

CC 06-06-2023

11

Storm Drain Fees

Presentation

Renewal of Stormwater Parcel Fees for FY23-24

June 6, 2023



CUPERTINO

Two Stormwater Fees support compliance with Municipal Regional Permit and maintenance of City storm drainage infrastructure

- **2019 Clean Water and Storm Protection Fee**
 - More varied rates for land area and land use
 - \$44.42 for typical SFD, com. = \$40.38/0.1 acre
- **1992 Storm Drainage Charge**
 - \$12/single family parcel;
 - \$144/acre for com./apts./industrial parcels;
 - \$36/acre for unimproved parcel

- Both fees appear on property tax bills:

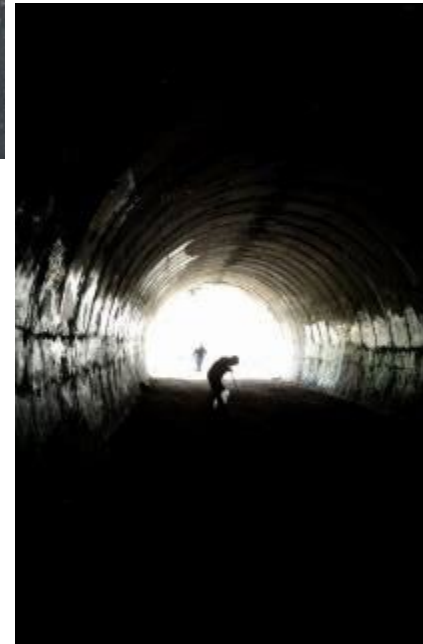
PARCEL TAX / SPECIAL ASSESSMENTS

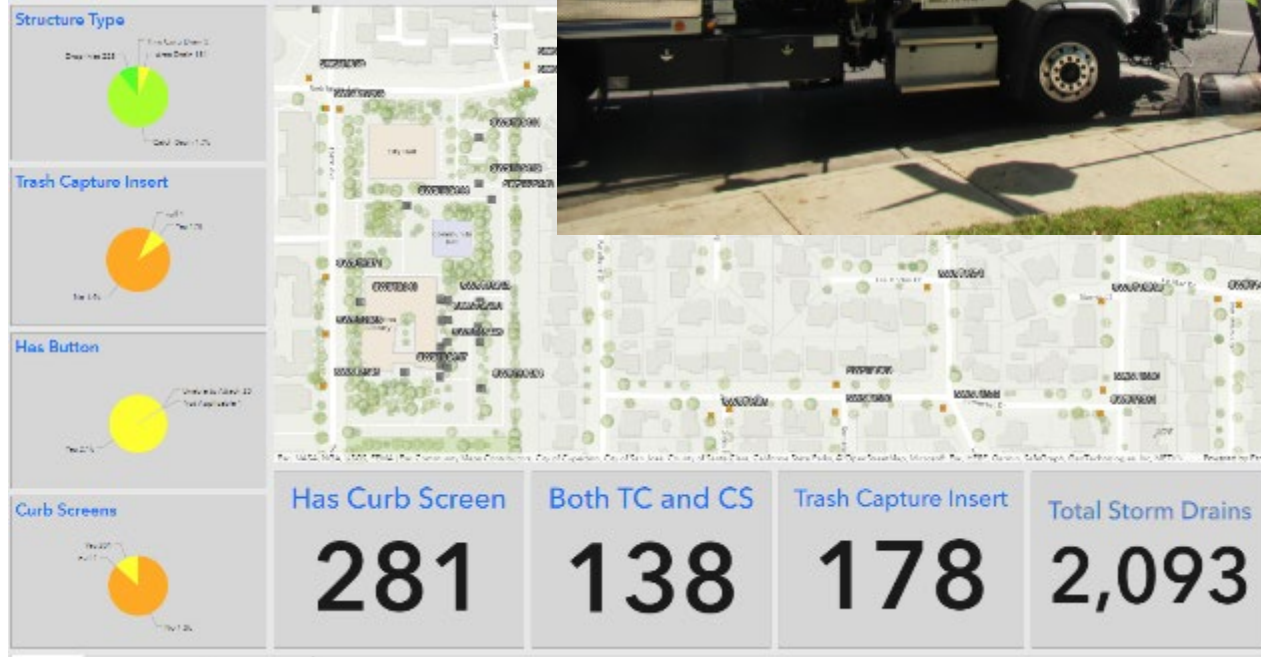
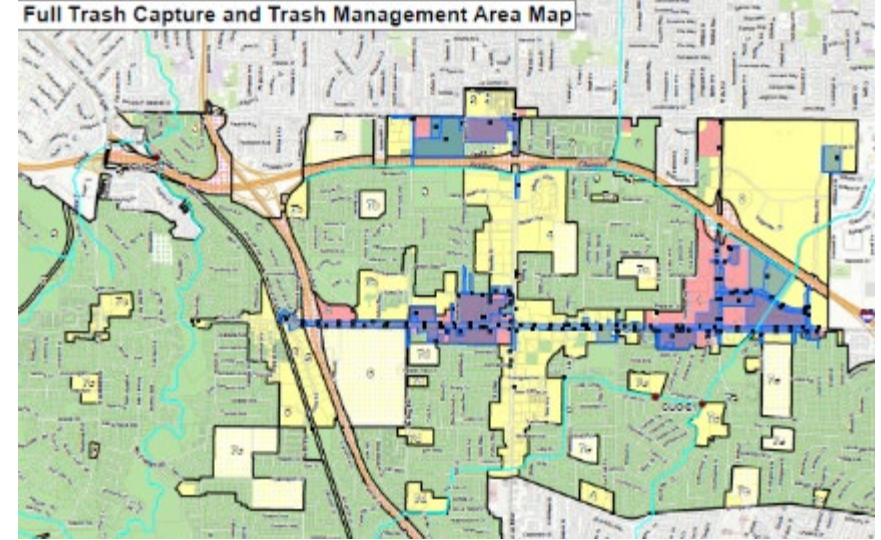
| SA# | TAXING AGENCY | NAME |
|-------|--------------------------------|--------------------------|
| *0728 | SANTA CLARA VALLEY WATER DIST | SAFE, CLEAN WATER |
| *0745 | CUPERTINO UNION SCHOOL DIST | MEASURE A 2014 |
| 0827 | CITY OF CUPERTINO | CUPT/ENVIR/STORM 1992 |
| 0847 | SANTA CLARA COUNTY-VECTOR CTRL | SCCO VECTOR CONTROL |
| 0848 | SANTA CLARA COUNTY-VECTOR CTRL | MOSQUITO ASMT #2 |
| 0851 | SANTA CLARA COUNTY-LIBRARY JPA | LIBRARY JPA CD 2013-1 |
| 0880 | SANTA CLARA VALLEY WATER DIST | FLOOD CTL DEBT-NORTHWEST |
| 0885 | CUPERTINO SANITARY DISTRICT | CUPERTINO SANITARY DIST |
| *0896 | FREMONT UNION HIGH SCHOOL DIST | MEASURE J 2014 |
| *0980 | SF BAY RESTORATION AUTHORITY | MEASURE AA |
| 1011 | CITY OF CUPERTINO | 2019 CUPT STORM WATER |

