required	\$3.7M flat rate per parcel \$3.8M variable rate per square foot	No
Business Operations Tax	Employee count tax	\$4.2 million	No
Increase fees and cost-recovery	Matrix Consulting Group conducted a fee study in 2023. The study assessed the potential for fee increases and cost recovery. The City Council adopted the new fee schedule in May 2024.	Varies	Yes
Sale of City-owned Properties or Assets	The sale of city-owned assets would generate one-time revenue.	Varies	No

¹ HdL estimate as of July 2023

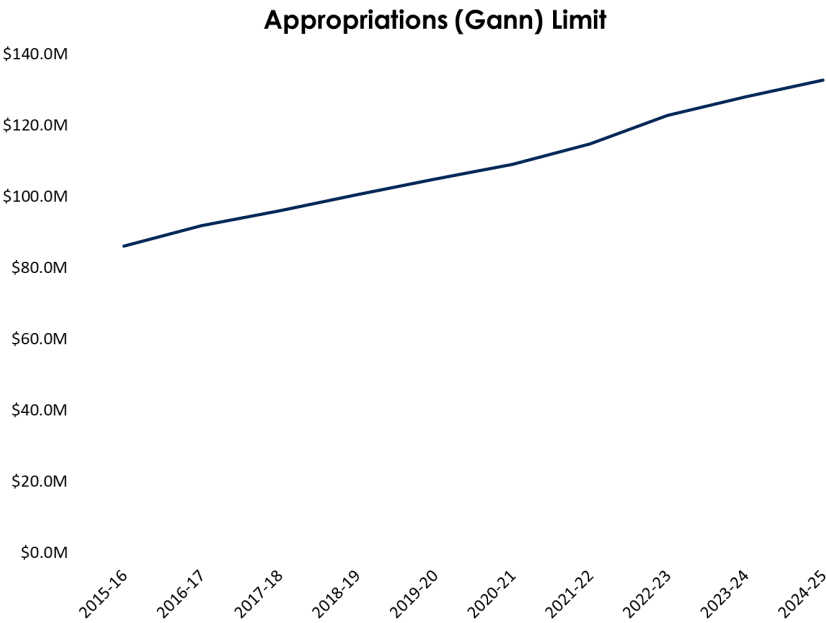
Development Revenue Estimates

The City's current forecast does not incorporate potential significant development projects that are pending approval and permitting. However, once new development projects receive approvals and permits, staff will update the forecast accordingly.

The table below shows our best estimates of potential development revenue. These figures serve as rough approximations and are intended to give you a general idea of what to expect. The timeline for each project represents the Community Development department's best estimate of when commencement is anticipated. It is crucial to note that these estimates are subject to adjustments as we gather additional information over time.

Gann Appropriations Limit

In 1979, California voters approved Proposition 4, the Gann Initiative, and added Article XIII B to the California State Constitution. Article XIII B mandates a limit on the amount of proceeds of taxes that state and local governments can receive and appropriate (authorize to spend) each year. The purpose of this law is to limit government spending by putting a cap on the total proceeds of taxes that may be appropriated each year. Proposition 111 and Senate Bill 88, approved by California voters in June of 1990, offered cities more flexibility in choosing inflation and population factors to calculate the limit. 1 The following chart and table show the appropriations limit and actual expenditures subject to the appropriations limit.



The limit is different for each agency and changes annually. It is calculated by taking the amount of tax proceeds that were authorized to be spent in FY 1978-79 and adjusting for changes in inflation and population each subsequent year.

Fiscal Year	Appropriations Limit	Change in Appropriations Limit	Percent Change in Appropriations Limit
2012-13	\$ 75,844,982	\$ 3,650,684	5.1%
2013-14	\$ 80,979,979	\$ 5,134,997	6.8%
2014-15	\$ 82,005,630	\$ 1,025,652	1.3%
2015-16	\$ 86,100,308	\$ 4,094,677	5.0%
2016-17	\$ 91,867,014	\$ 5,766,706	6.7%
2017-18	\$ 96,028,488	\$ 4,161,474	4.5%
2018-19	\$ 100,538,305	\$ 4,509,818	4.7%
2019-20	\$ 104,753,580	\$ 4,215,275	4.2%
2020-21	\$ 109,062,934	\$ 4,309,354	4.1%
2021-22	\$ 114,666,491	\$ 5,603,558	5.1%
2022-23	\$ 122,756,522	\$ 8,090,031	7.1%
2023-24	\$ 127,886,394	\$ 5,129,872	4.2%
2024-25	\$ 132,542,385	\$ 4,655,991	3.6%

Proposition 111 changed the way the limit is calculated and allowed a City to increase its limit annually in two ways:

- By the percent change in per capita personal income in California or the percent change in the assessment roll the preceding

- year due to the addition of local non-residential new construction; or
- By the percent change in county or city population.

The City used the following factors from the California Department of Finance.

Price Factor

- (A) Percent Change in California Per Capita Personal Income: 3.62%

Population Factor

- (B) Percent Change in County Population: 0.02%
- (C) Percent Change in City Population: -0.31%

The City multiplied the FY 2023-24 appropriations limit by Price Factor (A) and Population Factor (B) to calculate the FY 2024-25 appropriations limit, as shown below:

FY 2023-24 Appropriations Limit	\$127,886,394
Price Factor (A)	1.0362
Population Factor (B)	1.0002
FY 2024-25 Appropriations Limit	\$132,542,385

The City's FY 2024-25 appropriations limit is \$132.5 million, an increase of \$4.7 million, or 3.6% from the prior year.

The Department of Finance has not yet released numbers for FY 2025-2026, this will be updated with the Adopted Budget.

Legal Debt Margin

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when the assessed valuation was based upon 25% of market value. Effective FY 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computation shown below reflects a conversion of assessed valuation data for FY 2024-25 from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

Description	Amount	Formula
Debt Limit:		
Secured Property Assessed Value, Net of Exempt Real Property (1)	\$33,715,982,768	
Adjusted Valuation - 25% of Assessed Valuation (2)	\$8,428,995,692	(1) x 25%
Debt Limit - 15% of Adjusted Valuation	\$1,264,349,354	(2) x 15%
Amount of Debt Subject to Limit:		
Total Bonded Debt (3)	14,030,000	
Less: Certificates of Participation Not Subject to Debt Limit (4)	(14,030,000)	
Amount of Debt Subject to Limit	-	(3) - (4)
Legal Debt Margin	\$1,264,349,354	

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Council and Commissions

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Department Overview

Budget Units

Budget Unit	Program	2026 Proposed Budget
City Council		\$ 720,339
100-10-100	City Council	\$ 593,801
100-10-101	Community Funding	\$ 33,086
100-10-104	Historical Society	\$ 40,000
100-10-110	Sister Cities	\$ 53,452
Commissions		\$ 400,894
100-11-131	Technology, Information & Communications Commission	\$ 22,260
100-11-140	Library Commission	\$ 27,327
100-11-142	Arts and Culture Commission	\$ 30,867
100-11-150	Public Safety Commission	\$ 19,917
100-11-155	Bicycle and Pedestrian Commission	\$ 16,815
100-11-160	Parks and Recreation Commission	\$ 25,230
100-11-165	Teen Commission	\$ 14,908
100-11-170	Planning Commission	\$ 124,073
100-11-175	Housing Commission	\$ 71,165
100-11-180	Sustainability Commission	\$ 17,210
100-11-190	Audit Committee	\$ 31,122
Total		\$ 1,121,233

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 106,119
Total Expenditures	\$ 1,121,233
Fund Balance	\$ -
General Fund Costs	\$ 1,015,114
% Funded by General Fund	90.5%
Total Staffing	7.1 FTE

Organization

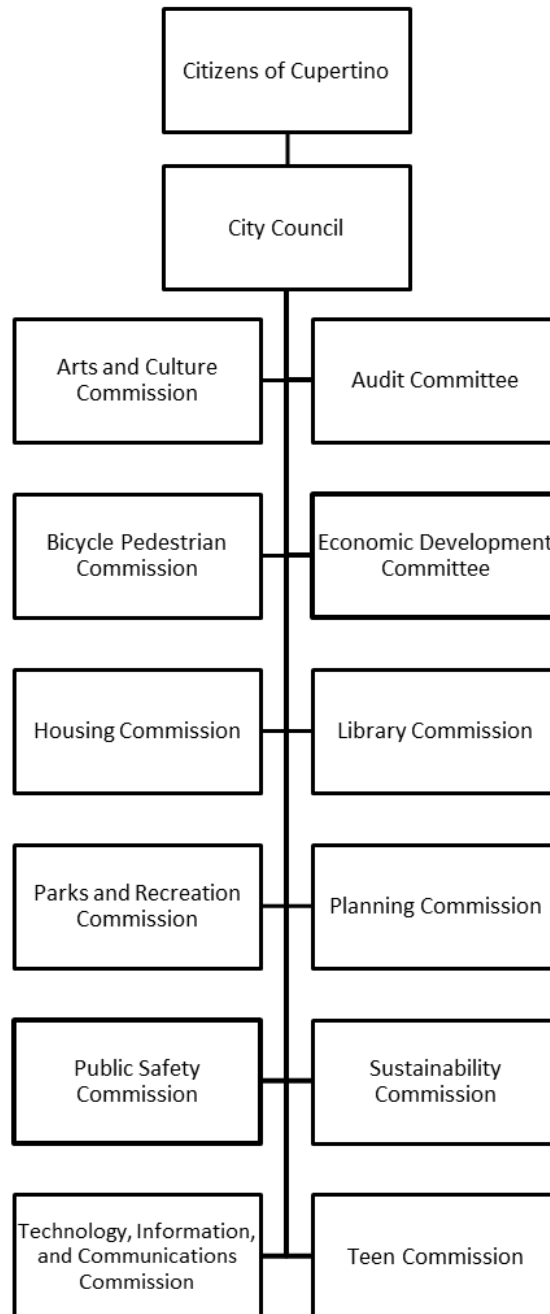
Liang Chao, Mayor

Kitty Moore, Vice Mayor

J.R. Fruen, Council Member

Sheila Mohan, Council Member

Ray Wang, Council Member



Proposed Budget

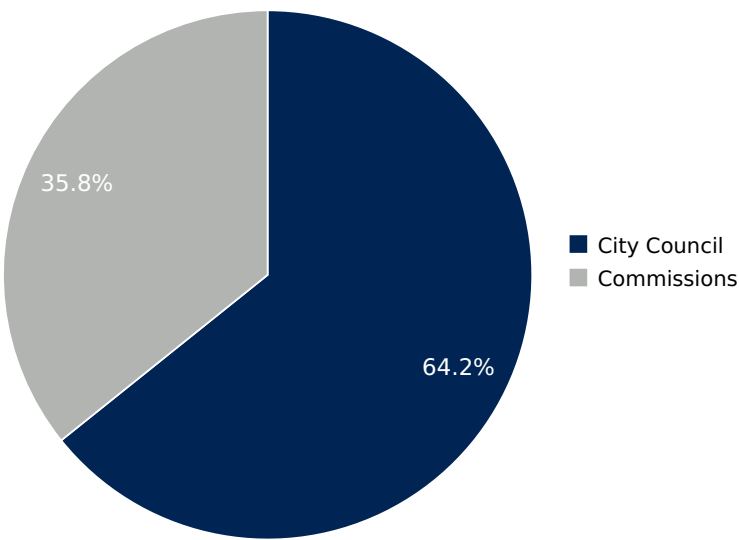
It is recommended that City Council approve a budget of \$1,121,233 for the Council and Commissions department. This represents an increase of \$7,315 (0.7%) from the FY 2024-25 Adopted Budget.

Overall, this budget is consistent with the prior year Adopted Budget. However, there are several shifts in this budget that result in an overall decrease. Reductions in benefits are due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Citywide memberships and dues that were previously in the City Council budget have been moved to Administration to better reflect the use of those dollars, and contract costs are increasing due to the transfer in of the internal audit contract from Administrative Services per City Council direction as part of the budget format review. Also, cost allocation charges are higher due to the updated Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets.

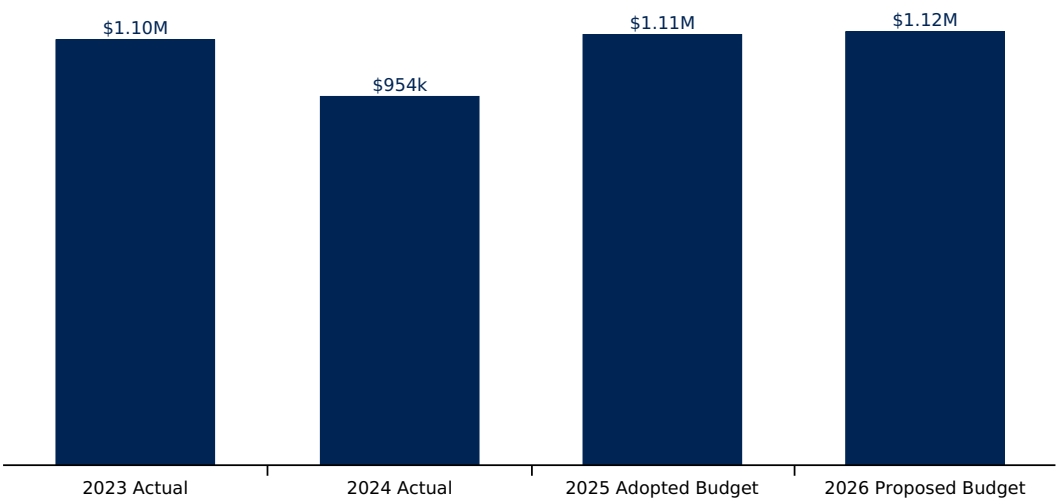
This is offset by budget requests that include increases in materials due to funds for and citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference. Also, in materials is a request for \$3,000 for increased meal costs due to meeting frequencies, and in contracts a \$30,000 increase in the internal audit contract to fund the FY26 Internal Audit Workplan. A City Work program item Financial, Investment and Cashflow Policy Review are included in this budget under the contract for internal audit for \$25,000.

Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 830,532	\$ 827,983	\$ 104,305	\$ 106,119
Total Revenues	\$ 830,532	\$ 827,983	\$ 104,305	\$ 106,119
Expenditures				
Employee Compensation	\$ 326,585	\$ 291,431	\$ 339,760	\$ 320,191
Employee Benefits	\$ 195,869	\$ 189,707	\$ 257,659	\$ 227,867
Materials	\$ 142,479	\$ 103,431	\$ 135,408	\$ 85,321
Contract Services	\$ 164,201	\$ 95,670	\$ 129,826	\$ 235,776
Cost Allocation	\$ 271,261	\$ 273,620	\$ 248,971	\$ 252,078
Contingencies	\$ -	\$ -	\$ 2,294	\$ -
Total Expenditures	\$ 1,100,395	\$ 953,859	\$ 1,113,918	\$ 1,121,233
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 269,864	\$ 125,875	\$ 1,009,613	\$ 1,015,114

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.50	0.40	0.40	0.40
ASSISTANT DIRECTOR OF PARKS AND REC	0	0	0	0.05
ASSISTANT ENGINEER	0	0	0.10	0
ASSISTANT HOUSING COORDINATOR	0	0	0	0.15
ASSIST TO THE CITY MNGR	0	0	0.05	0
ASST DIR RECREATION COMM SVCS	0.15	0	0	0
CHIEF TECHNOLOGY OFFICER	0.02	0.02	0.02	0.02
COMMS AND MARKETING COORDINATOR	0	0	0.15	0.15
COMMUNITY OUTREACH SPECIALIST	0.10	0.10	0.10	0.10
COUNCIL MEMBER	5.00	5.00	5.00	5.00
DIRECTOR OF COMM DEVELOPMENT	0.06	0.06	0.06	0.06
DIRECTOR OF PARKS REC	0.05	0	0	0
EMERGENCY SERVICES COORDINATOR	0.05	0.05	0	0
ENV. PROGRAMS SPECIALIST	0	0	0.05	0.05
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
FINANCE MANAGER	0.05	0.05	0.05	0.05
MANAGEMENT ANALYST	0.10	0.20	0.10	0.05
PLANNING MANAGER	0.10	0.10	0.00	0
PUBLIC INFORMATION OFFICER	0.15	0.15	0	0
RECREATION MANAGER	0.10	0.15	0.15	0.15
SENIOR HOUSING COORDINATOR	0	0	0.20	0.15
SENIOR MANAGEMENT ANALYST	0	0	0	0.05
SENIOR PLANNER	0	0.10	0.10	0.10
SR OFFICE ASSISTANT	0.20	0.20	0.20	0.10
SUSTAINABILITY MANAGER	0.05	0.05	0	0
TRANSPORTATION MANAGER	0.10	0.10	0	0
Total	7.28	7.23	7.23	7.13

City Council

Budget Unit 100-10-100

General Fund - City Council - City Council

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 106,119
Total Expenditures	\$ 593,801
Fund Balance	\$ -
General Fund Costs	\$ 487,682
% Funded by General Fund	82.1%
Total Staffing	5.8 FTE

Program Overview

The Mayor and Councilmembers, acting as the elected representatives of the residents of Cupertino, establish public policies to meet the community needs of the City. This budget includes funding of \$10,000 for the Mayor's Fund and \$2,500 for fee waivers for the City Council members. Lastly, this budget includes the Moss Adams Internal Audit contract per Council direction.

Although the dollars are budgeted in this program, the contract administration remains with the Administrative Services Department.

Service Objectives

The City Council objectives are carried out by City staff under the sole direction of the City Manager.

Proposed Budget

It is recommended that City Council approve a budget of \$593,801 for the City Council program. This represents an increase of \$47,001 (8.6%) from the FY 2024-25 Adopted Budget.

This increase is primarily due to the addition of the Moss Adams Internal Audit contract, which was moved from the Administrative Services department per Council direction. This contract was originally \$75,000 but staff is also requesting additional one-time funds of \$20,000 to cover increased audit costs for FY26 as well as ongoing funds of \$25,000. This budget unit is also requesting an additional \$3,000 for meal costs for City Council meetings. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document under Budget Overview.

Special Projects

The following table shows the special projects for the fiscal year.

None

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 830,532	\$ 827,983	\$ 104,305	\$ 106,119
Total Revenues	\$ 830,532	\$ 827,983	\$ 104,305	\$ 106,119
Expenditures				
Employee Compensation	\$ 148,303	\$ 133,482	\$ 148,580	\$ 135,616
Employee Benefits	\$ 131,806	\$ 116,879	\$ 167,750	\$ 147,777
Materials	\$ 112,595	\$ 85,289	\$ 108,890	\$ 62,055
Contract Services	\$ 33,125	\$ 13,848	\$ 24,110	\$ 140,640
Cost Allocation	\$ -	\$ -	\$ 95,807	\$ 107,713
Contingencies	\$ -	\$ -	\$ 1,663	\$ -
Total Expenditures	\$ 425,829	\$ 349,498	\$ 546,800	\$ 593,801
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (404,703)	\$ (478,485)	\$ 442,495	\$ 487,682

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
COMMS AND MARKETING COORDINATOR	0	0	0.10	0.10
COMMUNITY OUTREACH SPECIALIST	0.10	0.10	0.10	0.10
COUNCIL MEMBER	5.00	5.00	5.00	5.00
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
PUBLIC INFORMATION OFFICER	0.10	0.10	0	0
SR OFFICE ASSISTANT	0.15	0.15	0.20	0.10
Total	5.85	5.85	5.90	5.80

Staff time is being reallocated to better reflect actual time spent in this program

Community Funding

Budget Unit 100-10-101

General Fund - City Council - Community Funding

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 33,086
Fund Balance	\$ -
General Fund Costs	\$ 33,086
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The Community Funding program provides funding for various community activities and community-based organizations throughout the fiscal year.

Service Objectives

- Provide funding to local non-profit organizations in the areas of social services, fine arts and other programs for the general public.
- Grant funding requests in a fair and equitable manner.
- Grant funding requests per the updated Community Funding Policy revised and adopted by City Council on November 15, 2022.

Proposed Budget

It is recommended that City Council approve a budget of \$33,086 for the Community Funding program. This represents a decrease of \$22 (-0.1%) from the FY 2024-25 Adopted Budget.

The City provides funding to local non-profit organizations in the areas of social services, fine arts and other programs for the general public. The Community Funding Grant application process opened on January 1, 2025, and closed on February 1, 2025. Fifteen applications were received for the FY 2025-2026 Community Funding Grant Program cycle and were brought to the Parks and Recreation Commission for review on March 6, 2025. The Commission evaluated and scored the applications on April 3, 2025, and a recommendation was provided regarding funding to City Council for final approval.

Non-Profit Organization	FY 2024-25 Funding	FY 2024-25 Program/Project/Event	FY 2025-26 Funding	FY 2025-26 Program/Project/Event
Active Circle	N/A	N/A	2,000	All Inclusive Family Picnic
AINAK	2,750	AINAK Eyeglasses	4,000	Eyecare and Eyeglasses
Cupertino Little League	16,000	Scoreboard Replacement	N/A	N/A
Cupertino Symphonic Band	3,000	Band Equipment & Materials	3,000	Band Equipment
ElderAid	N/A	N/A	5,000	Background Verification Integration and Support
Friends of Deer Hollow Farm	N/A	N/A	2,000	The Tule House Shelter
iTalented	N/A	N/A	900	iSpark
No Time to Waste	N/A	N/A	5,000	5/1000: Feed the Need
Remember the ToothFairy	N/A	N/A	1,000	Dental Treatment Program
Rotary Club of Cupertino	4,000	House Renovations	1,600	Thanksgiving Meal Sharing Program
Special Olympics Northern California	N/A	N/A	5,000	2025 Cupertino Bowling Team Program
STEMBoost Corporation	3,000	Elementary Science Olympiad Summer Workshops	N/A	N/A
Via Rehabilitation Services	N/A	N/A	1,000	STEAM & Outdoor Education
West Valley Community Services	3,750	Gift of Hope 2024	2,000	Gift of Hope 2025
Total	\$ 32,500		\$ 32,500	

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 109,460	\$ 28,927	\$ 32,500	\$ 32,500
Cost Allocation	\$ 2,270	\$ 2,267	\$ 608	\$ 586
Total Expenditures	\$ 111,730	\$ 31,194	\$ 33,108	\$ 33,086
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 111,730	\$ 31,194	\$ 33,108	\$ 33,086

Staffing

There is no staffing associated with this program.

Historical Society

Budget Unit 100-10-104

General Fund - City Council - Historical Society

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 40,000
Fund Balance	\$ -
General Fund Costs	\$ 40,000
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The City has executed a Grant Funding and License Agreement with the Cupertino Historical Society, approved by City Council on October 4, 2022. The Agreement is set for three years, with an option to extend for another two. During this term the City is providing an annual grant amount of \$40,000 and a license to utilize space at the Quinlan Community Center to the Cupertino Historical Society. In return, the Cupertino Historical Society will continue to manage and operate the Historical Museum, commit to the Service Objectives highlighted below, and other terms and conditions highlighted in the Agreement. The grant amount has been separated into this program for increased transparency.

Service Objectives

- Collections Management - Professionally manage archive of over 5,000 objects. Sample activities include cataloging, rehousing objects, collections research, object paperwork and assessment, collections inventory, collections digitizing, condition reports, pest remediation, etc.
- Curatorial/Exhibitions - Provide 3-5 professionally curated exhibits/pop-up exhibits annually that relate to the mission of the museum and interests of the community.
- Community Outreach - Museum open houses during City festivals and fairs; QCC Preschool Events with Crafts; Special Exhibits at various locations around Cupertino (Cupertino Library, Baer Blacksmith Shop, Other Local Organizations); Traveling Trunk; Quarterly Speaker Series; Community Action Committee; Oral History Events; History Happy Hours; Volunteer and Internship opportunities for anyone ages 16+; Reading Groups

Proposed Budget

It is recommended that City Council approve a budget of \$40,000 for the Historical Society program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
Total Expenditures	\$ -	\$ 40,000	\$ 40,000	\$ 40,000
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 40,000	\$ 40,000	\$ 40,000

Staffing

There is no staffing associated with this program.

Sister Cities

Budget Unit 100-10-110

General Fund - City Council - Sister Cities

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 53,452
Fund Balance	\$ -
General Fund Costs	\$ 53,452
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

Cupertino has four active Sister Cities registered with Sister Cities International: Toyokawa, Japan; Hsinchu, Taiwan; Copertino, Italy; and Bhubaneswar, India. The City of Cupertino also has four Friendship Cities: New Taipei City, Taiwan; Taichung, Taiwan; Tongxiang, People's Republic of China, and Xianning, People's Republic of China.

Service Objectives

- To further international communication and understanding through the Sister City Program
- To foster educational, technical, economic and cultural exchanges
- To encourage student exchange programs to promote communication and understanding among people of different cultures

Proposed Budget

It is recommended that City Council approve a budget of \$53,452 for the Sister Cities program. This represents a decrease of \$5,559 (-9.4%) from the FY 2024-25 Adopted Budget.

The decrease is due to reductions in Cost Allocation expenses. This budget is aligned with the Sister City Policy.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 8,883	\$ 7,086	\$ 6,550	\$ 6,551
Employee Benefits	\$ 3,003	\$ 4,302	\$ 3,967	\$ 3,697
Materials	\$ 810	\$ 8,180	\$ 8,887	\$ 9,507
Contract Services	\$ 11,347	\$ 12,895	\$ 20,000	\$ 20,000
Cost Allocation	\$ 19,459	\$ 18,520	\$ 19,246	\$ 13,697
Contingencies	\$ -	\$ -	\$ 361	\$ -
Total Expenditures	\$ 43,502	\$ 50,983	\$ 59,011	\$ 53,452
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 43,502	\$ 50,983	\$ 59,011	\$ 53,452

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
COMMS AND MARKETING COORDINATOR	0	0	0.05	0.05
PUBLIC INFORMATION OFFICER	0.05	0.05	0	0
SR OFFICE ASSISTANT	0.05	0.05	0	0
Total	0.10	0.10	0.05	0.05

There are no changes to the current level of staffing.

Technology, Information & Communications Commission

Budget Unit 100-11-131

General Fund - Commissions - Technology, Information & Communications Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 22,260
Fund Balance	\$ -
General Fund Costs	\$ 22,260
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Technology, Information, and Communications Commission advises the City Council and City Manager on all matters related to technology, information, and communications within Cupertino. It serves as a liaison between the City, the public, and service providers to enhance education and engagement, including gathering resident input and sharing noncommercial educational materials. Additionally, the committee supports community access television, particularly public and educational access, and provides guidance on the development and implementation of access channels and programming. It also recommends strategies to optimize the City's technology and communications infrastructure for the benefit of the community. Furthermore, the committee plays a key role in educating residents on the responsible and safe use of technology, including cybersecurity best practices (also see Municipal Code [2.74.060](#) Duties, Powers and Responsibilities).

Proposed Budget

It is recommended that City Council approve a budget of \$22,260 for the Technology, Information & Communications Commission program. This represents a decrease of \$1,091 (-4.7%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget. There is a slight decrease due to staffing costs associated with the retirement of the previous Chief Technology Officer.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 11,291	\$ 12,411	\$ 11,757	\$ 11,586
Employee Benefits	\$ 3,348	\$ 4,564	\$ 5,226	\$ 4,717
Materials	\$ 187	\$ 179	\$ 400	\$ 400
Cost Allocation	\$ 18,183	\$ 18,487	\$ 5,963	\$ 5,557
Contingencies	\$ -	\$ -	\$ 5	\$ -
Total Expenditures	\$ 33,009	\$ 35,641	\$ 23,351	\$ 22,260
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 33,010	\$ 35,641	\$ 23,351	\$ 22,260

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0	0	0
CHIEF TECHNOLOGY OFFICER	0.02	0.02	0.02	0.02
MANAGEMENT ANALYST	0	0.05	0.05	0.05
Total	0.07	0.07	0.07	0.07

There are no changes to current levels of staffing.

Library Commission

Budget Unit 100-11-140

General Fund - Commissions - Library Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 27,327
Fund Balance	\$ -
General Fund Costs	\$ 27,327
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Library Commission is a five-member commission appointed by City Council and holds the following powers and functions:

- Consult with the City Council, the City staff and the Santa Clara County Library Joint Powers Authority and staff regarding the functioning of the physical facilities of the Cupertino Library and shall make recommendations from time to time for improvement or modification thereof.
- Consult with the City Council, the City staff and the Santa Clara County Library Joint Powers Authority and staff regarding the Cupertino Library programs and services to the community and shall make recommendations from time to time for improvements or modifications thereof.
- Consult with and act as liaison with private community groups supportive of the library program.
- Consult with the architect and the City Council in the planning of any main or branch library building facilities, including locations, building layout, architecture, landscaping and furnishings.
- Hold hearings, formulate policies and make rules and procedures with respect to the foregoing for approval by the City Council.
- Perform such other tasks as may be expressly requested of it by the City Council.

The Library Commission meets every other month. A Parks and Recreation Department Recreation Manager serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$27,327 for the Library Commission program. This represents a decrease of \$521 (-1.9%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 19,956	\$ 11,624	\$ 12,402	\$ 12,596
Employee Benefits	\$ 8,268	\$ 5,675	\$ 6,690	\$ 6,176
Materials	\$ 53	\$ -	\$ 11	\$ 150
Contract Services	\$ 269	\$ -	\$ 2,000	\$ 2,000
Cost Allocation	\$ 32,894	\$ 22,279	\$ 6,720	\$ 6,405
Contingencies	\$ -	\$ -	\$ 25	\$ -
Total Expenditures	\$ 61,440	\$ 39,578	\$ 27,848	\$ 27,327
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 61,440	\$ 39,578	\$ 27,848	\$ 27,327

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
RECREATION MANAGER	0.05	0.05	0.05	0.05
Total	0.10	0.10	0.10	0.10

There are no changes to the current level of staffing.

Arts and Culture Commission

Budget Unit 100-11-142

General Fund - Commissions - Arts and Culture Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 30,867
Fund Balance	\$ -
General Fund Costs	\$ 30,867
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Arts and Culture Commission, consisting of five members and a minimum of three City of Cupertino residents, holds the following powers and functions:

- Foster, encourage and assist the realization, preservation and advancement of arts and culture for the benefit of the citizens of Cupertino.
- Act as a catalyst for the promotion of art and cultural activities.
- Keep current on potential arts and culture activities which would be available to the community.
- Provide liaison between various arts and culture activities.
- Provide a means for coordination for arts and culture groups or facilities which may exist within the community.
- Maintain an inventory of facilities available for related arts and culture activities within the community.
- Provide screening and/or review for arts and culture activities wishing to obtain city funds or utilize public facilities.
- Provide information to the community relating to the arts.
- Foster the development of public art within the community.
- Be vigilant in exploring and advancing the range of arts and culture activities available to the community.
- Enhance the interaction between arts and business.
- Any other activity which may be deemed appropriate and necessary.

The Arts and Culture Commission meets every other month. The Senior Planner of Community Development serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$30,867 for the Arts and Culture Commission program. This represents a decrease of \$1,169 (-3.6%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 15,626	\$ 15,382	\$ 15,382
Employee Benefits	\$ (845)	\$ 5,212	\$ 5,924	\$ 5,049
Materials	\$ 3,453	\$ 3,575	\$ 4,089	\$ 4,220
Cost Allocation	\$ 16,128	\$ 15,845	\$ 6,641	\$ 6,216
Total Expenditures	\$ 18,736	\$ 40,258	\$ 32,036	\$ 30,867
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 18,736	\$ 40,257	\$ 32,036	\$ 30,867

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASST DIR RECREATION COMM SVCS	0.15	0	0	0
SENIOR PLANNER	0	0.10	0.10	0.10
Total	0.15	0.10	0.10	0.10

There are no changes to the current level of staffing.

Public Safety Commission

Budget Unit 100-11-150

General Fund - Commissions - Public Safety Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 19,917
Fund Balance	\$ -
General Fund Costs	\$ 19,917
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Public Safety Commission is a five-member commission appointed by City Council and holds the following powers and functions:

- Act in an advisory capacity to the City Council in all matters pertaining to safety, traffic, police, fire and other areas wherein the matter of public safety may be of concern.
- Hold hearings and formulate policies and procedures with respect to the foregoing for approval by the City Council.
- Perform such other tasks as may be expressly requested of it by the City Council.

The Public Safety Commission meets every other month. The Assistant Director of the Parks and Recreation Department serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$19,917 for the Public Safety Commission program. This represents a decrease of \$16,652 (-45.5%) from the FY 2024-25 Adopted Budget.

This decrease is due to the reallocation of funds for the Public Safety Forum to the Office of Emergency Management budget and the SC County Sheriff's Community Academy to the Law Enforcement budget. These changes align the Public Safety Commission budget with the budgets of other City Commissions.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 8,136	\$ 9,391	\$ 9,440	\$ 10,412
Employee Benefits	\$ 3,520	\$ 4,309	\$ 4,885	\$ 4,303
Materials	\$ 4,846	\$ -	\$ 6,143	\$ 354
Contract Services	\$ 10,000	\$ -	\$ 10,600	\$ -
Cost Allocation	\$ 12,496	\$ 16,299	\$ 5,292	\$ 4,848
Contingencies	\$ -	\$ -	\$ 209	\$ -
Total Expenditures	\$ 38,998	\$ 29,999	\$ 36,569	\$ 19,917
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 38,998	\$ 29,999	\$ 36,569	\$ 19,917

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT DIRECTOR OF PARKS AND REC	0	0	0	0.05
ASSIST TO THE CITY MNGR	0	0	0.05	0
EMERGENCY SERVICES COORDINATOR	0.05	0.05	0	0
Total	0.05	0.05	0.05	0.05

Due to the reorganization of duties and assignments within the City, staffing within this program was updated from the Assistant to the City Manager to the Assistant Director of the Parks and Recreation Department.

Bicycle and Pedestrian Commission

Budget Unit 100-11-155

General Fund - Commissions - Bicycle and Pedestrian Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 16,815
Fund Balance	\$ -
General Fund Costs	\$ 16,815
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The powers and functions of the Bicycle Pedestrian Commission shall be to review, monitor and suggest recommendations for City transportation matters including, but not limited to, bicycle and pedestrian traffic, parking, education and recreation within Cupertino.

To fulfill their mission, the Commission may involve itself in the following activities:

1. To monitor and update the bicycle transportation plan and pedestrian transportation guidelines;
2. To suggest recommendations, review and monitor the City’s general plan transportation element;
3. To receive public input pertaining to bicycle and pedestrian transportation and infrastructure issues;
4. To make recommendations regarding the implementation of roadway and transportation improvements as it pertains to bicycle and pedestrian needs;
5. To make recommendations regarding the allocation of funds for capital expenditures relating to bicycle and pedestrian transportation;
6. Any other activity that may be deemed appropriate and necessary.

Proposed Budget

It is recommended that City Council approve a budget of \$16,815 for the Bicycle and Pedestrian Commission program. This represents a decrease of \$23,606 (-58.4%) from the FY 2024-25 Adopted Budget.

The decrease is due to reductions in staff allocated to this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 27,443	\$ 26,893	\$ 19,919	\$ 5,139
Employee Benefits	\$ 9,640	\$ 10,425	\$ 9,654	\$ 2,937
Materials	\$ -	\$ -	\$ 223	\$ 230
Contract Services	\$ -	\$ -	\$ 616	\$ 636
Cost Allocation	\$ 24,809	\$ 23,773	\$ 9,999	\$ 7,873
Contingencies	\$ -	\$ -	\$ 10	\$ -
Total Expenditures	\$ 61,892	\$ 61,091	\$ 40,421	\$ 16,815
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 61,892	\$ 61,092	\$ 40,421	\$ 16,815

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
ASSISTANT ENGINEER	0	0	0.10	0
TRANSPORTATION MANAGER	0.10	0.10	0	0
Total	0.15	0.15	0.15	0.05

Staff time is being reallocated to better reflect actual time spent in this program.

Parks and Recreation Commission

Budget Unit 100-11-160

General Fund - Commissions - Parks and Recreation Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 25,230
Fund Balance	\$ -
General Fund Costs	\$ 25,230
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Parks and Recreation Commission is a five-member commission appointed by City Council and holds the following powers and functions:

- To hold hearings on matters pertaining to planning and development of parks, cultural activities, historical resources, recreation, community services (including, but not limited to schools and senior services), and capital expenditures related to community activities and facilities.
- To conduct such other hearings as are necessary and in accordance with its own rules and regulations.
- To report its decisions and recommendations in writing to the City Council.
- To consider, formulate and propose programs, activities, resources, plans and development designed to provide for, regulate and direct the future growth and development of community activities, parks and a recreation system in order to secure to the City and its inhabitants better service.
- To make investigations and reports for future acquisition of park sites.
- To make, in its advisory capacity, any and all recommendations to the City Council relating to the above matters, including the extension of the parks, recreation system and community activities to outlying areas of the City.
- In cooperation with the Director of Recreation and Community Services, the Commission will consider, review, and evaluate parks, recreation programs, and community activities.
- To consider, formulate, and propose cultural activities and historical preservation for the City and its residents.

The Parks and Recreation Commission meets every month. A Parks and Recreation Department Recreation Manager serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$25,230 for the Parks and Recreation Commission program. This represents a decrease of \$1,251 (-4.7%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 14,225	\$ 12,172	\$ 13,129	\$ 12,815
Employee Benefits	\$ 5,457	\$ 5,440	\$ 6,840	\$ 6,198
Materials	\$ -	\$ -	\$ 11	\$ 40
Cost Allocation	\$ 20,182	\$ 21,167	\$ 6,501	\$ 6,177
Total Expenditures	\$ 39,864	\$ 38,779	\$ 26,481	\$ 25,230
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 39,864	\$ 38,779	\$ 26,481	\$ 25,230

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
DIRECTOR OF PARKS REC	0.05	0	0	0
RECREATION MANAGER	0	0.05	0.05	0.05
Total	0.10	0.10	0.10	0.10

There are no changes to the current level of staffing.

Teen Commission

Budget Unit 100-11-165

General Fund - Commissions - Teen Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 14,908
Fund Balance	\$ -
General Fund Costs	\$ 14,908
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Teen Commission is a nine-member commission appointed by City Council and holds the following powers and functions:

- Advise the City Council and staff on issues and projects important to youth.
- Perform such other tasks as may be expressly requested of it by the City Council.

The Teen Commission meets every month. A Parks and Recreation Department Recreation Manager serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$14,908 for the Teen Commission program. This represents a decrease of \$663 (-4.3%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 6,882	\$ 7,333	\$ 7,590	\$ 7,733
Employee Benefits	\$ 2,600	\$ 2,441	\$ 2,891	\$ 2,499
Materials	\$ 828	\$ 947	\$ 285	\$ 294
Cost Allocation	\$ 29,226	\$ 30,189	\$ 4,801	\$ 4,382
Contingencies	\$ -	\$ -	\$ 4	\$ -
Total Expenditures	\$ 39,536	\$ 40,910	\$ 15,571	\$ 14,908
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 39,536	\$ 40,910	\$ 15,571	\$ 14,908

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
RECREATION MANAGER	0.05	0.05	0.05	0.05
Total	0.05	0.05	0.05	0.05

There are no changes to the current level of staffing.

Planning Commission

Budget Unit 100-11-170

General Fund - Commissions - Planning Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 124,073
Fund Balance	\$ -
General Fund Costs	\$ 124,073
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

The Planning Commission, a five-member citizen board appointed by the City Council, holds the following powers and functions:

- Prepare, periodically review, and revise as necessary, the General Plan.
- Implement the General Plan through actions including, but not limited to, the administration of specific plans and zoning, subdivisions, and sign ordinances.
- Annually review the capital improvement program of the City and the local public works projects of other local agencies for their consistency with the General Plan (pursuant to Sections 65400 et seq. of the California Government Code).
- Endeavor to promote public interest in, comment upon, and understanding of the General Plan, and regulation relating to it.
- Consult and advise with public officials and agencies, public utility companies, civic, educational, professional, and other organizations and citizens generally concerning implementation of the General Plan.
- Promote the coordination of local plans and programs with the plans and programs of other agencies.
- Perform other functions as the City Council provides including conducting studies and preparing plans other than those required or authorized by state law.
- Advise the City Council on land use and development policy related to the General Plan.
- Implement the General Plan through review and administration of specific plans and related ordinances.
- Review land use applications for conformance with the General Plan and ordinances; and
- Promote the coordination of local plans and programs with regional and other agencies.

The Planning Commission meets on the second and fourth Tuesdays of each month.

Proposed Budget

It is recommended that City Council approve a budget of \$124,073 for the Planning Commission program. This represents an increase of \$1,663 (1.4%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 33,992	\$ 36,334	\$ 36,723	\$ 36,551
Employee Benefits	\$ 11,429	\$ 14,893	\$ 17,459	\$ 15,607
Materials	\$ 17,600	\$ 5,261	\$ 4,900	\$ 6,460
Cost Allocation	\$ 35,427	\$ 40,713	\$ 63,328	\$ 65,455
Total Expenditures	\$ 98,448	\$ 97,201	\$ 122,410	\$ 124,073
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 98,448	\$ 97,201	\$ 122,410	\$ 124,073

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.20	0.20	0.20	0.20
DIRECTOR OF COMM DEVELOPMENT	0.06	0.06	0.06	0.06
Total	0.26	0.26	0.26	0.26

There are no changes to the current level of staffing.

Housing Commission

Budget Unit 100-11-175

General Fund - Commissions - Housing Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 71,165
Fund Balance	\$ -
General Fund Costs	\$ 71,165
% Funded by General Fund	100.0%
Total Staffing	0.4 FTE

Program Overview

The Housing Commission, consisting of a representative from a Cupertino business and four community members, holds the following powers and functions:

- Assist the Planning Commission and the City Council in developing housing policies and strategies for implementation of general plan housing element goals.
- Recommend policies for implementation and monitoring of affordable housing projects.
- Facilitate innovative approaches to affordable housing development and to generate ideas and interest in pursuing a variety of housing options.
- When requested by the Director of Community Development or the City Council, to make recommendations to the Planning Commission and the City Council regarding affordable housing proposals in connection with applications for development.
- Make recommendations regarding requests for money from the CDBG and Affordable Housing Funds.
- Provide information about affordable housing.
- Meet with neighborhood, community, regional and business groups as necessary to receive input and assist in generating affordable housing.
- Help identify sources of funds to develop and build affordable housing; and
- Perform any other advisory functions authorized by the City Council.

The Housing Commission meets quarterly. The Senior Housing Coordinator serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$71,165 for the Housing Commission program. This represents an increase of \$10,168 (16.7%) from the FY 2024-25 Adopted Budget.

The increase is due to a reallocation of staff to better reflect actual time spent in this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 21,822	\$ 4,314	\$ 34,855	\$ 41,556
Employee Benefits	\$ 8,037	\$ 5,292	\$ 15,597	\$ 19,134
Materials	\$ -	\$ -	\$ 229	\$ 229
Cost Allocation	\$ 23,497	\$ 25,112	\$ 10,316	\$ 10,246
Total Expenditures	\$ 53,356	\$ 34,718	\$ 60,997	\$ 71,165
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 53,356	\$ 34,718	\$ 60,997	\$ 71,165

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0.05	0.05	0.05
ASSISTANT HOUSING COORDINATOR	0	0	0	0.15
PLANNING MANAGER	0.10	0.10	0.00	0
SENIOR HOUSING COORDINATOR	0	0	0.20	0.15
Total	0.15	0.15	0.25	0.35

Staff time is being reallocated to better reflect the actual time spent in this program.

Sustainability Commission

Budget Unit 100-11-180

General Fund - Commissions - Sustainability Commission

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 17,210
Fund Balance	\$ -
General Fund Costs	\$ 17,210
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The powers and functions of the Commission shall be to serve in an advisory capacity to the City Council to provide expertise and guidance on major policy and programmatic areas related to the environmental, economic and societal goals noted within Cupertino's CAP and General Plan Environmental Resources/Sustainability Element.

To fulfill their mission, the Commission may involve itself in the following activities:

1. Monitor and update the CAP based upon quantified metrics to measure and evaluate mitigated impacts and community benefits.
2. Suggest recommendations, review, and monitor the City's General Plan Environmental Resources/Sustainability Element and its intersections with the CAP.
3. Advise the City Council how to strategically accelerate Cupertino's progress towards sustainability and recommend priorities to promote continued regional leadership in sustainability.
4. Periodically review policies governing specific practices and programs, such as greenhouse gas emissions reduction, water conservation, renewable energy, energy efficiency, materials management, and urban forestry. Illustrative examples include creation of infrastructure for low emissions vehicles, installation of renewable energy or energy efficiency technologies, drafting of water conservation or waste reduction policies, delivery of habitat restoration and conservation programs, design and roll-out of pollution prevention campaigns, etc.
5. Make recommendations regarding the allocation of funds for infrastructure and technology improvements to elevate operational performance of City facilities, businesses, educational institutions and homes by reducing costs, improving public health, and serving community needs.
6. Accept public input on the subject areas noted above and advise the City Council on ways to drive community awareness, behavior change, education and participation in City programs modeled upon the field's best practices.
7. Review and make recommendations to the City Council on Federal, State and regional policies related to sustainability that have the potential to impact City Council's goals and policies.
8. Pursue any other activity or scope that may be deemed appropriate and necessary by the City Council.

Proposed Budget

It is recommended that City Council approve a budget of \$17,210 for the Sustainability Commission program. This represents a decrease of \$534 (-3.0%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 18,882	\$ (605)	\$ 6,588	\$ 6,748
Employee Benefits	\$ 7,625	\$ 3,872	\$ 2,999	\$ 2,708
Materials	\$ 2,107	\$ -	\$ 1,340	\$ 1,382
Cost Allocation	\$ 21,216	\$ 21,687	\$ 6,800	\$ 6,372
Contingencies	\$ -	\$ -	\$ 17	\$ -
Total Expenditures	\$ 49,830	\$ 24,954	\$ 17,744	\$ 17,210
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 49,830	\$ 24,954	\$ 17,744	\$ 17,210

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ENV. PROGRAMS SPECIALIST	0	0	0.05	0.05
MANAGEMENT ANALYST	0.10	0.10	0	0
SUSTAINABILITY MANAGER	0.05	0.05	0	0
Total	0.15	0.15	0.05	0.05

There are no changes to the current level of staffing.

Audit Committee

Budget Unit 100-11-190

General Fund - Commissions - Audit Committee

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 31,122
Fund Balance	\$ -
General Fund Costs	\$ 31,122
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

The Audit Committee, consisting of two City Council members and a minimum of two and a maximum of three at large members, holds the following powers and functions:

- To review the annual audit report and management letter.
- To recommend appointment of internal/external auditors.
- To review the quarterly Treasurer's Investment report.
- To recommend a budget format.
- To review City investment policies and internal controls of such policies.
- To review internal audit reports.
- To review quarterly Fraud, Waste, and Abuse Program reports.

The Audit Committee meets quarterly. The Finance Manager serves as staff liaison.

Proposed Budget

It is recommended that City Council approve a budget of \$31,122 for the Audit Committee program. This represents a decrease of \$449 (-1.4%) from the FY 2024-25 Adopted Budget.

This budget is consistent with the prior year Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 6,770	\$ 15,370	\$ 16,845	\$ 17,506
Employee Benefits	\$ 1,981	\$ 6,403	\$ 7,777	\$ 7,065
Cost Allocation	\$ 15,474	\$ 17,282	\$ 6,949	\$ 6,551
Total Expenditures	\$ 24,225	\$ 39,055	\$ 31,571	\$ 31,122
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 24,225	\$ 39,054	\$ 31,571	\$ 31,122

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.05	0	0	0
FINANCE MANAGER	0.05	0.05	0.05	0.05
MANAGEMENT ANALYST	0	0.05	0.05	0
SENIOR MANAGEMENT ANALYST	0	0	0	0.05
Total	0.10	0.10	0.10	0.10

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Administration

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Department Overview

Budget Units

Budget Unit	Program	2026 Proposed Budget
City Manager		\$ 2,614,772
100-12-120	City Manager	\$ 2,133,359
100-12-122	Sustainability	\$ -
100-12-126	Office of Communications	\$ 481,413
100-12-305	Multimedia	\$ -
100-12-307	Public Access Support	\$ -
100-12-632	Community Outreach and Neighborhood Watch	\$ -
100-12-633	Office of Emergency Management	\$ -
100-12-705	Economic Development	\$ -
City Clerk		\$ 952,277
100-13-130	City Clerk	\$ 910,716
100-13-132	Duplicating and Mail Services	\$ 41,561
100-13-133	Elections	\$ -
City Manager Discretionary		\$ 50,000
100-14-123	City Manager Contingency	\$ 50,000
City Attorney		\$ 1,524,970
100-15-141	City Attorney	\$ 1,524,970
Total		\$ 5,142,019

Budget at a Glance

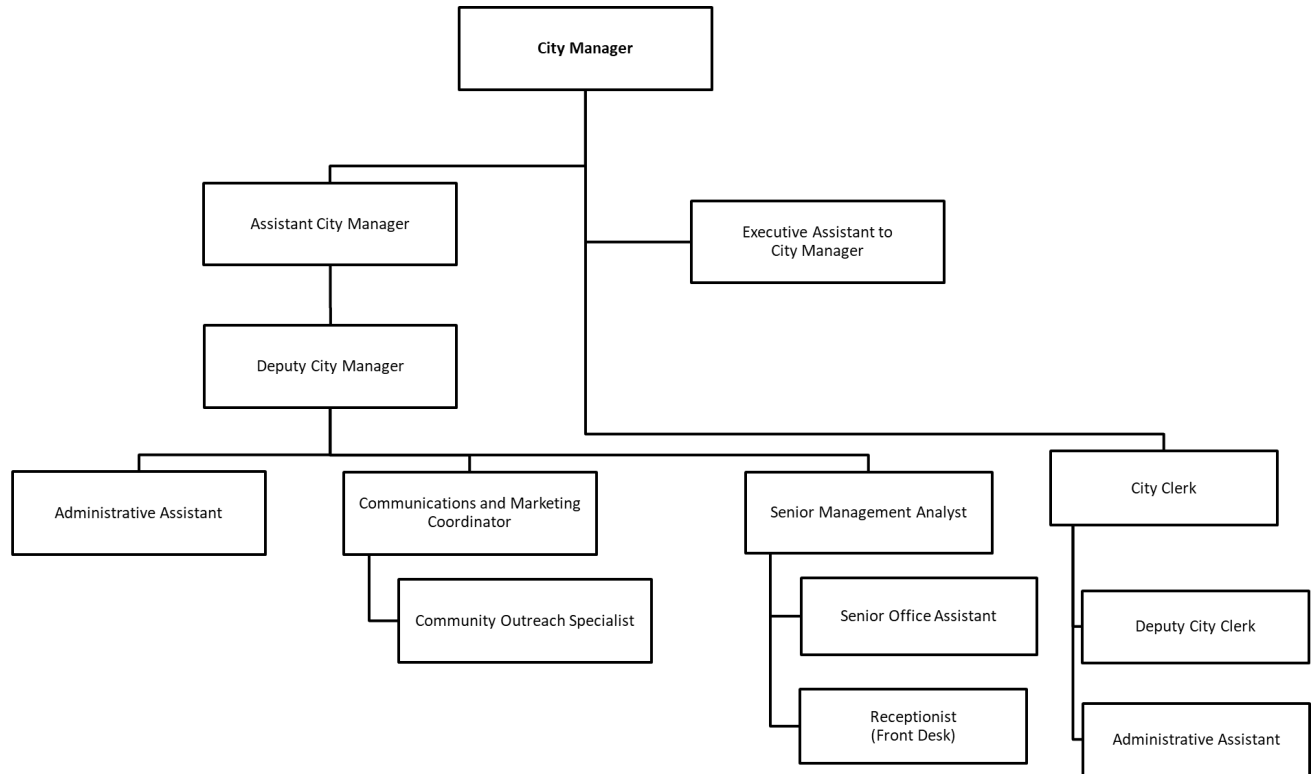
	2026 Proposed Budget
Total Revenues	\$ 2,432,652
Total Expenditures	\$ 5,142,019
Fund Balance	\$ -
General Fund Costs	\$ 2,709,367
% Funded by General Fund	52.7%
Total Staffing	16.2 FTE

Organization

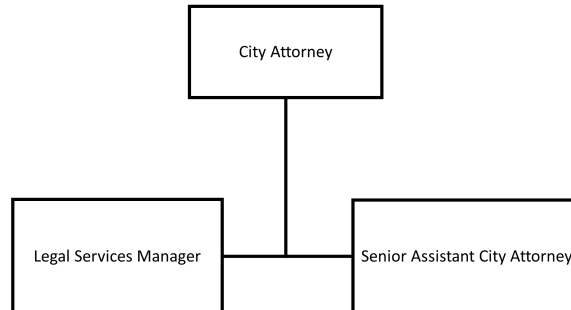
Pamela Wu, City Manager

Floy Andrews, Contract City Attorney

City Manager's Office



City Attorney's Office



Staffing levels in Administration are changing due to the transfer of an Economic Development Manager to the Community Development department and an Emergency Manager, Emergency Management Analyst, Community Relations Coordinator, and Citizen Corps Coordinator to the Parks & Recreation department. In addition, the City has currently contracted out the role of City Attorney. The City Attorney position listed in this organizational chart is the full-time benefitted position. This position is still funded as reflected in the City Attorney budget.

Notable Accomplishments

- *City Strategic Vision* - In March 2025, the City Manager's Office facilitated a Priority Setting Workshop, with Council to adopt a Strategic Vision for the City and to select top priorities for the upcoming two fiscal years. Council adopted staff's recommendation to establish new focus areas and modify the Council goals as part of the new Strategic Visions Framework. This Framework will serve as a guide for all future City initiatives and resources allocations to better serve the community.
- *FY 25-27 City Work Program* - In November 2024, staff conceptualized and presented an approach for Council to prioritize the City Work Program projects for the next two fiscal years. In March 2025, after several Council meetings, study sessions, and a Council workshop to evaluate potential projects, Council finalized 22 projects for the FY 2025-2027 City Work

Program.

- *ALPR* - In partnership with SC County, the City adopted a policy and authorized an MOU to purchase and install ALPR cameras throughout the City.
- *Block Leaders* - With grant support from CA Volunteers, staff expanded the Block Leader program to encourage recruitment and engage community members with ongoing preparedness classes, bi-monthly focus groups, and Block Party grants.
- *Commission Governance* - As part of the City Work Program, and based on Council direction, staff streamlined the online Commission application to include questions and criteria that better identify applicants with Commission-specific subject matter expertise. Application revisions were based on the research of advisory bodies in neighboring cities and towns within San Mateo and Santa Clara counties.
- *The Rise* - The Silicon Valley Business Journal recognized The Rise project during the September 2024 Structures Awards. In October 2024, the City issued grading permits to the developer to prepare the <former Vallco> site for future work. The City is continuing to foster engagement with stakeholders and supporting this project on an ongoing basis.
- *Community Service Awards* - The City Manager's Office organized the first Cupertino Community Service Awards to recognize outstanding volunteer achievement in the Cupertino Community. The Community Service Awards functioned as a combination of prior years' CREST and Commissioners' Awards banquets. The new event format was well-received by the community and provided an opportunity to recognize outstanding community members, volunteers, and commissioners.
- *Streamlined Citywide Communications* - City Manager's Office offers comprehensive communications support and expertise to all departments within the City. In addition to continuing the citywide communication coordination groups, namely The Storytellers, In the spring of 2024, the team introduced the Communications Request Form on The Hub to streamline the process of submitting requests and organize them efficiently and gather essential data, images, and other relevant information needed to fulfill them. The group meets monthly to discuss upcoming events, projects, and major initiatives. This ensures uniformity in citywide communications. The communications team gathers information from all department representatives and offers feedback on outreach messaging and strategies.
- *Publications* - Published three editions of The Scene and 17 editions of the Cupertino Connect newsletter.
- *Cupertino Business Outreach Program* - Continued to engage with local businesses to facilitate dialogue between the private and public sectors, staff has gained a deeper understanding of Cupertino businesses' unique needs and connected them with relevant resources.
- *Project Coordination* - City Manager's Office formed this group to facilitate an inter-departmental dialogue to reduce red tape and coordinate on major policies, strategic initiatives, and significant projects in development, redevelopment, and business attraction/retention/expansion that enhance the City's revenue. This initiative has been an excellent method to promote collaboration and permit facilitation for projects such as Apple CC05, Jade Tea Garden, 76 Gas Station, and vacant office space at 10275 N. De Anza Blvd.
- *Retail Theft Prevention Outreach & Engagement* - City Manager's Office hosted a webinar in collaboration with the Santa Clara County Sheriff's Office and Cupertino Chamber of Commerce to address retail theft, providing businesses with invaluable insights, actionable strategies, and best practices to strengthen store security.
- *Sale of City-owned property at 10301 Byrne Avenue* - City Manager's Office presented to Council and helped executed a sales agreement for the property at 10301 Byrne Avenue for \$3,110,000.
- *Stevens Creek Trail Joint Use Agreement* - Executed a new 25-year Joint Use Agreement with Santa Clara Valley Water District for ongoing access.
- *Women in Business Luncheon* - In partnership with the Cupertino Chamber of Commerce, restarted and grew this quarterly luncheon to bolster retention, expansion, and attraction of businesses to Cupertino.
- *Business Resource Hub* - Beta launched the Cupertino Business Resource Hub, a free, innovative platform designed to support local businesses by offering access to resources, technical training, expert guidance, and networking opportunities to help them thrive in a competitive market.
- *Small Business Workshop Series* - Hosted in-person business workshops in collaboration with the Cupertino Chamber of Commerce and Access Small Business Development Center (SBDC). Training topics included business compliance, access to capital, strategies for attracting new customers, and artificial intelligence.
- *Green Business Workshop* - Hosted an in-person workshop on green business rebates and incentives for local businesses and commercial property owners, in partnership with Silicon Valley Clean Energy, the County of Santa Clara, the Green Business Network Program, the Bay Area Regional Energy Network, and the Cupertino Chamber of Commerce.
- *Small Business Saturday* - In 2024, developed a promotional video for Small Business Saturday (<https://youtu.be/daAHISqWdPY?si=SR3p7BhND87JzlBB>), highlighting local businesses in Cupertino to encourage community support and boost holiday shopping.

New Initiatives

- *70th Anniversary* - The Communications Division is the lead for the City's upcoming Cupertino Community Service Awards which will combine the CREST Awards and Commissioner's Dinner with a nod to the City's 70th anniversary. In 2024, the Communications Division served as the lead for the inaugural Cupertino Community Service Awards.
- *Legislative Affairs* - In 2025, Council has reestablished a legislative subcommittee to further discuss state legislation. Staff will continue to work on monitoring and tracking state legislation in partnership with Council and the City Lobbyist.
- *Major Sports 2026 Regional Coordination* - The City Manager's Office will participate in a regional group to track updates, messaging efforts, and other relevant information related to the Superbowl and FIFA World Cup 2026.
- *Special Projects* - Manage various Citywide special projects.

Performance Measures

City Clerk Division

Goal: Streamline information processing for Council, staff, and community members for compliance with State requirements and facilitate independent and transparent access to public information.

Benefit: All can fully participate in local government to achieve the community & organizational goals.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
City Council minutes for meetings presented for Council approval by the following regular meeting	100%	100%	100%	100%
Adopted City Council resolutions and ordinances processed and scanned to Laserfiche within a week of Clerk's office receipt of final, signed document	85%/60%	100%/100%	100%/100%	100%
Public Record Act requests responded to by the Statutory deadline date	99%	99%	100%	100%

Office of Communications

Goal: Promote and increase interest and participation in City services, programs, initiatives, and projects while building community pride and positive identification with the City among its residents.

