FISCAL YEAR 2018 - 2019 ADOPTED BUDGET

CITY OF CUPERTINO

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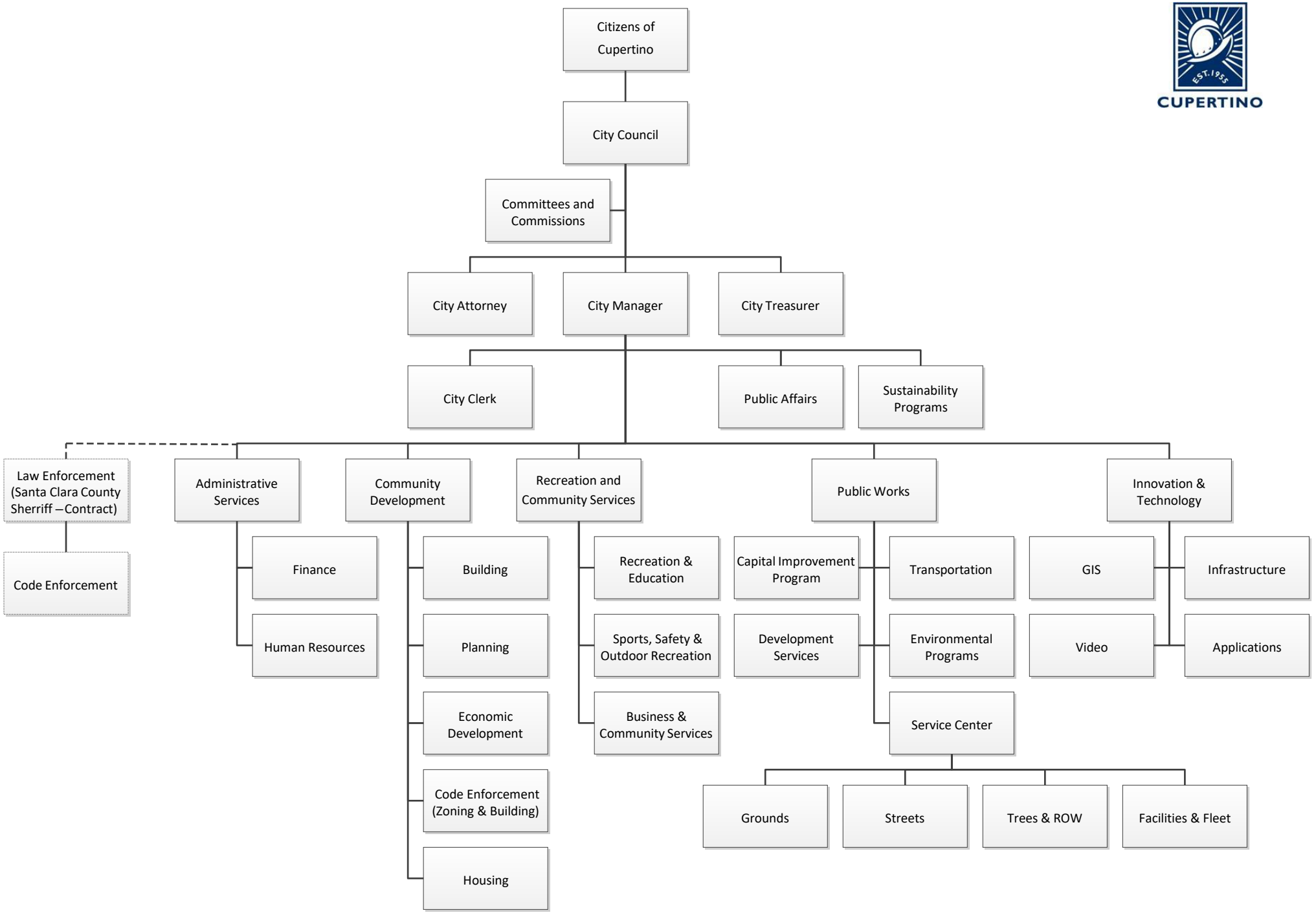
Citizens of Cupertino
City Council
Committees and Commissions
City Attorney
City Manager
City Treasurer
City Clerk
Public Affairs
Sustainability Programs
Law Enforcement (Santa Clara County Sherriff – Contract)
Code Enforcement
Administrative Services
Finance
Human Resources
Community Development
Building
Planning
Economic Development
Code Enforcement (Zoning & Building)
Housing
Recreation and Community Services
Recreation & Education
Sports, Safety & Outdoor Recreation
Business & Community Services
Public Works
Capital Improvement Program
Development Services
Transportation
Environmental Programs
Service Center
Grounds
Streets
Trees & ROW
Facilities & Fleet
Innovation & Technology
GIS
Video
Infrastructure
Applications

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CITY OF CUPERTINO, CALIFORNIA
Fiscal Year 2018-19

City Council

Darcy Paul
Mayor

Rod Sinks
Vice Mayor

Barry Chang
Council member

Steven Scharf
Council member

Savita Vaidhyanathan
Council member

Directory of City Officials

David Brandt – City Manager
Aarti Shrivastava – Assistant City Manager/Director of Community Development
Randolph Stevenson Hom – City Attorney
Kristina Alfaro – Director of Administrative Services
Bill Mitchell – Chief Technology Officer
Timm Borden – Director of Public Works
Jeff Milkes – Director of Recreation and Community Services

Fiscal Year 2018-19
Commissions and Committees

AUDIT COMMITTEE
Barry Chang
Eno Schmidt
Darcy Paul
Jim Luther
Daisy Liang

HOUSING COMMISSION
John Zhao
Sue Bose
Nina Daruwalla
Poonam Goyal
Sanjiv Kapil

FINE ARTS COMMISSION
Janki Chokshi
Wenjia Chen
Susan Levine
Rajeswari Mahaliagan
Michael Sanchez

PUBLIC SAFETY COMMISSION
Yvonne Chao
Andy Huang
Robert McCoy
Hymanand Nellore
Neha Sahai

SUSTAINABILITY COMMISSION
Angela Chen
Gary Latshaw
Vignesh Swaminathan
Meera Ramanathan
Anna Weber

FISCAL STRATEGIC COMMITTEE
Kristina Alfaro
Darcy Paul
Timm Borden
Aarti Shrivastava
Steven Scharf
Zach Korach

PARKS AND RECREATION COMMISSION
Meenakshi Biyani
Helene Davis
Judy Wilson
Carol Stanek
Neesha Tambe

LIBRARY COMMISSION
Rose Grymes
Liana Crabtree
Gopal Kumarappan
Amando Wo
Christie Wang

PLANNING COMMISSION
Geoffrey Paulsen
David Fung
Jerry Liu
Don Sun
Alan Takahashi

BICYCLE PEDESTRIAN COMMISSION
Gerhard Eschelbeck
Peter Heller
Erik Lindskog
Sean Lyn
Jennifer Shearin

TEEN COMMISSION
Emily Chan
Madhavan Krishnan
Christina Lau
Sidharth Rajaram
Shivani Sahni
Juliet Shearin
Varsha Subramanyam
Vanitha Vemula

ECONOMIC DEVELOPMENT
Don Sun
Timm Borden
Savita Vaidhyanathan
Aarti Shrivastava
Kevin McClelland
Jason Lundgaard
Steven Scharf
Angela Tsui
Jeff Milkes
David Brandt
Anjali Kausar
Roslyn Donald
Mike Rohde

TECHNOLOGY, INFORMATION & COMMUNICATIONS COMMISSION
Mukesh Garg
Keita Broadwater
Rajaram Soundararajam
Vaishali Deshpande
Arnold de Leon

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Cupertino

California

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morrill

Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2017-2018

Presented to the

City of Cupertino

For meeting the criteria established to achieve the Operating Budget Excellence Award.

February 7, 2018

Drew Corbett
CSMFO President

Craig Boyer, Chair
Professional Standards and Recognition Committee

Dedicated Excellence in Municipal Financial Reporting

RESOLUTION NO. 18-057

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO ADOPTING AN OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2018-19 BY RATIFYING THE ADEQUACY OF ESTIMATED REVENUES AND FUND BALANCES IN EACH FUND TO COVER APPROPRIATED MONIES, APPROPRIATING MONIES THEREFROM FOR SPECIFIED ACTIVITIES AND ACCOUNTS, AND SETTING FORTH CONDITIONS OF ADMINISTERING SAID BUDGET

WHEREAS, the orderly administration of municipal government is dependent on the establishment of a sound fiscal policy of maintaining a proper ratio of expenditures within anticipated revenues and available monies; and

WHEREAS, the extent of any project or program and the degree of its accomplishment, as well as the efficiency of performing assigned duties and responsibilities, is likewise dependent on the monies made available for that purpose; and

WHEREAS, the City Manager has submitted his estimates of anticipated revenues and fund balances, has determined that estimated revenues and fund balances are adequate to cover appropriations, and has recommended the allocation of monies for specified program activities;

WHEREAS, the City has independently studied the proposed Capital Improvements Program (CIP) and has determined that the CIP is exempt from environmental review pursuant to the exemption in 14 Cal. Code Regs. §15601(b)(3) in that it can be seen with certainty that there is no possibility that this action will have a significant effect on the environment because approval of the CIP is a budgeting action, and does not involve approval of any specific project that may have a significant effect on the environment;

WHEREAS, the City Council, using its independent judgment, before taking action on this Resolution, determines that the CIP is exempt from CEQA as stated above;

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby adopt the following sections as a part of its fiscal policy:

Section 1: The estimates of available fund balances and anticipated resources to be received in each of the several funds during Fiscal Year 2018-19, as submitted by the

City Manager in his proposed budget and amended during the budget study sessions, are sufficient to cover appropriations.

Section 2. There is appropriated from each of the several funds the sum of money set forth as expenditures for the funds named in the Fiscal Year 2018-19 Proposed Budget Financial Overview by Fund (Exhibit A), as amended during the budget sessions, and stated for the purposes as expressed and estimated for each department.

Section 3. The City Manager is hereby authorized to administer and transfer appropriations between Budget Accounts within the Operating Budget when in his opinion such transfers become necessary for administrative purposes.

Section 4. The Director of Administrative Services shall prepare and submit to City Council quarterly a revised estimate of Operating Revenues.

Section 5. The Director of Administrative Services is hereby authorized to carry over, from the prior fiscal year, unexpended appropriations for Capital Improvement projects.

Section 6. The Director of Administrative Services is hereby authorized to continue appropriations for operating expenditures that are encumbered or scheduled to be encumbered at year end.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 5th day of June, 2018, by the following vote:

Vote	Members of the City Council
AYES:	Paul, Sinks, Chang, Scharf, Vaidhyanathan
NOES:	None
ABSENT:	None
ABSTAIN:	None

ATTEST:

Grace Schmidt, City Clerk

APPROVED:

Darcy Paul, Mayor,
City of Cupertino

Exhibit A

FISCAL YEAR 2018-19 ADOPTED BUDGET
FINANCIAL OVERVIEW BY FUND

Revenue Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2018-19 Adopted Budget Total
Sales Tax	$ 23,637,000	$ -	$ -	$ -	$ -	$ -	$ 23,637,000
Property Tax	$ 22,766,000	$ -	$ -	$ -	$ -	$ -	$ 22,766,000
Transient Occupancy	$ 8,252,000	$ -	$ -	$ -	$ -	$ -	$ 8,252,000
Utility Tax	$ 3,200,000	$ -	$ -	$ -	$ -	$ -	$ 3,200,000
Franchise Fees	$ 3,042,000	$ -	$ -	$ -	$ -	$ -	$ 3,042,000
Other Taxes	$ 1,150,000	$ 3,000	$ -	$ -	$ -	$ -	$ 1,153,000
Licenses & Permits	$ 2,685,000	$ -	$ -	$ -	$ -	$ -	$ 2,685,000
Use of Money & Property	$ 692,000	$ 89,310	$ -	$ -	$ 317,000	$ -	$ 1,098,310
Intergovernmental	$ 326,000	$ 3,822,881	$ -	$ -	$ 15,000	$ -	$ 4,163,881
Charges for Services	$ 9,419,276	$ 370,000	$ -	$ -	$ 6,871,400	$ 4,973,162	$ 21,633,838
Fines & Forfeitures	$ 615,000	$ 9,000	$ -	$ -	$ -	$ -	$ 624,000
Miscellaneous	$ 244,200	$ 185,000	$ -	$ -	$ 66,000	$ -	$ 495,200
Transfers In/Other Financing Uses	$ 860,000	$ 8,086,000	$ 3,169,438	$ 9,051,500	$ 75,000	$ 2,051,126	$ 23,293,064
TOTAL REVENUE	**$ 76,888,476**	**$ 12,565,191**	**$ 3,169,438**	**$ 9,051,500**	**$ 7,344,400**	**$ 7,024,288**	**$ 116,043,293**

Appropriation Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2018-19 Adopted Budget Total
Employee Compensation	$ 19,349,144	$ 990,595	$ -	$ -	$ 1,902,484	$ 1,361,662	$ 23,603,885
Employee Benefits	$ 8,059,818	$ 501,148	$ -	$ -	$ 566,178	$ 1,696,269	$ 10,823,413
Materials	$ 5,772,556	$ 855,119	$ -	$ -	$ 568,836	$ 981,277	$ 8,177,788
Contract Services	$ 19,461,836	$ 867,900	$ -	$ -	$ 6,066,925	$ 1,981,855	$ 28,378,516
Cost Allocation	$ 9,368,223	$ 425,454	$ -	$ -	$ 906,362	$ 727,082	$ 11,427,121
Capital Outlays	$ 793,000	$ 4,103,379	$ -	$ 7,141,500	$ 75,000	$ -	$ 12,112,879
Special Projects	$ 1,368,298	$ 5,900,000	$ -	$ -	$ 240,000	$ 903,000	$ 8,411,298
Contingencies	$ 1,197,933	$ 35,702	$ -	$ -	$ 207,732	$ 147,882	$ 1,589,249
Transfers Out	$ 11,358,912	$ 10,000	$ -	$ 10,726,500	$ -	$ -	$ 22,095,412
Debt Service/Other Uses	$ 910,000	$ -	$ 3,169,438	$ -	$ 320,509	$ 699,351	$ 5,099,298
TOTAL EXPENDITURES	**$ 77,639,720**	**$ 13,689,297**	**$ 3,169,438**	**$ 17,868,000**	**$ 10,854,026**	**$ 8,498,378**	**$ 131,718,859**
Net Increase (Decrease) in Fund Balance/Retained Earnings	**$ (751,244)**	**$ (1,124,106)**	**$ -**	**$ (8,816,500)**	**$ (3,509,626)**	**$ (1,474,090)**	**$ (15,675,566)**

RESOLUTION NO. 18-056

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO ADOPTING A PORTION OF THE OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2018-19 RELATED TO PASS-THROUGH REVENUES FOR THE APPLE CAMPUS 2 PROJECT

WHEREAS, the orderly administration of municipal government is dependent on the establishment of a sound fiscal policy of maintaining a proper ratio of expenditures within anticipated revenues and available monies; and

WHEREAS, the extent of any project or program and the degree of its accomplishment, as well as the efficiency of performing assigned duties and responsibilities, is likewise dependent on the monies made available for that purpose; and

WHEREAS, the City Manager has submitted his estimates of anticipated revenues and fund balances, has determined that estimated revenues and fund balances are adequate to cover appropriations, and has recommended the allocation of monies for specified program activities; and

WHEREAS, a portion of the Public Works Department budget for Fiscal Year 2018-19 budget involves "pass-through" revenues paid to the City to cover the costs for various consultants needed on the Apple Campus 2 project, which have been included in the budget to provide transparency and accountability.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve the following:

Section 1: That portion of the Public Works Department's budget for Fiscal Year 2018-19 reflecting pass-through revenues paid to the City to cover consultant and expert costs associated with the Apple Campus 2 project, as shown in more detail on Exhibit A, attached and incorporated by reference.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 5th day of June, 2018, by the following vote:

AYES:	Paul, Chang, Scharf, Vaidhyanathan
NOES:	None
ABSENT:	None
ABSTAIN:	Sinks

ATTEST:

Grace Schmidt, City Clerk

APPROVED:

Darcy Paul, Mayor,
City of Cupertino

Exhibit A

FISCAL YEAR 2018-19 PROPOSED BUDGET
FINANCIAL OVERVIEW BY FUND

Revenue Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2018-19 Proposed Budget Total
Sales Tax	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Property Tax	-	-	-	-	-	-	-
Transient Occupancy	-	-	-	-	-	-	-
Utility Tax	-	-	-	-	-	-	-
Franchise Fees	-	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-	-
Use of Money & Property	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for Services	41,000	-	-	-	-	-	41,000
Fines & Forfeitures	-	-	-	-	-	-	-
Miscellaneous	6,150	-	-	-	-	-	6,150
Transfers In	-	-	-	-	-	-	-
TOTAL REVENUE	**$ 47,150**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 47,150**

Appropriation Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2018-19 Proposed Budget Total
Employee Compensation	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Benefits	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Contract Services	-	-	-	-	-	-	-
Contingencies	-	-	-	-	-	-	-
Cost Allocation	-	-	-	-	-	-	-
Special Projects	41,000	-	-	-	-	-	41,000
Capital Outlays	-	-	-	-	-	-	-
Debt Service/Other Uses	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 41,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 41,000**

RESOLUTION NO. 18- 058

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO ESTABLISHING AND ADOPTING THE APPROPRIATION LIMIT IN THE AMOUNT OF $100,538,305 FOR FISCAL YEAR 2018-19

WHEREAS, the State of California has adopted legislation requiring local jurisdictions to calculate their appropriation limits in complying with Article XIII B of the State Constitution; and

WHEREAS, pursuant to Proposition 111, passed by the voters of California on June 5, 1990, said limits are determined by an adjustment formula based upon change in population, (either city or county), combined with either the change in inflation (California per capita income) or the change in the local assessment roll due to local nonresidential construction; and

WHEREAS, the local governing body is required to set an appropriation limit each year by adoption of a resolution; and

WHEREAS, the city/county population percentage change over the prior year is .02% /.99% respectively, and the California per capita personal income change is 3.67%; and

WHEREAS, In computing the 2018-19 limit based upon the adjustment factors provided pursuant to Proposition 111, the City Council has elected to use the county population percentage change along with the California per capita income change, but the Council expressly reserves the right to use the non-residential assessed valuation percentage change when the figure is available.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cupertino hereby approves a 2018-19 fiscal appropriation limit of $100,538,305, based on Proposition 111 guidelines allowing for use of the county population percentage change along with the California Per Capita Personal Income change to adjust base year appropriations.

BE IT FURTHER RESOLVED that the City Council of the City of Cupertino hereby reserves the right to use the non-residential assessed valuation percentage change when the figure is available.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 5th day of June, 2018, by the following vote:

AYES:	Paul, Sinks, Chang, Scharf, Vaidhyanathan
NOES:	None
ABSENT:	None
ABSTAIN:	None

ATTEST:

Grace Schmidt, City Clerk

APPROVED:

Darcy Paul, Mayor,
City of Cupertino

Budget Message

May 1, 2018

To the Residents of Cupertino, Honorable Mayor, and Members of the City Council:

I am happy to report that the City of Cupertino presently finds itself in a healthy financial position. With revenues continuing to outpace expenditures in the short term, coupled with the City's conservative budgeting approach, the City is able to maintain excellent service, high-quality programs and initiatives, and healthy reserves. The City prides itself on being a financially stable organization, so it is a pleasure to submit a balanced budget for Fiscal Year 2018-2019.

The City's top three sources of revenue continue to be property, sales, and transient occupancy taxes. All three revenue streams are expected to grow, although the pace of that growth will slow. The last five years were a boon to the City's coffers due to major development projects, such as Main Street and Apple Park. However, these were one-off projects that have been completed. As large-scale development begins to decline in Cupertino, the City will see the effects of that in reduced short-term revenue.

This year, for the first time, City staff has included a medium-term (5 year) and a long-term (20 year) budget projection. While long-term projections are inherently less reliable than short-term projections, they can help detect structural budget issues that can be mitigated if identified early. In the next five years, our projections show small operating surpluses, even without additional development-generated revenue.

However, beginning in 2025, the forecast shows that expenditures are projected to exceed revenues at an increasing rate. That is because two of the City's largest sources of revenue, property tax and sales tax, are projected to continue to grow but at a much slower pace. Expenditure growth is being driven by pension liability costs that are projected to increase by more than 80% in the first five years of the forecast. Although pension costs are projected to level off in future years, the City's contract with the Santa Clara County Sheriff's Office is expected to continue increasing at a much faster rate of approximately 4.5% per year.

This budget reflects the interesting position that the City finds itself in. In the short term, the City can target specific programs and initiatives for smart expansion that will immediately benefit our residents and broader community. However, the City is also making decisions now, such as scaling back on certain programs and projects, to better position itself financially in the next five to 20 years. The following sections are snapshots of the decisions being made that fall into those categories.

Recreation and Community Service Events and Initiatives

The City's goal, and the mission of the Recreation and Community Services Department, is to offer opportunities that celebrate Cupertino's diverse culture and varying age groups. We do that by providing events and activities to encourage participation by those with different backgrounds, experiences, and interests.

This year's budget will allow the Recreation and Community Services Department to expand on its ever-popular summer events. This summer will include a full schedule of outdoor concerts, movies, and free fitness activities. This year's offerings differ from previous years in that events will expand into neighborhoods and local parks. New sites will include the Civic Center Plaza, Jollyman Park, Creekside Park, and Main Street Park.

The goal, as always, is to create a sense of community and offer residents a stress-free environment where they can relax and have fun while hanging out with family, friends, and neighbors. To that extent, the City will be partnering with neighborhood leaders and local nonprofits to help organize and host these events. These partnerships will ensure buy-in from our community.

In addition, the City will also be investing in improvements to the popular Memorial Park events. The City will be unveiling a new sound system for concerts and outdoor movie screen and projection system for the Cinema at Sundown event series.

We fully expect that these new events and upgraded equipment will enhance the quality of City-hosted events our residents have come to expect.

Pension Liability Funding

Cupertino, like most California cities, provides retirement benefits for its employees through the California Public Employee's Retirement System (CalPERS), which administers benefits for its more than 1.5 million members. The CalPERS retirement plan is structured as a defined benefit plan. This means the plan provides benefits that are calculated using a formula, rather than accounting for individual member's contributions and earnings in a savings plan, which occurs with a 401k.

During the recession, CalPERS investment assets decreased substantially and actuarial methods and economic and demographic assumptions were adjusted, significantly decreasing asset valuations. Together, the investment decline and actuarial changes created a gap between pension assets and liabilities. This gap is known as an "Unfunded Accrued Liability" (UAL).

Prior to 2014, CalPERS agencies received their retirement rate as a percentage of payroll that included both the normal and UAL costs. In 2014, CalPERS separated the UAL from the normal annual service cost in the annual valuation report, in addition to moving from a percent of pay to a flat amount for UAL, normal cost rates remained unchanged as a percent of pay calculation.

Two years later, in December 2016, the CalPERS Board voted to decrease the rate of return on investments, also known as the discount rate, from 7.5% to 7.0%. Since then, cities across the state have been faced with an unprecedented escalation in employee pension costs. Each city has chosen to confront the challenge in its own way. The City of Cupertino decided last fiscal year to increase our CalPERS retirement reserve from $500,000 to $4.8 million. To further prepare the City, this budget increases funding for this reserve by $3.2 million to a total of $8.0 million. This approach, based on a 20-year projection, should allow the City to weather the significant projected increases to employer retirement rates while minimizing its impact on City operations. In addition, should rates exceed those currently forecasted by CalPERS due to investment returns or assumption changes, the City will be able to utilize these dollars to offset any unexpected cost. If rates stabilize, these dollars could be used as a direct payment to offset UAL costs and result in the City reaching an 80% funded status in a shorter time frame.

Although not a problem of our making, the City is doing everything it can to limit the ramifications of rising pension costs. In order to protect the City's valuable assets, and reduce the impact on programs and services, the City will continue to augment the retirement reserve. Although this will help mitigate the effects of the City's pension liability increases, the escalating costs of the Sheriff's contract—mostly due to rising pension costs on their end—is outside of this program. These costs will become increasingly unaffordable without growing revenues through property, sales, and other taxes that have yet to be approved by the electorate.

Capital Improvement Projects

The City has been fortunate over the last five years to have been able to invest in itself. The City focused on major infrastructure projects such as paving roads, upgrading storm drainage systems, and constructing a bicycle network. With the investments made into our Pavement Management Program, as well as focused infrastructure areas of our Capital Improvement Program, the City made noticeable improvements that benefit residents and businesses in their everyday lives. After years of infrastructure investment, the City can scale back on some of these capital projects and focus on less costly infrastructure maintenance.

Through many years of neglect and degradation, much brought about by the recession, the overall pavement condition rating for the City bottomed out in 2013 at rating of 64 on a 1 to 100 scale. This is on the low end of the "good" range, which was mostly kept up by the better condition of our major arterial streets. Unfortunately, many of our neighborhood streets had sunk into the 20s, which is considered "very poor." With the investments made over the past five years, our network rating is anticipated to hit 83 this year, which is on the high end of the "very good" range, closing in on "excellent." This five-year turnaround is believed to be the quickest improvement in the state.

As part of our Pavement Management Program, the City accomplished a significant amount of improvements to our bicycle path network by applying different paint legends and striping after the repaving of roadways were completed. We installed green bike lanes in sensitive merging locations, and installed bike "buffers," cross-hatched areas to give some room between

bikes and cars, and we installed "sharrows" to indicate where bikes and cars must share the road.

More importantly, we initiated and made great progress with detailed planning, community outreach, and design of three major bicycle trails within the City, two long segments of protected bike lanes on McClellan Road and Stevens Creek Boulevard, and a citywide network of bike boulevards that reduce vehicular speeds and encourage bicycles along neighborhood streets. A plan for a system of wayfinding signage has also been completed. While a lot of this work has not yet been constructed, the initial stage work on many of these projects will occur this fiscal year.

Other major investments have been in our storm drainage system. Over the last few years, we have completed three major storm drainage projects that addressed areas of historical local flooding. These areas are in the Monta Vista neighborhood, on Bubb, Elm Court and McClellan Road, and on North Foothill Boulevard near Cupertino Road.

Despite our progress toward meeting our infrastructure needs, there is still much to be accomplished. There will be a host of improvements coming to our parks, both large and small, which will flow from our Parks and Recreation System Master Plan. Also many of our facilities, not the least being City Hall, need to be replaced or significantly upgraded. Without the infusion of additional one-time revenues, in the form of developer fees or publicly approved debt, these improvements will continue to be deferred.

Efficiencies Gained Through Technology

Along with its investments in physical infrastructure, the City recently focused on four key initiatives:

1. Implementing business applications that provide enhanced accessibility and transparency to its residents
2. Strengthening the City's cybersecurity posture
3. Enhancing citizen engagement
4. Solidifying business continuity and disaster recovery plans

Over the past few years, the City acquired and implemented new applications to improve operational efficiencies and customer service, including an enterprise resource planning software for budget, payroll, and human resources processes; along with transparency platforms like OpenGov.

Enhancements coming this fiscal year are planned for three major applications: land management, recreation, and asset management. The City fully expects to complete the implementation of land management software within the next year, as well as new Recreation software in the fall or winter of 2018. Additionally, Innovation Technology will pilot two technologies in the coming year: chatbots and augmented reality. The goal of these technologies is to enhance customer experience.

Cybersecurity concerns have magnified over the past year and Cupertino has responded by replacing security systems with next generation technologies. IT will further strengthen our posture by implementing security controls, policies, and procedures that meet bests practice guidelines. Next year the City will move to geographically dispersed data locations to store mission critical information thereby increasing both business continuity and disaster recovery for City data.

Citizen engagement, always a priority with Cupertino staff, will be enhanced by the implementation of the Open Town Hall application. This application will be utilized to inform and involve citizens by sharing information more effectively and collecting broader resident feedback. The City's GIS capabilities were significantly expanded through the use of the asset management software.

Conclusion

The near future looks bright for the City's financial picture. With revenues still outpacing expenditures for the next few years, the City can focus on maintaining and improving services and initiatives that will positively affect our residents' lives. But with the knowledge that expenditures are projected to eventually surpass revenues, the City has the ability to make decisions now to scale back on certain programs to ensure that the City remains a financially stable organization well into the future.

Respectfully submitted,

David Brandt
City Manager

Notable Accomplishments and New Initiatives

NOTABLE ACCOMPLISHMENTS IN FISCAL YEAR 2017-18

Green Prime

In Spring 2017, Silicon Valley Clean Energy began providing clean, carbon-free electricity to Cupertino residents and businesses. The City opted into its Green Prime service, which provides 100% renewable electricity to our City-owned facilities, buildings, parks, and lights throughout the City. This reduces our overall greenhouse gas emissions and helps bring the City closer to its Climate Action Plan (CAP) goals.

Demonstration Garden

The City transformed the landscape around City hall to a drought tolerant demonstration garden. This demonstration garden implements xeriscaping, a landscaping method that integrates water-conserving techniques such as utilizing low water using plants, mulch, and efficient irrigation to eliminate the need for supplemental watering. A well-designed xeriscape can be a beautiful addition that not only saves water, but also invites wildlife, provides year-round interest, and creates attractive natural spaces.

Pogo

In partnership with the Fremont Union High School District, the City of Cupertino launched a student carpool pilot program in January 2018. The pilot gives Cupertino High parents free access to the Pogo, Inc. mobile platform, which allows Cupertino High parents to connect in a closed group to create and manage walk-, bike-, or carpools. The goal is to make it easy for busy parents to organize convenient, reliable alternative transportation options for their children. An effective parent carpool program has the potential to reduce traffic congestion around schools during peak hours as well as reduce GHG emissions to further the City's CAP goals.

Youth Engagement

The City Manager's Office undertook several youth engagement efforts in Fiscal Year 2017-18. Staff annually hosts DeAnza College's APALI Youth Leadership Academy class at City Hall to inform students about careers in local government. This year, staff also created a local government civics lesson geared for middle school students. Staff spent a day with Miller Middle School students engaging them using fun, interactive activities. These students were later invited to visit City Hall and meet then-Mayor Vaidhyanathan. Lastly, City Manager's Office staff partnered with the Recreation and Community Services Department on a youth job fair and created a presentation on "landing the job" with tips for resume writing and interviewing.

Recruitment Software Implementation

NeoGov, an online system for recruitment and applicant tracking, as well as onboarding, is being implemented to streamline the recruitment and hiring process for all departments. Implementation includes staff training, and inputting recruitment, salary, job specifications into the test module. The system will be more user-friendly for job candidates and hiring managers. Staff will complete implementation of the recruitment and application tracking model by the end of the fiscal year.

Establishing a Labor Management Committee

The City is working with CEA (Cupertino Employees' Association) to establish a Labor Management Committee. The proposal is to meet regularly to explore mutual concerns that will be beneficial between the City and CEA. Such meetings should not be intended to serve as negotiations but as an exchange information or to solve problems and issues.

Asset Management Module

During FY 2017-18, the City's Finance staff began implementation of its Asset Management module. This module will assist in the accounting and financial reporting for the City's capital assets. While system implementations require significant staff resources, recording and maintaining the City's capital asset records within its general ledger will improve efficiency, clarity, as well as transparency.

Legal Actions

The City prosecuted and defended a total of 11 legal actions with favorable results. In Yanovsky v. City of Cupertino, a jury found that the City was not liable for traumatic injuries suffered by a motorcyclist who collided with a motor vehicle exiting its residential driveway on to a City street. In *Tefari v. City of Cupertino*, the trial court granted the City's motion for summary judgment, disposing of a personal injury action filed by an 8-year-old girl who sought a damage award for injuries that she allegedly suffered after a fall from a soccer goal. In *City of Saratoga, et al. v. California Department of Transportation, et al*. the City obtained a favorable settlement resolving its CEQA challenge to Caltrans's proposed expansion of toll lanes located on State Route 85. The City Attorney's Office also continued to defend the City's legal position with respect to initiatives.

Development Projects

The Community Development Department oversaw the planning and the City Attorney's Office facilitated the City's approval of three development projects including the following: the Charities Housing Project which consists of 19 residential units, of which 18 are Below Market Rent ("BMR") senior housing units; the Marina Foods Redevelopment, featuring a 122 room hotel and 188 housing units including 18 BMR units; and the Hamptons, a 942 unit apartment complex with 71 BMR units.

Contract Templates

To promote best practices and to streamline the contract review process, the City Attorney's Office developed seven contract templates for use with design professionals, professional consultants, information technology, and for use based on a specific contract amount.

Medical Marijuana Ordinance

In response to voter approval of Proposition 64 at the November 2016 Election, City staff and the City Attorney's Office collaborated on the adoption of an amendment to its Medical Marijuana Ordinance to maintain local control, and to address the changes mandated by the Adult Use of Marijuana Act ("AUMA"). The City also adopted an amendment to update its Municipal Code to reflect the most recent changes in state law to the regulation of Accessory Development Units.