Funded Activities



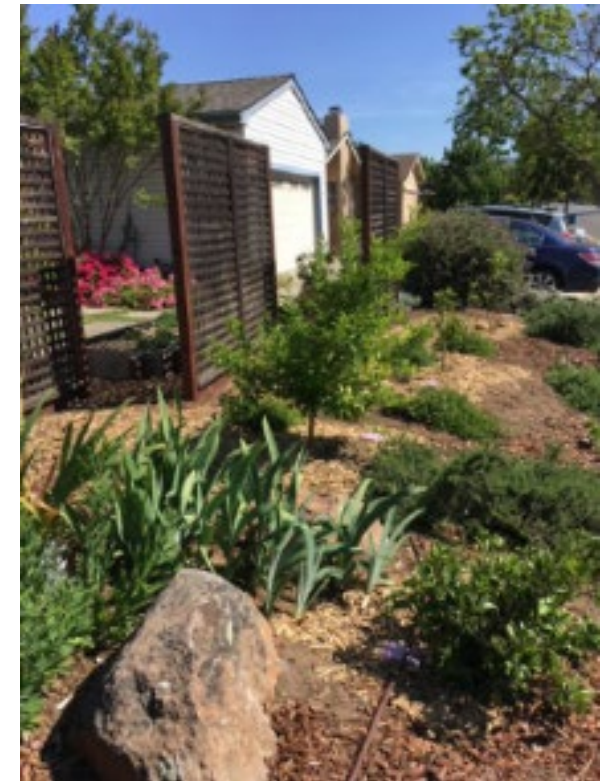
Creek Cleanups





Rebates - Update

- Rain gardens, landscape conversion, etc.
 - \$12,500 budget
 - Partner with Valley Water
- Permeable pavement (driveways)
 - \$12,500 budget
 - Recommend discontinuing (low participation)



Cost-Share Program

- Cost-share of 20% available for low-income owners
 - Reduce budget from GF to = annual need
 - Adjust re-certification period to every 4 years
 - Allow an attestation protocol

Audit and Review

- Nonpoint Source Program expenses and revenues were subjected to external audit for FY21-22 during City's usual audit schedule.
- An Agreed-Upon Procedures (AUP) audit specific to the Nonpoint Source stormwater program was established and is conducted annually.

Increase recommended for FY23-24

| | FY 2022-23 | FY 2023-24 (proposed) |
|-------------------------------------|-------------|-----------------------|
| Fund Balance (previous FY) | \$917,878 | \$369,464 |
| Revenue 1992 Fee | \$375,569 | \$375,569 |
| Revenue 2019 Fee | \$1,101,239 | \$1,101,239 |
| 3% increase to 2019 Fee | \$0 | \$33,037 |
| General Fund Contribution | \$0 | \$188,900 |
| Total Program Funding | \$2,394,686 | \$2,068,209 |
| Program Expenses* | \$2,025,222 | \$2,068,209 |
| Remaining Fund Balance at end of FY | \$369,464 | \$0 |

Program Expenses

- New Municipal Regional Permit requires more staff time.
- Programs minimized during COVID are back.
- Staffing allocations adjusted.
- Deferred assessment and maintenance work now scheduled and planned.