Benefit: Residents have access to timely, engaging, and important information.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Social media engagement: total number of followers including City Hall Nextdoor, Facebook, Twitter, and Instagram , YouTube, accounts	41,000	48,622	49,426	10% annual increase
Community engagement: total number of IOI recipients	1,732	2,581	2,819	10% annual increase
Total Number of Gov Delivery Notices sent	586	556	302	10% annual increase

*Social media engagement metrics seen here are different due to Facebook's changes on its metrics, how they calculate it, and what they provide now. Previously, Facebook would count any action as engagement; now they only count likes/reactions, comments, link clicks, and shares.

Workload Indicators

City Clerk Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
City Council minutes for regular meetings presented for Council approval by the following regular meeting	20/20	44/44	16/16
Adopted City Council resolutions and ordinances processed and scanned to Laserfiche within a week of Clerk's office receipt of final, signed document	136/160; 6/10	131/131; 13/13	55/55; 8/8
Public Record Act requests responded to by the Statutory deadline date	271/274	258/259	183/183

Office of Communications

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Social Media Engagement: Post per year (Facebook, Nextdoor, Twitter, Instagram)	500	747	483
Number of YouTube videos created	17	31	26
Number of Community Information and Outreach Program products provided (newsletters, press releases, website news postings)	150	50	48
Number of Communications Requests Received and Completed from Departments via Communications Request Form	N/A	N/A	416

Proposed Budget

It is recommended that City Council approve a budget of \$5,142,019 for the Administration department. This represents a decrease of \$1,411,944 (-21.5%) from the FY 2024-25 Adopted Budget.

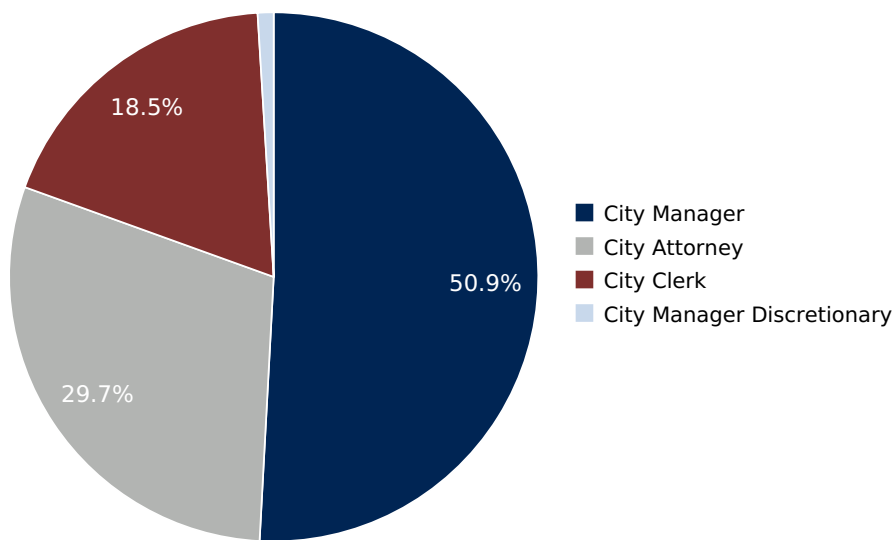
This decrease is primarily due to the reorganization of the City Manager's Office staffing. This decrease includes the transfer of 1 staff position in the Economic Development division, which has been moved under Community Development. This decrease also includes the transfer of 3.5 positions in the Emergency Management division, which have been moved under Parks and Recreation. In addition, contingency dollars have been calculated off of department's FY 2025-2026 base budget materials and contracts and have been consolidated into materials.

For any programs with reductions in benefits, this is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Any changes in cost allocation charges are due to the updated Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets.

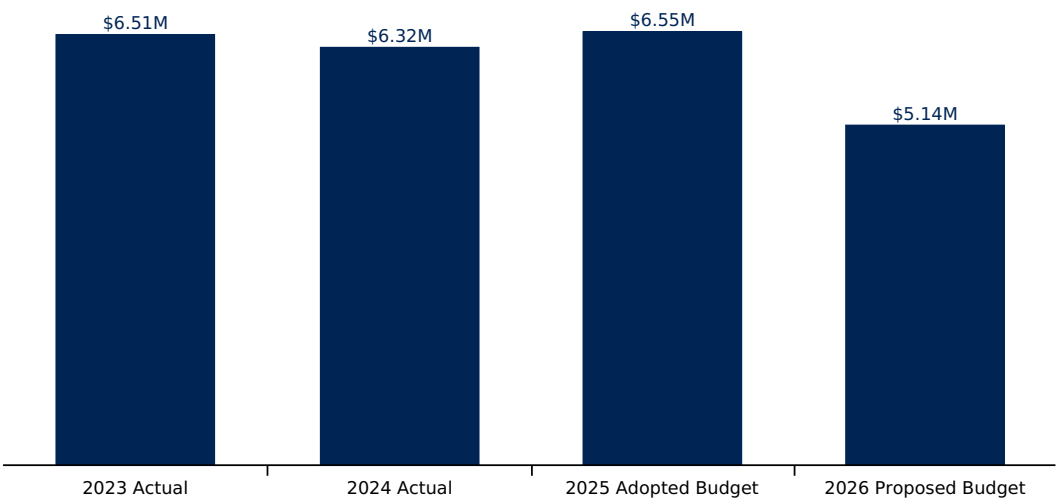
Citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference.

This budget includes a special project of \$5,000 for Cupertino 70th Anniversary Celebration. Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 1,025,000	\$ 56,953	\$ -	\$ -
Charges for Services	\$ 1,485,073	\$ 1,201,781	\$ 2,825,126	\$ 2,432,652
Miscellaneous Revenue	\$ 4,357	\$ 202	\$ -	\$ -
Total Revenues	\$ 2,514,430	\$ 1,258,936	\$ 2,825,126	\$ 2,432,652
Expenditures				
Employee Compensation	\$ 3,434,456	\$ 3,173,960	\$ 3,304,638	\$ 2,818,752
Employee Benefits	\$ 1,179,676	\$ 1,362,921	\$ 1,540,703	\$ 1,129,897
Materials	\$ 299,269	\$ 182,617	\$ 212,796	\$ 250,929
Contract Services	\$ 980,642	\$ 1,028,893	\$ 786,970	\$ 612,682
Cost Allocation	\$ 468,859	\$ 339,655	\$ 546,360	\$ 274,759
Special Projects	\$ 148,484	\$ 224,741	\$ 100,000	\$ 5,000
Contingencies	\$ -	\$ 5,732	\$ 62,496	\$ 50,000
Total Expenditures	\$ 6,511,386	\$ 6,318,519	\$ 6,553,963	\$ 5,142,019
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 3,996,953	\$ 5,059,586	\$ 3,728,837	\$ 2,709,367

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.00	1.00	2.00	2.00
ASSISTANT CITY MANAGER	2.00	1.00	1.00	1.00
ASSIST TO THE CITY MNGR	0	0	0.95	0
CITY ATTORNEY	1.00	1.00	1.00	1.00
CITY CLERK	1.00	1.00	1.00	1.00
CITY MANAGER	1.00	1.00	1.00	1.00
COMMS AND MARKETING COORDINATOR	1.00	0	0.85	0.85
COMMUNITY OUTREACH SPECIALIST	0.90	0.90	0.90	0.90
DEPUTY CITY CLERK	1.00	1.00	1.00	1.00
DEPUTY CITY MANAGER	1.00	1.00	1.00	1.00
ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	0
EMERGENCY SERVICES COORDINATOR	1.95	1.95	1.00	0
ENVIRONMENTAL PROGRAMS ASSISTANT	0.35	0.35	0	0
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
LEGAL SERVICES MANAGER	1.00	1.00	1.00	0
MANAGEMENT ANALYST	3.70	2.70	1.00	1.00
MULTIMEDIA COMMUNICATIONS SPEC	1.50	0	0	0
PUBLIC INFORMATION OFFICER	0.85	0.85	0	0
RECEPTIONIST	0	0	0	1.00
SENIOR ASSISTANT CITY ATTORNEY	1.00	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	0	1.00	1.00	1.00
SPECIAL PROJECT EXECUTIVE	0	1.00	0	0
SR OFFICE ASSISTANT	1.80	1.80	1.80	1.90
SUSTAINABILITY MANAGER	0.75	0.75	0	0
Total	24.30	21.80	19.00	16.15

City Manager

Budget Unit 100-12-120

General Fund - City Manager - City Manager

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,461,511
Total Expenditures	\$ 2,133,359
Fund Balance	\$ -
General Fund Costs	\$ 671,848
% Funded by General Fund	31.5%
Total Staffing	7.2 FTE

Program Overview

The City Manager is responsible to the City Council for the effective and efficient operation of the City. Under the direction of the City Council as a whole, the City Manager carries out the City’s goals and objectives.

Service Objectives

- Facilitate the adoption and accomplishment of the City Work Program.
- Manage City operations.
- Ensure all laws and ordinances of the City are duly enforced and that all franchises, permits, licenses, and privileges granted by the City are faithfully performed and observed.
- Advise the City Council on policy, and the health and needs of the City.
- Research and respond to concerns regarding City operations.
- Prioritize engagement and transparency.
- Prepare reports and initiate recommendations as may be desirable or as requested by the City Council.
- Ensure that the City’s policies and procedures provide a foundation for a secure financial position.
- Monitor all state and federal legislative activity and track and identify important legislation impacting Cupertino.

Proposed Budget

It is recommended that City Council approve a budget of \$2,133,359 for the City Manager program. This represents a decrease of \$44,262 (-2.0%) from the FY 2024-25 Adopted Budget.

There are several shifts in this budget that result in an overall decrease. Primarily, this program budget does not have any new Special Projects for FY25-26.

This is offset by increases in salaries due to the request to add a new position, materials due to funds for citywide memberships and dues that were previously in the City Council budget being consolidated in this program budget to better reflect the use of those dollars. Cost Allocation charges have also increased.

This program is also requesting 1.0 FT Receptionist for FY25-26. This position will ensure the City Hall front desk is adequately staffed providing consistent support for residents.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 646,348	\$ 653,459	\$ 1,552,614	\$ 1,461,511
Total Revenues	\$ 646,348	\$ 653,459	\$ 1,552,614	\$ 1,461,511
Expenditures				
Employee Compensation	\$ 974,503	\$ 1,304,537	\$ 1,280,208	\$ 1,303,448
Employee Benefits	\$ 285,760	\$ 555,668	\$ 569,757	\$ 517,857
Materials	\$ 53,361	\$ 38,198	\$ 45,689	\$ 109,641
Contract Services	\$ 113,975	\$ 215,602	\$ 78,008	\$ 81,920
Cost Allocation	\$ -	\$ -	\$ 102,413	\$ 120,493
Special Projects	\$ -	\$ 38,415	\$ 100,000	\$ -
Contingencies	\$ -	\$ -	\$ 1,546	\$ -
Total Expenditures	\$ 1,427,599	\$ 2,152,420	\$ 2,177,621	\$ 2,133,359
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 781,251	\$ 1,498,960	\$ 625,007	\$ 671,848

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0	0	1.00	1.00
ASSISTANT CITY MANAGER	2.00	1.00	1.00	1.00
CITY MANAGER	1.00	1.00	1.00	1.00
DEPUTY CITY MANAGER	1.00	1.00	1.00	1.00
EXEC ASST TO THE CITY COUNCIL	0.50	0.50	0.50	0.50
MANAGEMENT ANALYST	2.00	1.00	0	0
RECEPTIONIST	0	0	0	1.00
SENIOR MANAGEMENT ANALYST	0	1.00	1.00	1.00
SPECIAL PROJECT EXECUTIVE	0	1.00	0	0
SR OFFICE ASSISTANT	0.40	0.40	1.10	0.70
Total	6.90	6.90	6.60	7.20

Staff is requesting a new position of receptionist in this budget unit.

Sustainability

Budget Unit 100-12-122

General Fund - City Manager - Sustainability

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2023-2024, this program was moved to Public Works. A complete discussion of the program can be found under Budget Unit 100-81-122. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 14,822	\$ -	\$ -	\$ -
Total Revenues	\$ 14,822	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 272,016	\$ -	\$ -	\$ -
Employee Benefits	\$ 102,200	\$ -	\$ -	\$ -
Materials	\$ 16,113	\$ -	\$ -	\$ -
Contract Services	\$ 67,997	\$ -	\$ -	\$ -
Cost Allocation	\$ 182,388	\$ -	\$ -	\$ -
Special Projects	\$ 106,200	\$ -	\$ -	\$ -
Total Expenditures	\$ 746,914	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 732,091	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ENVIRONMENTAL PROGRAMS ASSISTANT	0.35	0.35	0	0
MANAGEMENT ANALYST	0.70	0.70	0	0
SUSTAINABILITY MANAGER	0.75	0.75	0	0
Total	1.80	1.80	0	0

Office of Communications

Budget Unit 100-12-126

General Fund - City Manager - Office of Communications

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 335,733
Total Expenditures	\$ 481,413
Fund Balance	\$ -
General Fund Costs	\$ 145,680
% Funded by General Fund	30.3%
Total Staffing	2.0 FTE

Program Overview

The Communications Division is responsible for community outreach to ensure that residents have access to timely, useful, and important information. The Communications Division oversees and maintains many of the City’s lines of communication with residents, including the City’s website, social media accounts, bimonthly newsletter, quarterly newsletter, videos, reels, digital marketing, graphics, and press releases. The Division supports city-wide communications and acts as a liaison between various City departments and the community, and provides guidance on communicating information about projects and events.

Service Objectives

- Serve as the communications link between the City of Cupertino and residents
- Ensure that the community has easy access to important, useful, and timely information through various forms of media including print, online, and video
- Build community pride and positive identification with the City among residents
- Increase interest and participation in City services, projects, and activities
- Promote City Council and departmental goals, initiatives, programs, and services
- Assist in creating better internal and external communication
- Enhance the City’s relationship with the news media

Proposed Budget

It is recommended that City Council approve a budget of \$481,413 for the Office of Communications program. This represents an increase of \$64,634 (15.5%) from the FY 2024-25 Adopted Budget.

The increase is primarily due to a request to add an ongoing Part-Time Communications & Marketing Coordinator. This position will ensure that large City events are successful, and the community stays informed and engaged.

Additional budget request in this program includes a special project request to fund the celebration of the City's 70th anniversary.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Cupertino 70th Anniversary Celebration	\$5,000	\$5,000	General Fund	Celebration to Commemorate Cupertino's 70th Anniversary
Total	\$5,000	\$5,000		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 545,188	\$ 335,733
Total Revenues	\$ -	\$ -	\$ 545,188	\$ 335,733
Expenditures				
Employee Compensation	\$ 247,454	\$ 202,101	\$ 228,455	\$ 292,233
Employee Benefits	\$ 90,120	\$ 115,303	\$ 124,460	\$ 115,623
Materials	\$ 138,360	\$ 46,977	\$ 17,152	\$ 22,637
Contract Services	\$ 133,287	\$ 53,737	\$ 14,110	\$ 10,320
Cost Allocation	\$ -	\$ -	\$ 32,211	\$ 35,600
Special Projects	\$ -	\$ -	\$ -	\$ 5,000
Contingencies	\$ -	\$ -	\$ 391	\$ -
Total Expenditures	\$ 609,221	\$ 418,118	\$ 416,779	\$ 481,413
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 609,221	\$ 418,119	\$ (128,409)	\$ 145,680

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
COMMS AND MARKETING COORDINATOR	1.00	0	0.85	0.85
COMMUNITY OUTREACH SPECIALIST	0.90	0.90	0.90	0.90
PUBLIC INFORMATION OFFICER	0.85	0.85	0	0
SR OFFICE ASSISTANT	0.90	0.90	0.20	0.20
Total	3.65	2.65	1.95	1.95

Multimedia

Budget Unit 100-12-305

General Fund - City Manager - Multimedia

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2023-24, this program was moved to Innovation & Technology. A complete discussion of the program can be found under Budget Unit 100-31-305. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 354,821	\$ 167,188	\$ -	\$ -
Total Revenues	\$ 354,821	\$ 167,188	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 312,438	\$ -	\$ -	\$ -
Employee Benefits	\$ 139,867	\$ -	\$ -	\$ -
Materials	\$ 22	\$ -	\$ -	\$ -
Contract Services	\$ 17,236	\$ -	\$ -	\$ -
Special Projects	\$ 9,549	\$ -	\$ -	\$ -
Total Expenditures	\$ 479,112	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 124,290	\$ (167,188)	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MULTIMEDIA COMMUNICATIONS SPEC	1.50	0	0	0
Total	1.50	0	0	0

Public Access Support

Budget Unit 100-12-307

General Fund - City Manager - Public Access Support

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

In FY 2023-2024, this program was moved to Innovation & Technology. A complete discussion of the program can be found under Budget Unit 100-31-305. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 73,306	\$ 9,450	\$ -	\$ -
Cost Allocation	\$ 2,251	\$ 2,169	\$ -	\$ -
Total Expenditures	\$ 75,557	\$ 11,619	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 75,557	\$ 11,619	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Community Outreach and Neighborhood Watch

Budget Unit 100-12-632

General Fund - City Manager - Community Outreach and Neighborhood Watch

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2024-2025, this program was transferred to Parks & Recreation. A complete discussion of the program can be found under Budget Unit 100-65-632. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 56,953	\$ -	\$ -
Total Revenues	\$ -	\$ 56,953	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 100,034	\$ 103,733	\$ 109,783	\$ -
Employee Benefits	\$ 40,723	\$ 44,700	\$ 52,924	\$ -
Materials	\$ 8,047	\$ 5,001	\$ 8,290	\$ -
Cost Allocation	\$ 58,538	\$ 78,117	\$ 53,648	\$ -
Special Projects	\$ -	\$ 7,623	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 104	\$ -
Total Expenditures	\$ 207,342	\$ 239,174	\$ 224,749	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 207,342	\$ 182,222	\$ 224,749	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
EMERGENCY SERVICES COORDINATOR	1.00	1.00	1.00	0
Total	1.00	1.00	1.00	0

There are no changes to the current level of staffing.

Office of Emergency Management

Budget Unit 100-12-633

General Fund - City Manager - Office of Emergency Management

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2024-2025, this program was transferred to Parks & Recreation. A complete discussion of the program can be found under Budget Unit 100-65-633. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 1,025,000	\$ -	\$ -	\$ -
Charges for Services	\$ -	\$ 15,629	\$ 152,678	\$ -
Total Revenues	\$ 1,025,000	\$ 15,629	\$ 152,678	\$ -
Expenditures				
Employee Compensation	\$ 317,068	\$ 324,386	\$ 356,968	\$ -
Employee Benefits	\$ 130,230	\$ 148,831	\$ 176,079	\$ -
Materials	\$ 13,394	\$ 17,096	\$ 23,997	\$ -
Contract Services	\$ 156	\$ -	\$ 2,120	\$ -
Cost Allocation	\$ 177,604	\$ 205,936	\$ 86,139	\$ -
Special Projects	\$ 18,677	\$ 4,129	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 326	\$ -
Total Expenditures	\$ 657,129	\$ 700,378	\$ 645,629	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (367,872)	\$ 684,749	\$ 492,951	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSIST TO THE CITY MNGR	0	0	0.95	0
EMERGENCY SERVICES COORDINATOR	0.95	0.95	0	0
MANAGEMENT ANALYST	1.00	1.00	1.00	0
Total	1.95	1.95	1.95	0

A transfer of 3.5 positions in the Emergency Management division have been moved under Parks and Recreation.

Economic Development

Budget Unit 100-12-705

General Fund - City Manager - Economic Development

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.0 FTE

Program Overview

In FY 2024-2025, this program was transferred to Community Development. A complete discussion of the program can be found under Budget Unit 100-71-705. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 161,796	\$ 143,794	\$ 194,086	\$ -
Employee Benefits	\$ 52,073	\$ 69,813	\$ 99,396	\$ -
Materials	\$ 19,101	\$ 9,689	\$ 17,648	\$ -
Contract Services	\$ 15,449	\$ 28,549	\$ 56,200	\$ -
Cost Allocation	\$ 41,781	\$ 49,578	\$ 172,822	\$ -
Special Projects	\$ 14,058	\$ 174,574	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 923	\$ -
Total Expenditures	\$ 304,258	\$ 475,997	\$ 541,075	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 304,258	\$ 475,997	\$ 541,075	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	0
Total	1.00	1.00	1.00	0

A transfer of 1 staff position in the Economic Development division has been moved under Community Development.

City Clerk

Budget Unit 100-13-130

General Fund - City Clerk - City Clerk

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 222,387
Total Expenditures	\$ 910,716
Fund Balance	\$ -
General Fund Costs	\$ 688,329
% Funded by General Fund	75.6%
Total Staffing	4.0 FTE

Program Overview

The City Clerk’s office responsibilities include administrative duties associated with the City Council’s agenda and actions, publishing legal notices, posting notice of all commission vacancies, processing codification of City’s Municipal Code, records management, compliance with Public Records Act requests, managing official elections, and providing partial mail service for all City Departments.

Service Objectives

- Ensure compliance with the Brown Act open meetings requirements, Maddy Act Commission vacancy requirements and the Public Records Act, to accurately process documents and maintain a records management system that facilitates timely access to information, including digital access to City records.
- Provide complete, accurate and timely information to the public, staff and City Council.
- Respond to internal routing requests within two working days; respond to internal requests requiring archival research within five working days.
- Respond to Public Record Act requests within the time specified by State law.
- Provide a digital City Council packet to members of the City Council and staff.
- Process and sort routine incoming and outgoing mail for each department.

Proposed Budget

It is recommended that City Council approve a budget of \$910,716 for the City Clerk program. This represents an increase of \$81,982 (9.9%) from the FY 2024-25 Adopted Budget.

The increase is primarily due to the reallocation of staffing to this budget unit.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 121,651	\$ 87,435	\$ 201,273	\$ 222,387
Miscellaneous Revenue	\$ -	\$ 202	\$ -	\$ -
Total Revenues	\$ 121,651	\$ 87,637	\$ 201,273	\$ 222,387
Expenditures				
Employee Compensation	\$ 388,186	\$ 430,610	\$ 475,265	\$ 519,944
Employee Benefits	\$ 121,637	\$ 173,521	\$ 222,740	\$ 225,433
Materials	\$ 25,946	\$ 38,693	\$ 40,578	\$ 60,581
Contract Services	\$ 54,812	\$ 43,387	\$ 39,594	\$ 40,861
Cost Allocation	\$ -	\$ -	\$ 49,555	\$ 63,897
Contingencies	\$ -	\$ -	\$ 1,002	\$ -
Total Expenditures	\$ 590,581	\$ 686,211	\$ 828,734	\$ 910,716
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 468,930	\$ 598,575	\$ 627,461	\$ 688,329

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
CITY CLERK	1.00	1.00	1.00	1.00
DEPUTY CITY CLERK	1.00	1.00	1.00	1.00
SR OFFICE ASSISTANT	0.50	0.50	0.50	1.00
Total	3.50	3.50	3.50	4.00

Staff time is being reallocated to better reflect actual time spent in this program.

Duplicating and Mail Services

Budget Unit 100-13-132

General Fund - City Clerk - Duplicating and Mail Services

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 30,805
Total Expenditures	\$ 41,561
Fund Balance	\$ -
General Fund Costs	\$ 10,756
% Funded by General Fund	25.9%
Total Staffing	FTE

Program Overview

The Duplicating and Mail budget provides paper, envelope, and postage supplies Citywide, and is responsible for the maintenance costs of the postage and folder-inserter machines.

Reduction in benefits is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings.

Service Objectives

Supply paper, envelopes, and postage Citywide and maintain postage and folder-inserter machines.

Proposed Budget

It is recommended that City Council approve a budget of \$41,561 for the Duplicating and Mail Services program. This represents a decrease of \$1,470 (-3.4%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 28,829	\$ 30,805
Total Revenues	\$ -	\$ -	\$ 28,829	\$ 30,805
Expenditures				
Materials	\$ 20,557	\$ 11,377	\$ 31,500	\$ 32,508
Contract Services	\$ 922	\$ 10,237	\$ 11,000	\$ 9,053
Cost Allocation	\$ 3,674	\$ 3,375	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 531	\$ -
Total Expenditures	\$ 25,153	\$ 24,989	\$ 43,031	\$ 41,561
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 25,153	\$ 24,989	\$ 14,202	\$ 10,756

Staffing

There is no staffing associated with this program.

Elections

Budget Unit 100-13-133

General Fund - City Clerk - Elections

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The City Clerk’s office administers the legislative process including management of local elections and filings of Fair Political Practices Commission documents.

Service Objectives

- Administer elections and Fair Political Practices Commission filings in compliance with State law.
- Conduct a local election in even-numbered years and ballot measure elections as necessary, in compliance with the California Elections Code.
- Facilitate timely filing of required and voluntary documentation from candidates and election committees, including Nomination Papers, Candidate Statements of Qualification, Campaign Financial Disclosure Statements, and Statements of Economic Interest.
- Make election-related information available to the public and news media in a timely manner.

Proposed Budget

There is no budget requested for this program.

This decrease is due to the election cycle.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ (10,465)	\$ -	\$ -	\$ -
Total Revenues	\$ (10,465)	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ (11,726)	\$ 577	\$ 10,345	\$ -
Contract Services	\$ 120,921	\$ -	\$ 130,000	\$ -
Cost Allocation	\$ 2,623	\$ 480	\$ 17	\$ -
Contingencies	\$ -	\$ -	\$ 1,754	\$ -
Total Expenditures	\$ 111,818	\$ 1,057	\$ 142,116	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 122,283	\$ 1,057	\$ 142,116	\$ -

Staffing

There is no staffing associated with this program.

City Manager Contingency

Budget Unit 100-14-123

General Fund - City Manager Discretionary - City Manager Contingency

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 50,000
Fund Balance	\$ -
General Fund Costs	\$ 50,000
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The City Manager Contingency program is designed to address unforeseen citywide expenses that may arise during the year. To provide a cushion for any unexpected expenses, a contingencies expenditure category was added to each program in FY 2013-14. This category was established to cover any unforeseen expenses that may arise during the year. However, in FY 2020-21, the program contingencies were reduced from 5% of budgeted materials and contract services to 2.5%.

To provide a second layer of contingency for any unexpected expenditures, the City Manager Contingency was established. This contingency is in addition to the program contingency and is used for unexpected expenditures that exceed the program contingency. In FY 2020-21, the City Manager Contingency was also reduced from 5% of budgeted General Fund materials and contract services to 2.5%.

To further reduce expenditures, in FY 2021-22, the City Manager Contingency was reduced to \$75,000. In FY 2022-23, as part of an expenditure-reduction strategy, program contingencies are being reduced to 1.25%, and the City Manager Contingency is being reduced to \$50,000. These measures are aimed at maintaining fiscal responsibility while ensuring that unexpected expenses can still be addressed.

There were no expenditures from the City Manager's contingency in Fiscal Year 2023. Fiscal Year 2024 saw an expenditure of \$5,321.11, with the primary uses being employee appreciation events and quarterly town hall breakfasts. In Fiscal Year 2025 to date, the contingency fund was utilized for \$13,616.85, with key expenses related to employee appreciation events and homeless encampment clean-up. The program contingency budget may be used by departments to cover unanticipated expenses at their discretion. On the other hand, the City Manager Contingency requires the approval of the City Manager before it can be used. Any usage of the City Manager Contingency is reported by staff to the City Council as part of the quarterly financial report. This reporting ensures transparency and accountability in the use of contingency funds.

Proposed Budget

It is recommended that City Council approve a budget of \$50,000 for the City Manager Contingency program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 2,633	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ 5,732	\$ 50,000	\$ 50,000
Total Expenditures	\$ 2,633	\$ 5,732	\$ 50,000	\$ 50,000
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 2,633	\$ 5,732	\$ 50,000	\$ 50,000

Staffing

There is no staffing associated with this program.

City Attorney

Budget Unit 100-15-141

General Fund - City Attorney - City Attorney

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 382,216
Total Expenditures	\$ 1,524,970
Fund Balance	\$ -
General Fund Costs	\$ 1,142,754
% Funded by General Fund	74.9%
Total Staffing	3.0 FTE

Program Overview

The City Attorney is appointed by the City Council to manage the legal affairs of the City, including the operation of the City Attorney's Office. The City Attorney's Office provides all legal services that are needed to support the City Council, City Commissions and Committees, City Manager, department directors, and City staff.

Service Objectives

The mission of the City Attorney's Office is to protect and defend the City by all legal and ethical means and to provide the municipal corporation with high-quality legal service and advice. These legal services include the following:

- Prosecute and defend the City in any legal action such as civil matters involving personal injury or property damage, code enforcement, or any administrative action arising out of City business.
- Manage all property, auto and liability claims filed against or on behalf of the City including investigation and disposition.
- Attend City Council, Planning Commission, and other public meetings as requested.
- Prepare and review proposed legislation including ordinances and resolutions.
- Draft and/or review contracts, agreements, and other legal documents.
- Conduct legal research and analysis, and prepare legal memoranda.
- Provide legal support for special projects.

Proposed Budget

It is recommended that City Council approve a budget of \$1,524,970 for the City Attorney program. This represents an increase of \$40,741 (2.7%) from the FY 2024-25 Adopted Budget.

The increase is due to increases in salary costs, materials and contracts offset by a decrease in benefits costs. Staff costs have increased due to negotiated increases to salary and benefits for the City Attorney as well as reclassification of the Legal Services Manager that occurred last year to align the position with its current duties and responsibilities.

The City is currently contracting out City Attorney services but has not defunded the existing full time benefitted City Attorney position, thus salary and benefits for that position remain in the budget to pay contract City Attorney services.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 362,253	\$ 278,070	\$ 344,544	\$ 382,216
Total Revenues	\$ 362,253	\$ 278,070	\$ 344,544	\$ 382,216
Expenditures				
Employee Compensation	\$ 660,961	\$ 664,799	\$ 659,873	\$ 703,127
Employee Benefits	\$ 217,066	\$ 255,085	\$ 295,347	\$ 270,984
Materials	\$ 16,094	\$ 15,009	\$ 17,597	\$ 25,562
Contract Services	\$ 379,948	\$ 667,931	\$ 455,938	\$ 470,528
Cost Allocation	\$ -	\$ -	\$ 49,555	\$ 54,769
Contingencies	\$ -	\$ -	\$ 5,919	\$ -
Total Expenditures	\$ 1,274,069	\$ 1,602,824	\$ 1,484,229	\$ 1,524,970
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 911,816	\$ 1,324,755	\$ 1,139,685	\$ 1,142,754

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
CITY ATTORNEY	1.00	1.00	1.00	1.00
LEGAL SERVICES MANAGER	1.00	1.00	1.00	0
MANAGEMENT ANALYST	0	0	0	1.00
SENIOR ASSISTANT CITY ATTORNEY	1.00	1.00	1.00	1.00
Total	3.00	3.00	3.00	3.00

There are no changes to the current levels of staffing. An interim City Attorney was outsourced in FY 2025.

Law Enforcement

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Department Overview

Budget Units

Budget Unit	Program	2026 Proposed Budget
Law Enforcement		\$ 19,542,688
100-20-200	Law Enforcement	\$ 19,542,688
100-20-201	Interoperability Project	\$ -
Total		\$ 19,542,688

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,939,512
Total Expenditures	\$ 19,542,688
Fund Balance	\$ -
General Fund Costs	\$ 17,603,176
% Funded by General Fund	90.1%
Total Staffing	FTE

Organization

Captain Neil Valenzuela, Office of the Sheriff

Law Enforcement
(Contracted)

Performance Measures

Goal: Maintain a safe environment to live, work, learn and play.

Benefit: All members of the community are safe, informed, empowered and supported.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Response time for emergency calls				
Priority 1	6.57	5.81	7.28	5 minutes
Priority 2	7.46	6.32	6.41	9 minutes
Priority 3	12.72	7.86	6.30	20 minutes
% programs maintaining minimum attendance				
Teen & Citizen Academy	90%	100%	0%	80%

Workload Indicators

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Total Priority 1 Calls	85	52	14
Total Priority 2 Calls	4,263	5,315	2,910
Total Priority 3 Calls	3,161	3,818	1,836
Total Teen/Community Academy Participants	18	31	0

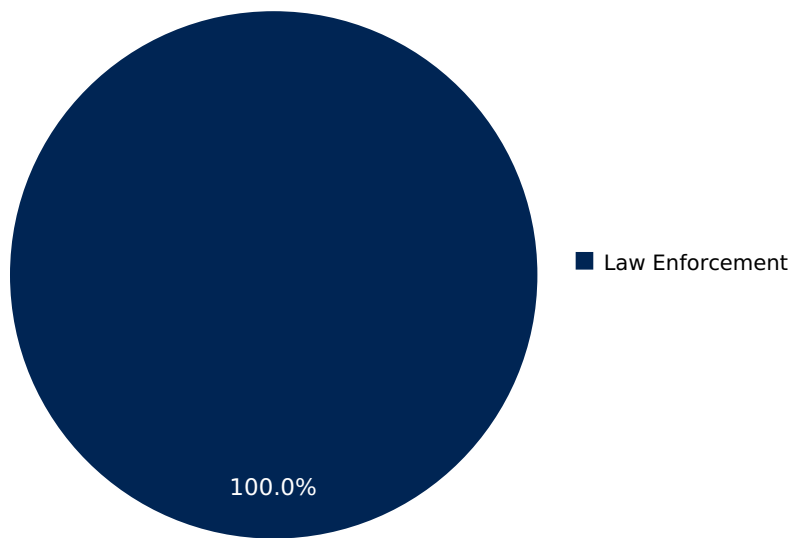
Proposed Budget

It is recommended that City Council approve a budget of \$19,542,688 for the Law Enforcement department. This represents an increase of \$893,882 (4.8%) from the FY 2024-25 Adopted Budget.

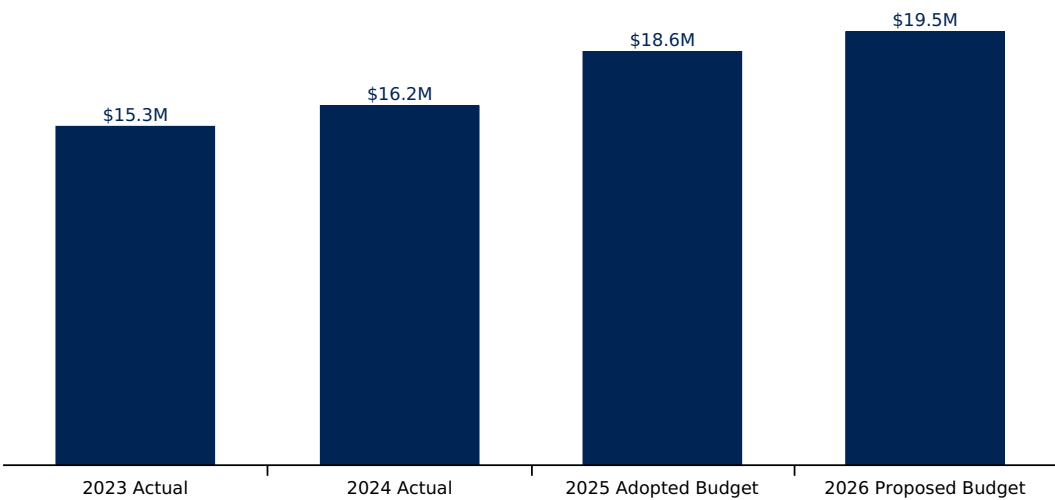
The increase is primarily due to the annual negotiated increase in the law enforcement contract and an ongoing request to fund maintenance costs associated with the license plate readers.

For any programs with reductions in benefits, this is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Any changes in cost allocation charges are due to the updated Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 165,271	\$ 186,159	\$ 161,094	\$ 166,249
Charges for Services	\$ 277,277	\$ 304,442	\$ 402,500	\$ 371,200
Fines and Forfeitures	\$ 168,859	\$ 155,102	\$ 180,000	\$ 185,760
Miscellaneous Revenue	\$ 948,721	\$ 1,006,552	\$ 1,046,814	\$ 1,216,303
Total Revenues	\$ 1,560,128	\$ 1,652,255	\$ 1,790,408	\$ 1,939,512
Expenditures				
Materials	\$ 404	\$ 457	\$ 424	\$ 450
Contract Services	\$ 15,122,638	\$ 16,059,209	\$ 18,285,280	\$ 19,353,570
Cost Allocation	\$ 153,891	\$ 144,684	\$ 363,102	\$ 188,668
Total Expenditures	\$ 15,276,933	\$ 16,204,350	\$ 18,648,806	\$ 19,542,688
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 13,716,805	\$ 14,552,096	\$ 16,858,398	\$ 17,603,176

Staffing

There is no staffing associated with this department.

Law Enforcement

Budget Unit 100-20-200

General Fund - Law Enforcement - Law Enforcement

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,939,512
Total Expenditures	\$ 19,542,688
Fund Balance	\$ -
General Fund Costs	\$ 17,603,176
% Funded by General Fund	90.1%
Total Staffing	FTE

Program Overview

The Law Enforcement program provides law enforcement, emergency communications, and School Resource Officers. Law enforcement services are provided by the Santa Clara County Sheriff’s Office, while communications services are provided by the Santa Clara County General Services Administration. Other services include general law enforcement (patrol), traffic enforcement and investigation, detective services, and additional resources from specialized units.

The State allocates the Citizens Option for Public Safety (COPS) grant to cities and counties for front-line law enforcement purposes. Funding is allocated proportionately based on population size with a minimum allocation of \$100,000 per jurisdiction. This grant will be used to partially offset the cost of a second School Resource Officer that was added in the FY 2016-17 school year. Furthermore, the City receives an annual donation from Apple for enhanced law enforcement services (two additional deputies) available to the entire community. The donation is \$1,109,623 for FY 2025-26.

Service Objectives

- Protect life and property through innovative and progressive policing methods.
- Respond to Priority 1 emergency situations within an average of fewer than five minutes.
- Enforce the vehicle code with the goal of increasing traffic safety.
- Divert first time/minor youth offenders from the juvenile justice system.
- Provide daily on-site interaction with our youth.
- Provide annual Teen Academy during summer months providing community engagement and an introduction to law enforcement for youth (budgeted in the Public Safety Commission).

Proposed Budget

It is recommended that City Council approve a budget of \$19,542,688 for the Law Enforcement program. This represents an increase of \$893,882 (4.8%) from the FY 2024-25 Adopted Budget.

The increase is due to the increased in the Sheriff’s contract and increases supplemental law enforcement service that are fully offset by revenues. Additionally, a request to fund ongoing costs of the maintenance and operation of fifteen (15) Automated License Plate Readers (ALPRs) throughout the City, is included, which was approved by Council in October 2024.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 165,271	\$ 186,159	\$ 161,094	\$ 166,249
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Miscellaneous Revenue	\$ 948,721	\$ 1,006,552	\$ 1,046,814	\$ 1,216,303
Total Revenues	\$ 1,560,128	\$ 1,652,255	\$ 1,790,408	\$ 1,939,512
Expenditures				
Materials	\$ 404	\$ 457	\$ 424	\$ 450
Contract Services	\$ 15,122,638	\$ 16,059,209	\$ 18,285,280	\$ 19,353,570
Cost Allocation	\$ 153,007	\$ 144,684	\$ 363,102	\$ 188,668
Total Expenditures	\$ 15,276,049	\$ 16,204,350	\$ 18,648,806	\$ 19,542,688
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 13,715,921	\$ 14,552,096	\$ 16,858,398	\$ 17,603,176

Staffing

There is no staffing associated with this program.

Interoperability Project

Budget Unit 100-20-201

General Fund - Law Enforcement - Interoperability Project

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The Silicon Valley Regional Interoperability Authority (SVRIA) was formed under the Joint Exercise of Powers Act (JPA) to provide interoperable communications solutions to its members. The SVRIA represents the interests of all public safety agencies in Santa Clara County through its members. It services the Santa Clara Operational Area which includes the County of Santa Clara, its fifteen cities and towns, and all special districts. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Service Objectives

SVRIA exists to identify, coordinate, and implement communications interoperability solutions to its member agencies. The purpose of these projects is to seamlessly integrate voice and data communications between law enforcement, the fire and rescue service, emergency medical services, and emergency management for routine operations, critical incidents, and disaster response and recovery.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 884	\$ -	\$ -	\$ -
Total Expenditures	\$ 884	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 884	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Innovation and Technology

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Department Overview

Budget Units

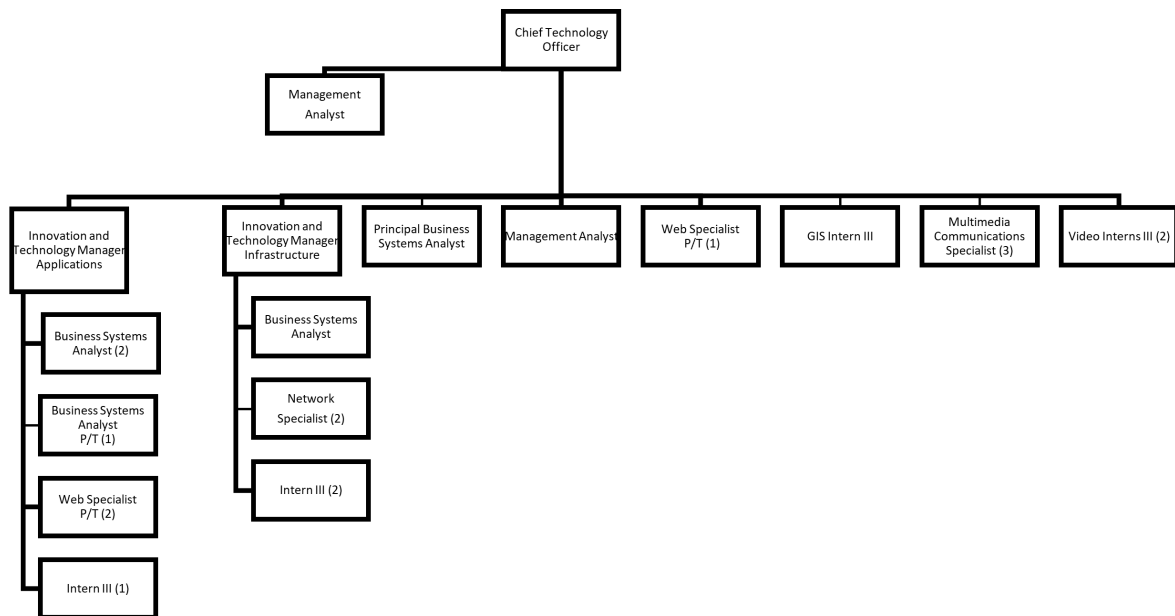
Budget Unit	Program	2026 Proposed Budget
I&T Administration		\$ 224,231
610-30-300	Innovation & Technology Administration	\$ 224,231
Video		\$ 1,132,993
100-31-305	Video	\$ 1,132,993
Applications		\$ 2,329,660
100-32-308	Applications	\$ 2,329,660
Infrastructure		\$ 2,856,513
610-34-310	Infrastructure	\$ 2,856,513
GIS		\$ 1,303,472
610-35-986	GIS	\$ 1,303,472
Total		\$ 7,846,869

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 6,640,514
Total Expenditures	\$ 7,846,869
Fund Balance	\$ 366,279
General Fund Costs	\$ 2,572,634
% Funded by General Fund	32.8%
Total Staffing	13.9 FTE

Organization

Teri Gerhardt, CGCIO, Chief Technology Officer



Notable Accomplishments

- *New City Website Launched* – Collaborating with various departments, the newly designed City of Cupertino website (cupertino.gov) was launched. The new website has a more robust backend content management system and integrates with many other applications like Legistar, GovDelivery and Accela.
- *ProjectDox move to SaaS* – IT Applications moved ProjectDox, City’s plan check review system to the SaaS (Software as Service) model. This move helps Cupertino to always stay on the latest ProjectDox version and shifts the responsibility of the day-to-day maintenance, upgrades, and back-ups to the vendor.
- *Consolidation of Code Enforcement Services*– The Code Enforcement operations were consolidated under the Accela Land Management System (LMS) pulling all CDD operations under one enterprise system. This implementation streamlines code enforcement day-to-day operations as well as supports routing complaints and service requests directly to Code Enforcement officers.
- *Startup Software* – Implemented Startup Space platform to welcome new businesses in Cupertino. The application provides access to government, public, and privately sponsored resources to medium and small businesses.
- *Business Process Automation* – Continued to pursue business process automation, we’ve automated 50 forms, workflows, approval processes, and routine tasks. Our aim is to enhance process and technology integration, facilitating the adoption of

streamlined, digital workflows that optimize efficiency while minimizing risk exposure.

- *Disaster Preparedness* – In collaboration with OES, we've developed disaster response tools to support emergency operations. These include a Quick Capture tool for rapid windshield surveys, a Building Damage Assessment Survey based on the state form, real-time EOC Dashboards, and a Reviewer Map for GIS staff. We've also created detailed evacuation maps for each zone. We continually test and refine these tools to ensure their effectiveness and reliability.
- *AR McClellan Ranch* – Visitors to McClellan Ranch can download the app from iTunes or Google Play, choose a language (English, Hindi, or Mandarin), and follow Cooper through six AR stops. Each features immersive text and audio content highlighting native species and activities at the Ranch.
- *Cupertino Modern Data Warehouse* – The City of Cupertino, in collaboration with OmniData, implemented a modern data warehouse using Microsoft Fabric, unifying data into a scalable lakehouse architecture for enhanced reporting, analytics, and governance. Staff were trained to support and expand the platform, enabling advanced data-driven decision-making.
- *Proactive Managed Risk and Security Monitoring* – Procured Cybersecurity Professional Services to respond to active threats through proactive monitoring and management tools that scan, manage and resolve security vulnerabilities.
- *City Hall Enterprise Server & Storage Tech refresh* – Replaced the server environment that houses the City's Financial ERP, Land Management business applications, and other critical applications and services. This refresh was done at the City Hall and Phoenix data centers and provides more robust backup and recovery features in the case of a cyber incident.
- *.gov E-mail Project* – Acquired and implemented the cupertino.gov address to our E-mail system, improving security and branding, and satisfying major requirements of California State Assembly Bill 1637.
- *Cybersecurity Assessment* – I&T partnered with FRSecure for a comprehensive cybersecurity review, which included a vulnerability scan, network penetration test, and security controls assessment through interviews with staff across departments. A roadmap was created to guide improvements in the City's cybersecurity operations.
- *Windows 11 Upgrade Project* – With support for Windows 10 ending on October 14, 2025, the City's fleet of Windows 10 laptops will need to be replaced or upgraded before then. This is to ensure the City's laptops continue to receive critical security updates from Microsoft.
- *Cupertino Room Lectern Upgrade Project* – Upgraded the Cupertino Room lectern with an audiovisual-ready system so that it better integrates with the recent technology improvements in that space. The upgraded podium includes custom connections for laptops and other mobile display devices, support for a wireless gooseneck microphone, and a sloped panel for built-in monitor display.

New Initiatives

- *ERP Replacement* - The City of Cupertino is replacing its outdated Tyler New World ERP to modernize its financial and payroll systems, improving automation, integration, and user experience while reducing inefficiencies and security risks. With Council approval, the City will resume its phased implementation plan.
- *Broadcast & AV System Modernization* - Cupertino is upgrading its broadcast and Community Hall AV systems with ASG, using PEG funds. The project includes HD video, LED lighting, centralized controls, and modern infrastructure to improve quality, efficiency, and future scalability.
- *Virtual Reality (VR) Decarb* – With grant funds from Silicon Valley Clean Energy (SVCE), Cupertino will create a VR experience to educate residents about decarbonization by showcasing a zero-emissions home. The VR DECARB system will be available at local festivals, Block Parties, and upon community request to inspire the adoption of zero-emission options in homes.
- *Business Process Automation* – Innovation & Technology is transforming Cupertino's operations with secure, scalable digital workflows. With 50+ forms automated and more in progress, we're streamlining processes to boost efficiency and reduce risk.
- *Accela Roadmap* – Developed strategic initiatives for achieving the maximum potential from the use of Accela platform pertaining to both its back-office systems and its public portal for Cupertino residents and external stakeholders.
- *ACA Guide and Wrapper* – Enhance user interface and provide seamless navigation through a new guide and wrapper on the City's Land Management System – Accela Citizen Access. The portals site has high traffic for users seeking the permit counter and business license services and user-friendly interface and navigation will help the City to provide its core services to our customers in an efficient way.
- *Phone System Replacement Project* - The City is transitioning to a modern, cloud-based phone system that will enhance staff mobility, enable secure calling and texting from mobile devices and laptops, and eliminate the need for VPN access offsite. The new system will improve communication efficiency and reduce reliance on City-issued cell phones.

Performance Measures

Goal: Provide superior delivery of information and technology services to city employees and constituents while continually enhancing levels of engagement.

Benefit: Integrated information services enable customer access to the tools and information they need, when and where they need it.

Performance Measure	FY 2023 July-June	FY 2024 July-Jun	FY2025 Jul -Dec	Ongoing Target
GIS: % of time spent Developing Application	50%	28%	34%	65%
GIS: % of time Maintaining applications	50%	72%	66%	35%
GIS: Increase Property Information (Internal/External) site visits per month	279/84	338/97	325/96	500/100
GIS: Cityworks utilization - # of assets Cupertino maintains vs # of assets maintained in Cityworks. Also the % increase of work units completed (WOs, INSP,SRs)	45/31	45/32	45/32	45/45
Infrastructure: Percentage based upon number of scheduled projects/Number of projects completed on time	N/A	63%	67%	100%
Infrastructure: Percentage based upon number of HelpDesk tickets/SLA measurements	85.9%	90.4%	91.3	90%
Infrastructure: % Customer satisfaction based upon Satisfaction Rate from helpdesk tickets	99.6%	94.8%	100%	85%
Infrastructure: % of network uptime (not including planned maintenance)	99.9%	99.9%	99.99%	99%
Applications: % of citywide-enterprise application project management performed on time and on budget	98%	96%	95%	95%
Applications: Number of website site visits/Number of site hits	857,387	1,100,00	630,000	5% annual increase
Applications: Number of support request for the applications support per month	640	850	628	20
Video: Percentage of total video productions performed vs scheduled productions (city meetings excluded)	356% 57/16	220% 44/20	130% 26/20	100%
Video: Percentage of total engineering projects vs scheduled projects	200% 10/5	182% 11/6	0% 0/0	100%
Video: Total video views on YouTube*	141,571	135,641	86,808	5% annual increase

* Unable to retrieve Granicus viewership data due to error in their reporting module

Workload Indicators

Applications Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of tasks for Enterprise Programs Support & Maintenance - includes enterprise business platforms like ERP, Land Management System, Recreation System, City Digital Records, City Website and many programs like Admin Services digital transformation, citywide permitting, licensing, and enforcement solutions.	2,250 Standardizing tracking process	2,550	1,530
Number of Hours for Application Development - includes custom software solutions like Bid Management solution and Permit Parking software solutions. Application development for these kind of software solution goes through all stages of Software Development Life Cycle (SDLC) of Requirement-gathering, Analysis, Designing, Coding, Testing and Deployment of these custom software solutions.	1,300	1,500	1,240
% of Project Implementation Performed on Time and Budget for Citywide Applications - This measure involves the task of project research and communications, project charter creation, creating or reviewing statement of work, contractor research and selection process, activity and resource planning, creation of work breakdown structure, team building, time management, deliverable management, customer satisfaction, risk management, communication management, project closeout process and documentation.	95%	96%	95%

Infrastructure Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
% of helpdesk requests completed 48 hours or less - Prompt customer service and attention is a critical customer service measurement to ensure staff is able to perform and excel with their daily duties. This core responsibility is performed by two Network Specialists serving 200-250 staff depending on the time of year. Infrastructure's goal is to provide a service level where 90% of all helpdesk service requests are completed in 48 hours or less.	85.9%	90.4%	91.3%
% of network uptime - Maintain availability and accessibility of the City's network infrastructure during business hours of operation. The City's local and wide area networks require high reliability to ensure various applications (ERP, GIS, Land management, etc.) and services (Internet, e-mail, shared files, City web services, etc.) are available for staff and members of the public.	99.9%	99.9%	99.9%
Number of IT Projects Completed - Project research and communications, project charter creation, SOW creation, contractor research and selection process, activity & resource planning/work breakdown structure, team building and motivation, time management, deliverable management, ensuring customer satisfaction, risk management, communication management, project closeout process, documentation	N/A	5	4

GIS Division

Workload Indicator	FY 2023 July-June	FY 2023 July-June	FY 2025 July-Dec
Hours Spent on Development - The GIS Division builds internal and external web applications, business intelligence tools, digital workflows, and configures enterprise applications.	507/new tracking system was in development during this time frame	673/new tracking system was in development during this time frame	433
Number of Map, Data, Analysis, Report Completed Requests - Requests range from hard copy maps to interactive web maps, data request, data changes, crystal report requests.	316/new tracking system was in development during this time frame	349/new tracking system was in development during this time frame	279
Number of I&T workplan projects completed - Project research and communications, project charter creation, SOW creation, contractor research and selection process, activity & resource planning/work breakdown structure, team building and motivation, time management, deliverable management, ensuring customer satisfaction, risk management, communication management, project closeout process, documentation	90% 7/8	3/3	3/5

Video Division

Workload Indicator	FY23 Jul-Jun	FY24 Jul-Jun	FY25 Jul-Dec
Video Productions Completed vs. Those Scheduled - Video productions range in scope from relatively simple 30-second public service announcements to major projects like CREST that require more than two months of on-going field production, post-production editing, and a live awards program telecast. This specific Workload Indicator clearly indicates that a large percentage of annual video projects are unscheduled or unanticipated. The measurements here are tracked in the "milestones" document located in our City Channel documentation folder. The milestones document is a comprehensive dataset of all the video division projects--both large and small--and is maintained by the entire video staff. City meeting telecasts are not included in this particular dataset.	245% 27/11	356% 57/16	130% 26/20
Engineering Projects Completed vs. Those Scheduled - Video staff is responsible for designing, managing, and maintaining the many audiovisual and broadcast systems located within the organization. These include systems within the conference and multipurpose rooms, office and huddle spaces, as well as the complex broadcast systems within the video control room at Community Hall. The Workload Indicator here measures the number of projects completed vs. the number of scheduled projects. These measurements are tracked in the "engineering milestones" document located in our City Channel documentation folder. This document is maintained by Pete Coglianese, who is the broadcast engineer for the division.	100% 2/2	275% 11/4	0% 0/0
Total Viewership on the YouTube and Granicus Platforms - Video staff historically tracks viewership data within our primary online video platforms--YouTube and Granicus. Both YouTube and Granicus provide advanced reporting modules that allow us to accurately track the number of views over a given date range. The numbers here indicate total views rather than total unique views. Other online platforms were considered as part of this dataset; however, because we do not consistently post videos to our other social media sites such as Facebook, Twitter, Instagram, and Nextdoor, those statistics were not included as part of this specific performance measure. Similarly, we do have accurate viewership data for the City Channel, our government access television channel, so that platform was excluded as well.	60,249	158,300	86,808

* Percentage skewed due to pandemic - more overall views due to daily press conference postings

Proposed Budget

It is recommended that City Council approve a budget of \$7,846,869 for the Innovation and Technology department. This represents an increase of \$1,123,442 (16.7%) from the FY 2024-25 Adopted Budget.

Compensation increased due to a request for a new classification of Principal Business Analyst. This position will play a key leadership role in driving a variety of technology initiatives and managing complex IT projects, as well as provide critical oversight for optimizing business processes, ensuring they align with the City's strategic goals. Compensation also increased due to the addition of three interns across the department. Increases in Materials, Contract Services and Special Projects are due to multi-year and new infrastructure and application enhancements.

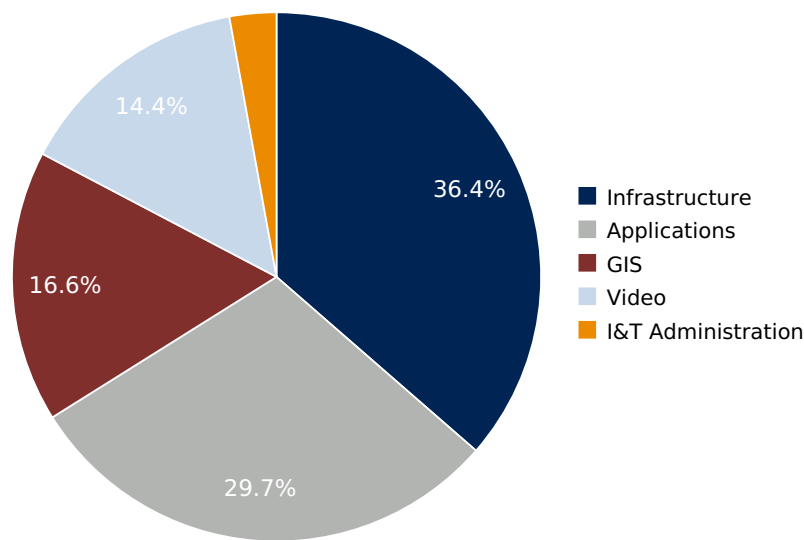
For any programs with reductions in benefits, this is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Any changes in cost allocation charges are due to the updated Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets.

Citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference.

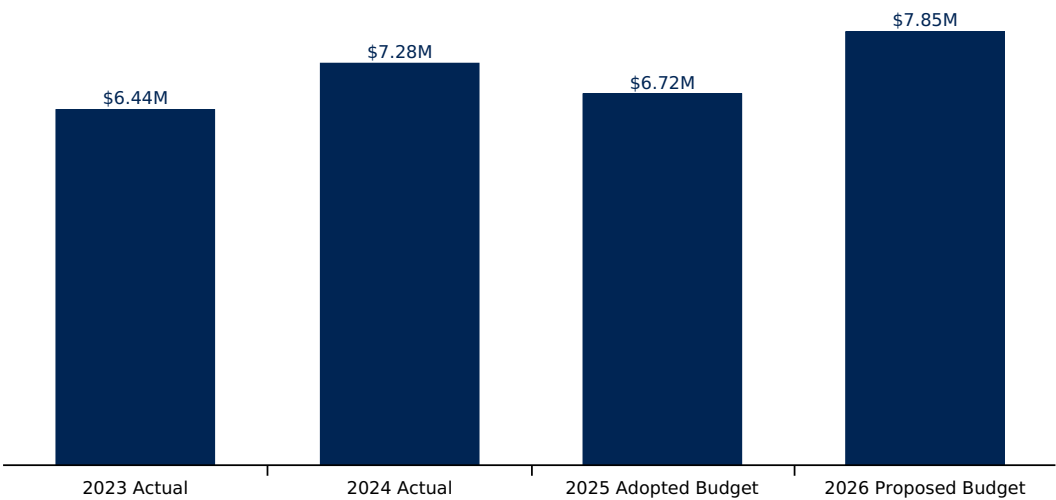
Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Lastly, this department is also requesting, \$449,696 in budget requests. These request are discussed in the program budget narratives.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ (30)	\$ 24,480	\$ -	\$ -
Charges for Services	\$ 3,928,046	\$ 4,096,692	\$ 5,113,586	\$ 5,340,514
Miscellaneous Revenue	\$ -	\$ 5,666	\$ -	\$ 300,000
Transfers In	\$ 2,537,500	\$ 1,037,684	\$ 197,000	\$ 1,000,000
Total Revenues	\$ 6,465,516	\$ 5,164,522	\$ 5,310,586	\$ 6,640,514
Expenditures				
Employee Compensation	\$ 2,455,241	\$ 2,782,948	\$ 2,746,194	\$ 2,776,366
Employee Benefits	\$ 1,078,676	\$ 1,332,388	\$ 1,125,453	\$ 981,164
Materials	\$ 1,717,933	\$ 1,982,298	\$ 1,655,136	\$ 2,067,334
Contract Services	\$ 446,993	\$ 480,812	\$ 714,647	\$ 811,305
Cost Allocation	\$ -	\$ -	\$ 230,915	\$ 699,739
Special Projects	\$ 516,888	\$ 507,029	\$ -	\$ 225,000
Other Financing Uses	\$ 221,459	\$ 115,426	\$ 221,459	\$ 285,961
Transfers Out	\$ -	\$ 76,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 29,623	\$ -
Total Expenditures	\$ 6,437,190	\$ 7,276,901	\$ 6,723,427	\$ 7,846,869
Fund Balance	\$ 1,092,708	\$ (787,165)	\$ (42,256)	\$ 366,279
General Fund Costs	\$ 3,601,883	\$ 2,362,899	\$ 1,567,585	\$ 2,572,634

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0	0	0
BUSINESS SYSTEMS ANALYST	3.00	3.00	3.00	3.00
CHIEF TECHNOLOGY OFFICER	0.98	0.98	0.98	0.98
GIS ANALYST	1.00	1.00	1.00	0
GIS PROGRAM MANAGER	1.00	1.00	1.00	0
INFO TECHNOLOGY MANAGER	1.00	1.00	1.00	1.00
INNOVATION & TECHNOLOGY MGR APPS	1.00	1.00	0	1.00
I.T. ASSISTANT	2.00	0	0	0
MANAGEMENT ANALYST	1.00	1.95	1.95	1.95
MULTIMEDIA COMMUNICATIONS SPEC	1.50	3.00	3.00	3.00
NETWORK SPECIALIST	0	2.00	2.00	2.00
SENIOR BUSINESS SYSTEMS ANALYST	0	0	0	1.00
Total	13.43	14.93	13.93	13.93

Innovation & Technology Administration

Budget Unit 610-30-300

Information Technology - I&T Administration - Innovation & Technology Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 89,599
Total Expenditures	\$ 224,231
Fund Balance	\$ (134,632)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.2 FTE

Program Overview

The Innovation & Technology Department Administration Division is responsible for the strategic planning, governance, policy setting, and leadership in the use of digital services for the City. The services include a state of the art network which provides transport for best of class business applications, e.g., financial, land management, recreation, asset management, HR, e-commerce and work order management. Additionally, Administration ensures oversight of budget, tactical plans, succession planning, partnership development (internal/external) and staffing. Procurement and budget monitoring are also responsibilities of Administration.