Fourth of July Fireworks

In July 2017, the Recreation and Community Services Department coordinated the return of the 4th of July Fireworks Show to Cupertino. The fireworks were launched from Hyde Middle School to an estimated crowd of 7,500. Spectators gathered at three viewing sites (Creekside Park, Miller Avenue, and Sedgwick Elementary) and throughout the adjacent neighborhoods. The City's Recreation and Public Works staff worked closely with a number of partners to deliver a safe and successful event, including the Santa Clara County Sheriff's Office, Santa Clara County Fire Department, CERT and Citizen Corps volunteers, Cupertino Union School District, Fremont Union High School District, Creekside Community Church of Cupertino, West Valley Presbyterian Church, and local businesses. This collaborative, community event was well-received and is planned to continue.

Expanded Hours at the Senior Center

In September 2017, the Senior Center launched expanded evening and weekend hours and is now open Monday through Thursday 8am-9pm, Friday 8 a.m.-5.p.m., and Saturday 8:30 a.m.-4:30 p.m. The increased hours allow for more programming in the evenings and on Saturdays, improved customer service, and increased access for working adults.

YAC Attack

In March 2018, the Recreation and Community Services Department, in partnership with the Youth and Teens Recreation Services (YTRS) professionals group, coordinated YAC Attack, a biennial teen leadership conference that focuses on empowering youth and teens to promote change by: 1) encouraging greater involvement within their local municipal government, 2) developing positive youth and teen special events and programs in their community, and 3) learning about youth and teen specific health and wellness issues. Participants had the opportunity to attend workshops in health and wellness, college preparation, and debates on

social issues. This marked the first time in the City's history that this event was hosted in Cupertino and a total of 255 youth from the Bay Area registered for the leadership conference.

California Stormwater Quality Association Award for Schools Goin' Green Youth Outreach

The Environmental Programs Division was presented with the "Outstanding News, Information, Outreach and Media Project" by the California Stormwater Quality Association (CASQA) for the interagency collaborative Schools Goin' Green (SGG) program. The goal of the program was to partner with six middle and high schools along the Cupertino-Sunnyvale border and implement student-led campaigns focused on litter removal on and around their campuses, pollution prevention messaging and education, and development of recycling and food waste composting programs. Accomplishments of the program resulted in 98 clean up events totaling over 4,100 pounds of litter collected, student developed branding of the SGG logo and associated educational handbook, and on-going litter reduction around their schools.

EPA Food Recovery Challenge Certificate of Achievement

The goals of this program are to reduce the amount of wasted food from being disposed to the landfill through source reduction, food donation, and composting. In 2016, these efforts by staff and our participating business partners resulted in a 26% reduction of food waste entering the landfill over 2015 levels. Those efforts translate to a reduction of 1,220 metric tons of CO2 equivalent, which is comparable to removing 257 passenger vehicles from the road for one year.

Safe Routes 2 School (SR2S) Program Receives a Grant and Award

Cupertino SR2S was awarded the America Walks Community Change Grant of $1,500 to work with middle school students. The grant will fund student groups at each middle school campus, which are creating and implementing their own walking encouragement program. A truly student-driven initiative. For example, Kennedy Middle School Students plan to host an ongoing walk to school event that will reward students who walk the most with a pizza party, candy, and possibly gift cards if funds permit. In addition, Cupertino SR2S was awarded the "Exemplary City" recognition for its robust Safe Routes to School Program. This award was part of the Healthy Cities Initiative facilitated by the Santa Clara County Public Health Department.

Collaborative Food Diversion & Rescue Initiative Grant Recipient

A collaborative effort between Joint Venture Silicon Valley, The County of Santa Clara, and City representatives across Santa Clara County to engage stakeholders, collect data, and devise a plan to develop a comprehensive and robustly equipped food rescue project wherein edible surplus food will be transported safely to underserved areas where people can collect the food for their families with dignity. This effort addresses food insecurity in the County while reducing the amount of landfilled organic material that contributes significant amounts of greenhouse gases to our atmosphere. CalRecycle awarded $313,000 dollars to Joint Venture Silicon Valley to implement the countywide initiative. The grant will provide paid drivers and a

refrigerated food truck that will distribute the food with dignity to people. Stanford University recently signed on as a partner and food donor and, as of April 12th, the Food Rescue Initiative received a grant for $150,000 from the Sobrato Family Foundation.

California Society of Municipal Finance Officers Budget Award for CIP Program

While the City's Operating Budget has received an award for many years from the California Society of Municipal Finance Officers, this is the first year that we have applied for a Budget Excellence Award for our Capital Budget. In February we were notified that this initial application was successful.

Gold Level Bicycle Friendly Community Designation

The City of Cupertino has recently been recognized as a Gold Level Bicycle Friendly Business. The Gold Level Bicycle Friendly Business designation is awarded by the League of American Bicyclists to businesses who have shown a remarkable commitment to bicycling. Creating a bicycle-friendly community and workplace has been shown to improve citizens' health, well-being, and quality of life; improving traffic safety, and reducing pollution, congestion and wear and tear on our streets and roads.

Tree City USA Growth Award Designation

The City of Cupertino celebrated its 6th straight year as being designated a Tree City USA, and its 4th year of obtaining a Growth Award. The Growth Award recognizes higher levels of tree care by participating Tree City USA communities. The Growth Award highlights innovative programs and projects as well as increased commitment of resources for urban forestry. It also provides an opportunity to share new ideas and successes across the country.

NEW INITIATIVES FOR FISCAL YEAR 2018-19

Economic Development Initiatives

The Economic Development Division will implement initiatives from the Economic Development Strategic Plan including:

- Develop regulations to encourage and allow for smaller-sized incubator and accelerator space for start-up businesses with shared on-site resources and amenities;
- Develop new regulations and policies to allow mobile vendors to provide services in designated areas of the city as a pilot program; and
- Partner with the Cupertino Chamber of Commerce to develop and launch an "I Love Cupertino" community-focused website to promote civic pride, local events, and local businesses.

Bike Implementation Plan Projects

The Public Works Department will undertake various bicycle related infrastructure projects in this fiscal year:

- McClellan Road Class IV (separated) Bike Lanes – Begin construction on Phase 1, Imperial to Stelling in summer 2018
- Junipero Serra Trail (I-280 Trail) – Continue to develop design alternatives, work with stakeholders and the community.
- Regnart Creek Trail – After several community workshops, bring design alternatives to City Council for selection and approval.
- UPRR Trail Feasibility Study – Develop alternatives in preparation for working with railroad company.
- Stevens Creek Boulevard Bike Lanes – Initial conceptual design and hold community workshops.
- Carmen Road Bike/Ped bridge – Initiate conceptual design alternatives and hold community meetings, and develop implementation budget.

Upgraded Community Garden

The Community Garden at McClellan Ranch Preserve has experienced a number of challenges due to unreliable perimeter fencing, insufficient irrigation, pervasive rodents and critters, and inconsistent garden plot sizes. Recreation and Community Services staff met with the gardener community on several occasions from September 2017 to January 2018 to solicit input on important features of a new garden. Staff presented a conceptual design to the Parks and Recreation Commission in March 2018. The conceptual design incorporates features desired by the community, current gardeners, and staff while maintaining the same footprint and includes: more regular-sized garden plots, new irrigation, new fencing, vegetable and hand wash stations, education areas, and composting demonstration areas. The budget for this work is in the 2018/19 CIP plan. The current timeline is to solicit bids for the construction of the improvements is in fall 2018 and to complete the project by early spring 2019.

Neighborhood Events Program

In summer 2018, Recreation and Community Services will present an expanded citywide neighborhood events program to build a heightened sense of community. The expanded events will be held at neighborhood parks and will include a summer movie series, summer concert series, and other events in the future as the program expands and incorporates community input.

Emergency Operations Plan

An Emergency Services Coordinator was hired in 2017 to prepare the city for any natural disaster or emergency. In FY 2018-19, the Coordinator will complete a new, updated Emergency Operations Plan and a Continuity of Government Plan while focusing on volunteer and employee support and development and greater communication processes.

Community Transit Program Planning

The Public Works Department will begin planning for a Community Transit/Shuttle Program. The City will initiate surveys to determine need and desire for routes to support seniors, schools, and other sectors of the community currently underserved by VTA routes.

City Council Election

The City Clerk, as the Elections Official, oversees Cupertino's General Municipal election in even-numbered years. This entails that the City Clerk or clerk staff meet with each candidate during the Nomination Period to distribute paperwork and go over in detail the requirements to run for City Council. The City Clerk is also the Filing Officer for mandatory Campaign Disclosure Statements in which candidates must disclose funding sources for their election committees. Cupertino will hold its General Municipal election on November 6, 2018 to elect three Councilmembers each to a four-year term. The election is for one open and two incumbent seats.

ActiveNet

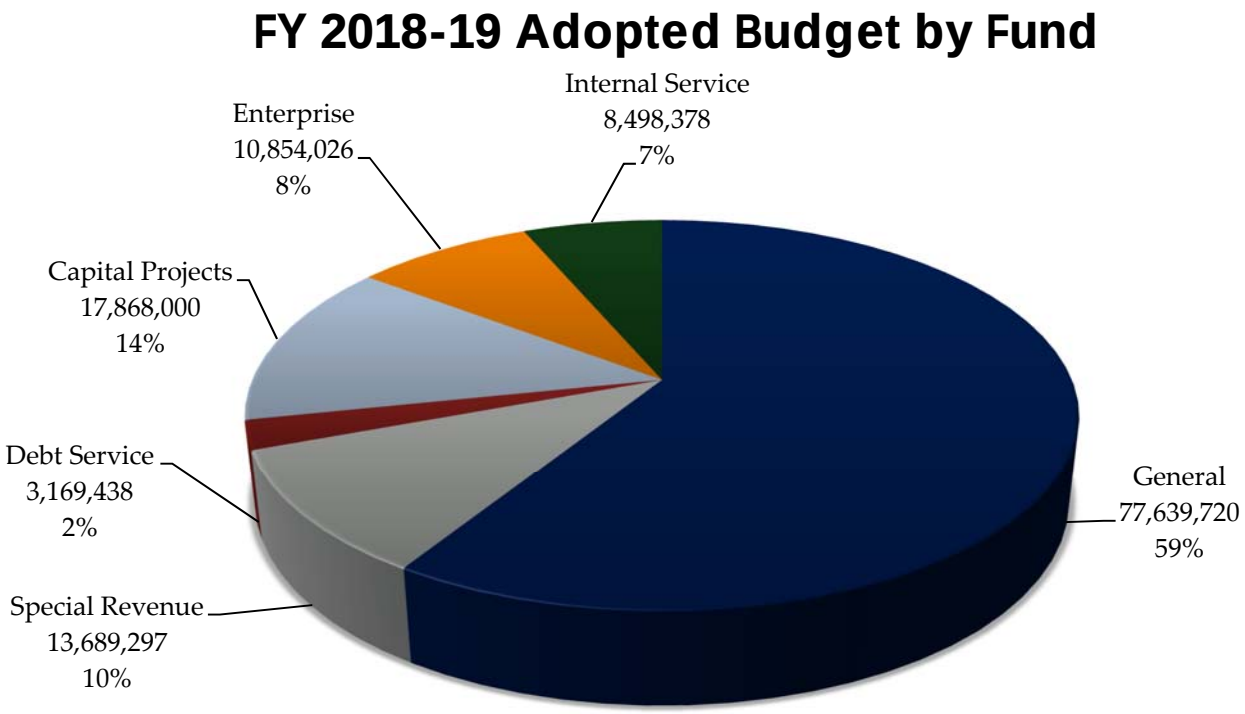
Recreation and Community Services will launch a new recreation management system, ActiveNet, at the end of 2018. The web-based software will allow the Department to provide more efficient online and in-person transactions for activity registration, membership management, facility reservations, and point of sale services.

Adopted Budget Overview

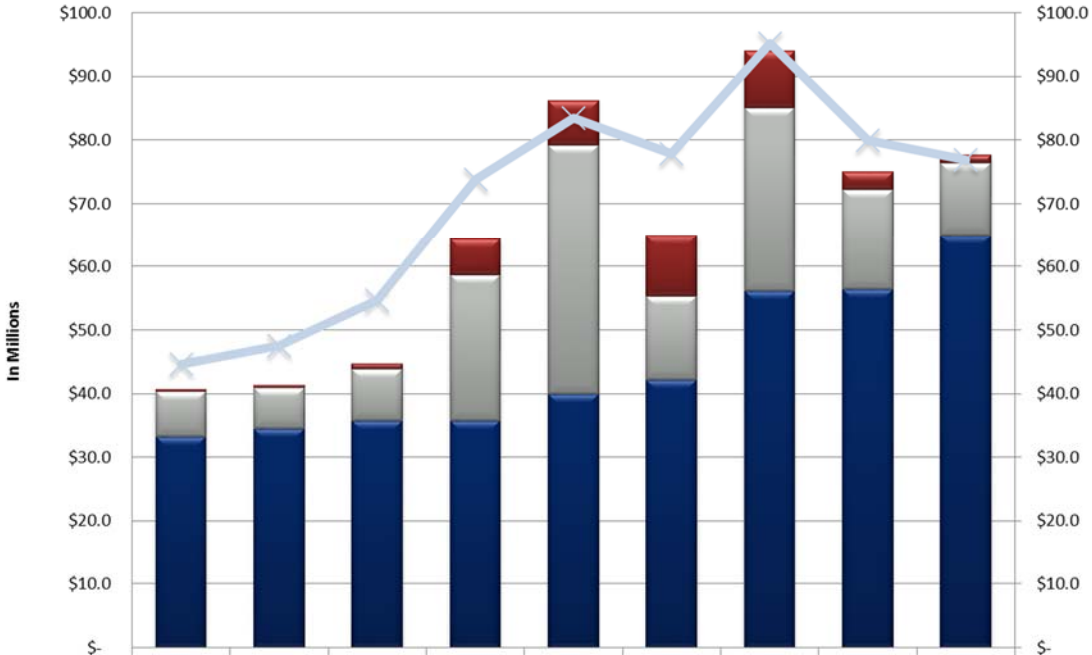
The Adopted Budget reflects a total City budget of $131.7 million, a decrease of $17.2 million or 12% when compared to the FY 2018 Adopted Budget. The City's General Fund is adopted at $77.6 million, an increase of $2.6 million or 3.4% from the FY 2018 Adopted Budget. The General Fund is balanced through the use of General Fund revenue of $76.9 million and is projected to end FY 2019 with approximately $9 million in unassigned fund balance that may be transferred to the Capital Reserve per the Reserve and One Time Use Policy as part of the City's year-end process. The transfer is not reflected in the Adopted Budget.

Fund Type		Total Adopted Expenditures		Total Adopted Revenue		Change in Fund Balance/Net Position
General	$	77,639,720	$	76,888,476	$	(751,244)
Special Revenue	$	13,689,297	$	12,565,191	$	(1,124,106)
Debt Service	$	3,169,438	$	3,169,438	$	-
Capital Projects	$	17,868,000	$	9,051,500	$	(8,816,500)
Enterprise	$	10,854,026	$	7,344,400	$	(3,509,626)
Internal Service	$	8,498,378	$	7,024,288	$	(1,474,090)
Total	**$**	**131,718,859**	**$**	**116,043,293**	**$**	**(15,675,566)**

As shown in the chart below, the Adopted Budget is largely funded by the General Fund (58%).



The graph below summarizes the changes in the City's General Fund for an eight-year period:



	FY11 Actuals	FY12 Actuals	FY13 Actuals	FY14 Actuals	FY15 Actuals	FY16 Actuals	FY17 Actuals	FY18 Adopted Budget	FY19 Adopted Budget
One-Time Special Projects	$0.4	$0.4	$0.8	$5.7	$7.0	$9.7	$8.9	$2.8	$1.3
General Fund Transfers Out	$7.0	$6.4	$8.2	$22.9	$39.2	$13.2	$29.0	$15.8	$11.4
General Fund Expenditures	$33.3	$34.4	$35.7	$35.8	$40.0	$42.2	$56.2	$56.5	$65.0
General Fund Revenue	$44.6	$47.6	$54.7	$73.9	$83.5	$77.9	$95.2	$80.0	$76.9

A total of 201.75 positions are budgeted in FY 2019 with two new positions. These new positions will: (1) ensure current analytical and technical projects and system implementations are completed; and (2) assume many already existing duties for Development Services which will allow current staff to allocate resources to additional street maintenance projects and grant management due to SB1 and Measure B. The conversion of two positions from Limited Term to Permanent was also approved based on a continued need for additional resources.

FY 2017-18 Adopted Budget	**197.75**
Senior Assistant Attorney (Council Item)	1.00
Account Clerk I/II (Mid-Year)	1.00
Adopted Conversions from Limited Term to Permanent	
Environmental Programs Assistant	0.00
Associate Civil Engineer	0.00
FY 2018-19 Adopted Budget	
Senior Management Analyst, Limited Term	1.00
Engineering Technician	1.00
FY 2018-19 Benefitted Positions	201.75

As in the past, staff continues to recommend adding positions only on a limited term basis unless staff is confident that the needed level of service will be permanent, our ongoing revenues can support the position long term, or staff cannot recruit and/or retain the staff resource on a limited term basis. Staff believe that the need for the Engineering Technician will be on a permanent basis.

Changes to the Budget and Policies

The FY 2019 budget document and process are very similar to those of the past few years. Below are a few highlights from the budget and process:

Revised Fees and Cost Allocation Plan (CAP)

Significant shifts in the category of cost allocation changes are primarily due to the following changes. Overall, cost allocation has decreased over prior year due to the correction and removal of a double-counting of Strategic Support charges in fiscal year 2017-2018. Additionally, vehicle and equipment charges decreased due to the winding down of replacements for vehicles and equipment that have surpassed their useful life. Furthermore, I&T charges increased due to additional one-time project expenses and additional changes in methodology. Finance and Human Resources experienced additional charges due to the increased cost and volume of providing related services.

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 perform agreed-upon procedures to review City compliance with the policy. The full policy is available on the City website as part of the June 5, 2018 City Council agenda packet.

GANN Appropriations Limit

The City's appropriations limit for FY 2019 is $100,538,305, $4,409,818, or 4.7% higher than the FY 2018 limit of $96,028,488. For FY 2019, the City's estimated appropriations of proceeds from taxes, less statutory exclusions, are unchanged as of the Proposed Budget. Data needed to calculate the 2019 appropriations limit will not be available until mid-May. If a city exceeds the legal limit, excess tax revenue must be returned to the State or citizens through a process of refunds, rebates, or other means that may be determined at that time. The appropriations limit is not expected to present a constraint on current or future budget deliberations. This reflects the prior year limit and will not be updated until the Adopted Budget when the information required for this calculation is available.

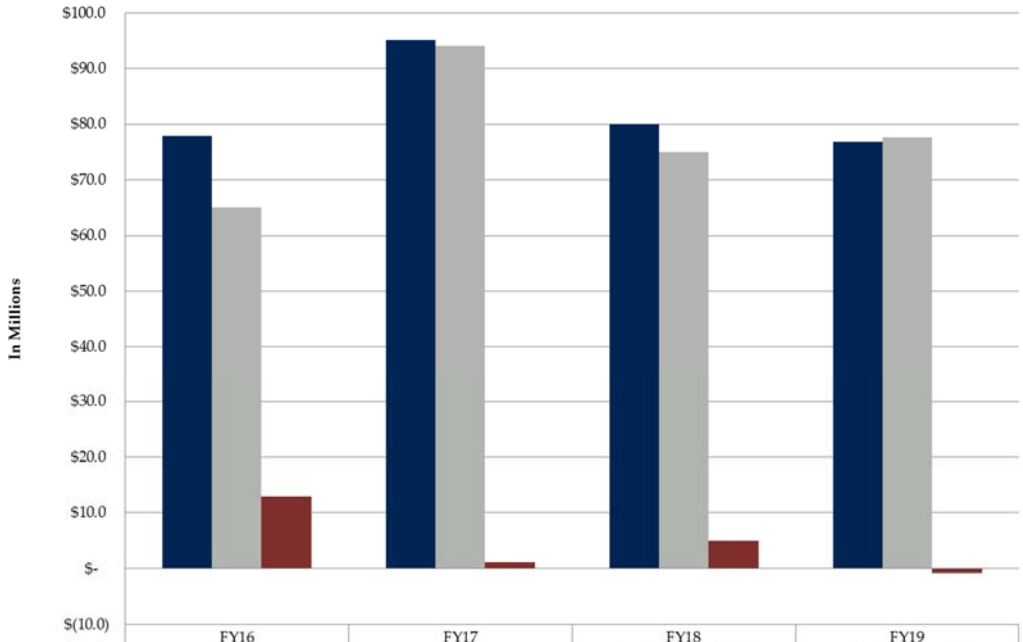
Budget by Fund

General Fund

The General Fund pays for core services such as public safety, recreation and community services, planning and community development, streets and trees, and a host of other vital services. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, transient occupancy tax, charges for service, and a variety of other discretionary sources.

General Fund revenue is estimated at $76.9 million in the FY 2019 Adopted Budget (excluding fund balance). This is an overall decrease of $3.1 million (4%) when compared to the FY 2018 Adopted Budget. This decrease is primarily attributable to a change in the methodology for cost allocation. In recent years, the City has experienced local economic boom that had driven strong gains in sales tax, property tax, and transient occupancy tax revenues, which were partially offset by decreases in development-related fees and charges given the challenging political climate surrounding development in the City. With downward trending development activity compared to previous years, the City's revenues and expenditures are returning to a state of normalcy. The following chart shows four years of total revenue, expenditures and changes to fund balance for the General Fund:

General Fund Revenue, Expenditures and Changes in Fund Balance

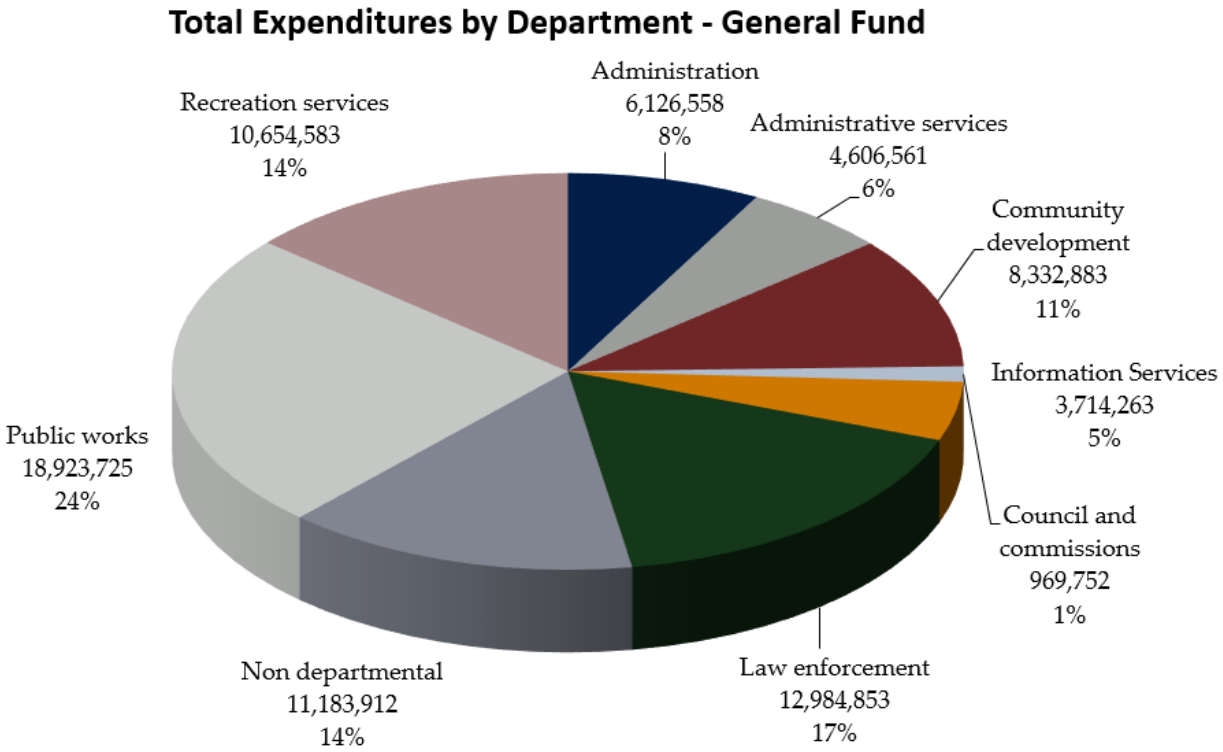


	FY16 ACTUALS	FY17 ACTUALS	FY18 ADOPTED BUDGET	FY19 ADOPTED BUDGET
Revenue	$77.9	$95.2	$80.0	$76.9
Expenditures	$65.0	$94.0	$75.1	$77.6
Net Rev-Exp	$12.9	$1.1	$4.9	$(0.8)

The General Fund unassigned fund balance is projected to decrease from the current year estimate of $9.6 million to $9.0 million in FY 2019. As shown in the chart below, the FY 2019 ending fund balance is estimated to be $45.4 million, or 1% lower than the FY 2018 year end estimate.

GENERAL FUND FUND BALANCE					
Classification	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Estimated	FY 18-19 Adopted	Percent Change
Unassigned	$29,869,085	$28,057,799	$ 9,645,226	$ 8,893,982	-8%
All Other Classification	22,325,755	25,531,891	36,316,546	36,316,546	0%
Total Fund Balance	$52,194,840	$53,589,690	$45,961,772	$45,210,528	-2%

As shown in the graph below, the majority of city resources are used to support public works (24%), non-departmental expenses (15%), law enforcement (17%), recreation (14%), and community development (11%).



Special Revenue Funds

Special Revenue Funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds account for 10% of the citywide expenditure budget. The largest Special Revenue Fund accounts for streets, roads, and transportation. Other funds account for storm drain management, affordable housing programs, and park development. The Adopted Budget for Special Revenue Funds for FY 2019 is $13.7 million, which is an $11.6 million decrease from FY 2018 Adopted Budget primarily due to the completion of capital and the decision to budget BMR grant funding on an as-needed basis.

Budgets within the Special Revenue Funds are funded by $4.5 million in restricted department revenue, and $8.1 million in transfers, including $6.6 million from the General Fund, bringing total funding sources for the fund to $12.6 million. This will result in a projected decrease to fund balance of $1.1 million. The Special Revenue Funds are projected to end the year with fund balances of $3.1 million.

Capital Projects Funds

The Capital Improvement Project Fund, Stevens Creek Corridor Park Fund, and Capital Reserve Fund are currently in the Capital Projects Fund type category. This fund type is typically used to account for financial resources that are used for the acquisition or construction of major capital facilities or to provide facilities for City departments, and are identified in the five-year Capital Improvement Program (CIP).

The Adopted Budget for the Capital Projects Funds for FY 2019 is $17.9 million, comprised of $7.2 million in new capital projects and $10.7 million in transfers out to the Special Revenue and Enterprise funds to fund capital projects. The FY 2019 budget is $5.6 million lower than FY 2018 budget expenditures based on the cost of the recommended capital projects.

Enterprise Funds

Enterprise Funds are set up for specific services that are funded directly by fees charged for goods or services. Enterprise Funds consist of Resource Recovery for the solid waste collection franchise, Blackberry Farm for the City-owned golf course, the Cupertino Sports Center, and Recreation Programs for cultural, youth, teen, sports, and physical recreation programs.

The Adopted Budget for Enterprise Funds for FY 2019 is $10.9 million, an increase of $0.3 million from the FY 2018 Adopted Budget. Budgets within the Enterprise Funds are funded by $7.3 million in program revenue including $75,000 in transfers from CIP. The Enterprise Funds also rely on $11.1 million of prior year fund balance, bringing total funding sources for the funds to $18.4 million. The Enterprise Funds are projected to begin the fiscal year with $8.2 million in retained earnings and are projected to end the year with retained earnings of $4.7 million.

Internal Service Funds

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

The Adopted Budget for the Internal Service Funds is $8.5 million, which is $3.2 million lower than the FY 2018 Adopted Budget. This decrease is primarily attributed to the transfer of the City Channel to the General Fund. Budgets within Internal Service Funds are funded by $5.0 million in department revenue, $1.6 million from the General Fund, and $473,000 from a combination of depreciation reserves and retained earnings.

Special Projects

The FY 2019 Adopted Budget includes funding for several one-time Special Projects. These projects are identified as part of the Special Project section within each program and are summarized in the table below. This list excludes one-time capital outlays and ongoing pavement management costs.

Program Budget	Project Name	Expenditure	Funding Source
122 Sustainability	Residential Drought Tolerant Landscaping Pilot Program	$ 175,000	General Fund
	Residential Energy Reduction & Efficiency Program	$ 6,000	General Fund
	Utility Box Art Painting Round 4	$ 10,000	General Fund
	Employee Commute Program	$ 50,500	General Fund
132 Duplicating and Mail Services	Postage Machine	$ 22,970	General Fund
200 Law Enforcement	K9	$ 7,328	General Fund
305 Video	Conference Room Upgrade Phase II	$ 225,000	General Fund
	iMac Video Editing Computers	$ 40,000	PEG Funds
	Live Graphics System Upgrade	$ 30,000	PEG Funds
	Camera Gimble Stabilization System	$ 10,000	PEG Funds
	SCALA Digital Signage Hardware Upgrade	$ 10,000	PEG Funds
	DSLR Camera System	$ 6,500	PEG Funds
310 Infrastructure	HyperConverged - Phase II	$ 70,000	Internal Service Fund
	MFP Refresh - Phase II	$ 95,000	Internal Service Fund
	Campus Wireless LAN	$ 98,000	Internal Service Fund
	Public Wireless Hotspots	$ 52,000	General Fund
	Video Storage Area Network	$ 50,000	Depreciation
610 Cultural Events	Neighborhood Parks Special Events	$ 40,000	General Fund
612 Park Facilities	Grassroots Ecology	$ 68,000	General Fund
616 Blackberry Farm Golf Course	Facility Maintenance	$ 10,000	Enterprise Fund
621 Sports Center Operations	Health & Safety Equipment	$ 5,000	Enterprise Fund
630 Facilities	Quinlan Equipment	$ 10,000	General Fund
702 Mid and Long Term Planning	General Plan Amendment Authorization Applications	$ 100,000	General Fund
801 Resource Recovery	Waste Characterization Study	$ 105,000	Enterprise Fund
	Waste Tonnage Audit	$ 45,000	Enterprise Fund
804 Plan Review	Apple Campus 2	$ 20,500	Pass Thru Revenues
813 Neighborhood Parks	Baseball Field Renovation	$ 20,000	General Fund
820 Sidwalk Curb and Gutter	Annual Sidewalk Curb & Gutter Project	$ 850,000	Transportation Fund
	Sidewalk Grinding	$ 50,000	Transportation Fund
821 Street Pavement Maintenance	Pavement Maintenance	$ 5,000,000	Transportation Fund
825 Street Tree Maintenance	Street Tree Maintenance	$ 10,000	General Fund
828 Library Maintenance	Granite Polishing	$ 6,000	General Fund
832 McClellan Ranch Maintenance	Rodent Controls Gift Shop	$ 30,000	General Fund
836 Sports Center Maintenance	Paint Lower Level Floor & Stairwell	$ 30,000	Enterprise Fund
	Paint Racquetball and Gym	$ 30,000	Enterprise Fund
	Panel Replacement in Lower Level	$ 15,000	Enterprise Fund
839 Teen Center Maintenance	Painting	$ 30,000	General Fund
	Carpet Replacement	$ 20,000	General Fund
844 Traffic Engineering	Traffic Signal System Upgrade	$ 400,000	General Fund
	AC2 Staff Time Pass Through	$ 20,500	Pass Thru Revenues
985 Fixed Assets Acquisition	Vehicle Replacement	$ 538,000	Internal Service Fund
	TOTAL	**$ 8,411,298**	

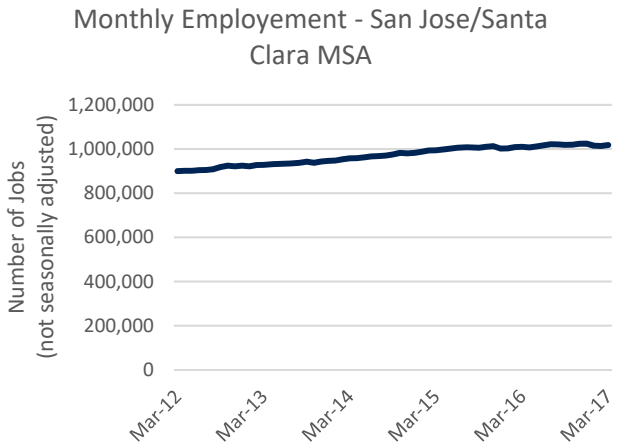
Current Economic Update

National and State Economic Conditions

The U.S. economy is continuing to show steady growth. U.S. Gross Domestic Product (GDP) increased by 2.9% in 2017 according to the Bureau of Economic Analysis, compared with an increase of 1.6% in 2016. The increase in real GDP in 2017 primarily reflected positive contributions from personal consumption, residential fixed investment, local and federal government spending, and exports that were partially offset by contractions in private inventory investment and nonresidential fixed assets.