Reductions

- \$38,560 in operating expense reductions
- Reduce cost-share budget from \$14,000 to \$2,000 to cover rebate checks for new participants (frees up \$12,000 in General Fund).
- Purchase a remote-controlled pipe rover camera. One-time expense of ~\$131,000 will avoid future service expenses to evaluate and respond to issues in FY 23-24 and beyond. Estimated savings of \$160,000 per year.

• 2019 Clean Water and Storm Protection Fee: +3%

| Land Use Category | | Fee |
|---|----|--------------------|
| Single Family Residential* | | |
| Small (<i>under 0.13 acre</i>) | \$ | 36.58 per parcel |
| Medium (<i>0.13 - 0.22 acre</i>) | \$ | 44.42 per parcel |
| Large (<i>0.23 - 0.40 acre</i>) | \$ | 55.58 per parcel |
| Extra Large (<i>over 0.40 acre</i>) | \$ | 106.42 per parcel |
| Condo 1 (1 story) | \$ | 36.58 per parcel |
| Condo 2 (2+ stories) | \$ | 11.99 per parcel |
| Non-Single-Family Residential** | | |
| Multi-Family Residential | \$ | 30.88 per 0.1 acre |
| Commercial/Retail/Industrial | \$ | 40.38 per 0.1 acre |
| Office | \$ | 30.88 per 0.1 acre |
| Church/Institutional | \$ | 26.13 per 0.1 acre |
| School (w/playfield) | \$ | 19.00 per 0.1 acre |
| Park | \$ | 7.13 per 0.1 acre |
| Vacant | \$ | 2.38 per 0.1 acre |
| Open Space/Agricultural | | no charge |
| Low Impact Development Adjustment*** | | 25% Fee Reduction |

*Single-Family Residential (SFR) category also includes du-tri-and four-plex units

**Non-SFR parcels are charged per the tenth of an acre or portion thereof

***Low Impact Development Adjustment only applies to condominium and non-SFR

| Land Use Category | | Fee |
|--|----|--------------------|
| Single-Family Residential * | | |
| Small (<i>Under 0.13 acre</i>) | \$ | 37.68 per parcel |
| Medium (<i>0.13 to 0.22 acre</i>) | \$ | 45.75 per parcel |
| Large (<i>0.23 to 0.40 acre</i>) | \$ | 57.25 per parcel |
| Extra Large (<i>over 0.40 acre</i>) | \$ | 109.61 per parcel |
| Condominium 1 (1 story) | \$ | 37.68 per parcel |
| Condominium 2+ (2+ stories) | \$ | 12.34 per parcel |
| Non-Single-Family Residential ** | | |
| Multi-Family Residential | \$ | 31.81 per 0.1 acre |
| Commercial / Retail / Industrial | \$ | 41.59 per 0.1 acre |
| Office | \$ | 31.81 per 0.1 acre |
| Church / Institutional | \$ | 26.91 per 0.1 acre |
| School (w/playfield) | \$ | 19.57 per 0.1 acre |
| Park | \$ | 7.34 per 0.1 acre |
| Vacant (developed) | \$ | 2.45 per 0.1 acre |
| Open Space / Agricultural | | no charge |
| Low Impact Development Adjustment *** | | 25% Fee Reduction |

Tonight's Recommended Actions

1. Adopt Resolution No. 23-XXX approving the renewal and collection of the 1992 storm drain fee with no increase in rates for fiscal year 2023-2024; and
2. Adopt Resolution No. 23-XXX approving the renewal and collection of the 2019 Clean Water and Storm Protection Fee with a 3% increase in rates for fiscal year 2023-2024.

Tonight's Recommended Actions (cont.)

3. Approve reduction of the annual budget allocation for the cost-share program from \$14,000 to \$2,000 to better fit the realistic need for new applicants receiving 20% refunds in a single year
4. Adjust the re-certification period to be four years for all approved participants with an attestation protocol to affirm continued cost-share eligibility

Tonight's Recommended Actions (cont.)

3. Discontinue the \$12,500 per year pervious pavement rebate program for lack of participation and use the funds for support of required activities

Questions?