Service Objectives

- Develop a roadmap to effectively leverage existing technology and adopt emerging technology to meet business needs.
- Create and sustain a workplace atmosphere that promotes a balance between employee innovation, accountability and business needs.
- Ensure two-way communication between and among the City organization and stakeholders.
- Improve user experience including ease of use, availability, and accessibility within the context of compliance with industry standards.
- Ensure transparent and easy access to City information and services via multiple technologies, e.g. social media, TV, web, and radio.

Proposed Budget

It is recommended that City Council approve a budget of \$224,231 for the Innovation & Technology Administration program. This represents an increase of \$146,425 (188.2%) from the FY 2024-25 Adopted Budget.

The increase is due to increases in Cost Allocation and conference and training expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 191,672	\$ 89,599
Transfers In	\$ 82,500	\$ -	\$ -	\$ -
Total Revenues	\$ 82,500	\$ -	\$ 191,672	\$ 89,599
Expenditures				
Employee Compensation	\$ 129,616	\$ 148,116	\$ 45,698	\$ 39,787
Employee Benefits	\$ 47,311	\$ 72,678	\$ 20,160	\$ 16,263
Materials	\$ 8,809	\$ 2,918	\$ 5,721	\$ 9,657
Contract Services	\$ 7,933	\$ 757	\$ 2,000	\$ 6,914
Cost Allocation	\$ -	\$ -	\$ 4,130	\$ 151,610
Special Projects	\$ 41,000	\$ 67,380	\$ -	\$ -
Transfers Out	\$ -	\$ 60,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 97	\$ -
Total Expenditures	\$ 234,669	\$ 351,849	\$ 77,806	\$ 224,231
Fund Balance	\$ (152,169)	\$ (351,849)	\$ 113,866	\$ (134,632)
General Fund Costs	\$ 82,500	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.15	0	0	0
CHIEF TECHNOLOGY OFFICER	0.38	0.38	0.10	0.08
MANAGEMENT ANALYST	0	0.15	0.15	0.15
Total	0.53	0.53	0.25	0.23

Staff time is being reallocated to better reflect actual time spent in this program.

Video

Budget Unit 100-31-305

General Fund - Video - Video

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 85,163
Total Expenditures	\$ 1,132,993
Fund Balance	\$ -
General Fund Costs	\$ 1,047,830
% Funded by General Fund	92.5%
Total Staffing	3.3 FTE

Program Overview

The Multimedia Division manages Cupertino’s public communication channels, including the City Channel, YouTube, and digital signage in City facilities. The team produces and streams hybrid Council and Planning Commission meetings, provides video production and editing services for City departments, and supports Commission meetings through webinar training, technical setup, and timely posting of recordings. These efforts ensure transparent communication and keep residents informed and engaged.

Service Objectives

Public Communication Channel: Through City Channel, YouTube, and Digital Signage Cupertino’s delivering information to residents and providing coverage of City meetings and community events.

Live Meeting Production and Webcasting: Production of hybrid Council and Planning Commission meetings, ensuring smooth integration of in-person and virtual participation. Meetings are streamed live on YouTube and Granicus, providing real-time public access. Recordings are archived for on-demand viewing, supporting transparency, civic engagement, and easy access to past meetings.

Multimedia Production and Editing: Providing professional video production and editing services to support the communication needs of all City departments including City Council. This includes producing promotional videos, educational content, and event coverage while ensuring that all video production equipment remains operational and up to date.

Commission Meeting Support: Providing comprehensive support for Commission meetings, including Zoom webinar training for staff, technical setup, post-meeting editing, and ensuring timely posting of recordings to public platforms.

Proposed Budget

It is recommended that City Council approve a budget of \$1,132,993 for the Video program. This represents a decrease of \$46,068 (-3.9%) from the FY 2024-25 Adopted Budget.

This decrease is a result of reallocating staff time to more accurately represent the actual time spent on the program. It is offset by an increase in contract costs for engineering support, following the retirement of a previous consultant.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 11,506	\$ 10,829	\$ 85,679	\$ 85,163
Total Revenues	\$ 11,506	\$ 10,829	\$ 85,679	\$ 85,163
Expenditures				
Employee Compensation	\$ 230,675	\$ 514,189	\$ 619,967	\$ 573,733
Employee Benefits	\$ 65,460	\$ 203,771	\$ 268,574	\$ 224,471
Materials	\$ 69,243	\$ 20,270	\$ 37,319	\$ 46,200
Contract Services	\$ 70,852	\$ 43,071	\$ 197,746	\$ 230,660
Cost Allocation	\$ -	\$ -	\$ 52,517	\$ 57,929
Special Projects	\$ 42,433	\$ 40,242	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,938	\$ -
Total Expenditures	\$ 478,663	\$ 821,543	\$ 1,179,061	\$ 1,132,993
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 467,157	\$ 810,715	\$ 1,093,382	\$ 1,047,830

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
CHIEF TECHNOLOGY OFFICER	0	0	0.13	0.25
MULTIMEDIA COMMUNICATIONS SPEC	1.50	3.00	3.00	3.00
Total	1.50	3.00	3.13	3.25

Staff time is being reallocated to better reflect actual time spent in this program.

Applications

Budget Unit 100-32-308

General Fund - Applications - Applications

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,804,856
Total Expenditures	\$ 2,329,660
Fund Balance	\$ -
General Fund Costs	\$ 524,804
% Funded by General Fund	22.5%
Total Staffing	3.5 FTE

Program Overview

The Applications Division manages citywide enterprise software systems supporting critical business functions. It oversees the procurement, development, implementation, and maintenance of key systems, including Financial ERP, Land-Use Management, Recreation Management, and customer-facing portals. The division also manages records retention, procurement, and customer relationship management systems.

Additionally, the team develops and maintains the City's website, Intranet, and mobile apps, supporting digital services such as permitting, licensing, inspections, and enforcement. It also builds custom applications like bid management and residential parking permits while ensuring seamless data integration across enterprise systems.

Service Objectives

- Implement business solutions that align with customer requirements and integrates into the City's application framework.
- Aid departments in developing efficient business processes that are easy to operate and can be digitized and implemented in existing or new enterprise applications.
- Collaborate closely with City staff to ensure that the City's enterprise application platforms are regularly updated and deliver value to all stakeholders.
- Work in conjunction with various City departments to ensure that the City's enterprise software solutions meet functional requirements and align with the organization's long-term technology strategy.
- Develop and maintain user-friendly online and mobile access to municipal information and services.
- Supports the enterprise data in the data warehouse.
- Facilitate the use of communication and technical resources by non-technical staff and customers.
- Produce business analytics dashboards for city staff and external stakeholders.

Proposed Budget

It is recommended that City Council approve a budget of \$2,329,660 for the Applications program. This represents an increase of \$385,728 (19.8%) from the FY 2024-25 Adopted Budget.

The increase in Materials is primarily due to the reallocation of applications such as Laserfiche, City Source, Start Up Space, and the ActiveNet Data Hub back into the Applications Division from other program areas.

The rise in Employee Compensation and Benefits reflects the addition of one part-time position and an intern to better align staffing with the level and scope of work required to support citywide software platforms and applications.

The increase in Contract Services is attributed to Phase II of the ERP replacement project.

The following budget request are included in this budget:

Applications - Social Media Ret Archiving App	7,500
Applications - Energy Management System	33,500
Applications - ZenDesk Licenses for PW	4,140
Applications - Logikcull	33,500
Applications-Additional Accela Licenses (2) for CDD staff	5,500
Total all requests	\$84,140

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ (30)	\$ 24,480	\$ -	\$ -
Charges for Services	\$ 1,431,322	\$ 1,539,005	\$ 1,666,729	\$ 1,504,856
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ 300,000
Total Revenues	\$ 1,431,292	\$ 1,563,485	\$ 1,666,729	\$ 1,804,856
Expenditures				
Employee Compensation	\$ 718,099	\$ 687,647	\$ 666,439	\$ 840,993
Employee Benefits	\$ 210,496	\$ 232,209	\$ 231,676	\$ 246,704
Materials	\$ 909,110	\$ 887,573	\$ 880,026	\$ 1,049,696
Contract Services	\$ 59,951	\$ 111,731	\$ 103,121	\$ 118,329
Cost Allocation	\$ -	\$ -	\$ 50,381	\$ 73,938
Special Projects	\$ 130,862	\$ 158,825	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 12,289	\$ -
Total Expenditures	\$ 2,028,518	\$ 2,077,985	\$ 1,943,932	\$ 2,329,660
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 597,226	\$ 514,500	\$ 277,203	\$ 524,804

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.30	0	0	0
BUSINESS SYSTEMS ANALYST	2.00	2.00	2.00	2.00
CHIEF TECHNOLOGY OFFICER	0.20	0.20	0.75	0.23
INNOVATION & TECHNOLOGY MGR APPS	1.00	1.00	0	1.00
MANAGEMENT ANALYST	0	0.30	0.30	0.30
Total	3.50	3.50	3.05	3.53

Staff time is being reallocated to better reflect actual time spent in this program.

Infrastructure

Budget Unit 610-34-310

Information Technology - Infrastructure - Infrastructure

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 3,532,269
Total Expenditures	\$ 2,856,513
Fund Balance	\$ 675,756
General Fund Costs	\$ 1,000,000
% Funded by General Fund	35.0%
Total Staffing	4.5 FTE

Program Overview

The IT infrastructure division is responsible for planning, developing, implementing, and maintaining the core technological systems that support an organization's daily operations and long-term goals. This division manages both physical and virtual components, including servers, data centers, networks, cloud platforms, and end-user devices. It oversees the installation and configuration of hardware and software, ensuring seamless connectivity and optimal performance across systems.

Key responsibilities include server and network management, data storage, backup and recovery, cybersecurity, and technical support. The division plays a critical role in safeguarding the organization's data and systems through security protocols, threat detection, and disaster recovery planning. Additionally, the Infrastructure Manager and staff are also responsible for helpdesk, project management of implementations and upgrades, purchasing and inventory control, technical training, and maintenance of all systems.

By ensuring the reliability, performance, and security of IT systems, the IT infrastructure division enables business continuity, operational efficiency, and the delivery of high-quality services across the organization. Infrastructure is also tasked with ensuring that the City continues to follow best practices in technology adoption and security.

Service Objectives

- Provide and continuously improve helpdesk support as this function is often the face of IT that staff interacts with on a daily basis.
- Deliver efficient and reliable services to meet and exceed customer expectations.
- Maintain standards and procedures for the replacement, support, and maintenance of all City-owned computing devices, printers, networks, peripherals and systems defined by City policy.
- Manage and support the City's server and network infrastructure and data centers, ensuring 99.9% availability of network resources.
- Proactively monitor and protect the City 24/7 from cyberthreats and conduct ongoing City-wide educational and security-related training programs.
- Continue innovation and outreach to ensure the City follows best IT practices relating to equipment, policy, and security practices.

Proposed Budget

It is recommended that City Council approve a budget of \$2,856,513 for the Infrastructure program. This represents an increase of \$777,134 (37.4%) from the FY 2024-25 Adopted Budget.

This budget includes the follow budget request:

Infrastructure - Endpoint and Patch Management System	15,000
Infrastructure - Network Glue for Network Diagram and Management	6,000
Infrastructure - Mitel Packet Fusion Replacement	6,000
Infrastructure - Poster Printer replacement	5,000
Infrastructure - Sr. Center Tech Lab Projection System	16,000
Infrastructure - Switches and Firewall Upgrade	21,000
Infrastructure - Adaptive Traffic Signal Expansion	225,000
Total all requests	\$294,000

For further details on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Adaptive Traffic Signal Expansion	\$225,000	\$225,000	General Fund	Expand Traffic adaptive signalization system along five intersections on De Anza
Total	\$225,000	\$225,000		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 1,556,269	\$ 1,591,722	\$ 1,745,011	\$ 2,532,269
Miscellaneous Revenue	\$ -	\$ 5,666	\$ -	\$ -
Transfers In	\$ 2,455,000	\$ 910,600	\$ 197,000	\$ 1,000,000
Total Revenues	\$ 4,011,269	\$ 2,507,988	\$ 1,942,011	\$ 3,532,269
Expenditures				
Employee Compensation	\$ 675,800	\$ 709,991	\$ 716,658	\$ 832,853
Employee Benefits	\$ 383,045	\$ 424,688	\$ 318,911	\$ 306,618
Materials	\$ 632,757	\$ 902,821	\$ 506,467	\$ 703,404
Contract Services	\$ 184,272	\$ 181,364	\$ 235,580	\$ 248,840
Cost Allocation	\$ -	\$ -	\$ 71,028	\$ 253,837
Special Projects	\$ 98,353	\$ 190,772	\$ -	\$ 225,000
Other Financing Uses	\$ 221,459	\$ 115,426	\$ 221,459	\$ 285,961
Transfers Out	\$ -	\$ 16,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 9,276	\$ -
Total Expenditures	\$ 2,195,686	\$ 2,541,062	\$ 2,079,379	\$ 2,856,513
Fund Balance	\$ 1,815,583	\$ (33,074)	\$ (137,368)	\$ 675,756
General Fund Costs	\$ 2,455,000	\$ 910,600	\$ 197,000	\$ 1,000,000

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.30	0	0	0
BUSINESS SYSTEMS ANALYST	1.00	1.00	1.00	1.00
CHIEF TECHNOLOGY OFFICER	0.20	0.20	0.00	0.22
INFO TECHNOLOGY MANAGER	1.00	1.00	1.00	1.00
I.T. ASSISTANT	2.00	0	0	0
MANAGEMENT ANALYST	0	0.30	0.30	0.30
NETWORK SPECIALIST	0	2.00	2.00	2.00
Total	4.50	4.50	4.30	4.52

Staff time is being reallocated to better reflect actual time spent in this program.

GIS

Budget Unit 610-35-986

Information Technology - GIS - GIS

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,128,627
Total Expenditures	\$ 1,303,472
Fund Balance	\$ (174,845)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.4 FTE

Program Overview

The Geographic Information Systems (GIS) program serves as Cupertino’s central resource for capturing, managing, analyzing, and visualizing the City’s enterprise information. In addition to administering the City’s asset management system, public service request system, data warehouse, and SharePoint intranet Hub, the GIS program also manages key collaborative platforms such as Microsoft Teams, Planner, and supports research and development related to artificial intelligence. Through the creation of maps, reports, dashboards, and charts, the program enables staff, residents, businesses, and the development community to explore, interpret, and understand critical city data. By providing clear and accessible visualizations, the GIS program supports informed decision-making and collaborative problem-solving across the organization and the community.

Service Objectives

Efficient Data Management

Coordination and management of the City’s data warehouse used to centralizes enterprise data, while ensuring consistency, enhancing performance, supporting historical analysis, and enabling data-driven decisions through seamless integration with analytics tools.

Data Analysis and Visualization

The GIS program analyzes city data to identify patterns and trends, presenting findings through maps, reports, dashboards, and charts to support informed decision-making.

User Support and Training

Staff and residents receive guidance and training to effectively use data tools for analysis, problem-solving, and decision-making.

Platform Administration

The GIS program manages and maintains core platforms, including GIS, asset management, public service requests, data warehouse, intranet hub, collaboration tools, and digital workflows.

Collaboration and Integration

GIS supports collaboration by integrating data and tools across departments, agencies, and stakeholders to enhance coordination and information sharing.

Disaster Response and Recovery

The GIS platform supports emergency response and recovery with tools for damage assessment, incident mapping, resource tracking, and situational awareness, ensuring timely and informed decision-making.

Continuous Improvement

The program regularly enhances platforms and processes to meet evolving needs, leverage new technologies, and adopt best practices.

Proposed Budget

It is recommended that City Council approve a budget of \$1,303,472 for the GIS program. This represents a decrease of \$139,777 (-9.7%) from the FY 2024-25 Adopted Budget.

The decrease is a result of the reduction of a manager from this division and the reassignment of a part-time applications specialist to the Applications Division.

These decreases are offset by an increase in salary due to a request for a new classification of Senior Business Analyst, Cost Allocation, and conference and training expenses. This new classification will play a key leadership role in driving a variety of technology initiatives and managing complex IT projects, as well as provide critical oversight for optimizing business processes, ensuring they align with the City's strategic goals.

This budget includes the following requests:

GIS - 811 Integration Software	15,000
GIS - ESRI Enterprise Licenses	3,800
GIS - AI Solution for CMO Staff Reports or State Bill Tracking	10,000
GIS - Chatbox	5,000
GIS - OmniData	23,000
Total Requests	\$56,800

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 928,949	\$ 955,136	\$ 1,424,495	\$ 1,128,627
Transfers In	\$ -	\$ 127,084	\$ -	\$ -
Total Revenues	\$ 928,949	\$ 1,082,220	\$ 1,424,495	\$ 1,128,627
Expenditures				
Employee Compensation	\$ 701,051	\$ 723,005	\$ 697,432	\$ 489,000
Employee Benefits	\$ 372,364	\$ 399,042	\$ 286,132	\$ 187,108
Materials	\$ 98,014	\$ 168,716	\$ 225,603	\$ 258,377
Contract Services	\$ 123,985	\$ 143,889	\$ 176,200	\$ 206,562
Cost Allocation	\$ -	\$ -	\$ 52,859	\$ 162,425
Special Projects	\$ 204,240	\$ 49,810	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 5,023	\$ -
Total Expenditures	\$ 1,499,654	\$ 1,484,462	\$ 1,443,249	\$ 1,303,472
Fund Balance	\$ (570,706)	\$ (402,242)	\$ (18,754)	\$ (174,845)
General Fund Costs	\$ -	\$ 127,084	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.20	0	0	0
CHIEF TECHNOLOGY OFFICER	0.20	0.20	0.00	0.20
GIS ANALYST	1.00	1.00	1.00	0
GIS PROGRAM MANAGER	1.00	1.00	1.00	0
MANAGEMENT ANALYST	1.00	1.20	1.20	1.20
SENIOR BUSINESS SYSTEMS ANALYST	0	0	0	1.00
Total	3.40	3.40	3.20	2.40

Staff time is being reallocated to better reflect actual time spent in this program.

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Administrative Services

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Department Overview

Budget Units

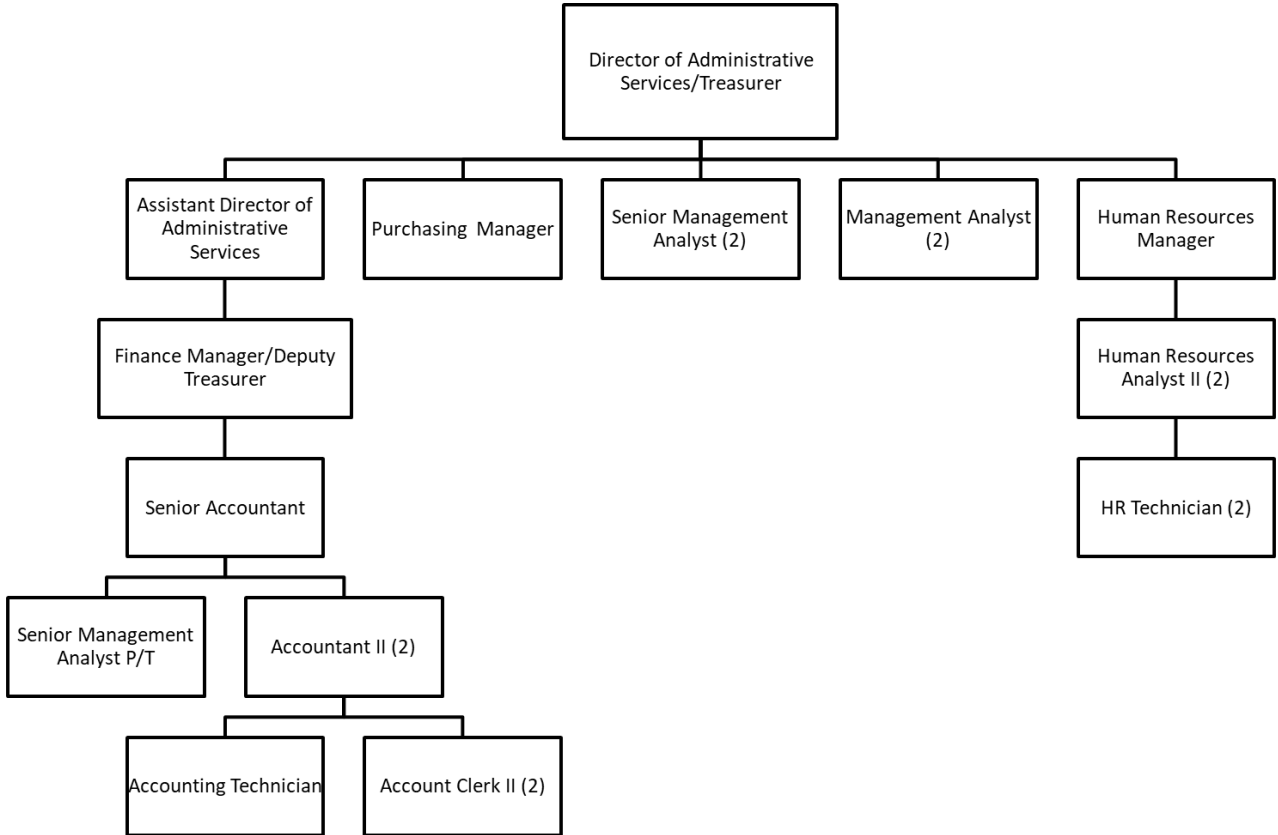
Budget Unit	Program	2026 Proposed Budget
Administrative Services		\$ 665,251
100-40-400	Administrative Services Administration	\$ 665,251
Finance		\$ 3,557,842
100-41-405	Accounting	\$ 2,169,694
100-41-406	Business Licenses	\$ 290,993
100-41-425	Purchasing	\$ 719,444
100-41-426	Budget	\$ 377,711
Human Resources		\$ 7,024,904
100-44-412	Human Resources	\$ 1,527,704
642-44-414	Retiree Benefits	\$ 1,677,311
100-44-417	Insurance Administration	\$ 2,537,324
620-44-418	Workers Compensation Insurance	\$ 495,813
641-44-419	Long Term Disability	\$ 130,875
641-44-420	Compensated Absences	\$ 655,877
Total		\$ 11,247,997

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 8,905,591
Total Expenditures	\$ 11,247,997
Fund Balance	\$ 209,708
General Fund Costs	\$ 5,168,167
% Funded by General Fund	45.9%
Total Staffing	18.9 FTE

Organization

Kristina Alfaro, Director of Administrative Services



Performance Measures

Finance Division

Goal: Financial Stability - Provide a sustainable level of core services that are funded from ongoing and stable revenue sources.

Benefit: Citizens can enjoy high quality of services that meet community priorities.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
General Fund committed, assigned, and unassigned fund balance as a % of budgeted appropriations	122%	45%	101%	35%
Credit Rating	AA+	AA+	AA+	AA+
Actual revenue vs. budget (% below budget)	17%	20%	147%	10%
Actual expenditures (% below budget)	14%	14%	189%	5%
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	58%	66%	71%	63%

Human Resources Division

Goal: To create a thriving organization with meaningful careers in public service.

Benefit: The agency supports a professional and engaged workforce offering diverse and quality community services.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
# of Worker's Compensation Cases	4	9	5	0
Total recordable Injury Rate YTD	1.4%	3.3%	1.9%	0%
% absenteeism (% of total annual work hours)	3%	3%	3%	2%
% turnover rate	9%	7%	3%	1%
% Employee participation in wellness activities	38%	44%	41%	75%
Average # of applications received per recruitment	45	50	83	50
Recruitment timeline - # days from hiring request to offer letter	105	79	63	60

Workload Indicators

Finance Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
# of vendor checks processed	5,130	4,541	2,407
# of payroll checks processed	9,176	9,038	4,505
# of business license applications	969	1,087	587
# of business license renewals	2,176	2,206	1,089
# of journal entries posted	3,695	4,560	3,273
# of purchase orders approved	543	445	332
# of receipts processed	11,275	10,191	5,114

Human Resources Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
# of regular recruitments	29	21	12
# of regular new hires	31	24	17
# of temporary new hires	70	68	15
# of personnel payroll changes	773	768	160
# of full-time employee exits processed	22	25	11
# of mandated training classes offered*	19	15	11
# of employees participating in the wellness program	80	94	79

* some trainings mandated every other year, however not on the same annual schedule

Proposed Budget

It is recommended that City Council approve a budget of \$11,247,997 for the Administrative Services department. This represents an increase of \$692,367 (6.6%) from the FY 2024-25 Adopted Budget.

This increase is due to salary costs related to a proposed new classification of Assistant Director of Administrative Services to overfill a Budget Manager position, the reclassification of an Account Clerk II position to a Management Analyst which will better align with program needs, and a new Management Analyst to support grants management and purchasing.

The increase is also due to a request of \$200,000 for a Citywide Strategic Plan along with additional budget requests of \$55,000 that are discussed in program narratives in this department.

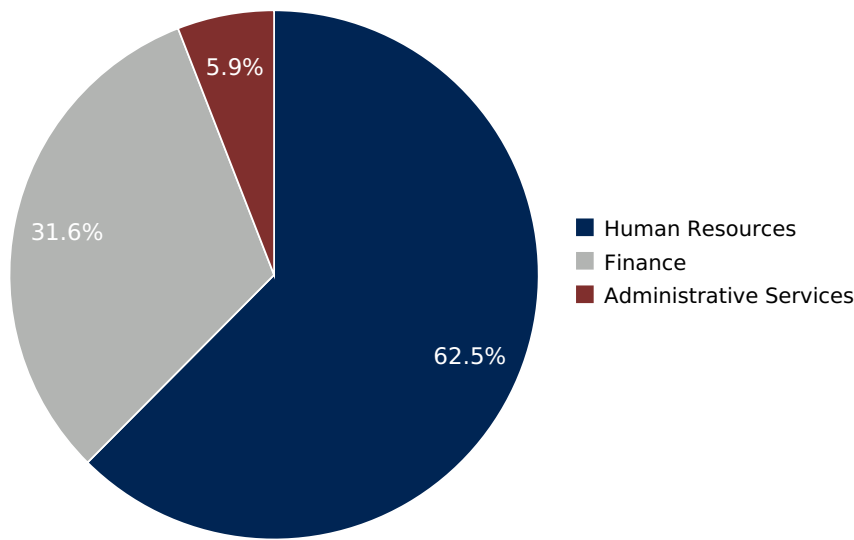
For any programs with reductions in benefits, this is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Any changes in cost allocation charges are due to the updated Cost Allocation Plan

(CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets.

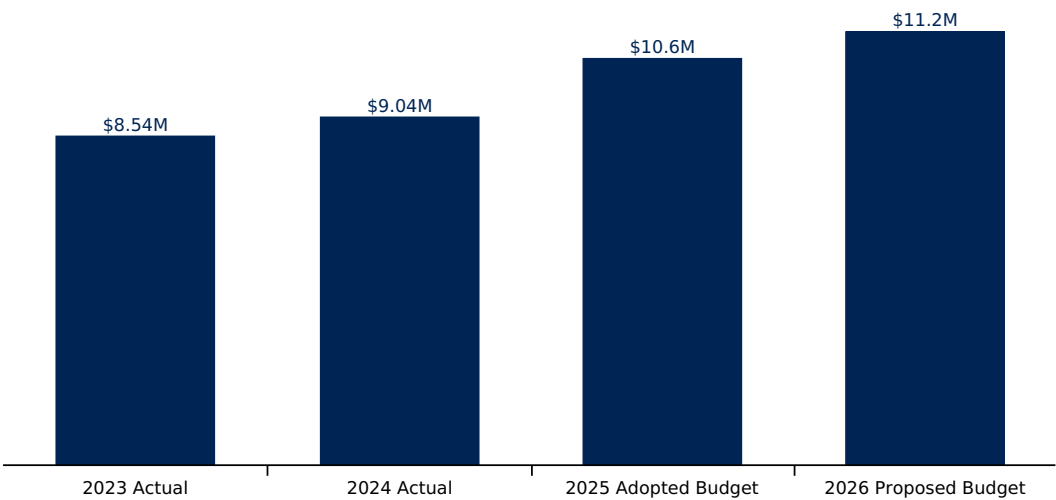
Citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference.

Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 3,974,879	\$ 4,167,314	\$ 5,103,482	\$ 5,736,007
Miscellaneous Revenue	\$ 1,429,591	\$ 43,680	\$ -	\$ -
Other Financing Sources	\$ 436,462	\$ -	\$ 468,984	\$ 553,531
Transfers In	\$ 891,898	\$ 380,000	\$ 2,183,398	\$ 2,616,053
Total Revenues	\$ 6,732,830	\$ 4,590,994	\$ 7,755,864	\$ 8,905,591
Expenditures				
Employee Compensation	\$ 2,446,331	\$ 2,779,374	\$ 2,766,469	\$ 2,958,943
Employee Benefits	\$ 2,377,228	\$ 2,600,731	\$ 2,889,460	\$ 2,986,362
Materials	\$ 127,195	\$ 79,521	\$ 111,160	\$ 180,828
Contract Services	\$ 3,236,527	\$ 3,199,416	\$ 4,232,614	\$ 4,331,333
Cost Allocation	\$ 349,530	\$ 308,962	\$ 511,081	\$ 550,531
Special Projects	\$ 4,200	\$ 67,300	\$ -	\$ 240,000
Contingencies	\$ -	\$ -	\$ 44,846	\$ -
Total Expenditures	\$ 8,541,011	\$ 9,035,304	\$ 10,555,630	\$ 11,247,997
Fund Balance	\$ 149,410	\$ (1,829,607)	\$ (366,139)	\$ 209,708
General Fund Costs	\$ 2,849,487	\$ 2,994,704	\$ 4,617,025	\$ 5,168,167

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ACCOUNTANT I	0	0	0	2.00
ACCOUNTANT II	2.00	2.00	2.00	0
ACCOUNT CLERK II	3.00	3.00	3.00	2.00
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.95	0	0	0
ASSISTANT DIRECTOR OF ADMIN SERVICES	0	0	0	1.00
BUDGET MANAGER	1.00	1.00	1.00	0
DIRECTOR OF ADMIN SERVICES	1.00	1.00	1.00	1.00
FINANCE MANAGER	0.95	0.95	0.95	0.95
GRANTS MANAGEMENT ANALYST	0	0	0	1.00
HUMAN RESOURCES ANALYST II	2.00	2.00	2.00	2.00
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	2.00	2.00	2.00	2.00
MANAGEMENT ANALYST	0	0.95	0.95	1.00
PURCHASING MANAGER	1.00	1.00	1.00	1.00
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	2.00	1.00	1.00	1.95
Total	18.90	17.90	17.90	18.90

Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 36,070
Total Expenditures	\$ 665,251
Fund Balance	\$ -
General Fund Costs	\$ 629,181
% Funded by General Fund	94.6%
Total Staffing	1.7 FTE

Program Overview

The Administrative Services Administration program oversees and coordinates Human Resources/Risk Management, Finance, Purchasing, Budget, and Treasury. In Fall 2022, City Council adopted the City's Fraud, Waste, and Abuse (FWA) Program which is administered by the City's Internal Auditor. The Internal Auditor monitors the hotline, triages complaints received, recommends action to the appropriate City personnel, and conducts investigations, as appropriate. Per Council direction, the Internal Auditor contract has moved from this program to City Council budget (100-10-100). Although the dollars are budgeted in the City Council program, the contract remains administered by the Administrative Services Department. Lastly, staff support from this program is provided to the Audit Committee.

Service Objectives

- Manage the City's investment portfolio to obtain safety of funds, liquidity, and a reasonable rate of return.
- Perform special projects for the City Manager.
- Manage contract for the City's Fraud, Waste, Abuse Program.
- Provide staff support to Audit Committee.

Proposed Budget

It is recommended that City Council approve a budget of \$665,251 for the Administrative Services Administration program. This represents an increase of \$279,161 (72.3%) from the FY 2024-25 Adopted Budget.

The increase is primarily due to compensation and benefits due to a proposed new classification of Assistant Director of Administrative Services. If this new classification is approved, the Assistant Director of Administrative Services will only represent 0.25 of this program.

This budget includes requests for \$200,000 to fund a citywide strategic plan as recommended in both internal audits and the budget format review.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Citywide Strategic Plan	\$200,000	\$200,000	General Fund	Citywide Strategic Plan
Total	\$200,000	\$200,000		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 156,003	\$ 154,333	\$ 35,714	\$ 36,070
Miscellaneous Revenue	\$ 11	\$ -	\$ -	\$ -
Total Revenues	\$ 156,014	\$ 154,333	\$ 35,714	\$ 36,070
Expenditures				
Employee Compensation	\$ 540,819	\$ 237,394	\$ 239,790	\$ 294,614
Employee Benefits	\$ 220,816	\$ 92,162	\$ 105,249	\$ 114,197
Materials	\$ 17,917	\$ 8,807	\$ 12,199	\$ 25,200
Contract Services	\$ -	\$ 1,835	\$ 5,505	\$ 5,681
Cost Allocation	\$ -	\$ -	\$ 23,126	\$ 25,559
Special Projects	\$ -	\$ -	\$ -	\$ 200,000
Contingencies	\$ -	\$ -	\$ 221	\$ -
Total Expenditures	\$ 779,552	\$ 340,198	\$ 386,090	\$ 665,251
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 623,538	\$ 185,865	\$ 350,376	\$ 629,181

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0	0	0
ASSISTANT DIRECTOR OF ADMIN SERVICES	0	0	0	0.25
DIRECTOR OF ADMIN SERVICES	0.80	0.20	0.20	0.20
MANAGEMENT ANALYST	0	0.20	0.20	0
SENIOR MANAGEMENT ANALYST	2.00	1.00	1.00	1.20
Total	3.75	1.40	1.40	1.65

The increase in staffing is due to a proposed new classification of Assistant Director of Administrative Services.

Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,918,912
Total Expenditures	\$ 2,169,694
Fund Balance	\$ -
General Fund Costs	\$ 250,782
% Funded by General Fund	11.6%
Total Staffing	7.8 FTE

Program Overview

The Finance Division is responsible for managing all financial accounting and treasury functions for the City of Cupertino. This includes maintaining accurate and timely financial records, processing payroll, collecting revenue, managing banking and investments, and disbursing City funds. The Division also ensures compliance with all required federal, state, and other regulatory financial reporting through its Accounting program. Additionally, Finance oversees the City's three investment policies, conducts financial analyses and research, and prepares reports on fiscal matters for both internal and external stakeholders.

Service Objectives

- Accurately process all financial transactions for the City, including general ledger accounting, cash management, payroll, accounts payable, revenue collection, banking, investments, and miscellaneous billing.
- Ensure all financial transactions are recorded in compliance with applicable regulatory requirements and sound financial practices.
- Prepare timely and accurate financial reports.
- Uphold a high standard of professionalism in administering the City's financial policies, managing transactions, and interacting with the public.
- Provide prompt and courteous responses to inquiries from the public and other City departments.

Proposed Budget

It is recommended that City Council approve a budget of \$2,169,694 for the Accounting program. This represents an increase of \$253,914 (13.3%) from the FY 2024-25 Adopted Budget.

The increase is due to the reallocation of staff between budget units, the reclassification of an Account Clerk II position to a Management Analyst to better align with program needs, and the allocation of a portion (25%) of the proposed Assistant Director of Administrative Services position to support the Finance Division.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 2,112,498	\$ 2,128,861	\$ 1,626,339	\$ 1,918,912
Miscellaneous Revenue	\$ 39,662	\$ 43,680	\$ -	\$ -
Total Revenues	\$ 2,152,160	\$ 2,172,541	\$ 1,626,339	\$ 1,918,912
Expenditures				
Employee Compensation	\$ 803,440	\$ 1,002,160	\$ 960,073	\$ 1,103,037
Employee Benefits	\$ 308,804	\$ 420,688	\$ 471,799	\$ 551,185
Materials	\$ 14,576	\$ 7,014	\$ 16,323	\$ 27,736
Contract Services	\$ 348,778	\$ 325,512	\$ 346,595	\$ 349,900
Cost Allocation	\$ -	\$ -	\$ 116,454	\$ 137,836
Special Projects	\$ 4,200	\$ 47,300	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 4,536	\$ -
Total Expenditures	\$ 1,479,798	\$ 1,802,674	\$ 1,915,780	\$ 2,169,694
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (672,362)	\$ (369,866)	\$ 289,441	\$ 250,782

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ACCOUNTANT I	0	0	0	1.90
ACCOUNTANT II	1.90	1.90	1.90	0
ACCOUNT CLERK II	2.00	2.00	2.00	1.50
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
ASSISTANT DIRECTOR OF ADMIN SERVICES	0	0	0	0.25
DIRECTOR OF ADMIN SERVICES	0	0.20	0.20	0.20
FINANCE MANAGER	0.95	0.95	0.95	0.95
MANAGEMENT ANALYST	0	0	0	1.00
SENIOR ACCOUNTANT	1.00	1.00	1.00	1.00
Total	6.85	7.05	7.05	7.80

Changes in staffing include the conversion of the Budget Manager position to an Assistant Director of Administrative Services, the reclassification of an Account Clerk II position to a Management Analyst, and the reallocation of an Account Clerk II from the Business License Program to better support the Finance Division's operations and strategic initiatives.

Business Licenses

Budget Unit 100-41-406

General Fund - Finance - Business Licenses

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 290,993
Fund Balance	\$ -
General Fund Costs	\$ 290,993
% Funded by General Fund	100.0%
Total Staffing	0.6 FTE

Program Overview

The Business Licenses program monitors business licensing activity for compliance with the City Municipal Code and applicable state law.

Service Objectives

- Issue business licenses to entities conducting business within the city limits of Cupertino.
- Collect appropriate business license fees.
- Monitor compliance with the Business License Tax Code and provide useful information related to business activity to City departments.
- Identify non-compliant business activity.

Proposed Budget

It is recommended that City Council approve a budget of \$290,993 for the Business Licenses program. This represents a decrease of \$34,074 (-10.5%) from the FY 2024-25 Adopted Budget.

The net expenditure decrease is due to the decrease in changes of staff allocations from the program's engagement of a third-party service provider to assist with business license administration, including monitoring compliance, processing applications, and enhancing discovery efforts to identify unlicensed business activities. This change is expected to streamline operations, improve service delivery, and strengthen overall compliance.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 114,293	\$ 109,355	\$ 109,333	\$ 58,587
Employee Benefits	\$ 57,200	\$ 55,009	\$ 58,740	\$ 35,174
Materials	\$ 204	\$ 231	\$ -	\$ -
Contract Services	\$ 18,753	\$ 17,753	\$ -	\$ 39,000
Cost Allocation	\$ 240,930	\$ 208,512	\$ 156,994	\$ 158,232
Total Expenditures	\$ 431,380	\$ 390,860	\$ 325,067	\$ 290,993
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 431,379	\$ 390,860	\$ 325,067	\$ 290,993

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ACCOUNTANT I	0	0	0	0.10
ACCOUNTANT II	0.10	0.10	0.10	0
ACCOUNT CLERK II	1.00	1.00	1.00	0.50
Total	1.10	1.10	1.10	0.60

The program decreased by 0.50 FTE Account Clerk II as a result of the assistance from the third-party provider. The partial FTE was reallocated to the Finance Division.

Purchasing

Budget Unit 100-41-425

General Fund - Finance - Purchasing

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 387,426
Total Expenditures	\$ 719,444
Fund Balance	\$ -
General Fund Costs	\$ 332,018
% Funded by General Fund	46.1%
Total Staffing	2.5 FTE

Program Overview

The Purchasing program provides a hybrid approach to oversight and management of the City's procurement of goods and services. A hybrid procurement program assures fair and open acquisition processes that seek to obtain maximum value for each dollar spent. Major activities include providing review, guidance, and standardization for soliciting formal and informal competitive bids and proposals, obtaining quotes, and participating in cooperative procurements lead by other governmental agencies. In addition, the Purchasing program assists City employees in complying with all legal and ethical requirements.

Service Objectives

- Oversee and manage the procurement of goods and services by the City while ensuring compliance with applicable federal, state, and local laws, ordinances, rules, and regulations.
- Develop and implement strategic procurement planning, procurement policies and procedures, quality control, procurement training, electronic procurement systems, and procurement card administration.
- Provide professional support and contractual advice to all stakeholders involving contractual services, consultants, equipment, supplies, construction, capital improvements, and other applicable activities.
- Keep informed of current developments in the field of purchasing, prices, market conditions, and new products.

Proposed Budget

It is recommended that City Council approve a budget of \$719,444 for the Purchasing program. This represents an increase of \$294,635 (69.4%) from the FY 2024-25 Adopted Budget.

The increase is primarily due to the request to add one (1) FTE management analyst that will support grant submittals, tracking and reporting while also supporting purchasing activities throughout the city. Also requested in this budget is a special project request to fund citywide purchasing training.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Citywide Purchasing Training	\$20,000	\$20,000	General Fund	Further enhance and standardize citywide purchasing
Total	\$20,000	\$20,000		

Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 321,408	\$ 387,426
Total Revenues	\$ -	\$ -	\$ 321,408	\$ 387,426
Expenditures				
Employee Compensation	\$ 35,897	\$ 272,096	\$ 272,068	\$ 466,449
Employee Benefits	\$ (3,149)	\$ 113,106	\$ 131,492	\$ 205,047
Materials	\$ 1,546	\$ 891	\$ 1,409	\$ 6,040
Contract Services	\$ 200	\$ -	\$ -	\$ -
Cost Allocation	\$ -	\$ -	\$ 19,822	\$ 21,908
Special Projects	\$ -	\$ -	\$ -	\$ 20,000
Contingencies	\$ -	\$ -	\$ 18	\$ -
Total Expenditures	\$ 34,494	\$ 386,093	\$ 424,809	\$ 719,444
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 34,494	\$ 386,093	\$ 103,401	\$ 332,018

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT DIRECTOR OF ADMIN SERVICES	0	0	0	0.25
DIRECTOR OF ADMIN SERVICES	0	0.20	0.20	0.20
GRANTS MANAGEMENT ANALYST	0	0	0	1.00
PURCHASING MANAGER	1.00	1.00	1.00	1.00
Total	1.00	1.20	1.20	2.45

The increase in staffing is due to the addition of a management analyst.

Budget

Budget Unit 100-41-426

General Fund - Finance - Budget

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 577,634
Total Expenditures	\$ 377,711
Fund Balance	\$ -
General Fund Costs	\$ (199,923)
% Funded by General Fund	-52.9%
Total Staffing	1.2 FTE

Program Overview

The Budget program manages the budget-to-actual activities for both the operating budget and capital budgets. The program also develops, delivers, and updates the annual operating budget, twenty-year long-term financial forecast, and revenue and expenditure projections. Additionally, the Budget program provides financial planning and fiscal analysis on City issues and complex business decisions.

Service Objectives

- Develops the annual operating budget.
- Coordinates the preparation and publication of the operating budget document.
- Communicates the budget through the City's interactive financial transparency portal.
- Engages residents in the budgeting process.
- Develops the Twenty-Year General Fund Financial Forecast.
- Prepares and updates revenue and expenditure forecasts.
- Analyze budget performance during the year and prepare Quarterly Financial Reports.
- Provides departments with timely and accurate financial reports to assist them in their daily decision-making.
- Assists departments with any necessary budget amendments during the year.
- Advises the City in the areas of short and long-term financial planning and fiscal analysis.
- Advises the City in developing and implementing sound financial policies.

Proposed Budget

It is recommended that City Council approve a budget of \$377,711 for the Budget program. This represents a decrease of \$195,171 (-34.1%) from the FY 2024-25 Adopted Budget.

The decrease is primarily due to compensation and benefits as the Budget Manager position which is previously fully funded in this program will be converted into a proposed new classification of Assistant Director of Administrative Services the Assistant Director to help manage the functions and activities of the Finance, Purchasing and Budget divisions. If this new classification is approved, the Assistant Director of Administrative Services will only represent 0.25 of this program.

The budget also include a special project request to fund a study of potential revenue tax measures.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Potential Tax Measure Study	\$20,000	\$20,000	General Fund	Analyze Proposed Tax Measures
Total	\$20,000	\$20,000		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 507,316	\$ 577,634
Total Revenues	\$ -	\$ -	\$ 507,316	\$ 577,634
Expenditures				
Employee Compensation	\$ 130,237	\$ 348,497	\$ 366,895	\$ 216,178
Employee Benefits	\$ 26,849	\$ 129,605	\$ 155,599	\$ 87,967
Materials	\$ 7,168	\$ 7,970	\$ 17,953	\$ 17,966
Contract Services	\$ 4,280	\$ -	\$ -	\$ -
Cost Allocation	\$ -	\$ -	\$ 32,211	\$ 35,600
Special Projects	\$ -	\$ 20,000	\$ -	\$ 20,000
Contingencies	\$ -	\$ -	\$ 224	\$ -
Total Expenditures	\$ 168,534	\$ 506,072	\$ 572,882	\$ 377,711
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 168,534	\$ 506,073	\$ 65,566	\$ (199,923)

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT DIRECTOR OF ADMIN SERVICES	0	0	0	0.25
BUDGET MANAGER	1.00	1.00	1.00	0
DIRECTOR OF ADMIN SERVICES	0	0.20	0.20	0.20
MANAGEMENT ANALYST	0	0.75	0.75	0
SENIOR MANAGEMENT ANALYST	0	0	0	0.75
Total	1.00	1.95	1.95	1.20

The change in staffing is due to the Budget Manager position being converted into a proposed new classification of Assistant Director of Administrative Services.

Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,139,591
Total Expenditures	\$ 1,527,704
Fund Balance	\$ -
General Fund Costs	\$ 388,113
% Funded by General Fund	25.4%
Total Staffing	4.9 FTE

Program Overview

The Human Resources Division is responsible for the administration of human resources programs, employee benefits, and labor relation programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee training and development, benefits, HRIS and retirement. The Human Resources Administration Division budget covers contracts and materials associated with supporting these internal services functions.

In addition, Human Resources administers risk management, safety and wellness programs, a self-insured workers' compensation program, and retiree medical insurance. Funding for these internal services is reflected in subsequent Human Resources program budgets.

Service Objectives

- Provide a working environment where respect for the individual is encouraged and safeguarded.
- Provide timely personnel services to departments and divisions in a fair, objective, and equitable manner.
- Enter into agreements with employee groups concerning terms and conditions of employment.
- Provide an employee development program addressing immediate and long-term training needs.
- Provide departments a listing of qualified persons for employment consideration within sixty days of an authorized vacant position.
- Ensure equal employment opportunities.
- Administer classification plan.
- Administer employee benefits.
- Provide personnel services consistent with the operational needs of the user department.

Proposed Budget

It is recommended that City Council approve a budget of \$1,527,704 for the Human Resources program. This represents an increase of \$60,177 (4.1%) from the FY 2024-25 Adopted Budget.

This program also includes proposed budget requests of \$5,000 for recurring costs for Diversity, Equity, and Inclusion (DEI) events for internal staff-related events. This budget also includes requests for \$10,000 for City-Wide Employee Events which includes the Annual Wellness Fair.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 1,706,378	\$ 1,884,120	\$ 1,000,511	\$ 1,139,591
Miscellaneous Revenue	\$ 2,470	\$ -	\$ -	\$ -
Total Revenues	\$ 1,708,848	\$ 1,884,120	\$ 1,000,511	\$ 1,139,591
Expenditures				
Employee Compensation	\$ 767,855	\$ 755,422	\$ 765,589	\$ 767,356
Employee Benefits	\$ 367,391	\$ 381,501	\$ 351,256	\$ 310,702
Materials	\$ 85,784	\$ 54,608	\$ 63,276	\$ 103,886
Contract Services	\$ 300,638	\$ 240,397	\$ 204,445	\$ 257,216
Cost Allocation	\$ -	\$ -	\$ 80,114	\$ 88,544
Contingencies	\$ -	\$ -	\$ 2,847	\$ -
Total Expenditures	\$ 1,521,668	\$ 1,431,928	\$ 1,467,527	\$ 1,527,704
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (187,181)	\$ (452,191)	\$ 467,016	\$ 388,113

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
DIRECTOR OF ADMIN SERVICES	0.20	0.20	0.20	0.20
HUMAN RESOURCES ANALYST II	1.70	1.70	1.70	1.70
HUMAN RESOURCES MANAGER	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECH	1.95	1.95	1.95	1.95
Total	4.85	4.85	4.85	4.85

There are no changes to the current levels of staffing.

Retiree Benefits

Budget Unit 642-44-414

Retiree Medical - Human Resources - Retiree Benefits

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,946,053
Total Expenditures	\$ 1,677,311
Fund Balance	\$ 268,742
General Fund Costs	\$ 1,946,053
% Funded by General Fund	116.0%
Total Staffing	FTE

Program Overview

The Retiree Benefits program administers the City's Other Post-Employment Benefits (OPEB).

Service Objectives

Provide investment oversight and appropriate funding for the City's retiree medical liability. The City established a trust account with Public Agency Retirement Services (PARS) that will fund the future liability. Annual contributions from the City are deposited into the trust and invested in a portfolio of equity, bond, and money market funds.

Proposed Budget

It is recommended that City Council approve a budget of \$1,677,311 for the Retiree Benefits program. This represents an increase of \$68,266 (4.2%) from the FY 2024-25 Adopted Budget.

The number is based on the City's most current OPEB actuarial report.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 1,385,759	\$ -	\$ -	\$ -
Transfers In	\$ 9,898	\$ -	\$ 1,592,398	\$ 1,946,053
Total Revenues	\$ 1,395,657	\$ -	\$ 1,592,398	\$ 1,946,053
Expenditures				
Employee Benefits	\$ 1,380,875	\$ 1,387,959	\$ 1,592,398	\$ 1,662,000
Cost Allocation	\$ 14,782	\$ 13,988	\$ 16,647	\$ 15,311
Total Expenditures	\$ 1,395,657	\$ 1,401,947	\$ 1,609,045	\$ 1,677,311
Fund Balance	\$ -	\$ (1,401,947)	\$ (16,647)	\$ 268,742
General Fund Costs	\$ 9,898	\$ -	\$ 1,592,398	\$ 1,946,053

Staffing

There is no staffing associated with this program.

Insurance Administration

Budget Unit 100-44-417

General Fund - Human Resources - Insurance Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,676,374
Total Expenditures	\$ 2,537,324
Fund Balance	\$ -
General Fund Costs	\$ 860,950
% Funded by General Fund	33.9%
Total Staffing	0.2 FTE

Program Overview

The Insurance Administration General Liability and Property programs and Employment Practices Law insurance.

Service Objectives

- Provide the City with General Liability and Property Insurance
- Provide the City with Employment Practices Law Insurances

Proposed Budget

It is recommended that City Council approve a budget of \$2,537,324 for the Insurance Administration program. This represents an increase of \$92,370 (3.8%) from the FY 2024-25 Adopted Budget.

The Increase is due to an increase in annual premiums for General Liability and Property Insurance claim expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 1,612,194	\$ 1,676,374
Miscellaneous Revenue	\$ 1,689	\$ -	\$ -	\$ -
Total Revenues	\$ 1,689	\$ -	\$ 1,612,194	\$ 1,676,374
Expenditures				
Employee Compensation	\$ 21,635	\$ 20,924	\$ 21,469	\$ 21,470
Employee Benefits	\$ 7,960	\$ 8,550	\$ 9,761	\$ 8,820
Contract Services	\$ 1,476,879	\$ 1,887,701	\$ 2,381,478	\$ 2,504,296
Cost Allocation	\$ 54,402	\$ 50,696	\$ 2,478	\$ 2,738
Contingencies	\$ -	\$ -	\$ 29,768	\$ -
Total Expenditures	\$ 1,560,876	\$ 1,967,871	\$ 2,444,954	\$ 2,537,324
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,559,187	\$ 1,967,870	\$ 832,760	\$ 860,950

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
HUMAN RESOURCES ANALYST II	0.10	0.10	0.10	0.10
HUMAN RESOURCES TECH	0.05	0.05	0.05	0.05
Total	0.15	0.15	0.15	0.15

Workers Compensation Insurance

Budget Unit 620-44-418

Workers' Compensation - Human Resources - Workers Compensation Insurance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 553,531
Total Expenditures	\$ 495,813
Fund Balance	\$ 57,718
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.2 FTE

Program Overview

This program provides oversight of the Workers' Compensation program, including claims, proactive Risk Management, return to work accommodations and excess workers compensation insurance. Additionally, this program is responsible for the administration of the City's self-insured unemployment insurance benefit account.

Service Objectives

- Manage employee industrial injury and/or illness and provide proactive risk management programs to ensure employee safety in the workplace.
- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.
- Manage and administer the City's unemployment insurance benefit account with the State of CA.

Proposed Budget

It is recommended that City Council approve a budget of \$495,813 for the Workers Compensation Insurance program. This represents a decrease of \$75,597 (-13.2%) from the FY 2024-25 Adopted Budget.

The overall decrease is due to a decrease in estimated workers compensation claim expenses. If any adjustments are needed in this program they will be brought to council for their consideration.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Other Financing Sources	\$ 436,462	\$ -	\$ 468,984	\$ 553,531
Total Revenues	\$ 436,462	\$ -	\$ 468,984	\$ 553,531
Expenditures				
Employee Compensation	\$ 32,155	\$ 33,526	\$ 31,252	\$ 31,252
Employee Benefits	\$ 10,482	\$ 12,151	\$ 13,166	\$ 11,270
Contract Services	\$ 470,630	\$ (38,356)	\$ 470,591	\$ 400,840
Cost Allocation	\$ 28,369	\$ 29,295	\$ 50,519	\$ 52,451
Contingencies	\$ -	\$ -	\$ 5,882	\$ -
Total Expenditures	\$ 541,636	\$ 36,616	\$ 571,410	\$ 495,813
Fund Balance	\$ (105,174)	\$ (36,615)	\$ (102,426)	\$ 57,718
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
HUMAN RESOURCES ANALYST II	0.20	0.20	0.20	0.20
Total	0.20	0.20	0.20	0.20

There are no changes to the current levels of staffing.

Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Long Term Disability

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 130,875
Fund Balance	\$ (130,875)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This program oversees claims and premiums associated with Long Term Disability.

Service Objectives

- Obtain and manage insurance policies
- Negotiate rates
- Coordinate claims

Proposed Budget

It is recommended that City Council approve a budget of \$130,875 for the Long Term Disability program. This represents an increase of \$20,546 (18.6%) from the FY 2024-25 Adopted Budget.

The increase is due to a monthly premium expense associated with providing a contracted benefit for full-time employees.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ 97,976	\$ 98,820	\$ 108,000	\$ 130,000
Cost Allocation	\$ 2,767	\$ 2,381	\$ 979	\$ 875
Contingencies	\$ -	\$ -	\$ 1,350	\$ -
Total Expenditures	\$ 100,743	\$ 101,201	\$ 110,329	\$ 130,875
Fund Balance	\$ (100,743)	\$ (101,201)	\$ (110,329)	\$ (130,875)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Compensated Absences

Budget Unit 641-44-420

Compensated Absence/LTD - Human Resources - Compensated Absences

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 670,000
Total Expenditures	\$ 655,877
Fund Balance	\$ 14,123
General Fund Costs	\$ 670,000
% Funded by General Fund	102.2%
Total Staffing	FTE

Program Overview

This program provides for payment of liabilities associated with employees retiring or leaving service.

Service Objectives

Properly account and disburse benefits as set forth in the employee contracts.

Proposed Budget

It is recommended that City Council approve a budget of \$655,877 for the Compensated Absences program. This represents a decrease of \$71,860 (-9.9%) from the FY 2024-25 Adopted Budget.

This decrease is reflective of the estimated number of employees eligible to cash out leave balances due to constructive receipts, retirements, resignations, and other types of separation from the City. Under Internal Revenue Service ("IRS") Regulations, the IRS considers income to be received for tax purposes if the individual actually receives it or has an option to receive it during the tax year. This is known as the constructive receipt doctrine.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Transfers In	\$ 882,000	\$ 380,000	\$ 591,000	\$ 670,000
Total Revenues	\$ 882,000	\$ 380,000	\$ 591,000	\$ 670,000
Expenditures				
Contract Services	\$ 518,393	\$ 665,754	\$ 716,000	\$ 644,400
Cost Allocation	\$ 8,280	\$ 4,090	\$ 11,737	\$ 11,477
Total Expenditures	\$ 526,673	\$ 669,844	\$ 727,737	\$ 655,877
Fund Balance	\$ 355,327	\$ (289,844)	\$ (136,737)	\$ 14,123
General Fund Costs	\$ 882,000	\$ 380,000	\$ 591,000	\$ 670,000

Staffing

There is no staffing associated with this program.