Unemployment is continuing to hit record lows while over two million jobs were created in 2017. The U.S. unemployment rate stood at 4.1% in March 2018 representing a 0.4% percentage point drop compared to the March 2017 unemployment rate of 4.5%, according to the Bureau of Labor Statistics. The unemployment rate has improved significantly from a high of 9.6% in 2010 and is at the full employment level.

Consumer confidence, as reflected by the Conference Board Consumer Confidence Index, continued to rise over the previous year and stands at 127.0 as of March 2018, despite a 3.8 point decrease over the previous month. The year-over-year increase is the result of consumers feeling greater optimism regarding the short-term outlook for business, jobs and personal income prospects.



The California economy is inching towards a full economic recovery. California's unemployment rate fell to 4.3% in March 2018, an improvement compared to last year's unemployment rate of 4.9%. Per capita personal income increased 3.5% in 2017 over 2016, mostly due to faster growth in wages. Growth in the housing market continues with the prices of single family homes up 8.8% and sales up 5.4% compared to February of last year according to the California Association of Realtors (CAR). Recognizing that the state has a chronic housing shortage and understanding that inadequate housing has the potential to impede economic growth, state legislators have succeeded in passing a legislative housing package that has the potential to make a difference.

Cupertino Economic Conditions

Strong economic performance continues in Silicon Valley and Cupertino. Data from the State of California Employment Development Department paints a similar picture. Employment in the San José/Sunnyvale/Santa Clara Metropolitan Statistical Area (MSA) continues to increase. The preliminary estimate of the March 2018 employment level in the MSA was 1.0 million, virtually unchanged from the March 2017 level. The March 2018 preliminary unemployment rate of 2.7%

has dropped from the 3.5% rate experienced a year ago. Our local unemployment rate is lower than the national unemployment rate of 4.4%.

Housing prices remain strong compared to the same period in 2018. In March 2019, single family homes sold for a median home price of $2.2 million, a significant increase over the past year. Property Tax revenue is expected to increase slightly compared to last year given the increase in the median home price, reassessments of development projects, and additional TEA property tax share. Construction activity, although strong in previous years, will begin to flatten out as development projects, particularly Apple Park, begin to wind down.

Key Budget Assumptions

Revenue Assumptions

The FY 2019 Adopted Budget assumes moderate economic growth. Revenue projections for each category were 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. Revenue assumptions are discussed in detail in the Fund Summary section under Financial Policies and Schedules.

Personnel Assumptions

Negotiated salary increases are assumed in the FY 2019 Adopted Budget. The Council ratified three-year agreements with its two bargaining units in October 2016, including a 5.75% net salary increase and 10% increase in health benefits over the contract period.

In addition, budgeted personnel expenditures factor in salary step increases for approximately 49% of employees who have yet to reach the top step in their classification's salary range. Typically, a step increase is equivalent to a five percent increase in salary with a range of five salary steps.

Non-Personnel Assumptions

Non-Personnel budgets were developed based on actual expenditures in prior years, and then adjusted for FY 2019 funding needs. In addition, one-time projects have been separated out in FY 2019 to ensure that expenditure trends reflect ongoing expenditure needs. Contingency budgets are being reduced to 5% of the total General Fund budget for contractual services and supplies and materials for operating programs. Consistent with past budgets, an additional 5% is allocated to the City Manager's discretionary budget to cover unanticipated program expenses.

Ongoing Challenges

Retirement Benefits

Cupertino provides retirement benefits for its employees through the California Public Employee's Retirement System (CalPERS). Poor investment returns during the Great Recession and actuarial assumption changes have increased the gap between the pension system's assets and liabilities, resulting in the overall funded status of the system falling significantly. The funded status as of June 30, 2017 is estimated at 68%, down from 69% over the prior year due to lower than expected investment returns.

As a result, the CalPERS Board has adopted revised actuarial policies to improve the financial sustainability of the system. In February 2018, the CalPERS board voted to decrease the amortization period for new pension liabilities from 30 years to 20 years, effective July 1, 2019. In addition, in December 2016, the CalPERS Board voted to reduce the discount rate, also known as the assumed rate of return for investments, by 0.5 percentage points to 7.0%. The result of this change is significant and will result in considerable increases in retirement costs well above what the City had previously forecasted for retirement expenses as noted in the table below. The FY 2019 Adopted Budget includes these additional expenses and proposes the creation of a Pension Rate Stabilization Program (PRSP), a Section 115 Trust that will act to stabilize pension rate volatility and minimize the impact on the General Fund's operating budget from year to year. The FY 2019 Adopted Budget also includes an increase to the City's CalPERS Reserve from $4.8 million to $8.0 million to achieve this stabilization through the following ramp-up period:

	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Projected Payroll	$17,041,226	$17,552,463	$18,079,037	$18,621,408	$19,180,050	$19,755,452
Normal Cost (%)	10.6%	11.6%	11.6%	11.6%	11.6%	11.6%
Normal Cost	$ 1,806,370	$ 2,036,086	$ 2,097,168	$ 2,160,083	$ 2,224,886	$ 2,291,632
UAL Payment	$ 3,201,000	$ 3,584,000	$ 4,029,000	$ 4,420,000	$ 4,698,000	$ 4,940,000
Total Contribution	$ 5,007,370	$ 5,620,086	$ 6,126,168	$ 6,580,083	$ 6,922,886	$ 7,231,632
Total Contribution (%)	29.4%	32.0%	33.9%	35.3%	36.1%	36.6%

Revenue Volatility

The City's revenue mix is heavily reliant on volatile business-to-business sales tax, which makes up approximately 19% of the City's annual General Fund revenues. Business-to-business sales taxes are very sensitive to economic fluctuations as evidenced by Cupertino's experience during the dotcom bust from 2000-2004. Our heavy reliance on the volatile high tech industry also makes us vulnerable. The loss of one of our top three sales tax producers in FY 2013-14 only made the City more reliant on a single tax producer, making us more vulnerable to its business volatility.

Health Benefits

There is uncertainty around potential repeal and replacement of the Affordable Care Act (ACA) and how it would affect health care costs. Rate increases have stabilized with the implementation of the ACA.

Budget Guide

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.

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. In addition, 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:

1. **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.

2. **Fiscal Strategic Plan:** The Fiscal Strategic Plan Committee was formed to analyze current funding gaps and present a more accurate financial picture. The committee identifies one-time, non-recurring revenue.

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

4. **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.

5. **Financial Policies and Schedules:** This section provides financial information on projected revenues, expenditures, fund balances and reserves. It includes the Budget Summary of Funds as well as detailed fund descriptions and information on all revenue sources and expenditure projections.

   This section also includes fund balance trends and detailed revenue and expenditure projections for the next five years.

   Additionally, this section includes an analysis of all City revenues by category. Our major revenue projections are based on trends, current economic indicators and other agency input. Sales tax projections are based on input from our sales tax consultants, industry trends and major company forecasts. Property tax revenues are projected by the county and adjusted by staff based on known trends. Park dedication fees are estimated based on current development projects and other taxes are reviewed quarterly and budgets are based on this trend analysis.

6. **Departmental Operating Budgets:** This section details historical and proposed expenditures by operating department. The City is organized into seven key operating functions, including Administration, Law Enforcement, Innovation and Technology, Administrative Services, Recreation and Community Services, Community Development, and Public Works. Each department budget includes a summary narrative, financial information regarding the department and each of its major divisions and personnel information.

   Expenditures for employee compensation and benefits are based on negotiated contracts. The materials categories of expenditures are based on trends. Contract services and capital outlay are justified each year by the departments. Special Projects include any one time projects or costs.

   Departmental expenditures are divided into the following categories:

   Employee Compensation represents permanent full-time and part-time salary costs and overtime.

   Employee Benefits represents PERS retirement, health insurance costs, and other benefits.

   Materials represents items purchased for repair and maintenance, operational activities such as books, uniforms and recreation supplies, and office supplies.

   Contract Services represents legal, consulting and other professional services, contract repair and maintenance, utility charges, training and memberships, equipment rentals, insurance and employment services.

   Cost Allocation represents Cost Allocation and Internal Service charges to user departments

   Appropriations for Contingency represent 5% of total budgeted materials and contract costs and is designed for unexpected expenditures and/or emergencies.

   Capital Outlay represents expenditures for tangible fixed assets including land, buildings, furniture, equipment and City vehicles.

   Special Projects represent any one time projects or costs.

   Debt Service/Other represents principal and interest payments on outstanding debt and interfund transfers.

7. **Non-Departmental Operating Budgets:** This section details historical and proposed expenditures for the functions of interfund transfers and debt service.

8. **Capital Improvements:** The Capital Improvements section is in a separate document called Capital Improvement Program that details the proposed capital projects for the next five fiscal years. These projects are organized into five categories: Parks, Buildings, Streets, Traffic Facilities, and Storm Drainage. The five-year budget denotes funding sources and a description of each project. The City Council approves funding of Capital Improvements on a total project basis. The project may expend the funds over multiple years.

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.

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 the amount of budgeted expenditures be equal to or less than the amount of 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 utilized by the City Manager 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 balance or new revenue sources.

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.

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.

Estimated 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.

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.

Reserve – An account used to designate a portion of the fund balance for a 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.

Section – A unit or organization that reports to a division.

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.

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
AYSO	American Youth Soccer Organization
B/PAC	Bicycle/Pedestrian Advisory Committee
BAAQMD	Bay Area Air Quality Management District
BMR	Below Market Rate
CAFR	Comprehensive Annual Financial Report
CAP	Cost Allocation Plan
CMTA	California Municipal Treasures Association
CPI	Consumer Price Index
CPUC	California Public Utilities Commission
CSMFO	California Society of Municipal Finance
CYSA	California Youth Soccer Association
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
GASB	Governmental Accounting Standards Board
GFOA	Governmental Finance Officers Association
HVAC	Heating Ventilation and Air Conditioning
IPM	Integrated Pest Management
JPA	Joint Powers Authority
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 Systems
PIO	Public Information Officer
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
UBC	Uniform Building Code
YAC	Youth Advisory Commission
VSP	Vision Service Plan

Revenues, Expenditures, and Fund Balance Table

Example

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues	-	-	-	-
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmnental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	-	-	-	-
Expenditures	-	-	-	-
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	-	-	-	-
Fund Balance (Usage)	-	-	-	-
General Fund Contribution	-	-	-	-

Glossary

Taxes – Money received from tax revenue

Licenses and Permits – Money received from license and permit fees

Use of Money and Property – Interest earnings, facility and concession rents

Intergovernmental Revenue – Funds received from Federal, State or Local government such as grants

Charges for Services – Fees collected for services provided by the department

Fines and Forfeitures – Money received from fines and penalties

Miscellaneous Revenue – Money received from various sources such as donations, salvage and legal settlement

Interdepartmental Revenue – Interdepartmental service charges and transfers

Total Revenues – Total of all revenue categories

Employee Compensation – Full-time and part-time salaries

Employee Benefits – Employee benefits including health insurance and retirement

Materials – All material, conference and training costs

Contract Services – All contracted goods and services

Cost Allocation – Cost of services from other City departments and depreciation expenses

Capital Outlay – Land, buildings, vehicles, infrastructure and assets used in operation beyond one year

Special Projects – One-time projects or costs

Appropriations for Contingency – Fund for unexpected expenses and emergencies

Total Expenditures – Total of all expenditure categories

Fund Balance – The net effect of assets less liabilities at any given point in time

General Fund Contribution – Total Expenditures minus Total Revenues minus Fund Balance

Community Profile

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 as 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 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 grape vines, 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 cross-roads, 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 farm land, more family holdings gathered around the cross-roads. Starting off as just a post office and home union store, West Side's humble cross-roads 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 cross-roads, the orchards were gradually replaced with modern houses for workers. The population steadily grew, and the face of West Side changed, progressing to a more modern town. The community wanted to rename the city, 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 the Silicon Valley. Apple Inc. was founded in Cupertino in 1976 and quickly grew into the tech giant the City is known for today.

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 the favor of families looking to move to the Silicon Valley. People immigrated here for a variety of reasons—whether they were aspiring for career prospects with major tech companies, or striving for a 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.

2018 Community Economic Profile

Cupertino, with a population of 64,127 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 a mature, 93% built-out city, the City of Cupertino focuses on business retention and revitalization. Cupertino is world renowned as the home of high-tech giants, such as Apple, Inc. and Seagate Technologies, and as a community with stellar public schools. DeAnza 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 have resulted in an innovative environment for start-ups and growing companies to thrive. The City strives to retain and attract local companies through active outreach and a responsive and customer-oriented entitlement process.

Cupertino is excited to have a number of new mixed-use development projects in final construction phases and almost fully leased, which will provide more retail and dining options, as well as provide additional housing opportunities to meet the needs of the growing community.

The Main Street and Nineteen800 mixed-use developments have created a vibrant downtown area for Cupertino, offering a large selection of restaurants and retailers, including Alexander's Steakhouse, Eureka!, Rootstock Wine Bar, Oren's Hummus, Lazy Dog, Chef Hung, HaiDiLao Hot Pot Restaurant, Pressed Juicery, Orangetheory, 85 Degree Bakery, Target Express, Steins Beer Garden, Kula Sushi, Vitality Bowls, Doppio Zero, Koja Kitchen, and Icool In2 Ice Cream. Housing, office, and a new Residence Inn by Marriott are available to support the thriving area. Benihana, Dynasty Seafood Restaurant, Bowlmore, Ice Center Cupertino, and Silicon Valley Bay Club also serve as nearby anchors.

The construction of new retail and commercial development strengthens existing popular venues in Cupertino, including The Marketplace. The Marketplace has a variety of stores and restaurants popular with students, families, and working professionals. They include Daiso, Marukai Groceries, Super Cue, La Patisserie Bakery, Beard Papa's, Legend's Pizza, Aloha Fresh, Merlion Restaurant, Icicles, CBI Boiling Fish, Garlic Mediterranean Grill, Rori Rice, and Erik's DeliCafé.

Cupertino Village is undergoing renovations to upgrade existing buildings, construct new buildings, parking, and open-courtyard space. The shopping center is home to 99 Ranch Market, Starbucks, Gogigo Korean BBQ, Creamistry, MOD Pizza, Ten Ren Tea, Fantasia Coffee & Tea, Happy Lemon, Joy Luck Palace, Kee Wah Bakery, and many other Asian restaurants, bakeries, and shops.

Cupertino features many other retail opportunities, including TJ Maxx and Home Goods, Whole Foods, Target, and over 180 restaurants to serve residents and the local workforce. There are six hotels, which provide almost 1,000 rooms, to serve the area: The Aloft Cupertino, Cupertino Hotel, Hilton Garden Inn, Juniper Hotel operated by Curio, Marriott Courtyard, and the Residence Inn by Marriott. The Hyatt House is currently under construction and will offer an additional 148 rooms.

The redevelopment of the Homestead Square Shopping Center, located at Homestead Road and De Anza Boulevard, includes a 24-hour Safeway, Ulta Beauty, Ross Stores, Stein Mart, Michael's, Rite Aid, FedEx Kinko's and numerous restaurants, such as Fish's Wild, 1000 Degrees Neapolitan Pizzeria, Yayoi Teishoku Japanese Restaurant, Starbucks, and Chipotle.

Apple completed construction of its new corporate campus, Apple Park, which includes 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 are open to the public seven days a week.

2018 City Profile

The City of Cupertino operates as a general law city with a City Council-City Manager form of government. Five council members serve four year, overlapping terms, with elections held every two years. The Council meets twice a month on the first and third Tuesday at 6:45 p.m. in Cupertino Community Hall. The meetings can be viewed on the City website.

The City has 201.75 authorized full-time benefited employee positions. City departments include Administration (City Council, Commissions, City Manager, City Attorney, City Clerk, Sustainability, Public Affairs); Administrative Services (Finance, Human Resources); Community Development (Planning, Building, Housing Services, Economic Development, Code Enforcement); Recreation and Community Services (Neighborhood Watch, Emergency Preparedness); Public Works (Engineering, Maintenance, Transportation, Solid Waste, Environmental Programs, Storm Drain Management); and Innovation & Technology (IT, GIS, Website and Applications, Video). Public safety services are provided by the Santa Clara County Sheriff's Department and the Santa Clara County Fire District.

Assisting the City Council are several citizen advisory commissions/committees including:

- Audit Committee
- Fine Arts Commission
- Housing Commission
- Library Commission
- Parks and Recreation Commission
- Planning Commission
- Public Safety Commission
- Sustainability Commission
- Teen Commission
- Technology, Information and Communication Commission

Members of the volunteer boards are appointed by the City Council and vacancies are announced so that interested residents can apply for the positions. For more information, visit cupertino.org/commissions.

Housing

The median sales price for an existing single-family home was $2,178,000 in January 2018. For affordable housing programs in Cupertino, please see the "Programs & Applications" section below.

Community Health Care Facilities

Cupertino is served by the Cupertino Medical Clinic, NovaCare Occupational Health Services. Nearby hospitals include Kaiser Permanente Medical Center in Santa Clara, El Camino Hospital in Mountain View, O'Connor Hospital in San Jose, Community Hospital of Los Gatos, Stanford Hospital in Palo Alto, and the Saratoga Walk-in Clinic in Saratoga.

Utilities

Gas & Electric	Pacific Gas and Electric, 800-743-5000
Phone	AT&T residential service, 800-894-2355
	AT&T business service, 800-750-2355
Cable	Comcast, 800- 945-2288
Solid Waste & Recycling	Recology, 408-725-0420
Water	San Jose Water Company, 408-279-7900
	California Water Service, 650-917-0152
Sewer Service	Cupertino Sanitary District, 408-253-7071

Tax Rates and Government Services

Residential, commercial, and industrial property is appraised at full market value as it existed on March 1, 1975, with increases limited to a maximum of 2% annually. Property created or sold since March 1, 1975 bears full cash value as of the time created or sold, plus the 2% annual increase. The basic tax rate is $1.00 per $100 (full cash value) plus any tax levied to cover bonded indebtedness for county, city, school, and other taxing agencies. Assessed valuations and tax rates are published annually after July 1.

Assessed Valuation (Secured and Unsecured)
Cupertino: $21,346,570,360 (7/17)
County: $449,772,839,608 (7/17)

Retail Sales Tax
Grand Total = 9.00%.
Breakdown = Cupertino 1.00%, State 6%, County Transportation 0.25%, County General .125%, Local District (Valley Transportation Authority) 1.625%.

Transportation

Rail: The CalTrain station is four miles north of city. The Amtrak station is 10 miles south.

Air: The San Francisco International Airport is located roughly 30 miles north, and the Mineta San Jose International Airport is located approximately 11 miles south.

Bus: Cupertino is served by the Santa Clara Valley Transportation Authority. The routes listed below pass through the City. For Cupertino-specific schedules and maps visit their online website: vta.org

Route 23 San Jose – Mountain View/Palo Alto
Route 25 San Jose – De Anza College
Route 26 Eastridge – Lockheed
Route 36 East San Jose – Vallco
Route 51 Vallco – Moffett/Ames
Route 53 Westgate – Sunnyvale
Route 55 De Anza – Great America
Route 81 East San Jose – Vallco
Express 101 Camden/Branham – Palo Alto
Express 501 Palo Alto – I.B.M Bailey

Car: The City of Cupertino is in the heart of the world renowned Silicon Valley. The major highway transportation facilities are Interstate Route 280 and State Route 85 freeways. The City is linked internally by several principal arterials and Santa Clara County expressways. Principal arterials are De Anza Boulevard, Stevens Creek Boulevard, and Wolfe Road. Nearby expressways are Lawrence Expressway and Foothill Expressway.

Sister Cities

The City of Cupertino recognizes the value of developing people-to-people contacts by strengthening the partnerships between the City and its four sister cities of Copertino, Italy; Hsinchu, Taiwan; Toyokawa, Japan, and Bhubaneswar, India. Cupertino's Sister City partnerships have proven successful in fostering educational, technical, economic, and cultural exchanges. Over the years, there have been many delegations visiting both the cities as well as many local students participated in annual student exchange programs.

Education

Winner of numerous state and national awards for excellence, Cupertino's schools are widely acknowledged as models of quality instruction.

Cupertino Union School District serves over 18,000 students in a 26 square mile area that includes Cupertino and portions of five other cities. The district has 20 elementary schools and five middle schools, including several choice programs. Eighteen schools have received state and/or national awards for educational excellence.

Student achievement is exceptionally high. Historically, district test scores place Cupertino among the premier public school districts in California. The district is a leader in the development of a standards-based system of education and is nationally recognized for leadership in the use of technology as an effective tool for learning. Quality teaching and parent involvement are the keys to the district's success.

The Fremont Union High School District serves 10,000 students in a 42 square mile area covering all of Cupertino, most of Sunnyvale, and portions of San Jose, Los Altos, Saratoga, and Santa Clara. The five high schools of the district have garnered many awards and recognition based on both the achievement of students and the programs designed to support student achievement. Many high schools in the district exceed their established achievement targets for the State Academic Performance Index. District students are encouraged to volunteer and provide service to organizations within the community. During their senior year, if students complete 80 hours of service to a non-profit community organization, they are recognized with a "Community Service Award" medal that may be worn at their graduation ceremonies.

Building on its tradition of excellence and innovation, DeAnza College challenges students of every background to develop their intellect, character, and abilities; to achieve their educational goals; and to serve their community in a diverse and changing world.

DeAnza College offers a wide range of quality programs and services to meet the work force development needs of our region. The college prepares current and future employees of Silicon Valley in traditional classroom settings and customized training arranged by employers. Several DeAnza programs encourage economic development through college credit courses, short-term programs, services for manufacturers, technical assistance, and/or recruitment and retention services.

Programs and Applications

Community Outreach Programs

Leadership 95014

Leadership 95014 is a program designed by the City of Cupertino, Wilfred Jarvis Institute, and other local sponsors to offer an exciting adult program that is guaranteed to enhance the participants' leadership skills. The ten full-day sessions feature inside looks at local governments, the social sector, local non-profit organizations, and educational institutions. This 9-month program is offered annually, September to May, and applications can be found online.

Neighborhood Block Leader Program

Good neighborhoods are those where neighbors work together on common issues and look out for each other. Block leaders take extra steps to connect neighbors and build community, making our neighborhoods safer and more harmonious. The Block Leader Program teaches residents how to get to know their neighbors and how to organize activities so neighbors can more easily communicate with each other. Block leaders are vital links between City Hall and the neighborhoods, and leaders gain the inside track on neighborhood development activities.

Neighborhood Watch

Neighborhood Watch is a crime prevention program that enlists the active participation of residents in cooperation with law enforcement to reduce crime in our communities. It involves: neighbors getting to know each other and working together in a program of mutual assistance; residents being trained to recognize and report suspicious activities in their neighborhoods; and implementation of crime prevention techniques such as home security and operation identification. To organize a Neighborhood Watch program in your neighborhood, please contact the Neighborhood Watch Coordinator at 408.777.3177.

eCAP

Email Community Alert Program (eCAP) was created by the Santa Clara County Sheriff's Office to prevent and reduce crime by raising community awareness, minimizing opportunities for crime, and increasing the possibility of solving crimes with the public's help. Cupertino residents may voluntarily register their email addresses with the Sheriff's Office for community alert messages. Citizens can sign-up at a Neighborhood Watch meeting or log-on to the City of Cupertino's eCAP online registration.

Affordable Housing: Below Market Rate (BMR) Program

The City of Cupertino requires all new development projects with seven or more units to provide at least 15% of the units as BMR units. BMR rental units are affordable to very-low and low-income households, while BMR ownership units are affordable to median- and moderate-income households.

The City contracts with Hello Housing as the BMR Program Administrator to manage the day-to-day operations of the BMR Program. Hello Housing maintains a waitlist, screens and places qualified households in BMR units, and assists tenants and homebuyers with annual monitoring. For more information, please visit our website or call (415) 863-3036.

Smart Phone Applications

Mobile 95014

City of Cupertino's Mobile 95014 app offers the latest listings of Cupertino news and events as well as local parks, schools, and recreation offerings in the city. This app showcases environmental services and community services such as Block Leaders and Neighborhood Watch programs. Users can learn about public safety and contact City Council members and City officials. The app also offers links to Cupertino's social media sites.

Trees 95014

Trees 95014 is an iPhone/iPad and Android app which provides details about city-maintained trees in Cupertino. Users can search for trees by street name or by current location. The search results show the picture of the tree and details such as location, height, diameter, and species. Cupertino residents can also sign up their tree, name their tree, and request tree service through this app.

Eats 95014

Eats 95014 is the local restaurant app that showcases Cupertino's dining options such as restaurants, grocery stores, farmers' markets, and vineyards. The app provides information on the services offered at such eating places including store hours, parking information, noise level, directions, and website link.

Ready 95014

Ready 95014 is an app that puts safety information into the hands of Cupertino residents. Steps to prepare and respond to emergencies including earthquakes, floods, fires, and pandemics are outlined in an easy-to-understand format. The app also streams Cupertino's own AM radio station (1670 AM) and has a map of the City's Area Resource Centers, satellite locations opened after disasters to provide public assistance.

Community Statistics

Facts and Figures[1]

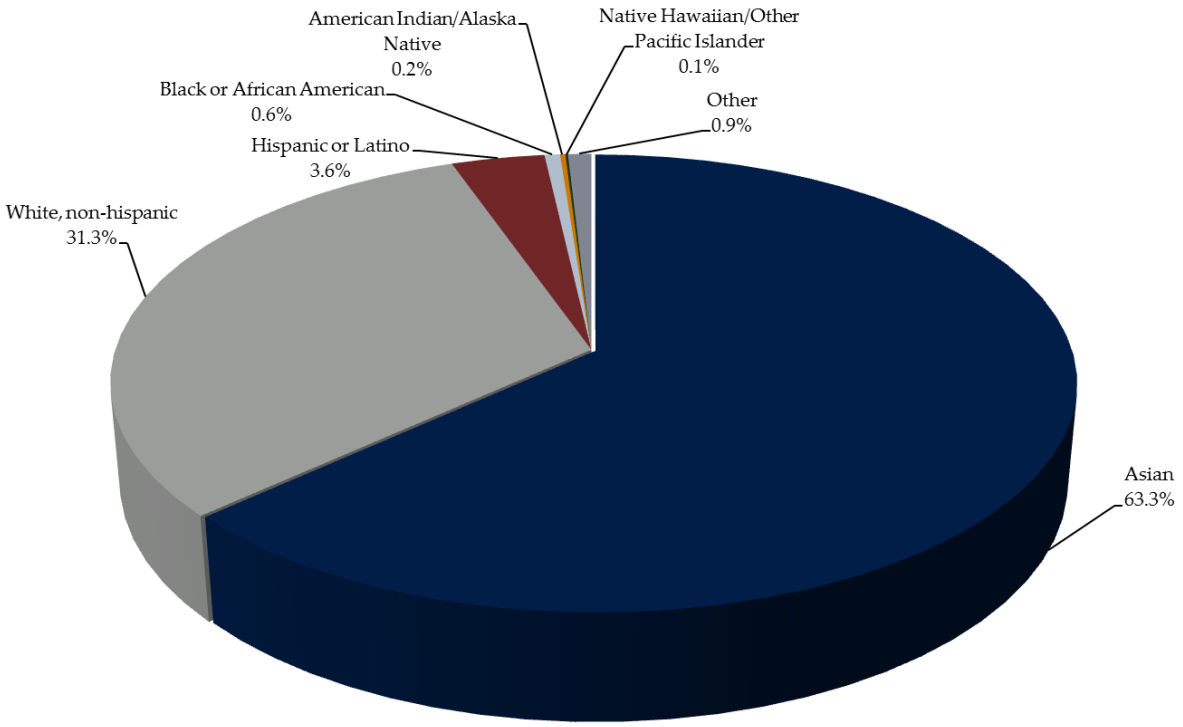
Population in City Limits	64,127
Average Household Income	$222,322
Average Age	40
Registered Voters	28,778
Democrats	11,296
Republicans	4,923
American Independent	406
Other	208
No Political Party designated	11,873

Top 40 Sales Tax Producers
Third Quarter 2017, in Alphabetical Order

7 Eleven	Brightview Landscape Development	Kula Revolving Sushi Bar	Shell Station
99 Ranch Market	Brightview Tree Company	Lazy Dog Cafe	Staples
Agie Charmilles	Chevron	Lindgren RF Enclosures	Superior Air Handling
Alexander's Steak House	De Anza College Campus Center	Mirapath	Target
Alliance	Dental Arts of California	Ross	Teknion
Apple	Dynasty Seafood Restaurant	Rotten Robbie	TJ Maxx
Aqui Cal Mex	Estel Group	Safeway	Ulta Beauty
Argonaut Window & Door	Huawei Enterprise	Scandinavian Designs	Valero
Benihana	Insight Direct	Seele	Whole Foods Market
BJs Restaurant & Brewhouse	Insight Public Sector	Shane Company	Wiremold

[1] Claritas 2018 Estimates and California Secretary of State Report of Registration February 10, 2017

Demographic Information



Community and Recreation Services

Blackberry Farm

Blackberry Farm is a large park featuring picnic sites for groups of up to 400 people, an on-site café, two swimming pools, a waterslide, a playground, horseshoe courts, sand volleyball courts, and bocce ball courts. The Stevens Creek Trail runs through the park and connects it to the Blackberry Farm Golf Course and the McClellan Ranch Reserve. Blackberry Farm is a seasonal facility — the pools, café, and picnic sites are open to the public May-September. The trail, playground, and courts can be enjoyed year-around. The park is located at 21979 San Fernando Avenue. Telephone: 408-777-3140.

The Blackberry Farm Golf Course is located at 22100 Stevens Creek Boulevard. Telephone: 408-253-9200.

The Quinlan Community Center

The City of Cupertino's Quinlan Community Center is a 27,000 square foot facility that provides a variety of recreational opportunities. Most prominent is the Cupertino Room - a multi-purpose room that can accommodate 300 people in a banquet format. Telephone: 408-777-3120.

Cupertino Sports Center
The Sports Center is a great place to meet friends. The facility features 17 tennis courts, complete locker room facilities, and a fully-equipped fitness center featuring free weights, Cybex, and cardio equipment. A teen center and a child-watch center are also included. The center is located at the corner of Stevens Creek Boulevard and Stelling Road. Telephone: 408-777-3160.

Cupertino Senior Center
The Senior Center provides a welcome and friendly environment for adults over age 50. There is a full calendar of opportunities for learning, volunteering, and enjoying life. There are exercise classes, computer lab classes, and English as a second language classes, and cultural and special interest classes. The center also coordinates trips and socials. The Senior Center is located at 21251 Stevens Creek Boulevard and is open Monday through Friday, 8 a.m. to 5 p.m. Telephone: 408-777-3150.

Civic Center and Library
The complex has a 6,000 square foot Community Hall, plaza with fountain, trees, and seating areas. City Council meetings, Planning Commission sessions, and Parks and Recreation Commission sessions are held in Community Hall.

Across from City Hall and adjacent to Community Hall, the 54,000 square foot Cupertino Library continues to be one of the busiest libraries in the Santa Clara County Library system. For more information, call 408-446-1677.

McClellan Ranch Park
A horse ranch during the 1930's and 40's, this 18-acre park has the appearance of a working ranch. Preserved on the property are the original ranch house, milk barn, livestock barn, and two historic buildings: Baer's Blacksmith Shop, originally located at DeAnza and Stevens Creek, and the old water tower from the Parish Ranch, now the site of Memorial Park. Rolling Hills 4-H Club members raise rabbits, chickens, sheep, swine, and cattle. The Junior Nature Museum, which features small live animal exhibits and dispenses information about bird, animal, and plant species of the area, is also located at the ranch. The newly opened Environmental Education Center has Open House hours on Friday, Saturday, and Sunday. McClellan Ranch is located at 22221 McClellan Road. Telephone: 408-777-3120.

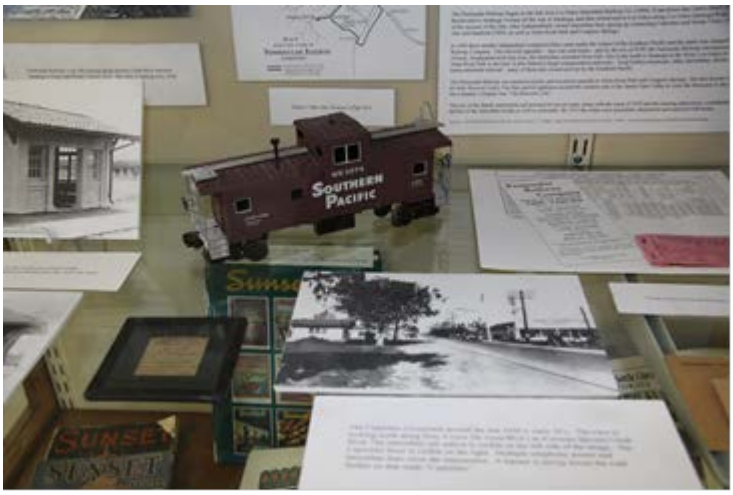
Things to Do and See

Euphrat Museum of Art
The highly regarded Euphrat Museum of Art, located next to the Visual Arts and Performance Center at DeAnza College, presents one-of-a-kind exhibitions, publications, and events reflecting the rich diverse heritage of our area. The Museum prides itself on its changing exhibitions of national and international stature emphasizing Bay Area artists. Museum hours are 10 a.m. – 3 p.m. Monday through Thursday. Telephone: 408-864-5464

Fujitsu Planetarium
The Fujitsu Planetarium on the DeAnza College campus is a must-visit Cupertino facility for stargazers. It hosts a variety of planetarium shows and events, including educational programs for school groups and family astronomy evenings. For more information, visit the website at http://planetarium.deanza.edu or call 408-864-8814.