CC 06-06-2023

#12

Fiscal Year 2023-24

Budget Adoption

Presentation

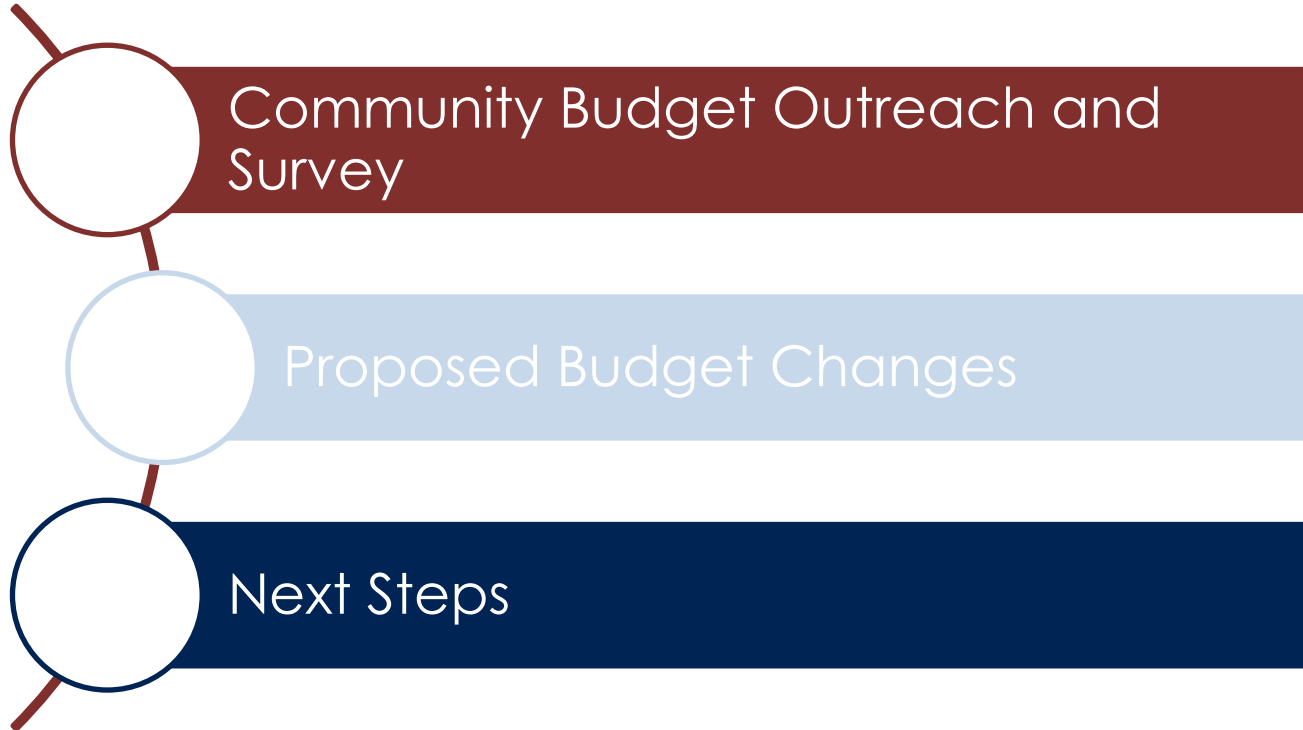
Fiscal Year 2023-24 Final Budget Adoption

June 6, 2023



**CITY OF
CUPERTINO**

Agenda



Community Budget Survey and Outreach

Community Budget Outreach

Throughout April and May, City staff hosted a variety of budget outreach events to educate the community on budget related topics at local farmer's markets, Cupertino festivals, and in front of the Cupertino Library.



Community Budget Survey

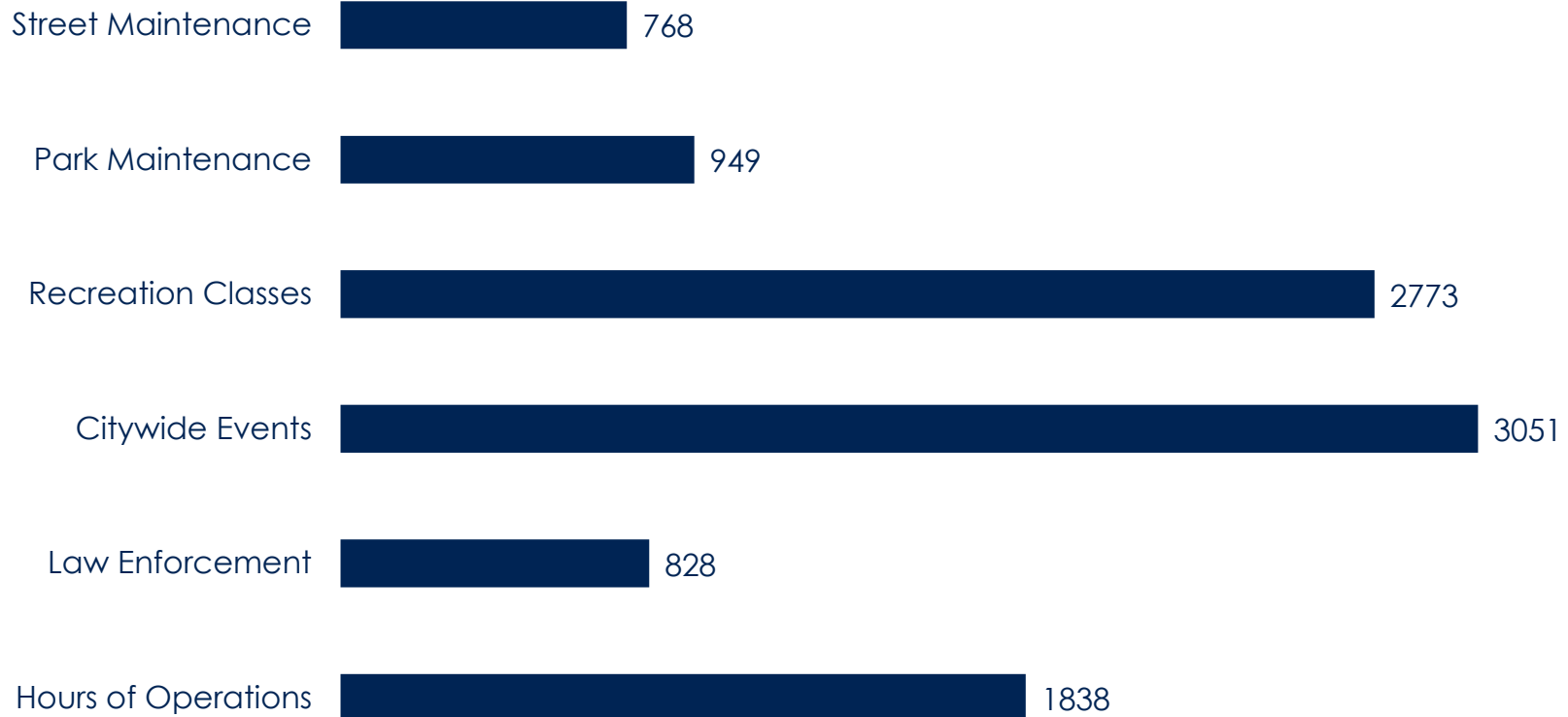
- Opened April 20, 2023
- Closed May 31, 2023 11:59 PM
- 1090 responses
- cupertino.org/BudgetSurvey