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Parks and Recreation

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Department Overview

Budget Units

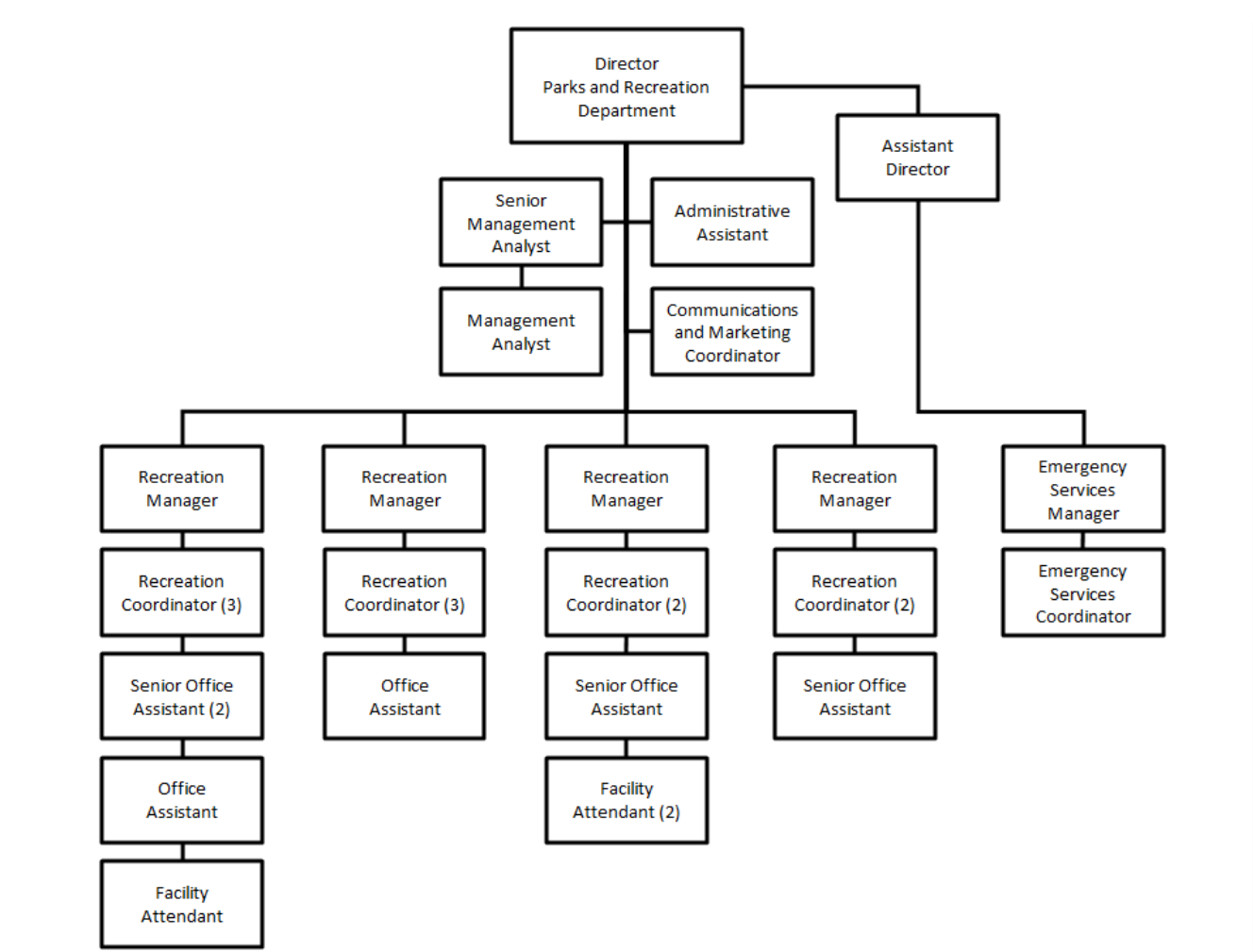
Budget Unit	Program	2026 Proposed Budget
Parks and Recreation		\$ 1,564,405
100-60-601	Recreation Administration	\$ 1,564,405
100-60-636	Library Services	\$ -
Business and Community Services		\$ 1,426,527
100-61-602	Administration	\$ 532,187
100-61-605	Cultural Events	\$ 439,791
100-61-630	Facilities	\$ 454,549
Recreation and Education		\$ 3,662,618
100-62-608	Administration	\$ 784,167
580-62-613	Youth Teen Recreation	\$ 1,797,833
100-62-623	Senior Center	\$ 729,356
100-62-639	Teen Programs	\$ 255,582
100-62-640	Events	\$ 95,680
Sports, Safety and Outdoor Recreation		\$ 4,534,680
100-63-612	Park Facilities	\$ 1,518,999
100-63-615	Administration	\$ -
560-63-616	Blackberry Farm Golf Course	\$ 547,098
580-63-620	Outdoor Recreation	\$ 873,146
570-63-621	Sports Center Operations	\$ 1,595,437
Office of Emergency Services		\$ 920,136
100-65-632	Community Outreach and Neighborhood Watch	\$ 225,076
100-65-633	Office of Emergency Management	\$ 695,060
Total		\$ 12,108,366

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 5,230,479
Total Expenditures	\$ 12,108,366
Fund Balance	\$ (458,514)
General Fund Costs	\$ 6,919,373
% Funded by General Fund	57.1%
Total Staffing	30.6 FTE

Organization

Rachelle Sander, Director of Parks and Recreation



Notable Accomplishments

- *3rd Grade Creek Tours* – Expanded 3rd Grade Creek Tours from 13 to 24 visits, accommodating 11 more classes and 178 additional students. This provides more hands-on environmental education opportunities for local students.
- *Added Teen Volunteer Opportunities* – Expanded volunteer opportunities for teens by establishing the Recreation Event Volunteers (REV) program where teens could volunteer to provide support for city-run events throughout the year, such as Monster Mash, Breakfast with Santa, Sweetheart Social, Big Bunny 5K, Earth and Arbor Day, and more.
- *Classes/Camps Offered* – Offered 3,180 classes and camps for all ages and covering various subjects.
- *Community Events* – Coordinated 62 recreational events throughout the year to enhance the lives and experiences for community members.
- *Community Funding* – City funding provided to local non-profit organizations in the areas of social services, fine arts and other programs for the general public. The City received 15 applications for the FY 2025-2026 application cycle. The Parks and Recreation Commission evaluated applications in April and provided a recommendation regarding funding to City Council for final approval.
- *Hidden Treasures 2024* – Proceeds from the Hidden Treasures event support the Stay Active Fund, which helps pay for Senior Center memberships and programs for seniors in need of financial assistance. 44 volunteers donated over 1,300 hours for the event, and over \$14,800 worth of donated items were sold.
- *Monster Mash 2024* – Hosted and enhanced the annual Monster Mash, a Halloween themed night filled with costumes, trick-or-treating, crafts, and ghostly games. The event had 210 kids registered with an estimated total of 600 in attendance including family members.
- *Poet Laureate Playbook* – The Poet Laureate program's vision is to stimulate cultural and literary awareness in Cupertino, introduce youth and adults to the personal and community benefits of poetry, and promote our Library as a cultural center in Cupertino. The Cupertino Poet Laureate Playbook was updated on December 4, 2024, to streamline processes, outline clear expectations, and expand applicant qualifications for the selection of a Poet Laureate, a two-year honorary appointment as the literary ambassador for the City.
- *Pooch Plunge (Spring)* – Due to the demand and waitlists, a second Pooch Plunge event was hosted in the Spring. Registrations have reached full capacity, with a total of 160 pups enrolled.
- *Revamped Preschool Program* – In response to the current mandate set by local school districts, the format of the Preschool program was revised to lower the current age group and to mix age groups together. This provided more flexibility for parents in choosing which days to enroll their preschoolers.
- *Senior Center Memberships* – Added over 200 additional memberships since last year, for a total of 1,742 active memberships to date.
- *Senior Travel Program* – Expanded the Travel Program to offer at least 24 day trips per year and negotiated a contract to reinstate long distance excursions. Over 1,000 total registrants expected by the end of the year for this program.
- *Sponsorships for Events* – Negotiated and received over \$35,000 in sponsorships with external organizations to support the events offered by the Department.
- *Sports Center Members and Usage* – Increased the current active memberships at the Sports Center to 1,641, with an average of 2,200 check-ins per week. The Center currently offers 25 fitness classes per week and two additional personal trainers were recruited to meet the increasing demand from members.
- *Swim Lessons* – Increased swim lesson offerings at Blackberry Farm from 409 to 578 lessons to meet the growing demand for swim instruction programs in the community.
- *Teen Resource Fair 2025* – Partnered with Fremont Union High School District Interdistrict Council and Main Street to host the second annual Teen Resource Fair, which showcased potential volunteering and job opportunities for teens. The event also offered multiple mental health and wellness booth resources, a passport activity, and goodie bag for attendees. About 300 teens were in attendance.

New Initiatives

- *Enhance Senior Support Services* – Explore opportunities to partner with external agencies to offer more services for the senior community, such as case management, tax-aid, and health screenings for blood pressure and hearing.
- *Expand Lap Swim* – Expand lap swim sessions at Blackberry Farm to include weekday mornings and evenings, offering swimmers greater flexibility and access to the pools.
- *Further Develop Intergenerational Engagement* – Offer new opportunities for youth, adults, and seniors to engage and interact through recreational activities. Currently planned programs include a Golf Scramble Tournament and a Hawaiian-themed event.
- *Increase Softball League Offerings* – Increase adult softball league to four nights per week, and begin offering one additional season per year, for a total of three seasons.

- *Expand Personal Training Offerings* – Reconfiguration of underutilized space at the Sports Center to offer more room and resources for its increasingly popular Personal Training program.

Performance Measures

Goal: Create a positive, healthy and connected community.

Benefit: Cupertino has an exceptional system of parks and services that align with community values.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
% of Parks and Recreation Department customers surveyed who rate services as good or excellent	98%	98%	98%	85%
% of programs maintaining minimum registration	78%	78%	82%	80%
% Department's total cost recovery for all (direct and indirect) costs	55%	56%	53%	40%
% change in participants	16%	13%	14%	1%

Workload Indicators

Business and Community Services Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of reservations at Quinlan Center	405	426	202
Number of festival applications received	10	9	9

Recreation and Education Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of registrations	3,756	3,960	2,178
Number of survey respondents	95	62	54
Number of Senior Center classes offered	235	381	216
Number of Senior Center trips offered	14	22	11

Sports, Safety, and Outdoor Recreation Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of programs offered	1,256	1,202	730
Number of picnic reservations @ BBF	152	159	100
Rounds of golf at BBF Golf Course	37,961	41,974	20,009
Sports Center Memberships	1,394	1,493	1,689

Proposed Budget

It is recommended that City Council approve a budget of \$12,108,366 for the Parks and Recreation department. This represents an increase of \$1,196,999 (11.0%) from the FY 2024-25 Adopted Budget.

The increase is primarily due to the transfer in of the Office of Emergency Management from the Administration department. In addition, the department is requesting \$96,055 in additional budget requests for various purchases and other services as described in the program narratives. Also, this department has the following City Work Program items:

- Enhance Senior Services - \$65,000
- Emergency Operations Readiness - \$40,000

In addition, contingency dollars have been calculated off of department's FY 2025-2026 base budget materials and contracts and have been consolidated into materials.

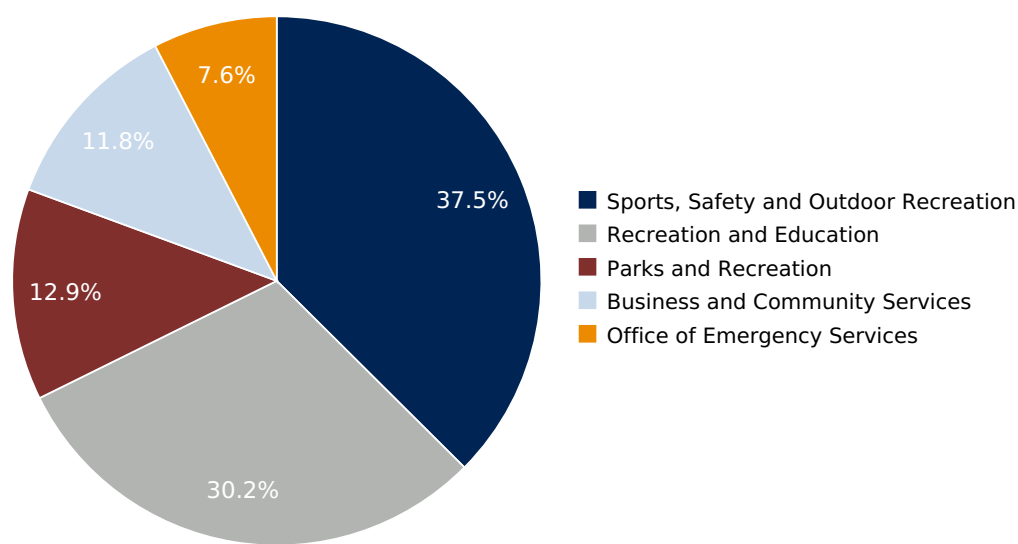
For any programs with reductions in benefits, this is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Any changes in cost allocation charges are due to the updated Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY

2025-26 base budget materials and contracts and have been consolidated into materials budgets.

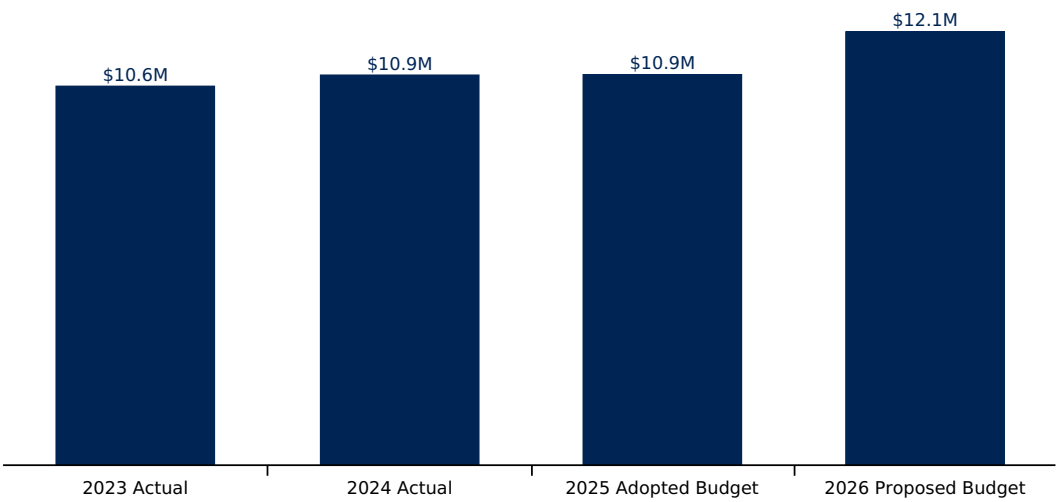
Citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference.

Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 790,052	\$ 868,070	\$ 840,420	\$ 711,529
Intergovernmental Revenue	\$ -	\$ 3,750	\$ -	\$ 11,000
Charges for Services	\$ 5,261,531	\$ 4,989,583	\$ 3,972,770	\$ 3,975,450
Miscellaneous Revenue	\$ 27,411	\$ 46,001	\$ 29,500	\$ 32,500
Transfers In	\$ 376,000	\$ -	\$ -	\$ 500,000
Total Revenues	\$ 6,454,994	\$ 5,907,404	\$ 4,842,690	\$ 5,230,479
Expenditures				
Employee Compensation	\$ 3,702,914	\$ 3,920,700	\$ 4,173,717	\$ 4,950,998
Employee Benefits	\$ 857,890	\$ 1,601,222	\$ 1,642,726	\$ 1,682,278
Materials	\$ 453,490	\$ 359,064	\$ 414,267	\$ 615,287
Contract Services	\$ 3,921,765	\$ 3,243,996	\$ 2,260,314	\$ 2,145,863
Cost Allocation	\$ 1,559,137	\$ 1,681,979	\$ 2,322,642	\$ 2,484,838
Special Projects	\$ 30,092	\$ 3,529	\$ -	\$ 105,000
Other Financing Uses	\$ 64,377	\$ 90,137	\$ 64,377	\$ 124,102
Contingencies	\$ -	\$ -	\$ 33,324	\$ -
Total Expenditures	\$ 10,589,665	\$ 10,900,627	\$ 10,911,367	\$ 12,108,366
Fund Balance	\$ 695,252	\$ (318,331)	\$ (610,426)	\$ (458,514)
General Fund Costs	\$ 5,205,925	\$ 4,674,887	\$ 5,458,251	\$ 6,919,373

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.90	0.90	0.90	0.90
ASSISTANT DIRECTOR OF PARKS AND REC	0	0	0	0.95
ASST DIR RECREATION COMM SVCS	0.85	0	0	0
COMMS AND MARKETING COORDINATOR	0	0	0	1.00
COMMUNITY OUTREACH SPECIALIST	2.00	1.00	1.00	0
DIRECTOR OF PARKS REC	0.95	1.00	1.00	1.00
EMERGENCY SERVICES COORDINATOR	0	0	0	1.00
EMERGENCY SERVICES MANAGER	0	0	0	1.00
FACILITY ATTENDANT	3.00	3.00	3.00	3.00
MANAGEMENT ANALYST	2.00	1.00	1.00	1.00
OFFICE ASSISTANT	2.00	2.00	2.00	2.00
RECREATION COORDINATOR	9.88	9.88	9.88	9.88
RECREATION MANAGER	1.90	3.85	3.85	3.85
RECREATION SUPERVISOR	2.00	0	0	0
SENIOR MANAGEMENT ANALYST	0	1.00	1.00	1.00
SR OFFICE ASSISTANT	4.00	4.00	4.00	4.00
Total	29.48	27.63	27.63	30.58

Recreation Administration

Budget Unit 100-60-601

General Fund - Parks and Recreation - Recreation Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,564,405
Fund Balance	\$ -
General Fund Costs	\$ 1,564,405
% Funded by General Fund	100.0%
Total Staffing	4.9 FTE

Program Overview

The Recreation Administration program provides overall department administration, project management, community outreach, support to the Parks and Recreation, Library, Teen, and Public Safety Commissions, and administration of recreation management software.

Service Objectives

- Provide overall department administration, budget control, contract support, policy development, administration of recreation management software, and employee development and evaluation.
- Support the Planning and Public Works Departments in the development, renovation, outreach for, and improvements of parks and open spaces in conjunction with the Parks and Recreation System Master Plan.
- Monitor and facilitate partnerships with other community organizations.
- Perform outreach to the community regarding Parks and Recreation programs, events, and services.
- Pursue additional financial support in scholarships and grants from local organizations and Federal and State governments.

Proposed Budget

It is recommended that City Council approve a budget of \$1,564,405 for the Recreation Administration program. This represents an increase of \$140,812 (9.9%) from the FY 2024-25 Adopted Budget.

Reduction in benefits is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings.

The increase is primarily driven by City Work Program items included in this budget:

- Enhance Senior Services \$65,000 and \$40,000
- Emergency Operations Readiness \$40,000

CWP items are no longer considered Special Projects per the new City Council Special Project Policy but are discussed here for ease of tracking and transparency. CWP will remain in the Special Project expense category as a way to track these projects but will be reported separately from all other Special Projects that fall under the policy.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 700,257	\$ 753,606	\$ 814,896	\$ 847,667
Employee Benefits	\$ 250,509	\$ 278,978	\$ 326,474	\$ 288,660
Materials	\$ 132,181	\$ 130,552	\$ 134,335	\$ 159,430
Contract Services	\$ 62,898	\$ 62,731	\$ 60,799	\$ 69,857
Cost Allocation	\$ -	\$ -	\$ 84,659	\$ 93,791
Special Projects	\$ 30,092	\$ 3,529	\$ -	\$ 105,000
Contingencies	\$ -	\$ -	\$ 2,430	\$ -
Total Expenditures	\$ 1,175,937	\$ 1,229,396	\$ 1,423,593	\$ 1,564,405
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,175,939	\$ 1,229,395	\$ 1,423,593	\$ 1,564,405

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.90	0.90	0.90	0.90
ASST DIR RECREATION COMM SVCS	0.85	0	0	0
COMMS AND MARKETING COORDINATOR	0	0	0	1.00
COMMUNITY OUTREACH SPECIALIST	2.00	1.00	1.00	0
DIRECTOR OF PARKS REC	0.95	1.00	1.00	1.00
MANAGEMENT ANALYST	2.00	1.00	1.00	1.00
SENIOR MANAGEMENT ANALYST	0	1.00	1.00	1.00
Total	6.70	4.90	4.90	4.90

There are no changes to the current level of staffing. A Community Outreach Specialist position was reclassified as a Communications and Marketing Coordinator based on the duties and tasks assigned to that position.

Library Services

Budget Unit 100-60-636

General Fund - Parks and Recreation - Library Services

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This budget augments the existing library service currently provided to our community through the Santa Clara County (SCC) Library Joint Powers Authority.

Service Objectives

- Provide increased library service for our constituents through support of 12 additional operational hours per week.
- Explore partnerships with the SCC Library for recreation and community programs.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 180,814	\$ 169,698	\$ 160,427	\$ -
Total Expenditures	\$ 180,814	\$ 169,698	\$ 160,427	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 180,814	\$ 169,698	\$ 160,427	\$ -

Staffing

There is no staffing associated with this program.

Administration

Budget Unit 100-61-602

General Fund - Business and Community Services - Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 532,187
Fund Balance	\$ -
General Fund Costs	\$ 532,187
% Funded by General Fund	100.0%
Total Staffing	3.0 FTE

Program Overview

The Youth, Teen, Events, and Facilities Division supports department programs and services through the provision of customer service and analytical support, development, and administration of policies. The division is also responsible for the department's front-line communication with the public for classes, programs, facility information, and general inquiries, manages the Quinlan Community Center (QCC) and rentals of facilities and park picnic areas, and processes registrations for classes, camps, and events.

Service Objectives

- Provide first-rate customer service through the implementation of consistent policies, procedures, and performance standards.
- Administer recreation software system for customer registration, memberships, point-of-sale, and facility rentals.
- Collect and analyze data from customer satisfaction surveys and program and revenue reports to improve programs and services.
- Ensure the delivery of clear and up to date communication on current programs and events to community members.
- Issue parks and facilities permits for individual customers as well as community festivals and events that promote our diverse culture and connected community.
- Maintain a positive relationship with neighborhoods adjacent to our facilities and parks.

Proposed Budget

It is recommended that City Council approve a budget of \$532,187 for the Administration program. This represents a decrease of \$6,524 (-1.2%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 283,910	\$ 252,998	\$ 257,101	\$ 260,829
Employee Benefits	\$ 138,473	\$ 133,059	\$ 154,941	\$ 145,194
Materials	\$ 1,210	\$ 754	\$ 1,400	\$ 1,578
Cost Allocation	\$ 187,222	\$ 184,545	\$ 125,251	\$ 124,586
Contingencies	\$ -	\$ -	\$ 18	\$ -
Total Expenditures	\$ 610,815	\$ 571,356	\$ 538,711	\$ 532,187
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 610,815	\$ 571,356	\$ 538,711	\$ 532,187

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
OFFICE ASSISTANT	1.00	1.00	1.00	1.00
RECREATION COORDINATOR	0.35	0	0	0
SR OFFICE ASSISTANT	2.00	2.00	2.00	2.00
Total	3.35	3.00	3.00	3.00

There are no changes to the current level of staffing.

Cultural Events

Budget Unit 100-61-605

General Fund - Business and Community Services - Cultural Events

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 439,791
Fund Balance	\$ -
General Fund Costs	\$ 439,791
% Funded by General Fund	100.0%
Total Staffing	1.3 FTE

Program Overview

The Youth, Teen, Events, and Facilities Division's events program produces the City's special events including 4th of July festivities and those hosted at Memorial Park, other local parks, and Quinlan Community Center including the Summer Concert Series, Movies in the Park, Shakespeare in the Park, and Tree Lighting. Staff also serve as the liaison, issue permits, and work with event organizers to implement community festivals, based on the City's festival policies. Examples of festivals at Memorial Park include the Cherry Blossom Festival, Rotary Day N Night Festival, Kids N' Fun, Diwali Festival, Ikebana Flower Show Festival, Bhubaneswar Sister City's India Heritage Fair, Dilli Haat, Holi, and more.

Service Objectives

- Provide a summer concert series at Memorial Park.
- Provide outdoor summer movies in other local parks.
- Partner with the San Francisco Shakespeare Company to produce Shakespeare in the Park in Cupertino.
- Organize and facilitate the 4th of July Independence Day morning celebration.
- Bring the community together with the annual Tree Lighting celebration.
- Serve as liaison and issue special event permits to nonprofit organization event producers to ensure successful community and cultural festivals in Memorial Park and Civic Center Plaza.

Proposed Budget

It is recommended that City Council approve a budget of \$439,791 for the Cultural Events program. This represents an increase of \$111,969 (34.2%) from the FY 2024-25 Adopted Budget.

The increase is mainly due to re-budgeted funds and reallocated staffing to support the Shakespeare in the Park program, along with added support for the annual Tree Lighting event. The Big Bunny 5K and Earth and Arbor Day Festival budgets were transferred to 100-62-640, while the Summer Concert Series and Movies in the Park budget was moved from that account. Recurring costs for this program include \$30,000 for Shakespeare in the Park, \$38,235 for festivals, \$10,000 for Tree Lights Installation and Removal, and \$12,000 for Santa Suits

Festival	Date	Festival Producer	Waived Fees			City Paid expenses		Total Costs	Notes
			Recreation	Facility/ Park/ Road Permits	Public Works	Sheriff	Materials	Total	
Kids N Fun Festival	Saturday, August 23, 2025	Taiwanese Cultural and Sports Associaton	\$1,861	\$5,177	\$3,447	\$4,495		\$14,979	
Day N Night Fun Fest	Saturday, September 13, 2025	Cupertino Rotary	\$2,977	\$7,760	\$5,205	\$4,495		\$20,437	
Bhubaneswar Sister City	Saturday, September 20, 2025	Cupertino Bhubaneswar Sister City	\$2,543	\$5,690	\$3,967	\$3,720		\$15,920	
City Initiative (CBSCI)									
Diwali Festival	Saturday, October 11, 2025	Cupertino Chamber of Commerce	\$2,419	\$5,123	\$3,404	\$4,805		\$15,751	
Ikebana	Sat. October 18 and Sun. October 19	WAFU Ikebana Society	\$3,031	\$25,427	\$17	\$0		\$28,475	
Veterans Day	11-Nov-25	Veteren's Memorial	\$1,312	\$0	\$0	\$0	\$1,500	\$2,812	
Egg Hunt	No Application Submitted for 25/26	The Home of Christ Church in Cupertino	\$0.00	\$0.00	\$0.00	\$0.00		\$0.00	
Holi	Date TBD for 25/26	Cupertino Chamber of Commerce	\$1,476	\$2,000	\$2,605	\$3,410		\$9,491	
Cherry Blossom	Sat.-Sun., April 25-26, 2026	Toyokawa Sister City	\$6,693	\$20,956	\$11,633	\$11,780		\$51,061	
Dilli Haat	Saturday, June 6, 2026	Empower Uplift Inc.	\$2,406	\$2,288	\$3,505	\$4,030		\$12,230	
Costs for FY 25/26 Events			\$24,718	\$74,420	\$33,785	\$36,735	\$1,500	\$171,157	
				TOTAL Waived Fees		TOTAL City Paid		TOTAL Festival Costs	
					\$132,921.71		\$38,235.00	\$171,157	

For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 3,750	\$ -	\$ -
Miscellaneous Revenue	\$ 26,047	\$ 38,291	\$ 29,500	\$ -
Total Revenues	\$ 26,047	\$ 42,041	\$ 29,500	\$ -
Expenditures				
Employee Compensation	\$ 111,329	\$ 124,268	\$ 122,520	\$ 169,081
Employee Benefits	\$ 39,218	\$ 46,371	\$ 52,631	\$ 58,187
Materials	\$ 20,015	\$ 20,409	\$ 19,222	\$ 8,784
Contract Services	\$ 199,163	\$ 113,476	\$ 74,121	\$ 149,535
Cost Allocation	\$ 54,537	\$ 81,970	\$ 58,210	\$ 54,204
Contingencies	\$ -	\$ -	\$ 1,118	\$ -
Total Expenditures	\$ 424,262	\$ 386,494	\$ 327,822	\$ 439,791
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 398,216	\$ 344,453	\$ 298,322	\$ 439,791

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
RECREATION COORDINATOR	0.65	0.75	0.75	1.00
RECREATION MANAGER	0.25	0.25	0.25	0.25
Total	0.90	1.00	1.00	1.25

Staffing has been reallocated based on the current duties and assignments within the program.

Facilities

Budget Unit 100-61-630

General Fund - Business and Community Services - Facilities

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 182,988
Total Expenditures	\$ 454,549
Fund Balance	\$ -
General Fund Costs	\$ 271,561
% Funded by General Fund	59.7%
Total Staffing	1.3 FTE

Program Overview

The Quinlan Community Center houses the administrative office of the Parks and Recreation Department and serves as facility space for rentals and a variety of recreational, social, and community activities. The Creekside Park building provides community members with facility space which can be used for a variety of activities.

Service Objectives

Quinlan Community Center

- Provide a rental facility for community meetings, business functions, social events, and other similar activities.
- Offer in-person and online registration for recreation programs.
- Schedule facility space for contractual and staff-run classes and camps.
- House the Cupertino Historical Society.
- Serve as an Emergency Operations Shelter in case of disasters.

Creekside Park Building:

- Provide a park or picnic facility for nonprofit board meetings, parties, school group picnics, memorials, and other similar activities.
- Schedule facility space for contractual and staff-run classes and camps.
- Provide space for a year-round farmers' market.

Proposed Budget

It is recommended that City Council approve a budget of \$454,549 for the Facilities program. This represents an increase of \$175,947 (63.2%) from the FY 2024-25 Adopted Budget.

This increase is primarily due to increase in costs allocation charges.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 158,974	\$ 221,710	\$ 162,000	\$ 181,988
Charges for Services	\$ 59,962	\$ 40,820	\$ -	\$ 1,000
Total Revenues	\$ 218,936	\$ 262,530	\$ 162,000	\$ 182,988
Expenditures				
Employee Compensation	\$ 241,769	\$ 253,681	\$ 175,013	\$ 182,356
Employee Benefits	\$ 83,386	\$ 87,539	\$ 58,641	\$ 57,012
Materials	\$ 16,524	\$ 16,356	\$ 17,133	\$ 20,811
Contract Services	\$ 4,422	\$ 4,649	\$ 6,867	\$ 6,867
Cost Allocation	\$ -	\$ -	\$ 20,648	\$ 187,503
Contingencies	\$ -	\$ -	\$ 300	\$ -
Total Expenditures	\$ 346,101	\$ 362,225	\$ 278,602	\$ 454,549
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 127,164	\$ 99,694	\$ 116,602	\$ 271,561

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
FACILITY ATTENDANT	2.00	2.00	1.00	1.00
RECREATION MANAGER	0.25	0.25	0.25	0.25
Total	2.25	2.25	1.25	1.25

There are no changes to the current level of staffing.

Administration

Budget Unit 100-62-608

General Fund - Recreation and Education - Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 74,925
Total Expenditures	\$ 784,167
Fund Balance	\$ -
General Fund Costs	\$ 709,242
% Funded by General Fund	90.4%
Total Staffing	4.0 FTE

Program Overview

This program includes administrative support of senior programs offered at the Senior Center. Administrative duties support the facility and senior programs that focus on enhancing a healthy lifestyle through quality education, recreation, travel, socials, community resources, volunteer opportunities, and facility rentals. This program also manages Community Hall, which provides space for City Council meetings and various Commission meetings, as well as facility rental space available for a variety of activities including business meetings, community events, and Cupertino Library programs.

Service Objectives

- Provide management and supervision of all programs, activities, personnel, and facilities within the Senior Wellness division.
- Establish program goals and priorities.
- Ensure operational hours accommodate community desires.
- Provide first-rate customer service and manage customer registration, memberships, point-of-sale, and facility rentals at the Senior Center.

Community Hall

- Provide a rental facility for community meetings, business functions, social events, and other similar activities.
- Provide a facility for City Channel programming, and City Council, Planning Commission, and other City meetings.

Proposed Budget

It is recommended that City Council approve a budget of \$784,167 for the Administration program. This represents a decrease of \$14,684 (-1.8%) from the FY 2024-25 Adopted Budget.

The budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 28,954	\$ 41,515	\$ 42,000	\$ 74,825
Charges for Services	\$ -	\$ 500	\$ -	\$ 100
Total Revenues	\$ 28,954	\$ 42,015	\$ 42,000	\$ 74,925
Expenditures				
Employee Compensation	\$ 320,436	\$ 345,432	\$ 449,389	\$ 469,893
Employee Benefits	\$ 113,189	\$ 126,475	\$ 194,902	\$ 172,088
Materials	\$ 8,961	\$ 9,595	\$ 7,337	\$ 12,472
Contract Services	\$ 501	\$ 2,435	\$ 4,990	\$ 5,112
Cost Allocation	\$ 169,903	\$ 158,361	\$ 142,079	\$ 124,602
Contingencies	\$ -	\$ -	\$ 154	\$ -
Total Expenditures	\$ 612,990	\$ 642,298	\$ 798,851	\$ 784,167
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 584,036	\$ 600,283	\$ 756,851	\$ 709,242

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
FACILITY ATTENDANT	1.00	1.00	2.00	2.00
RECREATION COORDINATOR	0.30	0.20	0.20	0.20
RECREATION MANAGER	0	0.75	0.75	0.75
RECREATION SUPERVISOR	0.75	0	0	0
SR OFFICE ASSISTANT	1.00	1.00	1.00	1.00
Total	3.05	2.95	3.95	3.95

There are no changes to the current level of staffing.

Youth Teen Recreation

Budget Unit 580-62-613

Recreation Program - Recreation and Education - Youth Teen Recreation

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,300,000
Total Expenditures	\$ 1,797,833
Fund Balance	\$ (497,833)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.7 FTE

Program Overview

This program encompasses fee-based youth and teen programs such as academic and enrichment classes, STEAM programming, recreational camps, preschool, fee-based events such as Monster Mash, Breakfast with Santa, and Santa Visits, enrichment classes for adults, and special interest programming.

Service Objectives

- Provide a preschool program, summer camps, and an extensive variety of contract classes for youth, teens, and adults.
- Promote programs through social media to increase community awareness and interest in programs.
- Increase the number of youth and teen Science, Technology, Engineering, Art, and Math (STEAM) programs offered.
- Expand all-day summer camp offerings to meet daycare needs of working families.
- Provide family-oriented programs designed to increase community engagement.
- Provide safe, fun, life-long learning activities that promote the foundations of self-confidence, skill development, and personal growth.

Proposed Budget

It is recommended that City Council approve a budget of \$1,797,833 for the Youth Teen Recreation program. This represents an increase of \$204,884 (12.9%) from the FY 2024-25 Adopted Budget.

The increase is due to rising costs for Contract Services, as registrations for classes and camps have been growing and there has been an increase in participation of contracted programs. This also leads to an increase in anticipated revenues for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 252	\$ 384	\$ -	\$ -
Charges for Services	\$ 1,155,760	\$ 1,365,285	\$ 1,155,500	\$ 1,300,000
Miscellaneous Revenue	\$ 79	\$ -	\$ -	\$ -
Total Revenues	\$ 1,156,091	\$ 1,365,669	\$ 1,155,500	\$ 1,300,000
Expenditures				
Employee Compensation	\$ 324,485	\$ 278,516	\$ 346,808	\$ 361,759
Employee Benefits	\$ (30,857)	\$ 157,523	\$ 115,052	\$ 107,288
Materials	\$ 22,818	\$ 20,802	\$ 20,818	\$ 37,201
Contract Services	\$ 640,163	\$ 798,109	\$ 761,226	\$ 909,518
Cost Allocation	\$ 111,417	\$ 168,316	\$ 315,740	\$ 328,541
Other Financing Uses	\$ 23,529	\$ 30,212	\$ 23,529	\$ 53,526
Contingencies	\$ -	\$ -	\$ 9,776	\$ -
Total Expenditures	\$ 1,091,555	\$ 1,453,478	\$ 1,592,949	\$ 1,797,833
Fund Balance	\$ 64,536	\$ (87,810)	\$ (437,449)	\$ (497,833)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
RECREATION COORDINATOR	1.50	1.50	1.50	1.50
RECREATION MANAGER	0.20	0.20	0.20	0.20
Total	1.70	1.70	1.70	1.70

There are no changes to the current level of staffing.

Senior Center

Budget Unit 100-62-623

General Fund - Recreation and Education - Senior Center

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 350,000
Total Expenditures	\$ 729,356
Fund Balance	\$ -
General Fund Costs	\$ 379,356
% Funded by General Fund	52.0%
Total Staffing	2.1 FTE

Program Overview

This program includes the coordination and delivery of program services for seniors at the Senior Center. Staff coordinates a well-maintained Senior Center for adults age 50+ including senior adult recreation programs such as enrichment classes, educational presentations, group trips and tours, and social events. In addition, the Senior Center team leverages members to support programs and services through volunteer opportunities. Staff provides referrals for resources available to seniors.

Service Objectives

- Enhance partnerships with the Santa Clara County Library District and other local nonprofit agencies.
- Provide appreciation events for senior volunteers who support the Parks and Recreation Department throughout the year.
- Offer fitness and enrichment courses, educational presentations, group trips and tours, and socialization opportunities to adults age 50+.
- Provide volunteer service opportunities for adults age 50+.
- Provide a senior-focused annual health fair and senior resource referrals.

Proposed Budget

It is recommended that City Council approve a budget of \$729,356 for the Senior Center program. This represents an increase of \$42,855 (6.2%) from the FY 2024-25 Adopted Budget.

The increase is due a reallocation of staffing, based on the current assignment of duties within this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 186,720	\$ 300,510	\$ 220,000	\$ 350,000
Miscellaneous Revenue	\$ 85	\$ 7,700	\$ -	\$ -
Total Revenues	\$ 186,805	\$ 308,210	\$ 220,000	\$ 350,000
Expenditures				
Employee Compensation	\$ 303,157	\$ 250,259	\$ 261,929	\$ 300,449
Employee Benefits	\$ 111,075	\$ 86,271	\$ 92,343	\$ 88,421
Materials	\$ 103,320	\$ 74,000	\$ 88,554	\$ 101,163
Contract Services	\$ 61,048	\$ 91,237	\$ 118,104	\$ 117,500
Cost Allocation	\$ 228,854	\$ 183,730	\$ 122,988	\$ 121,823
Contingencies	\$ -	\$ -	\$ 2,583	\$ -
Total Expenditures	\$ 807,454	\$ 685,497	\$ 686,501	\$ 729,356
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 620,649	\$ 377,287	\$ 466,501	\$ 379,356

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
RECREATION COORDINATOR	2.70	1.80	1.60	1.80
RECREATION MANAGER	0	0.25	0.25	0.25
RECREATION SUPERVISOR	0.25	0	0	0
Total	2.95	2.05	1.85	2.05

Staff time is being reallocated to better reflect actual time spent in this program.

Teen Programs

Budget Unit 100-62-639

General Fund - Recreation and Education - Teen Programs

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 9,550
Total Expenditures	\$ 255,582
Fund Balance	\$ -
General Fund Costs	\$ 246,032
% Funded by General Fund	96.3%
Total Staffing	0.8 FTE

Program Overview

This program supports teen programs and services for the Youth, Teens, Events, and Facilities Division. It provides the supervision and support for the Youth Activity Board (YAB), which implements teen focused events, the Leaders in Training (LIT) summer volunteer program, and Recreation Event Volunteers (REV) who support city-wide special events. Examples of teen events include the Cupertino Café, <hack> Cupertino, Pizza and Politics, Teen Resource Fair, Teen Speaker Series, and the teen movie nights. This program also oversees the Monta Vista Recreation Center, which provides additional facility space for youth and teen programs and is home to a diverse array of recreation activities including gymnastics classes.

Service Objectives

- Empower youth by creating enriching and stress-free programs that foster physical, mental, and social development.
- Provide space for Cupertino Teens to de-stress, create, study, and to socially develop.
- Create opportunities for youth and teens to build their leadership abilities by creating activities, events, and programs by teens for teens.
- Create reciprocal engagement and outreach efforts between the City of Cupertino and Cupertino teens.
- Provide the opportunity for teens to gain applied skills and develop leadership abilities by participating in teen volunteer programs.
- Create programs that support mental health and wellness in youth and teens.

Monta Vista Recreation Center:

- Provide space to host gymnastics, class, and camps.
- Provide space for contractual and staff-run classes and camps.
- Make space available for co-sponsored clubs and rentals.

Proposed Budget

It is recommended that City Council approve a budget of \$255,582 for the Teen Programs program. This represents a decrease of \$8,220 (-3.1%) from the FY 2024-25 Adopted Budget.

The budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ -	\$ 7,950	\$ 8,000	\$ 8,200
Charges for Services	\$ -	\$ 2,573	\$ 670	\$ 1,350
Total Revenues	\$ -	\$ 10,523	\$ 8,670	\$ 9,550
Expenditures				
Employee Compensation	\$ 92,087	\$ 109,392	\$ 147,034	\$ 149,250
Employee Benefits	\$ 29,995	\$ 34,295	\$ 44,710	\$ 40,328
Materials	\$ 25,752	\$ 13,620	\$ 16,185	\$ 17,176
Contract Services	\$ 3,687	\$ -	\$ 2,800	\$ -
Cost Allocation	\$ 46,734	\$ 75,491	\$ 52,836	\$ 48,828
Contingencies	\$ -	\$ -	\$ 237	\$ -
Total Expenditures	\$ 198,255	\$ 232,798	\$ 263,802	\$ 255,582
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 198,255	\$ 222,274	\$ 255,132	\$ 246,032

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
RECREATION COORDINATOR	0.50	0.50	0.50	0.50
RECREATION MANAGER	0.25	0.25	0.25	0.25
Total	0.75	0.75	0.75	0.75

There are no changes to the current level of staffing.

Events

Budget Unit 100-62-640

General Fund - Recreation and Education - Events

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 40,000
Total Expenditures	\$ 95,680
Fund Balance	\$ -
General Fund Costs	\$ 55,680
% Funded by General Fund	58.2%
Total Staffing	0.2 FTE

Program Overview

This program provides the coordination and production of several City-wide events, such as the Big Bunny 5K and Earth and Arbor Day Festival, along with other unique events such as the Cupertino Campout, Pooch Plunge, and Signing Santa. These events are coordinated within the Parks and Recreation Department and hosted in various locations throughout the City.

Service Objectives

- Organize and facilitate the Big Bunny 5K fun run.
- Organize and facilitate the Earth and Arbor Day Festival.
- Organize and facilitate other special events such as the Cupertino Campout, Pooch Plunge, and Signing Santa.
- To provide activities for kids and families of all ages.

Proposed Budget

It is recommended that City Council approve a budget of \$95,680 for the Events program. This represents a decrease of \$10,606 (-10.0%) from the FY 2024-25 Adopted Budget.

The decrease is due to the reallocation of staffing based on the current distribution of duties. The Big Bunny 5K and Earth and Arbor Day Festival program budgets were transferred from 100-61-605, while the Summer Concert Series and Movies in the Park were transferred to 100-61-605.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 6,000	\$ 7,500
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ 32,500
Total Revenues	\$ -	\$ -	\$ 6,000	\$ 40,000
Expenditures				
Employee Compensation	\$ 18,422	\$ 39,513	\$ 45,194	\$ 19,227
Employee Benefits	\$ (517)	\$ 11,039	\$ 13,206	\$ 7,313
Materials	\$ 963	\$ 1,966	\$ 6,377	\$ 26,024
Contract Services	\$ 2,577	\$ 3,406	\$ 12,000	\$ 18,938
Cost Allocation	\$ 15,579	\$ 15,441	\$ 29,279	\$ 24,178
Contingencies	\$ -	\$ -	\$ 230	\$ -
Total Expenditures	\$ 37,024	\$ 71,365	\$ 106,286	\$ 95,680
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 37,023	\$ 71,364	\$ 100,286	\$ 55,680

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
RECREATION COORDINATOR	0	0.25	0.25	0.15
Total	0	0.25	0.25	0.15

Staff time is being reallocated to better reflect actual time spent in this program.

Park Facilities

Budget Unit 100-63-612

General Fund - Sports, Safety and Outdoor Recreation - Park Facilities

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 207,016
Total Expenditures	\$ 1,518,999
Fund Balance	\$ -
General Fund Costs	\$ 1,311,983
% Funded by General Fund	86.4%
Total Staffing	3.0 FTE

Program Overview

Blackberry Farm provides the community with recreational space to swim, picnic, participate in ranger-led activities, and walk the Stevens Creek Trail. McClellan Ranch Preserve offers environmental education classes, nature programs, including camps, and creek tours for school groups. It is also the location of the Community Garden program and non-profit operations such as Grassroots Ecology, Santa Clara Valley Bird Alliance, UCCE Master Gardeners, and Rolling Hills 4-H Club.

Service Objectives

Blackberry Farm Picnic Grounds and Pools:

- Provide the community with two pools for recreational use, swim lessons, and lap swim.
- Increase resident usage of the facility.
- Continue to offer Park Ranger-led activities such as interpretive walks, star-gazing events, and implement a Stevens Creek Corridor volunteer program.

McClellan Ranch Preserve:

- Continue to offer drop-in visitor hours at the Environmental Education Center and Blacksmith Shop.
- Partner with SCVAS, Grassroots Ecology, Watershed Stewardship Program Members, Santa Clara Valley Bird Alliance, Rolling Hills 4H and UCCE Master Gardeners in providing public education programs.
- Expand programming opportunities for youth and families.
- Increase volunteer/docent opportunities at McClellan Ranch.
- Continue to develop the community garden programming.

Proposed Budget

It is recommended that City Council approve a budget of \$1,518,999 for the Park Facilities program. This represents a decrease of \$22,847 (-1.5%) from the FY 2024-25 Adopted Budget.

The budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 44,273	\$ 48,765	\$ 56,420	\$ 47,016
Charges for Services	\$ 97,244	\$ 128,030	\$ 143,600	\$ 160,000
Total Revenues	\$ 141,517	\$ 176,795	\$ 200,020	\$ 207,016
Expenditures				
Employee Compensation	\$ 579,506	\$ 668,431	\$ 678,260	\$ 723,335
Employee Benefits	\$ 134,397	\$ 146,965	\$ 222,809	\$ 174,557
Materials	\$ 35,127	\$ 22,186	\$ 35,843	\$ 38,395
Contract Services	\$ 98,827	\$ 106,814	\$ 111,137	\$ 111,877
Cost Allocation	\$ 166,140	\$ 221,484	\$ 491,960	\$ 470,835
Contingencies	\$ -	\$ -	\$ 1,837	\$ -
Total Expenditures	\$ 1,013,997	\$ 1,165,880	\$ 1,541,846	\$ 1,518,999
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 872,481	\$ 989,083	\$ 1,341,826	\$ 1,311,983

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
OFFICE ASSISTANT	0	0	0	0.10
RECREATION COORDINATOR	1.98	1.98	2.13	2.33
RECREATION MANAGER	0.35	0.35	0.55	0.55
SR OFFICE ASSISTANT	0.85	0.85	0.85	0
Total	3.18	3.18	3.53	2.98

Staff time is being reallocated to better reflect actual time spent in this program.

Administration

Budget Unit 100-63-615

General Fund - Sports, Safety and Outdoor Recreation - Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

In FY 2022-2023, this program was divided and absorbed into the Sports, Safety, and Outdoor Recreation - Park Facilities and Outdoor Recreation programs. A complete discussion of the program can be found under Budget Unit 100-63-612 and 580-63-620. This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Benefits	\$ 734	\$ -	\$ -	\$ -
Materials	\$ 145	\$ -	\$ -	\$ -
Cost Allocation	\$ 23,654	\$ -	\$ -	\$ -
Total Expenditures	\$ 24,533	\$ -	\$ -	\$ -
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 24,533	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Blackberry Farm Golf Course

Budget Unit 560-63-616

Blackberry Farm - Sports, Safety and Outdoor Recreation - Blackberry Farm Golf Course

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 693,000
Total Expenditures	\$ 547,098
Fund Balance	\$ 145,902
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.5 FTE

Program Overview

Blackberry Farm Golf Course provides a nine-hole golf facility to the community that serves all ages.

Service Objectives

- Increase the golfer base through leagues, high school golf partnerships, and Youth on Course participation.
- Continue to offer special events such as Glow Night Golf and intergenerational golf tournament.
- Continue to provide exceptional customer service in the Golf Pro Shop where customers may rent golf clubs or purchase golfing accessories and concessions.

Proposed Budget

It is recommended that City Council approve a budget of \$547,098 for the Blackberry Farm Golf Course program. This represents a decrease of \$19,325 (-3.4%) from the FY 2024-25 Adopted Budget.

The budget is relatively unchanged from the prior fiscal year. The decrease in staffing costs is offset by the increase in Materials, needed to replace the aging equipment at the golf course, which includes the pull cart fleet and the hitting range netting and equipment.

This program also includes the following budget request, \$5,000 in one-time costs forBBF Golf Course Pull Carts, and \$5,820 recurring expenses for BBF Golf Course Hitting Range Equipment and Netting. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 46,423	\$ 51,933	\$ 47,000	\$ 52,000
Charges for Services	\$ 570,038	\$ 611,331	\$ 641,000	\$ 641,000
Miscellaneous Revenue	\$ -	\$ 10	\$ -	\$ -
Total Revenues	\$ 616,461	\$ 663,274	\$ 688,000	\$ 693,000
Expenditures				
Employee Compensation	\$ 183,783	\$ 147,721	\$ 255,334	\$ 245,338
Employee Benefits	\$ 49,230	\$ 11,845	\$ 101,702	\$ 78,170
Materials	\$ 21,470	\$ 17,969	\$ 17,634	\$ 29,998
Contract Services	\$ 296,986	\$ 252,078	\$ 10,320	\$ 10,395
Cost Allocation	\$ 87,601	\$ 85,430	\$ 178,258	\$ 180,365
Other Financing Uses	\$ 2,832	\$ 15,390	\$ 2,832	\$ 2,832
Contingencies	\$ -	\$ -	\$ 343	\$ -
Total Expenditures	\$ 641,902	\$ 530,433	\$ 566,423	\$ 547,098
Fund Balance	\$ (25,440)	\$ 132,841	\$ 121,577	\$ 145,902
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
OFFICE ASSISTANT	0	0	0.50	0.85
RECREATION COORDINATOR	0.65	0.65	0.65	0.30
RECREATION MANAGER	0.30	0.30	0.35	0.35
SR OFFICE ASSISTANT	0.15	0.15	0.15	0
Total	1.10	1.10	1.65	1.50

Staff time is being reallocated to better reflect actual time spent in this program.

Outdoor Recreation

Budget Unit 580-63-620

Recreation Program - Sports, Safety and Outdoor Recreation - Outdoor Recreation

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,275,500
Total Expenditures	\$ 873,146
Fund Balance	\$ 402,354
General Fund Costs	\$ 500,000
% Funded by General Fund	57.3%
Total Staffing	1.6 FTE

Program Overview

This program encompasses the coordination and delivery of a wide range of sports, fitness, and outdoor activities for youth and adults.

Service Objectives

- Coordinate adult softball leagues.
- Increase adult sports league programming.
- Provide sports, dance, fitness, and wellness classes for youth, teens, and adults.
- Provide sports, fitness, and outdoor camps for youth and teens.
- Provide a summer nature and science program.
- Manage user group field rentals under the Cupertino Union School District/City Joint Use Agreement.
- Increase nature, blacksmithing, and environmental classes for parent/child, teens, and adults.
- Offer fee-based gardening programs for youth and adults.

Proposed Budget

It is recommended that City Council approve a budget of \$873,146 for the Outdoor Recreation program. This represents a decrease of \$92,520 (-9.6%) from the FY 2024-25 Adopted Budget.

The decrease is mainly due to a reduction in Contract Services, based on programs, classes, and camps that have been successful and the budget was refined to match current actuals.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 151,060	\$ 131,941	\$ 150,000	\$ 130,000
Charges for Services	\$ 435,543	\$ 541,728	\$ 736,000	\$ 645,500
Transfers In	\$ 376,000	\$ -	\$ -	\$ 500,000
Total Revenues	\$ 962,603	\$ 673,669	\$ 886,000	\$ 1,275,500
Expenditures				
Employee Compensation	\$ 230,829	\$ 276,084	\$ 269,917	\$ 255,790
Employee Benefits	\$ (41,805)	\$ 216,338	\$ 128,420	\$ 113,168
Materials	\$ 10,072	\$ 3,735	\$ 12,459	\$ 16,732
Contract Services	\$ 230,331	\$ 268,530	\$ 420,800	\$ 331,317
Cost Allocation	\$ 115,554	\$ 144,967	\$ 105,143	\$ 102,613
Other Financing Uses	\$ 23,529	\$ 30,212	\$ 23,529	\$ 53,526
Contingencies	\$ -	\$ -	\$ 5,398	\$ -
Total Expenditures	\$ 568,510	\$ 939,866	\$ 965,666	\$ 873,146
Fund Balance	\$ 394,092	\$ (266,197)	\$ (79,666)	\$ 402,354
General Fund Costs	\$ 376,000	\$ -	\$ -	\$ 500,000

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
OFFICE ASSISTANT	0	0	0	0.05
RECREATION COORDINATOR	0.45	1.40	1.30	1.10
RECREATION MANAGER	0.30	0.70	0.45	0.45
RECREATION SUPERVISOR	0.30	0	0	0
Total	1.05	2.10	1.75	1.60

Staff time is being reallocated to better reflect actual time spent in this program.

Sports Center Operations

Budget Unit 570-63-621

Sports Center - Sports, Safety and Outdoor Recreation - Sports Center Operations

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,086,500
Total Expenditures	\$ 1,595,437
Fund Balance	\$ (508,937)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.6 FTE

Program Overview

The Cupertino Sports Center offers a variety of health and wellness activities including a full fitness center, assortment of fitness classes, personal training, youth sports classes, and variety of racquet sports, including tennis, table tennis, pickle ball, and badminton classes, camps, and programs.

Service Objectives

- Increase memberships, participation in fitness classes, personal training, and enrollment in contract camps and classes.
- Market programs through social media, the recreation schedule, electronic sign on Stevens Creek Blvd., and the City website.
- Collaborate with Public Works to ensure successful implementation of Capital Improvement Projects.
- Explore new program offerings.

Proposed Budget

It is recommended that City Council approve a budget of \$1,595,437 for the Sports Center Operations program. This represents a decrease of \$64,451 (-3.9%) from the FY 2024-25 Adopted Budget.

The decrease is mainly due to the updated contract services for racquet sports, basketball, and chess instruction, where the registration procedures have been streamlined. This lowers the direct costs for the City and enhances the efficiency of revenue collection and recording for these programs.

This program also includes budget requests of \$28,968 one-time costs for Interior Gate Access, and \$12,000 recurring for Small Tools and Equipment. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 360,116	\$ 363,872	\$ 375,000	\$ 217,500
Charges for Services	\$ 2,756,264	\$ 1,998,806	\$ 1,070,000	\$ 869,000
Miscellaneous Revenue	\$ 1,200	\$ -	\$ -	\$ -
Total Revenues	\$ 3,117,580	\$ 2,362,678	\$ 1,445,000	\$ 1,086,500
Expenditures				
Employee Compensation	\$ 312,944	\$ 420,799	\$ 350,322	\$ 474,105
Employee Benefits	\$ (19,137)	\$ 264,524	\$ 136,895	\$ 152,418
Materials	\$ 54,932	\$ 27,120	\$ 36,970	\$ 100,705
Contract Services	\$ 2,321,162	\$ 1,540,531	\$ 677,150	\$ 381,460
Cost Allocation	\$ 171,128	\$ 192,546	\$ 435,164	\$ 472,531
Other Financing Uses	\$ 14,487	\$ 14,323	\$ 14,487	\$ 14,218
Contingencies	\$ -	\$ -	\$ 8,900	\$ -
Total Expenditures	\$ 2,855,516	\$ 2,459,843	\$ 1,659,888	\$ 1,595,437
Fund Balance	\$ 262,064	\$ (97,165)	\$ (214,888)	\$ (508,937)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
OFFICE ASSISTANT	1.00	1.00	0.50	0
RECREATION COORDINATOR	0.80	0.85	1.00	1.00
RECREATION MANAGER	0	0.55	0.55	0.55
RECREATION SUPERVISOR	0.70	0	0	0
SR OFFICE ASSISTANT	0	0	0	1.00
Total	2.50	2.40	2.05	2.55

Staff time is being reallocated to better reflect actual time spent in this program.

Community Outreach and Neighborhood Watch

Budget Unit 100-65-632

General Fund - Office of Emergency Services - Community Outreach and Neighborhood Watch

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 225,076
Fund Balance	\$ -
General Fund Costs	\$ 225,076
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

Program Overview

Community Outreach programs facilitate communication and enhance cultural understanding in Cupertino neighborhoods. Block Leaders are instrumental in building connected communities, delivering timely and pertinent information to neighbors, and providing input to the City. Neighborhood Watch enhances public safety by providing crime prevention information to local businesses and residents. The program promotes an active relationship between the community and the Sheriff's Office.

Service Objectives

- Aid in the development, implementation, and coordination of City programs and community-building activities designed to bring Cupertino neighborhoods together.
- Coordinate and disseminate useful and important information to Cupertino residents through regular meetings and communications that build relationships and strengthen neighborhoods.
- Facilitate collaboration with Emergency Preparedness and Neighborhood Watch programs.
- Train residents to connect and organize neighbors and neighborhoods.
- Get Block Leaders involved in the Parks and Recreation System Master Plan.
- Create and implement Neighborhood Watch meetings and groups
- Disseminate important City news and safety information.
- Organize and conduct annual National Night Out initiative.

Proposed Budget

It is recommended that City Council approve a budget of \$225,076 for the Community Outreach and Neighborhood Watch program.

In FY 2024-2025, this program was moved from the City Manager's Office. The prior year data can be found under Budget Unit 100-12-632.

The budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 115,273
Employee Benefits	\$ -	\$ -	\$ -	\$ 48,962
Materials	\$ -	\$ -	\$ -	\$ 8,856
Cost Allocation	\$ -	\$ -	\$ -	\$ 51,985
Total Expenditures	\$ -	\$ -	\$ -	\$ 225,076
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 225,076

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
EMERGENCY SERVICES COORDINATOR	0	0	0	1.00
Total	0	0	0	1.00

Due to the reorganization of this program from the City Manager's Office, positions within the program have been transferred accordingly.

Office of Emergency Management

Budget Unit 100-65-633

General Fund - Office of Emergency Services - Office of Emergency Management

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 11,000
Total Expenditures	\$ 695,060
Fund Balance	\$ -
General Fund Costs	\$ 684,060
% Funded by General Fund	98.4%
Total Staffing	2.0 FTE

Program Overview

The mission of the Office of Emergency Management is to lead and direct the City in prevention, preparation, mitigation, response, and recovery from all emergencies, hazards, incidents, and events.

Service Objectives

- Develop and implement the goals and objectives of Cupertino's Office of Emergency Management.
- Maintain the City's Emergency Operations Center (EOC) in a perpetual state of operational readiness.
- Support Citizen's Corps including the Block Leader Program, Neighborhood Watch, Community Emergency Response Team (CERT), Cupertino Amateur Radio Emergency Service (CARES), and Medical Reserve Corps (MRC).
- Prepare, test, and revise emergency response and recovery policies, plans, and procedures in compliance with the California Emergency Services Act, the Standardized Emergency Management System (SEMS), and the National Incident Management System (NIMS).
- Coordinate training of City staff in personal preparedness, SEMS/NIMS, and EOC functions.
- Maintain effective liaison with local, state, and national emergency management organizations and/or allied disaster preparedness and response agencies.
- Manage the City's Contract for Law Enforcement Services with the Santa Clara County Sheriff's Office.
- Service as liaison to the Santa Clara County Fire Department.

Proposed Budget

It is recommended that City Council approve a budget of \$695,060 for the Office of Emergency Management program.

In FY 2024-2025, this program was moved from the City Manager's Office. The prior year data can be found under Budget Unit 100-12-633.

The increase is mainly due to increases in Contract Services, for annual California Specialized Training Institute (CSTI) and Bay Area Urban Areas Security Initiative (UASI) Trainings for the EOC and Emergency Operations Plan (EOP) and Cost Allocation Expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ 11,000
Total Revenues	\$ -	\$ -	\$ -	\$ 11,000
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 376,646
Employee Benefits	\$ -	\$ -	\$ -	\$ 150,512
Materials	\$ -	\$ -	\$ -	\$ 35,962
Contract Services	\$ -	\$ -	\$ -	\$ 33,487
Cost Allocation	\$ -	\$ -	\$ -	\$ 98,453
Total Expenditures	\$ -	\$ -	\$ -	\$ 695,060
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 684,060

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT DIRECTOR OF PARKS AND REC	0	0	0	0.95
EMERGENCY SERVICES MANAGER	0	0	0	1.00
Total	0	0	0	1.95

Due to the reorganization of this program from the City Manager's Office, positions within the program have been transferred accordingly.

