



CITY MANAGER'S OFFICE

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CITY COUNCIL STAFF REPORT

Meeting: June 2, 2020

Subject

Update Fiscal Year 2020-21 City Work Program

Recommended Action

Review proposed amendments to the FY 2020-21 City Work Program, provide any input, and adopt updated FY 2020-21 City Work Program

Background

The City Council adopted the FY 2020-21 City Work Program at the March 31 Council meeting. Council approved this City Work Program shortly after a Local Emergency proclamation was issued (along with State and Federal emergency proclamations) related to the COVID-19 pandemic. At that time, it was acknowledged that the Work Program presented on March 31 would need to be updated as circumstances evolved, and more information became available on how the pandemic would impact the City. After further evaluation of administrative and financial impacts, it has been determined that the City is likely to experience significant revenue losses and a potential recession.

Discussion

Due to revenue losses related to COVID-19, the FY 2020-21 City Work Program was reviewed to identify items that could be scaled back or removed in order to maintain a balanced budget.

This list describes amendments by Goal Category:

- **Public Engagement and Transparency**
 - Items Recommended for Removal
 - “New City Seal/Logo” is recommended for removal as it can be deferred to future years, saving an estimated \$150,000.
- **Transportation**
 - No updates.
- **Housing**
 - Items Revised
 - “Housing Strategies” is revised to specify it refers to “Affordable Housing

Strategies” and to include a density bonus ordinance update.

- **Sustainability and Fiscal Strategy**

- Items Revised

- “Single-Use Plastics Ordinance” is revised to delay implementation as additional regulations for businesses may not be timely given the economic impacts of COVID-19.
 - “Climate Action & Adaptation Plan Updates” is revised to incorporate a phased approach to bring portions of the project in-house to manage costs, saving an estimated \$150,000 in FY 2020-21. The amount needed for this project in the FY 2021-22 budget will be determined based on work done in FY 2020-21.
 - “Public Infrastructure Financing Strategy” is revised to reflect updated timelines.

- Items Recommended for Removal

- “Pilot – Trash Collection Based on Volume (on City-owned properties only)” is recommended for removal as it can be deferred to future years, saving an estimated \$30,000.
 - “Modernize Business Tax and Analyze Potential Revenue Measures” is recommended for removal as the timing is not ideal given the economic impacts of COVID-19. This would save an estimated \$25,000.

- **Quality of Life**

- Items Revised

- “Emergency Services Continuity of Operations Plan (COOP)” is revised to reflect a lower budget due to contract negotiation, saving an estimated \$13,000.
 - “Review and Update General Plan (GP) and Municipal Code” is revised to reflect progress by the Planning Commission.

- Items Recommended for Removal

- “Heart of the City Plan” is recommended for removal as it can be deferred to future years, saving an estimated \$1,000,000.
 - “Vallco Specific Plan” is recommended for removal, saving an estimated \$650,000.

It is recommended that Council approve the proposed amended FY 2020-21 City Work Program (Attachment A). A redline version showing each proposed amendment can be found in Attachment B.

In addition, due to the Shelter in Place Order issued by Santa Clara County, some of the current FY 2019-20 City Work Program items that were anticipated to be completed in FY 2019-20 will be delayed and completed in FY 2020-21. These items are outlined in Attachment C.

Sustainability Impact

Items included on the Work Program regarding sustainability will further the City’s progress toward our climate and sustainability goals. In particular, the update to the Climate Action and

Adaptation Plan will set the stage for future sustainability initiatives.

Fiscal Impact

The City will save an estimated \$2,018,000 by amending the FY 2020-21 Work Program to reflect the Department recommendations listed above.

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Katy Nomura, Assistant to the City Manager

Approved by: Dianne Thompson, Assistant City Manager

Attachments:

A – Proposed FY 2020-21 City Work Program Updates

B – Proposed FY 2020-21 City Work Program Updates - Redline

C – FY 2019-20 City Work Program Delays Due to COVID-19 - Redline