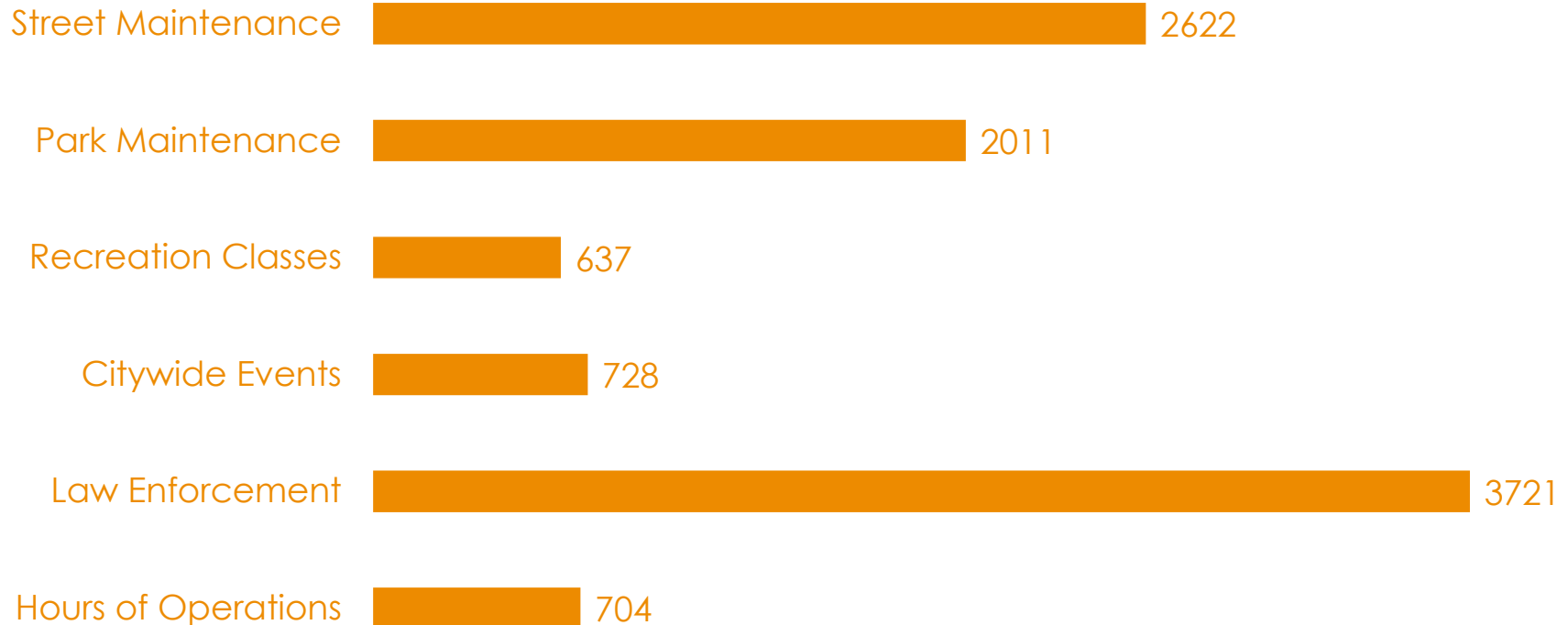
Community Budget Survey Questions

1. You have 10 dots to allocate to the list of services that the City should reduce funding for. Indicate how many dots you would assign to each service based on your priorities. Reducing funding for a service may have consequences, such as decreased quality or availability of that service.
2. You have 10 dots to allocate to the list of services that you would like the City to NOT reduce funding for. Please review the list and indicate how many dots you would assign to each service based on your priorities.
3. You have a maximum of 10 dots to decide what revenue-generating avenues you would want the City to pursue.