Community Development

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Department Overview

Budget Units

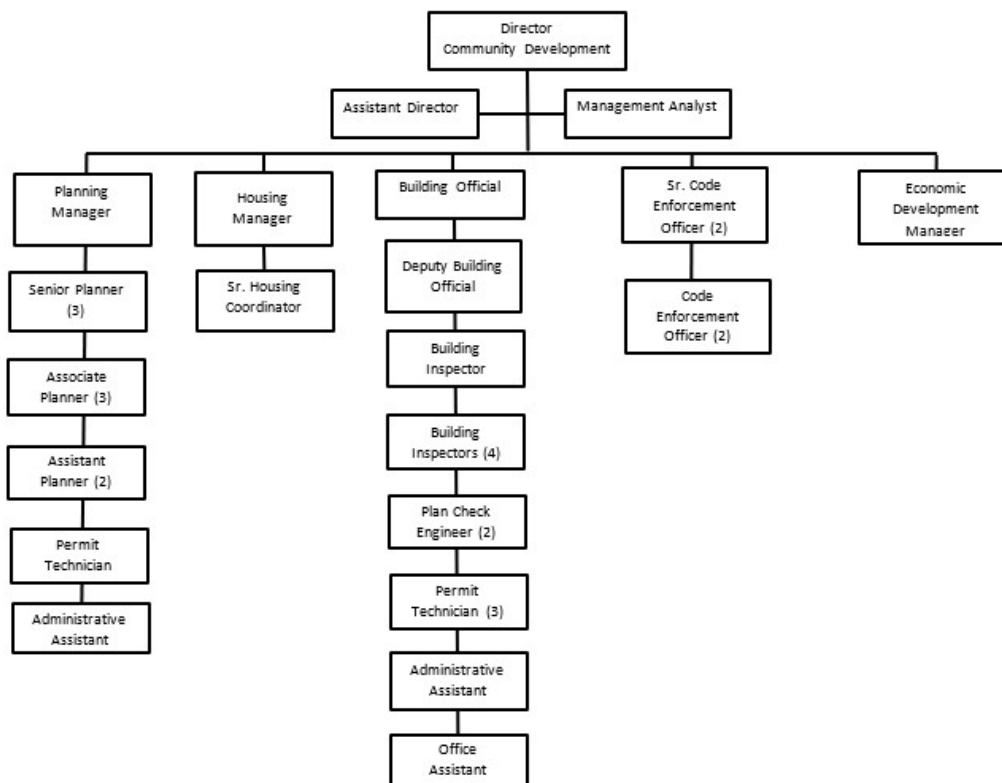
Budget Unit	Program	2026 Proposed Budget
Community Development		\$ 423,697
100-70-700	Community Development Administration	\$ 423,697
Planning		\$ 5,511,911
100-71-701	Current Planning	\$ 3,626,108
100-71-702	Mid and Long Term Planning	\$ 886,746
100-71-705	Economic Development	\$ 999,057
Housing Services		\$ 1,292,584
260-72-707	CDBG General Admin	\$ 72,695
260-72-709	CDBG Capital/Housing Projects	\$ 359,467
260-72-710	CDBG Public Service Grants	\$ 58,000
265-72-711	BMR Affordable Housing Fund	\$ 746,807
100-72-712	Human Service Grants	\$ 55,615
Building		\$ 4,910,338
100-73-713	General Building	\$ 1,083,311
100-73-714	Building Plan Review	\$ 2,341,590
100-73-715	Building Code Enforcement	\$ 1,415,320
100-73-718	Muni Code Enforcement	\$ 70,117
Code Enforcement		\$ 1,673,825
100-74-202	Code Enforcement	\$ 1,653,825
100-74-716	Building Abatement	\$ 20,000
Total		\$ 13,812,355

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 11,454,443
Total Expenditures	\$ 13,812,355
Fund Balance	\$ 3,713,424
General Fund Costs	\$ 6,071,336
% Funded by General Fund	44.0%
Total Staffing	34.2 FTE

Organization

Benjamin Fu, Director of Community Development



Staffing changes include the addition of the Economic Development Manager.

Notable Accomplishments

- The City's adopted Housing Element was certified in September 2024. The City also completed all related zoning ordinance amendments in July 2024, paving the way for future housing development to meet the state requirement Regional Housing Needs Allocation (RHNA) of at least 4,588 new housing units.
- Process Improvements – 1) Website update and implementation of Major Projects page. 2) Updated General Commercial (CG) ordinance to modernize the uses allowed in this zoning district. 3) Updated the Fence Ordinance to clarify existing policies and requirements, this included allowing certain electric gates by right and fence gateway features within setback areas. 4) Adopted fees to ensure cost recovery for applications.

- Launched a newly designed Building Division website with updated content and an enhanced user-friendly interface.
- Partnered with the Sustainability team to establish Ordinance No. 24-2265, amending the original Electric-Ready for All New Buildings requirement.
- Issued 1,419 permits between July 1, 2024, and December 31, 2024.
- Completed a study and drafted resolution to enact a Below Market Rate (BMR) Anti-Displacement Policy to assist tenants of expiring affordable rental units in market rate developments.
- Reviewed applications for affordable housing projects and low-income services eligible for the Community Development Block Grant (CDBG), Below Market Rate Affordable Housing Fund (BMR AHF), General Fund Human Services Grant (HSG), Permanent Local Housing Allocation (PLHA), and County funding through the release of the FY25-26 Notice of Funding Available.
- Held the West Valley Affordable Housing Developer's Forum to engage affordable housing developers and discuss new affordable housing opportunities under the 2023-2031 Housing Element while identifying the persisting obstacles to creating new affordable housing projects.
- Code Enforcement experienced a 6.5% increase in number of complaints received and responded to 100% of complaints received throughout the year. This was done while experiencing a reduced staffing level due to the departure of a Senior Code Enforcement officer.
- Code Enforcement worked closely with IT to implement the Code Enforcement module in Accela to get all divisions in CDD on the same system. Additionally, staff increased efficiency and streamlined operations by incorporating the new case management database program into their day-to-day tasks, reporting activities, and tracking functions.

New Initiatives

- *Process Improvement* – 1) Ongoing effort to create and update handouts to facilitate a more transparent and efficient review process, such as Accessory Dwelling Unit (ADU), planning inspections, etc. 2) Project review software updates for improved integration and access. 3) Review and establish new and updated policies and procedures for the permitting, plan review, and inspection functions. 4) Follow through with researching and implementing new parking citation devices for code enforcement to update the old units that are no longer supported. 5) Continue to work with IT on relocating our electronic plan review system (ProjectDox) from on premises to SAAS. 6) Continue to work with IT on updating the online permitting portal associated with Accela. 7) Continue the research and work with IT to get the parking citation equipment updated to ensure a more efficient process for staff. 8) Continue to work on the automation of data migration from Accela/ProjectDox into Laserfiche to eliminate the staff time needed to manually perform this function. 9) Expanding the online permitting process to include all Building permit types.
- *Outreach* – Continue participation in public events to boost outreach efforts for every division within the Community Development Department. Efforts to ensure fostering interaction and disseminating information regarding the department's services and requirements.
- *Ordinance Updates* – Updates are being prepared to amend Chapter 19.48, Fences, Chapter 19.60, General Commercial, Chapter 19.124, Parking and Chapter 14.18, Protected Trees, to add clarifications, anticipated to be completed by late Fall 2024.
- *Revise & Update Heart of the City Special Area*– 1) Address effect of AB 2011 and build on Housing Element goals to facilitate housing production in transit-oriented locations, 2) Tailor permissible uses to revitalize local public-facing commercial uses (retail/restaurant/entertainment/professional office, etc.).
- *Housing Element Implementation* – Collaborate regionally and with stakeholders, such as affordable housing developers etc., to implement Housing Element policies and action items per the schedule identified in the Housing Element.
- *Current Planning Projects* – Review and processing ongoing of 11 housing development projects received between January 2024 and March 2025. The list of projects being processed is available at www.cupertino.org/majorprojects. In addition to these projects, staff has discussed various sites around the City, which have generated interest from developers about development, including but not limited to Priority Housing Element sites.
- *Parking Standards* – Evaluate the existing parking requirements in the Cupertino Muni Code and find opportunities to update and modernize to be consistent with industry and regional standards.
- *Outdoor Seating* – Evaluate and update the existing outdoor seating requirements and the conditional use permit process to be consistent with industry and regional standards and as efforts to support evolving community needs.
- *Objective Design Standards* – In response to newly adopted State housing legislation, the Council identified the adoption of design standards as a Work Program item. The goal was to create objective design standards for residential and mixed-use residential projects. The effort would also include ensuring adequate buffers between future higher-density residential and mixed-use development from established residential neighborhoods.

- *Support for the Unhoused* – Collaborate and fund jointly with West Valley cities efforts to address regional needs and find workable support for the Unhoused. Follow the established protocols to assist the unhoused while studying new opportunities to expand service. Work on Housing Element implementation items to support the production of affordable housing, including housing for the unhoused.
- Apply to County funding sources to expand outreach services to the unhoused with funding for flexible assistance in accordance with Function Zero principles.
- *Temporary Housing* - Execute the Memorandum of Understanding to join the West Valley Cities Joint Shelter feasibility study to explore the possibility of developing temporary housing and emergency shelter with other cities in the West Valley.
- *Low Income Housing* - Explore the possibility of implementing a low-income home sharing program in accordance with Housing Element commitments with non-profit partners such as HIP Housing or Front Porch.

Performance Measures

Goal: Review and guide development activity to ensure compliance with relevant codes and policies, and alignment with community values to promote and enhance Cupertino's community-wide quality of life.

Benefit: Cupertino is a thriving city to live, work, learn and play.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Building permit applications shall be plan reviewed within 15 business days.	80%	82%	95%	80%
Customer/Applicants visiting the Building Permit Counter shall be assisted within 15 minutes	90%	92%	89%	80%
Applicants visiting the Planning Counter shall be assisted within 15 minutes	98%	96%	93%	50%
Building permit applications reviewed/issued over-the-counter (OTC)	62%	61%	60%	75%
Below market rate rental and purchase vacancies filled	20	8	4	15 per year
Average number of days to initiate investigation of code complaints	0.54	0.46	0.45	< 7
Code enforcement cases resolved without issuance of citations	93%	92%	88%	80%
Landlord-tenant counseling and dispute resolution cases provided	25	28	12	100 per year
Public Outreach Events	15	9	5	12 per year
Funds received from Community Block Grant (CDBG) federal entitlement program	\$388,459	\$358,910	\$173,313	Comply with HUD's annual timeliness test

Economic Development Division

Goal: To actively pursue opportunities in the areas of business attraction, retention, and expansion as a means of promoting economic vitality, and strengthening the City's sales tax base to support Cupertino's excellent quality of life for its residents, businesses, and daytime population.

Benefit: Cupertino's economy and sales tax revenue base are diversified to further enhance the City's financial stability and its ability to provide quality amenities to the community.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Maintain Economic Development Business Connect Subscribers	6,000	8,758	9,752	9,000
Economic Development Business Visits, Workshops & Events	7	64	33	20 per year

Workload Indicators

Planning Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of preliminary reviews	127	21	29
Number of planning applications received	232	95	170
Number of planning counter inquiries	1223	644	644

Housing Services Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of BMR rental and ownership vacancies filled	20	8	4
Number of landlord tenant counseling and dispute cases received	25	38	12
Number of annual HUD documents (CAPER, Action Plan, Consolidated Plan) completed	2	1	1
Housing and Human Services Grant Funds inquiries	10	N/A (applications are due 2/6/24)	10

*For FY 2024, the City only accepted applications for Capital Housing Projects. Public service funds operate on a multi-year cycle and will be made available during the FY 2025 funding cycle.

Building Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of permits received	2,618	1,324	1,596
Number of inspections requested	15,181	8,406	7,605
Number of building counter inquiries	2,310	1,755	1,940

* In-person appointments started July 15, 2021, the counters were temporarily closed in January 10, 2022, due to the surge of the Omicron variant of Covid-19.

Economic Development Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Meetings with large groups/organizations; appointments with brokers, prospective business owners, business owners and operators, City staff, etc.	50	281	257
Special events, including small business workshops and seminars, ICSC conferences and events, ribbon cuttings and grand openings, and Small Business Saturday Celebration	7	13	13
Number of Delivery Posts to Business Connect Subscribers	3	12	19

Proposed Budget

It is recommended that City Council approve a budget of \$13,812,355 for the Community Development department. This represents an increase of \$863,354 (6.7%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Employee Compensation and Benefits due to the transfer in of Economic Development the Administration Department and the request to add part-time staffing in that program. Additionally, the department is requesting two new classifications - a Code Enforcement Supervisor and Assistant Housing Coordinator to better align with program needs.

For any programs with reductions in benefits, this is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Any changes in cost allocation charges are due to the updated Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets.

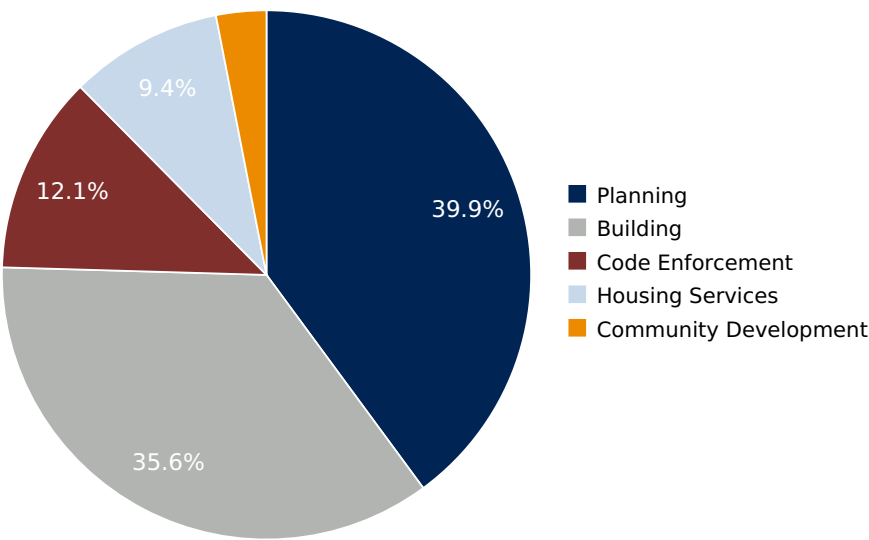
Citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference.

This budget also includes funding request for on-call contracts in building and the following City Work Program items:

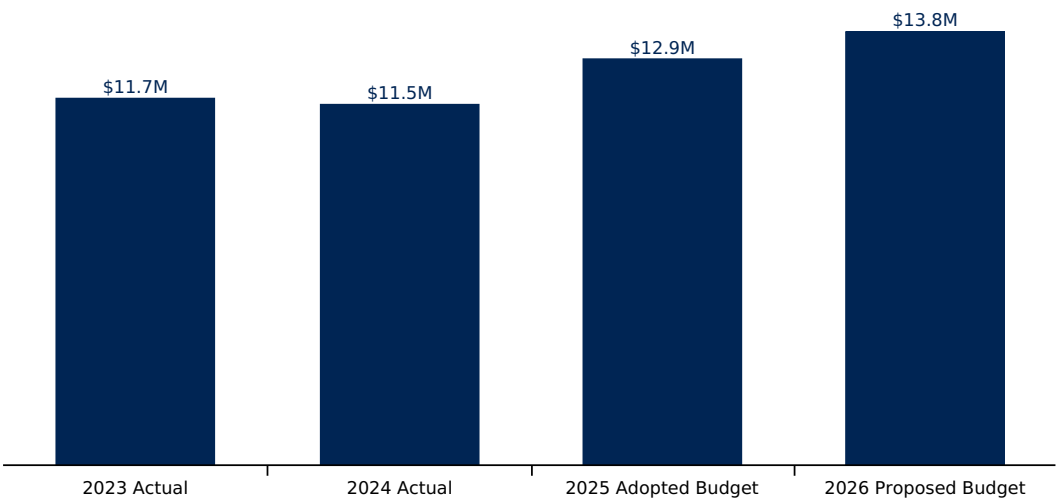
- Economic Development for Retail and Small Businesses - \$200,000
- Permit Streamlining and Simplification for Small Home Upgrades - \$250,000
- Add notification for SB 330 and other projects during the application approval process - \$10,000
- Unhoused Policies - \$100,000
- Impact Fee Study - \$400,000

Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Other Taxes	\$ 170,824	\$ -	\$ 4,532,926	\$ 4,532,926
Licenses and Permits	\$ 4,064,397	\$ 4,381,712	\$ 3,635,000	\$ 4,235,000
Use of Money and Property	\$ 28,909	\$ 29,535	\$ 7,944	\$ 7,944
Intergovernmental Revenue	\$ 249,229	\$ 543,777	\$ 268,437	\$ 459,523
Charges for Services	\$ 1,003,806	\$ 968,342	\$ 949,631	\$ 1,572,000
Fines and Forfeitures	\$ 134,714	\$ 261,300	\$ 215,000	\$ 225,000
Miscellaneous Revenue	\$ 88,652	\$ 69,331	\$ 55,050	\$ 55,050
Other Financing Sources	\$ 272,396	\$ 127,037	\$ 367,000	\$ 367,000
Transfers In	\$ 25,000	\$ -	\$ -	\$ -
Total Revenues	\$ 6,037,927	\$ 6,381,034	\$ 10,030,988	\$ 11,454,443
Expenditures				
Employee Compensation	\$ 4,251,856	\$ 3,807,128	\$ 5,065,540	\$ 5,180,017
Employee Benefits	\$ 1,608,597	\$ 1,818,064	\$ 2,523,678	\$ 2,242,500
Materials	\$ 651,455	\$ 650,748	\$ 1,032,960	\$ 950,053
Contract Services	\$ 558,901	\$ 666,612	\$ 364,150	\$ 469,230
Cost Allocation	\$ 3,196,843	\$ 3,111,654	\$ 2,833,625	\$ 3,045,555
Special Projects	\$ 805,938	\$ 962,442	\$ 200,000	\$ 860,000
Other Financing Uses	\$ 619,687	\$ 482,077	\$ 925,000	\$ 1,065,000
Contingencies	\$ 277	\$ -	\$ 4,048	\$ -
Total Expenditures	\$ 11,693,554	\$ 11,498,725	\$ 12,949,001	\$ 13,812,355
Fund Balance	\$ (575,649)	\$ (516,260)	\$ 3,335,610	\$ 3,713,424
General Fund Costs	\$ 5,104,982	\$ 4,601,434	\$ 6,253,623	\$ 6,071,336

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.75	1.75	1.75	1.75
ASSISTANT HOUSING COORDINATOR	0	0	0	0.85
ASSISTANT PLANNER	2.00	3.00	2.00	2.00
ASSIST DIR OF COMMITY DEV	1.00	1.00	1.00	1.00
ASSOCIATE PLANNER	5.00	5.00	5.00	3.00
BUILDING INSPECTOR	3.92	3.92	3.92	3.92
BUILDING OFFICIAL	0	1.00	1.00	1.00
CODE ENFORCEMENT OFFICER	2.00	2.00	2.00	2.00
CODE ENFORCEMENT SUPERVISOR	0	0	0	1.00
DEPUTY BUILDING OFFICIAL	1.00	1.00	1.00	1.00
DIRECTOR OF COMM DEVELOPMENT	0.94	0.94	0.94	0.94
ECONOMIC DEVELOPMENT MANAGER	0	0	0	1.00
MANAGEMENT ANALYST	1.00	1.00	1.00	1.00
OFFICE ASSISTANT	2.00	1.00	1.00	1.00
PERMIT CENTER MANAGER	1.00	0	0	0
PERMIT TECHNICIAN	4.00	4.00	4.00	4.00
PLAN CHECK ENGINEER	2.00	2.00	2.00	2.00
PLANNING MANAGER	1.90	1.90	2.00	1.00
SENIOR HOUSING COORDINATOR	0	0	0.80	0.85
SENIOR PLANNER	5.00	1.90	1.90	2.90
SR BUILDING INSPECTOR	0.98	0.98	0.98	0.98
SR CODE ENFORCEMENT OFFICER	2.00	2.00	2.00	1.00
Total	37.49	34.39	34.29	34.19

Community Development Administration

Budget Unit 100-70-700

General Fund - Community Development - Community Development Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 423,697
Fund Balance	\$ -
General Fund Costs	\$ 423,697
% Funded by General Fund	100.0%
Total Staffing	0.5 FTE

Program Overview

The Community Development Administration program manages general office and oversight functions for the Community Development Department.

Service Objectives

- Coordinate and direct general office affairs related to community development functions.
- Manage professional and administrative staff.
- Prepare and implement the department budget.
- Coordinate as necessary with other departments in the City.
- Review and evaluate City and department goals and objectives.

Proposed Budget

It is recommended that City Council approve a budget of \$423,697 for the Community Development Administration program. This represents an increase of \$10,120 (2.4%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 96,867	\$ 103,687	\$ 110,446	\$ 111,663
Employee Benefits	\$ 35,699	\$ 43,250	\$ 49,688	\$ 44,400
Materials	\$ 3,694	\$ 2,157	\$ 8,154	\$ 14,597
Contract Services	\$ 144,679	\$ 157,556	\$ -	\$ -
Cost Allocation	\$ 572,700	\$ 334,114	\$ 245,187	\$ 253,037
Special Projects	\$ 126,047	\$ 136,895	\$ -	\$ -
Contingencies	\$ 277	\$ -	\$ 102	\$ -
Total Expenditures	\$ 979,963	\$ 777,659	\$ 413,577	\$ 423,697
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 979,963	\$ 777,659	\$ 413,577	\$ 423,697

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
DIRECTOR OF COMM DEVELOPMENT	0.30	0.30	0.30	0.30
MANAGEMENT ANALYST	0.20	0.20	0.20	0.20
Total	0.50	0.50	0.50	0.50

There are no changes to the current level of staffing.

Current Planning

Budget Unit 100-71-701

General Fund - Planning - Current Planning

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,895,300
Total Expenditures	\$ 3,626,108
Fund Balance	\$ -
General Fund Costs	\$ 1,730,808
% Funded by General Fund	47.7%
Total Staffing	9.6 FTE

Program Overview

The Current Planning program serves to review projects and implement City ordinances, land use plans and the General Plan goals and objectives through the planning review and building plan check processes.

Service Objectives

- Maintain a high level of customer service.
- Provide assistance at the public counter, over the telephone, or via email.
- Implement the City's General Plan, land use plans and Zoning Ordinance.
- Evaluate Planning applications for consistency with City ordinance, General Plan goals, and applicable State and Federal regulations.
- Coordinate internal review of Planning applications with other City departments.
- Conduct environmental review of projects in compliance with California Environmental Quality Act (CEQA) and applicable regional, State and Federal regulations.
- Provide technical analysis and recommendations to the Council, Planning Commission and Design Review Committee.
- Review building permits to ensure implementation of zoning requirements, environmental mitigation measures and planning entitlement conditions of approval.

Proposed Budget

It is recommended that City Council approve a budget of \$3,626,108 for the Current Planning program. This represents an increase of \$291,580 (8.7%) from the FY 2024-25 Adopted Budget.

The increase is due to a reallocation of staff and the inclusion of the following City Work Program item:

- Permit Streaming and Simplification for Small Home Upgrades \$250,000 and
- Add notifications for SB 330 and other projects during application and approval process \$10,000

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 934,481	\$ 895,566	\$ 829,373	\$ 1,502,000
Miscellaneous Revenue	\$ 40,570	\$ 19,331	\$ 51,300	\$ 51,300
Other Financing Sources	\$ 272,396	\$ 127,037	\$ 342,000	\$ 342,000
Total Revenues	\$ 1,247,447	\$ 1,041,934	\$ 1,222,673	\$ 1,895,300
Expenditures				
Employee Compensation	\$ 902,953	\$ 696,297	\$ 1,295,740	\$ 1,364,294
Employee Benefits	\$ 296,845	\$ 360,086	\$ 625,489	\$ 545,956
Materials	\$ 15,401	\$ 2,792	\$ 4,351	\$ 16,055
Contract Services	\$ 60,583	\$ 170,877	\$ 220	\$ 220
Cost Allocation	\$ 858,254	\$ 879,776	\$ 858,671	\$ 889,583
Special Projects	\$ 60,958	\$ 79,473	\$ -	\$ 260,000
Other Financing Uses	\$ 243,267	\$ 149,969	\$ 550,000	\$ 550,000
Contingencies	\$ -	\$ -	\$ 57	\$ -
Total Expenditures	\$ 2,438,261	\$ 2,339,270	\$ 3,334,528	\$ 3,626,108
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,190,816	\$ 1,297,336	\$ 2,111,855	\$ 1,730,808

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.60	0.60	0.60	0.60
ASSISTANT HOUSING COORDINATOR	0	0	0	0.40
ASSISTANT PLANNER	2.00	2.10	2.00	2.00
ASSOCIATE PLANNER	3.65	3.25	3.25	2.20
DIRECTOR OF COMM DEVELOPMENT	0.28	0.28	0.28	0.28
MANAGEMENT ANALYST	0.40	0.40	0.40	0.40
OFFICE ASSISTANT	0.50	0	0	0
PERMIT TECHNICIAN	1.00	1.00	1.00	1.00
PLANNING MANAGER	0.50	0.50	0.40	0.40
SENIOR HOUSING COORDINATOR	0	0	0.10	0.40
SENIOR PLANNER	1.65	1.35	1.35	1.95
Total	10.58	9.48	9.38	9.63

Staff time is being reallocated to better reflect actual time spent in this program.

Mid and Long Term Planning

Budget Unit 100-71-702

General Fund - Planning - Mid and Long Term Planning

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 78,750
Total Expenditures	\$ 886,746
Fund Balance	\$ -
General Fund Costs	\$ 807,996
% Funded by General Fund	91.1%
Total Staffing	2.9 FTE

Program Overview

The Mid-and Long-Term Planning program assists the community in preparing, reviewing and amending documents including the General Plan, Specific Plans, Conceptual Plans, and the Municipal Code, including the Zoning Ordinance. Additionally, the program anticipates and evaluates trends, and develops strategies and plans to help the City address change.

Service Objectives

- Review and amend the City's General Plan, Housing Element, and Municipal Code, including the Zoning Ordinance, Specific, Conceptual and Master Plans.
- Ensure City processes and regulations are in compliance with State and Federal regulations, including the California Environmental Quality Act (CEQA).
- Review and implement policies in the General Plan, Housing Element, Zoning Ordinance, Specific, Conceptual and Master Plans.
- Coordinate with various local, regional, State and Federal agencies on projects.
- Facilitate the planning and implementation of the City Council's annual community development goals and objectives.

Proposed Budget

It is recommended that City Council approve a budget of \$886,746 for the Mid and Long Term Planning program. This represents a decrease of \$340,481 (-27.7%) from the FY 2024-25 Adopted Budget.

The decrease is due to staffing reallocations and having no special projects this fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 52,613	\$ 300,000	\$ -	\$ -
Charges for Services	\$ 58,913	\$ 56,958	\$ 110,000	\$ 50,000
Miscellaneous Revenue	\$ -	\$ -	\$ 3,750	\$ 3,750
Other Financing Sources	\$ -	\$ -	\$ 25,000	\$ 25,000
Total Revenues	\$ 111,526	\$ 356,958	\$ 138,750	\$ 78,750
Expenditures				
Employee Compensation	\$ 530,985	\$ 355,990	\$ 560,593	\$ 493,024
Employee Benefits	\$ 179,264	\$ 163,101	\$ 255,942	\$ 186,792
Materials	\$ 4,270	\$ 1,379	\$ 3,214	\$ 8,933
Contract Services	\$ (4,345)	\$ -	\$ 7,500	\$ 7,500
Cost Allocation	\$ 316,560	\$ 350,186	\$ 199,844	\$ 190,497
Special Projects	\$ 466,756	\$ 686,015	\$ 200,000	\$ -
Contingencies	\$ -	\$ -	\$ 134	\$ -
Total Expenditures	\$ 1,493,490	\$ 1,556,671	\$ 1,227,227	\$ 886,746
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,381,965	\$ 1,199,714	\$ 1,088,477	\$ 807,996

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.15	0.15	0.15	0.15
ASSOCIATE PLANNER	1.35	1.75	1.75	0.80
DIRECTOR OF COMM DEVELOPMENT	0.24	0.24	0.24	0.24
MANAGEMENT ANALYST	0.20	0.20	0.20	0.20
PLANNING MANAGER	0.60	0.60	0.60	0.60
SENIOR PLANNER	1.55	0.55	0.55	0.95
Total	4.09	3.49	3.49	2.94

Staff time is being reallocated to better reflect actual time spent in this program.

Economic Development

Budget Unit 100-71-705

General Fund - Planning - Economic Development

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 999,057
Fund Balance	\$ -
General Fund Costs	\$ 999,057
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

Program Overview

The Economic Development Division oversees the development and implementation of policies and programs to promote business resiliency while undertaking a wide variety of business attraction, retention, and expansion efforts.

Service Objectives

- Provide assistance and support to businesses to enable job creation, new business formation, private investment, and industry evolution.
- Conduct outreach to existing small businesses to create strong working relationships.
- Collaborate with internal city team members to keep the needs of businesses in the forefront when reviewing applications and projects.
- Partner with local business associations, agencies, and organizations to create a strong and cohesive network offering business support and assistance.
- Provide the public with current data and information easily accessible online or in printed format. Assist with policy formation to align with business and community goals

Proposed Budget

It is recommended that City Council approve a budget of \$999,057 for the Economic Development program.

Reduction in benefits is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings.

This budget is a new addition to the Community Development Department for this fiscal year, it was transferred in from the Administration Department. A request to fund a part-time management analyst to assist with City Work Program items and to carry out duties of the Economic Development division to support businesses to enable job creation, new business formation, and outreach to existing small businesses to create strong working relationships. This budget includes the following City Work Program items:

- Economic Development for Retail and Small Businesses and Defensible Impact Fee Nexus Study for Traffic Impact Fee, Retail Impact Fee, BMR Impact Fee, and Parkland Impact Fee \$350,000

CWP items are no longer considered Special Projects per the new City Council Special Project Policy but are discussed here for ease of tracking and transparency. CWP will remain in the Special Project expense category as a way to track these projects but will be reported separately from all other Special Projects that fall under the policy.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ -	\$ 265,819
Employee Benefits	\$ -	\$ -	\$ -	\$ 94,337
Materials	\$ -	\$ -	\$ -	\$ 34,410
Contract Services	\$ -	\$ -	\$ -	\$ 71,250
Cost Allocation	\$ -	\$ -	\$ -	\$ 183,241
Special Projects	\$ -	\$ -	\$ -	\$ 350,000
Total Expenditures	\$ -	\$ -	\$ -	\$ 999,057
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 999,057

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ECONOMIC DEVELOPMENT MANAGER	0	0	0	1.00
Total	0	0	0	1.00

Due to the reorganization of this program from the City Manager's Office, positions within the program have been transferred accordingly.

CDBG General Admin

Budget Unit 260-72-707

CDBG - Housing Services - CDBG General Admin

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 77,400
Total Expenditures	\$ 72,695
Fund Balance	\$ 4,705
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.4 FTE

Program Overview

The General Administration of the Community Development Block Grant (CDBG) federal entitlement program is reserved for program administration costs to cover salary and benefits of staff who operate the CDBG program. The CDBG program is a federal entitlement program which serves low- and moderate- income Cupertino residents. CDBG program administration costs represent 20% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Prepare and submit an Annual Plan to the US Department of Housing and Urban Development (HUD).
- Prepare and submit annual Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.
- Prepare and submit a five-year Consolidated Plan to HUD.
- Meet quarterly with Santa Clara County CDBG Coordinators.
- Conduct four-eight public hearings per year to allocate CDBG funding, review Annual Plan, CAPER, and Consolidated Plan.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$72,695 for the CDBG General Admin program. This represents a decrease of \$112,948 (-60.8%) from the FY 2024-25 Adopted Budget.

The decrease is due to salary and benefits decrease from a reallocation of staff that includes a proposed new classification of Assistant Housing Coordinator. The Assistant Housing Coordinator will help with the coordination of housing and grant programs, the BMR Affordable Housing program, housing strategies, assist with homelessness prevention efforts, and the CDBG and Human Service Grants programs.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 71,338	\$ 46,213	\$ 38,131	\$ 77,400
Total Revenues	\$ 71,338	\$ 46,213	\$ 38,131	\$ 77,400
Expenditures				
Employee Compensation	\$ 80,482	\$ 12,955	\$ 127,825	\$ 48,965
Employee Benefits	\$ 29,409	\$ 18,249	\$ 57,818	\$ 23,730
Materials	\$ 37,593	\$ 22,952	\$ -	\$ -
Total Expenditures	\$ 147,484	\$ 54,156	\$ 185,643	\$ 72,695
Fund Balance	\$ (76,146)	\$ (7,942)	\$ (147,512)	\$ 4,705
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT HOUSING COORDINATOR	0	0	0	0.20
ASSISTANT PLANNER	0	0.10	0	0
PLANNING MANAGER	0.39	0.39	0.50	0
SENIOR HOUSING COORDINATOR	0	0	0.20	0.20
SENIOR PLANNER	0.20	0	0	0
Total	0.59	0.49	0.70	0.40

Staff time is being reallocated to better reflect actual time spent in this program, including a proposed new classification of Assistant Housing Coordinator.

CDBG Capital/Housing Projects

Budget Unit 260-72-709

CDBG - Housing Services - CDBG Capital/Housing Projects

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 282,067
Total Expenditures	\$ 359,467
Fund Balance	\$ (77,400)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants and loans to non-profit developers and agencies for eligible activities such as public improvements, property acquisition for affordable housing, rehabilitation of affordable units, and development of affordable housing. CDBG Capital/Housing costs represent 65% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on an annual basis for Capital/Housing Projects.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- Coordinate entitlement process with the Planning Division for affordable development projects.
- Monitor project progress of grantees through the construction phase.
- Coordinate CEQA/NEPA environmental review processes for all affordable developments.
- Coordinate preparation of all grant and loan agreements, Deeds of Trust, Promissory Notes, and Regulatory Agreements.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$359,467 for the CDBG Capital/Housing Projects program. This represents a decrease of \$101,020 (-21.9%) from the FY 2024-25 Adopted Budget.

The decrease is due to a decrease in Materials.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 28,909	\$ 29,535	\$ 7,944	\$ 7,944
Intergovernmental Revenue	\$ 65,818	\$ 92,536	\$ 151,706	\$ 274,123
Total Revenues	\$ 94,727	\$ 122,071	\$ 159,650	\$ 282,067
Expenditures				
Materials	\$ 65,818	\$ 92,536	\$ 460,487	\$ 359,467
Total Expenditures	\$ 65,818	\$ 92,536	\$ 460,487	\$ 359,467
Fund Balance	\$ 28,909	\$ 29,535	\$ (300,837)	\$ (77,400)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

There is no staffing associated with this program.

CDBG Public Service Grants

Budget Unit 260-72-710

CDBG - Housing Services - CDBG Public Service Grants

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 58,000
Total Expenditures	\$ 58,000
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This portion of the Community Development Block Grant (CDBG) federal entitlement program is reserved for grants to nonprofit agencies serving low- and moderate-income Cupertino residents. The agencies provide services such as food assistance, job training, emergency housing, legal assistance, etc. CDBG Public Services costs represent 15% of the City's annual federal CDBG allocation plus prior year program income.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies and enter data into HUD IDIS program.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance with federal regulations.

Proposed Budget

It is recommended that City Council approve a budget of \$58,000 for the CDBG Public Service Grants program. This represents an increase of \$2,972 (5.4%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Materials.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 59,460	\$ 55,028	\$ 28,600	\$ 58,000
Total Revenues	\$ 59,460	\$ 55,028	\$ 28,600	\$ 58,000
Expenditures				
Materials	\$ 59,460	\$ 55,028	\$ 55,028	\$ 58,000
Total Expenditures	\$ 59,460	\$ 55,028	\$ 55,028	\$ 58,000
Fund Balance	\$ -	\$ -	\$ (26,428)	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

There is no staffing associated with this program.

BMR Affordable Housing Fund

Budget Unit 265-72-711

BMR Housing - Housing Services - BMR Affordable Housing Fund

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 4,532,926
Total Expenditures	\$ 746,807
Fund Balance	\$ 3,786,119
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.5 FTE

Program Overview

This program covers administration of the Below Market Rate (BMR) Housing program.

Service Objectives

- Contract with BMR Program Administrator annually for services relating to rental and ownership units.
- Prepare and monitor agreement, process monthly reimbursement requests, and provide technical assistance to BMR Program Administrator.
- Review and maintain the Policy and Procedures Manual for Administering Deed Restricted Affordable Housing Units (BMR Manual).
- Review and maintain the BMR Housing Mitigation Program Procedural Manual (Housing Mitigation Manual)
- Manage agreement for the provision of Fair Housing investigation and enforcement.
- Commit funding for the development of new proposed affordable housing projects with awards contingent upon acquiring planning entitlements.

Proposed Budget

It is recommended that City Council approve a budget of \$746,807 for the BMR Affordable Housing Fund program. This represents an increase of \$24,268 (3.4%) from the FY 2024-25 Adopted Budget.

The overall increase is a result of a reallocation of staff and the City Work Program (CWP) item included in this budget:

- Develop ELI Housing \$250,000

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Other Taxes	\$ 170,824	\$ -	\$ 4,532,926	\$ 4,532,926
Intergovernmental Revenue	\$ -	\$ 50,000	\$ -	\$ -
Charges for Services	\$ 1,640	\$ -	\$ -	\$ -
Miscellaneous Revenue	\$ 28,082	\$ 50,000	\$ -	\$ -
Transfers In	\$ 25,000	\$ -	\$ -	\$ -
Total Revenues	\$ 225,546	\$ 100,000	\$ 4,532,926	\$ 4,532,926
Expenditures				
Employee Compensation	\$ 156,825	\$ 103,636	\$ 172,795	\$ 61,207
Employee Benefits	\$ 58,574	\$ 55,719	\$ 79,149	\$ 29,997
Materials	\$ 319,360	\$ 324,927	\$ 347,713	\$ 366,047
Contract Services	\$ 57,477	\$ 7,577	\$ 20,700	\$ 21,300
Cost Allocation	\$ 144,366	\$ 95,908	\$ 102,182	\$ 18,256
Special Projects	\$ 17,357	\$ 50,085	\$ -	\$ 250,000
Total Expenditures	\$ 753,959	\$ 637,852	\$ 722,539	\$ 746,807
Fund Balance	\$ (528,412)	\$ (537,853)	\$ 3,810,387	\$ 3,786,119
General Fund Costs	\$ 25,000	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT HOUSING COORDINATOR	0	0	0	0.25
ASSISTANT PLANNER	0	0.80	0	0
OFFICE ASSISTANT	0.50	0	0	0
PLANNING MANAGER	0.41	0.41	0.50	0
SENIOR HOUSING COORDINATOR	0	0	0.50	0.25
SENIOR PLANNER	1.60	0	0	0
Total	2.51	1.21	1.00	0.50

Staff time is being reallocated to better reflect the actual time spent in this program.

Human Service Grants

Budget Unit 100-72-712

General Fund - Housing Services - Human Service Grants

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 50,000
Total Expenditures	\$ 55,615
Fund Balance	\$ -
General Fund Costs	\$ 5,615
% Funded by General Fund	10.1%
Total Staffing	FTE

Program Overview

The City of Cupertino sets aside \$129,000 from its General Fund for non-profit agencies providing services to low- and moderate-income Cupertino residents. Eligible programs include senior services, homeless services, and others that serve low- and moderate-income residents.

Service Objectives

- Issue Requests for Proposals (RFPs) on a bi- or tri-annual basis for public services programs.
- Review applications and make funding recommendations to Housing Commission and City Council.
- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each grantee.
- Review quarterly reports and reimbursements requests from agencies.
- On an annual basis, prepare grant agreements or amendments for each grantee.
- Provide technical assistance to grantees and applicants.
- Monitor grantees for compliance.

Proposed Budget

It is recommended that City Council approve a budget of \$55,615 for the Human Service Grants program. This represents a decrease of \$74,881 (-57.4%) from the FY 2024-25 Adopted Budget.

The decrease is due to a reduction in Materials.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ -	\$ 50,000	\$ 50,000
Total Revenues	\$ -	\$ -	\$ 50,000	\$ 50,000
Expenditures				
Materials	\$ 112,671	\$ 122,135	\$ 125,000	\$ 50,000
Cost Allocation	\$ 5,290	\$ 5,140	\$ 5,496	\$ 5,615
Total Expenditures	\$ 117,961	\$ 127,275	\$ 130,496	\$ 55,615
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 117,961	\$ 127,275	\$ 80,496	\$ 5,615

Staffing

There is no staffing associated with this program.

There is no staffing associated with this program.

General Building

Budget Unit 100-73-713

General Fund - Building - General Building

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 315,000
Total Expenditures	\$ 1,083,311
Fund Balance	\$ -
General Fund Costs	\$ 768,311
% Funded by General Fund	70.9%
Total Staffing	3.1 FTE

Program Overview

The General Building program establishes the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, accessibility, sanitation, adequate lighting and ventilation and energy conservation; safety to life and property from fire and other hazards attributed to the built environment; and to provide safety to fire fighters and emergency responders during emergency operations.

Service Objectives

- Provide efficient and friendly service that will assist customers with their building permit goals and objectives.
- Continue to streamline the workflow process to provide efficient and friendly customer service.
- Work proactively to enhance the public interface and information systems.
- Continue efforts to create a more effective records management system and land use data system using Geographic Information System (GIS).
- Increase staff knowledge through in-house training, meetings, and seminars

Proposed Budget

It is recommended that City Council approve a budget of \$1,083,311 for the General Building program. This represents an increase of \$1,595 (0.1%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Licenses and Permits	\$ 269,509	\$ 345,319	\$ 315,000	\$ 315,000
Total Revenues	\$ 269,509	\$ 345,319	\$ 315,000	\$ 315,000
Expenditures				
Employee Compensation	\$ 440,485	\$ 449,645	\$ 462,726	\$ 458,984
Employee Benefits	\$ 153,510	\$ 189,829	\$ 235,381	\$ 206,505
Materials	\$ 7,355	\$ 6,005	\$ 7,865	\$ 10,498
Contract Services	\$ 420	\$ 420	\$ -	\$ -
Cost Allocation	\$ 274,264	\$ 269,096	\$ 375,646	\$ 407,324
Special Projects	\$ -	\$ 856	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 98	\$ -
Total Expenditures	\$ 876,034	\$ 915,851	\$ 1,081,716	\$ 1,083,311
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 606,525	\$ 570,532	\$ 766,716	\$ 768,311

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.50	0.50	0.50	0.50
ASSIST DIR OF COMMITY DEV	0.60	0.60	0.60	0.60
BUILDING OFFICIAL	0	0.20	0.20	0.20
DEPUTY BUILDING OFFICIAL	0.20	0.20	0.20	0.20
DIRECTOR OF COMM DEVELOPMENT	0.12	0.12	0.12	0.12
MANAGEMENT ANALYST	0.20	0.20	0.20	0.20
OFFICE ASSISTANT	0.50	0.50	0.50	0.50
PERMIT CENTER MANAGER	0.20	0	0	0
PERMIT TECHNICIAN	0.60	0.60	0.60	0.60
SR BUILDING INSPECTOR	0.20	0.20	0.20	0.20
Total	3.12	3.12	3.12	3.12

There are no changes to the current level of staffing.

Building Plan Review

Budget Unit 100-73-714

General Fund - Building - Building Plan Review

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,800,000
Total Expenditures	\$ 2,341,590
Fund Balance	\$ -
General Fund Costs	\$ 541,590
% Funded by General Fund	23.1%
Total Staffing	6.7 FTE

Program Overview

The Building Plan Review program is responsible for the timely and accurate review and approval of construction drawings for all residential, commercial and industrial permit applications for buildings and structures to ensure the proposed design meets or exceeds the minimum life safety, plumbing, mechanical, electrical, accessibility, energy and structural safety standards of the California Building Code and all governing local amendments.

Service Objectives

- Provide a streamlined building plan review system that will ensure plans comply with all applicable state and local codes and ordinances.
- Continue to streamline the internal application processing system and permit review process.
- Confer with design professionals on project application and pre-application meetings.
- Provide general code information for property owners, design professionals, developers, contractors and the general public.
- Assist building inspectors in difficult or unusual code interpretation as it applies to various buildings and structures.
- Assist in training of building inspectors and permit technicians in conducting residential and minor commercial plan review.

Proposed Budget

It is recommended that City Council approve a budget of \$2,341,590 for the Building Plan Review program. This represents an increase of \$44,999 (2.0%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year but does include a budget request of \$90,000 in recurring costs for Building On call contracts. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Licenses and Permits	\$ 1,575,817	\$ 1,634,094	\$ 1,200,000	\$ 1,800,000
Miscellaneous Revenue	\$ 20,000	\$ -	\$ -	\$ -
Total Revenues	\$ 1,595,817	\$ 1,634,094	\$ 1,200,000	\$ 1,800,000
Expenditures				
Employee Compensation	\$ 930,184	\$ 1,005,700	\$ 1,042,991	\$ 1,038,717
Employee Benefits	\$ 388,761	\$ 449,037	\$ 527,699	\$ 471,115
Materials	\$ 6,404	\$ 4,620	\$ 4,522	\$ 11,492
Cost Allocation	\$ 384,759	\$ 422,138	\$ 371,322	\$ 380,266
Special Projects	\$ 134,820	\$ 9,118	\$ -	\$ -
Other Financing Uses	\$ 376,420	\$ 309,238	\$ 350,000	\$ 440,000
Contingencies	\$ -	\$ -	\$ 57	\$ -
Total Expenditures	\$ 2,221,348	\$ 2,199,851	\$ 2,296,591	\$ 2,341,590
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 625,532	\$ 565,757	\$ 1,096,591	\$ 541,590

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.25	0.25	0.25	0.25
ASSIST DIR OF COMMITY DEV	0.20	0.20	0.20	0.20
BUILDING OFFICIAL	0	0.80	0.80	0.80
DEPUTY BUILDING OFFICIAL	0.80	0.80	0.80	0.80
OFFICE ASSISTANT	0.25	0.25	0.25	0.25
PERMIT CENTER MANAGER	0.80	0	0	0
PERMIT TECHNICIAN	2.40	2.40	2.40	2.40
PLAN CHECK ENGINEER	2.00	2.00	2.00	2.00
Total	6.70	6.70	6.70	6.70

There are no changes to the current level of staffing.

Building Code Enforcement

Budget Unit 100-73-715

General Fund - Building - Building Code Enforcement

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 2,120,000
Total Expenditures	\$ 1,415,320
Fund Balance	\$ -
General Fund Costs	\$ (704,680)
% Funded by General Fund	-49.8%
Total Staffing	5.2 FTE

Program Overview

The Building Inspection program is established to enforce certain minimum standards pursuant to the California Building Code and all local amendments for all new and existing buildings and structures within the City of Cupertino jurisdiction. These minimum standards include public safety, health and general welfare through structural strength, stability, sanitation, adequate light and ventilation, and safety to life and property from fire, hurricane, and other hazards attributed to the built environment. These include alteration, repair, removal, demolition, use, and occupancy of buildings, structures or premises. The Building Inspections Division also regulates the installation and maintenance of all electrical, gas, mechanical and plumbing systems, which may be referred to as service systems. The program also responds to stormwater pollution protection, emergency situations and complaints of unsafe structures, work without permits, and prepares Notices of Violation as necessary. Unabated cases are referred to the Code Enforcement Division for further action.

Service Objectives

- Build and maintain a positive working relationship with co-workers, other city employees and the general public using principles of quality customer service.
- Build and maintain a partnership with property owners, developers, and contractors to help our customers meet their building occupancy goals.
- Perform building inspections within 48 hours of receiving the request.
- Consistently and accurately document non-complying code issues to ensure proper and safe installation of routine and complex building systems.
- Ensure that minimum building code safety requirements are met in all phases of construction for structural, electrical, plumbing, mechanical and accessibility installations.
- Educate community members about life and safety inspection issues as they occur before and during the construction process.
- Work with owners, developers, and contractors to implement principles of green building as required in the CALGreen Building Code and Cupertino green building requirements.

Proposed Budget

It is recommended that City Council approve a budget of \$1,415,320 for the Building Code Enforcement program. This represents an increase of \$17,859 (1.3%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year but does include a budget request of \$50,000 for recurring costs for Building On call contracts. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document

Special Projects

The following table shows the special projects for the fiscal year.

Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Licenses and Permits	\$ 2,219,071	\$ 2,402,299	\$ 2,120,000	\$ 2,120,000
Total Revenues	\$ 2,219,071	\$ 2,402,299	\$ 2,120,000	\$ 2,120,000
Expenditures				
Employee Compensation	\$ 707,048	\$ 637,763	\$ 718,711	\$ 715,135
Employee Benefits	\$ 290,199	\$ 306,558	\$ 384,182	\$ 348,336
Materials	\$ 13,069	\$ 9,717	\$ 9,550	\$ 10,756
Cost Allocation	\$ 368,088	\$ 401,589	\$ 259,899	\$ 266,093
Other Financing Uses	\$ -	\$ 22,870	\$ 25,000	\$ 75,000
Contingencies	\$ -	\$ -	\$ 119	\$ -
Total Expenditures	\$ 1,378,404	\$ 1,378,497	\$ 1,397,461	\$ 1,415,320
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (840,667)	\$ (1,023,801)	\$ (722,539)	\$ (704,680)

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.25	0.25	0.25	0.25
ASSIST DIR OF COMMITY DEV	0.20	0.20	0.20	0.20
BUILDING INSPECTOR	3.72	3.72	3.72	3.72
OFFICE ASSISTANT	0.25	0.25	0.25	0.25
SR BUILDING INSPECTOR	0.73	0.73	0.73	0.73
Total	5.15	5.15	5.15	5.15

There are no changes to the current level of staffing.

Muni Code Enforcement

Budget Unit 100-73-718

General Fund - Building - Muni Code Enforcement

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 70,117
Fund Balance	\$ -
General Fund Costs	\$ 70,117
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

The Community Development Code Enforcement program provides enforcement of various provisions of the municipal code relating to nonconforming land use and building code compliance. These activities include building without permits, unpermitted removal of protected trees, nonconforming accessory structures, various use permit violations, private residential fence height/setback violations, and nonconforming signs. Assistance is provided to Planning and Building Division staff in the resolution of different code violations and land use concerns, which are contrary to the municipal code.

Service Objectives

- Respond to citizen, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.

Proposed Budget

It is recommended that City Council approve a budget of \$70,117 for the Muni Code Enforcement program. This represents a decrease of \$2,180 (-3.0%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 35,581	\$ 30,396	\$ 34,870	\$ 35,033
Employee Benefits	\$ 14,608	\$ 14,864	\$ 18,797	\$ 17,237
Materials	\$ (199)	\$ -	\$ -	\$ -
Cost Allocation	\$ 34,805	\$ 35,421	\$ 18,630	\$ 17,847
Total Expenditures	\$ 84,795	\$ 80,681	\$ 72,297	\$ 70,117
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 84,795	\$ 80,682	\$ 72,297	\$ 70,117

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
BUILDING INSPECTOR	0.20	0.20	0.20	0.20
SR BUILDING INSPECTOR	0.05	0.05	0.05	0.05
Total	0.25	0.25	0.25	0.25

There are no changes to the current level of staffing.

Code Enforcement

Budget Unit 100-74-202

General Fund - Code Enforcement - Code Enforcement

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 245,000
Total Expenditures	\$ 1,653,825
Fund Balance	\$ -
General Fund Costs	\$ 1,408,825
% Funded by General Fund	85.2%
Total Staffing	4.0 FTE

Program Overview

The Code Enforcement program provides enforcement of various provisions of the municipal code relating to parking citations, noise, animal control, zoning and building, and other compliance areas. Assistance is provided to the Sheriff Department in the areas of traffic control and other complaint responses.

Service Objectives

- Respond to resident, City department, or outside agency referrals within 48 hours.
- Provide services with an emphasis on community education and customer service.
- Enforce the codes in a fair, equitable, and objective manner.
- Manage the animal control services contract with the City of San José.

Proposed Budget

It is recommended that City Council approve a budget of \$1,653,825 for the Code Enforcement program. This represents an increase of \$82,414 (5.2%) from the FY 2024-25 Adopted Budget.

The increase is attributed to the proposed new Code Enforcement Supervisor classification, which consolidates an existing vacant Code Enforcement Officer role with a Senior Code Enforcement Officer position to better align with the program's operational needs. The increase is also due to increase in Contract Services and Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 8,772	\$ 15,818	\$ 10,258	\$ 20,000
Fines and Forfeitures	\$ 134,714	\$ 261,300	\$ 215,000	\$ 225,000
Total Revenues	\$ 143,486	\$ 277,118	\$ 225,258	\$ 245,000
Expenditures				
Employee Compensation	\$ 370,446	\$ 411,059	\$ 538,843	\$ 587,176
Employee Benefits	\$ 161,728	\$ 217,371	\$ 289,533	\$ 274,095
Materials	\$ 6,559	\$ 6,500	\$ 7,076	\$ 9,798
Contract Services	\$ 300,087	\$ 330,182	\$ 335,730	\$ 348,960
Cost Allocation	\$ 237,757	\$ 318,286	\$ 396,748	\$ 433,796
Contingencies	\$ -	\$ -	\$ 3,481	\$ -
Total Expenditures	\$ 1,076,577	\$ 1,283,398	\$ 1,571,411	\$ 1,653,825
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 933,092	\$ 1,006,280	\$ 1,346,153	\$ 1,408,825

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
CODE ENFORCEMENT OFFICER	2.00	2.00	2.00	2.00
CODE ENFORCEMENT SUPERVISOR	0	0	0	1.00
SR CODE ENFORCEMENT OFFICER	2.00	2.00	2.00	1.00
Total	4.00	4.00	4.00	4.00

Staff time is being reallocated to better reflect actual time spent in this program. A reclassification/promotion is using an existing vacant code enforcement officer position and combining it with a senior code enforcement officer position. This will result in one less full-time employee (FTE), keeping the total at 3.5 FTE officers.

Building Abatement

Budget Unit 100-74-716

General Fund - Code Enforcement - Building Abatement

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 20,000
Fund Balance	\$ -
General Fund Costs	\$ 20,000
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

Code enforcement programs aim to ensure compliance with municipal codes, including building, zoning, and safety regulations, to maintain a safe, healthy, and attractive community. A key objective is to prevent or remove conditions that constitute a public nuisance, which can negatively impact residents and property values.

This is an “as-needed only” abatement account which funds remedial actions related to Code Enforcement nuisance cases.

Service Objectives

- Address conditions like illegal dumping, overgrown vegetation, or unsafe structures that pose a threat to public health and safety.
- Issue notices of violations and providing opportunities for residents to address issues before enforcement actions are necessary.
- Take appropriate enforcement actions, including administrative citations, fines, or legal action when violations persist.

Proposed Budget

It is recommended that City Council approve a budget of \$20,000 for the Building Abatement program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ -	\$ -	\$ 20,000
Total Expenditures	\$ -	\$ -	\$ -	\$ 20,000
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 20,000

Staffing

There is no staffing associated with this program.

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Public Works

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Department Overview

Budget Units

Budget Unit	Program	2026 Proposed Budget
Public Works Administration		\$ 1,594,162
100-80-800	Public Works Administration	\$ 1,594,162
Environmental Programs		\$ 5,439,315
100-81-122	Sustainability	\$ 418,126
520-81-801	Resource Recovery	\$ 2,966,958
230-81-802	Non-Point Source	\$ 1,457,191
230-81-853	Storm Drain Fee	\$ -
230-81-854	General Fund Subsidy	\$ 11,990
230-81-855	Storm Drain Maintenance	\$ 585,050
Developmental Services		\$ 2,543,221
100-82-804	Plan Review	\$ 1,395,413
100-82-806	CIP Administration	\$ 1,147,808
Service Center		\$ 1,108,056
100-83-807	Service Center Administration	\$ 1,108,056
Grounds		\$ 6,792,673
560-84-268	Golf Grounds Maintenance	\$ 339,558
100-84-808	McClellan Ranch Park	\$ 195,091
100-84-809	Memorial Park	\$ 829,549
100-84-811	BBF Ground Maintenance	\$ 320,775
100-84-812	School Site Maintenance	\$ 1,498,026
100-84-813	Neighborhood Parks	\$ 2,571,070
100-84-814	Sport Fields Jollyman, Creekside	\$ 816,611
100-84-815	Civic Center Maintenance	\$ 221,993
Streets		\$ 10,676,100
270-85-820	Sidewalk Curb and Gutter	\$ 1,419,712
270-85-821	Street Pavement Maintenance	\$ 5,310,436
270-85-822	Street Sign Marking	\$ 773,774
100-85-848	Street Lighting	\$ 1,097,276
630-85-849	Equipment Maintenance	\$ 1,867,792
100-85-850	Environmental Materials	\$ 207,110
Trees and Right of Way		\$ 4,920,156
100-86-261	Trail Maintenance	\$ 222,833
100-86-824	Overpasses and Medians	\$ 1,789,535
100-86-825	Street Tree Maintenance	\$ 2,266,017
Total		\$ 47,545,655

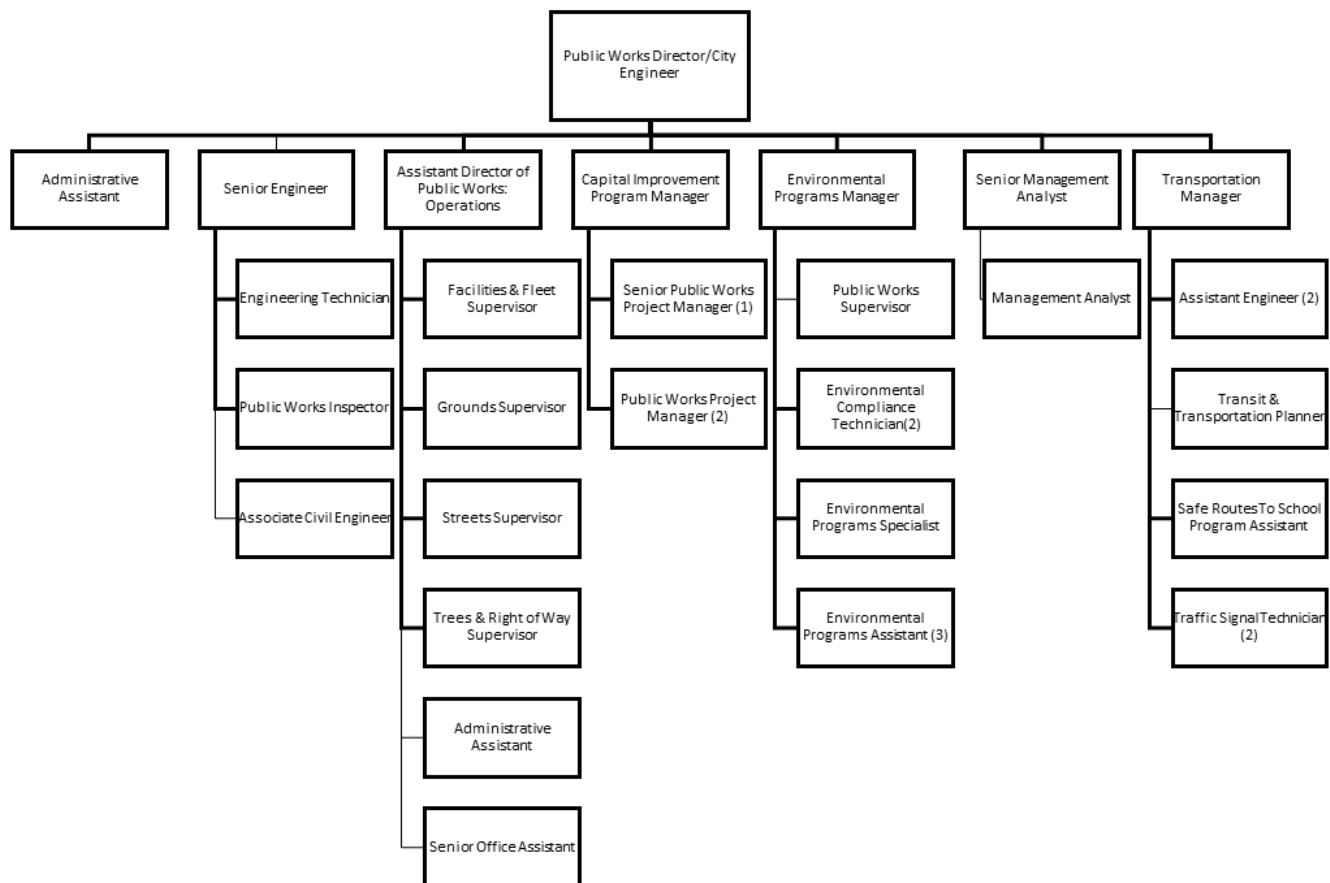
Budget Unit	Program	2026 Proposed Budget
100-86-826	Sheriff Work Program	\$ 641,771
Facilities and Fleet		\$ 6,412,391
560-87-260	BBF Golf Maintenance	\$ 112,649
100-87-827	City Hall Maintenance	\$ 506,171
100-87-828	Library Maintenance	\$ 1,347,650
100-87-829	Service Center Maintenance	\$ 555,292
100-87-830	Quinlan Community Center Maintenance	\$ 637,103
100-87-831	Senior Center Maintenance	\$ 375,834
100-87-832	McClellan Ranch Maintenance	\$ 300,636
100-87-833	Monta Vista Community Center Maintenance	\$ 237,282
100-87-834	Wilson Park Maintenance	\$ 181,494
100-87-835	Portal Park Maintenance	\$ 31,870
570-87-836	Sports Center Maintenance	\$ 920,491
100-87-837	Creekside Park Maintenance	\$ 133,489
100-87-838	Community Hall Maintenance	\$ 283,406
100-87-839	Teen Center Maintenance	\$ 2,167
100-87-840	Park Bathrooms Maintenance	\$ 168,840
100-87-841	Blackberry Farm Maintenance	\$ 549,423
100-87-852	Franco Traffic Operations Center	\$ 64,548
100-87-857	City Hall Annex	\$ 4,046
Transportation		\$ 7,259,697
100-88-265	Community Shuttle	\$ 4,070,272
100-88-844	Traffic Engineering	\$ 1,422,418
100-88-845	Traffic Signal Maintenance	\$ 737,456
100-88-846	Safe Routes 2 School	\$ 1,029,551
Non-Departmental		\$ 799,884
630-90-985	Fixed Assets Acquisition	\$ 799,884
Total		\$ 47,545,655

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 16,383,811
Total Expenditures	\$ 47,545,655
Fund Balance	\$ (8,627,515)
General Fund Costs	\$ 24,375,996
% Funded by General Fund	51.3%
Total Staffing	89.1 FTE

Organization

Chad Mosley, Director of Public Works



The increase in staffing is due to the addition of one FTE in the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities. Additionally, as part of an operational efficiencies strategy, three Part Time Maintenance Worker positions were combined into one FTE for the Trees and Right of Way Division.