Flint Center
The cultural life of the Peninsula and South Bay is enhanced by programs presented at the Flint Center for Performing Arts located at 21250 Stevens Creek Boulevard in the DeAnza College campus. The center opened in 1971 and was named in honor of Calvin C. Flint, the first chancellor of the Foothill-DeAnza Community College District. The box office is open 10 a.m. – 4 p.m. Tuesday through Friday and 1.5 hours prior to any performance. Box office: 408-864-8816; administrative office: 408-864-8820.

Cupertino Historical Society
The Cupertino Historical Society was founded in 1966 by a group of 177 longtime residents and is dedicated to the preservation and exhibition of the city's history. Their museum, located at the Quinlan Community Center, develops and expands the learning opportunities that it offers to the ethnically diverse community of the City of Cupertino. Telephone: 408-973-1495.



Farmers' Market
There are two farmers' markets located in the City of Cupertino. One is held on Fridays from 9:00 a.m. to 1:00 p.m. at Creekside Park, and the other is held every Sunday from 9:00 a.m. to 1:00 p.m. at the Cupertino Oaks Shopping Center, 21275 Stevens Creek Blvd.

California History Center
The California History Center and Foundation is located on the DeAnza College campus. The center has published 37 volumes on California history and has a changing exhibit program. The center's Stocklmeir Library Archives boast a large collection of books, pamphlet files, oral history tapes, videotapes, and a couple thousand student research papers. The library's collection is for reference only. Heritage events focusing on California's cultural and/or natural history are offered by the center each quarter. For more information, call 408-864-8987. The center is open September through June, Tuesday through Thursday, from 9:30 a.m. to noon and 1:00 p.m. to 4:00 p.m.

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Financial Policies and Schedules

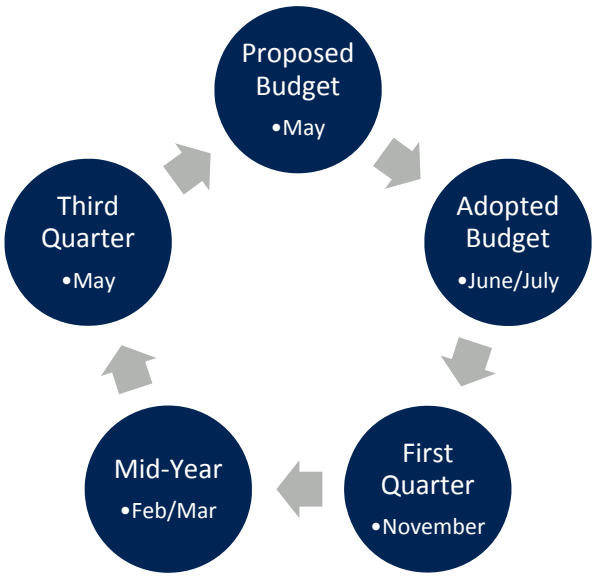
The Annual Budget Process

The City's annual budget is prepared on a July 1 to June 30 fiscal year basis. However, the budget process is an ongoing process that occurs throughout the year and includes the phases of development, proposal, adoption, monitoring, and amendment.

The budget development phase begins in December with the preparation of budget instructions and work program development by the City Council and City Manager. During March, departments prepare the budgets for which they are responsible. These proposed department budgets are reviewed by the Finance Division using current and prior year trends data. The City Manager then reviews the proposals with the Director of Administrative Services and departmental staff and makes final decisions which form the basis of the City Managers Proposed Budget. The proposed budget is then submitted to the City Council in May.

During the months of May and June, the City Council considers the budget proposals at a study session and public hearing. At these times, the Council hears from Boards, Commissions, community groups, and the public regarding budget requests and recommendations. The adopted budget is adopted by resolution in June and takes effect on July 1.

The following chart illustrates the City's budget reporting cycle. Staff reports to Council on a quarterly basis in addition to the annual proposed and adopted budget. Should amendments to the budget be required outside of this cycle, staff will bring budget amendments as separate Council staff reports.



Budget Amendment Process

After the budget is adopted, the City enters the budget monitoring phase. Throughout the year, expenditures are monitored by the Finance Division staff and department managers to ensure that funds are used in an approved manner. Adjustments to expenditures within or between departmental budgets are accomplished on an as-needed basis administratively throughout the year. The City Manager and Department Heads can transfer funds between their line items and/or divisions as needed.

City Council approval is required for additional appropriations from fund balances or for new revenue sources.

Structure of City Finances

Cost Accounting

The City of Cupertino has five internal service funds that account for innovation & technology, equipment replacement, workers compensation, long-term disability and compensated absence, and retiree health costs experienced by City departments. Fund costs are allocated to user departments or operating funds based on salaries, equipment and software purchase price, actuarial studies and actual and projected service level. Please view the Cost Allocation Plan and Changes to the Internal Service Fund section of this document for details.

Other employee fringe benefits such as medical, dental, life insurance, and pensions are directly added to department costs as a percentage of salaries. Staff salary and benefit costs are split among departments and related funds based on the anticipated percentage of time spent working in various departments.

Overhead Cost Allocation

All overhead costs are allocated to the appropriate program within the limits of local, State and federal laws. The City utilizes a two-step method (double step down method) where costs are first allocated among the central service department support programs to arrive at the total costs of central service programs. Beginning in FY 2014 overhead/indirect costs associated with service departments in the General Fund were allocated based on a Cost Allocation Plan (CAP).

These total costs are then allocated to the departments and funds that are benefiting from these expenses. The corresponding revenue is collected by the General Fund for indirect/overhead costs associated with the Cost Allocation Plan (CAP) and Internal Service Funds and allocated directly to the department providing the service.

Basis of Budgeting

Basis of Budgeting refers to the method used to recognize revenues and expenditures in the budget. For the City of Cupertino, the basis of budgeting is the same basis used for accounting. The modified accrual basis is followed in the Governmental Funds, including the General, Capital, Debt Service, and Special Revenue funds. Under this basis, revenues are recognized when they become "susceptible to accrual", which means they are both measureable and available. Measurable means the transaction can be determined.

The budget is split into nine Departments: City Council and Commissions, Administration, Law Enforcement, Innovation and Technology, Administrative Services, Recreation and Community

Services, Planning and Community Development, Public Works, Non Departmental (includes budget that are not attributable to any specific division) and Capital Projects. These departments are further split into divisions then programs. The programs within the divisions are balanced at the department level within a given fund.

Comprehensive Annual Financial Report (CAFR)

The Comprehensive Annual Financial Report (CAFR) is prepared by Crowe and Horwath, the City's Auditors and according to "Generally Accepted Accounting Principles" (GAAP).

Citizen Participation

Every two years the City of Cupertino has a Community Survey completed by Godbe Research to measure resident's satisfaction with living in the City, City Services and to identify issues facing the City. In addition, the budget study session and budget hearings are public meetings where citizens are given the opportunity to comment on the budget. The public can also provide feedback to two Council sub-committees, the Fiscal Strategic Planning and Audit Committees.

Fund Structure

For accounting purposes, a state or local government is not treated as a single, integrated entity. Rather, a government is viewed as a collection of smaller separate businesses known as 'funds'. Fund accounting is an accounting system emphasizing accountability rather than profitability. In this system, a fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

The City's finances are structured in a variety of funds that are the basic accounting and reporting entities in governmental accounting. The funds that comprise the FY 2018-19 budget are grouped into two major categories, Governmental Funds and Proprietary Funds. The purpose of each of the various funds within these two categories is described below:

Governmental Funds

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. Governmental funds include Tax Supported Funds, Special Revenue Funds and Federal Grant Funds. They are accounted for under the modified accrual basis of accounting.

Tax Supported Funds

Tax Supported Funds include the General and Capital Improvement Funds. The General Fund is the primary operating fund for governmental services. The Capital Improvements Fund is utilized for the acquisition or construction of major capital facilities.

Tax Supported Funds	Purpose
General	The General Fund is used to pay for core services such as public safety, parks and recreation, planning and community development, public works, and a host of other vital services. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, franchise fees, charges for services, and a variety of other discretionary sources.
Capital Improvement	
Capital Improvement Projects	This fund pays for the acquisition and/or construction of major capital facilities.
Stevens Creek Corridor Park Capital Projects	This fund pays for the design and construction of the Stevens Creek Corridor Park projects.

Special Revenue Funds

Special Revenue Funds are a fund type used to 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, Environmental Management/ Clean Creeks funds and Housing and Community Development.

Special Revenue Funds	Purpose
Storm Drain Improvement	This fund pays for the construction and maintenance of storm drain facilities, including drainage and sanitary sewer facilities.
Park Dedication	This fund pays for the activity granted by the business and professions code of the State of California in accordance with the open space and conservation element of the City's General Plan.
Environmental Management/Clean Creek/Storm Drain	This fund pays for all activities related to operating the Non-Point Source pollution program.
Transportation	This fund pays for expenditures related to the maintenance and construction of City streets.
Housing & Community Development	This fund pays for the Federal Housing and Community Development Grant Program activities administered by the City. This fund also pays for activities related to the Below Market Rate Housing Program.

Federal Grant Funds

Federal Grant Funds include the Community Development Block Grant program. The Community Development Block Grant is a federally funded program for housing assistance and public improvements.

Federal Grant Funds	Purpose
Community Development Block Grant	This fund pay for activities related to the Community Development Block Grant (CDBG).

Proprietary Funds

Proprietary Funds are used to account for "business-type" activities. Proprietary Funds include Enterprise Funds and Internal Service funds. They are accounted for under the full accrual basis of accounting.

Enterprise Funds

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

Enterprise Fund	Purpose
Resource Recovery	This fund pays for operating costs related to the collection, disposal, and recycling of solid waste performed under a franchise agreement with Recology.
Blackberry Farm Golf Course	This fund pays for operating costs related to the Blackberry Farm Golf Course.
Sports Center	This fund pays for operating costs related to the Sports Center.
Recreation Programs	This fund pays for operating costs related to the City's community centers and park facilities.

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 the Innovation & Technology, Equipment, Workers Compensation, Long-Term Disability/Compensated Absence, and Retiree Medical funds.

Internal Service Funds	Purpose
Innovation & Technology	This fund pays for all technology related expenses for the citywide management of information services. This fund pays for the replacement of existing hardware and software and the funding of new hardware and software needs city-wide. Equipment is depreciated based on the acquisition or historical costs for the useful life of the asset using the straight line method.
Workers' Compensation	This fund pays for claims and insurance premiums related to workers' compensation.
Equipment Maintenance and Fixed Asset Acquisition	This fund pays for the purchase and maintenance of fleet and general equipment having a value greater than $5,000 and expected life of more than one year. Assets are depreciated based on the acquisition or historical costs for the useful life of the asset and using the straight line method.
Compensated Absences & Long Term Disability	This fund pays for liabilities associated with employees retiring or leaving service and claims and premiums associated with long term disability.
Retiree Medical	This fund pays for Retiree Medical costs.

Fiscal Policies – Revenue Policies

PURPOSE

To establish revenue polices that assist the City in striving for and maintaining a diversified and stable revenue system to prevent undue or unbalanced reliance on any one source of funds. This revenue diversity will shelter the City from short-run fluctuations in any one revenue source.

SCOPE

All revenue sources across all funds.

POLICY

To the extent possible, maximize investment yield while maintaining a high level of liquidity for the City's anticipated capital costs.

Identify and recommend sources of revenue necessary to maintain the services desired by the community and to maintain the City's quality of life.

Perform ongoing evaluations of existing sources of revenue to maximize the City's revenue base.

Recover costs of special services through user fees.

Pursue full cost recovery and reduce the General Fund fee subsidy to the degree feasible.

Allocate all internal service and Cost Allocation Plan charges to appropriate user departments and

Ensure that Enterprise activities remain self-supporting in the long term.

Fiscal Policies – Expenditure Policies

PURPOSE

To establish expenditure control polices through the appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted or amended budget.

SCOPE

All expenditure categories across all funds.

POLICY

Each Department or Division Manager will be responsible for the administration of their department/division budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limits.

Accurately charge expenditures to the appropriate chart of accounts;

Maintain operating activities at levels which are offset by revenues;

The City will make every effort to control expenditures to ensure City services and programs provided to its citizens and tax payers are cost effective and efficient;

Evaluate expenditures at the department and project levels to ensure control;

Before the City purchases any major asset or undertakes any operating or capital arrangements that create fixed assets or ongoing operational expenses, the implications of such purchases or arrangements will be fully determined for current and future years;

All compensation planning and collective bargaining will include analysis of total cost of compensation which includes analysis of salary increases, health benefits, pension contributions, fringe benefits and other personnel costs. The City will only propose operating personnel costs which can be sustained by on-going operating revenues;

Reduce costs and improve productivity through the use of efficiency and effective measures. -

Structure debt financing to provide the necessary capital while minimizing future debt service costs.

Fiscal Policies – Capital Improvement Policy

PURPOSE

To establish a Capital Improvement Policy to assist in future planning.

SCOPE

All anticipated Capital Improvement Projects for the current fiscal year plus four additional fiscal years.

POLICY

The City will prepare and update a five year Capital Improvement Plan (CIP) encompassing all City facilities.

Projects included in the CIP will have complete information on the need for the project (project justification), description and scope of work, total cost estimates, future cost estimates, future operating and maintenance costs and how the project will be funded.

An objective process for evaluating CIP projects with respect to the overall needs of the City will be established through a priority ranking of CIP projects. The ranking of projects will be used to allocate resources to ensure priority projects are completed effectively and efficiently.

Changes to the CIP such as addition of new projects, changes in scope and costs of a project or reprioritization of projects will require City Manager and City Council approval.

The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future operating maintenance and replacement costs. The City recognizes that deferred maintenance increases future capital costs, thus placing a burden on future residents. Therefore, the budget will provide for adequate maintenance and the orderly replacement of capital plant and equipment from current revenues when possible.

The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low cost state or federal loans whenever possible.

The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature. The City may also utilize "pay-as-you-go" funding for capital improvements when current revenues and adequate fund balances are available or when issuing debt would adversely affect the City's credit rating.

The City will consider the use of debt financing for capital projects under the following circumstances:

- When the project's useful life will exceed the terms of the financing
- When resources are deemed sufficient and reliable to service the long-term debt
- When market conditions present favorable interest rates for City financing
- When the issuance of debt will not adversely affect the City's credit rating and debt coverage ratios.

Fiscal Policies – Information Technology Replacement and Capitalization Policy

PURPOSE

The purpose of this policy is to establish guidelines for replacing and capitalizing technology equipment and systems. Replacement is indicated when a product has run its useful life and updating/upgrading is no longer an option. Capitalization of equipment requires the set aside of funding for future replacement.

Generally, technology equipment with a life expectancy of at least 5 years and a total cost of over $5,000 shall be capitalized. Software with an expected life of at least 7 years or a cost of over $10,000 shall also be capitalized. Software-as-a-Service (SaaS) contracts are not capitalizable and are expensed as incurred.

Technology upgrades are determined by the Innovation Technology Department and user departments based on functionality, vendor support, and industry standards.

SCOPE

This policy covers the City of Cupertino: network infrastructure (routers, switches, firewalls, security appliances); server infrastructure (files servers, database servers, mail servers, web servers, etc); user laptops and workstations; mission-critical systems, telephone system (telephone equipment not already listed previously); desktop software; enterprise software; workgroup software; and broadcast video and audiovisual equipment.

Cell phones, printers, and tablet devices are not covered by this policy as these items do not meet the minimum criteria for capitalization. Replacement of these items are at the discretion of the Innovation Technology Department in concert with the user Department.

POLICY

All technology shall be replaced according to the following:

Network infrastructure (routers, switches, firewalls) shall be replaced when no longer functional, as determined by the Innovation Technology Department Division (IT), or when parts or support are no longer available from the manufacturer. Replacement needs will be determined by IT annually as part of the operating budget process. Network infrastructure with a life expectancy of at least 5 years and a total cost of over $5,000 shall be capitalized.

Server infrastructure shall be replaced when it is no longer functional (defined as not being able to meet its intended purpose), or when parts or support are no longer available from the manufacturer. These needs are evaluated annually by IT and user departments as part of the operating budget process. Servers are evaluated as they approach 3 years in service, and placed on the schedule accordingly. Server lifetime may be extended by the purchase of additional memory or disk. Server infrastructure with a life expectancy of at least 5 years and a total cost of over $5,000 shall be capitalized.

User workstations shall be replaced, on average, after 4 years as is industry standard. Zero Client work stations shall be replaced, on average, every 8 years. IT will determine the need for specific replacements. User workstations shall not be capitalized as they do not meet the minimum criteria for capitalization.

Interoperable systems are defined as a group of interdependent and/or interoperable components that together form a single functional unit. These components may be interconnected by their structural relationships, their common functional behavior, or by both. Generally, for a system to be eligible for capitalization, the cumulative value of its components should be at least $5,000 and have a life expectancy of five years or more. A common example of such system would be a telephone system or network. Individual component or replacement costs are not capitalizable unless they are greater than $5,000 and increase the value of the asset.

Enterprise Software replacement shall be determined individually by IT and the end users. Only those large enterprise systems (on-site or on premise) with an expected life of at least 7 years or a cost of over $10,000 shall be capitalized. SaaS contracts are not capitalizable and are to be expenses as incurred.

Desktop Software is replaced/updated according to Microsoft's releases of Windows and Office. Software shall not be more than one version out of date to ensure functionality and vendor support. IT will generally wait at least 90 days after a new release to roll out new versions. Only software with an expected life of at least 7 years or a cost of over $10,000 shall be capitalized. Desktop software generally does not meet this criterion.

Broadcast Video and Audiovisual Equipment/Systems shall be repaired or replaced when determined no longer functional. Replacement will occur on average after 10 years. Broadcast video and audiovisual equipment/systems with a life expectancy of at least 5 years and a total cost of over $5,000 shall be capitalized. Equipment that does not meet these criteria may still be capitalized if the item is a component of interoperable systems.

Fiscal Policies – Pension and Retirement Funding Policy

PURPOSE

To establish a policy for the funding of Retirement and Retiree health.

SCOPE

Retirement and Retiree Health costs citywide, across all funds.

POLICY

Fund all current pension liabilities on an annual basis.

Monitor certain health and dental care benefits for retired employees. Funding the liability for future retiree benefits will be determined by City Council action.

Fiscal Policies – Long Term Financial Stability Policies

PURPOSE

To establish a policy for Long Term Financial Stability

SCOPE

All programs across all funds

POLICY

Ensure ongoing productivity through employee training and retention programs.

Pursue consolidation of resources and activities with other agencies and jurisdictions where beneficial.

Ensure financial planning flexibility by maintaining adequate fund balances and reserves.

Provide for major maintenance and repair of City buildings and facilities on a timely basis.

Provide for infrastructure asset preservation that maximizes the performance of these assets at minimum life-cycle costs.

Continually evaluate and implement long-term financial planning including technology automation, multiple year capital improvement programs, revenue and expenditure forecasting, automating and streamlining service delivery, stabilizing and repositioning revenue sources, and decreasing expenditures and risk exposure.

Fiscal Policies – Committed, Unassigned Fund Balance, and Use of One Time Funds Policy

PURPOSE

To establish assigned and unassigned fund balance and one time use policies.

SCOPE

The General Fund and Capital Funds.

POLICY

To maintain sufficient committed and unassigned fund balance (general fund only) in each fund for the ability to meet following economic uncertainties:

Economic Uncertainty –$19,000,000 and represents two months of General Fund (GF) operating expenditures excluding transfers out plus a two year drop in total general fund revenue of 13% or approximately 1.5 months, excluding the use of reserves. Transfers out are primarily used to fund Capital Projects and do not represent on-going expenditures. This assignment will change from year to year based on budgeted general fund expenditures and revenues.

- Mitigate short-term economic downturns and volatility in revenues (2 years or less)
- Sustain city services in the event of an emergency
- Meet requirements for debt reserves
- Meet operating cash flow requirements as a result of delay in the receipt of taxes, grant proceeds and other operating revenues

PERS– $8,000,000 and represents the initial investment into the City's Pension Rate Stabilization Program (PRSP). As a result of the significant increase in retirement costs based on the most recent actuarial forecast, the City elects to establish and fund a secondary pension trust to assist in stabilizing the potential impact of pension cost volatility on the City's operating budget. Annual contributions subsequent to the initial funding are determined by calculating the difference between CalPERS' current discount rate and a more conservative rate determined by the City. This difference is to be transferred to the pension trust and to be used solely for the benefit of members in the plan.

Sustainability Reserve– Cupertino's Sustainability Division oversees the City's Climate Action Plan (CAP), which defines strategies to reduce greenhouse gas emissions, and provides residents, businesses and schools with programs and services focused on energy efficiency, renewable energy, water conservation, alternative transportation and other sustainable actions. The City receives rebates for projects that successfully meet the eligibility requirements such as energy or water efficiency. If the rebates were not initially budgeted, they are categorized as committed fund balance in the General Fund. The purpose of this reserve is to help support future sustainability projects/programs.

Unassigned – $500,000 and represents 1% of the total general fund operating budget**.** This assignment may change from year to year based on budgeted general fund expenditures.

- Absorb unanticipated operating needs that arise during the fiscal year that were not anticipated during the budget process
- Absorb unexpected claims or litigation settlements

Capital Improvement – $5,000,000 and represents average dollars spent for capital projects in the last three fiscal years. This assignment may change from year to year based on actuals dollars spent on capital projects and anticipated future capital project needs.

- Meet future capital project needs so as to minimize future debt obligations

The City shall not use fund balances/reserves in lieu of revenues to pay for ongoing expenses except as specifically provided in the City's reserve policy.

The chart below summarizes reserve policy levels as described above:

Funding Priority	Reserve	Reserve Level	Escalator[1]	Description
GENERAL FUND				
1	Economic Uncertainty	$19,000,000	GF Budgeted Operating Expenditures[2] GF Budget Revenue[3]	For economic downturns and major revenue changes.
2	PERS	$8,000,000	Budgeted Citywide Retirement Costs	For pension cost increases.
3	Sustainability Reserve	$75,499	GF Budget Revenue[3]	For future sustainability projects/programs.

4	Unassigned	$ 500,000	Budgeted GF Operating Expenditures[2]	For mid-year budget adjustments and redeployment into the five year budget.
CAPITAL PROJECTS FUNDS				
5	Capital Improvement	$ 5,000,000	None	Reserves set aside for future capital projects.

[1] Rounded to the nearest hundred thousand

[2] Excludes Transfers Out

[3] Excludes the use of reserves

Changes to Committed Fund Balance – All reserves listed in this policy are classified as Committed Fund Balance under Government Accounting Standards Board (GASB) Statement 54. Committed fund balance is comprised of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Changes to committed fund balances must be approved by City Council. This policy will be reviewed annually as part of the budget process.

Replenishment process – Should the City need to utilize any of the committed fund balances listed in this policy, recommendation will be brought to City Council for approval and a plan to replenish the committed balance will be developed in conjunction with its use.

Excess – Funding of these reserves will come generally from one-time revenues, annual net income, and transfers from other reserves that exceed policy levels. They will be funded in the following priority order with any remaining funds to be placed in the Capital Reserve:

1) Economic Uncertainty
2) PERS
3) Sustainability Reserve
4) Unassigned

Fiscal Policies – 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 perform agreed-upon procedures to review City compliance with the policy. The full policy is available on the City website as part of the May 1, 2018 City Council agenda packet.

Fiscal Policies – Community Funding Policy

PURPOSE

The City of Cupertino currently provides funding to local non-profit organizations in the areas of social services, fine arts and other programs for the general public. This policy establishes a standard application process whereby funding decisions of non-profit requests can be addressed on a fair and consistent basis by establishing a set of criteria for evaluating requests, ensuring that all entities follow a formal application process and pre-approving a dollar limit for those requests.

SCOPE

All requests for funding must comply with this policy.

POLICY

The applicant should identify the services provided, purpose for the funds, how the expenditure aligns to City priorities and how the funds will be used to benefit the Cupertino community.

A recurring organization should state how prior year funds, if any, were used.

The applicant should include information about the organization, its budget and its purpose.

Non-profit organizations which serve multi-jurisdictions should state what they have requested from other cities/organizations they service in regards to this program request.

Cupertino does not fund ongoing operational costs. Requests should be for one-time, project specific needs.

The organization must show that their staff has the experience to implement and manage the project. More than 75% of the budget must go to direct service costs versus administrative costs.

Staff should include all requests and funding recommendations for Council consideration.

Non-profits will be notified of our process in advance and no proposals will be entertained after **March 1 of each year**.

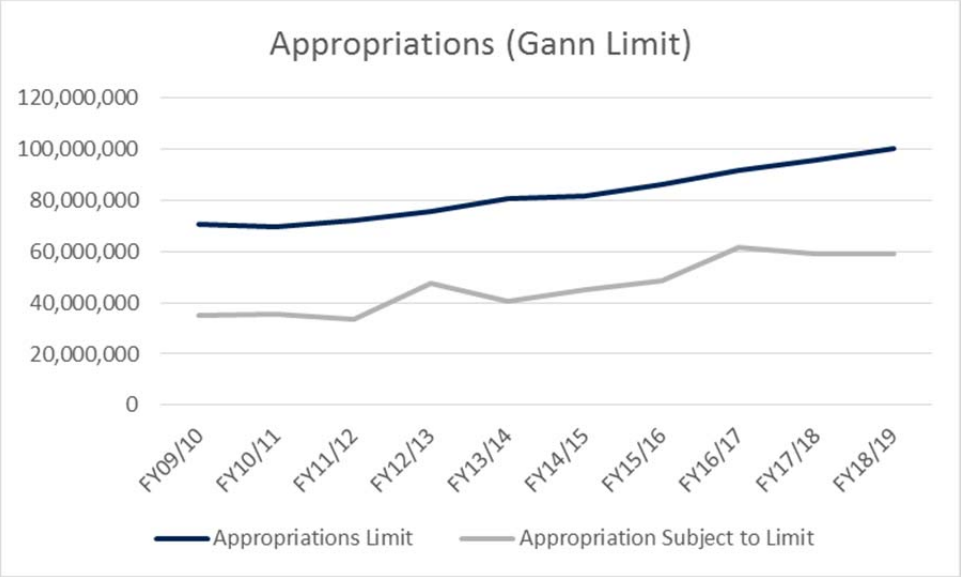
City Council will make the final decision as part of the budget process.

Appropriations & Legal Debt Limit Margin

Gann Appropriations Limit
Fiscal Year 2018-19

Article XIIIB of the California State Constitution as enacted by Proposition 4, the Gann initiative of 1979, 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. The original Article XIIIB was further modified by Proposition 111 and SB 88 approved by California voters in June of 1990. Proposition 111 allows cities more flexibility in choosing certain inflation and population factors to calculate the limit.

Appropriations Subject to Limit



The limit is different for each agency and the limit changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in fiscal year 1978-79 in each agency, modified for changes in inflation and population in each subsequent year. Proposition 111 has modified those factors to allow cities to choose either the growth in California Per Capita Income or the growth in non-residential assessed valuation due to new construction in the city. Alternatively, the city could select a population growth factor represented by the population growth in Santa Clara County. Each year the city establishes its appropriations limit for the following fiscal year.

The City's appropriations limit for FY 2019 is $100,538,305, $4,509,818 or 4.7% higher than the FY 2018 limit of $96,028,488. For FY 2019, the City's estimated appropriations of proceeds from taxes, less statutory exclusions, are unchanged as of the Final Budget. If a city exceeds the legal limit, excess tax revenue must be returned to the State or citizens through a process of refunds, rebates, or other means that may be determined at that time. The appropriations limit is not expected to present a constraint on current or future budget deliberations.