1. Which services would you reduce funding for?



2. Which services would you NOT reduce funding for?

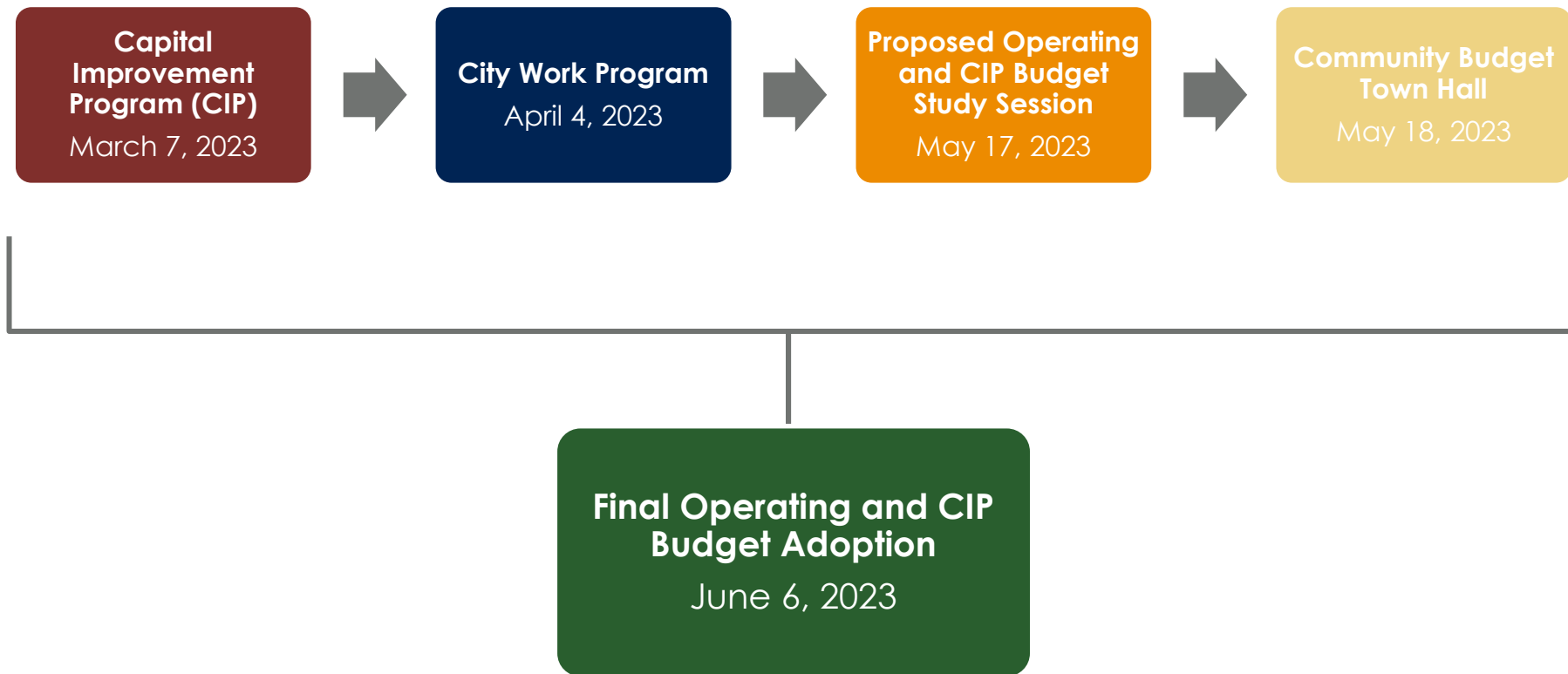


3. Which revenue-generating avenues would you want the City to pursue?

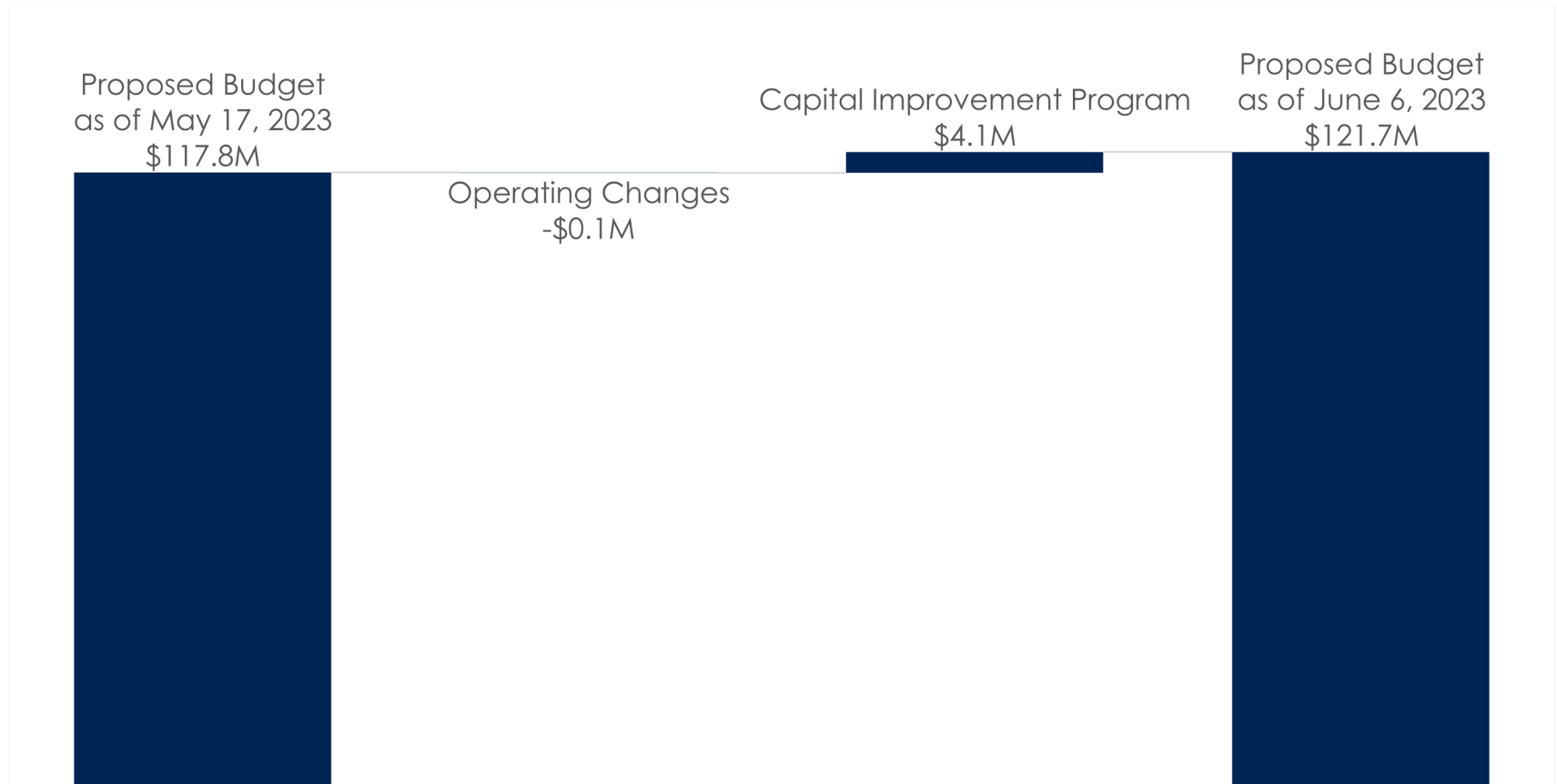


Proposed Budget Changes

Timeline



Proposed Budget Expenditure Changes



Proposed Budget Expenditure Changes

as of June 6, 2023

| Fund | Proposed Budget as of May 5, 2023 | Operating Changes | Capital Improvement Program | Proposed Budget as of June 6, 2023 |
|------------------------|---|----------------------|-----------------------------------|--|
| General Fund | 86,311,553 | (315,047) | - | 85,996,506 |
| Special Revenue Funds | 10,411,018 | (9,846) | - | 10,401,172 |
| Debt Service Funds | 2,677,600 | - | - | 2,677,600 |
| Capital Projects Funds | 175,000 | - | 4,054,000 ¹ | 4,229,000 |
| Enterprise Funds | 9,454,105 | 217,470 | - | 9,671,575 |
| Internal Service Funds | 8,733,704 | (10,192) | - | 8,723,512 |
| Total All Funds | \$117,762,980 | \$(117,615) | \$4,054,000 | \$121,699,365 |

¹ Includes transfers out of \$2,027,000 from the Capital Reserve

Proposed Budget Financial Overview by Fund

as of June 6, 2023

| Fund | Revenues | Expenditures | Change in Fund Balance/ Net Position |
|------------------------|----------------------|----------------------|---|