Notable Accomplishments

- *Vision Zero Action Plan* – The City Council unanimously adopted the Cupertino Vision Zero Action Plan. The Vision Zero Action Plan advances to the next level the efforts to achieve transportation safety improvements by identifying strategies to eliminate all fatal and serious injury accidents and by setting achievable goals to do so. This initiative included the

successful hosting of two community meetings, one stakeholder meeting and three Bicycle Pedestrian Commission (BPC) meetings.

- *Speed Limit Reductions for Bike and Pedestrian Safety* - In response to recent California legislation aimed at providing greater flexibility in setting and adjusting speed limits, the Transportation Division has reduced speed limits on the street segments listed below. The street segments were chosen due to their importance as a walking or biking corridor, making the reduced speed limits a vital step towards achieving the City's crash reduction goals outlined in Cupertino's Vision Zero Action Plan.

Roads in Cupertino that will have Speed Limit reductions			
Street	Segment	Speed Limit	
		Existing	New
McClellan Road	De Anza Blvd to Bubb Rd	30	25
Bubb Road	McClellan Rd to Stevens Creek Blvd	35	30
Mary Ave	Stevens Creek Blvd to Meteor Dr	35	30
Prospect Road	De Anza Blvd to Stelling Rd	35	30
Blaney Ave	Stevens Creek Blvd to Bollinger Rd	30	25

- *11th annual Cupertino Fall Bike Fest* - On Saturday, September 28, Safe Routes to School hosted the 11th annual Cupertino Fall Bike Fest at City Hall Plaza. The plaza was abuzz with more than 30 bike-related activities organized by local bike and environmental organizations and was attended by more than 600 people making it the most successful Fall Bike Fest to date.
- *Silicon Valley Hopper* - Successfully integrated three new, all-electric wheelchair-accessible vehicles (WAVs), replacing the fleet's previous gas-powered WAVs boasting an entirely all-electric lineup, ensuring all trips are zero-emission. Additionally, in collaboration with the City of Santa Clara, secured \$500,000 from the Transportation Fund for Clean Air (TFCA) Program to help fund the third year (FY25-26) of the SV Hopper program.
- *Bicycle and Pedestrian Safety Grant Funding* – The Transportation Division received a \$160,000 grant from the California Office of Transportation Safety (OTS) to enhance its Safe Routes to School (SR2S) Bicycle and Pedestrian Safety Program. The initiative, running through September 2025, aims to promote safe walking and biking practices and raise awareness among drivers to be mindful of pedestrians and cyclists. The grant will fund several activities, including pedestrian and bicycle safety training, helmet distribution and fitting, and community and school presentations on safety.
- *McClellan Road Separated Bikeways Phase 3* – This bicycle and pedestrian enhancement project, located at the intersection of De Anza Boulevard and McClellan Road/Pacifica Drive, was completed and includes modification of the traffic signals, reconfiguration of the intersection layout, and new bicycle and pedestrian facilities including a new crosswalk across De Anza Blvd on the south leg of the intersection. The project completes the missing link between the recently completed Phases 1 and 2, and was partially funded by \$1,000,000 in Congestion Mitigation and Air Quality (CMAQ) grant funding through the Vehicle Emissions Reduction Based at School (VERBS).
- *SB 1383 update* - Provided SB 1383 outreach to over 100 businesses and worked with Recology, the waste hauler, to ensure full SB 1383 compliance with the 600+ businesses and ensure proper sorting at CUSD elementary and middle schools.
- *Garage Sale* - Hosted the Citywide Garage Sale on September 28 & 29 with over 165 homes participating, over 4,000 views on the online map, and many buyers from all over the Bay Area
- *Environmental Recycling and Paper Shredding Events* - Staff collaborates with Recology to host four free opportunities per year for residents to drop off difficult-to-recycle materials such as e-waste, appliances, yard waste, and confidential documents
- *Coat Collection* - Collaborated with Recology and the Cupertino Library to collect over 5 barrels of new and gently used coats and jackets, which were donated to Sacred Heart Community Services to provide warmth to those in need
- *Community Composting Classes* - Staff coordinated with the UC Cooperative Extension to host two free backyard compost classes for residents to learn how to build compost piles, vermicompost, and apply the compost in their own garden or landscape
- *Compliance activities* - To comply with stormwater pollution prevention regulations, the City will conduct 78 preventative Industrial and Commercial Site Controls (IND) stormwater inspections. So far in 24-25 staff has responded to and resolved 38 reports of discharges and threats of discharge to the storm drain system for the Illicit Discharge Detection and Elimination (IDDE) program
- *Creek Cleanups* - Hosted a site at Wilson Park for Coastal Cleanup Day on September 21, 2024 with over fifty-eight volunteers and a total of 196 pounds of trash and debris removed. The next event will be National River Clean Up Day in May 2025.
- *"Decarbonization" of new buildings* - Following suspension of Cupertino's all-electric reach code in response to a court ruling in early 2024, in September 2024 the City Council approved an update to the building code to require newly constructed residential and commercial buildings to meet stricter energy efficiency requirements.
- *Fleet electrification* - Added two electric trucks to the fleet as required to comply with California's Advanced Clean Fleet Regulation
- *Climate Action Plan tracking* - Launched an interactive climate action plan website in September 2024 to educate residents

about opportunities and programs, called ClimateNav

- *Utility use and cost tracking* - Contracted with a new utility management software called Nimble Energy to track over 400 monthly water and energy bills and streamline the payment process with the Finance Division
- *Electric Vehicle Charger Study* - Partnered with community engineers to conduct a detailed analysis of the location of electric vehicle chargers and determined where additional chargers could be located. The 719 locations were prioritized based on equity considerations, feasibility, and grant funding available.
- *Cooper's Clean Air Quest* - On April 5, 2025, staff plan to publicly release the virtual reality home decarbonization game and supplementary website game at the Earth and Arbor Day Festival. This was funded by a grant from Silicon Valley Clean Energy.
- *Grant to support LED streetlight conversion* - Received approval for an Energy Efficiency and Conservation Block Grant (EECBG) program equipment rebate voucher from the Department of Energy for \$127,590. The availability of the funds is now uncertain due to federal actions, but these funds would be used to help pay for the conversion of streetlights to use LED technology in order to reduce energy use and frequency of bulb replacements.
- *Grant to support installation of Electric Vehicle Chargers* - Joined a coalition of cities lead by the City of San Jose and Silicon Valley Clean Energy in applying for the Charging and Fueling Infrastructure (CFI) Discretionary Grant Program. The project received notice of being selected, but that is now uncertain due to federal action. The grant would have provided about \$500,000 for the installation of electric vehicle chargers at the Sports Center that would have allowed public charging during the day and SV Hopper vehicle charging overnight.
- *Access to CRV Redemption* - Continued partnership with Recycletek, which operates an AI- assisted California Redemption Value (CRV) recycling EcoTrailer designed to make getting the five, ten, or twenty-five cents back per container easier. The trailer operates two days a week in Cupertino, at Creekside Park and Mary Avenue. Since Recycletek began operations in Cupertino in August 2023, two thousand customers have redeemed 801,000 containers.
- *Plan reviews* - To comply with debris management, sustainability, and stormwater regulations, the division has conducted 426 reviews of building and demolition permits. If trends continue, staff expects to review about 700 plan reviews during the year.
- Between January 1, 2024 and December 31, 2024, 126 development applications and 442 encroachment permit applications were received and processed. Additionally, 562 customer visits were registered at the Public Works counter.
- The following CIP projects were completed this year:
 - Vai Avenue Storm Drain Outfall repair, with the outfall replacement at a future date
 - Regnart Road Improvements (Phase 1)
 - Blackberry Farm Pools Improvements
 - McClellan Road Separated Bike Corridor, Phase 3 – the intersection at De Anza and Pacifica
 - De Anza Boulevard Buffered Bike Lanes
- *Successful application for external funding* - EECBG grant from US DOE for City Lighting LED improvements project (\$125,790)
- *Cupertino Municipal Water System* – Completed the new lease agreement with San Jose Water to operate and maintain the City's Municipal Water System for 12 years with an option to extend the lease for an additional 8 years for a total of 20 years. San Jose Water will complete Capital Improvement Projects to improve the water system annually.
- *Storm Drain Outfall Assessment Project* – Completed the inspection of the storm drain outfall (last segment pipeline) and structure to determine its condition. Information will be used to development a rehabilitation or replacement of the outfall infrastructure.
- *Street Sweeping Services* – A new contract was initiated and completed to continue the street sweeping service for residential, commercial and bicycle lanes within the City.

New Initiatives

- *Post-Collection Services* -Staff continues to work to assemble options for disposal and management of garbage and construction and demolition debris after collection. Staff plans to bring that item to Council for consideration in Spring 2025.
- *Compliance activities* - Division staff is actively working with GIS to digitize two stormwater inspection forms for the IND and IDDE programs, leading to staff time efficiency
- *Bi-lingual Induction Cooking Demo* - Following a successful induction cooking demonstration event with celebrity chef Martin Yan, the City plans to host a second cooking demonstration focused on Indian cuisine. Induction cooking technology is a very responsive and energy efficient electric alternative to cooking on a gas stove.
- *Decarbonization of Existing Buildings – Policy Development* - In September 2024, staff hosted a workshop for commercial business and property owners to discuss potential new regulations regarding building energy benchmarking and

performance standards. An additional workshop was held in partnership with the Chamber of Commerce on December 5, 2024, specifically designed to educate small business owners about available resources. Additional meetings will be organized to ensure ongoing input and engagement from commercial property stakeholders. From March to April 2025, staff will conduct a residential survey to gather feedback from residents about existing home electrification policies and programs. Outreach efforts will focus on inclusive engagement, targeting residents in Below Market Rate rental and ownership programs, low-income and fixed-income individuals, historically underserved communities, seniors, and individuals with disabilities requiring access support. This approach aims to ensure that future electrification policies and programs are equitable and comprehensive. Surveys will be distributed through the City's Green Newsletter, social media channels, in-person community pop-up events, and door-to-door outreach. This community engagement will help fulfill specific actions outlined in Measure BE-2 of the City's Climate Action Plan 2.0.

Performance Measures

Capital Project Delivery

Goal: Develop and deliver projects on time and within budget that serve the resident's needs and supports the City's stability and growth.

Benefit: Residents and businesses are assured their community is being improved by insightful, targeted and efficient use of taxes and fees towards maintaining and improving the City's facilities and assets.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Percentage of projects completed on budget	100%	100%	100%	95%
Percentage of construction projects completed on time	100%	100%	100%	95%

Environment

Goal: Protect our natural environment for current and future generations.

Benefit: Current and future residents enjoy a healthy, sustainable environment.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Percent of businesses in compliance during annual proactive stormwater pollution prevention inspections	95%	93%	67%	75%
Percent of non-exempt businesses and multi-family accounts separating organics	87%	98%	99%	100% (SB1383)
Percent trash/litter reduction achieved to meet Stormwater Permit requirements	94%	97%	N/A	100% by 7/1/2025
Diversion rate from all single-family, multi-family, and commercial accounts as reported by Recology tonnage reports	53%	48%	50%	55%
Respond to reports of actual or potential discharge the same business day	86%	72%	71%	95%
% of plan reviews completed in required number of days	93%	92%	92%	100%
Cubic yards of compost distributed via compost site	Quarry: 600CY SMaRT Station: 789CY Compost; 239CY Mulch	Quarry: 180 CY SMaRT Station: 580 CY Compost 45.45 CY Mulch	Quarry: 0 CY SMaRT Station: 278.18 CY Compost 21.82 CY Mulch	1,000 CY
% of vegetation obstructions resolved within 15 days from time of report*	37%	68%	N/A	100%

*Inspections occur in the spring only

Development Services

Goal: Provide timely review and permitting of privately completed improvements within the public right of way.

Benefit: Customers can expect quality reviews and permitting on a defined schedule, and the community can expect quality public facilities.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Respond to complete plan submittals or applications within two (2) weeks	94%	88%	77%	90%
Respond to complete encroachment permit applications within two (2) weeks	94%	92%	90%	90%
Respond to public inquiries at the Public Works counter in City Hall within 15 minutes	95%	95%	95%	95%

Grounds Division

Goal: Provide well maintained, clean, and safe areas for the community's recreational use and enjoyment at optimal life cycle costs.

Benefit: Cupertino has a well maintained public park system that meets the needs of the community and is beneficial to personal wellness.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Percentage of 311 requests that are responded to and closed within 3 business days	62%	59%	47%	80%
Percentage of the 1,872 park inspections, including play grounds, performed weekly	31%	37%	59%	100%
Percentage of Backflow Prevention Devices inspected, tested and repaired annually	100%	100%	100%	100%

Streets Division

Goal: Timely maintenance of public sidewalks, streets, streetlights and storm drain system in good condition to ensure safe, environmentally compliant, and accessible infrastructure that minimizes liability and has an optimal life cycle cost.

Benefit: Cupertino has well maintained street and storm drain systems that meet the needs of the community.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Pavement condition index (PCI) > or equal to 82	81	82	82	82
Percent of the 2087 storm drain inlets inspected and cleaned in fiscal year	53%	21%	12%	100%
Percent of Inlets with Trash Capture Screens inspected and cleaned twice yearly	100%	100%	50%	100%
Percentage of roadway regulatory & street name signs repaired or replaced	2.0%	5.0%	5.0%	7%
Percentage of trip and fall complaints investigated and mitigated within 2 business days	72%	60%	84%	98%
Percentage of reported streetlight outages investigated and repaired in 3 business days	90%	90%	90%	90%

Trees and Right of Way Division

Goal: Maintain and enhance the City's street trees and medians to ensure a safe, healthy and environmentally conscious Urban Forest.

Benefit: Cupertino has a healthy and safe urban forest and medians provide good aesthetic and environmental value.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Percentage of 311 requests that are responded to and closed within 3 business days	90%	90%	90%	95%
Percentage of trees inspected and maintained in the yearly maintenance zone (8-year maintenance cycle)	22%	87%	48%	100%
Percentage of trees planted versus trees removed # planted/# removed	146% 153/105	68% 77/114	88% 44/55	101%

Facilities and Fleet Division

Goal: Timely maintain City Facilities and City Fleet to meet staff, community and environmental requirements at an optimal life cycle cost.

Benefit: Cupertino has well-maintained, usable, and safe facilities and fleet in order to meet the needs of staff and the community.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Percentage of preventative maintenance work orders completed for Fleet assets within 14 days of the due date.	54%	69%	72%	85%
Percentage of facilities maintenance requests closed within 30 days.	35%	66%	63	90%

Sustainability Division

Goal: Implement Cupertino's Climate Action Plan and General Plan Sustainability Element to achieve quantifiable emissions reductions, conserve finite resources, and achieve utility cost avoidance and savings across municipal operations and community partners.

Benefit: Cupertino is a healthy, resilient, environmentally-vibrant city for current and future residents to live, work, learn and play.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
% community-wide emissions reduced from baseline of 307,288 MT CO ₂ e/yr	2018 inventory: 24% decrease in emissions from baseline (258,659 MT CO ₂ e/yr)			15% reduction by 2020 (261,195 MT CO ₂ e/yr)
Initiate, develop, and complete actions from the Climate Action Plan 2.0	(CAP 1.0)100%	6%	28%	100%
% initiated	79%	4%	10%	100%
% complete or ongoing				
% municipal operations emissions reduced from baseline of 1,865 MT CO ₂ e/yr	2018 inventory: 66% reduction in emissions from baseline: 642 MTCO ₂ e			15% reduction by 2020

Transportation Division

Goal: Ensure the efficiency and safety of the transportation system for all modes of travel.

Benefit: Having a safe and efficient transportation system that is inviting for all modes of travel.

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec	Ongoing Target
Percentage of non-emergency traffic signal requests addressed within 72 hours.	95%	100%	100%	100%
Percentage of emergency traffic signal requests addressed within 2 hours.	100%	100%	100%	100%
Percentage of traffic engineering requests responded to within 72 hours	85%	90%	90%	95%
Annual mileage increase of separated bicycle lanes and pedestrian paths.	.82	0.00	0.2	1 mile

Workload Indicators

Capital Improvement Program

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of projects started in the first year funded	4/5	2/2	6/6
Number of active projects versus total number of projects	24/26	23/28	17/25

Environmental Programs Division

Performance Measure	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of actual versus potential discharges	93 actual 27 potential	104 actual 17 potential	25 actual 13 potential
Number of stormwater pollution prevention industrial commercial inspections	136	160	2 so far
Number of building and demolition permits reviewed	754	662	327 so far
Number of non-exempt businesses and multi-family accounts required to separate organics	272	475	471
Tons of waste entering landfill from single-family, multi-family, and commercial accounts as reported by Recology	'July 1,2022- June 30,2023: 11,879.39	13,008	6,324
Number of visitors to compost site	'FY22-23) Quarry: 910; SMaRT Station: Compost (397) Mulch (103)	'Quarry: 913 SMaRT Station: Compost (506) Mulch (148)	'Quarry: 411 SMaRT Station: Compost (220) Mulch (54)
Number of vegetation obstructions reported	95	25	N/A

Developmental Services Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of development applications received	127	111	70
Number of encroachment permit applications received	449	478	218
Number of customer service visits	358	471	206

Grounds Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Maintain city grounds (#) with total acreage (SF)	29 sites/149 AC	29 sites/149AC	29 sites/149AC
Maintain school sites (#)with total acreage (SF)	9 sites/46AC	9 sites/46AC	9 sites/46AC
Total Number of 311 Requests	45	69	32
Total number of playgrounds maintained	37	37	37
Total number of irrigation controllers maintained	74	74	74
Total number of park trees maintained	5,223	5,361	5,361
Total number of park furniture maintained (tables and benches)	431	431	431
Total number of city trash receptacles maintained	420	420	420
Total number of backflow preventers maintained	174	174	174

Streets Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Total roadway miles	138	138	138
Total concrete sidewalk miles	196	196	196
Total number of unique sidewalk repair sites addressed	730	258	211
Total square footage of sidewalk, curb and gutter repaired/replaced	46,466	30,996	5,425
Total number of storm drain inlets	2,094	2,103	2,103
Total number of drain inlets with trash capture devices	179	182	200
Total number of streetlights	3,413	3,421	3,421
Total number of roadway signs	10,394	10,444	10,494
Total miles of storm drain pipe maintained	104.7	104.7	104.7
Total number of crosswalks maintained	723	723	723
Total miles of pavement striping maintained	162	162	162
Total number of street miles swept monthly	696	696	696

Trees and Right of Way Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Total number of street trees	1,922 Trees Maintained	2,828 Trees Maintained	1,696 Trees Maintained
Total acreage of medians maintained	40 AC	40 AC	40 AC
Total number of median islands maintained	185	185	185
Total square feet of median landscape converted or installed to water efficient landscaping	16,873	0 Defunded	0 Defunded
Total number of irrigation controllers maintained	45	45	45
Total number of 311 Requests for tree maintenance	386	473	332
Miles of pedestrian and bicycle trails maintained	0.85	3.0+	3.0+

Facilities and Fleet Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Total number of city facilities maintained	51/221,500 SF	51/221,500 SF	51/221,500 SF
Total number of Fleet vehicles maintained	105	107	107
Total number of special equipment maintained (tractors, trailers, chippers, riding mowers, club car, forklift, generator)	329	329	329
Total number of small equipment maintained	278	278	278
Total number of work orders completed	1,836 Facilities 553 Fleet	1,772 Facilities 693 Fleet	1,105 Facilities 395 Fleet
Fleet vehicles replaced with hybrid and/or electric models	1	3	2
Annual number of site visits to ensure janitorial compliance	1,628	1,628	1,628

Sustainability Division

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Climate Action Plan 2.0 Actions initiated or in Progress	8	22	30
Climate Action Plan 2.0 Actions Completed	5	7	14
Community Education and Outreach Activities Held	5	5	14
Cross-Departmental Projects Supporting	9	5	9
Number of municipal and community programs leading or supporting	8	8	3

Transportation

Workload Indicator	FY 2023 July-June	FY 2024 July-June	FY 2025 July-Dec
Number of signalized intersections	60	60	60

Special Projects

The following table shows the special projects for the department.

Special Project	Appropriation	Revenue	Funding Source	Description
Greenhouse Gas Inventory Assessment	\$40,000	\$40,000	General Fund	The City of Cupertino must conduct a greenhouse gas emissions assessment at least every three years to maintain CEQA certification, with the last assessment conducted for CY 2021. These assessments are essential to track progress to the City's goal of carbon neutrality by 2040.
Energy Management System Replacement	\$160,000	\$160,000	General Fund	The Energy Management System (EMS) at the Sports Center has reached the end of its useful life. EMS upgrades are required every 10 years. The new EMS allows remote HVAC adjustments, which will greatly enhance the building comfort for residents after hours and weekends.
Total	\$200,000	\$200,000		

Proposed Budget

It is recommended that City Council approve a budget of \$47,545,655 for the Public Works department. This represents an increase of \$4,570,716 (10.6%) from the FY 2024-25 Adopted Budget.

This increase is due mainly to an increase in Cost Allocation expenses, five new City Work Program (CWP) projects, Contract Services, and Materials which now includes Contingencies in addition to utility rate increases.

This budget includes \$5,266,412 under Special Projects. CWP items are no longer considered Special Projects per the new City Council Special Project Policy but are discussed here for ease of tracking and transparency. CWP will remain in the Special Project expense category as a way to track these projects but will be reported separately from all other Special Projects that fall under the policy. Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract, material, contract services, or capital outlay expense categories. In addition, contingency dollars have been calculated off of department's FY 2025-2026 base budget materials and contracts and have been consolidated into materials.

For any programs with reductions in benefits, this is due to the one-time additional discretionary payment to the City's retirement system that has resulted in benefit savings. Any changes in cost allocation charges are due to the updated Cost Allocation Plan (CAP) based on a CAP study performed in 2023. In addition, contingency dollars have been calculated off of department's FY 2025-26 base budget materials and contracts and have been consolidated into materials budgets.

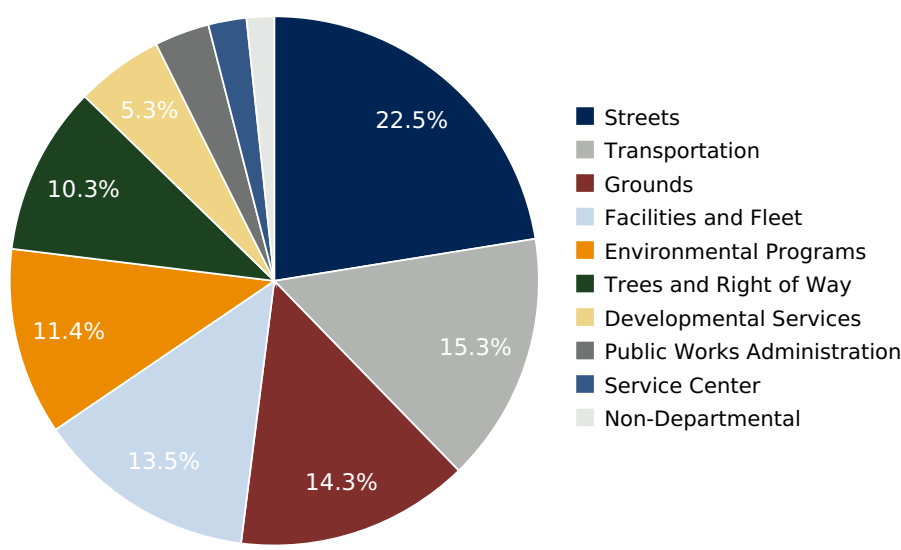
Citywide training was significantly reduced across all budget units as part of budget reductions in the last two fiscal years. Staff is requesting the restoration of 50% of the previously reduced training funds. This amount was calculated by comparing the training budgets in materials and contracts from FY 2022–23 to those in FY 2024–25, determining the difference, and then adding back 50% of that difference.

This budget also includes the following City Work Program items in addition to department requests totaling, \$2,048,699:

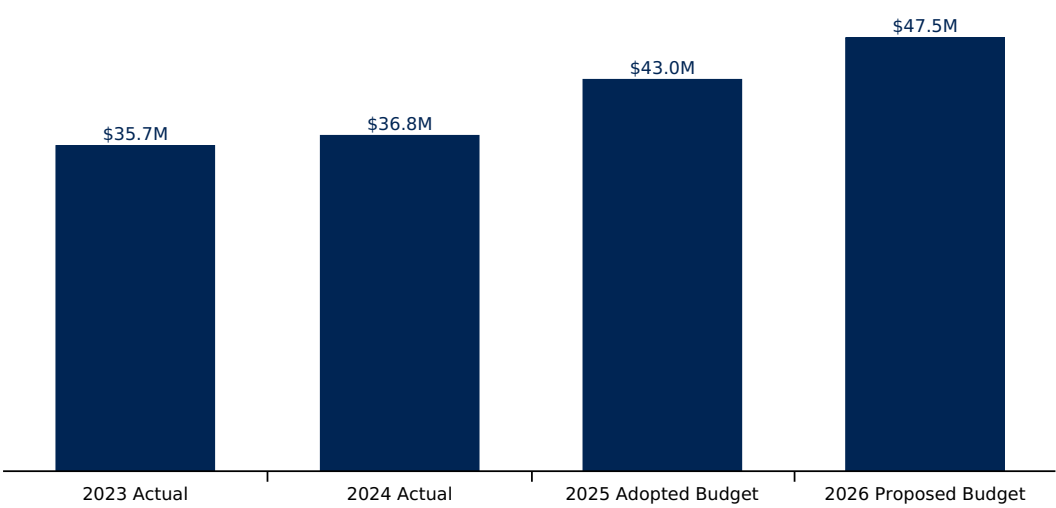
- City Properties: Planning for Optimal Use - \$200,000
- Traffic Impact Fee - \$300,000
- Parkland Impact Fee - \$300,000
- Water Conservation Policy - \$250,000
- Urban Forest Program/Tree List - \$140,000

Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 476,593	\$ 460,753	\$ 404,702	\$ 2,383,889
Intergovernmental Revenue	\$ 2,046,373	\$ 3,704,979	\$ 5,568,027	\$ 6,405,432
Charges for Services	\$ 6,234,697	\$ 7,274,754	\$ 8,475,550	\$ 7,503,009
Fines and Forfeitures	\$ 23,371	\$ 2,746	\$ 20,000	\$ 10,000
Miscellaneous Revenue	\$ 83,004	\$ 912,796	\$ 79,289	\$ 66,481
Transfers In	\$ 861,140	\$ 15,467	\$ 15,000	\$ 15,000
Total Revenues	\$ 9,725,178	\$ 12,371,495	\$ 14,562,568	\$ 16,383,811
Expenditures				
Employee Compensation	\$ 10,465,362	\$ 9,960,336	\$ 10,518,310	\$ 10,511,117
Employee Benefits	\$ 4,261,311	\$ 4,890,084	\$ 5,551,949	\$ 5,237,756
Materials	\$ 4,294,618	\$ 4,222,395	\$ 4,975,752	\$ 5,075,685
Contract Services	\$ 4,223,613	\$ 6,522,314	\$ 8,457,958	\$ 9,538,041
Cost Allocation	\$ 6,429,988	\$ 6,614,696	\$ 7,493,827	\$ 9,320,179
Capital Outlays	\$ 1,042,673	\$ 1,045,618	\$ 1,030,224	\$ 1,857,508
Special Projects	\$ 4,323,798	\$ 3,028,103	\$ 4,104,420	\$ 5,266,412
Other Financing Uses	\$ 674,604	\$ 527,123	\$ 674,604	\$ 738,957
Transfers Out	\$ -	\$ 20,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 167,895	\$ -
Total Expenditures	\$ 35,715,967	\$ 36,830,669	\$ 42,974,939	\$ 47,545,655
Fund Balance	\$ (4,992,722)	\$ (1,416,086)	\$ (6,625,874)	\$ (8,627,515)
General Fund Costs	\$ 20,998,068	\$ 23,043,551	\$ 21,786,497	\$ 24,375,996

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.95	1.95	1.95	1.95
ASSISTANT ENGINEER	2.00	2.00	1.90	2.00
ASSIST DIR OF PW ENGINEER	1.00	0	0	0
ASSIST DIR PUBLIC WORKS OPS	1.00	1.00	1.00	1.00
ASSOCIATE CIVIL ENGINEER	0	0	1.00	1.00
BUILDING INSPECTOR	0.08	0.08	0.08	0.08
CIP MANAGER	1.00	1.00	1.00	1.00
DIRECTOR OF PUBLIC WORKS	1.00	1.00	1.00	1.00
ENGINEERING TECHNICIAN	1.00	1.00	1.00	1.00
ENVIRONMENTAL COMPLIANCE TECH	0	0	1.00	1.00
ENVIRONMENTAL PROGRAM MGR	1.00	1.00	1.00	1.00

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ENVIRONMENTAL PROGRAMS ASSISTANT	3.65	3.65	4.00	4.00
ENVIRONMENTAL PROG SPECIALIST	0	0	0	1.00
ENV. PROG. COMPLIANCE TECHNICIAN	1.00	1.00	1.00	1.00
ENV. PROGRAMS SPECIALIST	1.00	1.00	0.95	0.95
EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
LEAD EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
MAINTENANCE WORKER I/II	45.00	43.00	41.00	43.00
MAINTENANCE WORKER III	8.00	7.00	8.00	8.00
MANAGEMENT ANALYST	1.20	1.20	1.00	2.00
PUBLIC WORKS INSPECTOR	2.00	2.00	2.00	2.00
PUBLIC WORKS PROJECT MANAGER	4.00	2.00	1.00	1.00
PUBLIC WORKS PROJECT MANAGER	2.00	2.00	1.00	1.00
PUBLIC WORKS PROJECT MANAGER LT	1.00	0	0	0
PUBLIC WORKS SUPERVISOR	4.00	4.00	5.00	4.00
RECREATION COORDINATOR	0.12	0.12	0.12	0.12
SENIOR CIVIL ENGINEER	2.00	2.00	2.00	2.00
SENIOR MANAGEMENT ANALYST	1.00	1.00	1.00	0
SR BUILDING INSPECTOR	0.02	0.02	0.02	0.02
SR OFFICE ASSISTANT	1.00	1.00	1.00	1.00
SR. PUBLIC WORKS PROJECT MANAGER	0	1.00	0	0
STREET LIGHTING WORKER	1.00	1.00	1.00	1.00
SUSTAINABILITY MANAGER	0.20	0.20	0	0
TRAFFIC SIGNAL TECHNICIAN	2.00	2.00	2.00	2.00
TRANSIT & TRANSPORTATION PLANNER	1.00	1.00	1.00	1.00
TRANSPORTATION MANAGER	0.90	0.90	1.00	1.00
Total	94.12	88.12	87.02	89.12

Public Works Administration

Budget Unit 100-80-800

General Fund - Public Works Administration - Public Works Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 107,241
Total Expenditures	\$ 1,594,162
Fund Balance	\$ -
General Fund Costs	\$ 1,486,921
% Funded by General Fund	93.3%
Total Staffing	4.0 FTE

Program Overview

The Public Works Department is comprised of the following eight divisions:

- Capital Improvement Program Administration
- Development Services (including inspection services)
- Environmental Programs & Sustainability
- Facilities and Fleet
- Grounds
- Streets
- Transportation
- Trees and Right-of-Way

Service Objectives

- Provide capital project delivery, development plan check, permitting and inspection, solid waste and recycling services, stormwater quality compliance, and public works maintenance services in a responsive and efficient manner by continuously adapting programs and resources to meet the community’s expectations.
- Provide a response to the community on complaints and requests for services. Plan and program maintenance of the City’s public facilities and infrastructure.
- Program and deliver Capital Improvement Projects in a timely and cost-efficient manner. Work with operating departments and the community to ensure projects meet expectations.
- Collaborate with Community Development to efficiently deliver predictable, responsive and efficient development services.
- Represent the City on county and regional issues such as congestion management, and mobility and transit planning.
- Manage and adapt traffic operations to efficiently move traffic and protect neighborhoods.
- Oversee and manage stormwater, solid waste, sustainability efforts and recycling programs.

Proposed Budget

It is recommended that City Council approve a budget of \$1,594,162 for the Public Works Administration program. This represents an increase of \$282,512 (21.5%) from the FY 2024-25 Adopted Budget.

This increase is due to the addition of two City Work Programs: \$200,000 City Properties: Planning for Optimal Use and \$300,000 for Parkland Impact Fee Study.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 88,625	\$ 104,625	\$ 80,580	\$ 107,241
Total Revenues	\$ 88,625	\$ 104,625	\$ 80,580	\$ 107,241
Expenditures				
Employee Compensation	\$ 638,605	\$ 668,388	\$ 748,080	\$ 729,570
Employee Benefits	\$ 210,435	\$ 248,207	\$ 286,549	\$ 276,207
Materials	\$ 8,195	\$ 8,692	\$ 10,837	\$ 15,480
Contract Services	\$ 792	\$ 267	\$ 792	\$ 792
Cost Allocation	\$ -	\$ -	\$ 65,247	\$ 72,113
Special Projects	\$ -	\$ 16,866	\$ 200,000	\$ 500,000
Contingencies	\$ -	\$ -	\$ 145	\$ -
Total Expenditures	\$ 858,027	\$ 942,420	\$ 1,311,650	\$ 1,594,162
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 769,401	\$ 837,795	\$ 1,231,070	\$ 1,486,921

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	0.95	0.95	0.95	0.95
ASSIST DIR OF PW ENGINEER	0.50	0	0	0
DIRECTOR OF PUBLIC WORKS	1.00	1.00	1.00	1.00
MANAGEMENT ANALYST	1.00	1.00	1.00	2.00
SENIOR MANAGEMENT ANALYST	1.00	1.00	1.00	0
Total	4.45	3.95	3.95	3.95

There are no changes to the current level of staffing.

Sustainability

Budget Unit 100-81-122

General Fund - Environmental Programs - Sustainability

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 418,126
Fund Balance	\$ -
General Fund Costs	\$ 418,126
% Funded by General Fund	100.0%
Total Staffing	1.1 FTE

Program Overview

The Sustainability Division works to implement the City's Climate Action Plan, provides subject matter expertise and coordinates across departments in building public good through activities that reduce greenhouse gas emissions, conserves scarce resources, prioritize public health and prepare for the impacts of climate change. In this capacity, the program teams with regional partners and adjacent jurisdictions, and seeks grant funding to develop collective approaches to implement the City's ambitious Climate Action Plan.

Service Objectives

- Collect and analyze relevant data to demonstrate municipal compliance with current and increasing state and federal regulations.
- Support the City's Sustainability Commission, a citizen advisory body that helps the City Council to implement effective climate actions.
- Serve as a technical resource on sustainability initiatives by preparing staff reports, developing local policies and ordinances, coordinating educational events, and making presentations to Council, City departments, and applicable outside organizations.
- Coordinate municipal and community-wide greenhouse gas emissions inventories, develop emissions targets, execute a community-wide climate action plan, and track progress to achieve emissions reductions over time.
- Expand existing compliance-focused environmental services to offer innovative energy, water, and resource conservation programs that effectively engage employees and community members.
- Evaluate existing departmental programs and benchmark environmental achievements on an ongoing basis.
- Research tools and best practices for efficient utility management and conservation and adapt these to the City's organizational culture, operations, and budgets.
- Manage or perform resource audits, identify energy conservation and renewable energy generation opportunities, calculate feasibility and develop projects that are cost-effective and conserve resources.
- Develop effective partnerships that empower students and community members as environmental leaders.

Proposed Budget

It is recommended that City Council approve a budget of \$418,126 for the Sustainability program. This represents an increase of \$18,863 (4.7%) from the FY 2024-25 Adopted Budget.

In FY 2024-2025, this program was moved from the City Manager's Office. The prior year data can be found under Budget Unit 100-12-122.

The increase is primarily due to the request for a special project listed below.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Greenhouse Gas Inventory Assessment	\$40,000	\$40,000	General Fund	The City of Cupertino must conduct a greenhouse gas emissions assessment at least every three years to maintain CEQA certification, with the last assessment conducted for CY 2021. These assessments are essential to track progress to the City's goal of carbon neutrality by 2040.
Total	\$40,000	\$40,000		

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ 4,193	\$ -	\$ -
Total Revenues	\$ -	\$ 4,193	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 11,583	\$ 133,784	\$ 136,157
Employee Benefits	\$ -	\$ 53,353	\$ 68,839	\$ 56,389
Materials	\$ -	\$ 9,656	\$ 13,881	\$ 22,605
Contract Services	\$ -	\$ 138,621	\$ 32,150	\$ 72,000
Cost Allocation	\$ -	\$ 178,396	\$ 90,034	\$ 90,975
Special Projects	\$ -	\$ 8,560	\$ 60,000	\$ 40,000
Contingencies	\$ -	\$ -	\$ 575	\$ -
Total Expenditures	\$ -	\$ 400,169	\$ 399,263	\$ 418,126
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 395,976	\$ 399,263	\$ 418,126

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ENVIRONMENTAL PROGRAM MGR	0	0	0.10	0.10
ENVIRONMENTAL PROGRAMS ASSISTANT	0	0	0.50	0.50
ENV. PROGRAMS SPECIALIST	0	0	0.45	0.45
Total	0	0	1.05	1.05

There are no changes to the current level of staffing.

Resource Recovery

Budget Unit 520-81-801

Resource Recovery - Environmental Programs - Resource Recovery

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,668,508
Total Expenditures	\$ 2,966,958
Fund Balance	\$ (1,298,450)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	4.8 FTE

Program Overview

The Resource Recovery program manages the City’s garbage and recycling franchised hauler contract and provides garbage and recycling customer service for residents and business owners; manages the City’s garbage disposal contract; develops and implements programs and policy to comply with State source reduction and recycling mandates; oversees the free compost giveaway at the compost site; and represents the City on countywide committees. The public education and outreach programs led by this division include visits to businesses and apartment complexes to provide recycling instruction, kitchen containers, and visual materials; presentations at events and schools and employee training for businesses on-site as needed. The program coordinates many complimentary activities with the Sustainability program in the Office of the City Manager.

Service Objectives

- Meet State requirements to divert recyclables and organics from landfill. Help businesses implement the City’s Mandatory Organics Recycling ordinance (6.24.037) which ensures compliance with SB 1383, California’s Short-Lived Climate Pollutant Reduction Strategy. Provide landlords and property owners with support and educational materials for their tenants. Conduct waste characterization studies to determine future services.
- Provide contract oversight and customer service for garbage and recycling collection, garbage disposal, yard waste processing, composting and household hazardous waste. Manage community events such as the citywide Garage Sale and free compost giveaway for residents. Assist CUSD and high school teachers and students with student recycling and composting projects related to teachers’ curriculum and the City’s environmental initiatives.

Proposed Budget

It is recommended that City Council approve a budget of \$2,966,958 for the Resource Recovery program. This represents a decrease of \$256,032 (-7.9%) from the FY 2024-25 Adopted Budget.

The decrease is primarily due to a reduction in Special Projects from last fiscal year. The decrease is also due to a Public Works Supervisor position that was underfilled as an Environmental Program Specialist based on the current duties and tasks assigned to that position.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 55,692	\$ 93,792	\$ -	\$ 64,374
Intergovernmental Revenue	\$ 98,851	\$ -	\$ 14,000	\$ 14,812
Charges for Services	\$ 1,673,401	\$ 1,563,696	\$ 1,645,000	\$ 1,589,322
Miscellaneous Revenue	\$ -	\$ 799,800	\$ -	\$ -
Total Revenues	\$ 1,827,944	\$ 2,457,288	\$ 1,659,000	\$ 1,668,508
Expenditures				
Employee Compensation	\$ 491,610	\$ 539,745	\$ 627,624	\$ 600,806
Employee Benefits	\$ (4,589)	\$ 287,207	\$ 310,226	\$ 251,368
Materials	\$ 53,654	\$ 6,609	\$ 233,125	\$ 260,497
Contract Services	\$ 1,052,344	\$ 862,334	\$ 1,380,016	\$ 1,386,403
Cost Allocation	\$ 231,017	\$ 267,029	\$ 440,614	\$ 464,570
Special Projects	\$ 213,765	\$ 264,858	\$ 210,733	\$ -
Other Financing Uses	\$ 513	\$ -	\$ 513	\$ 3,314
Transfers Out	\$ -	\$ 20,000	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 20,139	\$ -
Total Expenditures	\$ 2,038,314	\$ 2,247,782	\$ 3,222,990	\$ 2,966,958
Fund Balance	\$ (210,370)	\$ 209,506	\$ (1,563,990)	\$ (1,298,450)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ENVIRONMENTAL COMPLIANCE TECH	0	0	0.50	0.50
ENVIRONMENTAL PROGRAM MGR	0.50	0.50	0.50	0.50
ENVIRONMENTAL PROGRAMS ASSISTANT	2.30	2.30	2.15	2.15
ENVIRONMENTAL PROG SPECIALIST	0	0	0	0.70
ENV. PROG. COMPLIANCE TECHNICIAN	0.05	0.05	0.50	0.50
ENV. PROGRAMS SPECIALIST	0.40	0.40	0.40	0.40
MANAGEMENT ANALYST	0.05	0.15	0	0
PUBLIC WORKS SUPERVISOR	0	0	0.70	0
SUSTAINABILITY MANAGER	0.20	0.20	0	0
Total	3.50	3.60	4.75	4.75

A Public Works Supervisor position was underfilled as an Environmental Program Specialist based on the current duties and tasks assigned to that position.

Non-Point Source

Budget Unit 230-81-802

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Non-Point Source

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,514,373
Total Expenditures	\$ 1,457,191
Fund Balance	\$ 57,182
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.5 FTE

Program Overview

The Non-Point Source program manages the City's compliance with its State-mandated Municipal Regional Stormwater NPDES Permit. Compliance activities include program and policy development and implementation of state-mandated complaint response and enforcement programs as well as annual interdepartmental staff training; and scheduled business and construction site inspections. The program reviews development plans to ensure compliance with low impact development (LID); and new Green Infrastructure Plan development requirements. The program is responsible for calculating storm drain fees annually to submit to the County for collection on property tax bills, writing an annual report to the Regional Water Quality Control Board to verify and document the City's compliance with Clean Water Act mandates, and engaging and educating the public via City communication channels, visits to businesses and presentations at local schools, De Anza College and community events. Public participation events in a typical year include two or more annual volunteer creek cleanup days, an interactive water quality monitoring day, Earth Day and various countywide collaborative events. Implementation and annual progress assessment of the City's eight-year litter reduction plan are among the requirements of the City's Non-Point Source program. Collection and management of storm water for the City is regulated under the terms of a Bay Area-wide State-mandated National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit.

Service Objectives

- Oversee the City's compliance with the Municipal Regional Stormwater Permit (MRP 2.0) with regard to water pollution prevention, erosion control, conserving water as a resource (e.g. infiltration rather than runoff), and low impact development (LID) via the City's permit application process and conditions of approval.
- Coordinate urban runoff pollution and erosion prevention activities with other departments, divisions, and private businesses. Mandated activities include: catch basin cleaning; post-construction oversight of permanent stormwater treatment measures installed at private new and redeveloped sites; implementation of, and annual progress assessments for the eight-year litter reduction plan; oversight of construction best management practices during private and public construction; inspection of grease-generating and wet-waste food facilities and other businesses to prevent water-polluting discharges; complaint response and investigation to protect water quality; and education of staff and local businesses on best management practices for outdoor storage and activities.
- Represent the City on county and regional committees to prevent creek and San Francisco Bay pollution, erosion, and illegal dumping.

Proposed Budget

It is recommended that City Council approve a budget of \$1,457,191 for the Non-Point Source program. This represents a decrease of \$25,556 (-1.7%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged since last fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 864	\$ 2,849	\$ -	\$ -
Charges for Services	\$ 1,497,204	\$ 1,500,757	\$ 1,865,000	\$ 1,504,373
Fines and Forfeitures	\$ 23,371	\$ 2,746	\$ 20,000	\$ 10,000
Total Revenues	\$ 1,521,439	\$ 1,506,352	\$ 1,885,000	\$ 1,514,373
Expenditures				
Employee Compensation	\$ 393,277	\$ 417,081	\$ 326,870	\$ 324,750
Employee Benefits	\$ 157,891	\$ 177,674	\$ 168,021	\$ 143,125
Materials	\$ 34,765	\$ 34,052	\$ 38,097	\$ 45,666
Contract Services	\$ 291,791	\$ 302,890	\$ 365,570	\$ 393,007
Cost Allocation	\$ 195,816	\$ 200,578	\$ 568,436	\$ 550,643
Special Projects	\$ 12,161	\$ -	\$ 10,707	\$ -
Contingencies	\$ -	\$ -	\$ 5,046	\$ -
Total Expenditures	\$ 1,085,701	\$ 1,132,275	\$ 1,482,747	\$ 1,457,191
Fund Balance	\$ 435,739	\$ 374,077	\$ 402,253	\$ 57,182
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
BUILDING INSPECTOR	0.08	0.08	0.08	0.08
ENVIRONMENTAL COMPLIANCE TECH	0	0	0.50	0.50
ENVIRONMENTAL PROGRAM MGR	0.50	0.50	0.40	0.40
ENVIRONMENTAL PROGRAMS ASSISTANT	0.35	0.35	0.35	0.35
ENVIRONMENTAL PROG SPECIALIST	0	0	0	0.30
ENV. PROG. COMPLIANCE TECHNICIAN	0.95	0.95	0.50	0.50
ENV. PROGRAMS SPECIALIST	0.60	0.60	0.10	0.10
MAINTENANCE WORKER III	0.10	0	0	0
PUBLIC WORKS INSPECTOR	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0	0	0.30	0
RECREATION COORDINATOR	0.12	0.12	0.12	0.12
SR BUILDING INSPECTOR	0.02	0.02	0.02	0.02
Total	2.82	2.72	2.47	2.47

There are no changes to the current level of staffing.

Storm Drain Fee

Budget Unit 230-81-853

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Storm Drain Fee

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

A portion of the collected Clean Water and Storm Protection Fee is allocated for rebates on activities that reduce stormwater runoff and pollution. Currently, these are split between offering matching Valley Water rebates on rainwater gardens, rainwater collection, and turf replacement installations and offering City-managed rebates for residential pervious pavement installations. Collection and management of storm water for the City is regulated under the terms of a Bay Area-wide State-mandated National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit.

This program will remain in order to maintain historical data, however once all prior year data as listed in the table below is \$0, this program will be removed.

Proposed Budget

There is no budget requested for this program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 528	\$ 924	\$ -	\$ -
Special Projects	\$ 175	\$ 19,512	\$ -	\$ -
Total Expenditures	\$ 703	\$ 20,436	\$ -	\$ -
Fund Balance	\$ (703)	\$ (20,436)	\$ -	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

General Fund Subsidy

Budget Unit 230-81-854

Env Mgmt Cln Creek Storm Drain - Environmental Programs - General Fund Subsidy

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 11,990
Fund Balance	\$ (11,990)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The City has a joint use agreement for playing fields at schools in CUSD, and part of that agreement requires a refund to CUSD of half of the fees they pay each year for the Clean Water and Storm Protection Fee, which is based on parcel size and use category. The details of the fee prohibit using collected funds for providing discounts or refunds, so funding for that purpose must come from the General Fund.

In addition, the City has a Clean Water Cost-Share Program allowing low-income property owners to receive a discounted rate on the Clean Water and Storm Protection Fee that is charged on property tax bills. The details of the fee prohibit using collected taxes for providing discounts or refunds, so funding for this purpose must come from the General Fund.

Proposed Budget

It is recommended that City Council approve a budget of \$11,990 for the General Fund Subsidy program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Contract Services	\$ -	\$ -	\$ -	\$ 10,967
Cost Allocation	\$ 347	\$ 1,296	\$ -	\$ 1,023
Special Projects	\$ 8,984	\$ 47	\$ -	\$ -
Total Expenditures	\$ 9,331	\$ 1,343	\$ -	\$ 11,990
Fund Balance	\$ (9,331)	\$ (1,343)	\$ -	\$ (11,990)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Storm Drain Maintenance

Budget Unit 230-81-855

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Storm Drain Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 585,050
Fund Balance	\$ (585,050)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	1.9 FTE

Program Overview

The Storm Drain Maintenance program manages the City's storm drainage collection system, which is comprised of approximately 90 miles of pipe, 2,215 drain inlets, and storm outfalls to local waterways. An inspector and on-call staff provide emergency response to pollutant discharges, and crews perform general system maintenance including annual cleanout of drain inlets and trash capture devices. Collection and management of storm water for the City is regulated under the terms of a Bay Area-wide State-mandated National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit.

Service Objectives

- Provide effective and timely inspection and maintenance of the storm drain system including inlet and outfall structures and collection system.
- Provide annual cleaning and inspection of all inlets and full trash capture devices.

Proposed Budget

It is recommended that City Council approve a budget of \$585,050 for the Storm Drain Maintenance program. This represents an increase of \$155,324 (36.1%) from the FY 2024-25 Adopted Budget.

This program also includes \$40,000 one-time costs for Storm Drain Grates Replacement. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 813	\$ -	\$ -	\$ -
Total Revenues	\$ 813	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 233,198	\$ 135,296	\$ 197,556	\$ 206,852
Employee Benefits	\$ 95,921	\$ 81,259	\$ 112,588	\$ 107,007
Materials	\$ 32,796	\$ 26,191	\$ 37,924	\$ 66,527
Contract Services	\$ 21,556	\$ 130,506	\$ 50,000	\$ 50,000
Cost Allocation	\$ 136,173	\$ 143,344	\$ 30,559	\$ 154,664
Special Projects	\$ -	\$ 128,895	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,099	\$ -
Total Expenditures	\$ 519,644	\$ 645,491	\$ 429,726	\$ 585,050
Fund Balance	\$ (518,831)	\$ (645,490)	\$ (429,726)	\$ (585,050)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	1.80	1.75	1.00	1.05
MAINTENANCE WORKER III	0.20	0.20	0.60	0.60
PUBLIC WORKS SUPERVISOR	0.25	0.25	0.25	0.25
Total	2.25	2.20	1.85	1.90

Staff time is being reallocated to better reflect actual time spent in this program.

Plan Review

Budget Unit 100-82-804

General Fund - Developmental Services - Plan Review

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 3,048,070
Total Expenditures	\$ 1,395,413
Fund Balance	\$ -
General Fund Costs	\$ 189,010
% Funded by General Fund	13.5%
Total Staffing	3.9 FTE

Program Overview

The Development Services Division is comprised of two areas:

- Development Services - reviews plans for private developments and utility encroachments to ensure conformance with City standards and policies.
- Inspection Services - ensures compliance with City standards and approved plans on all public and private developments and utility projects.

Service Objectives

- Ensure that private development projects provide necessary supporting infrastructure and potential impacts on the community are mitigated.
- Place safety of the general public, City employees and construction workers as the highest priority on construction sites.
- Inspect utility encroachment permits for work within the City right-of-way and return streets and sidewalks to City standards.
- Ensure compliance with stormwater permits and prevent runoff from polluting nearby watersheds. Work closely with the Environmental Programs Division to continue inspecting job sites before, during and after each rain event and conduct annual inspections of all Post Construction Treatments and Stormwater Pollution Prevention Plan (SWPPP) compliance.
- Respond to public inquiries or complaints in a timely manner.
- Provide aid and information to other City Divisions and Departments, including Community Development, Building, Capital Improvements, City Attorney’s Office, Public Works Maintenance and Operations and Parks and Recreation as needed to facilitate private developments and public infrastructure projects.

Proposed Budget

It is recommended that City Council approve a budget of \$1,395,413 for the Plan Review program. This represents an increase of \$18,156 (1.3%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 186,315	\$ 180,954	\$ 186,315	\$ 2,092,796
Charges for Services	\$ 824,123	\$ 1,020,162	\$ 1,302,923	\$ 954,500
Miscellaneous Revenue	\$ 228	\$ 1,240	\$ 228	\$ 774
Total Revenues	\$ 1,010,666	\$ 1,202,356	\$ 1,489,466	\$ 3,048,070
Expenditures				
Employee Compensation	\$ 808,538	\$ 634,452	\$ 589,108	\$ 585,399
Employee Benefits	\$ 312,429	\$ 264,836	\$ 286,348	\$ 277,793
Materials	\$ 4,374	\$ 2,019	\$ 6,389	\$ 8,476
Contract Services	\$ 55,124	\$ 149,795	\$ 88,268	\$ 93,145
Cost Allocation	\$ 278,699	\$ 274,644	\$ 405,961	\$ 430,600
Special Projects	\$ 31,649	\$ 30,403	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,183	\$ -
Total Expenditures	\$ 1,490,813	\$ 1,356,149	\$ 1,377,257	\$ 1,395,413
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 480,147	\$ 153,793	\$ (112,209)	\$ 189,010

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSIST DIR OF PW ENGINEER	0.20	0	0	0
ASSOCIATE CIVIL ENGINEER	0	0	1.00	1.00
ENGINEERING TECHNICIAN	1.00	1.00	1.00	1.00
PUBLIC WORKS INSPECTOR	0.90	0.90	0.90	0.90
SENIOR CIVIL ENGINEER	2.00	2.00	1.00	1.00
Total	4.10	3.90	3.90	3.90

There are no changes to the current level of staffing.

CIP Administration

Budget Unit 100-82-806

General Fund - Developmental Services - CIP Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,147,808
Fund Balance	\$ -
General Fund Costs	\$ 1,147,808
% Funded by General Fund	100.0%
Total Staffing	4.3 FTE

Program Overview

The Capital Improvement Program (CIP) Division plans, manages, and implements improvements to city land, parks, building and infrastructure. These projects are derived from resident input, master plans, needs assessments, interdepartmental requirements, maintenance of the City's facilities, and innovations in our understandings of how the facilities can best serve our population. The division undertakes all aspects of project implementation, including contract administration for design, construction, and overall project management. Project types include, but are not limited to streets, sidewalks, storm drainage, buildings, parks, bicycle and pedestrian improvements and other public facilities. Responsibilities also include claims avoidance, environmental and regulatory compliance and monitoring, and the development of the annual budget and program scope.

Service Objectives

- Ensure that all public improvements are designed and constructed in accordance with community expectations and City standards.
- Place safety of the general public, City employees and workers as the highest priority in the delivery of capital projects.
- Respond to public inquiries or complaints in a timely manner.

Proposed Budget

It is recommended that City Council approve a budget of \$1,147,808 for the CIP Administration program. This represents an increase of \$79,744 (7.5%) from the FY 2024-25 Adopted Budget.

The increase is primarily due to staffing reallocation.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 1,029,501	\$ 651,436	\$ 689,299	\$ 756,817
Employee Benefits	\$ 393,281	\$ 314,553	\$ 298,259	\$ 300,650
Materials	\$ 9,869	\$ 2,994	\$ 12,823	\$ 15,378
Cost Allocation	\$ -	\$ -	\$ 67,523	\$ 74,963
Contingencies	\$ -	\$ -	\$ 160	\$ -
Total Expenditures	\$ 1,432,651	\$ 968,983	\$ 1,068,064	\$ 1,147,808
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,432,651	\$ 968,983	\$ 1,068,064	\$ 1,147,808

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT ENGINEER	0.50	0.50	0.50	1.00
ASSIST DIR OF PW ENGINEER	0.20	0	0	0
CIP MANAGER	1.00	1.00	1.00	1.00
PUBLIC WORKS PROJECT MANAGER	3.25	1.25	0.25	0.25
PUBLIC WORKS PROJECT MANAGER	2.00	2.00	1.00	1.00
PUBLIC WORKS PROJECT MANAGER LT	0.50	0	0	0
SENIOR CIVIL ENGINEER	0	0	1.00	1.00
SR. PUBLIC WORKS PROJECT MANAGER	0	1.00	0	0
Total	7.45	5.75	3.75	4.25

Staff time is being reallocated to better reflect actual time spent in this program.

Service Center Administration

Budget Unit 100-83-807

General Fund - Service Center - Service Center Administration

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 67,757
Total Expenditures	\$ 1,108,056
Fund Balance	\$ -
General Fund Costs	\$ 1,040,299
% Funded by General Fund	93.9%
Total Staffing	3.0 FTE

Program Overview

The Service Center Administration program manages Public Works maintenance operations that include the major divisions of streets, grounds, trees and medians, facilities and fleet, as well as the minor divisions of signs/markings, storm drain, sidewalk, curb and gutter, trails, overpasses and storm water; provides customer service to the general public; provides administrative support for maintenance staff, supervisors, and management; general training prioritization; assignment of service calls; provides oversight of various contracted services including street sweeping, janitorial and a wide variety of maintenance and minor public works contracts; manages the sheriff's work furlough program 7 days per week; and collaborates with Public Works Engineering for asset improvements beyond routine maintenance.