Legal Debt Margin
Fiscal Year 2018-19

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 assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, 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 fiscal year 2017/18 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
Secured Property Assessed Value, Net of Exempt Real Property (1)	$27,750,185,792	
Adjusted Valuation - 25% of Assessed Valuation (2)	$ 6,937,546,448	(1) * 25%
Debt Limit - 15% of Adjusted Valuation	$ 1,040,631,967	(2) * 15%
Total City Bonded Debt (3)	$ 31,520,000	
Less: Certificates of Participation Not Subject to Debt Limit (4)	$ (31,520,000)	
Amount of Debt Subject to Limit	-	(3) - (4)
Legal Debt Margin	$ 1,040,631,967	

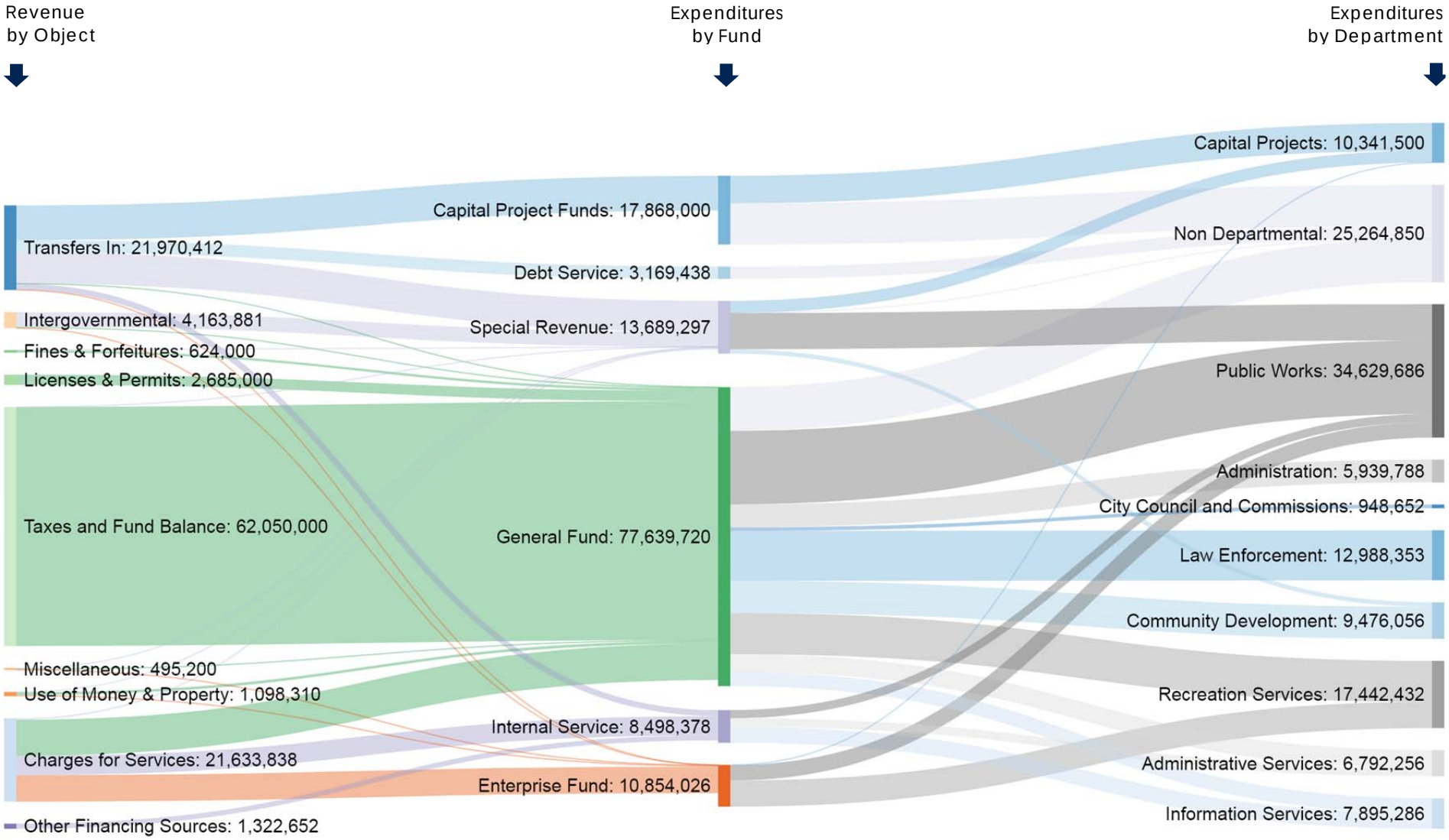
Fiscal Year 2018-19 Adopted Budget
Financial Overview by Fund

Revenue Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2018-19 Adopted Budget Total
Sales Tax	$ 23,637,000	$ -	$ -	$ -	$ -	$ -	$ 23,637,000
Property Tax	$ 22,766,000	$ -	$ -	$ -	$ -	$ -	$ 22,766,000
Transient Occupancy	$ 8,252,000	$ -	$ -	$ -	$ -	$ -	$ 8,252,000
Utility Tax	$ 3,200,000	$ -	$ -	$ -	$ -	$ -	$ 3,200,000
Franchise Fees	$ 3,042,000	$ -	$ -	$ -	$ -	$ -	$ 3,042,000
Other Taxes	$ 1,150,000	$ 3,000	$ -	$ -	$ -	$ -	$ 1,153,000
Licenses & Permits	$ 2,685,000	$ -	$ -	$ -	$ -	$ -	$ 2,685,000
Use of Money & Property	$ 692,000	$ 89,310	$ -	$ -	$ 317,000	$ -	$ 1,098,310
Intergovernmental	$ 326,000	$ 3,822,881	$ -	$ -	$ 15,000	$ -	$ 4,163,881
Charges for Services	$ 9,419,276	$ 370,000	$ -	$ -	$ 6,871,400	$ 4,973,162	$ 21,633,838
Fines & Forfeitures	$ 615,000	$ 9,000	$ -	$ -	$ -	$ -	$ 624,000
Miscellaneous	$ 244,200	$ 185,000	$ -	$ -	$ 66,000	$ -	$ 495,200
Transfers In/Other Financing Uses	$ 860,000	$ 8,086,000	$ 3,169,438	$ 9,051,500	$ 75,000	$ 2,051,126	$ 23,293,064
TOTAL REVENUE	**$ 76,888,476**	**$ 12,565,191**	**$ 3,169,438**	**$ 9,051,500**	**$ 7,344,400**	**$ 7,024,288**	**$ 116,043,293**

Appropriation Categories	General Fund	Special Revenue Fund	Debt Service Fund	Capital Project Funds	Enterprise Funds	Internal Service Funds	2018-19 Adopted Budget Total
Employee Compensation	$ 19,349,144	$ 990,595	$ -	$ -	$ 1,902,484	$ 1,361,662	$ 23,603,885
Employee Benefits	$ 8,059,818	$ 501,148	$ -	$ -	$ 566,178	$ 1,696,269	$ 10,823,413
Materials	$ 5,772,556	$ 855,119	$ -	$ -	$ 568,836	$ 981,277	$ 8,177,788
Contract Services	$ 19,461,836	$ 867,900	$ -	$ -	$ 6,066,925	$ 1,981,855	$ 28,378,516
Cost Allocation	$ 9,368,223	$ 425,454	$ -	$ -	$ 906,362	$ 727,082	$ 11,427,121
Capital Outlays	$ 793,000	$ 4,103,379	$ -	$ 7,141,500	$ 75,000	$ -	$ 12,112,879
Special Projects	$ 1,368,298	$ 5,900,000	$ -	$ -	$ 240,000	$ 903,000	$ 8,411,298
Contingencies	$ 1,197,933	$ 35,702	$ -	$ -	$ 207,732	$ 147,882	$ 1,589,249
Transfers Out	$ 11,358,912	$ 10,000	$ -	$ 10,726,500	$ -	$ -	$ 22,095,412
Debt Service/Other Uses	$ 910,000	$ -	$ 3,169,438	$ -	$ 320,509	$ 699,351	$ 5,099,298
TOTAL EXPENDITURES	**$ 77,639,720**	**$ 13,689,297**	**$ 3,169,438**	**$ 17,868,000**	**$ 10,854,026**	**$ 8,498,378**	**$ 131,718,859**
Net Increase (Decrease) in Fund Balance/Retained Earnings	**$ (751,244)**	**$ (1,124,106)**	**$ -**	**$ (8,816,500)**	**$ (3,509,626)**	**$ (1,474,090)**	**$ (15,675,566)**

Fiscal Year 2018-19 Adopted Budget
Flow of Funds Chart

SOURCE OF FUNDS



Fiscal Year 2018-19 Adopted Budget
General Fund Contribution Schedule

Fund Type	Adopted Budget Expenditures	Adopted Program Revenues	Adopted Budget Fund Balance/ Retained Earnings (Usage)	Adopted General Fund Contribution
General Fund				
10 City Council				
100 City Council	417,912	406,858	-	11,054
101 Community Funding	53,431	-	-	53,431
110 Sister Cities	57,352	-	-	57,352
11 Commissions				
131 Telecommunication Commission	6,640	-	-	6,640
140 Library Commission	27,350	-	-	27,350
142 Fine Arts Commission	44,349	-	-	44,349
150 Public Safety Commission	28,945	-	-	28,945
155 Bike/Ped Safety Commission	6,278	-	-	6,278
160 Recreation Commission	40,690	-	-	40,690
165 Teen Commission	71,571	-	-	71,571
170 Planning Commission	127,478	-	-	127,478
175 Housing Commission	36,565	-	-	36,565
180 Sustainability Commission	30,091	-	-	30,091
12 City Manager				
120 City Manager	993,118	332,342	-	660,776
122 Sustainability Division	888,266	-	-	888,266
126 Public Affairs	549,902	122,318	-	427,584
13 City Clerk				
130 City Clerk	603,198	63,559	-	539,639
132 Duplicating/Mail Services	98,911	-	-	98,911
133 Elections	82,740	-	-	82,740
14 City Manager Discretion				
123 City Manager Contingency	593,661	-	-	593,661
15 City Attorney				
141 City Attorney	2,129,992	194,351	-	1,935,641
20 Law Enforcement				
200 Law Enforcement SC Sherif	12,304,029	510,000	-	11,794,029
201 Interoperability Project	49,598	-	-	49,598
202 Code Enforcement	634,726	265,000	-	369,726
31 I&T Video				
305 Video	1,557,572	-	-	1,557,572
307 Public Access Support	73,503	-	-	73,503
32 I&T Applications				
308 Applications	2,083,188	-	-	2,083,188
40 Administrative Services				
400 Admin Services Administration	966,135	49,347	-	916,788
41 Finance				
405 Accounting	1,294,931	1,206,427	-	88,504
406 Business Licenses	189,184	-	-	189,184
44 Human Resources				
412 Human Resources	1,201,425	788,243	-	413,182
417 Insurance Administration	954,886	788,243	-	166,643
60 Recreation & Community Service				
601 Rec & Comm Svcs Administration	804,138	42,000	-	762,138
634 Park Planning and Restoration	267,549	-	-	267,549
636 Library Services	969,505	-	-	969,505
61 Business and Community Services				
602 Administration	923,993	-	-	923,993
605 Cultural Events	646,618	-	-	646,618
630 Facilities	684,362	703,382	-	(19,020)
632 Comm Outreach & Neigh Watch	201,251	-	-	201,251

Fiscal Year 2018-19 Adopted Budget
General Fund Contribution Schedule

Fund Type	Adopted Budget Expenditures	Adopted Program Revenues	Adopted Budget Fund Balance/ Retained Earnings (Usage)	Adopted General Fund Contribution
62 Recreation and Education				
608 Administration	1,281,016	34,000	-	1,247,016
623 Youth, Teen and Senior Adult Rec	2,036,109	581,550	-	1,454,559
63 Sports, Safety & Outdoor Rec				
612 Park Facilities	2,382,394	374,000	-	2,008,394
615 Administration	190,734	-	-	190,734
633 Disaster Preparedness	266,914	-	-	266,914
70 Planning & Community Development				
700 Community Development Admin	786,755	-	-	786,755
71 Planning				
701 Current Planning	2,854,250	1,462,500	-	1,391,750
702 Mid Long Term Planning	739,478	215,000	-	524,478
704 Annexations	903	-	-	903
705 Economic Development	231,632	-	-	231,632
72 Housing Services				
712 Human Service Grants	103,010	-	-	103,010
73 Building				
713 General Building	854,205	460,000	-	394,205
714 Construction Plan Check	1,341,586	751,000	-	590,586
715 Building Code Enforcement	1,158,840	1,450,000	-	(291,160)
718 Muni-Bldg Code Enforcement	262,224	-	-	262,224
80 PW Admin				
800 Public Works Admin	1,088,583	-	-	1,088,583
82 Developmental Services				
804 Plan Review	1,297,073	556,000	-	741,073
806 CIP Administration	739,939	-	-	739,939
83 Service Center				
807 Service Center Administration	1,234,946	50,000	-	1,184,946
84 Grounds				
808 McClellan Ranch Park	84,009	-	-	84,009
809 Memorial Park	760,345	-	-	760,345
812 School Site Maintenance	1,128,886	135,000	-	993,886
813 Neighborhood Parks	1,629,502	-	-	1,629,502
814 Sport Fields Jollyman CRK	665,541	-	-	665,541
815 Civic Center Ground Maint	261,867	193,990	-	67,877
85 Streets				
818 Storm Drain Maintenance	476,503	-	-	476,503
848 Street Lighting	588,241	-	-	588,241
850 Environmental Materials	195,008	-	-	195,008
86 Trees and Right of Way				
824 Overpasses and Medians	1,251,274	-	-	1,251,274
825 Street Tree Maintenance	1,194,987	22,000	-	1,172,987
826 Weekend Work Program	469,476	-	-	469,476
87 Facilities and Fleet				
827 Bldg Maint City Hall	619,750	303,250	-	316,500
828 Bldg Maint Library	338,834	550,800	-	(211,966)
829 Bldg Maint Service Center	262,132	323,466	-	(61,334)
830 Bldg Maint Quinlan Center	466,416	181,950	-	284,466
831 Bldg Maint Senior Center	241,686	181,950	-	59,736
832 Bldg Maint McClellan Ranch	178,993	1,700	-	177,293
833 Bldg Maint Monta Vista Ct	227,890	121,300	-	106,590
834 Bldg Maint Wilson	63,164	-	-	63,164
835 Bldg Maint Portal	37,207	-	-	37,207
837 Bldg Maint Creekside	65,790	60,650	-	5,140

Fiscal Year 2018-19 Adopted Budget
General Fund Contribution Schedule

Fund Type	Adopted Budget Expenditures	Adopted Program Revenues	Adopted Budget Fund Balance/ Retained Earnings (Usage)	Adopted General Fund Contribution
838 Comm Hall Bldg Maint	251,328	202,167	-	49,161
839 Teen Center Bldg Maint	96,024	80,867	-	15,157
840 Park Bathrooms	168,860	-	-	168,860
841 BBF Facilities Maintenance	556,114	444,766	-	111,348
852 Franco Traffic Operations Center	35,633	-	-	35,633
88 Transportation				
844 Traffic Engineering	1,446,695	458,500	-	988,195
845 Traffic Signal Maintenance	526,530	-	-	526,530
846 Safe Routes 2 School	446,499	-	-	446,499
90 Citywide - Non Departmental				
001 No Department	11,358,912	-	-	11,358,912
502 EE Housing Loan	-	-	-	-
GENERAL FUND SUBTOTAL I	**$ 77,639,720**	**$ 14,668,476**	**$ -**	**$ 62,971,244**
General Fund Revenue/Fund Balance				
General Fund Revenue	-	62,220,000	-	(62,220,000)
Unassigned Fund Balance	-	-	$ (751,244)	(751,244)
GENERAL FUND SUBTOTAL II	**$ -**	**$ 62,220,000**	**$ (751,244)**	**$ (62,971,244)**
TOTAL GENERAL FUND	**$ 77,639,720**	**$ 76,888,476**	**$ (751,244)**	**$ -**
Special Revenue Fund				
Non Point Source	720,785	379,000	94,215	436,000
HCD General Administration	65,871	62,388	(3,483)	-
CDBG- Capital Grants	210,892	205,729	(5,163)	-
Public Service Grants	47,983	46,791	(1,192)	-
Below Market Rate Housing	818,427	3,000	(815,427)	-
Sidewalk, Curb and Gutter Maint	1,195,876	1,057,060	661,184	800,000
Street Pavement Maintenance	6,832,574	1,525,379	(307,195)	5,000,000
Street Signs/Markings	661,889	-	(661,889)	-
Parkland Fund	10,000	-	(10,000)	-
CIP - MRP Community Garden Improvement Construction	1,500,000	575,000	(925,000)	-
CIP - MRP EEC Aquatic Habitat	125,000	-	(125,000)	-
CIP - Storm Drain MP Implementation	1,500,000	900,000	(600,000)	-
Non-Departmental	-	1,199,844	-	375,000
TOTAL SPECIAL REVENUE FUNDS	**$ 13,689,297**	**$ 5,954,191**	**$ (2,698,950)**	**$ 6,611,000**
Debt Service				
Public Facilities Corporation	3,169,438	-	-	3,169,438
TOTAL DEBT SERVICE	**$ 3,169,438**	**$ -**	**$ -**	**$ 3,169,438**
Capital Projects Funds				
CIP - SCCP Chain to MP-MCLN to SCB	75,000	75,000	-	-
CIP - ADA Improvements	75,000	75,000	-	-
CIP - Sport Center Exterior Upgrades	830,000	830,000	-	-
CIP - Service Center Shed #3 Improvements	600,000	600,000	-	-
CIP - Bike Plan Implementation	1,800,000	1,800,000		
CIP - Citywide Parks and Recreation Master Plan	100,000	100,000	-	-
CIP - Prelim Planning and Design	125,000	125,000	-	-
CIP - Capital Project Support	50,000	50,000	-	-
CIP - Street Light Install Annual Infill	30,000	30,000	-	-
CIP - CW Building Condition Assessment Implementation	1,000,000	1,000,000	-	-
CIP - Creek Infall/Outfall Restoration	160,000	160,000	-	-
CIP - DeAnza Median Island Landscaping Phase 2	1,546,500	1,546,500	-	-

Fiscal Year 2018-19 Adopted Budget
General Fund Contribution Schedule

Fund Type	Adopted Budget Expenditures	Adopted Program Revenues	Adopted Budget Fund Balance/ Retained Earnings (Usage)	Adopted General Fund Contribution
CIP - Regnart Road Improvements	150,000	150,000	-	-
CIP - School Walk Audit Implementation	250,000	250,000	-	-
CIP -SCB/Bandley Signal and Median Improvements	150,000	150,000	-	-
CIP - Street Light Replacement CW (Labor)	200,000	200,000	-	-
Transfer In		1,910,000		
Transfer Out	10,726,500	-	(10,726,500)	-
TOTAL CAPITAL PROJECTS FUNDS	**$ 17,868,000**	**$ 9,051,500**	**$ (10,726,500)**	**$ -**
Enterprise Funds				
Resources Recovery	3,501,101	2,268,000	(1,233,101)	-
Golf Course	687,939	335,000	(352,939)	-
Sports Center	2,460,735	2,100,500	(360,235)	-
Sports Center Maintenance	490,076	-	(490,076)	-
Youth Teen Recreation	2,040,825	1,444,500	(596,325)	-
Outdoor Recreation	1,598,350	1,121,400	(476,950)	-
CIP - BBF Entrance Road Improvement Feasability Study	75,000	75,000	-	-
TOTAL ENTERPRISE FUNDS	**$ 10,854,026**	**$ 7,344,400**	**$ (3,509,626)**	**$ -**
Internal Service Funds				
Information Services Admin	405,034	359,741	(45,293)	-
Information Technology	2,668,918	2,284,031	(384,887)	-
GIS	1,107,071	1,110,156	3,085	-
Equipment Maintenance	1,593,660	1,056,968	(536,692)	-
Equipment Fixed Asset Acquisition	538,000	-	(538,000)	-
Workers' Compensation Claims	472,652	472,652		-
Disability Claims	162,266	162,266	-	-
Leave Payouts	422,772	-	24,228	447,000
Retiree Medical Insurance	1,128,005	-	3,469	1,131,474
TOTAL INTERNAL SERVICE FUNDS	**$ 8,498,378**	**$ 5,445,814**	**$ (1,474,090)**	**$ 1,578,474**
TOTAL ALL FUNDS	**$ 131,718,859**	**$ 104,684,381**	**$ (19,160,410)**	**$ 11,358,912**

Fiscal Year 2018-19 Adopted Budget
Fund Balance Report

Fund		Fund Balance 7/1/2017	Projected Fund Balance 7/1/2018	Adopted Budget Revenue	Adopted Budget Expenditures	Projected Fund Balance 7/1/2019
100	**GENERAL FUND**	$ 53,589,690	$ 45,961,772	$ 76,888,476	$ 77,639,720	$ 45,210,528
	SPECIAL REVENUE FUNDS					
210, 215	Storm Drain Improvement	$ 3,102,458	$ 806,981	$ 1,100,000	$ 1,500,000	$ 406,981
230	Environmental Management/ Clean Creek / Storm Drain	397,236	63,752	815,900	720,785	158,867
260, 261 265	Housing & Community Development	12,484,169	1,390,243	500,852	1,143,173	747,922
270	Transportation	8,379,939	523,437	9,573,439	8,690,339	1,406,537
280, 281	Park Dedication	9,412,547	1,435,261	575,000	1,635,000	375,261
	TOTAL SPECIAL REVENUE FUNDS	**$ 33,776,349**	**$ 4,219,674**	**$ 12,565,191**	**$ 13,689,297**	**$ 3,095,568**
	DEBT SERVICE FUND					
365	Public Facilities Corporation	$ 1,597,234	$ 1,597,234	$ 3,169,438	$ 3,169,438	$ 1,597,234
	TOTAL DEBT SERVICE FUND	$ 1,597,234	$ 1,597,234	$ 3,169,438	$ 3,169,438	$ 1,597,234
	CAPITAL PROJECTS FUNDS					
420	Capital Improvement Fund	9,272,101	2,920,404	9,051,500	7,141,500	4,830,404
427	Stevens Creek Corridor Park	236,814	54,971	-	-	54,971
429	Capital Reserve	15,797,060	10,613,062	-	10,726,500	(113,438)
	TOTAL CAPITAL PROJECTS FUNDS	**$ 25,305,975**	**$ 13,588,436**	**$ 9,051,500**	**$ 17,868,000**	**$ 4,771,936**
	ENTERPRISE FUNDS					
520	Resource Recovery	$ 5,341,647	$ 3,972,178	$ 2,268,000	$ 3,501,101	$ 2,739,077
560	Blackberry Farm	637,556	228,590	410,000	762,939	(124,349)
570	Sports Center	2,004,836	1,760,432	2,100,500	2,950,811	910,121
580	Recreation Programs	3,067,419	2,213,327	2,565,900	3,639,175	1,140,052
	TOTAL ENTERPRISE FUNDS	**$ 11,051,458**	**$ 8,174,527**	**$ 7,344,400**	**$ 10,854,026**	**$ 4,664,901**
	INTERNAL SERVICE FUNDS					
610	Information Technology	$ 2,204,739	$ 207,573	$ 3,753,928	$ 4,181,023	$ (219,522)
620	Workers' Compensation	1,325,940	1,428,703	472,652	472,652	1,428,703
630	Equipment	2,371,328	1,490,496	1,056,968	2,131,660	415,804
641	Compensated Absence & LTD	150,989	225,484	609,266	585,038	249,712
642	Retiree Medical	9,015,651	10,415,651	1,131,474	1,128,005	10,419,120
	TOTAL INTERNAL SERVICE FUNDS	**$ 15,068,647**	**$ 13,767,907**	**$ 7,024,288**	**$ 8,498,378**	**$ 12,293,817**
	TOTAL ALL FUNDS	**$ 140,389,353**	**$ 87,309,550**	**$ 116,043,293**	**$ 131,718,859**	**$ 71,633,984**

General Fund Summary

The General Fund is the City's primary operating fund. It accounts for basic services such as public safety, public works, planning and development, park maintenance, code enforcement, and the administrative services required to support them. The fund generates revenue from the City's discretionary funding sources (e.g., property tax, sales tax, transient occupancy tax and utility tax). As a rule, general fund resources are used only to fund operations that do not have other dedicated (restricted) funding sources. Operations that rely heavily upon non-general fund resources, such as street maintenance, solid waste collection, and recreation are accounted for in other funds. Information on these funds may be found in the Other Funds section of this document.

For FY 2018-19, General Fund revenue estimates (excluding fund balance) total $76.9 million, representing a 4% decrease from the FY 2017-18 Adopted Budget, mostly due to a wind down in development resulting in less revenue in Charges for Services and Construction Tax. When fund balance carryover is included, General Fund resources total $45.4 million, which is consistent with the FY 2017-18 Adopted Budget. General Fund expenditure estimates total $77.6 million, representing a 3% increase from FY 2017-18 Adopted, mostly due to increased costs in salary and benefits as a result of increased staffing and negotiated increases as part of the third year of a 3 year contract with the City's bargaining groups. In addition, cost allocation has increased due to a change in allocation methodology for IT charges from a "per user" to "per device" basis and an increase in materials due to the acquisition of software. The General Fund's ending fund balance is projected to decrease by 2% from FY 2017-18 estimated ending fund balance. This is due to the transfer out of $6 million to the Capital Reserve as approved in the Mid-Year Financial Report.

GENERAL FUND OPERATING SUMMARY					
	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Estimated	FY 18-19 Adopted	Percent Change
Beginning Fund Balance	39,324,543	52,194,840	53,589,690	45,961,772	-14%
Operating Revenue	77,932,145	95,163,736	94,580,834	76,888,476	-19%
Operating Expenditures	(65,023,330)	(94,040,212)	(102,208,752)	(77,639,720)	-24%
Net Revenue/Expenditures	12,908,815	1,123,524	(7,627,918)	(751,244)	-90%
Committed/Other	22,325,755	25,531,891	36,316,546	36,316,546	0%
Unassigned	29,869,085	28,057,799	9,645,226	8,893,982	-8%
Total Ending Fund Balance	52,194,840	53,589,690	45,961,772	45,210,528	-2%

This section provides information on the FY 2018-19 General Fund budget including, expenditure and revenue highlights, transfers to other funds, reserve funds and the financial forecast.

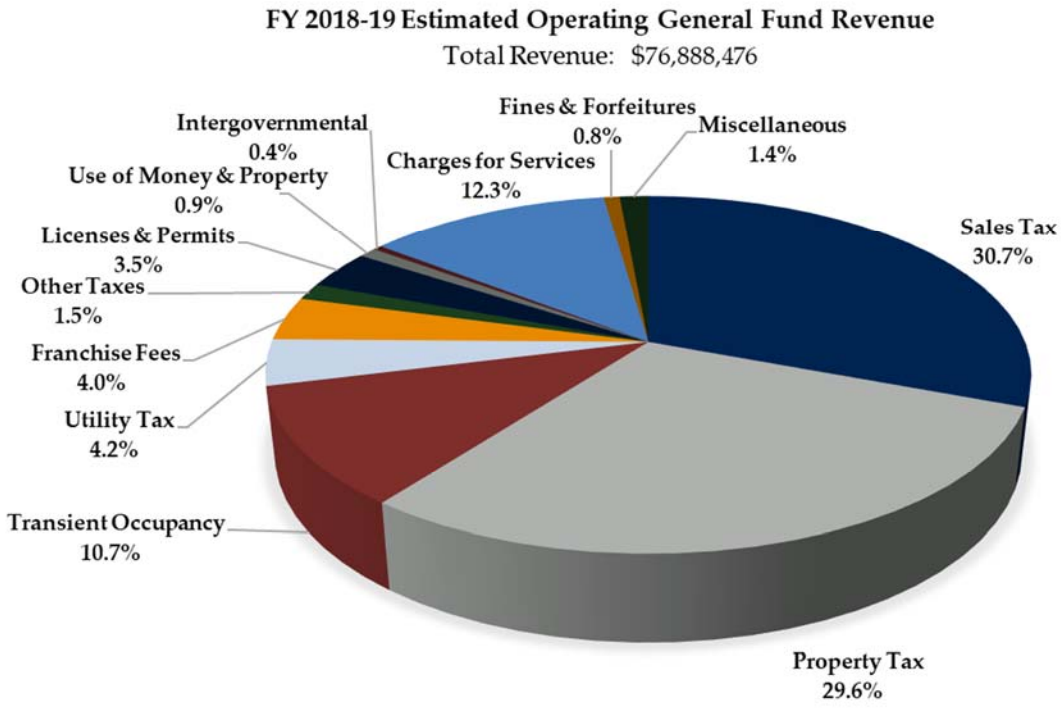
General Fund Revenue

Estimates for the FY 2018-19 beginning fund balance and General Fund revenue sources are based upon a careful examination of 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. FY 2018-19 revenue estimates are based on the anticipated increase or decrease in activity and receipts over the current year. Each source of revenue can be influenced by external (outside of the City's control) and/or internal factors. The FY 2018-19 revenue estimates are built on the assumption of moderate economic growth that continues to positively impact on the City's tax revenues, while uncertainty surrounding development activities reduces development-related fees and charges.

As shown in the chart below, FY 2018-19 revenues are estimated at $76.9 million, a 4% decrease below the FY 2017-18 Adopted Budget.

GENERAL FUND REVENUE SUMMARY					
REVENUES	**FY 15-16 Actuals**	**FY 16-17 Actuals**	**FY 17-18 Adopted**	**FY 18-19 Adopted**	**Percent Change**
Sales Tax	21,350,056	26,932,012	22,790,000	23,637,000	3.7%
Property Tax	18,139,368	20,219,077	20,757,000	22,766,000	9.7%
Transient Occupancy	5,852,244	6,023,681	6,708,000	8,252,000	23.0%
Utility Tax	3,370,830	3,082,408	3,200,000	3,200,000	0.0%
Franchise Fees	3,478,024	3,409,572	3,040,000	3,042,000	0.1%
Other Taxes	2,595,773	2,981,883	2,850,000	1,150,000	-59.6%
Licenses & Permits	3,073,109	2,536,924	2,145,000	2,685,000	25.2%
Use of Money & Property	1,400,899	1,210,231	1,647,790	692,000	-58.0%
Intergovernmental	428,991	330,107	484,000	326,000	-32.6%
Charges for Services	15,454,535	17,913,165	13,337,897	9,419,276	-29.4%
Fines & Forfeitures	558,517	593,122	600,000	615,000	2.5%
Miscellaneous	2,229,799	9,931,554	2,435,960	1,104,200	-54.7%
TOTAL REVENUES	**77,932,145**	**95,163,736**	**79,995,647**	**76,888,476**	**-3.9%**

The majority of Cupertino's General Fund operating revenues are generated by sales taxes (31%) and property taxes (30%), followed by charges for services (12%) and the transient occupancy tax (11%). The chart on the next page illustrates the sources of General Fund revenue by category.



The FY 2018-19 General Fund revenue estimates are discussed by category in the material that follows.

SALES & USE TAX	
FY 16-17 Actual	26,932,012
FY 17-18 Adopted	22,790,000
FY 17-18 Estimate	23,790,000
FY 18-19 Adopted	23,637,000
% of General Fund	30.74%
% Change from FY 17-18 Adopted	3.72%

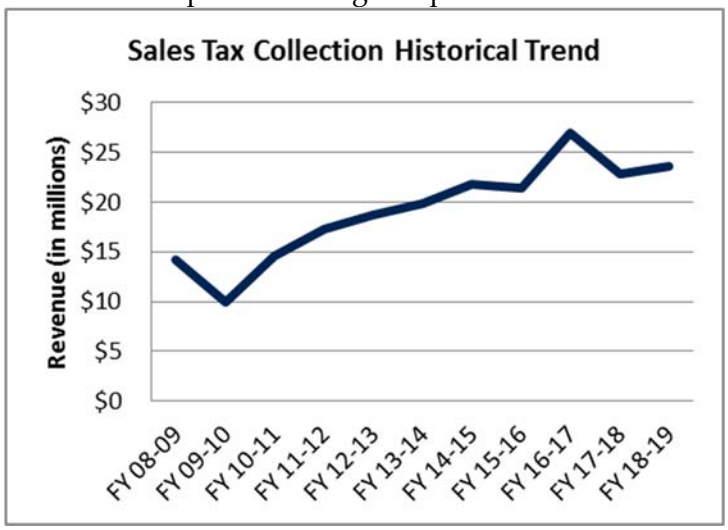
Sales and Use Tax commonly referred to as just the "sales tax" has two components: (1) an excise tax imposed on retailers for the privilege of selling tangible personal property, and (2) an excise tax imposed on a person and applies to purchases from out-of-state vendors that are not required to collect tax on their sales. The proceeds of sales and use taxes imposed within the boundaries of Cupertino are distributed by the State to various agencies, with the City of Cupertino receiving one percent, as shown in the chart to the right.

Agency	Sales Tax Distribution
State	6.250%
Valley Transportation Authority	1.125%
City of Cupertino	1.000%
County Transportation	0.500%
County General Purpose	0.125%
Total:	**9.000%**

The City's sales tax revenues are generated from five principal economic categories: business-to-business 67.0% (includes electronic equipment and software manufacturers and distributors), construction 13.2%, general retail 8.2%, food products 8.2%, and transportation 3.0%.

Our two largest sales tax payers in the business-to-business category represent a large part of that sector and therefore can significantly affect sales tax trends. The top tax payer's corporate and business technology spending has driven growth in this sector. Sales tax activity has increased across most sectors with a decrease primarily in construction. This decrease is attributed to the winding down of construction projects in the City, particularly, the Apple Park campus development. Given these trends, the City's FY 2018-19 sales tax revenue is projected to show a more modest increase going forward.

Sales tax receipts took a slight dip of 1.8% in FY 2015-16 only to increase by 26.1% in FY 2016-17 due to a onetime $3.5 million payment related to the close out of the triple flip. Sales tax revenue is expected to drop 11.7% in FY 2017-18, returning to normal levels prior to the triple flip payment. In FY 2017-18, initial fixture, furniture, and equipment purchases for Apple Park contributed to higher sales tax revenues for the year but are not expected for FY 2018-19. Sales tax revenues are estimated to generate $23.6 million in FY 2018-19, which is up 3.7% from the FY 2017-18 Adopted Budget.

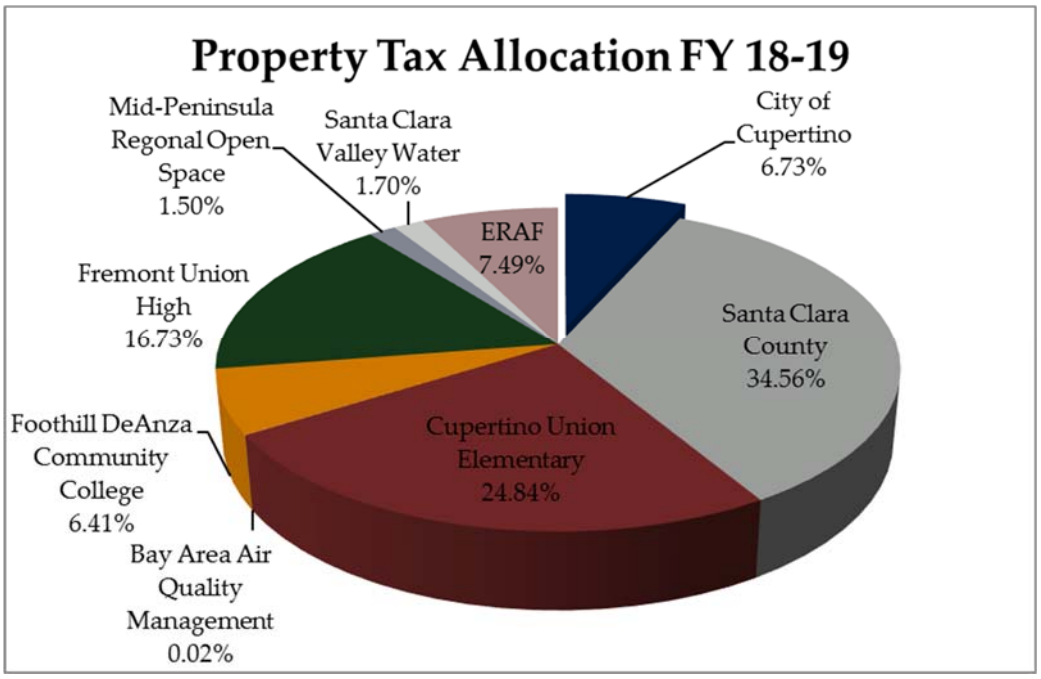


PROPERTY TAX	
FY 16-17 Actual	20,219,077
FY 17-18 Adopted	20,757,000
FY 17-18 Estimate	22,357,000
FY 18-19 Adopted	22,766,000
% of General Fund	29.61%
% Change from FY 17-18 Adopted	9.68%

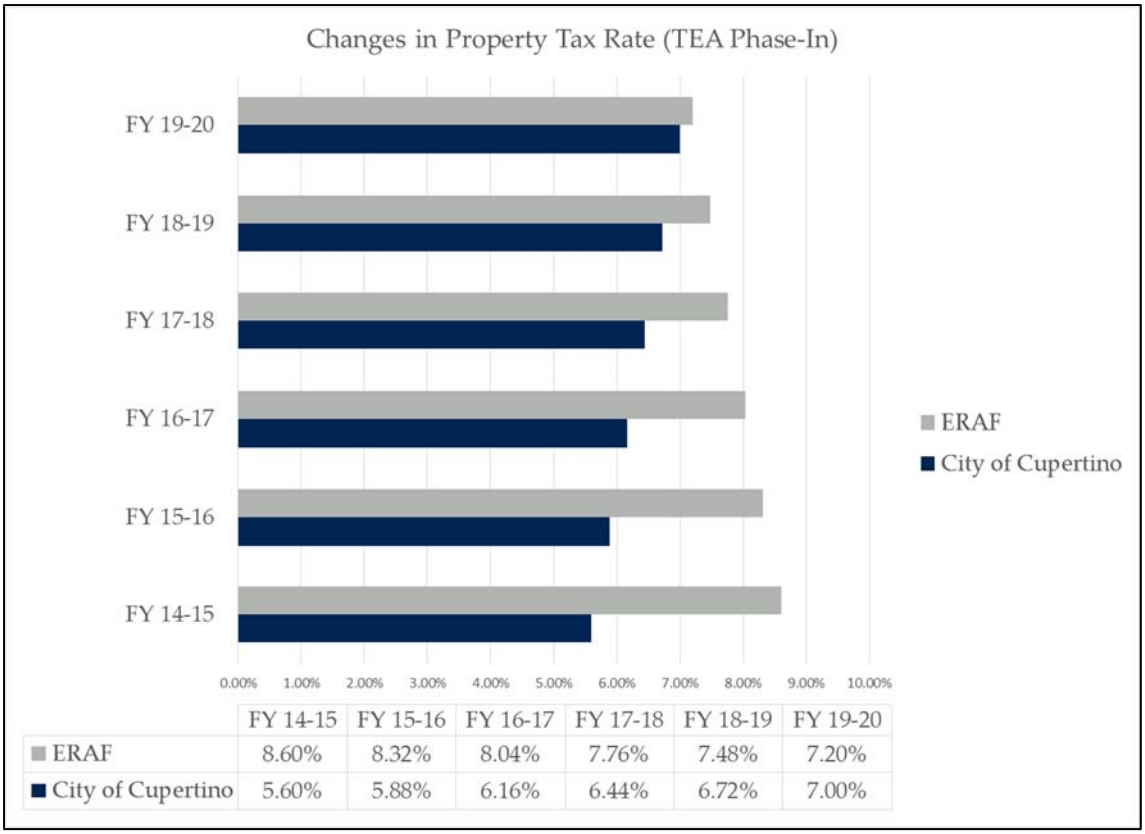
Under current law, property is assessed at actual full cash value with the maximum levy being 1% of the assessed valuation. The assessed value of real property that has not changed ownership can be adjusted by the change in the California Consumer Price Index (CCPI) up to a maximum of 2% per year. Property which changes ownership, property which 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.