| General Fund | 80,365,447 | 85,996,506 | (5,631,059) |
| Special Revenue Funds | 12,991,963 | 10,401,172 | 2,590,791 |
| Debt Service Funds | 2,677,600 | 2,677,600 | - |
| Capital Projects Funds | 2,027,000 | 4,229,000 | (2,202,000) |
| Enterprise Funds | 6,744,789 | 9,671,575 | (2,926,786) |
| Internal Service Funds | 5,478,924 | 8,723,512 | (3,244,588) |
| Total All Funds | \$110,285,723 | \$121,699,365 | \$(11,413,642) |

Items for Final Budget Hearing – Operating Changes (Part 1)

| Description | Revenue | Expense | Change in Fund Balance |
|--|---------------|------------------|------------------------|
| GENERAL FUND | | | |
| Restoration of Community Grant Funding | - | 8,000 | (8,000) |
| Restoration of Movies in the Park | - | 8,380 | (8,380) |
| Reclassification of the Emergency Services Coordinator | - | 28,784 | (28,784) |
| County of Santa Clara Environmental Health Permit Fees | 175 | 4,720 | (4,545) |
| Revenue from Elimination of Festival Fee Waivers | 84,218 | - | 84,218 |
| Savings from Prepaying CalPERS Pension Plan's Unfunded Accrued Liability | - | (126,581) | 126,581 |
| Elimination of Library Extra Hours Funding | - | (160,000) | 160,000 |
| Transfer and Increase Golf Course Turf Management | - | (78,350) | 78,350 |
| TOTAL GENERAL FUND | 84,393 | (315,047) | 399,440 |

Items for Final Budget Hearing – Operating Changes (Part 2)