Service Objectives

- Create a positive environment that fosters efficiency and innovation for service center employees.
- Ensure proper documentation and inventory of trees, sidewalk repair, striping and legends, street signs, vehicle and equipment, streetlights and stormwater pollution.
- Maintain records of all complaints and requests for services by tracking responses through computer programs and written service request forms.
- Process the payments for all services and materials generated through the Service Center.
- Maintain productivity units of measure for key tasks performed.
- Support Public Works Engineering in the collection of field data, review of improvement drawings and development of capital improvement projects.
- Maintain, lead and implement all elements of the Injury and Illness Prevention Program.
- Maintain positive, accountable relations with employee bargaining groups.

Proposed Budget

It is recommended that City Council approve a budget of \$1,108,056 for the Service Center Administration program. This represents an increase of \$48,909 (4.6%) from the FY 2024-25 Adopted Budget.

The increase is due to increases in Cost Allocation.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 111,719	\$ 44,156	\$ 111,719	\$ 67,150
Miscellaneous Revenue	\$ 155	\$ 32,319	\$ 155	\$ 607
Total Revenues	\$ 111,874	\$ 76,475	\$ 111,874	\$ 67,757
Expenditures				
Employee Compensation	\$ 469,977	\$ 430,891	\$ 449,862	\$ 445,492
Employee Benefits	\$ 197,212	\$ 196,301	\$ 229,031	\$ 210,430
Materials	\$ 200,772	\$ 140,573	\$ 154,202	\$ 168,991
Contract Services	\$ 31,508	\$ 22,605	\$ 17,682	\$ 50,000
Cost Allocation	\$ 294,735	\$ 229,276	\$ 156,221	\$ 233,143
Special Projects	\$ 38,152	\$ 53,445	\$ 50,000	\$ -
Contingencies	\$ -	\$ -	\$ 2,149	\$ -
Total Expenditures	\$ 1,232,356	\$ 1,073,091	\$ 1,059,147	\$ 1,108,056
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,120,481	\$ 996,617	\$ 947,273	\$ 1,040,299

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
ASSIST DIR OF PW ENGINEER	0.10	0	0	0
ASSIST DIR PUBLIC WORKS OPS	1.00	1.00	1.00	1.00
MANAGEMENT ANALYST	0.15	0.05	0	0
SR OFFICE ASSISTANT	1.00	1.00	1.00	1.00
Total	3.25	3.05	3.00	3.00

There are no changes to the current level of staffing.

Golf Grounds Maintenance

Budget Unit 560-84-268

Blackberry Farm - Grounds - Golf Grounds Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 339,558
Fund Balance	\$ (339,558)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This program maintains the grounds at the Blackberry Farm Golf Course. The Blackberry Farm Gold Course maintenance budget (560-63-616) was transferred from Parks and Recreation

to Public Works FY 24-25.

Service Objectives

- Provide citizens with the cleanest and safest recreational area to enjoy.
- Provide daily general clean up and trash removal at the golf course.
- Provide maintenance of tee boxes, fairways and greens areas that includes mowing, fertilization and aerification.
- Provide maintenance of irrigation system in good operation and program irrigation controllers to maintain golf course appearance and health of vegetation while maximizing water conservation.
- Provide tree maintenance by keeping trees trimmed.
- Provide maintenance of perimeter fencing and safety netting.

Proposed Budget

It is recommended that City Council approve a budget of \$339,558 for the Golf Grounds Maintenance program. This represents a decrease of \$15,629 (-4.4%) from the FY 2024-25 Adopted Budget.

This program also includes \$10,000 recurring costs for BBF Golf Course - Vegetation Management. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials	\$ -	\$ 92,798	\$ 120,802	\$ 99,398
Contract Services	\$ -	\$ 4,500	\$ 230,000	\$ 240,160
Contingencies	\$ -	\$ -	\$ 4,385	\$ -
Total Expenditures	\$ -	\$ 97,298	\$ 355,187	\$ 339,558
Fund Balance	\$ -	\$ (97,298)	\$ (355,187)	\$ (339,558)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

McClellan Ranch Park

Budget Unit 100-84-808

General Fund - Grounds - McClellan Ranch Park

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 195,091
Fund Balance	\$ -
General Fund Costs	\$ 195,091
% Funded by General Fund	100.0%
Total Staffing	0.4 FTE

Program Overview

McClellan Ranch Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, and graffiti removal.
- Provide twice annually the mowing of fire breaks per Fire Marshal request in a manner in which wildlife is least impacted.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all of the City’s special events.

Proposed Budget

It is recommended that City Council approve a budget of \$195,091 for the McClellan Ranch Park program. This represents an increase of \$35,620 (22.3%) from the FY 2024-25 Adopted Budget.

This increase is mainly due to an increase in Contract Services and an increase in Cost Allocation expenses.

This program also includes a request for partial recurring costs for Vegetation Management of \$5,000. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 40,638	\$ 44,901	\$ 44,708	\$ 45,754
Employee Benefits	\$ 19,155	\$ 22,528	\$ 25,920	\$ 24,008
Materials	\$ 41,393	\$ 39,599	\$ 40,511	\$ 43,988
Contract Services	\$ 65,728	\$ 16,526	\$ 2,000	\$ 28,974
Cost Allocation	\$ 60,685	\$ 53,729	\$ 45,801	\$ 52,367
Special Projects	\$ -	\$ 24,600	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 531	\$ -
Total Expenditures	\$ 227,599	\$ 201,883	\$ 159,471	\$ 195,091
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 227,599	\$ 201,883	\$ 159,471	\$ 195,091

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.20	0.20	0.20	0.20
MAINTENANCE WORKER III	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.40	0.40	0.40	0.40

There are no changes to the current level of staffing.

Memorial Park

Budget Unit 100-84-809

General Fund - Grounds - Memorial Park

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 829,549
Fund Balance	\$ -
General Fund Costs	\$ 829,549
% Funded by General Fund	100.0%
Total Staffing	2.5 FTE

Program Overview

Memorial Park is one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Memorial Park is the largest and most utilized park in Cupertino.

Service Objectives

- The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and preparation of athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Minimize the negative effects of waterfowl to park patrons.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$829,549 for the Memorial Park program. This represents an increase of \$33,263 (4.2%) from the FY 2024-25 Adopted Budget.

This program also includes a request for partial recurring costs for Vegetation Management of \$10,000. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 202,135	\$ 223,464	\$ 239,020	\$ 235,076
Employee Benefits	\$ 103,883	\$ 112,320	\$ 142,892	\$ 133,643
Materials	\$ 137,505	\$ 185,442	\$ 214,825	\$ 204,207
Contract Services	\$ 66,417	\$ 41,320	\$ 6,892	\$ 17,113
Cost Allocation	\$ 247,980	\$ 205,635	\$ 189,886	\$ 239,510
Capital Outlays	\$ 5,250	\$ 6,982	\$ -	\$ -
Special Projects	\$ 15,400	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,771	\$ -
Total Expenditures	\$ 778,570	\$ 775,163	\$ 796,286	\$ 829,549
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 778,570	\$ 775,163	\$ 796,286	\$ 829,549

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	2.20	1.20	2.20	2.20
MAINTENANCE WORKER III	0.20	0.20	0.20	0.20
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	2.50	1.50	2.50	2.50

There are no changes to the current level of staffing.

BBF Ground Maintenance

Budget Unit 100-84-811

General Fund - Grounds - BBF Ground Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 320,775
Fund Balance	\$ -
General Fund Costs	\$ 320,775
% Funded by General Fund	100.0%
Total Staffing	1.0 FTE

Program Overview

Blackberry Farm is managed by the Grounds Division of the Public Works Department.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and preparation of athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$320,775 for the BBF Ground Maintenance program. This represents an increase of \$35,957 (12.6%) from the FY 2024-25 Adopted Budget.

This program also includes a request for partial recurring costs for Vegetation Management of \$30,000. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 78,797	\$ 101,559	\$ 101,380	\$ 101,540
Employee Benefits	\$ 42,340	\$ 53,976	\$ 62,258	\$ 58,153
Materials	\$ 6,774	\$ 8,018	\$ 23,345	\$ 8,066
Contract Services	\$ 26,542	\$ 45,123	\$ 49,925	\$ 81,522
Cost Allocation	\$ 66,296	\$ 65,044	\$ 46,994	\$ 71,494
Special Projects	\$ 17,900	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 916	\$ -
Total Expenditures	\$ 238,649	\$ 273,720	\$ 284,818	\$ 320,775
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 238,649	\$ 273,720	\$ 284,818	\$ 320,775

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.80	0.80	0.80	0.80
MAINTENANCE WORKER III	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	1.00	1.00	1.00	1.00

There are no changes to the current level of staffing.

School Site Maintenance

Budget Unit 100-84-812

General Fund - Grounds - School Site Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 255,721
Total Expenditures	\$ 1,498,026
Fund Balance	\$ -
General Fund Costs	\$ 1,242,305
% Funded by General Fund	82.9%
Total Staffing	4.2 FTE

Program Overview

Under a joint use agreement with Cupertino Union School District, nine athletic fields and landscape areas, constituting approximately 52 acres, are managed by the Grounds Division of the Public Works Department. These sites include Hyde and Kennedy Middle Schools, Collins, Eaton, Lincoln, Regnart, Faria, Stevens Creek and Garden Gate Elementary Schools.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas/athletic fields in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas and other maintenance.
- Provide quarterly maintenance that may include fertilization, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing athletic fields for seasonal use.
- Maintain school sites for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Park and Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$1,498,026 for the School Site Maintenance program. This represents an increase of \$124,600 (9.1%) from the FY 2024-25 Adopted Budget.

The increase is due to increased Cost Allocation Plan charges. This program also includes a request for partial recurring costs for Vegetation Management, \$22,000 one-time costs for Dugout Roof Replacements Faria & Regnart Schools and \$43,000 one-time costs for Irrigation Pump Replacements – Eaton. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 170,843	\$ 222,366	\$ 196,469	\$ 255,721
Total Revenues	\$ 170,843	\$ 222,366	\$ 196,469	\$ 255,721
Expenditures				
Employee Compensation	\$ 377,171	\$ 390,325	\$ 402,854	\$ 405,421
Employee Benefits	\$ 184,391	\$ 216,380	\$ 258,057	\$ 250,699
Materials	\$ 309,621	\$ 330,731	\$ 392,319	\$ 353,489
Contract Services	\$ 82,055	\$ 6,592	\$ 25,980	\$ 29,200
Cost Allocation	\$ 390,409	\$ 394,645	\$ 278,487	\$ 394,217
Special Projects	\$ 40,289	\$ 24,950	\$ 10,500	\$ 65,000
Contingencies	\$ -	\$ -	\$ 5,229	\$ -
Total Expenditures	\$ 1,383,936	\$ 1,363,623	\$ 1,373,426	\$ 1,498,026
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,213,094	\$ 1,141,256	\$ 1,176,957	\$ 1,242,305

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	3.40	3.40	3.40	3.40
MAINTENANCE WORKER III	0.60	0.60	0.60	0.60
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	4.20	4.20	4.20	4.20

There are no changes to the current level of staffing.

Neighborhood Parks

Budget Unit 100-84-813

General Fund - Grounds - Neighborhood Parks

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 2,571,070
Fund Balance	\$ -
General Fund Costs	\$ 2,571,070
% Funded by General Fund	100.0%
Total Staffing	7.1 FTE

Program Overview

Neighborhood Parks include 13 of the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Neighborhood park sites include Linda Vista, Mary Avenue Dog Park, Monta Vista, Portal, Somerset, Varian, Wilson, Three Oaks, Hoover, Canyon Oak (Little Rancho), Franco Park, Sterling/Barnhart, and Oak Valley.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and basic play structure inspections and maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, tennis court cleaning and general maintenance, basketball court maintenance and programmed play structure inspections and maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications, playground woodchip replenishing and prepare athletic fields for seasonal use.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize Weekend Work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$2,571,070 for the Neighborhood Parks program. This represents an increase of \$460,217 (21.8%) from the FY 2024-25 Adopted Budget.

The increase is due to a new City Work Program and increases in Cost Allocation expenses.

This program also includes requests for partial recurring costs for Vegetation Management \$40,000. This budget includes a request for \$250,000 for City Work Program (CWP) item Water Conservation Policies.

Lastly, a request for \$10,000 for park assets is included in this budget. Per the City Council Special Project Policy, minor repairs and equipment purchases are no longer included in the special project category. Prior special projects have been moved to the contract or material expense categories.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ -	\$ 5,200	\$ -	\$ -
Total Revenues	\$ -	\$ 5,200	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 751,121	\$ 668,900	\$ 645,367	\$ 661,901
Employee Benefits	\$ 340,267	\$ 360,846	\$ 403,127	\$ 378,718
Materials	\$ 381,433	\$ 409,310	\$ 481,183	\$ 445,051
Contract Services	\$ 166,011	\$ 110,923	\$ 39,238	\$ 79,238
Cost Allocation	\$ 687,393	\$ 695,660	\$ 535,433	\$ 746,162
Special Projects	\$ 80,207	\$ 70,119	\$ -	\$ 260,000
Contingencies	\$ -	\$ -	\$ 6,505	\$ -
Total Expenditures	\$ 2,406,432	\$ 2,315,758	\$ 2,110,853	\$ 2,571,070
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 2,406,432	\$ 2,310,558	\$ 2,110,853	\$ 2,571,070

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	7.80	7.80	6.30	6.30
MAINTENANCE WORKER III	0.60	0.60	0.60	0.60
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	8.60	8.60	7.10	7.10

There are no changes to the current level of staffing.

Sport Fields Jollyman, Creekside

Budget Unit 100-84-814

General Fund - Grounds - Sport Fields Jollyman, Creekside

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 816,611
Fund Balance	\$ -
General Fund Costs	\$ 816,611
% Funded by General Fund	100.0%
Total Staffing	2.0 FTE

Program Overview

The sports fields at Jollyman and Creekside parks are among the 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Sports fields at these two parks are heavily used and enjoyed by the community.

Service Objectives

- The main objective of the Grounds Division is to provide the citizens of Cupertino with the cleanest and safest recreational areas and sports fields in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas, programmed play structure inspections, and other maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material, pre-emergent applications and preparing sports fields for seasonal use.
- Maintain sports fields for recreational activities including soccer, baseball, cricket, track and field, softball and a variety of other sports.
- Maintain all playgrounds in accordance with California playground safety requirements.
- Reduce water consumption wherever practicable.
- Utilize weekend work furlough program as needed to assist in weekend and weekday cleanup.
- Provide logistical support to the Parks & Recreation Department for all the City's special events.

Proposed Budget

It is recommended that City Council approve a budget of \$816,611 for the Sport Fields Jollyman, Creekside program. This represents an increase of \$71,611 (9.6%) from the FY 2024-25 Adopted Budget.

This program also includes requests for partial recurring costs for Vegetation Management \$20,000. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 215,980	\$ 212,803	\$ 191,568	\$ 193,500
Employee Benefits	\$ 104,306	\$ 109,195	\$ 116,530	\$ 108,487
Materials	\$ 170,391	\$ 225,475	\$ 236,052	\$ 239,623
Contract Services	\$ 18,402	\$ 32,305	\$ 9,598	\$ 36,322
Cost Allocation	\$ 232,990	\$ 239,281	\$ 177,681	\$ 238,679
Capital Outlays	\$ -	\$ 23,600	\$ -	\$ -
Special Projects	\$ -	\$ 14,000	\$ 10,500	\$ -
Contingencies	\$ -	\$ -	\$ 3,071	\$ -
Total Expenditures	\$ 742,069	\$ 856,659	\$ 745,000	\$ 816,611
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 742,068	\$ 856,658	\$ 745,000	\$ 816,611

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	2.00	2.00	1.50	1.50
MAINTENANCE WORKER III	0.30	0.30	0.30	0.30
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	2.50	2.50	2.00	2.00

There are no changes to the current level of staffing.

Civic Center Maintenance

Budget Unit 100-84-815

General Fund - Grounds - Civic Center Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 173,292
Total Expenditures	\$ 221,993
Fund Balance	\$ -
General Fund Costs	\$ 48,701
% Funded by General Fund	21.9%
Total Staffing	0.8 FTE

Program Overview

The Civic Center grounds are one of 19 parks and open space areas managed by the Grounds Division of the Public Works Department. Due to the close proximity to City Hall, Community Hall, and the Library, the Civic Center grounds are well utilized. Civic Center maintenance includes the adjacent Library Field.

Service Objectives

- The main objective of the Grounds Division is to provide the residents of Cupertino with the cleanest and safest recreational areas to enjoy in the Bay Area.
- Provide daily general clean up, trash removal, graffiti removal, irrigation adjustments and repairs and other maintenance.
- Provide weekly maintenance that may include mowing and edging of turf areas and general maintenance.
- Provide quarterly maintenance that may include fertilization applications, aerating, over-seeding, top dressing, and pruning of trees and shrubs.
- Provide semi-annual maintenance that may include replacement of planting material and pre-emergent applications.
- Maintain Library Field for recreational activities including soccer, cricket and a variety of other sports.
- Reduce water consumption wherever practicable.
- Provide logistical support to all City Departments for special events.

Proposed Budget

It is recommended that City Council approve a budget of \$221,993 for the Civic Center Maintenance program. This represents an increase of \$3,050 (1.4%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 238,705	\$ 220,710	\$ 174,161	\$ 173,292
Total Revenues	\$ 238,705	\$ 220,710	\$ 174,161	\$ 173,292
Expenditures				
Employee Compensation	\$ 81,561	\$ 83,720	\$ 82,967	\$ 81,648
Employee Benefits	\$ 39,525	\$ 44,940	\$ 53,884	\$ 49,966
Materials	\$ 52,514	\$ 50,278	\$ 47,824	\$ 53,759
Contract Services	\$ 4,572	\$ 750	\$ -	\$ -
Cost Allocation	\$ -	\$ -	\$ 33,670	\$ 36,620
Contingencies	\$ -	\$ -	\$ 598	\$ -
Total Expenditures	\$ 178,172	\$ 179,688	\$ 218,943	\$ 221,993
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (60,534)	\$ (41,022)	\$ 44,782	\$ 48,701

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.60	0.60	0.60	0.60
MAINTENANCE WORKER III	0.10	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.80	0.80	0.80	0.80

There are no changes to the current level of staffing.

Sidewalk Curb and Gutter

Budget Unit 270-85-820

Transportation Fund - Streets - Sidewalk Curb and Gutter

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,419,712
Fund Balance	\$ (1,419,712)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	2.0 FTE

Program Overview

Maintain sidewalks, curb and gutter to a standard that is functional and improves accessibility and minimizes liability. Optimize the use of available funds by coordinating with other improvement projects.

Service Objectives

Timely maintain concrete improvements in response to citizen complaints and coordinate with programmed asphalt improvements.

Proposed Budget

It is recommended that City Council approve a budget of \$1,419,712 for the Sidewalk Curb and Gutter program. This represents an increase of \$95,732 (7.2%) from the FY 2024-25 Adopted Budget.

The increase is due to increases in Cost Allocation expenses. This budget includes \$652,547 for annual sidewalk curb and gutter maintenance.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 14,985	\$ -	\$ 15,000	\$ -
Total Revenues	\$ 14,985	\$ -	\$ 15,000	\$ -
Expenditures				
Employee Compensation	\$ 215,283	\$ 194,693	\$ 235,242	\$ 239,902
Employee Benefits	\$ 94,332	\$ 106,577	\$ 141,140	\$ 133,287
Materials	\$ 9,773	\$ 3,556	\$ 10,019	\$ 11,226
Contract Services	\$ 200	\$ -	\$ 27,198	\$ 28,068
Cost Allocation	\$ 154,905	\$ 200,552	\$ 277,603	\$ 354,682
Special Projects	\$ 177,576	\$ 724,228	\$ 632,313	\$ 652,547
Contingencies	\$ -	\$ -	\$ 465	\$ -
Total Expenditures	\$ 652,069	\$ 1,229,606	\$ 1,323,980	\$ 1,419,712
Fund Balance	\$ (637,085)	\$ (1,229,607)	\$ (1,308,980)	\$ (1,419,712)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.70	0.75	0.75	0.75
MAINTENANCE WORKER III	0	0	0.15	0.15
PUBLIC WORKS INSPECTOR	1.00	1.00	1.00	1.00
PUBLIC WORKS SUPERVISOR	0.10	0.15	0.10	0.10
Total	1.80	1.90	2.00	2.00

There are no changes to the current level of staffing.

Street Pavement Maintenance

Budget Unit 270-85-821

Transportation Fund - Streets - Street Pavement Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 3,174,460
Total Expenditures	\$ 5,310,436
Fund Balance	\$ (2,135,976)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.6 FTE

Program Overview

This program maintains streets to a standard that balances preventative maintenance with stop-gap measures while minimizing liability.

Service Objectives

- Perform preventative maintenance activities of fog seal and crack fill.
- Perform stop-gap maintenance of arterial, collector and residential streets.
- Oversee and manage contracted pavement maintenance projects.

Proposed Budget

It is recommended that City Council approve a budget of \$5,310,436 for the Street Pavement Maintenance program. This represents an increase of \$845,357 (18.9%) from the FY 2024-25 Adopted Budget.

The increase is due to increases in Contract Services for isolated dig outs, Capital Outlays for increased costs of the Annual Asphalt allocations (fog and slurry seal), and increases in Cost Allocation expenses. This budget includes \$2,005,865 for the Annual Asphalt program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 1,680,917	\$ 3,135,133	\$ 3,393,531	\$ 3,172,941
Charges for Services	\$ 287	\$ -	\$ -	\$ -
Miscellaneous Revenue	\$ 680	\$ 1,519	\$ -	\$ 1,519
Total Revenues	\$ 1,681,884	\$ 3,136,652	\$ 3,393,531	\$ 3,174,460
Expenditures				
Employee Compensation	\$ 433,990	\$ 513,147	\$ 416,814	\$ 412,672
Employee Benefits	\$ 182,380	\$ 220,683	\$ 220,949	\$ 199,473
Materials	\$ 18,820	\$ 20,992	\$ 21,788	\$ 26,299
Contract Services	\$ 296,130	\$ 173,365	\$ 81,536	\$ 178,913
Cost Allocation	\$ 351,039	\$ 361,186	\$ 898,809	\$ 904,139
Capital Outlays	\$ 1,023,661	\$ 578,662	\$ 880,224	\$ 1,583,075
Special Projects	\$ 1,901,218	\$ 71,656	\$ 1,943,667	\$ 2,005,865
Contingencies	\$ -	\$ -	\$ 1,292	\$ -
Total Expenditures	\$ 4,207,238	\$ 1,939,691	\$ 4,465,079	\$ 5,310,436
Fund Balance	\$ (2,525,354)	\$ 1,196,960	\$ (1,071,548)	\$ (2,135,976)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	2.40	2.35	2.20	2.15
MAINTENANCE WORKER III	1.25	0.25	0.40	0.40
PUBLIC WORKS PROJECT MANAGER	0.75	0.75	0.75	0.75
PUBLIC WORKS SUPERVISOR	0.30	0.25	0.25	0.25
Total	4.70	3.60	3.60	3.55

Staff time is being reallocated to better reflect actual time spent in this program.

Street Sign Marking

Budget Unit 270-85-822

Transportation Fund - Streets - Street Sign Marking

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 773,774
Fund Balance	\$ (773,774)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.1 FTE

Program Overview

This program maintains street regulatory and informational signs, street striping, markings, and legends, as well as removes graffiti within street right-of-way in a timely manner.

Service Objectives

- Respond to regulatory and informational sign issues in a timely manner.
- Coordinate and respond to work orders from the Traffic Engineer.
- Maintain street sign and traffic marking assets in compliance with the Manual of Uniform Traffic Control Devices.
- Remove graffiti in a timely manner.

Proposed Budget

It is recommended that City Council approve a budget of \$773,774 for the Street Sign Marking program. This represents an increase of \$51,455 (7.1%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 680	\$ 2,223	\$ -	\$ -
Miscellaneous Revenue	\$ 1,321	\$ 3,280	\$ -	\$ -
Transfers In	\$ -	\$ 467	\$ -	\$ -
Total Revenues	\$ 2,001	\$ 5,970	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 301,242	\$ 286,901	\$ 308,373	\$ 307,908
Employee Benefits	\$ 137,367	\$ 152,564	\$ 173,741	\$ 161,259
Materials	\$ 134,852	\$ 75,000	\$ 76,657	\$ 80,662
Contract Services	\$ -	\$ -	\$ 10,000	\$ 10,320
Cost Allocation	\$ 208,393	\$ 216,826	\$ 152,465	\$ 213,625
Special Projects	\$ 16,118	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 1,083	\$ -
Total Expenditures	\$ 797,972	\$ 731,291	\$ 722,319	\$ 773,774
Fund Balance	\$ (795,972)	\$ (725,322)	\$ (722,319)	\$ (773,774)
General Fund Costs	\$ -	\$ 467	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	2.75	2.50	2.30	2.30
MAINTENANCE WORKER III	0.20	0.35	0.55	0.55
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	3.15	3.05	3.05	3.05

There are no changes to the current level of staffing.

Street Lighting

Budget Unit 100-85-848

General Fund - Streets - Street Lighting

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 22,637
Total Expenditures	\$ 1,097,276
Fund Balance	\$ -
General Fund Costs	\$ 1,074,639
% Funded by General Fund	97.9%
Total Staffing	1.6 FTE

Program Overview

Maintain city-owned streetlights (3,049), parking lot lights (90) and park lighting (282).

Service Objectives

- Respond to outages in a timely manner.
- Conserve electricity through the conversion of older less efficient light technology to current and tested technologies.
- Replace direct buried wiring with wiring in conduits as failures occur.

Proposed Budget

It is recommended that City Council approve a budget of \$1,097,276 for the Street Lighting program. This represents an increase of \$158,003 (16.8%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in electricity costs and increases in Cost Allocation expenses. This budget includes \$209,000 for steel light pole replacements throughout the city at a rate of 30-40 per year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 38,906	\$ 24,595	\$ 38,906	\$ 22,637
Total Revenues	\$ 38,906	\$ 24,595	\$ 38,906	\$ 22,637
Expenditures				
Employee Compensation	\$ 134,510	\$ 142,542	\$ 192,600	\$ 192,455
Employee Benefits	\$ 55,227	\$ 70,403	\$ 101,110	\$ 93,659
Materials	\$ 396,161	\$ 381,874	\$ 311,755	\$ 404,044
Contract Services	\$ 4,405	\$ 6,256	\$ 49,152	\$ 50,725
Cost Allocation	\$ 182,467	\$ 131,461	\$ 105,145	\$ 147,393
Special Projects	\$ 226,823	\$ 171,163	\$ 175,000	\$ 209,000
Contingencies	\$ -	\$ -	\$ 4,511	\$ -
Total Expenditures	\$ 999,593	\$ 903,699	\$ 939,273	\$ 1,097,276
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 960,686	\$ 879,105	\$ 900,367	\$ 1,074,639

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0	0.10	0.30	0.30
MAINTENANCE WORKER III	0	0.05	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.05	0.10	0.15	0.15
STREET LIGHTING WORKER	1.00	1.00	1.00	1.00
Total	1.05	1.25	1.55	1.55

There are no changes to the current level of staffing.

Equipment Maintenance

Budget Unit 630-85-849

Vehicle/Equip Replacement - Streets - Equipment Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,580,629
Total Expenditures	\$ 1,867,792
Fund Balance	\$ (287,163)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	3.0 FTE

Program Overview

The Fleet Division maintains all fleet equipment, including small power equipment. Equipment includes vehicles (103) and all power equipment (689). Equipment includes trailers, mowers and other equipment required to maintain the City's infrastructure. The division also manages above ground fuel storage tank at Service Center.

Service Objectives

- Maintain all city vehicles and equipment to reduce operating costs and increase safety.
- Fabricate, weld and repair equipment that includes vehicles, apparatus, structures, facilities for function and safety.
- Develop specifications and bid per City policy the purchases of trucks, tractors and other significant equipment.
- Maintain surplus vehicles and other equipment per City policy.
- Ensure all vehicles conform to State of California emission regulations.
- Maintain/inspect above ground fuel tanks as required.
- Maintain accurate inventory of fleet/equipment assets.
- Maintain a safe and clean working environment be approved for the equipment mechanics and welding.

Proposed Budget

It is recommended that City Council approve a budget of \$1,867,792 for the Equipment Maintenance program. This represents an increase of \$302,509 (19.3%) from the FY 2024-25 Adopted Budget.

The increase is due to an increased contingency cost of \$173,427 and increases in Cost Allocation expenses.

This program also includes requests for \$16,000 one-time costs for air compressor replacement and \$18,000 one-time costs for a diagnostic scan tool. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 1,568,633	\$ 1,523,066	\$ 1,356,136	\$ 1,580,629
Miscellaneous Revenue	\$ -	\$ 262	\$ -	\$ -
Total Revenues	\$ 1,568,633	\$ 1,523,328	\$ 1,356,136	\$ 1,580,629
Expenditures				
Employee Compensation	\$ 357,161	\$ 327,659	\$ 327,448	\$ 327,769
Employee Benefits	\$ 199,745	\$ 161,159	\$ 178,732	\$ 164,112
Materials	\$ 344,802	\$ 282,126	\$ 309,131	\$ 326,411
Contract Services	\$ 37,260	\$ 104,121	\$ 90,389	\$ 93,141
Cost Allocation	\$ -	\$ -	\$ 77,449	\$ 281,867
Special Projects	\$ 49,615	\$ -	\$ -	\$ 34,000
Other Financing Uses	\$ 577,140	\$ 431,271	\$ 577,140	\$ 640,492
Contingencies	\$ -	\$ -	\$ 4,994	\$ -
Total Expenditures	\$ 1,565,723	\$ 1,306,336	\$ 1,565,283	\$ 1,867,792
Fund Balance	\$ 2,909	\$ 216,992	\$ (209,147)	\$ (287,163)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
LEAD EQUIPMENT MECHANIC	1.00	1.00	1.00	1.00
MAINTENANCE WORKER I/II	1.00	1.00	1.00	1.00
Total	3.00	3.00	3.00	3.00

There are no changes to the current level of staffing.

Environmental Materials

Budget Unit 100-85-850

General Fund - Streets - Environmental Materials

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 207,110
Fund Balance	\$ -
General Fund Costs	\$ 207,110
% Funded by General Fund	100.0%
Total Staffing	0.7 FTE

Program Overview

This program manages Service Center solid waste disposal, Service Center safety inspections, handling/disposal/reporting of City generated hazardous waste and materials – including waste that may be illegally deposited upon the right-of-way. Provide street cleaning for unforeseen events such as debris from trucks or other sources.

Service Objectives

- Coordinate disposal of solid waste.
- Adhere to the requirements of hazardous waste/materials storage, handling and reporting.
- Comply with Fire Marshal safety inspection requirements for Service Center facilities.
- Inspect and maintain below ground fuel tanks as required.
- Clean up traffic debris that may become deposited on streets while reducing traffic hazards.

Proposed Budget

It is recommended that City Council approve a budget of \$207,110 for the Environmental Materials program. This represents an increase of \$18,453 (9.8%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Miscellaneous Revenue	\$ 1,209	\$ 388	\$ -	\$ -
Total Revenues	\$ 1,209	\$ 388	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 76,101	\$ 70,719	\$ 72,894	\$ 72,944
Employee Benefits	\$ 31,238	\$ 37,698	\$ 37,291	\$ 33,959
Materials	\$ 27,098	\$ 31,965	\$ 30,739	\$ 41,596
Cost Allocation	\$ 61,314	\$ 65,311	\$ 47,349	\$ 58,611
Contingencies	\$ -	\$ -	\$ 384	\$ -
Total Expenditures	\$ 195,751	\$ 205,693	\$ 188,657	\$ 207,110
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 194,543	\$ 205,305	\$ 188,657	\$ 207,110

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.35	0.55	0.45	0.45
MAINTENANCE WORKER III	0.25	0.15	0.20	0.20
PUBLIC WORKS SUPERVISOR	0.10	0.05	0.05	0.05
Total	0.70	0.75	0.70	0.70

There are no changes to the current level of staffing.

Trail Maintenance

Budget Unit 100-86-261

General Fund - Trees and Right of Way - Trail Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 222,833
Fund Balance	\$ -
General Fund Costs	\$ 222,833
% Funded by General Fund	100.0%
Total Staffing	1.2 FTE

Program Overview

The Trails Maintenance Program maintains about 3 linear miles of trails including the adjacent landscape at the Don Burnett Bridge and the Lawrence Trail. Historically the maintenance of this program has been funded out of Medians and Overpasses Program (824) Expansion of trails in the city has made it necessary to separate out trail's maintenance.

Service Objectives

- Maintain and improve trails in the public right-of- ways including the landscaped areas on the approach to the Don Burnett Bridge and the Lawrence Trail.
- Maintain clean and safe ingress and egress on all city-maintained trails.
- Meet all Department of Pesticide Regulation requirements for weed and pest control.
- Timely pruning of trees and plants to promote healthy landscapes, maximize aesthetics and to reduce future maintenance requirements.
- Timely removal of trash and graffiti.

Proposed Budget

It is recommended that City Council approve a budget of \$222,833 for the Trail Maintenance program. This represents a decrease of \$40,334 (-15.3%) from the FY 2024-25 Adopted Budget.

The decrease is due to an operational efficiencies strategy where three Part Time Maintenance Worker positions were combined into one FTE for the Weekend Work Program.

This program also includes \$8,000 recurring costs for Gopher and Squirrel control. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 90,095	\$ 111,535	\$ 153,802	\$ 113,399
Employee Benefits	\$ 43,734	\$ 48,802	\$ 76,864	\$ 66,400
Materials	\$ 3,517	\$ 2,661	\$ 4,917	\$ 5,349
Contract Services	\$ 12,045	\$ 13,950	\$ 8,421	\$ 16,690
Cost Allocation	\$ -	\$ -	\$ 18,996	\$ 20,995
Contingencies	\$ -	\$ -	\$ 167	\$ -
Total Expenditures	\$ 149,391	\$ 176,948	\$ 263,167	\$ 222,833
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 149,391	\$ 176,949	\$ 263,167	\$ 222,833

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.90	0.75	0.90	0.90
MAINTENANCE WORKER III	0.15	0	0.15	0.15
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	1.15	0.85	1.15	1.15

There are no changes to the current level of staffing.

Overpasses and Medians

Budget Unit 100-86-824

General Fund - Trees and Right of Way - Overpasses and Medians

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,789,535
Fund Balance	\$ -
General Fund Costs	\$ 1,789,535
% Funded by General Fund	100.0%
Total Staffing	6.3 FTE

Program Overview

The Overpasses and Medians program maintains 31.67 developed acres of median island hardscapes and softscapes as well as 21.69 undeveloped acres of city right-of-way, the landscaped area of the Lawrence trail, and the landscaped area of the Don Burnett Bridge.

Service Objectives

- Maintain and improve median islands, landscape strips, trails, landscaped roadsides and public right-of-ways.
- Maintain and improve water efficient programming of irrigation systems.
- Meet all Department of Pesticide Regulation requirements for weed and pest control.
- Timely pruning of plant material to promote plant health, maximize aesthetics and to reduce future maintenance requirements.
- Plant and care for new plant stock to help ensure future plant health and reduce future maintenance requirements.
- Conserve water through the planting of appropriate plant stock.

Proposed Budget

It is recommended that City Council approve a budget of \$1,789,535 for the Overpasses and Medians program. This represents an increase of \$123,995 (7.4%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Contract Services for mainline repairs, Capital Outlays for retaining wall replacements, and increases in Cost Allocation expenses.

This program also includes request for \$30,000 one-time costs for RP & Mainline repair South De Anza, and \$25,000 one-time costs for SCB at Janice Retaining Wall Installation. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 563,194	\$ 621,410	\$ 632,666	\$ 606,045
Employee Benefits	\$ 271,883	\$ 327,744	\$ 409,621	\$ 355,344
Materials	\$ 173,831	\$ 197,167	\$ 183,928	\$ 201,365
Contract Services	\$ 43,823	\$ 15,589	\$ 31,000	\$ 61,000
Cost Allocation	\$ 456,324	\$ 475,268	\$ 405,638	\$ 540,781
Capital Outlays	\$ -	\$ -	\$ -	\$ 25,000
Special Projects	\$ 89,029	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,687	\$ -
Total Expenditures	\$ 1,598,084	\$ 1,637,178	\$ 1,665,540	\$ 1,789,535
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,598,084	\$ 1,637,178	\$ 1,665,540	\$ 1,789,535

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	5.10	5.25	5.10	5.10
MAINTENANCE WORKER III	0.85	1.00	0.85	0.85
PUBLIC WORKS SUPERVISOR	0.30	0.30	0.30	0.30
Total	6.25	6.55	6.25	6.25

There are no changes to the current level of staffing.

Street Tree Maintenance

Budget Unit 100-86-825

General Fund - Trees and Right of Way - Street Tree Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 16,500
Total Expenditures	\$ 2,266,017
Fund Balance	\$ -
General Fund Costs	\$ 2,249,517
% Funded by General Fund	99.3%
Total Staffing	7.4 FTE

Program Overview

The Trees Division maintains the safety, health and appearance of approximately 23,300 Street and Right-of-Way trees, as well as promotes disease-free trees to enhance the City’s urban forest.

Service Objectives

- Proactively perform the activities of trimming, staking, pest management and other tree health-related functions.
- Respond to citizen requests to perform the trimming or other tree health-related services in a timely manner.
- Remove diseased and damaged trees as needed.
- Plant replacement trees for trees removed due to disease and damage.
- Continue activities to maintain standing as a Tree City USA program.
- Update the forestry work plan as needed to establish goals and objectives of the tree maintenance program for the City.
- Oversee street tree maintenance and removal contracts.

Proposed Budget

It is recommended that City Council approve a budget of \$2,266,017 for the Street Tree Maintenance program. This represents an increase of \$320,096 (16.4%) from the FY 2024-25 Adopted Budget.

The increase is due to a new City Work Program and increases in Cost Allocation expenses. This budget includes a request for \$140,000 for City Work Program (CWP) item Urban Forest Program.

This budget also includes a request for \$25,000 for the Sonic Tomography citywide tree maintenance asset, and \$15,000 for the annual tree planting asset program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 35,251	\$ 7,154	\$ 35,251	\$ 1,500
Transfers In	\$ 61,140	\$ 15,000	\$ 15,000	\$ 15,000
Total Revenues	\$ 96,391	\$ 22,154	\$ 50,251	\$ 16,500
Expenditures				
Employee Compensation	\$ 652,329	\$ 721,732	\$ 711,621	\$ 719,060
Employee Benefits	\$ 329,223	\$ 390,065	\$ 446,908	\$ 435,993
Materials	\$ 106,240	\$ 36,982	\$ 96,316	\$ 77,355
Contract Services	\$ 8,290	\$ 22,145	\$ 10,398	\$ 11,969
Cost Allocation	\$ 533,396	\$ 549,401	\$ 664,344	\$ 841,640
Special Projects	\$ 13,737	\$ 3,325	\$ 15,000	\$ 180,000
Contingencies	\$ -	\$ -	\$ 1,334	\$ -
Total Expenditures	\$ 1,643,215	\$ 1,723,650	\$ 1,945,921	\$ 2,266,017
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,546,823	\$ 1,701,495	\$ 1,895,670	\$ 2,249,517

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	6.00	6.00	6.00	6.00
MAINTENANCE WORKER III	1.00	1.00	1.00	1.00
PUBLIC WORKS SUPERVISOR	0.40	0.40	0.40	0.40
Total	7.40	7.40	7.40	7.40

There are no changes to the current level of staffing.

Sheriff Work Program

Budget Unit 100-86-826

General Fund - Trees and Right of Way - Sheriff Work Program

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 641,771
Fund Balance	\$ -
General Fund Costs	\$ 641,771
% Funded by General Fund	100.0%
Total Staffing	3.2 FTE

Program Overview

The Sheriff Work Program supplements existing Service Center staffing with individuals in a sentencing alternative program. Participants of the program perform manual labor type duties. The work performed by this program reduces the number of full-time maintenance workers required.

Service Objectives

- Efficiently administer and schedule the Sheriff Work Program for a variety of non-skilled activities, including trash pick-up, weed control, right-of-way maintenance and sandbag filling.
- Offset manual work currently performed by skilled labor so as to increase overall productivity at the Service Center.

Proposed Budget

It is recommended that City Council approve a budget of \$641,771 for the Sheriff Work Program program. This represents an increase of \$104,280 (19.4%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in FTE benefits, increases due to a new position request, and the reallocation of staff and increased Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 224,703	\$ 152,990	\$ 272,793	\$ 262,132
Employee Benefits	\$ 116,970	\$ 91,945	\$ 114,351	\$ 147,323
Materials	\$ 7,153	\$ 5,229	\$ 5,182	\$ 5,495
Contract Services	\$ 6,489	\$ 6,406	\$ 5,913	\$ 6,450
Cost Allocation	\$ 187,481	\$ 234,622	\$ 139,113	\$ 220,371
Contingencies	\$ -	\$ -	\$ 139	\$ -
Total Expenditures	\$ 542,796	\$ 491,192	\$ 537,491	\$ 641,771
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 542,796	\$ 491,192	\$ 537,491	\$ 641,771

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	2.00	2.00	2.00	3.00
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	2.20	2.20	2.20	3.20

As part of an operational efficiencies strategy, three Part Time Maintenance Worker positions were combined into one FTE for this program.

BBF Golf Maintenance

Budget Unit 560-87-260

Blackberry Farm - Facilities and Fleet - BBF Golf Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 112,649
Fund Balance	\$ (112,649)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.1 FTE

Program Overview

Maintain the Blackberry Farm Golf Course buildings to ensure efficient operations, property management and community pride.

Service Objectives

- Provide a safe, clean and productive environment for the public and employees.
- Respond to requests made by the Parks & Recreation Department staff.
- Assist with the pending improvement projects.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$112,649 for the BBF Golf Maintenance program. This represents a decrease of \$8,358 (-6.9%) from the FY 2024-25 Adopted Budget.

The decrease in Materials is due to water utilities being charged to Golf Grounds Maintenance 560-84-260.

This program also includes \$17,000 one-time costs to replace epoxy flooring, \$20,000 for BBF Golf Course Restroom Project and \$5,000 for BBF Golf Course Shed Bathroom Project. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 8,167	\$ 8,575
Employee Benefits	\$ -	\$ -	\$ 4,420	\$ 4,167
Materials	\$ 98,672	\$ 29,098	\$ 72,363	\$ 33,331
Contract Services	\$ 23,459	\$ 16,416	\$ 33,087	\$ 64,750
Cost Allocation	\$ -	\$ -	\$ 1,652	\$ 1,826
Contingencies	\$ -	\$ -	\$ 1,318	\$ -
Total Expenditures	\$ 122,131	\$ 45,514	\$ 121,007	\$ 112,649
Fund Balance	\$ (122,131)	\$ (45,514)	\$ (121,007)	\$ (112,649)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0	0	0.10	0.10
Total	0	0	0.10	0.10

There are no changes to the current level of staffing.

City Hall Maintenance

Budget Unit 100-87-827

General Fund - Facilities and Fleet - City Hall Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 287,893
Total Expenditures	\$ 506,171
Fund Balance	\$ -
General Fund Costs	\$ 218,278
% Funded by General Fund	43.1%
Total Staffing	0.6 FTE

Program Overview

Maintain City Hall building to ensure efficient operations, employee satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and city employees.
- Respond to requests made by City Hall staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$506,171 for the City Hall Maintenance program. This represents a decrease of \$4,466 (-0.9%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 379,605	\$ 468,887	\$ 265,226	\$ 287,893
Total Revenues	\$ 379,605	\$ 468,887	\$ 265,226	\$ 287,893
Expenditures				
Employee Compensation	\$ 101,665	\$ 79,413	\$ 74,462	\$ 74,888
Employee Benefits	\$ 49,316	\$ 38,706	\$ 40,192	\$ 36,938
Materials	\$ 186,644	\$ 207,359	\$ 233,279	\$ 227,498
Contract Services	\$ 94,918	\$ 92,400	\$ 111,156	\$ 114,713
Cost Allocation	\$ -	\$ -	\$ 45,243	\$ 52,134
Special Projects	\$ 103,867	\$ -	\$ 2,000	\$ -
Contingencies	\$ -	\$ -	\$ 4,305	\$ -
Total Expenditures	\$ 536,410	\$ 417,878	\$ 510,637	\$ 506,171
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 156,805	\$ (51,009)	\$ 245,411	\$ 218,278

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.10	0.10	0	0
MAINTENANCE WORKER III	0.70	0.40	0.40	0.40
PUBLIC WORKS SUPERVISOR	0.20	0.20	0.20	0.20
Total	1.00	0.70	0.60	0.60

There are no changes to the current level of staffing.

Library Maintenance

Budget Unit 100-87-828

General Fund - Facilities and Fleet - Library Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,452,828
Total Expenditures	\$ 1,347,650
Fund Balance	\$ -
General Fund Costs	\$ (105,178)
% Funded by General Fund	-7.8%
Total Staffing	0.9 FTE

Program Overview

Maintain Library building to ensure public and employee satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and County employees.
- Respond to requests made by County staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$1,347,650 for the Library Maintenance program. This represents an increase of \$9,522 (0.7%) from the FY 2024-25 Adopted Budget.

This program also includes a request for \$47,137 one-time costs for battery back-up system at the library. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 24,627	\$ 33,199	\$ 24,627	\$ 52,328
Charges for Services	\$ 505	\$ 925,523	\$ 1,007,998	\$ 1,400,500
Total Revenues	\$ 25,132	\$ 958,722	\$ 1,032,625	\$ 1,452,828
Expenditures				
Employee Compensation	\$ 53,709	\$ 91,622	\$ 83,054	\$ 92,854
Employee Benefits	\$ 23,541	\$ 40,868	\$ 45,626	\$ 48,951
Materials	\$ 350,698	\$ 404,389	\$ 534,043	\$ 448,026
Contract Services	\$ 391,010	\$ 391,975	\$ 461,171	\$ 474,950
Cost Allocation	\$ 78,451	\$ 84,287	\$ 201,794	\$ 235,732
Capital Outlays	\$ -	\$ -	\$ -	\$ 47,137
Special Projects	\$ 3,209	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 12,440	\$ -
Total Expenditures	\$ 900,618	\$ 1,013,141	\$ 1,338,128	\$ 1,347,650
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 875,487	\$ 54,418	\$ 305,503	\$ (105,178)

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.40	0.20	0.40	0.50
MAINTENANCE WORKER III	0.10	0.30	0.30	0.30
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.60	0.60	0.80	0.90

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

Service Center Maintenance

Budget Unit 100-87-829

General Fund - Facilities and Fleet - Service Center Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 555,292
Fund Balance	\$ -
General Fund Costs	\$ 555,292
% Funded by General Fund	100.0%
Total Staffing	0.7 FTE

Program Overview

This program maintains the Service Center buildings to ensure employee satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Service Center staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$555,292 for the Service Center Maintenance program. This represents an increase of \$214,028 (62.7%) from the FY 2024-25 Adopted Budget.

This program also includes \$80,000 one-time costs for radio replacement, and \$103,000 one-time costs for fascia board replacement and painting. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 63,778	\$ 59,391	\$ 86,709	\$ 80,549
Employee Benefits	\$ 30,039	\$ 26,310	\$ 41,581	\$ 38,151
Materials	\$ 88,374	\$ 76,851	\$ 53,482	\$ 77,561
Contract Services	\$ 57,550	\$ 94,252	\$ 60,937	\$ 62,888
Cost Allocation	\$ 84,790	\$ 85,176	\$ 95,125	\$ 113,143
Capital Outlays	\$ 13,186	\$ 429,350	\$ -	\$ 103,000
Special Projects	\$ 17,424	\$ 195,965	\$ 2,000	\$ 80,000
Contingencies	\$ -	\$ -	\$ 1,430	\$ -
Total Expenditures	\$ 355,141	\$ 967,295	\$ 341,264	\$ 555,292
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 355,141	\$ 967,294	\$ 341,264	\$ 555,292

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.40	0.20	0.30	0.30
MAINTENANCE WORKER III	0.20	0.20	0.20	0.20
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.20	0.20
Total	0.70	0.50	0.70	0.70

There are no changes to the current level of staffing.

Quinlan Community Center Maintenance

Budget Unit 100-87-830

General Fund - Facilities and Fleet - Quinlan Community Center Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 3,500
Total Expenditures	\$ 637,103
Fund Balance	\$ -
General Fund Costs	\$ 633,603
% Funded by General Fund	99.5%
Total Staffing	0.6 FTE

Program Overview

This program maintains Quinlan Community Center building to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Maintain an attractive appearance in spaces available as rentals.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$637,103 for the Quinlan Community Center Maintenance program. This represents an increase of \$110,112 (20.9%) from the FY 2024-25 Adopted Budget.

This program also includes request for \$7,000 one-time costs for QCC Activity Room Hardwood Floor Sand/Buffering, \$21,000 for QCC Dance Room Hardwood Floor Sand/Buffering, and \$20,000 recurring costs for Quinlan Community Center Door Hardware Upgrade. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 25	\$ -	\$ 3,500
Total Revenues	\$ -	\$ 25	\$ -	\$ 3,500
Expenditures				
Employee Compensation	\$ 75,991	\$ 63,364	\$ 60,890	\$ 62,616
Employee Benefits	\$ 32,306	\$ 26,138	\$ 30,939	\$ 28,296
Materials	\$ 179,883	\$ 196,916	\$ 175,588	\$ 213,427
Contract Services	\$ 153,184	\$ 113,382	\$ 122,294	\$ 174,206
Cost Allocation	\$ 106,204	\$ 102,648	\$ 131,556	\$ 158,558
Capital Outlays	\$ -	\$ 7,024	\$ -	\$ -
Special Projects	\$ 22,020	\$ 7,826	\$ 2,000	\$ -
Contingencies	\$ -	\$ -	\$ 3,724	\$ -
Total Expenditures	\$ 569,588	\$ 517,298	\$ 526,991	\$ 637,103
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 569,587	\$ 517,271	\$ 526,991	\$ 633,603

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.70	0.50	0.50	0.50
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.80	0.60	0.60	0.60

There are no changes to the current level of staffing.

Senior Center Maintenance

Budget Unit 100-87-831

General Fund - Facilities and Fleet - Senior Center Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 375,834
Fund Balance	\$ -
General Fund Costs	\$ 375,834
% Funded by General Fund	100.0%
Total Staffing	0.6 FTE

Program Overview

Maintain Senior Center building to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$375,834 for the Senior Center Maintenance program. This represents an increase of \$38,858 (11.5%) from the FY 2024-25 Adopted Budget.

The increase is due to increases in Cost Allocation and conference and training expenses. This program also includes a request for \$11,225 one-time costs for Senior Center gutter replacement on Mary Ave. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 25	\$ -	\$ -
Total Revenues	\$ -	\$ 25	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 61,951	\$ 24,643	\$ 56,117	\$ 56,361
Employee Benefits	\$ 27,754	\$ 13,950	\$ 35,662	\$ 33,482
Materials	\$ 73,196	\$ 73,735	\$ 70,419	\$ 82,225
Contract Services	\$ 132,243	\$ 61,552	\$ 88,236	\$ 91,058
Cost Allocation	\$ 78,035	\$ 84,689	\$ 82,559	\$ 101,483
Capital Outlays	\$ 576	\$ -	\$ -	\$ 11,225
Special Projects	\$ 23,247	\$ 65,259	\$ 2,000	\$ -
Contingencies	\$ -	\$ -	\$ 1,983	\$ -
Total Expenditures	\$ 397,002	\$ 323,828	\$ 336,976	\$ 375,834
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 397,003	\$ 323,802	\$ 336,976	\$ 375,834

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.70	0.50	0.50	0.50
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.80	0.60	0.60	0.60

There are no changes to the current level of staffing.

McClellan Ranch Maintenance

Budget Unit 100-87-832

General Fund - Facilities and Fleet - McClellan Ranch Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 944
Total Expenditures	\$ 300,636
Fund Balance	\$ -
General Fund Costs	\$ 299,692
% Funded by General Fund	99.7%
Total Staffing	0.8 FTE

Program Overview

This program maintains McClellan Ranch buildings to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$300,636 for the McClellan Ranch Maintenance program. This represents an increase of \$64,835 (27.5%) from the FY 2024-25 Adopted Budget.

This increase is due to the addition of one new FTE across the Fleet & Facilities Division, Capital Outlays for asset replacements, and an increase in Cost Allocation expenses.

Lastly, this program also includes a request for \$35,000 one-time costs for EEC sliding door replacement. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 1,461	\$ 1,178	\$ 1,461	\$ -
Miscellaneous Revenue	\$ 505	\$ -	\$ -	\$ 944
Total Revenues	\$ 1,966	\$ 1,178	\$ 1,461	\$ 944
Expenditures				
Employee Compensation	\$ 40,141	\$ 63,940	\$ 62,481	\$ 77,518
Employee Benefits	\$ 14,410	\$ 28,618	\$ 31,661	\$ 42,298
Materials	\$ 40,131	\$ 35,355	\$ 46,043	\$ 38,695
Contract Services	\$ 52,986	\$ 28,868	\$ 37,486	\$ 38,686
Cost Allocation	\$ 51,328	\$ 61,256	\$ 55,086	\$ 68,439
Capital Outlays	\$ -	\$ -	\$ -	\$ 35,000
Special Projects	\$ 18,653	\$ 47,395	\$ 2,000	\$ -
Contingencies	\$ -	\$ -	\$ 1,044	\$ -
Total Expenditures	\$ 217,649	\$ 265,432	\$ 235,801	\$ 300,636
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 215,683	\$ 264,255	\$ 234,340	\$ 299,692

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.30	0.40	0.40	0.60
MAINTENANCE WORKER III	0	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.40	0.60	0.60	0.80

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

Monta Vista Community Center Maintenance

Budget Unit 100-87-833

General Fund - Facilities and Fleet - Monta Vista Community Center Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 237,282
Fund Balance	\$ -
General Fund Costs	\$ 237,282
% Funded by General Fund	100.0%
Total Staffing	0.4 FTE

Program Overview

This program maintains Monta Vista Community Center and adjacent buildings to ensure efficient operations, employee satisfaction, user satisfaction and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees. Respond to requests made by the Parks & Recreation staff.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$237,282 for the Monta Vista Community Center Maintenance program. This represents an increase of \$51,377 (27.6%) from the FY 2024-25 Adopted Budget.

This increase is due to the addition of one new FTE across the Fleet & Facilities Division, and an increase in Contract Services for building painting.

This program also includes \$37,000 one-time costs for building painting. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ -	\$ 25	\$ -	\$ -
Total Revenues	\$ -	\$ 25	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 33,061	\$ 33,647	\$ 35,562	\$ 43,071
Employee Benefits	\$ 14,071	\$ 15,548	\$ 17,721	\$ 22,759
Materials	\$ 37,871	\$ 37,359	\$ 43,782	\$ 39,249
Contract Services	\$ 54,555	\$ 28,946	\$ 33,250	\$ 71,314
Cost Allocation	\$ 51,535	\$ 54,435	\$ 52,627	\$ 60,889
Special Projects	\$ -	\$ -	\$ 2,000	\$ -
Contingencies	\$ -	\$ -	\$ 963	\$ -
Total Expenditures	\$ 191,093	\$ 169,935	\$ 185,905	\$ 237,282
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 191,093	\$ 169,911	\$ 185,905	\$ 237,282

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.30	0.10	0.10	0.20
MAINTENANCE WORKER III	0	0.10	0.10	0.10
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.40	0.30	0.30	0.40

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

Wilson Park Maintenance

Budget Unit 100-87-834

General Fund - Facilities and Fleet - Wilson Park Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 181,494
Fund Balance	\$ -
General Fund Costs	\$ 181,494
% Funded by General Fund	100.0%
Total Staffing	0.5 FTE

Program Overview

This program maintains Wilson Park Ceramics Center to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$181,494 for the Wilson Park Maintenance program. This represents an increase of \$79,190 (77.4%) from the FY 2024-25 Adopted Budget.

The increase is due to the addition of one new FTE across the Fleet & Facilities Division, asset replacements in Capital Outlays, utility cost increases in Materials, and an increase in Cost Allocation expenses.

This program also includes a request for \$46,000 one-time costs to replace siding, paint, and repair dry rot at Wilson pottery and restrooms. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 20,072	\$ 14,963	\$ 26,348	\$ 42,214
Employee Benefits	\$ 12,237	\$ 6,552	\$ 13,801	\$ 26,130
Materials	\$ 26,862	\$ 29,240	\$ 27,773	\$ 31,636
Contract Services	\$ 19,789	\$ 17,617	\$ 15,631	\$ 16,131
Cost Allocation	\$ 36,714	\$ 33,391	\$ 18,208	\$ 19,383
Capital Outlays	\$ -	\$ -	\$ -	\$ 46,000
Special Projects	\$ -	\$ 2,400	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 543	\$ -
Total Expenditures	\$ 115,674	\$ 104,163	\$ 102,304	\$ 181,494
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 115,674	\$ 104,163	\$ 102,304	\$ 181,494

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0	0.10	0.30	0.50
MAINTENANCE WORKER III	0.20	0	0	0
Total	0.20	0.10	0.30	0.50

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

Portal Park Maintenance

Budget Unit 100-87-835

General Fund - Facilities and Fleet - Portal Park Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 31,870
Fund Balance	\$ -
General Fund Costs	\$ 31,870
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

This program maintains Portal Park building to ensure user efficient operations, satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$31,870 for the Portal Park Maintenance program. This represents a decrease of \$29 (-0.1%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 9,487	\$ -	\$ -	\$ -
Employee Benefits	\$ 6,254	\$ -	\$ -	\$ -
Materials	\$ 7,741	\$ 8,747	\$ 11,598	\$ 9,719
Contract Services	\$ 12,969	\$ 4,800	\$ 10,519	\$ 10,855
Cost Allocation	\$ 29,828	\$ 24,401	\$ 9,506	\$ 11,296
Contingencies	\$ -	\$ -	\$ 276	\$ -
Total Expenditures	\$ 66,279	\$ 37,948	\$ 31,899	\$ 31,870
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 66,279	\$ 37,948	\$ 31,899	\$ 31,870

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER III	0.10	0	0	0
Total	0.10	0	0	0

There are no changes to the current level of staffing.

Sports Center Maintenance

Budget Unit 570-87-836

Sports Center - Facilities and Fleet - Sports Center Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 920,491
Fund Balance	\$ (920,491)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	0.6 FTE

Program Overview

This program maintains Sport Center facilities to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$920,491 for the Sports Center Maintenance program. This represents an increase of \$133,379 (16.9%) from the FY 2024-25 Adopted Budget.

This increase is due to a special project of \$160,000 for Sports Center Energy Management System Upgrade, and \$100,000 one-time costs for Sports Center Lighting Controls Upgrade included under Contract Services. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Special Projects

The following table shows the special projects for the fiscal year.