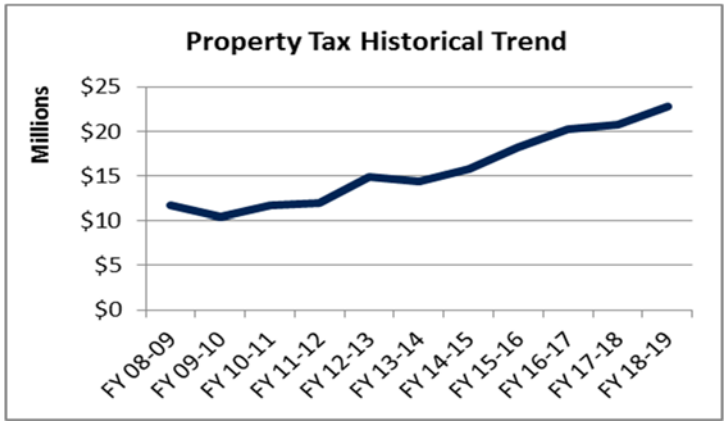
In 1978, voters approved the passage of Proposition 13, which froze property tax rates and limited the amount that rates could increase each year. Cupertino had one of the lowest property tax rates in Santa Clara County receiving only $0.02 for every $1.00 paid. Subsequent legislation required Counties 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.



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%. Cupertino, in conjunction with three other West Valley cities, 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. As shown in the graph above, Cupertino will keep 6.72% of property tax revenues compared to 6.44% in FY 2017-18. TEA will be fully restored to 7% by FY 2019-20 as shown in the following chart.



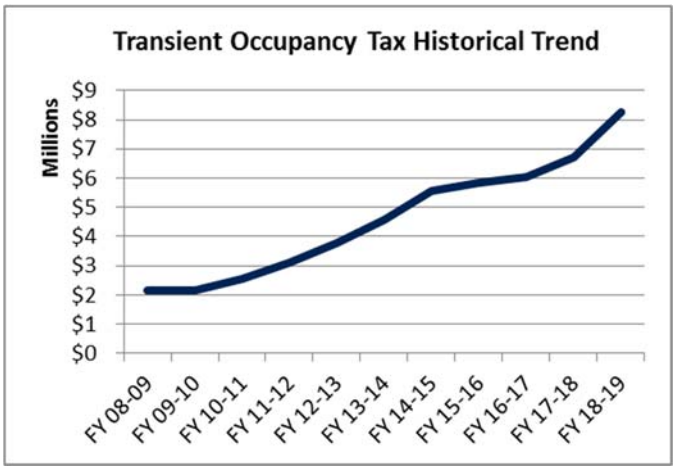
	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
ERAF	8.60%	8.32%	8.04%	7.76%	7.48%	7.20%
City of Cupertino	5.60%	5.88%	6.16%	6.44%	6.72%	7.00%



Property tax receipts increased 11.5% in FY 2016-17. In FY 2017-18, property taxes are up 10.6% due in part to the restoration of TEA funds and reassessment of value for Apple Park. Property tax revenues are estimated to generate $22.8 million in FY 2018-19, which represents a 9.7% increase from the FY 2017-18 Adopted Budget.

TRANSIENT OCCUPANCY TAX	
FY 16-17 Actual	6,023,681
FY 17-18 Adopted	6,708,000
FY 17-18 Estimate	6,708,000
FY 18-19 Adopted	8,252,000
% of General Fund	10.73%
% Change from FY 17-18 Adopted	23.02%

Transient occupancy taxes (TOT) are levied on hotels and short term room rentals located in the City at the rate of 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 to the right. TOT is expected to increase by 23% in FY 2018-19 mostly due to the new Residence Inn by Marriot located at Main Street, which opened in 2018.

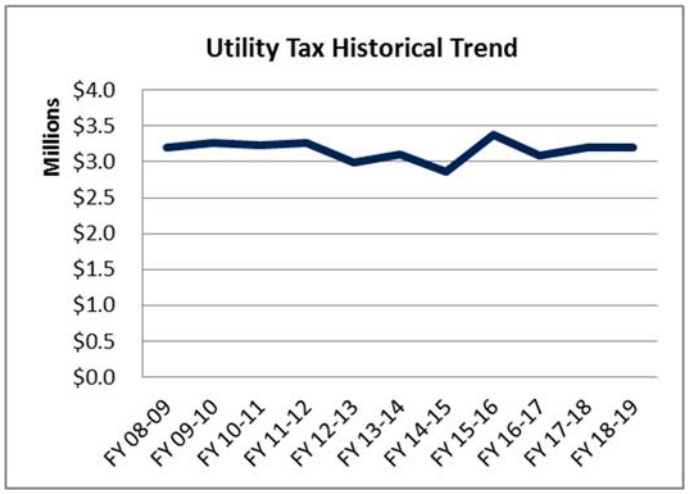


UTILITY TAX	
FY 16-17 Actual	3,082,408
FY 17-18 Adopted	3,200,000
FY 17-18 Estimate	3,200,000
FY 18-19 Adopted	3,200,000
% of General Fund	4.16%
% Change from FY 17-18 Adopted	0.00%

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%	5.0%
Gilroy	5.0%	4.5%	-	4.5%
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 currently received from telecom services, voters passed a measure in 2009 to update the ordinance to the changing technology in this area.

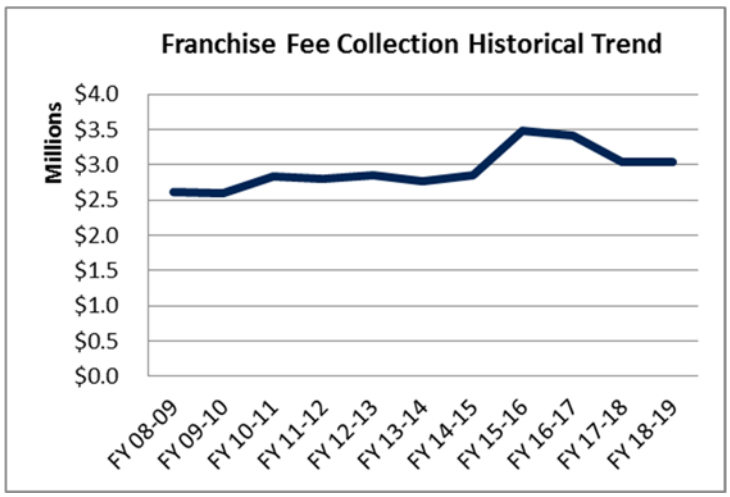


In FY 2016-17, UUT revenues decreased by 8.6% compared to FY 2015-16, primarily due to the settlement payout that was taken from UUT receipts. UUT revenues are trending up 3.8% in FY 2017-18. Budgeted revenues are expected to remain at $3.2 million for FY 2018-19 and beyond. This revenue source will be monitored closely as the fiscal year progresses.

FRANCHISE FEES	
FY 16-17 Actual	3,409,572
FY 17-18 Adopted	3,040,000
FY 17-18 Estimate	3,040,000
FY 18-19 Adopted	3,042,000
% of General Fund	3.96%
% Change from FY 17-18 Adopted	0.07%

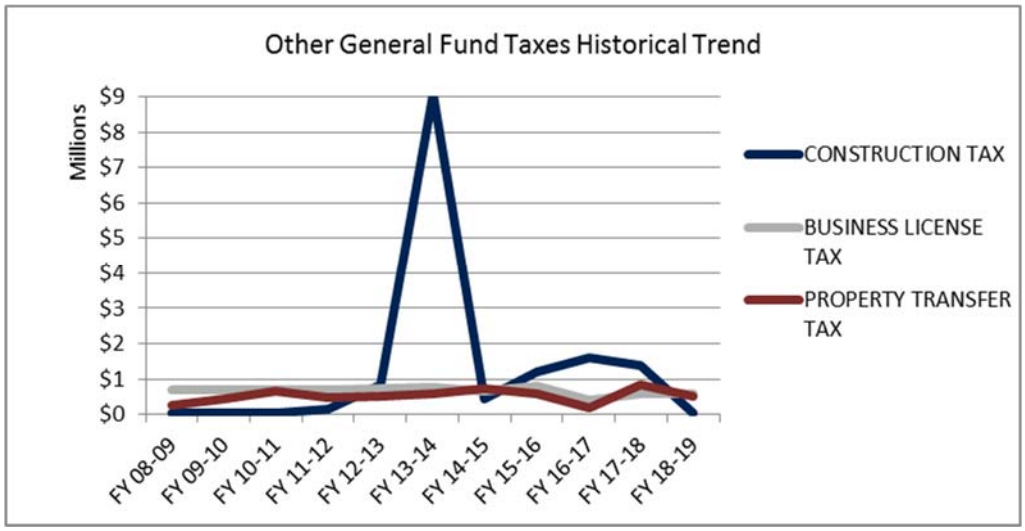
Franchise fees are received from cable, solid waste, water, gas and electricity franchisees that operate in the City. The fees range from 1% to 12% of the franchisee's gross revenues depending on each particular agreement. As shown in the graph below, these revenues are relatively steady and not sensitive to economic fluctuations.

Franchise fee revenues decreased by 2% in FY 2016-17 from the prior year. In FY 2017-18, franchise fee revenues are trending down 10.8% partially due to the winding down of development resulting in lower solid waste revenues. Budgeted revenues are expected to remain at approximately $3 million for FY 2018-19. This revenue source will be monitored closely as the fiscal year progresses.



OTHER TAXES	
FY 16-17 Actual	2,981,883
FY 17-18 Adopted	2,850,000
FY 17-18 Estimate	2,850,000
FY 18-19 Adopted	1,150,000
% of General Fund	1.50%
% Change from FY 17-18 Adopted	-59.65%

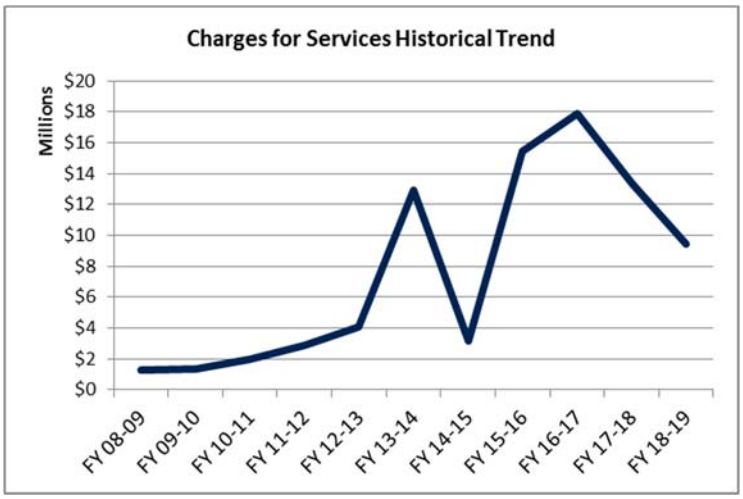
Other taxes are comprised mainly of business license taxes, construction taxes, and property transfer taxes. As shown in the graph, business license taxes are relatively steady while construction and property transfer taxes are extremely volatile and sensitive to economic fluctuations.



With the influx of several major construction projects beginning in 2012, revenues began increasing. The largest of the projects included the Apple Park and Main Street developments. These projects coupled with a strong housing recovery created a record year for revenues in FY 2013-14. These revenues have since returned to historic levels. In FY 2018-19, these revenues are expected to be $1.2 million.

CHARGES FOR SERVICE	
FY 16-17 Actual	17,913,165
FY 17-18 Adopted	13,337,897
FY 17-18 Estimate	15,259,770
FY 18-19 Adopted	9,419,276
% of General Fund	12.25%
% Change from FY 17-18 Adopted	-29.38%

This category accounts 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. Apple Park and other large developments generated large one-time revenues in FY 2013-14 as well as FY 2015-16 and FY 2016-17.



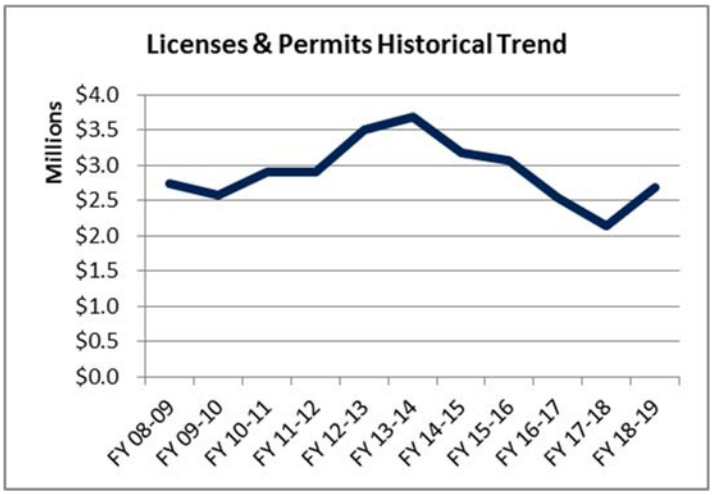
In addition, beginning in FY 2013-14, enterprise funds, internal service funds, and special funds began charging for overhead services previously subsidized by the General Fund. Some internal strategic support services (HR, Finance, City Clerk, etc.) also began charging internal departments for their services to accurately capture the true cost of providing various programs and services within City operations. After a comprehensive cost allocation plan (CAP) was approved by Council in April 2016, new CAP charges were included to capture internal strategic support services that were previously excluded (City Council, Facilities, Maintenance, etc.). In FY 2015-16, 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.

For FY 2018-19, Charges for Services will decrease to $9.4 million largely due to the winding down of development projects. In addition, revised fees will be brought to Council for approval in June which may result in increased revenue estimates.

LICENCES AND PERMITS	
FY 16-17 Actual	2,536,924
FY 17-18 Adopted	2,145,000
FY 17-18 Estimate	2,145,000
FY 18-19 Adopted	2,685,000
% of General Fund	3.49%
% Change from FY 17-18 Adopted	25.17%

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.

The Apple Park project and large residential projects (Rosebowl, Biltmore expansion, Main Street) generated significant permitting revenues in FY 2013-14. Since then, activity has slowed. FY 2016-17 revenues came in 17.4% lower and another 15.4% drop was projected as part of the FY 2017-18 Adopted Budget due to the winding down of construction projects in the City. Revenue estimates for FY 2018-19 are up 25.2% as building plan review revenue actuals have been trending higher.



USE OF MONEY AND PROPERTY	
FY 16-17 Actual	1,210,231
FY 17-18 Adopted	1,647,790
FY 17-18 Estimate	1,647,790
FY 18-19 Adopted	692,000
% of General Fund	0.90%
% Change from FY 17-18 Adopted	-58.00%

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. The City's portfolio is approximately $136.6 million. Fluctuations in this revenue category are a result of investment earnings, as rental income is fairly steady.

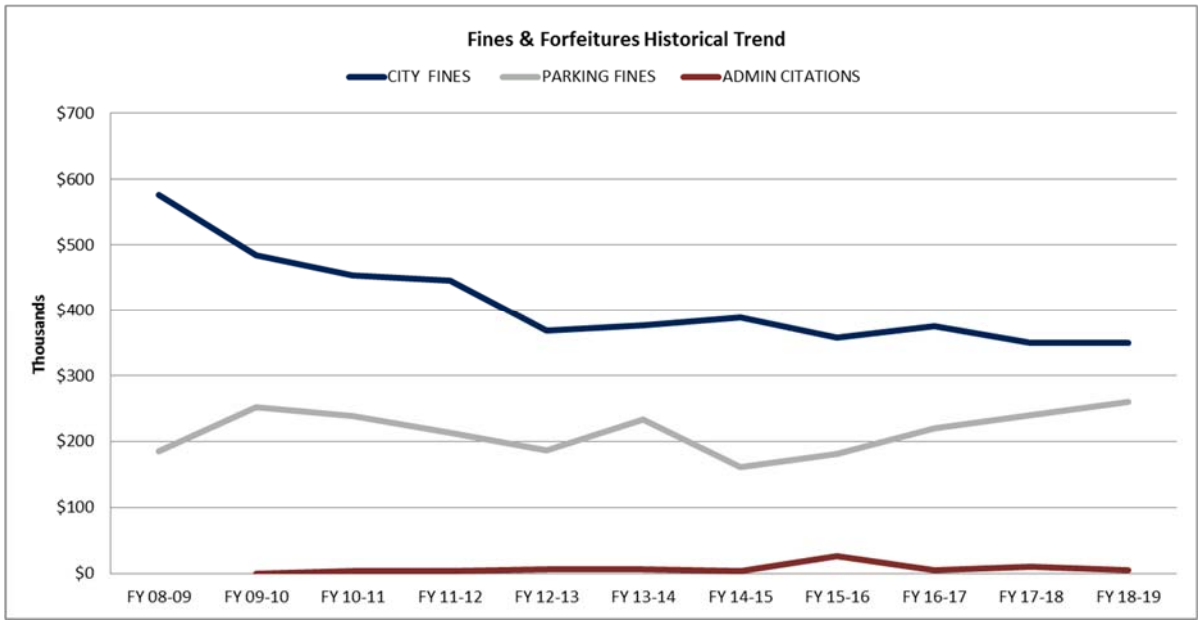
Investment earnings are a function of the amount of excess cash available for investment, current interest rates, and composition of investments. The City's investment policy requires investments to be made in this order of priority: safety, liquidity, and yield. The unprecedented turmoil in the financial markets and state cash flow problems

necessitated a weighting of the portfolio toward safety and lower average yields. In March 2018, the Federal Reserve raised short-term interest rates by a quarter percentage point to a range of 1.50% to 1.75%. Two more increases are forecasted for the next year.

Investment earnings are expected to begin to rise as the Federal Reserve continues its ramp up, though modest, with interest rates. Economists predict interest rates will increase further in FY 2018-19 with an additional two to three increases, resulting in a 2019 projected rate of 2.9%. Due to recent volatility in the market, revenue in this category for FY 2018-19 was estimated using a conservative approach, resulting in 58% decrease.

FINES AND FORFEITURES	
FY 16-17 Actual	593,122
FY 17-18 Adopted	600,000
FY 17-18 Estimate	600,000
FY 18-19 Adopted	615,000
% of General Fund	0.80%
% Change from FY 17-18 Adopted	2.50%

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. Parking fine revenues have increased with the addition of a part-time Code Enforcement Officer. Fines and forfeiture revenue is projected to remain relatively flat in FY 2017-18. In FY 2018-19 revenues are expected to remain at this level with a slight increase due to expected increases in parking fine revenues.



INTERGOVERNMENTAL	
FY 16-17 Actual	330,107
FY 17-18 Adopted	484,000
FY 17-18 Estimate	484,000
FY 18-19 Adopted	326,000
% of General Fund	0.42%
% Change from FY 17-18 Adopted	-32.64%

Intergovernmental revenues are made up of federal, state, and regional grants, including miscellaneous intergovernmental revenue. Current year actuals may come in higher compared to budgeted levels due to anticipated State mandate reimbursements. In FY 2018-19, revenues of $326,000 are anticipated.

MISCELLANEOUS REVENUE	
FY 16-17 Actual	9,931,554
FY 17-18 Adopted	2,435,960
FY 17-18 Estimate	12,499,274
FY 18-19 Adopted	1,104,200
% of General Fund	1.44%
% Change from FY 17-18 Adopted	-54.67%

Miscellaneous revenues account for the sale of land and other miscellaneous revenues such as administrative fees. FY 2017-18 miscellaneous revenue is estimated to come in about $10 million higher than budgeted due to refundable deposit revenue associated with development projects and the transfer in of fund balance from the Capital Reserve back to the General Fund. Miscellaneous revenue is expected to decline and is projected to be $1.1 million for FY 2018-19.

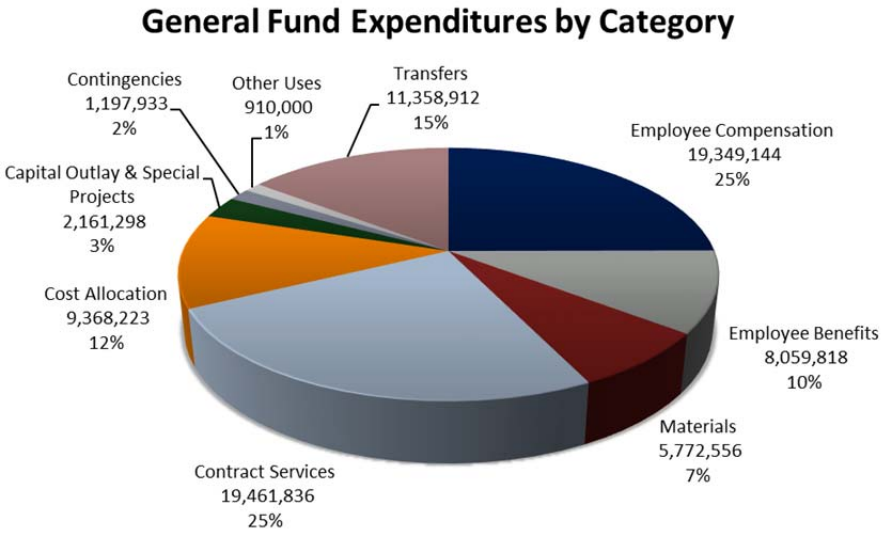
General Fund Expenditures

Estimates for the FY 2018-19 General Fund expenditures are based upon anticipated personnel and non-personnel cost increases. This year department budgets reflect actual projected costs based on the 2017-18 Adopted Budget, removing any one time costs, and accounting for changes in personnel costs and any other anticipated/known increased costs in FY 2018-19. In addition, most budgets were given additional funds for any unexpected expenditures that are accounted for in the contingency account. Lastly, per the City's Reserve policy, an unassigned General Fund balance above the $500,000 maximum balance will be transferred to the Capital Fund for future capital and infrastructure projects, after year-end close and as part of the mid-year budget. As shown in the chart below, FY 2018-19 expenditures are estimated at $77.6 million, a 3% increase above adopted budget from the prior year. This increase is primarily attributed to increased costs in salary and benefits as a result of increased staffing and negotiated salary and benefit increases as part of the third year of a 3 year contract with the City's bargaining groups. In addition, cost allocation has increased due to a change in allocation methodology for IT charges from a "per user" to "per device" basis and an increase in materials due to the acquisition of software. These increases are offset by a decrease in transfers out due a reduction in enterprise and internal service fund subsidies driven primarily by the communication fund being moved to the general fund.

GENERAL FUND EXPENDITURE SUMMARY					
EXPENDITURES	**2015-16 Actuals**	**2016-17 Actuals**	**2017-18 Adopted**	**2018-19 Adopted**	**% Change**
Employee Compensation	13,430,658	15,019,952	17,078,787	19,349,144	13%
Employee Benefits	5,543,191	6,522,993	7,210,639	8,059,818	12%
Total Personnel Costs	**18,973,849**	**21,542,945**	**24,289,426**	**27,408,962**	**13%**
Non-Personnel Costs					
Materials	3,323,691	3,637,591	4,784,228	5,772,556	21%
Contract Services	16,819,679	17,366,277	18,165,596	19,461,836	7%
Cost Allocation	3,078,935	13,459,891	7,812,849	9,368,223	20%
Capital Outlay & Special Projects	9,657,395	8,919,870	2,827,469	2,161,298	-24%
Contingencies	5,010	1,186	1,253,931	1,197,933	-4%
Other Uses	827	146,722	160,000	910,000	469%
Total Non-Personnel	**32,885,537**	**43,531,537**	**35,004,073**	**38,871,846**	**11%**
Transfers	**13,163,945**	**28,965,731**	**15,757,734**	**11,358,912**	**-28%**
TOTAL EXPENDITURES	**65,023,331**	**94,040,213**	**75,051,233**	**77,639,720**	**3%**

*The increase in Other Uses is due to the reallocation of budget from Special Projects to the Refundable deposit account in Current Planning and Building. The increase is off-set by a decrease in Special Projects.

The largest General Fund operating expenditure categories include Employee Compensation and Benefits (35%), Contract Services (25%) and Transfers Out (15%) as illustrated in the FY 2018-19 General Fund Expenditures by Category chart.



Personnel Costs

Personnel cost total $27.4 million in FY 2018-19, comprising 35% of General Fund expenditures. These costs are made up of salaries and compensation for benefitted and part-time staff (71%), retirement benefits (17%), and other fringe benefits (12%), including health coverage.

Costs were calculated by taking an extract of payroll system information. This individual position-level information was then reviewed, corrected, and updated by each department to include current vacancies and filled positions, accurate salary step status, as well as any position reallocations. Also, all categories of benefit costs in the coming year were projected. The most recent retirement plan and health plan information for each position was also updated from the payroll system. Not included in personnel costs, is the ongoing contribution for retiree healthcare which is included in the transfers category. Costs in salary and benefits are up primarily due to a cost of living increase negotiated as part of the labor agreements, and projected cost escalators for health, dental, long-term disability, and vision benefits. In addition, an increase in salaries is attributed to an increase in part-time staffing.

CalPERS retirement rates are projected to increase 2.7%, as per the most recent actuarial valuation report from CalPERS. In addition, the CalPERS discount rate is projected to remain at 7%, as the CalPERS board voted in December 2017 to maintain the same rate. Future actuarial assumptions project changes to the discount rate and these projections are reflected in the General Fund forecast section of the budget.

A total of 201.75 FTEs are budgeted in FY 2018-19, up from 197.75 in FY 2017-18. This increase of 4.0 FTEs represents a 2% increase in staffing. The growth in positions is summarized below:

FY 2017-18 Adopted Budget	**197.75**
Senior Assistant Attorney (Council Item)	1.00
Account Clerk I/II (Mid-Year)	1.00
Conversions from Limited Term to Permanent	
Environmental Programs Assistant	0.00
Associate Civil Engineer	0.00
FY 2018-2019 Adopted Budget	
Senior Management Analyst, Limited Term	1.00
Engineering Technician	1.00
FY 2018-19 Benefitted Positions	**201.75**

Positions approved as part of the Adopted Budget are summarized below:

Department(s)	Classification	Salaries	Benefits	Total Costs	Funding Source/Purpose
Administrative Services	Senior Management Analyst, 2 year limited term	$122,900	$47,464	$170,364	General Fund Continue Current Technical and Analytical Projects
Public Works	Engineering Technician	$87,448	$38,768	$126,216	General Fund Development Services Projects
Limited Term to Permanent					
Administration	Environmental Programs Assistant	$38,120	$11,317	$49,437	General Fund Sustainability and CAP
Public Works	Associate Civil Engineer	$11,841	$3,426	$15,267	General Fund Bicycle & Pedestrian Transportation Traffic Impact Fee
POSITIONS FUNDED BY THE GENERAL		**$260,309**	**$100,975**	**$361,284**	

Non-Personnel

Non-personnel cost total $38.9 million in FY 2018-19, comprising 50% of General Fund expenditures. These costs are primarily made up of Contract Services (25%), Cost Allocation charges (12%), Materials (7%), Capital Outlays and Special Projects (3%) and Contingencies (2%). Costs were developed based on FY 2017-18 Adopted budget and actual expenditures in prior years, and then adjusted for FY 2018-19 funding needs. One-time projects were moved to a separate category in FY 2013-14 to ensure that expenditure trends reflect ongoing expenditure needs. In FY 2017-18, a concerted effort was made to differentiate costs related to special projects and capital outlays that are required to be depreciated. A special projects series was created in the contracts section of accounts for any new special projects going forward.

Contingencies totaling 5% of the total General Fund and 5% of Material and Contract budgets have been established. This contingency level is within the recommended range by the

Government Finance Officers Association. Contingencies have been allocated proportionately amongst operating programs based on each program's share of General Fund budget for contractual services and supplies and materials. The remaining is allocated to the City Manager's Discretionary Program. Program contingency budgets may be used to cover unanticipated program expenses at the department's discretion, while the use of the City Manager's Discretionary Program will require City Manager approval. The 5% is consistent with best practices adopted by the Governmental Accounting Standards Board (GASB) which recommends a 5-15% contingency.

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 project costs. For Fiscal Year 2018-19, budgets have been established for the following transfers.

Transfer Out from General Fund	Description	Amount
Special Revenue Funds	Storm Drain, Non-Point Source, Sidewalk, Curb and Gutter Maintenance	$6,611,000
Debt Service Fund	Annual Debt Payment	$3,169,438
Internal Service Funds	General Fund Subsidy of Compensated Absences and Retiree Medical	$1,578,474
	TOTAL GENERAL FUND TRANSFERS OUT	**$11,358,912**

Fiscal Year 2018-19 Adopted Budget

General Fund Classification of Fund Balance

CLASSIFICATION	Actuals 2015-16	Actuals 2016-17	Adopted Budget 2017-18	Year End Projection 2017-18	Adopted Budget 2018-19
Non Spendable					
Loans Receivable	868,608	851,714	1,032,275	460,047	460,047
Prepaid Items	68,773	25,225	66,428	6,000	6,000
Total Non Spendable	**937,381**	**876,939**	**1,098,703**	**466,047**	**466,047**
Restricted					
Public Access Television	888,374	1,016,771	761,693	843,000	843,000
Total Restricted	**888,374**	**1,016,771**	**761,693**	**843,000**	**843,000**
Committed					
Economic Uncertainty	-	19,000,000	-	19,000,000	19,000,000
Sustainability Reserve	-	-	-	75,499	75,499
PERS	-	-	-	8,000,000	8,000,000
Total Committed	**-**	**19,000,000**	**-**	**27,075,499**	**27,075,499**
Assigned					
Economic Uncertainty	19,000,000	-	19,000,000	-	-
Economic Fluctuation	1,400,000	-	1,400,000	-	-
PERS	100,000	100,000	4,793,000	-	-
Reserve for Encumbrances	-	4,538,181	11,604,000	7,932,000	7,932,000
Total Assigned	**20,500,000**	**4,638,181**	**36,797,000**	**7,932,000**	**7,932,000**
Total UnAssigned	**29,869,085**	**28,057,799**	**6,750,090**	**9,645,226**	**8,893,982**
TOTAL FUND BALANCE	**52,194,840**	**53,589,690**	**45,407,486**	**45,961,772**	**45,210,528**

All Funds Summary

This section provides information on the FY 2018-19 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.