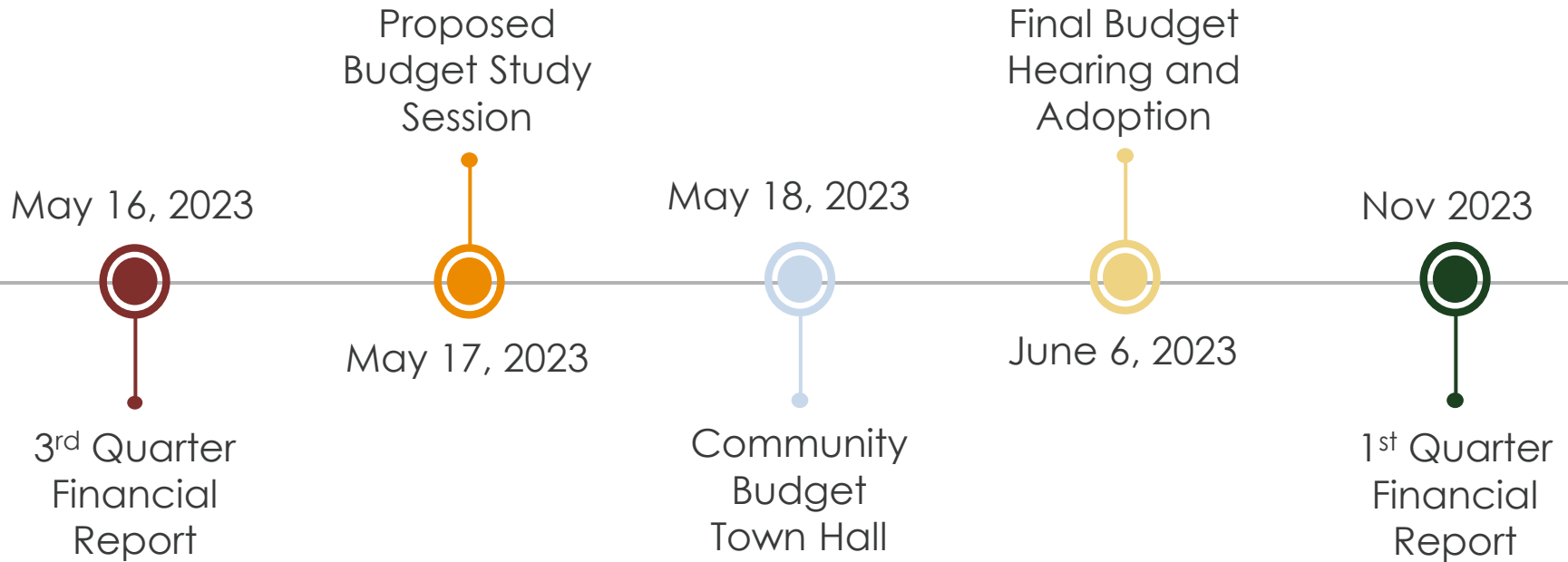
| Description | Revenue | Expense | Change in Fund Balance |
|--|------------------|--------------------|------------------------|
| SPECIAL REVENUE FUNDS | | | |
| Savings from Prepaying CalPERS Pension Plan's Unfunded Accrued Liability | - | (9,846) | 9,846 |
| Increase SB 1 (Gas Tax) Revenue Estimate | 313,218 | - | 313,218 |
| TOTAL SPECIAL REVENUE FUNDS | 313,218 | (9,846) | 323,064 |
| ENTERPRISE FUNDS | | | |
| Savings from Prepaying CalPERS Pension Plan's Unfunded Accrued Liability | - | (7,530) | 7,530 |
| Transfer and Increase Golf Course Turf Management | - | 225,000 | (225,000) |
| TOTAL ENTERPRISE FUNDS | - | 217,470 | (217,470) |
| INTERNAL SERVICE FUNDS | | | |
| Savings from Prepaying CalPERS Pension Plan's Unfunded Accrued Liability | - | (10,192) | 10,192 |
| TOTAL INTERNAL SERVICE FUNDS | - | (10,192) | 10,192 |
| TOTAL ALL FUNDS | \$397,611 | \$(117,615) | \$515,226 |

Items for Final Budget Hearing – Capital Improvement Program

| Project | Revenue | Expense | Change in Fund Balance |
|---|--------------------|--------------------|------------------------|
| CAPITAL PROJECTS FUNDS | | | |
| Stevens Creek Blvd./Calabazas Creek Storm Drain Repair (infrastructure) | - | 420,000 | (420,000) |
| Stevens Creek Bridge Repair (infrastructure) | - | 172,000 | (172,000) |
| Street Light Installation – Annual Infill (infrastructure) | - | 35,000 | (35,000) |
| Annual Playground Replacement (parks) | - | 300,000 | (300,000) |
| ADA Improvements (facilities) | - | 100,000 | (100,000) |
| Citywide Building Condition Assessment Implementation (facilities) | - | 1,000,000 | (1,000,000) |
| Transfer from Capital Reserve to Capital Improvement Program Fund | 2,027,000 | 2,027,000 | - |
| TOTAL CAPITAL PROJECTS FUNDS | 2,027,000 | 4,054,000 | (2,027,000) |
| TOTAL ALL FUNDS | \$2,027,000 | \$4,054,000 | \$(2,027,000) |

Next Steps

Next Steps



Questions?



CUPERTINO