Special Project	Appropriation	Revenue	Funding Source	Description
Energy Management System Replacement	\$160,000	\$160,000	General Fund	The Energy Management System (EMS) at the Sports Center has reached the end of its useful life. EMS upgrades are required every 10 years. The new EMS allows remote HVAC adjustments, which will greatly enhance the building comfort for residents after hours and weekends.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 68,675	\$ 79,270	\$ 64,176	\$ 64,353
Employee Benefits	\$ (7,375)	\$ 83,289	\$ 42,632	\$ 40,358
Materials	\$ 146,551	\$ 164,303	\$ 177,167	\$ 180,801
Contract Services	\$ 137,318	\$ 128,018	\$ 149,247	\$ 254,023
Cost Allocation	\$ 73,222	\$ 81,070	\$ 100,859	\$ 125,805
Capital Outlays	\$ -	\$ -	\$ 150,000	\$ -
Special Projects	\$ 83,250	\$ 21,126	\$ 2,000	\$ 160,000
Other Financing Uses	\$ 96,951	\$ 95,852	\$ 96,951	\$ 95,151
Contingencies	\$ -	\$ -	\$ 4,080	\$ -
Total Expenditures	\$ 598,592	\$ 652,928	\$ 787,112	\$ 920,491
Fund Balance	\$ (598,592)	\$ (652,927)	\$ (787,112)	\$ (920,491)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.10	0.10	0.10	0.10
MAINTENANCE WORKER III	0.50	0.50	0.50	0.50
PUBLIC WORKS SUPERVISOR	0.10	0.10	0	0
Total	0.70	0.70	0.60	0.60

There are no changes to the current level of staffing.

Creekside Park Maintenance

Budget Unit 100-87-837

General Fund - Facilities and Fleet - Creekside Park Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 133,489
Fund Balance	\$ -
General Fund Costs	\$ 133,489
% Funded by General Fund	100.0%
Total Staffing	0.4 FTE

Program Overview

This program maintains Creekside Park building to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$133,489 for the Creekside Park Maintenance program. This represents an increase of \$23,011 (20.8%) from the FY 2024-25 Adopted Budget.

This increase is due to the addition of one new FTE spread across the Fleet & Facilities Division, utility rate increases in Materials, and an increase in Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 19,697	\$ 30,360	\$ 33,161	\$ 40,523
Employee Benefits	\$ 7,028	\$ 12,793	\$ 14,867	\$ 20,061
Materials	\$ 14,207	\$ 16,533	\$ 18,089	\$ 21,253
Contract Services	\$ 21,200	\$ 19,131	\$ 19,984	\$ 20,623
Cost Allocation	\$ 37,854	\$ 41,446	\$ 23,901	\$ 31,029
Contingencies	\$ -	\$ -	\$ 476	\$ -
Total Expenditures	\$ 99,986	\$ 120,263	\$ 110,478	\$ 133,489
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 99,987	\$ 120,263	\$ 110,478	\$ 133,489

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.10	0.20	0.20	0.30
PUBLIC WORKS SUPERVISOR	0.10	0.10	0.10	0.10
Total	0.20	0.30	0.30	0.40

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

Community Hall Maintenance

Budget Unit 100-87-838

General Fund - Facilities and Fleet - Community Hall Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 283,406
Fund Balance	\$ -
General Fund Costs	\$ 283,406
% Funded by General Fund	100.0%
Total Staffing	0.8 FTE

Program Overview

This program maintains Community Hall and interactive fountain to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Community Hall users.
- Manage and responsibly coordinate work completed by contractors.
- Ensure water quality and functionality of interactive fountain.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.
- Comply with mandated water restrictions.

Proposed Budget

It is recommended that City Council approve a budget of \$283,406 for the Community Hall Maintenance program. This represents an increase of \$37,936 (15.5%) from the FY 2024-25 Adopted Budget.

This increase is due to the addition of one new FTE across the Fleet & Facilities Division, utility rate increases in Materials, asset replacement in Capital Outlays, and an increase in Cost Allocation expenses.

This program also includes a request for \$7,071 one-time costs to Replace All Batteries on Battery Back-Up System at Community Hall. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Charges for Services	\$ 505	\$ -	\$ -	\$ -
Total Revenues	\$ 505	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 38,000	\$ 35,482	\$ 64,407	\$ 72,485
Employee Benefits	\$ 19,649	\$ 17,045	\$ 40,816	\$ 45,185
Materials	\$ 48,547	\$ 55,605	\$ 51,661	\$ 60,744
Contract Services	\$ 40,875	\$ 30,513	\$ 32,920	\$ 33,973
Cost Allocation	\$ 61,230	\$ 59,538	\$ 52,609	\$ 63,948
Capital Outlays	\$ -	\$ -	\$ -	\$ 7,071
Special Projects	\$ -	\$ -	\$ 2,000	\$ -
Contingencies	\$ -	\$ -	\$ 1,057	\$ -
Total Expenditures	\$ 208,301	\$ 198,183	\$ 245,470	\$ 283,406
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 207,797	\$ 198,183	\$ 245,470	\$ 283,406

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.40	0.20	0.50	0.60
MAINTENANCE WORKER III	0.10	0.10	0.20	0.20
Total	0.50	0.30	0.70	0.80

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

Teen Center Maintenance

Budget Unit 100-87-839

General Fund - Facilities and Fleet - Teen Center Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 2,167
Fund Balance	\$ -
General Fund Costs	\$ 2,167
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

This program maintains the Teen Center area below the Sports Center to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Respond to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$2,167 for the Teen Center Maintenance program.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 10,100	\$ 11,390	\$ -	\$ -
Employee Benefits	\$ 5,488	\$ 6,403	\$ -	\$ -
Materials	\$ 664	\$ 329	\$ -	\$ -
Cost Allocation	\$ 24,764	\$ 24,165	\$ -	\$ 2,167
Total Expenditures	\$ 41,016	\$ 42,287	\$ -	\$ 2,167
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 41,015	\$ 42,286	\$ -	\$ 2,167

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER III	0.10	0.10	0	0
Total	0.10	0.10	0	0

There are no changes to the current level of staffing.

Park Bathrooms Maintenance

Budget Unit 100-87-840

General Fund - Facilities and Fleet - Park Bathrooms Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 168,840
Fund Balance	\$ -
General Fund Costs	\$ 168,840
% Funded by General Fund	100.0%
Total Staffing	0.1 FTE

Program Overview

This program maintains park restrooms to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide clean and functioning restrooms at various park locations.
- Respond to requests made by the users of the park.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$168,840 for the Park Bathrooms Maintenance program. This represents an increase of \$10,779 (6.8%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 15,891	\$ 9,887	\$ 10,362	\$ 9,951
Employee Benefits	\$ 8,164	\$ 4,325	\$ 4,831	\$ 4,395
Materials	\$ 16,978	\$ 12,956	\$ 14,562	\$ 16,669
Contract Services	\$ 122,907	\$ 114,237	\$ 112,659	\$ 116,264
Cost Allocation	\$ 40,754	\$ 35,829	\$ 14,057	\$ 21,561
Contingencies	\$ -	\$ -	\$ 1,590	\$ -
Total Expenditures	\$ 204,694	\$ 177,234	\$ 158,061	\$ 168,840
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 204,694	\$ 177,234	\$ 158,061	\$ 168,840

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0.20	0.10	0.10	0.10
Total	0.20	0.10	0.10	0.10

There are no changes to the current level of staffing.

Blackberry Farm Maintenance

Budget Unit 100-87-841

General Fund - Facilities and Fleet - Blackberry Farm Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 549,423
Fund Balance	\$ -
General Fund Costs	\$ 549,423
% Funded by General Fund	100.0%
Total Staffing	0.6 FTE

Program Overview

This program maintains Blackberry Farm buildings and facilities to ensure efficient operations, employee satisfaction, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for the public and employees.
- Timely response to requests made by Parks & Recreation Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$549,423 for the Blackberry Farm Maintenance program. This represents an increase of \$85,056 (18.3%) from the FY 2024-25 Adopted Budget.

This increase is due to the addition of one new FTE across the Fleet & Facilities Division and an increase in Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 21,755	\$ 80,618	\$ 47,461	\$ 55,310
Employee Benefits	\$ 6,991	\$ 45,500	\$ 29,822	\$ 37,508
Materials	\$ 92,041	\$ 123,408	\$ 128,418	\$ 134,899
Contract Services	\$ 56,167	\$ 61,310	\$ 73,799	\$ 76,160
Cost Allocation	\$ 194,564	\$ 161,698	\$ 182,339	\$ 245,546
Special Projects	\$ 5,000	\$ 6,803	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,528	\$ -
Total Expenditures	\$ 376,518	\$ 479,337	\$ 464,367	\$ 549,423
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 376,518	\$ 479,337	\$ 464,367	\$ 549,423

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	1.30	1.30	0.30	0.40
MAINTENANCE WORKER III	0	0.10	0.20	0.20
Total	1.30	1.40	0.50	0.60

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

Franco Traffic Operations Center

Budget Unit 100-87-852

General Fund - Facilities and Fleet - Franco Traffic Operations Center

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 64,548
Fund Balance	\$ -
General Fund Costs	\$ 64,548
% Funded by General Fund	100.0%
Total Staffing	0.3 FTE

Program Overview

This program maintains the Traffic Operations Center on Franco Court to ensure efficient operations, user satisfaction, and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for city employees.
- Respond to requests made by Traffic Operations Center staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$64,548 for the Franco Traffic Operations Center program. This represents an increase of \$20,806 (47.6%) from the FY 2024-25 Adopted Budget.

This increase is due to changes to the current level of staffing allocation, and utilities which were inadvertently not budgeted last fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ -	\$ 18,446	\$ 25,869
Employee Benefits	\$ -	\$ -	\$ 9,520	\$ 15,376
Materials	\$ 1,568	\$ 7,932	\$ 229	\$ 8,994
Contract Services	\$ 15,431	\$ 8,989	\$ 9,996	\$ 10,316
Cost Allocation	\$ 4,410	\$ 4,904	\$ 5,423	\$ 3,993
Contingencies	\$ -	\$ -	\$ 128	\$ -
Total Expenditures	\$ 21,409	\$ 21,825	\$ 43,742	\$ 64,548
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 21,410	\$ 21,825	\$ 43,742	\$ 64,548

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER I/II	0	0	0.20	0.30
Total	0	0	0.20	0.30

The increase in staffing is due to the addition of one FTE spread across the Fleet & Facilities Division, enabling staff to respond more quickly and efficiently to maintenance requests and improving the overall functionality and safety of City facilities.

City Hall Annex

Budget Unit 100-87-857

General Fund - Facilities and Fleet - City Hall Annex

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 4,046
Fund Balance	\$ -
General Fund Costs	\$ 4,046
% Funded by General Fund	100.0%
Total Staffing	0.0 FTE

Program Overview

Maintain City Hall Annex building to ensure efficient operations, property management and community pride.

Service Objectives

- Provide a safe, clean and productive working environment for building occupants.
- Assist with the pending improvement projects.
- Feasibly conserve resources of water, electricity, and gas.

Proposed Budget

It is recommended that City Council approve a budget of \$4,046 for the City Hall Annex program. This represents an increase of \$445 (12.4%) from the FY 2024-25 Adopted Budget.

This increase is due an increase in utility costs.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 7,290	\$ -	\$ -	\$ -
Total Revenues	\$ 7,290	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ -	\$ 10,118	\$ -	\$ -
Employee Benefits	\$ (828)	\$ 6,122	\$ -	\$ -
Materials	\$ 1,808	\$ 2,986	\$ 3,557	\$ 4,046
Contract Services	\$ 9,208	\$ -	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 44	\$ -
Total Expenditures	\$ 10,188	\$ 19,226	\$ 3,601	\$ 4,046
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 2,898	\$ 19,226	\$ 3,601	\$ 4,046

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
MAINTENANCE WORKER III	0	0.10	0	0
Total	0	0.10	0	0

There is no longer staffing associated with this program.

Community Shuttle

Budget Unit 100-88-265

General Fund - Transportation - Community Shuttle

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 2,899,936
Total Expenditures	\$ 4,070,272
Fund Balance	\$ -
General Fund Costs	\$ 1,170,336
% Funded by General Fund	28.8%
Total Staffing	FTE

Program Overview

The Silicon Valley (SV) Hopper, formerly Via-Cupertino, is an on-demand ride-share community shuttle. The app-based service, initiated as a pilot in 2019 serving only Cupertino, has been expanded to provide transportation to anywhere in Cupertino, a portion of Santa Clara, and El Camino Hospital and Caltrain in Mountain View as a result of State TIRCP grant funding the expansion and a conversion to an EV-only fleet.

Service Objectives

- Provide safe, affordable and convenient transportation alternative to the single-occupancy vehicle
- Reduce greenhouse gas emissions and congestion by providing first- and last-mile connections to regional transit systems such as Caltrain, VTA, Amtrak and BART
- Support climate change goals through deployment of a completely electrified vehicle fleet
- Augment transportation alternatives for disadvantaged communities in Silicon Valley

Proposed Budget

It is recommended that City Council approve a budget of \$4,070,272 for the Community Shuttle program. This represents an increase of \$216,314 (5.6%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Contract Services, which are 75% cost-recovered. Per the original agreement, the rate for year three is \$4,070,272.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ -	\$ 335,459	\$ 1,903,000	\$ 2,899,936
Charges for Services	\$ -	\$ -	\$ 808,855	\$ -
Total Revenues	\$ -	\$ 335,459	\$ 2,711,855	\$ 2,899,936
Expenditures				
Contract Services	\$ -	\$ 2,558,925	\$ 3,806,378	\$ 4,070,272
Contingencies	\$ -	\$ -	\$ 47,580	\$ -
Total Expenditures	\$ -	\$ 2,558,925	\$ 3,853,958	\$ 4,070,272
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ -	\$ 2,223,466	\$ 1,142,103	\$ 1,170,336

Staffing

There is no staffing associated with this program.

Traffic Engineering

Budget Unit 100-88-844

General Fund - Transportation - Traffic Engineering

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 1,422,418
Fund Balance	\$ -
General Fund Costs	\$ 1,422,418
% Funded by General Fund	100.0%
Total Staffing	3.0 FTE

Program Overview

The Transportation Division oversees traffic operations, traffic studies, transportation planning, and transportation capital improvements to safely and efficiently manage all modes of travel within the City's street and trail network. This includes responding to citizen requests and concerns regarding traffic issues, developing plans for the installation of traffic signals, traffic signs, and pavement markings, and developing design standards. The Division assists in the preparation of the General Plan, street plan lines and the capital improvement program related to street improvements. Division staff are active on Santa Clara Valley Transportation Authority (VTA) subcommittees and working groups and keeps abreast regarding current developments in the field as well as grant funding opportunities for large projects.

The Transportation Division also participates in the review of private development proposals to identify potential traffic impacts and to require necessary mitigations to maintain levels of service and safe and efficient traffic operations.

Service Objectives

- Ensure the efficiency and safety of the street system for all modes of travel through continual observation of traffic patterns, traffic signals and other traffic control devices.
- Review traffic collision reports, traffic flow patterns, and neighborhood traffic issues and respond as needed.
- Cooperate with neighboring jurisdictions on regional issues that affect both traffic safety and traffic efficiency at City boundaries.
- Continue training personnel in traffic engineering by encouraging attendance at classes and seminars.
- Encourage the use of alternate modes of transportation to the single occupancy vehicle through the implementation of recommendations from the Bicycle and Pedestrian Transportation Plans.
- Supports transit initiatives, ride-share programs, carpool programs, and transportation planning work for all modes of transportation.

Proposed Budget

It is recommended that City Council approve a budget of \$1,422,418 for the Traffic Engineering program. This represents a decrease of \$117,436 (-7.6%) from the FY 2024-25 Adopted Budget.

This budget includes a request for \$300,000 for City Work Program (CWP) item Traffic Impact Fee Study.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 37,936	\$ -	\$ -	\$ -
Transfers In	\$ 800,000	\$ -	\$ -	\$ -
Total Revenues	\$ 837,936	\$ -	\$ -	\$ -
Expenditures				
Employee Compensation	\$ 544,285	\$ 520,342	\$ 556,714	\$ 504,880
Employee Benefits	\$ 197,816	\$ 220,565	\$ 257,150	\$ 209,235
Materials	\$ 21,202	\$ 14,525	\$ 13,937	\$ 17,610
Contract Services	\$ 155,535	\$ 114,387	\$ 157,114	\$ 164,466
Cost Allocation	\$ 259,181	\$ 218,675	\$ 222,801	\$ 226,227
Special Projects	\$ 1,051,444	\$ 1,006,277	\$ 330,000	\$ 300,000
Contingencies	\$ -	\$ -	\$ 2,138	\$ -
Total Expenditures	\$ 2,229,463	\$ 2,094,771	\$ 1,539,854	\$ 1,422,418
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 1,391,527	\$ 2,094,771	\$ 1,539,854	\$ 1,422,418

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ASSISTANT ENGINEER	1.50	1.50	1.40	1.00
PUBLIC WORKS PROJECT MANAGER LT	0.50	0	0	0
TRANSIT & TRANSPORTATION PLANNER	1.00	1.00	1.00	1.00
TRANSPORTATION MANAGER	0.90	0.90	1.00	1.00
Total	3.90	3.40	3.40	3.00

Staff time is being reallocated to better reflect actual time spent in this program.

Traffic Signal Maintenance

Budget Unit 100-88-845

General Fund - Transportation - Traffic Signal Maintenance

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 19,522
Total Expenditures	\$ 737,456
Fund Balance	\$ -
General Fund Costs	\$ 717,934
% Funded by General Fund	97.4%
Total Staffing	2.0 FTE

Program Overview

The Traffic Signal Maintenance Division oversees the operation and maintenance of the City's 60 traffic signals, including eight traffic signals owned by the State of California. The Division also maintains the traffic signal communication infrastructure, such as the fiber optic network and the traffic operation center hub.

Service Objectives

- Ensure the continuous and safe operation of the City's traffic signal system on a continuous 24-hour basis with full-time and on-call staff, which is accomplished by regularly performing preventative maintenance, diagnosing malfunctions and repairs, investigating citizen complaints, replacing or upgrading obsolete hardware, inspecting the work of contractors, responding to knockdowns and power outages, and adjusting signal timing parameters.
- Continue training, maintaining proficiency of traffic signal technicians and on-call staff by encouraging attendance at classes and seminars.

Proposed Budget

It is recommended that City Council approve a budget of \$737,456 for the Traffic Signal Maintenance program. This represents an increase of \$39,900 (5.7%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Cost Allocation expenses.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 11,027	\$ 12,021	\$ 11,027	\$ 12,022
Charges for Services	\$ -	\$ 42,501	\$ -	\$ 7,500
Total Revenues	\$ 11,027	\$ 54,522	\$ 11,027	\$ 19,522
Expenditures				
Employee Compensation	\$ 273,059	\$ 275,548	\$ 282,130	\$ 282,109
Employee Benefits	\$ 108,997	\$ 103,086	\$ 111,275	\$ 97,274
Materials	\$ 161,470	\$ 92,290	\$ 138,360	\$ 148,621
Contract Services	\$ 44,182	\$ 28,879	\$ 48,174	\$ 48,174
Cost Allocation	\$ 182,220	\$ 187,207	\$ 115,285	\$ 161,278
Special Projects	\$ -	\$ 50,491	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 2,332	\$ -
Total Expenditures	\$ 769,928	\$ 737,501	\$ 697,556	\$ 737,456
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 758,901	\$ 682,979	\$ 686,529	\$ 717,934

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
TRAFFIC SIGNAL TECHNICIAN	2.00	2.00	2.00	2.00
Total	2.00	2.00	2.00	2.00

There are no changes to the current level of staffing.

Safe Routes 2 School

Budget Unit 100-88-846

General Fund - Transportation - Safe Routes 2 School

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 90,000
Total Expenditures	\$ 1,029,551
Fund Balance	\$ -
General Fund Costs	\$ 939,551
% Funded by General Fund	91.3%
Total Staffing	1.0 FTE

Program Overview

Safe Routes to School seeks to engage local schools, school districts, parent organizations, community groups, and the Santa Clara County Sheriff’s Office in the mission of reducing Singular Occupancy Vehicle (SOV) travel to and from school in order to reduce carbon emission and car traffic and increase student safety. The program seeks to achieve these objectives through education, encouragement, enforcement, and engineering infrastructure changes in and around Cupertino schools.

Service Objectives

- Help to improve the health and well-being of students by increasing the number of students who walk or bike to school.
- Develop partnerships with school administrators, staff, parents, and students.
- Encourage and empower more students and families to walk, bike, carpool, and take alternative transit to school.
- Adjust signage and infrastructure surrounding Cupertino schools to facilitate a safer environment for bicycle and pedestrian travel.
- Educate students and families about the benefits of walking and bicycling to school; health, environmental protection, academic improvements, community building and more.
- Minimize gaps in communication between City, School Districts, and Schools and collaborate on efforts to increase student safety.
- Enhance bicyclist and pedestrian student safety through coordination of skills classes and distribution of educational material.

Proposed Budget

It is recommended that City Council approve a budget of \$1,029,551 for the Safe Routes 2 School program. This represents an increase of \$160,372 (18.5%) from the FY 2024-25 Adopted Budget.

The increase is due to an increase in Contract Services for Crossing Guard and Bike and Pedestrian Education programs, as well as increases in Cost Allocation expenses.

This program also includes a request for \$25,000 one-time costs for Annual Bike Ped Education. For further detail on these requests, please reference the Summary of Proposed Budget Requests found at the beginning of the budget document.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Intergovernmental Revenue	\$ 46,799	\$ -	\$ 50,000	\$ 50,000
Miscellaneous Revenue	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Total Revenues	\$ 86,799	\$ 40,000	\$ 90,000	\$ 90,000
Expenditures				
Employee Compensation	\$ 153,328	\$ 118,466	\$ 153,363	\$ 152,022
Employee Benefits	\$ 46,907	\$ 43,051	\$ 56,197	\$ 69,740
Materials	\$ 33,207	\$ 22,490	\$ 46,831	\$ 49,678
Contract Services	\$ 336,643	\$ 400,828	\$ 461,802	\$ 598,100
Cost Allocation	\$ 68,673	\$ 77,905	\$ 144,628	\$ 160,011
Special Projects	\$ 57,729	\$ 10,118	\$ -	\$ -
Contingencies	\$ -	\$ -	\$ 6,358	\$ -
Total Expenditures	\$ 696,487	\$ 672,858	\$ 869,179	\$ 1,029,551
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ 609,688	\$ 632,857	\$ 779,179	\$ 939,551

Staffing

The following table lists full-time equivalents (FTE) by position. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Position Title	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
ENVIRONMENTAL PROGRAMS ASSISTANT	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00

There are no changes to the current level of staffing.

Fixed Assets Acquisition

Budget Unit 630-90-985

Vehicle/Equip Replacement - Non-Departmental - Fixed Assets Acquisition

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ 799,884
Fund Balance	\$ (799,884)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

This program purchases vehicles and equipment having a value greater than \$5,000 and expected life of more than one year. Equipment users are charged for the use of these assets through a depreciation schedule. Equipment used by Special Revenue and Enterprise funds are charged to the respective funds.

Service Objectives

- Obtain quality equipment through competitive bidding.
- Purchase energy efficient vehicles whenever practical.
- Purchase quiet, ergonomic and environmentally friendly equipment whenever practical.

Proposed Budget

It is recommended that City Council approve a budget of \$799,884 for the Fixed Assets Acquisition program. This represents an increase of \$340,773 (74.2%) from the FY 2024-25 Adopted Budget.

The increase is due to mandated EV purchases required to comply with California Air Resources Control Board (CARB) zero-emission and grant requirements.

This budget includes \$780,000 for vehicle and equipment replacement assets listed below.

Asset	Appropriation	Revenue	Funding Source	Description
Fixed Assets Acquisition	\$80,000	\$80,000	Vehicle/Equipment Replacement Fund	Grounds vehicle #418 2013 Ford F350. Replacement vehicle Ford Lightning EV Truck.
Fixed Assets Acquisition	\$80,000	\$80,000	Vehicle/Equipment Replacement Fund	Streets vehicle #421 2016 Fusion. Replacement vehicle Ford Lightning EV Truck.
Fixed Assets Acquisition	\$80,000	\$80,000	Vehicle/Equipment Replacement Fund	Fleet vehicle #488 2015 C-Max. Replacement vehicle Ford Lightning EV Truck.
Fixed Assets Acquisition	\$80,000	\$80,000	Vehicle/Equipment Replacement Fund	Streets vehicle #8 2002 Ford 350 Utility Bed Lift Gate. Replacement vehicle Ford Lightning EV Truck.
Fixed Assets Acquisition	\$95,000	\$95,000	Vehicle/Equipment Replacement Fund	Facilities vehicle #416 014 F-250. Replacement vehicle E-Transit High Roof.
Fixed Assets Acquisition	\$70,000	\$70,000	Vehicle/Equipment Replacement Fund	Parks and Recreation vehicle #42 2002 Ford F250. Replacement vehicle Ford F250.
Fixed Assets Acquisition	\$95,000	\$95,000	Vehicle/Equipment Replacement Fund	Trees/ROW vehicle #449 2013 Ford F350 Utility bed with Dump. Replacement vehicle One-Ton Utility Bed with Dump.
Fixed Assets Acquisition	\$95,000	\$95,000	Vehicle/Equipment Replacement Fund	Trees/ROW vehicle #478 2012 F-350. Replacement vehicle One-Ton Utility Bed with Dump.
Fixed Assets Acquisition	\$90,000	\$90,000	Vehicle/Equipment Replacement Fund	Grounds vehicle #31 2008 F350. Replacement vehicle Ford F350 Truck
Fixed Assets Acquisition	\$15,000	\$15,000	Vehicle/Equipment Replacement Fund	Trees/ROW equipment #37 1000 Gallon Water Trailer. Replacement vehicle 500 Gallon Trailer.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Cost Allocation	\$ 7,844	\$ 7,868	\$ 19,111	\$ 19,884
Special Projects	\$ 5,157	\$ (12,184)	\$ 440,000	\$ 780,000
Total Expenditures	\$ 13,001	\$ (4,316)	\$ 459,111	\$ 799,884
Fund Balance	\$ (13,001)	\$ 4,316	\$ (459,111)	\$ (799,884)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Non-Departmental

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Department Overview

Budget Units

Budget Unit	Program	2026 Proposed Budget
Non-Departmental		\$ 15,305,253
100-90-001	General Fund Non-Departmental	\$ 10,613,653
281-90-001	Tree Fund Non-Departmental	\$ 15,000
365-90-001	Debt Service Non-Departmental	\$ -
429-90-001	Capital Reserve Non-Departmental	\$ 2,000,000
365-90-500	Facility Lease Debt Service	\$ 2,676,600
Total		\$ 15,305,253

Budget at a Glance

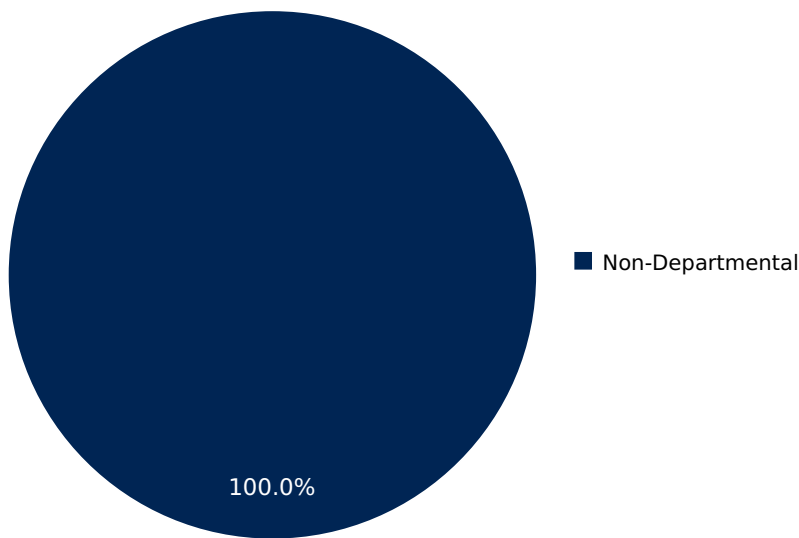
	2026 Proposed Budget
Total Revenues	\$ 73,977,332
Total Expenditures	\$ 15,305,253
Fund Balance	\$ (13,723)
General Fund Costs	\$ (57,009,202)
% Funded by General Fund	-372.5%
Total Staffing	FTE

Proposed Budget

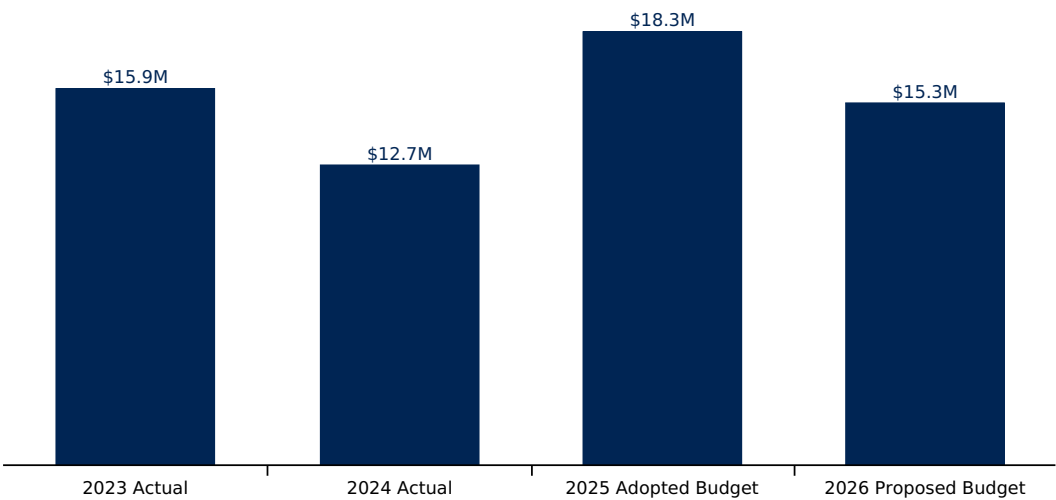
It is recommended that City Council approve a budget of \$15,305,253 for the Non-Departmental department. This represents a decrease of \$3,006,389 (-16.4%) from the FY 2024-25 Adopted Budget.

This decrease is primarily due to a decrease in Capital Improvement Funds due to less projects.

Proposed Expenditures by Division



Department Expenditure History



Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Sales Tax	\$ 34,819,341	\$ 30,961,166	\$ 11,648,962	\$ 11,983,958
Property Tax	\$ 31,889,638	\$ 33,036,853	\$ 33,174,977	\$ 35,413,310
Transient Occupancy Tax	\$ 7,062,150	\$ 6,486,798	\$ 7,731,947	\$ 7,500,000
Utility Tax	\$ 4,103,906	\$ 3,935,917	\$ 4,130,140	\$ 4,206,907
Franchise Fees	\$ 3,995,018	\$ 4,313,669	\$ 3,509,346	\$ 4,394,563
Other Taxes	\$ 1,471,789	\$ 1,621,328	\$ 1,684,329	\$ 1,736,718
Licenses and Permits	\$ 29,235	\$ 30,345	\$ 30,866	\$ 26,859
Use of Money and Property	\$ 2,169,598	\$ 8,743,383	\$ 4,026,000	\$ 3,908,613
Intergovernmental Revenue	\$ 6,261,952	\$ 263,134	\$ 100,400	\$ 124,404
Charges for Services	\$ 10,639	\$ 12,219	\$ -	\$ 5,400
Miscellaneous Revenue	\$ 141,840	\$ 978,958	\$ -	\$ -
Transfers In	\$ 8,291,964	\$ 3,073,600	\$ 2,676,200	\$ 4,676,600
Total Revenues	\$ 100,247,070	\$ 93,457,370	\$ 68,713,167	\$ 73,977,332
Expenditures				
Materials	\$ 26,036	\$ 8,948	\$ 23,264	\$ 19,000
Contract Services	\$ 1,500	\$ 1,500	\$ -	\$ -
Capital Outlays	\$ 675	\$ -	\$ -	\$ -
Debt Service	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200	\$ 2,676,600
Transfers Out	\$ 13,205,485	\$ 9,994,583	\$ 15,612,178	\$ 12,609,653
Total Expenditures	\$ 15,909,496	\$ 12,682,631	\$ 18,311,642	\$ 15,305,253
Fund Balance	\$ 4,546,486	\$ (2,761,120)	\$ (8,260,580)	\$ (13,723)
General Fund Costs	\$ (71,499,123)	\$ (80,558,259)	\$ (55,985,905)	\$ (57,009,202)

Staffing

There is no staffing associated with this department.

General Fund Non-Departmental

Budget Unit 100-90-001

General Fund - Non-Departmental - General Fund Non-Departmental

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 69,299,455
Total Expenditures	\$ 10,613,653
Fund Balance	\$ -
General Fund Costs	\$ (59,685,802)
% Funded by General Fund	-562.3%
Total Staffing	FTE

Program Overview

Non-Departmental programs encompass a variety of revenues that are not directly tied to any specific department or program. These revenues include sales tax, property tax, and transient occupancy tax revenues, which are then allocated to various departments as required.

Additionally, Non-Departmental programs also account for the transfers of monies between various funds, which provide subsidies and resources to the receiving fund to support operating, debt service, and capital project costs. General Fund subsidies are included in these transfers, which are evaluated annually to ensure that funds outside of the General Fund end the year with sufficient fund balance. Typically, transfers are made to Special Revenue and Enterprise Funds that require subsidies due to their revenues falling short of full program costs. Furthermore, the City has recurring transfers to fund the costs associated with Annual Debt Payment and Compensated Absences.

For more detailed information on General Fund revenues, please refer to the Financial Schedules: General Fund Revenues.

Proposed Budget

It is recommended that City Council approve a budget of \$10,613,653 for the General Fund Non-Departmental program. This represents an increase of \$3,240,791 (44.0%) from the FY 2024-25 Adopted Budget.

Receiving Fund	Description	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget
Environmental Management Fund	Environmental Management	-	317,000
Community Development Block Grant (CDBG)	Community Development Block Grant	-	250,000
Capital Reserve	Capital Improvement Projects	-	2,000,000
Transportation Fund	Sidewalk, Curb, and Gutter Maintenance	1,500,000	1,500,000
Debt Service Fund	Annual Debt Payment	2,676,200	2,676,600
Blackberry Farm Fund	Blackberry Farm Golf	55,000	-
Sports Center Fund	Sports Center	434,000	1,235,000
Innovation & Technology Fund	IT Infrastructure	200,000	-
Compensated Absences/LTD Fund	Compensated Absences	591,000	670,000
Retiree Medical Fund	Retiree Medical	1,609,045	1,946,053
TOTAL		\$ 7,065,245.00	\$ 10,594,653.00

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Sales Tax	\$ 34,819,341	\$ 30,961,166	\$ 11,648,962	\$ 11,983,958
Property Tax	\$ 31,889,638	\$ 33,036,853	\$ 33,174,977	\$ 35,413,310
Transient Occupancy Tax	\$ 7,062,150	\$ 6,486,798	\$ 7,731,947	\$ 7,500,000
Utility Tax	\$ 4,103,906	\$ 3,935,917	\$ 4,130,140	\$ 4,206,907
Franchise Fees	\$ 3,995,018	\$ 4,313,669	\$ 3,509,346	\$ 4,394,563
Other Taxes	\$ 1,471,789	\$ 1,621,328	\$ 1,684,329	\$ 1,736,718
Licenses and Permits	\$ 29,235	\$ 30,345	\$ 30,866	\$ 26,859
Use of Money and Property	\$ 2,381,446	\$ 8,414,389	\$ 4,024,000	\$ 3,907,336
Intergovernmental Revenue	\$ 6,261,952	\$ 263,134	\$ 100,400	\$ 124,404
Charges for Services	\$ 5,829	\$ 4,319	\$ -	\$ 5,400
Miscellaneous Revenue	\$ 141,840	\$ 976,173	\$ -	\$ -
Transfers In	\$ -	\$ 96,000	\$ -	\$ -
Total Revenues	\$ 92,162,144	\$ 90,140,091	\$ 66,034,967	\$ 69,299,455
Expenditures				
Materials	\$ 26,036	\$ 8,948	\$ 23,264	\$ 19,000
Capital Outlays	\$ 675	\$ -	\$ -	\$ -
Transfers Out	\$ 12,344,345	\$ 6,595,284	\$ 7,349,598	\$ 10,594,653
Total Expenditures	\$ 12,371,056	\$ 6,604,232	\$ 7,372,862	\$ 10,613,653
Fund Balance	\$ -	\$ -	\$ -	\$ -
General Fund Costs	\$ (79,791,087)	\$ (83,535,859)	\$ (58,662,105)	\$ (59,685,802)

Staffing

There is no staffing associated with this program.

Tree Fund Non-Departmental

Budget Unit 281-90-001

Tree Fund - Non-Departmental - Tree Fund Non-Departmental

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 1,277
Total Expenditures	\$ 15,000
Fund Balance	\$ (13,723)
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

Transfers represent transfers of monies between various funds. Tree Fund revenues are from in-lieu tree replacement fees and tree damage and removal fees. The revenues are transferred to the Street Tree Maintenance program to pay for new and replacement trees.

Proposed Budget

It is recommended that City Council approve a budget of \$15,000 for the Tree Fund Non-Departmental program. This budget is unchanged from the prior year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ 1,823	\$ 2,877	\$ 2,000	\$ 1,277
Charges for Services	\$ 4,810	\$ 7,900	\$ -	\$ -
Miscellaneous Revenue	\$ -	\$ 2,785	\$ -	\$ -
Total Revenues	\$ 6,633	\$ 13,562	\$ 2,000	\$ 1,277
Expenditures				
Transfers Out	\$ 61,140	\$ 15,000	\$ 15,000	\$ 15,000
Total Expenditures	\$ 61,140	\$ 15,000	\$ 15,000	\$ 15,000
Fund Balance	\$ (54,507)	\$ (1,438)	\$ (13,000)	\$ (13,723)
General Fund Costs	\$ -	\$ -	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Debt Service Non-Departmental

Budget Unit 365-90-001

Public Facilities Corp - Non-Departmental - Debt Service Non-Departmental

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ -
Total Expenditures	\$ -
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

The Debt Service Non-Departmental Program accounts for the refinancing of debt instruments for the City's Public Facilities Corporation.

Proposed Budget

There is no budget requested for this program.

This budget was previously misallocated to a program intended for refinancing debt. It has now been correctly reclassified under the Facility Lease Debt Service program 365-90-500, which appropriately reflects its purpose of financing debt.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ (5,099)	\$ -	\$ -	\$ -
Transfers In	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200	\$ -
Total Revenues	\$ 2,670,701	\$ 2,677,600	\$ 2,676,200	\$ -
Expenditures				
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Fund Balance	\$ 2,670,701	\$ 2,677,600	\$ 2,676,200	\$ -
General Fund Costs	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200	\$ -

Staffing

There is no staffing associated with this program.

Capital Reserve Non-Departmental

Budget Unit 429-90-001

Capital Reserve - Non-Departmental - Capital Reserve Non-Departmental

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 2,000,000
Total Expenditures	\$ 2,000,000
Fund Balance	\$ -
General Fund Costs	\$ -
% Funded by General Fund	0.0%
Total Staffing	FTE

Program Overview

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources to the receiving fund to support operating, debt service, and capital project costs. General Fund subsidies to other funds and funding of capital projects are included in transfers.

Transfers out from the Capital Reserve vary from year to year depending on the projects selected in the Capital Improvement Program. In addition, funding sources for each project are reviewed and then allocated appropriately. After this review, the remaining balance of the project left to fund is then transferred from the Capital Reserve Fund.

Proposed Budget

It is recommended that City Council approve a budget of \$2,000,000 for the Capital Reserve Non-Departmental program. This represents a decrease of \$6,247,580 (-75.8%) from the FY 2024-25 Adopted Budget.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Use of Money and Property	\$ (208,572)	\$ 326,117	\$ -	\$ -
Transfers In	\$ 5,616,164	\$ 300,000	\$ -	\$ 2,000,000
Total Revenues	\$ 5,407,592	\$ 626,117	\$ -	\$ 2,000,000
Expenditures				
Transfers Out	\$ 800,000	\$ 3,384,299	\$ 8,247,580	\$ 2,000,000
Total Expenditures	\$ 800,000	\$ 3,384,299	\$ 8,247,580	\$ 2,000,000
Fund Balance	\$ 4,607,592	\$ (2,758,182)	\$ (8,247,580)	\$ -
General Fund Costs	\$ 5,616,164	\$ 300,000	\$ -	\$ -

Staffing

There is no staffing associated with this program.

Facility Lease Debt Service

Budget Unit 365-90-500

Public Facilities Corp - Non-Departmental - Facility Lease Debt Service

Budget at a Glance

	2026 Proposed Budget
Total Revenues	\$ 2,676,600
Total Expenditures	\$ 2,676,600
Fund Balance	\$ -
General Fund Costs	\$ 2,676,600
% Funded by General Fund	100.0%
Total Staffing	FTE

Program Overview

The Debt Service Program accounts for the payment of principal and interest and associated administrative costs incurred with the issuance of debt instruments for the City's Public Facilities Corporation. The budget funds the Corporation's annual payment of principal and interest on the City Hall/Library, Wilson/Memorial Open Space, and Library Certificates of Participation (COP) that will be paid off by the year 2030.

The majority of the borrowings occurred in early 1990 to acquire additional park real estate and expand community facilities. A breakdown of the capital acquisitions follows:

- Increased 90 acres of park real estate to 190 acres, a 111% increase
- Increased 26,031 sq ft of recreation building space to 84,460 sq ft, a 224% increase

Specific purchases included:

- Blackberry Farm - \$18 million, voter-approved debt
- Creekside Park - \$12 million, voter-approved debt
- Sports Center - \$8 million
- Quinlan Community Center, including park real estate - \$6.1 million
- Wilson Park and improvements - \$5.6 million
- Jollyman Park development - \$1 million
- City Hall renovation/improvements - \$1.7 million
- Library renovation/improvements - \$1.7 million
- New Library and Community Hall - \$10 million

Most recently, the City added debt to fund the new Library and Community Hall in 2004.

In May 2012, the Corporation refinanced its \$44 million in outstanding debt to lower the interest rate and save approximately \$350,000 per year in debt payments. On September 29, 2020, the City's 2020A Certificates of Participation (2020 COPs) were successfully sold to refund the City's 2012 Certificates of Participation for debt service savings. The refunding generated net present value savings of approximately \$3.14 million, 11.61% of refunded par, and a True Interest Cost of 0.72%. Savings to the City's General Fund amounts to approximately \$494,000 per year for the next ten years or almost \$5 million in total savings.

Schedule of Lease Payments

Bond Year (Ending June 1)	Principal	Interest	Annual Lease Payment
2024	2,035,000	642,600	2,677,600
2025	2,115,000	561,200	2,676,200
2026	2,200,000	476,600	2,676,600
2027	2,285,000	388,600	2,673,600
2028	2,380,000	297,200	2,677,200
2029	2,475,000	202,000	2,677,000
2030	2,575,000	103,000	2,678,000
Total	\$16,065,000	\$2,671,200	\$18,736,200

Proposed Budget

It is recommended that City Council approve a budget of \$2,676,600 for the Facility Lease Debt Service program. This represents an increase of \$400 (0.0%) from the FY 2024-25 Adopted Budget.

This budget is relatively unchanged from the prior fiscal year.

Revenues and Expenditures

The following table details revenues, expenditures, changes in fund balance and General Fund costs by category. It includes actuals for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Proposed Budget for the current fiscal year.

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Transfers In	\$ -	\$ -	\$ -	\$ 2,676,600
Total Revenues	\$ -	\$ -	\$ -	\$ 2,676,600
Expenditures				
Contract Services	\$ 1,500	\$ 1,500	\$ -	\$ -
Debt Service	\$ 2,675,800	\$ 2,677,600	\$ 2,676,200	\$ 2,676,600
Total Expenditures	\$ 2,677,300	\$ 2,679,100	\$ 2,676,200	\$ 2,676,600
Fund Balance	\$ (2,677,300)	\$ (2,679,100)	\$ (2,676,200)	\$ -
General Fund Costs	\$ -	\$ -	\$ -	\$ 2,676,600

Staffing

There is no staffing associated with this program.

Appendix

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Glossary of Budget Terminology

The City's budget contains specialized and technical terminology that is unique to public finance and budgeting. To help the reader understand the terms, a glossary of budgetary terminology is found below.

Accrual – A basis of accounting in which revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period in which they are incurred.

Adopted Budget – Revenues and appropriations approved by the City Council in June for the following fiscal year.

Allocated Costs – An expense charged by one department/division to another for services performed or expenditures of a general nature that are charged to one main account and allocated to other departments/divisions by a specified formula.

Amended Budget – The status of appropriations between July 1 and June 30 includes the adopted budget, budget amendments, prior year encumbrances, approved carryovers, and transfers between objects, divisions and departments.

Appropriation – An authorization made by the City Council that permits the City to incur obligations and to make expenditures of resources.

Balanced Budget – A balanced budget requires that budgeted expenditures be equal to or less than projected revenues for the budget year.

Budget – A financial plan for a specific period of time (fiscal year) that matches all planned revenues and expenditures with various municipal services.

Budget Amendment – A legal procedure to revise a budget appropriation. Adjustments to expenditures within or between departmental budgets may be accomplished administratively. City Council approval is required for additional appropriations from fund balances or from new revenue sources.

California Department of Tax and Fee Administration - A state agency responsible for administering various taxes, fees, and surcharges in California. This includes the collection and administration of sales and use taxes, which is a major revenue source for the state and local governments.

Capital Improvement Program – A plan for capital expenditures to provide for the acquisition, expansion, or rehabilitation of an element of the City's physical plant to be incurred over a fixed period of several future years.

Capital Outlay – Expenditures relating to the purchase of equipment, land, and other fixed assets.

Cost Allocation Plan – A plan that details how indirect costs are calculated and allocated to user departments.

Cost Recovery – The establishment of user fees that is equal to the full cost of providing services.

Deficit - Occurs when expenditures exceed revenues.

Department – A major administrative segment of the City that indicates overall management responsibility for an operation or a group of related operations within a functional area.

Division – A unit of organization that reports to a department.

Enterprise Fund – A fund established to account for activities that are financed and operated in a manner similar to private business enterprises, in which costs of providing services are primarily recovered through user fees.

Expenditure – Utilization of fund resources. Expenditures include operating expenses, debt service, and capital outlays.

Expenditure Category – A basis for distinguishing types of expenditures. The major expenditure categories used by the City are employee compensation, employee benefits, materials, contract services, appropriations for contingency, special projects, capital outlay and debt service.

Fiscal Year – A twelve-month time period signifying the beginning and ending period for recording financial transactions. The City has specified July 1 through June 30 for its fiscal year.

Full-Time Equivalent (FTE) – The ratio of a position in comparison to the amount of time a regular, full-time employee normally works in a year. A full-time employee (1.00 FTE) is paid for 2,080 hours a year. Positions budgeted to work less than full-time are expressed as a percent of full-time.

Fund – A fiscal and accounting entity for which the recording of financial transactions is made for the purpose of carrying on

specific activities in accordance with the requirements placed upon the use of financial resources.

Fund Balance – The net effect of assets less liabilities at any given point in time.

General Fund – The fund used to account for the major operating revenues and expenditures of the City, except for those financial resources that are required to be accounted for in another fund category. General Fund revenues are derived primarily from property and other taxes.

Goal – Broad mission statements that define the purpose of a department.

Governmental Fund – Account for activities that are primarily tax-supported operations or other mandatory payments. Reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Infrastructure – Long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples include roadways, bridges, and drainage systems.

Internal Service Fund – A fund used to account for the services provided by one department to other departments on a cost-reimbursement basis.

Modified Accrual – Under the modified accrual basis of accounting, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Operating Budget – A financial plan for the provision of direct service and support functions that provide basic governmental services. The operating budget contains appropriations for such expenditures as employee compensation, materials, contract services, capital outlay, and debt service. It does not include Capital Improvement Project expenditures.

Program – A unit or organization that reports to a division.

Reserve – An account used to designate a portion of the fund balance for specific future use and is, therefore, not available for general appropriation.

Revenue – Increases in fund resources. Revenues include income from user fees, taxes, permits, and other sources.

Self-Supporting Activity – An enterprise activity where all service costs (including principal and interest debt payments) are primarily covered solely from the earnings of the enterprise.

Structural Deficit – The amount by which a government's expense is higher than its revenue received, regardless of the economic climate.

Subsidy – Supplemental resources provided to ensure adequate funding when anticipated expenditures exceed revenues.

Transfer Out – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

User Fees – Fees charged to users of a particular service provided by the City.

Commonly Used Acronyms

ABAG	Association of Bay Area Governments
ACFR	Annual Comprehensive Financial Report
ARPA	American Rescue Plan Act
B/PAC	Bicycle/Pedestrian Advisory Committee
BAAQMD	Bay Area Air Quality Management District
BMR	Below Market Rate
CAP	Cost Allocation Plan
CARES	Coronavirus Aid, Relief, and Economic Security Act
CDTFA	California Department of Tax and Fee Administration
CMTA	California Municipal Treasurers Association
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance Officers
CWP	City Work Program
EAP	Employee Assistance Program
EIR	Environmental Impact Statement
EOC	Emergency Operations Center
ERAF	Education Revenue Augmentation Fund
FEMA	Federal Emergency Management Agency
FLSA	Fair Labor Standards Act
FPPC	Fair Political Practices Commission
FSA	Flexible Spending Account
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GFOA	Governmental Finance Officers Association
HVAC	Heating Ventilation and Air Conditioning
JPA	Joint Powers Authority

LAIF	Local Agency Investment Fund
LTD	Long Term Disability
MOU	Memorandum of Understanding
MTC	Metropolitan Transportation Commission
OES	Office of Emergency Services
OPEB	Other-Post Employment Benefits
PC	Planning Commission
PEMHCA	Public Employees' Medical and Hospital Care Act
PERS	(aka CalPERS) Public Employees' Retirement System
PTA	Parent Teacher Association
RDA	Redevelopment Agency
RFP	Request for Proposals
RFQ	Requests for Qualifications
RHNA	Regional Housing Needs Allocation
RMS	Records Management System
RWQCB	Regional Water Quality Control Board
UAL	Unfunded Actuarial Liability
UBC	Uniform Building Code
VSP	Vision Service Plan

Revenues, Expenditures, and Fund Balance Table

Sample Revenues, Expenditures, and Fund Balance Table

Category	2023 Actual	2024 Actual	2025 Adopted Budget	2026 Proposed Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Other Financing Sources	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Other Financing Uses	-	-	-	-
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Contingencies	-	-	-	-
Total Expenditures	-	-	-	-
Change in Fund Balance	-	-	-	-
General Fund Costs	-	-	-	-

Taxes – Money received from taxes such as sales, property, transient occupancy, and utility tax

Licenses and Permits – Money received from license and permit fees

Use of Money and Property – Interest earnings, and facility and concession rents

Intergovernmental Revenue – Money received from federal, state, or local governments such as grants

Charges for Services – Fees collected for services provided by City departments

Fines and Forfeitures – Money received from fines and penalties

Miscellaneous Revenue – Money received from various sources such as donations, salvage, and legal settlements

Other Financing Sources – Money received from bond proceeds, fixed asset proceeds, and refundable deposits

Interdepartmental Revenue – Interdepartmental service charges and transfers

Total Revenues – Total of all revenue categories

Employee Compensation – Cost of full-time and part-time salaries and overtime

Employee Benefits – Cost of employee benefits including CalPERS retirement, health insurance, and other benefits

Materials – All materials purchased for repair and maintenance, operational activities such as books, uniforms and recreation supplies, office supplies, and conference and training costs

Contract Services – All legal, consulting, and other professional goods and services, contract repair and maintenance, utility charges, training and memberships, equipment rentals, insurance, and employment services

Cost Allocation – Cost of services from other City departments

Capital Outlay – Expenditures for tangible fixed assets including land, buildings, vehicles, infrastructure, furniture, equipment, and City vehicles used in operation beyond one year

Special Projects – One-time projects or costs

Other Financing Uses – Depreciation and refundable deposit expenses

Debt Service – Principal and interest payments for outstanding debt

Transfers Out – Transfers out to other City funds

Contingencies – Funds for unexpected expenses and emergencies (1.25% of budgeted materials and contract costs)

Total Expenditures – Total of all expenditure categories

Change in Fund Balance – Total Revenues minus Total Expenditures plus General Fund Contribution. Fund balance is the difference between assets and liabilities.

General Fund Costs – Use of General Fund fund balance, for programs in the General Fund, or use of transfers from the General Fund, for programs not in the General Fund.

The inclusion of current and historical "actual" and "budget" information is a necessary component of the Government Finance Officer's Association (GFOA) reporting requirements. Due to the extensive amount of financial data, it is important to understand the meaning of these tables. "Actual" data represents actual revenues or expenditures that have been recognized or incurred in the respective fiscal year. Although amounts were budgeted in those years, these actual amounts are irrespective of the budget which should be taken into account when comparing historical actuals with current budgeted figures. Historical budget versus actual information for the last 4 fiscal years at the account detail level is available in the Appendix on the City's budget website (cupertino.org/budget).

CIP Schedule

Project	Program	External Funding	City Funding	Total Proposed Budget
ADA Improvements	420-99-007	-	110,000	110,000
Facilities Condition Assessment (FCA) Implementation	420-99-063	-	940,000	940,000
Outfall Repairs	420-99-276	-	950,000	950,000
TOTAL		\$ -	\$ 2,000,000	\$ 2,000,000

The City's Capital Improvement Programs (CIP) details will be included in the City's CIP book that is produced by the CIP division of the Public Works department. Additional details on these and other CIP projects can be found there.

Budgeted appropriations for CIP Preliminary Planning & Design and Capital Project Support are part of the CIP base budget. As these are not projects they were not presented to the Council at the CIP study session, but are being included here to show the total CIP budget.

Personnel Schedule

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Change
COUNCIL AND COMMISSIONS									
City Council	1.05	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.00
Sister Cities	0.10	0.40	0.10	0.10	0.10	0.10	0.05	0.05	0.00
Technology, Information & Communications Commission	0.00	0.05	0.07	0.07	0.07	0.07	0.07	0.07	0.00
Library Commission	0.05	0.03	0.10	0.15	0.10	0.10	0.10	0.1	0.00
Fine Arts Commission	0.15	0.15	0.15	0.15	0.15	0.10	0.10	0.1	0.00
Public Safety Commission	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.00
Bicycle and Pedestrian Commission	0.00	0.00	0.15	0.15	0.15	0.15	0.15	0.05	-0.10
Parks and Recreation Commission	0.10	0.12	0.10	0.10	0.10	0.10	0.10	0.1	0.00
Teen Commission	0.30	0.30	0.30	0.30	0.05	0.05	0.05	0.05	0.00
Planning Commission	0.30	0.31	0.26	0.26	0.26	0.26	0.26	0.26	0.00
Housing Commission	0.15	0.15	0.15	0.15	0.15	0.15	0.25	0.25	0.00
Sustainability Commission	0.10	0.10	0.15	0.15	0.15	0.15	0.05	0.05	0.00
Audit Committee	0.00	0.00	0.10	0.10	0.10	0.10	0.10	0.1	0.00
TOTAL COUNCIL AND COMMISSIONS	2.35	2.51	2.53	2.58	2.28	2.23	2.23	2.13	-0.10
ADMINISTRATION									
City Manager	3.62	4.90	3.90	4.90	6.90	6.90	6.60	7.20	0.60
Sustainability	1.80	1.40	1.80	1.80	1.80	1.80	0.00	0.00	0.00
Office of Communications	2.15	2.65	2.95	2.95	3.65	2.65	1.95	1.95	0.00
Video	0.00	0.00	3.00	3.00	1.50	0.00	0.00	0.00	0.00
Community Outreach & Neighborhood Watch	0.00	0.75	0.75	0.75	1.00	1.00	1.00	0.00	-1.00
Office of Emergency Management	0.00	0.95	0.95	1.95	1.95	1.95	1.95	0.00	-1.95
Economic Development	0.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	-1.00
City Clerk	2.90	2.50	2.50	2.50	3.50	3.50	3.50	4.00	0.50
City Attorney	5.00	1.00	1.00	1.00	3.00	3.00	3.00	3.00	0.00
TOTAL ADMINISTRATION	15.47	15.15	17.85	19.85	24.30	21.80	19.00	16.15	-2.85
INNOVATION AND TECHNOLOGY									
Administration	0.70	0.55	0.53	0.53	0.53	0.53	0.25	0.25	0.00
Video	3.20	3.25	0.00	0.00	1.50	3.00	3.13	3.13	0.00
Applications	3.45	3.45	3.50	3.50	3.50	3.50	3.05	4.05	1.00
Infrastructure	4.50	4.50	4.50	4.50	4.50	4.50	4.30	4.30	0.00
GIS	3.20	3.20	3.40	3.40	3.40	3.40	3.20	2.20	-1.00
TOTAL INNOVATION AND TECHNOLOGY	15.05	14.95	11.93	11.93	13.43	14.93	13.93	13.93	0.00
ADMINISTRATIVE SERVICES									
Administration	3.80	3.80	3.75	3.75	3.75	1.40	1.40	1.40	0.00
Finance	7.00	8.00	7.95	7.95	9.95	11.30	11.30	12.30	1.00
Human Resources	3.20	4.20	4.20	5.20	5.20	5.20	5.20	5.20	0.00
TOTAL ADMINISTRATIVE SERVICES	14.00	16.00	15.90	16.90	18.90	17.90	17.90	18.90	1.00
PARKS AND RECREATION									
Administration	3.85	4.55	4.55	4.50	6.70	4.90	4.90	4.90	0.00
Business and Community Services	10.30	8.00	7.45	6.25	6.50	6.25	5.25	5.50	0.25
Recreation and Education	10.00	10.05	10.55	8.55	6.75	7.70	8.50	8.60	0.10
Office of Emergency Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.95	1.95
Community Outreach & Neighborhood Watch	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Sports, Safety and Outdoor Recreation	10.65	9.50	9.35	8.58	9.53	8.78	8.98	8.63	-0.35
TOTAL PARKS AND RECREATION	34.80	32.10	31.90	27.88	29.48	27.63	27.63	30.58	2.95

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	Change
COMMUNITY DEVELOPMENT									
Administration	0.55	0.60	0.50	0.50	0.50	0.50	0.50	0.5	0.00
Planning	10.58	9.67	9.97	12.07	14.67	12.97	12.87	13.57	0.70
Housing Services	0.80	0.80	0.80	1.70	3.10	1.70	1.70	0.9	-0.80
Building	13.95	13.97	14.22	15.22	15.22	15.22	15.22	15.22	0.00
Economic Development	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Muni/Building Code Enforcement	1.25	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Code Enforcement	0.00	3.00	3.00	3.00	4.00	4.00	4.00	4	0.00
TOTAL COMMUNITY DEVELOPMENT	28.13	28.29	28.49	32.49	37.49	34.39	34.29	34.19	-0.10
PUBLIC WORKS									
Administration	3.25	2.05	3.05	3.05	3.45	3.95	3.95	3.95	0.00
Environmental Programs	6.20	6.10	7.55	8.52	8.57	8.52	10.12	10.17	0.05
Development Services	8.50	11.50	11.20	11.70	12.55	9.65	7.65	8.15	0.50
Service Center	2.55	3.65	3.50	3.50	3.25	3.05	3.00	3.00	0.00
Grounds	20.00	20.00	20.00	20.00	20.00	19.00	18.00	18.00	0.00
Streets	13.95	13.95	13.45	13.45	14.40	13.55	13.90	13.85	-0.05
Trees and Right of Way	16.00	17.00	17.00	17.00	17.00	17.00	17.00	18.00	1.00
Facilities and Fleet	8.00	8.00	8.00	8.00	8.00	7.00	7.00	8.00	1.00
Transportation	6.50	6.50	6.40	6.90	6.90	6.40	6.40	6.00	-0.40
TOTAL PUBLIC WORKS	84.95	88.75	90.15	92.12	94.12	88.12	87.02	89.12	2.10
LAW ENFORCEMENT									
Code Enforcement	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LAW ENFORCEMENT	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL BENEFITTED POSITIONS	196.75	197.75	198.75	203.75	220.00	207.00	202.00	205.00	3.00
OTAL BENEFITTED POSITIONS & COUNCILMEMBERS	201.75	202.75	203.75	208.75	225.00	212.00	207.00	210.00	3.00