Revenue Estimates

Estimates for FY 2018-19 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 (outside of the City's control) and/or internal factors. The FY 2018-19 revenue estimates are built on the assumption that the economy will continue to experience modest growth.

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 for special revenue funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Other Taxes	276,234	1,350,000	3,000
Use of Money & Property	252,529	2,000	89,310
Intergovernmental	2,254,931	1,980,590	3,822,881
Charges for Services	394,862	384,100	370,000
Miscellaneous Revenue	182,138	-	185,000
Fines and Forfeitures	10,071	6,000	9,000
Transfers In	8,263,430	12,772,122	8,086,000
Total Revenue Sources	**$11,634,195**	**$16,494,812**	**$12,565,191**

Revenues are projected to decrease by $3.9 million dollars, largely due to a reduction in one-time transfers in from the General Fund as well as a decrease in estimated development fees related to housing mitigation and park dedication fees.

Expenditures

Expenditure uses for special revenue funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Employee Compensation	893,672	936,730	990,595
Employee Benefits	463,651	511,493	501,148
Materials	601,690	690,869	855,119
Contract Services	821,701	976,537	867,900
Cost Allocation	379,431	550,748	425,454
Capital Outlays	1,022,285	21,467,129	4,103,379
Special Projects	7,450,532	20,098,648	5,900,000
Contingencies	-	39,571.00	35,702
Transfers Out	-	779,762.00	10,000
Total Expenditures Uses	**$11,632,963**	**$46,051,487**	**$13,689,297**

Expenditures are projected to decrease by $32.4 million dollars, which is primarily due to a decrease related to the completion of capital and BMR projects in FY 2017-18.

Fund Balance

Fund balance represents a funds 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	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Beginning Balance	33,775,116	33,776,349	4,219,674
Net Increase (Decrease) in Fund Balance	1,233	(29,556,675)	(1,124,106)
Ending Balance	**$33,776,349**	**$4,219,674**	**$3,095,568**

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/Library, Wilson/Memorial Open Space and Library Certificates of Participation (COP) that will be paid off by the year 2030.

Revenue

Revenue sources for the Debt Service Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Use of Money & Property	4,951	-	-
Transfers In	3,167,538	3,167,538	3,169,438
Total Revenue Sources	**$3,172,489**	**$3,167,538**	**$3,169,438**

Revenues are expected to remain relatively unchanged.

Expenditures

Expenditure uses for Debt Service Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Debt Service	3,172,238	3,167,538	3,169,438
Total Expenditures Uses	**$3,172,238**	**$3,167,538**	**$3,169,438**

Expenditures are expected to remain relatively unchanged. This represents a repayment of debt and payments which are fixed for the life of the loan.

Fund Balance

Fund balance represents a funds 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	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Beginning Balance	1,596,982	1,597,234	1,597,234
Net Increase (Decrease) in Fund Balance	252	-	-
Ending Balance	**$1,597,234**	**$1,597,234**	**$1,597,234**

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

Revenue
Revenue sources for Capital Project Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Miscellaneous	-	1,800,000	-
Transfers In	20,907,000	18,325,762	9,051,500
Total Revenue Sources	**$20,907,000**	**20,125,762**	**$9,051,500**

Revenue is projected to decrease by $11.1. This decrease is caused primarily by a $10 million transfer in from the General Fund in FY 2017-18.

Expenditures
Expenditure uses for Capital Project Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Employee Compensation	29,077	-	-
Employee Benefits	11,013	-	-
Materials	841	-	-
Contract Services	0	147,289	-
Capital Outlays	2,194,303	16,512,013	7,141,500
Transfers Out	8,709,982	15,184,000	10,726,500
Total Expenditures Uses	**$10,945,216**	**$31,843,302**	**$17,868,000**

Expenditures are projected to decrease by $14.0 million dollars primarily due to a decrease in transfers out of other funds to fund capital projects. Capital outlays are also adopted to decrease $9.4 million due to significant completion of capital projects in FY 2017-18.

Fund Balance
Fund balance represents a funds 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	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Beginning Balance	15,344,191	25,305,975	13,588,436
Net Increase (Decrease) in Fund Balance	9,961,784	(11,717,540)	(8,816,500)
Ending Balance	**$25,305,975**	**$13,588,436**	**$4,771,936**

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 for Enterprise Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Use of Money & Property	366,914	231,200	317,000
Intergovernmental	15,380	15,000	15,000
Charges for Services	7,484,945	7,181,800	6,871,400
Miscellaneous Revenue	319,419	56,000	66,000
Transfers In	1,874,120	400,000	75,000
Total Revenue Sources	**$10,060,779**	**$7,884,000**	**$7,344,400**

Revenue is projected to decrease by $540,000, this is primarily driven by anticipated decreases in charges for services and a decrease in transfers due to the department using unassigned fund balance to cover operational shortages. As part of the budget process each fund is evaluated. Funds that are bringing in less revenue than they are expending require the use of fund balance or a subsidy from the General Fund.

Expenditures

Expenditure uses for Enterprise Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Employee Compensation	1,526,685	1,952,091	1,902,484
Employee Benefits	517,333	603,569	566,178
Materials	223,998	565,186	568,836
Contract Services	5,118,569	5,184,094	6,066,925
Contingencies	-	273,496	207,732
Cost Allocation	661,972	759,543	906,362
Special Projects	40,284	729,186	315,000
Transfers Out	331,836	693,766	320,509
Total Expense Uses	**$8,420,678**	**$10,760,931**	**$10,854,026**

Expenditures are projected to increase by $94,000. This increase is driven primarily by an increase in contract services, cost allocation plan charges, and transfers out to other funds.

Retained Earnings

Enterprise funds carry retained earning instead of fund balance. Retained earnings are calculated by taking the beginning balance and then adding the difference between revenue and expenditures to arrive at the ending retained earnings. 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.

CHANGES TO RETAINED EARNINGS	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Beginning Balance	9,411,357	11,051,458	8,174,527
Net Increase (Decrease) in Retained Earnings	1,640,101	(2,876,931)	(3,509,626)
Ending Balance	**$11,051,458**	**$8,174,527**	**$4,664,901**

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 the Information Technology, City Channel and Website, Equipment, Workers Compensation, Long-Term Disability/Compensated Absence, and Retiree Medical funds.

Revenue

Revenue sources for Internal Service Funds are summarized in the table below and discussed in greater detail following the table:

REVENUE SOURCES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Use of Money & Property	32,275	-	-
Intergovernmental	-	-	-
Charges for Services	3,742,404	3,955,512	4,973,162
Miscellaneous Revenue	1,530	-	-
Transfers In	1,092,130	3,427,708	1,578,474
Other Financing Uses	82,095	601,003	472,652
Total Revenue Sources	**$4,950,434**	**$7,984,223**	**$7,024,288**

Revenues are projected to decrease by $960,000. The reduction is primarily due to a decrease in transfers in from the General Fund as a result of the consolidation of the City Channel fund to the General Fund in FY 2016-17. This decrease is offset with an increase in cost allocation plan charges to recoup funds for additional Innovation and Technology projects in FY 2018-19.

Expenditures

Expenditure uses for Internal Service Funds are summarized in the table below and discussed in greater detail following the table:

EXPENDITURE USES	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Employee Compensation	1,137,168	1,421,306	1,361,662
Employee Benefits	2,064,248	1,505,057	1,696,269
Materials	545,556	818,238	981,277
Contract Services	1,871,151	1,717,095	1,981,855
Contingencies	-	323,695	147,882
Cost Allocation	798,514	444,717	727,082
Special Projects	438,866	2,594,413	903,000
Transfers Out	532385	460,442	699,351
Total Expenditures Uses	**$7,387,889**	**$9,284,963**	**$8,498,378**

Total expenditures is projected to decrease $787,000 as a result of the consolidation of the City's City Channel fund to the General Fund in FY 2016-17.

Retained Earnings

Internal Service Funds carry retained earning instead of fund balance. Retained earnings are 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 retained earnings. 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.

CHANGES TO RETAINED EARNINGS	2016-17 Actuals	2017-18 Projected	2018-19 Adopted Budget
Beginning Balance	17,506,102	15,068,647	13,767,907
Net Increase (Decrease) in Retained Earnings	(2,437,455)	(1,300,740)	(1,474,090)
Ending Balance	**$15,068,647**	**$13,767,907**	**$12,293,817**

5-Year and 20-Year General Fund Forecast

In the past, City staff has completed 5-year forecasts as part of the budget process. This year, City staff has also prepared a 20-year forecast as the City prepares to deal with significant increases in retirement costs due to changes in the CalPERS discount rate, also known as the assumed rate of return. These increases in CalPERS retirement costs will also impact the City's law enforcement contract, which increases as retirement costs rise. These rising costs coupled with stalled growth in development in the City are resulting in projected shortfalls beginning in FY 2023-24.

The financial forecast is a planning tool that helps staff identify important trends and anticipate the longer term consequences of budget decisions. The forecast is an instrumental tool in modeling the effects of rising retirement costs, increases in employee compensation, and revenue performance scenarios.

The forecast is not a plan, but a model based on cost and revenue assumptions that are updated regularly as new information becomes available. Of these components, cost projections, which are based on known costs, are relatively reliable. Revenue forecasts, on the other hand, are based on assumptions related to future economic conditions, which are fraught with uncertainty. Economic forecasts in the financial markets and the media change on a seemingly daily basis and demonstrate the difficulties of committing to a particular prediction of the future. For this reason, the forecast is updated regularly.

A discussion of both the national and local economic outlooks used to develop the revenue estimates for the FY 2018-19 forecast is discussed below. Key economic forecasts were reviewed in the development of the revenue estimates, including the national, State and regional economic forecasts produced by the Congressional Budget Office, California's Legislative Analyst's Office (LAO), and economist Steven Levy of the Center for Continuing Study of the California Economy (CCSCE). The City also uses tax consultant HDL to assist in the development of sales tax, property tax and transient occupancy tax (TOT) revenue estimates and projections.

While economic conditions are the primary drivers for economically sensitive revenues such as the sales tax and property tax categories, performance is primarily driven by other factors for non-economically sensitive categories such as the utility user tax and franchise fee categories. These revenue categories are more heavily impacted by utility rate changes, energy prices, and consumption levels. Collections from local, State, and federal agencies are primarily driven by grant and reimbursement funding available from these agencies. As a result, these revenues experience no significant net gain or loss during economic expansions or slowdowns. All revenue projections 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.

National Economic Outlook

Both locally and nationally, uncertainty is the main theme among forecasts. Most are projecting either moderate economic growth or a mild recession during the next two years. It's important to note that the national economy has been expanding since June 2009, as defined by the National Bureau of Economic Research (NBER). The expansion is now in its ninth year and is poised to become the second-longest on record later this year. According to the non-partisan Congressional Budget Office (CBO), economic growth is expected to dampen between 2020 and 2026 primarily due to higher interest rates. Similarly, the Federal Open Market Committee (FOMC) forecasts GDP growth of 2.7 percent in 2018, 2.4 percent in 2019, and 2.0 percent in 2020. The broad consensus among economists is modest expansion until 2020, after which growth is expected to decrease.

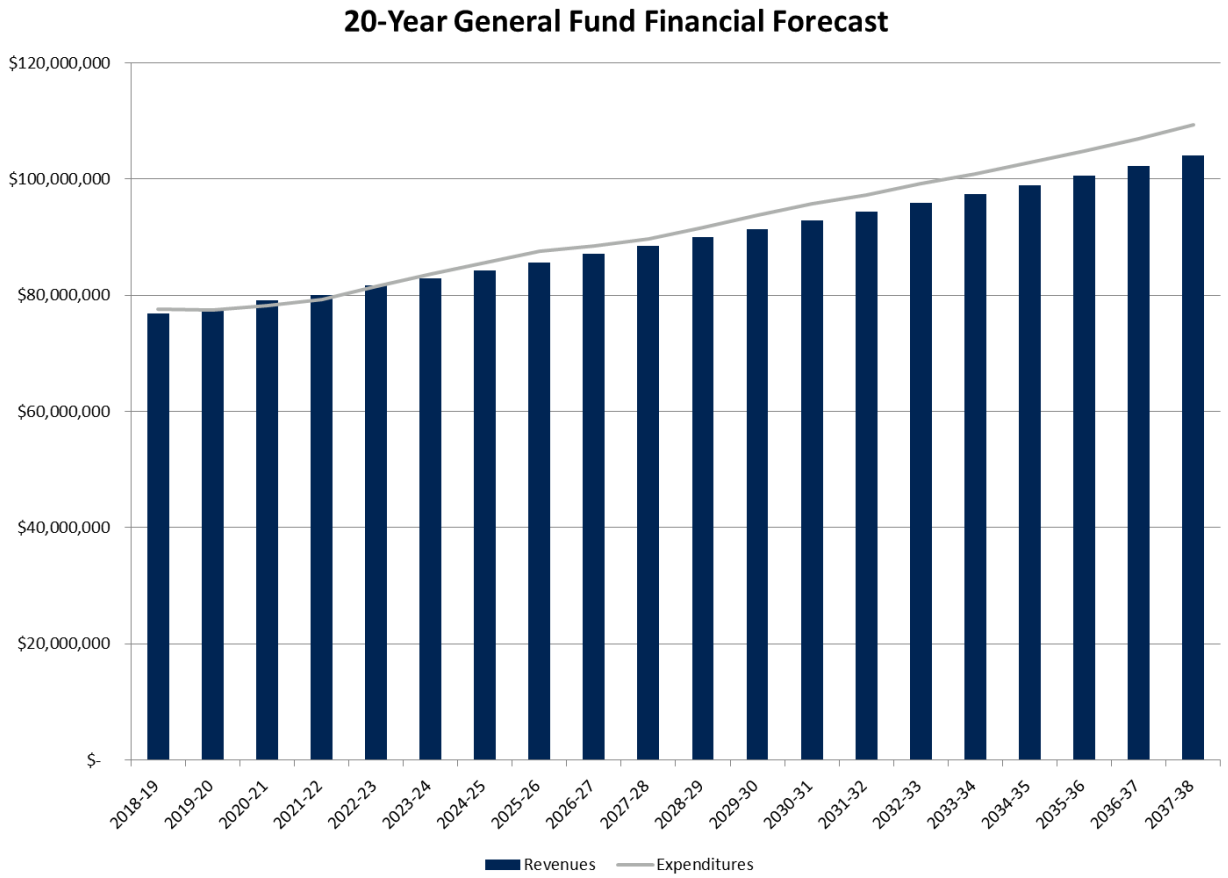
Cupertino Economic Outlook

The outlook for Cupertino and the Silicon Valley overall has been positive, with steady growth in this forecast. Sales taxes continue to be very strong, driven by business-to-business (B2B) sales in the City's technology sector. Property taxes have also performed well over the last several years, but are expected to stabilize as interest rates begin to rise during the forecast period. The limited supply of housing may eventually dampen growth as well.

In recent years, large construction projects have generated strong development-related revenue for the City's coffers. However, development-related activity has started to decrease. The majority of revenues associated with the Apple Park project have already been collected per the development agreement. No other major development projects are forecasted at this time. Development projects that have yet to be approved and permitted are not included in this forecast out of prudence. It would be risky to rely on these one-time revenues given the political uncertainty around development projects.

In summary, the steady recovery from the great recession is expected to continue impacting the City's revenue performance. Economically sensitive revenues, such as sales tax and property tax receipts, are expected to experience moderate growth over the forecast period. Development-related revenue such as licenses and permits, construction tax, and charges for services are expected to decline from the peak experienced in FY 2013-14 due to the completion of one-time projects.

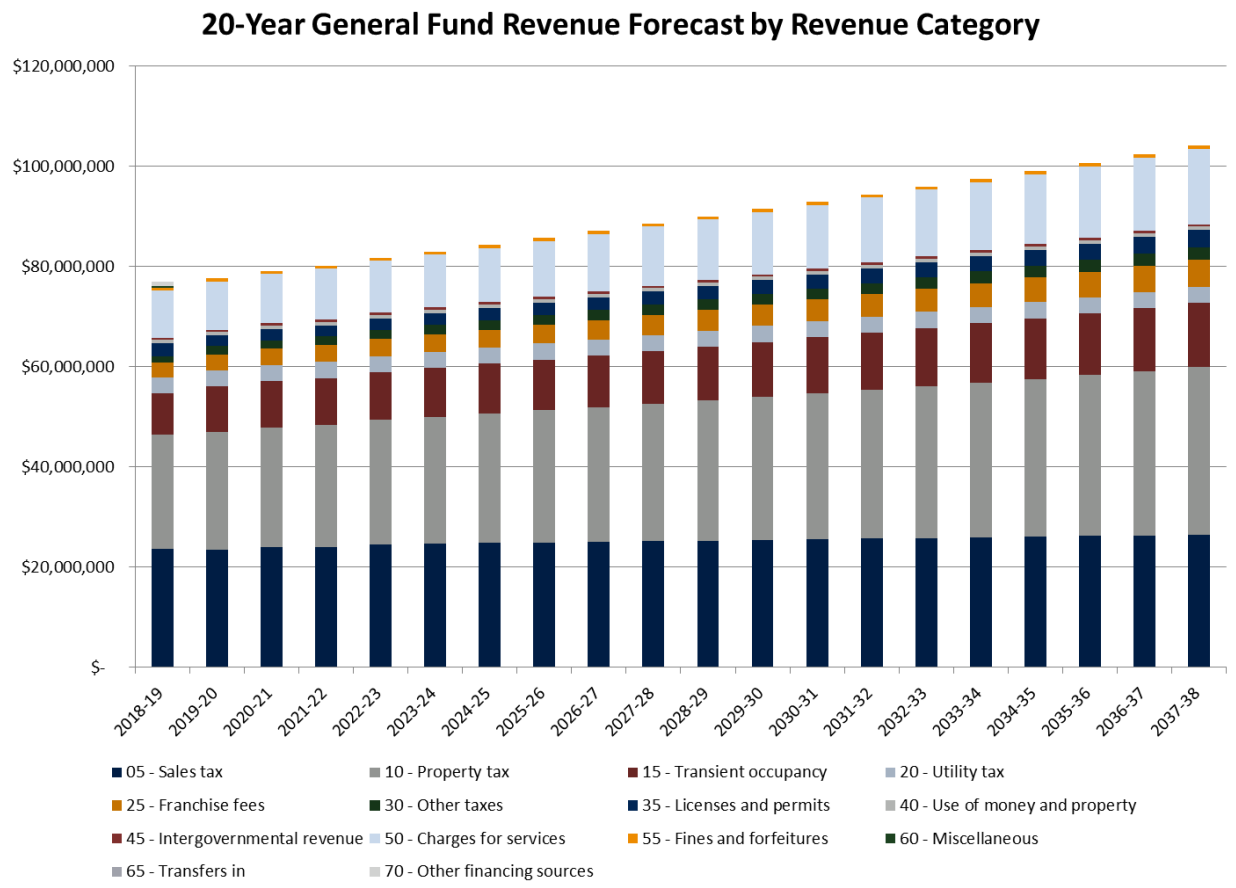
As shown in the chart on the next page, operating revenues are expected to exceed operating expenditures through the fifth year of the forecast. Per the City's One Time Use and Reserve Policy, any additional unassigned fund balance above the $500,000 threshold will be transferred to the Capital Reserve at the end of the year. This year, staff is also recommending funding the CalPERS Reserve on an annual basis as part of a long-term strategy to improve the financial sustainability of the City's pension system and reduce the effect of pension rate volatility on the City's operating budget.



Revenues

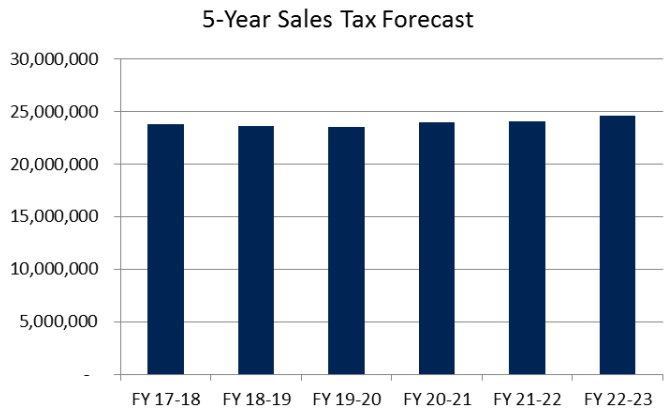
As shown in the following table, the City's top three revenue sources continue to be property tax, sales tax, and transient occupancy tax (TOT). All three revenue sources are expected to grow, although that pace of growth is projected to slow. In the last five years, major development projects, such as Main Street and Apple Park, were a large source of revenue.

FIVE-YEAR GENERAL FUND REVENUES FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
REVENUES						
Sales Tax	23,790,000	23,637,000	23,495,000	23,965,000	24,022,000	24,550,000
Property Tax	22,357,000	22,766,000	23,405,000	23,873,000	24,350,000	24,837,000
Transient Occupancy Tax	6,708,000	8,252,000	9,170,000	9,308,000	9,355,000	9,542,000
Utility Tax	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Franchise Fees	3,040,000	3,042,000	3,133,000	3,227,000	3,324,000	3,424,000
Other Taxes	2,850,000	1,150,000	1,672,000	1,710,000	1,750,000	1,790,000
Licenses & Permits	2,145,000	2,685,000	2,145,000	2,194,000	2,245,000	2,296,000
Use of Money & Property	1,647,790	692,000	692,000	692,000	692,000	692,000
Intergovernmental	484,000	326,000	484,000	484,000	484,000	484,000
Charges for Services	15,472,270	9,419,276	9,636,000	9,858,000	10,084,000	10,316,000
Fines & Forfeitures	600,000	615,000	615,000	615,000	615,000	615,000
Miscellaneous	1,610,351	244,200	-	-	-	-
Other	9,202,885	850,000	-	-	-	-
Transfers In	2,000,000	10,000	-	-	-	-
TOTAL REVENUES	**95,107,296**	**76,888,476**	**77,647,000**	**79,126,000**	**80,121,000**	**81,746,000**



Sales Tax

FIVE-YEAR SALES TAX FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Sales Tax	23,790,000	23,637,000	23,495,000	23,965,000	24,022,000	24,550,000

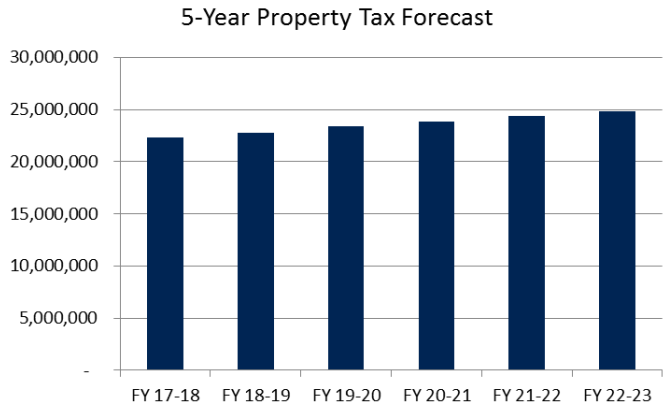


Sales tax is projected to be lower in FY 2018-19 due to the completion of Apple Park, then increase modestly in subsequent years. Starting in FY 2024-25, sales tax is projected to grow by 0.5% in the long-term forecast. Business-to-business (B2B) revenue is the largest portion of the City's sales tax base, so the City's sales tax revenue is sensitive to market forces. In particular, the City's two largest sales tax sources—both technology companies—account for a large portion of the City's total sales tax revenue. Sales tax revenue is reported two quarters in arrears thus providing the City with about six months to react should a reduction in this revenue source occur.

Given the volatility of B2B revenue, which accounts for 67.0% of the City's sales tax, a key goal of the City's long-term fiscal strategic plan is to diversify its sales tax base by promoting the general retail and food product sectors. Recently completed development projects such as Nineteen800 and Main Street are expected to generate new or replacement retail. These developments should boost retail sales and reduce the City's reliance on B2B revenue.

Property Tax

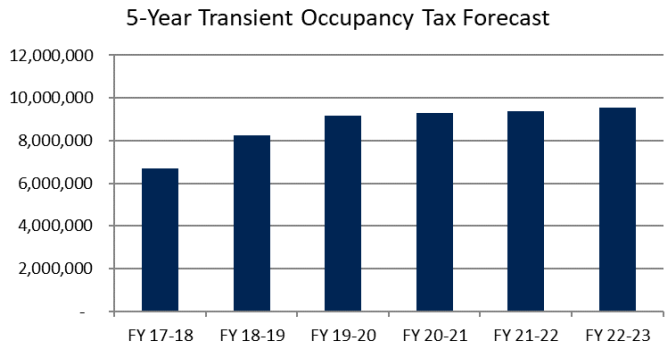
FIVE-YEAR PROPERTY TAX FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Property Tax	22,357,000	22,766,000	23,405,000	23,873,000	24,350,000	24,837,000



Property taxes are projected to increase by 2% each year in the forecast. These forecasts are based on estimates from the Santa Clara County Assessor's Office. Again, with little to no major development projects expected in the City, the City will not continue to see dramatic increases in property tax revenue as it has in the past.

Transient Occupancy Tax

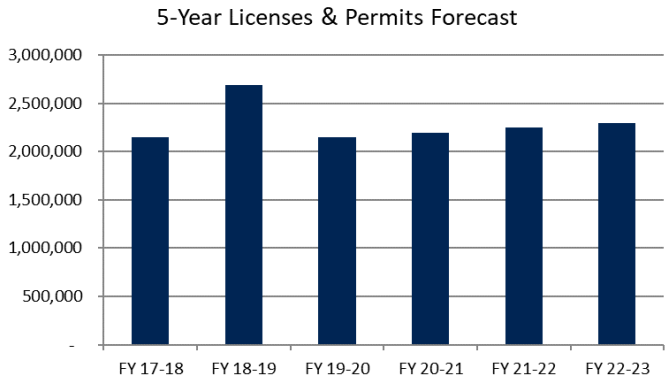
FIVE-YEAR TRANSIENT OCCUPANCY TAX FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Transient Occupancy Tax	6,708,000	8,252,000	9,170,000	9,308,000	9,355,000	9,542,000



In FY 2018-19 and FY 2019-20, transient occupancy tax (TOT) revenues are projected to increase due to the opening of new hotels: the 180-room Residence Inn by Marriott hotel at Main Street and the 148-room Hyatt House hotel at Vallco Park (expected in 2019). Starting in FY 2022-23, revenues are projected to increase by national Gross Domestic Product (GDP) or about 2% per year. This revenue source is impacted by the tax rate charged on hotels in the City and the occupancy rate of these hotels. This revenue source is highly correlated with B2B revenue, as revenue is primarily driven by business travel. Occupancy rates are currently at record levels given our strong local economy. However, a decline in the economy could have a significant impact on this revenue source. In addition, this forecast does not assume any additional hotels opening in the City.

Licenses and Permits

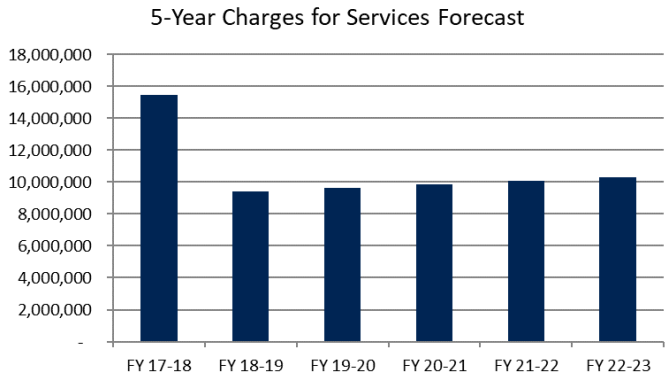
FIVE-YEAR LICENSES & PERMITS FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Licenses & Permits	2,145,000	2,685,000	2,145,000	2,194,000	2,245,000	2,296,000



Licenses and permits are forecasted to decrease in FY 2019-20 due to reduced development activity. Starting in FY 2020-21, revenue is projected to increase by CPI. Out of prudence, this forecast does not reflect any major development projects that are awaiting approval. If new development projects are approved, this forecast will be updated accordingly.

Charges for Services

FIVE-YEAR CHARGES FOR SERVICES FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Charges for Services	15,472,270	9,419,276	9,636,000	9,858,000	10,084,000	10,316,000



In FY 2018-19, revenues from charges for services are projected to decrease, primarily due to a decrease in development activity. Starting in FY 2019-20, revenue is projected to increase by CPI. This forecast does not assume any major development projects that are awaiting approval.

Other Revenue

FIVE-YEAR FORECAST - OTHER REVENUE						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Utility Tax	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Franchise Fees	3,040,000	3,042,000	3,133,000	3,227,000	3,324,000	3,424,000
Other Taxes	2,850,000	1,150,000	1,672,000	1,710,000	1,750,000	1,790,000
Use of Money & Property	1,647,790	692,000	692,000	692,000	692,000	692,000
Intergovernmental	484,000	326,000	484,000	484,000	484,000	484,000
Fines & Forfeitures	600,000	615,000	615,000	615,000	615,000	615,000
Miscellaneous	1,610,351	244,200	-	-	-	-
Other	9,202,885	850,000	-	-	-	-
Transfers In	2,000,000	10,000	-	-	-	-
TOTAL	**24,635,026**	**10,129,200**	**9,796,000**	**9,928,000**	**10,065,000**	**10,205,000**

Utility taxes are assumed to remain flat based on past performance. In the last 10 years, increases in rates have been offset by decreases in consumption.

Franchise fees are projected to increase by CPI in all out-years.

Other taxes are made up of construction, property transfer, and business license tax revenue. Revenue is projected to increase by CPI in all out-years.

Use of money and property is expected to remain flat throughout the forecast based on the City's current conservative investment strategy and low interest rates.

Intergovernmental revenues will decrease in FY 2018-19 but are projected to remain flat in the out-years.

Fines and Forfeitures are anticipated to increase in FY 2018-19 but will remain flat in the out-years.

Miscellaneous and non-operational revenues are not assumed in the forecast.

Expenditures

FIVE-YEAR GENERAL FUND EXPENDITURES FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
EXPENDITURES						
Employee Compensation	18,069,974	19,349,144	19,790,000	19,649,000	19,649,000	20,112,000
Employee Benefits	7,548,730	8,059,818	9,465,000	9,465,000	9,604,000	10,603,000
Personnel Costs	**25,618,704**	**27,408,962**	**29,255,000**	**29,114,000**	**29,253,000**	**30,715,000**
Materials	6,185,981	5,772,556	5,773,000	5,773,000	5,773,000	5,773,000
Contract Services	22,209,795	19,461,836	20,108,000	20,711,000	21,332,000	21,972,000
Cost Allocation	8,101,838	9,368,223	9,612,000	9,910,000	10,207,000	10,513,000
Capital Outlay	4,478,588	793,000	-	-	-	-
Special Projects	18,105,713	1,368,298	500,000	500,000	500,000	500,000
Contingencies	990,239	1,197,933	800,000	800,000	800,000	800,000
Other Uses	892,376	910,000	-	-	-	-
Non-Personnel Costs	**60,964,530**	**38,871,846**	**36,793,000**	**37,694,000**	**38,612,000**	**39,558,000**
Transfers	**24,129,368**	**11,358,912**	**11,359,000**	**11,359,000**	**11,359,000**	**11,359,000**
TOTAL EXPENDITURES	**110,712,602**	**77,639,720**	**77,407,000**	**78,167,000**	**79,224,000**	**81,632,000**

An in-depth analysis of General Fund expenditures was completed to develop the FY 2018-19 expenditure estimates included in this forecast. As displayed in the chart above, General Fund expenditures are projected to decrease from $110.7 million in FY 2017-18 to $77.6 million in FY 2018-19 and increase each year in the forecast.

The forecast is adjusted to eliminate one-time additions or deletions and annualize partial year allocations that were included in the FY 2017-18 Adopted Budget. One-time additions scheduled to expire in June 2018 were eliminated in the out-years of the forecast.

The following discussion focuses on the assumptions used for estimating each of the expenditure categories in the General Fund Forecast.

Personnel Expenditures

Salaries

Salaries are expected to grow significantly in the out-years of the forecast. Full-time salaries are projected to grow at a rate of 2.5% per year, which is slightly lower than the presumed rate of growth by CalPERS. Part-time salaries are forecasted to grow at a rate of 1.5% as they generally grow at a slower pace than full-time salaries. Increases in salaries are primarily due to employees below Step 5 progressing to higher salary steps. Five limited-term positions are forecasted to end in FY 2020-21. The ending of these limited-term positions will result in approximately $1 million in ongoing salary and benefits savings.

Health Benefits

Health benefits account for about 9% of all personnel costs in the General Fund, mostly due to health insurance costs. The City pays employees a fixed amount for health and dental insurance costs, as opposed to covering a percentage of premiums. In October 2016, City Council approved labor contracts that resulted in a significant increase in the City's health insurance contributions. In the out-years, an annual increase of 5% is projected for health insurance and 2% for dental insurance. Cost increases in health above the negotiated flat amount and any increases in dental are fully absorbed by employees.

While not factored into the forecast, there is uncertainty about the fate of the Affordable Care Act (ACA). Rate increases have stabilized with the implementation of the ACA. Still looming is the so-called "Cadillac Tax" which, beginning in 2022, will impose an excise tax for any employer-sponsored health coverage whose value exceeds $10,200 per year for individuals and $27,500 for families. A 40% excise tax will be imposed on the amount that exceeds the predetermined thresholds. Most of the City's current health plans would fall under the definition of a Cadillac plan, which could increase the City's cost of providing health benefits to employees. The City's health care administrator, CalPERS, has given assurances that coverage plans will fall below the Cadillac Tax threshold.

Retirement Benefits

Rising retirement costs are driving the increase in employee benefits. The table below shows the current breakdown of City employees amongst the three retirement tiers. The majority of employees in the City are currently covered under the Tier 1 retirement system. Savings from the lower-cost Tier 2 and Tier 3 plans are not expected to be substantial for another 10-15 years.

Tier	# Employees	Benefits	Employer Share	Employee Share	Total Rate
I	102	2.7@ 55 Highest Year	26.17%	8.00%	34.17%
II	16	2% @ 60 Highest 3 Yr Avg	26.17%	7.00%	33.17%
III	79	2% @ 62 Highest 3 Yr Avg	26.17%	6.25%	32.42%

Cupertino provides retirement benefits for its employees through the California Public Employee's Retirement System (CalPERS). Poor investment returns during the Great Recession and actuarial assumption changes have increased the gap between the pension system's assets and liabilities, resulting in the overall funded status of the system falling significantly. Currently, the funded status of the CalPERS plan is 68%.

The City's pension plan has an Unfunded Accrued Liability (UAL) of $40.6 million and a funded ratio of 65.8%, according to the most recent actuarial report issued by CalPERS in August 2017.

CALPERS PLAN STATUS		6/30/2015		6/30/2016
Present Value of Projected Benefits	$	129,440,196	$	138,600,233
Entry Age Normal Accrued Liability	$	111,188,031	$	118,489,119
Market Value of Assets (MVA)	$	77,897,977	$	77,919,876
Unfunded Accrued Liability (UAL)	$	33,290,054	$	40,569,243
Funded Ratio		70.1%		65.8%

A defined-benefit plan is considered adequately funded if its assets equal or exceed the value of its future liabilities. The funded ratio is the ratio of assets to liabilities. When the funded ratio is lower than 100%, the plan has insufficient assets to pay all future liabilities. After a thorough analysis, CalPERS actuaries determined that the retirement system was at significant risk of falling to dangerously low funded status levels under existing actuarial policies.

In December 2016, the CalPERS Board voted to reduce the discount rate by 0.5 percentage points. This change will result in significant increases in retirement costs well above the City's previous forecasts. As a result of the discount rate reduction, the City's CalPERS costs are projected to increase by over 80% from FY 2017-18 to FY 2024-25 as shown in the table below.[3]

PROJECTED CALPERS CONTRIBUTIONS	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Projected Payroll	$ 16,544,880	$ 17,041,226	$ 17,552,463	$ 18,079,037	$ 18,621,408	$ 19,180,050	$ 19,755,452
Normal Cost (%)	10.1%	10.6%	11.6%	11.6%	11.6%	11.6%	11.6%
Normal Cost	$ 1,677,320	$ 1,806,370	$ 2,036,086	$ 2,097,168	$ 2,160,083	$ 2,224,886	$ 2,291,632
UAL Payment	$ 2,770,235	$ 3,201,000	$ 3,584,000	$ 4,029,000	$ 4,420,000	$ 4,698,000	$ 4,940,000
Total Contribution	$ 4,447,555	$ 5,007,370	$ 5,620,086	$ 6,126,168	$ 6,580,083	$ 6,922,886	$ 7,231,632
Total Contribution (%)	26.9%	29.4%	32.0%	33.9%	35.3%	36.1%	36.6%

In addition, it is unclear if CalPERS investment returns will be able to meet this new rate of return and many experts speculate that CalPERS will need to lower the discount rate again in the future. As part of a budget-balancing strategy, the budget proposes the creation of a Pension Rate Stabilization Program (PRSP), also known as a Section 115 Trust. The Section 115 Trust would help the City to offset the costs of any further discount rate changes, address the UAL earlier than required by CalPERS, and attain a funded status of at least 80% within 20 years.

Other Benefits
The forecast assumes an annual 2% cost escalator for life insurance, long-term disability insurance, and the employee assistance program. Workers' compensation costs vary widely depending on the number and type of claims, which makes these costs very hard to predict. The forecast assumes a 2% annual increase. No increases were forecasted for the following benefits: car allowance, internet allowance, standby pay and wellness credit.

Non-Personnel Expenditures
Non-personnel expenditures in FY 2018-19 were adjusted to remove one-time uses and build forecast projections off of base levels. For the out-years of the forecast, a growth rate based on projected CPI has been assumed from the FY 2018-19 non-personnel base levels in each of the four years. The average growth rate for the non-personnel category is 3% annually.

Materials costs are forecasted to remain flat in the out year of the forecast as the City's base budget is reviewed. It is anticipated savings can be found within existing budgets to flatten out these costs.

Contract Services costs are projected to grow by CPI in the out-years of the forecast with the exception of the Law Enforcement contract with the Santa Clara County Sheriff's Office. Law Enforcement costs are projected to grow by CPI plus 2% and by changes in retirement costs per the current contract terms. The major increase in contracts is driven by increases in CalPERS that will be passed on to the City.

Cost Allocation is projected to grow by CPI in the out-years but this estimate is conservative as savings may materialize in department budgets that may drive these costs down.

Capital Outlays and Special Projects are projected to remain flat at $500,000 in the forecast period. In the last five years, the City has spent about $2 million per year in capital outlay and special project costs excluding development projects that include pass thru revenue. Costs related to this category are being reduced as a budget-balancing strategy.

Appropriations for Contingency are projected to remain flat at $800,000 in the forecast period. The City has historically underspent in this category and the decrease is being used as a budget-balancing strategy. In addition, use of these funds would require pre-approval by the City Manager or his/her designee should departments want to utilize these funds.

Transfers represent the General Fund's contributions to other City funds to support debt payments, pay retiree health costs, finance capital projects, replenish capital project reserves, acquire new equipment, and subsidize enterprises and operations. With the implementation of full cost allocation in FY 2015-16, General Fund expenses will be 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 with 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 projected to kick in and remain flat in the forecast in order to maintain those fund balance minimums.

Fund Balance

FIVE-YEAR GENERAL FUND FUND BALANCE FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Beginning Fund Balance	53,589,690	45,961,772	45,210,528	45,450,528	46,409,528	47,306,528
Committed/Other	36,316,546	36,316,546	34,424,479	36,424,479	38,424,479	40,424,479
Unassigned	9,645,226	8,893,982	11,026,049	9,985,049	8,882,049	6,996,049
Total Ending Fund Balance	**45,961,772**	**45,210,528**	**45,450,528**	**46,409,528**	**47,306,528**	**47,420,528**

The General Fund's fund balance is projected to increase by $1.5 million over the forecast period. This is driven by the City's strong revenues and the City's conservative approach to expenditure growth. The City's restricted fund balance is projected to increase, as the City proposes to initially fund the Section 115 Trust with $8.0 million from the CalPERS Reserve. In addition, the City proposes to add $2.0 million of fund balance to the Section 115 Trust each year until FY 2022-23.

FIVE-YEAR GENERAL FUND FUND BALANCE FORECAST						
	FY 17-18 Estimate	FY 18-19 Adopted	FY 19-20 Forecast	FY 20-21 Forecast	FY 21-22 Forecast	FY 22-23 Forecast
Non-Spendable						
Loans Receivable	460,047	460,047	460,047	460,047	460,047	460,047
Prepaid Items	6,000	6,000	-	-	-	-
Total Non-Spendable	**466,047**	**466,047**	**460,047**	**460,047**	**460,047**	**460,047**
Restricted						
Public Access Television	843,000	843,000	888,933	888,933	888,933	888,933
Section 115 Trust			10,000,000	12,000,000	14,000,000	16,000,000
Total Restricted	**843,000**	**843,000**	**10,888,933**	**12,888,933**	**14,888,933**	**16,888,933**
Committed						
Economic Uncertainty	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Sustainability Reserve	75,499	75,499	75,499	75,499	75,499	75,499
PERS	8,000,000	8,000,000	-	-	-	-
Total Committed	**27,075,499**	**27,075,499**	**19,075,499**	**19,075,499**	**19,075,499**	**19,075,499**
Assigned						
Reserve for Encumbrances	7,932,000	7,932,000	4,000,000	4,000,000	4,000,000	4,000,000
Total Assigned	**7,932,000**	**7,932,000**	**4,000,000**	**4,000,000**	**4,000,000**	**4,000,000**
Total Unassigned	**9,645,226**	**8,893,982**	**11,026,049**	**9,985,049**	**8,882,049**	**6,996,049**
TOTAL FUND BALANCE	**45,961,772**	**45,210,528**	**45,450,528**	**46,409,528**	**47,306,528**	**47,420,528**

It is anticipated that any unassigned fund balance over the $500,000 threshold will be transferred to the Capital Reserve, the CalPERS Reserve, or the Section 115 Trust. The budget proposes the creation of a Section 115 Trust to stabilize the potential impact of pension cost volatility on the City's operating budget. The City will be able to use funds from the Section 115 Trust to offset unexpected increases in retirement contributions. Funds in the Section 115 Trust are restricted and can only be used to pay CalPERS or reimburse the City for pension contributions.

Budget-Balancing Strategies

The City's budget has historically been structurally sound with revenues exceeding expenditures in most years. When revenues have exceeded expenditures, the excess fund balance was moved to the Capital Reserve per the City's One Time Use and Reserve Policy. The current 5-year forecast anticipates a small deficit in the first year that the City anticipates will not materialize due to salary and benefits savings from vacancies and attrition. In addition, as mentioned above, the City has historically underspent contingencies. Overall, in the next five years, projections show small operating surpluses. However, beginning in FY 2023-24, staff anticipates structural deficits. Staff is currently recommending the following strategies to assist in balancing the budget over the next 20 years.

Strategy	Description	Potential Impact
Revenues		
Employer-Based business license tax	Introduced as part of City Council Work Plan	Unknown at this time
Storm Water Fee Increase	Introduced as part of the City Council Work Plan. Rates have not increased in many years and would be brought to cost recovery levels, thereby eliminating a General Fund subsidy.	Unknown at this time
Expenditures		
Salary and Benefit Savings through attrition	Keep non-essential positions unfilled as they become vacant. The goal would be approximately 10 positions.	$2 million
No new positions past the current fiscal year	Cost containment strategy	$0
Section 115 Trust	Smoothing mechanism for years when CalPERS does not meet discount rate projections or assumption changes	Varies based on investment returns and investment strategy
No extension of limited term positions	Eliminates potential ongoing salary and benefit costs associated with 5 remaining limited term positions in FY 2020-21	$1 million
Reduction in capital outlays and special projects	Cost containment strategy	Up to $1.5 million
Reduction in contingencies	Cost containment strategy	Up to $400,000

Additional Strategies

The following strategies, although not recommended at this time, may be considered by the City in future years should revenues experience a sharp decline or expenditures a sharp unexpected increase resulting in a larger structural deficit than currently anticipated.

Strategy	Description	Potential Impact
Employee cost-sharing of increases to CalPERS	Negotiate to share costs of increases to CalPERS employer rates with employees	$250,000 approximate based on 5% rate increase
Furloughs	Employee cost-sharing of increases to CalPERS	$300,000 approximate based on 1%

		decrease
Reduction in force	The City would identify what positions could be reduced (laid off) based on provisions in the MOUs where applicable and service level needs in the City	Varies

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - General Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
Sales Tax	26,932,012	22,790,000	23,790,000	23,637,000	23,495,000	23,965,000	24,022,000	24,550,000
Property Tax	20,219,077	20,757,000	22,357,000	22,766,000	23,405,000	23,873,000	24,350,000	24,837,000
Transient Occupancy Tax	6,023,681	6,708,000	6,708,000	8,252,000	9,170,000	9,308,000	9,355,000	9,542,000
Utility Tax	3,082,408	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Franchise Fees	3,409,572	3,040,000	3,040,000	3,042,000	3,133,000	3,227,000	3,324,000	3,424,000
Other Taxes	2,981,883	2,850,000	2,850,000	1,150,000	1,672,000	1,710,000	1,750,000	1,790,000
Licenses & Permits	2,536,924	2,145,000	2,145,000	2,685,000	2,145,000	2,194,000	2,245,000	2,296,000
Use of Money and Property	1,210,231	1,647,790	1,647,790	692,000	692,000	692,000	692,000	692,000
Intergovernmental	330,107	484,000	484,000	326,000	484,000	484,000	484,000	484,000
Charges for Services	17,913,165	13,337,897	15,472,270	9,419,276	9,636,000	9,858,000	10,084,000	10,316,000
Fines & Forfeitures	593,122	600,000	600,000	615,000	615,000	615,000	615,000	615,000
Miscellaneous	1,822,763	225,960	1,610,351	244,200	-	-	-	-
Other	5,747,045	210,000	9,202,885	850,000	-	-	-	-
Transfers In	2,361,747	2,000,000	2,000,000	10,000	-	-	-	-
TOTAL REVENUES	**95,163,736**	**79,995,647**	**95,107,296**	**76,888,476**	**77,647,000**	**79,126,000**	**80,121,000**	**81,746,000**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - General Fund Expenditures

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
Employee Compensation	15,019,952	17,078,787	18,069,974	19,349,144	19,790,000	19,649,000	19,649,000	20,112,000
Employee Benefits	6,522,993	7,210,639	7,548,730	8,059,818	9,465,000	9,465,000	9,604,000	10,603,000
Personnel Costs	**21,542,944**	**24,289,426**	**25,618,704**	**27,408,962**	**29,255,000**	**29,114,000**	**29,253,000**	**30,715,000**
Materials	3,637,591	4,784,228	6,185,981	5,772,556	5,773,000	5,773,000	5,773,000	5,773,000
Contract Services	17,366,277	18,165,596	22,209,795	19,461,836	20,108,000	20,711,000	21,332,000	21,972,000
Cost Allocation	13,459,891	7,812,849	8,101,838	9,368,223	9,612,000	9,910,000	10,207,000	10,513,000
Capital Outlay	856,477	1,024,400	4,478,588	793,000	-	-	-	-
Special Projects	8,063,393	1,803,069	18,105,713	1,368,298	500,000	500,000	500,000	500,000
Contingencies	1,186	1,253,931	990,239	1,197,933	800,000	800,000	800,000	800,000
Other Uses	146,722	160,000	892,376	910,000	-	-	-	-
Non-Personnel Costs	**43,531,537**	**35,004,073**	**60,964,530**	**38,871,846**	**36,793,000**	**37,694,000**	**38,612,000**	**39,558,000**
Transfers	**28,965,731**	**15,757,734**	**24,129,368**	**11,358,912**	**11,359,000**	**11,359,000**	**11,359,000**	**11,359,000**
TOTAL EXPENDITURES	**94,040,212**	**75,051,233**	**110,712,602**	**77,639,720**	**77,407,000**	**78,167,000**	**79,224,000**	**81,632,000**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - General Fund Fund Balance

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
Beginning Balance	**52,194,840**	**40,390,672**	**53,589,690**	**45,961,772**	**45,210,528**	**45,450,528**	**46,409,528**	**47,306,528**
Committed/Other	25,531,891	38,657,396	36,316,546	36,316,546	34,424,479	36,424,479	38,424,479	40,424,479
Unassigned	28,057,799	6,750,090	9,645,226	8,893,982	11,026,049	9,985,049	8,882,049	6,996,049
Ending Balance	**53,589,690**	**45,407,486**	**45,961,772**	**45,210,528**	**45,450,528**	**46,409,528**	**47,306,528**	**47,420,528**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Special Revenue Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
STORM DRAIN IMPROVEMENT (FUNDS 210, 215)								
Taxes	84,984	100,000	100,000	-	-	-	-	-
Use of Money and Property	10,199	-	-	-	-	-	-	-
Transfer In	1,950,000	1,700,000	1,700,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
TOTAL	**2,045,183**	**1,800,000**	**1,800,000**	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**	**1,100,000**
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
Use of Money and Property	1,411	-	-	900	-	-	-	-
Transfer In	156,834	84,122	84,122	436,000	-	-	-	-
Fines and Forfeitures	10,071	6,000	6,000	9,000	9,000	9,000	9,000	9,000
Charges for Services	369,884	380,000	380,000	370,000	370,000	370,000	370,000	370,000
Miscellaneous Revenue	7,640	-	-	-	-	-	-	-
TOTAL	**545,840**	**470,122**	**470,122**	**815,900**	**379,000**	**379,000**	**379,000**	**379,000**
TRANSPORTATION (FUND 270)								
Use of Money and Property	47,372	2,000	2,000	77,500	77,500	77,500	77,500	77,500
Transfer In	6,152,982	10,988,000	10,988,000	5,800,000	5,800,000	5,800,000	5,800,000	5,800,000
Intergovernmental Revenue	1,798,005	1,666,000	1,666,000	3,510,939	3,165,000	3,165,000	3,165,000	3,165,000
Charges for Services	22,279	4,100	4,100	-	-	-	-	-
Miscellaneous Revenue	174,498	-	-	185,000	-	-	-	-
TOTAL	**8,195,136**	**12,660,100**	**12,660,100**	**9,573,439**	**9,042,500**	**9,042,500**	**9,042,500**	**9,042,500**
HOUSING & COMMUNITY DEVELOPMENT (FUNDS 260, 261, 265)								
Taxes	39,000	1,000,000	1,000,000	3,000	3,000	3,000	3,000	3,000
Licenses and Permits	-	62,918	62,918	-	-	-	-	-
Use of Money and Property	141,907	-	-	10,910	10,910	10,910	10,910	10,910
Transfer In	3,614	-	-	175,000	-	-	-	-
Intergovernmental Revenue	456,926	251,672	251,672	311,942	311,942	311,942	311,942	311,942
TOTAL	**641,447**	**1,314,590**	**1,314,590**	**500,852**	**325,852**	**325,852**	**325,852**	**325,852**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Special Revenue Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
PARK DEDICATION (FUND 280)								
Taxes	152,250	250,000	250,000	-	-	-	-	-
Use of Money and Property	50,784	-	-	-	-	-	-	-
Transfer In	-	-	-	575,000	-	-	-	-
TOTAL	**203,034**	**250,000**	**250,000**	**575,000**	**-**	**-**	**-**	**-**
TOTAL SPECIAL REVENUE FUNDS	**11,630,640**	**16,494,812**	**16,494,812**	**12,565,191**	**10,847,352**	**10,847,352**	**10,847,352**	**10,847,352**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Debt Service Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
PUBLIC FACILITIES CORPORATION (FUND 365)								
Use of Money and Property	4,951	-	-	-	-	-	-	-
Transfer In	3,167,538	3,167,538	3,167,538	3,169,438	3,172,838	3,169,138	3,168,488	3,170,738
TOTAL	**3,172,489**	**3,167,538**	**3,167,538**	**3,169,438**	**3,172,838**	**3,169,138**	**3,168,488**	**3,170,738**
TOTAL DEBT SERVICE FUNDS	**3,172,489**	**3,167,538**	**3,167,538**	**3,169,438**	**3,172,838**	**3,169,138**	**3,168,488**	**3,170,738**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Capital Project Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
Transfer In	5,907,000	8,325,762	8,325,762	9,051,500	1,840,000	1,840,000	1,680,000	1,680,000
Miscellaneous	-	-	1,773,538	-	-	-	-	-
TOTAL	**5,907,000**	**8,325,762**	**10,099,300**	**9,051,500**	**1,840,000**	**1,840,000**	**1,680,000**	**1,680,000**
CAPITAL RESERVE (FUND 429)								
Transfer In	15,000,000	-	10,000,000	-	-	-	-	-
TOTAL	**15,000,000**	**-**	**10,000,000**	**-**	**-**	**-**	**-**	**-**
TOTAL CAPITAL PROJECT FUNDS	**20,907,000**	**8,325,762**	**20,099,300**	**9,051,500**	**1,840,000**	**1,840,000**	**1,680,000**	**1,680,000**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Enterprise Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
RESOURCE RECOVERY (FUND 520)								
Use of Money and Property	33,409	25,000	25,000	30,000	30,000	30,000	30,000	30,000
Transfer In	53,215	-	-	-	-	-	-	-
Intergovernmental Revenue	15,380	15,000	15,000	15,000	-	-	-	-
Charges for Services	2,717,524	2,150,000	2,150,000	2,157,000	2,157,000	2,157,000	2,157,000	2,157,000
Miscellaneous Revenue	59,290	56,000	56,000	66,000	-	-	-	-
TOTAL	**2,878,818**	**2,246,000**	**2,246,000**	**2,268,000**	**2,187,000**	**2,187,000**	**2,187,000**	**2,187,000**
BLACKBERRY FARM GOLF COURSE (FUND 560)								
Use of Money and Property	24,012	22,000	22,000	-	-	-	-	-
Transfer In	332,931	300,000	300,000	75,000	75,000	75,000	75,000	75,000
Charges for Services	305,435	381,000	381,000	335,000	335,000	335,000	335,000	335,000
Miscellaneous Revenue	(2)	-	-	-	-	-	-	-
TOTAL	**662,376**	**703,000**	**703,000**	**410,000**	**410,000**	**410,000**	**410,000**	**410,000**
SPORTS CENTER (FUND 570)								
Use of Money and Property	9,345	1,200	1,200	-	-	-	-	-
Transfer In	1,030,662	100,000	100,000	-	-	-	-	-
Charges for Services	2,238,023	2,285,000	2,285,000	2,100,500	2,100,500	2,100,500	2,100,500	2,100,500
Miscellaneous Revenue	(7,179)	-	-	-	-	-	-	-
TOTAL	**3,270,851**	**2,386,200**	**2,386,200**	**2,100,500**	**2,100,500**	**2,100,500**	**2,100,500**	**2,100,500**
RECREATION PROGRAMS (FUND 580)								
Use of Money and Property	300,148	183,000	183,000	287,000	287,000	287,000	287,000	287,000
Transfer In	457,312	-	-	-	2,796,992	2,796,992	2,796,992	2,796,992
Charges for Services	2,223,964	2,365,800	2,365,800	2,278,900	2,278,900	2,278,900	2,278,900	2,278,900
Miscellaneous Revenue	267,310	-	-	-	-	-	-	-
TOTAL	**3,248,734**	**2,548,800**	**2,548,800**	**2,565,900**	**5,362,892**	**5,362,892**	**5,362,892**	**5,362,892**
TOTAL ENTERPRISE FUNDS	**10,060,779**	**7,884,000**	**7,884,000**	**7,344,400**	**10,060,392**	**10,060,392**	**10,060,392**	**10,060,392**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Internal Service Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
INFORMATION TECHNOLOGY (FUND 610)								
Use of Money and Property	13,344	-	-	-	-	-	-	-
Transfer In	931,470	549,705	549,705	-	-	-	-	-
Charges for Services	2,996,196	2,361,792	2,073,912	3,753,928	3,753,928	3,753,928	3,753,928	3,753,928
TOTAL	**3,941,010**	**2,911,497**	**2,623,617**	**3,753,928**	**3,753,928**	**3,753,928**	**3,753,928**	**3,753,928**
CITY CHANNEL (FUND 615)								
Transfer In	-	3,028,366	-	-	-	-	-	-
TOTAL	**-**	**3,028,366**	**-**	**-**	**-**	**-**	**-**	**-**
WORKERS' COMPENSATION (FUND 620)								
Use of Money and Property	14,542	-	-	-	-	-	-	-
Transfer In	1,192	-	-	-	-	-	-	-
Charges for Services	628,648	-	-	-	-	-	-	-
Other Financing Sources	-	601,003	601,003	472,652	-	-	-	-
TOTAL	**644,382**	**601,003**	**601,003**	**472,652**	**-**	**-**	**-**	**-**
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
Use of Money and Property	6,652	-	-	-	-	-	-	-
Transfer In	9,468	-	-	-	-	-	-	-
Charges for Services	3,000	1,721,825	1,721,825	1,056,968	1,056,968	1,056,968	1,056,968	1,056,968
Miscellaneous Revenue	1,530	-	-	-	-	-	-	-
Other Financing Sources	82,095	-	-	-	-	-	-	-
TOTAL	**102,745**	**1,721,825**	**1,721,825**	**1,056,968**	**1,056,968**	**1,056,968**	**1,056,968**	**1,056,968**
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
Use of Money and Property	1,819	-	-	-	-	-	-	-
Transfer In	150,000	509,517	509,517	447,000	150,000	150,000	150,000	150,000
Charges for Services	114,560	83,875	159,775	162,266	83,875	83,875	83,875	83,875
TOTAL	**266,379**	**593,392**	**669,292**	**609,266**	**233,875**	**233,875**	**233,875**	**233,875**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Internal Service Fund Revenues

Classification	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
RETIREE MEDICAL (FUND 642)								
Use of Money and Property	(4,082)	-	-	-	-	-	-	-
Transfer In	-	968,486	2,368,486	1,131,474	1,131,474	1,131,474	1,131,474	1,131,474
TOTAL	**(4,082)**	**968,486**	**2,368,486**	**1,131,474**	**1,131,474**	**1,131,474**	**1,131,474**	**1,131,474**
TOTAL INTERNAL SERVICE FUNDS	**4,950,434**	**9,824,569**	**7,984,223**	**7,024,288**	**6,176,245**	**6,176,245**	**6,176,245**	**6,176,245**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Special Revenue Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
STORM DRAIN IMPROVEMENT (FUND 210, 215)								
210-90-978 Minor Storm Drain Improvements	4,000	-	101,828	-	-	-	-	-
210-90-980 SD Master Plan Update	65,753	-	140,000	-	-	-	-	-
210-90-981 Calabazas Creek Outfall Repair	-	-	135,000	-	-	-	-	-
210-99-042 SD Improvement - Foothill/Cupertino Rd.	47,995	-	1,852,004	-	-	-	-	-
210-99-060 SD Improvement - Byrne & SCB	-	1,500,000	1,500,000	-	-	-	-	-
210-99-071 CIP-Storm Drain MP Implementation	-	-	-	1,500,000	400,000	400,000	400,000	400,000
215-90-982 Bubb Road/Elm Court SD Improvement	-	-	178,255	-	-	-	-	-
215-90-983 Monta Vista Storm Drain System	-	-	322,828	-	-	-	-	-
TOTAL	**117,748**	**1,500,000**	**4,229,915**	**1,500,000**	**400,000**	**400,000**	**400,000**	**400,000**
ENVIRON. MGMT./CLEAN CREEKS/STORM DRAIN (FUND 230)								
230-81-802 Non Point Source	594,356	761,720	852,026	720,785	720,785	720,785	720,785	720,785
TOTAL	**594,356**	**761,720**	**852,026**	**720,785**	**720,785**	**720,785**	**720,785**	**720,785**
HOUSING & COMMUNITY DEVELOPMENT (FUND 260, 261, 265)								
260-72-707 CDBG General Admin	63,890	88,814	63,974	65,871	65,871	65,871	65,871	65,871
260-72-709 Affordable Housing	284,484	284,484	231,822	210,892	210,892	210,892	210,892	210,892
260-72-710 Public Service Grants	47,187	47,188	47,983	47,983	47,983	47,983	47,983	47,983
265-72-711 BMR Housing	602,308	8,610,724	12,331,451	818,427	475,000	475,000	475,000	475,000
TOTAL	**997,869**	**9,031,210**	**12,675,230**	**1,143,173**	**799,746**	**799,746**	**799,746**	**799,746**
TRANSPORTATION (FUND 270)								
270-85-820 Sidewalk Curb and Gutter	980,352	1,085,525	1,150,672	1,195,876	1,195,876	1,195,876	1,195,876	1,195,876
270-85-821 Street Pavement Maintenance	7,394,614	6,744,384	13,403,276	6,832,574	6,832,574	6,832,574	6,832,574	6,832,574
270-85-822 Street Sign Marking	645,761	831,990	866,106	661,889	661,889	661,889	661,889	661,889
270-90-954 Monument Gateway Sign	35,000	-	25,859	-	-	-	-	-
270-90-958 Orange and Byrne Sidewalk Impv	56,366	3,388,000	3,831,561	-	-	-	-	-
270-90-960 Bridge Rehab Minor	6,223	-	693,745	-	-	-	-	-
270-90-961 St Median Irrg Plant Repl	33,836	750,000	1,363,350	-	-	-	-	-
270-90-962 Bicycle Ped Facility Impr	121,351	779,762	1,559,524	-	-	-	-	-

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Special Revenue Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	2018-19	2019-20	2020-21	2021-22	2022-23
				5-Year Forecast				
270-90-974 Fiber Ntwk Signal Interco	335	-	-	-	-	-	-	-
270-90-975 Speed Bump Vista Lazaneo	1,600	-	-	-	-	-	-	-
270-90-976 Ph 2 Mcl Sidewalk Improv	418,103	-	1,588,825	-	-	-	-	-
270-99-044 Traffic Calm Rodrigues/Pacifica	-	-	24,000	-	-	-	-	-
270-99-046 Sidewalk Renovation-SCB	202,410	-	47,589	-	-	-	-	-
TOTAL	**9,895,951**	**13,579,661**	**24,554,507**	**8,690,339**	**8,690,339**	**8,690,339**	**8,690,339**	**8,690,339**
PARK DEDICATION (FUND 280)								
280-99-009 Lawrence-Mitty Park	27,039	-	8,227,288	-	-	-	-	-
280-99-066 MRP Community Grdn Improv-Const				1,500,000				
280-99-067 MRP EEC Aquatic Habitat				125,000				
TOTAL	**27,039**	**-**	**8,227,288**	**1,625,000**	**-**	**-**	**-**	**-**
TREE FUND (FUND 281)								
281-90-001 No Department	-	-	-	10,000				
TOTAL	**-**	**-**	**-**	**10,000**	**-**	**-**	**-**	**-**
TOTAL SPECIAL REVENUE FUNDS	**11,632,962**	**24,872,591**	**50,538,966**	**13,689,297**	**10,610,870**	**10,610,870**	**10,610,870**	**10,610,870**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Debt Service Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
PUBLIC FACILITIES CORPORATION (FUND 365)								
365-90-500 Facility Lease	3,172,238	3,167,538	3,167,538	3,169,438	3,172,838	3,169,138	3,168,488	3,170,738
TOTAL	**3,172,238**	**3,167,538**	**3,167,538**	**3,169,438**	**3,172,838**	**3,169,138**	**3,168,488**	**3,170,738**
TOTAL DEBT SERVICE FUNDS	**3,172,238**	**3,167,538**	**3,167,538**	**3,169,438**	**3,172,838**	**3,169,138**	**3,168,488**	**3,170,738**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Capital Project Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	2018-19	5-Year Forecast 2019-20	2020-21	2021-22	2022-23
CAPITAL IMPROVEMENT PROJECTS (FUND 420)								
420-90-001 No Department	-	-	50,000	-				
420-90-880 Env Edu Facility	3,608	-	4,800	-				
420-90-897 Spt Ctr Tennis Court Ret Wall	-	-	50,000	-				
420-90-898 SCCP Chain MP-MCLN TO SCB	143	-	128,727	75,000				
420-90-904 Spt Ctr Resurf Tennis Cts	418,016	-	2,000	-				
420-90-938 Pub Bldg Solar Service Center	6,230	-	28,624	-				
420-90-969 DeAnza/McClellan Signal Maint	-	-	145,700	-				
420-90-971 STLG/280 Ped Bridge Lighting	50	-	46,450	-				
420-90-999 Green Bike Lanes	-	-	95,000	-				
420-99-002 BBF Splash Pad	-	-	70,000	-				
420-99-003 MR Construct Trash Enclosure	610	-	153,390	-				
420-99-004 MR Community Garden Improvements	-	70,000	100,000	-				
420-99-005 Memorial Park MP and Parking	-	-	150,000	-				
420-99-007 ADA Improvements	-	95,000	245,000	75,000	75,000	75,000	75,000	75,000
420-99-014 Stevens Crk Bank Repair Concept	-	100,000	100,000	-				
420-99-015 Tennis Court Resurfacing Parks	300,875	515,000	802,125	-				
420-99-017 Sports Center Exterior Upgrades	490	-	739,510	830,000				
420-99-018 Sports Center Interior Upgrades	-	-	20,000	-				
420-99-023 QCC Fire Alarm Control Panel Upg	23,145	-	109,704	-				
420-99-025 Service Center Parking Lot Mods	92,031	-	-	-				
420-99-026 Bicycle Transportation Plan Upda	2,210	-	-	-				
420-99-027 Pasadena Ave Pub Imp Granada	527,492	-	1,236	-				
420-99-028 Traffic Signal Foothill-I280 SB	-	100,000	100,000	-				
420-99-030 MCClellan West-Parking Lot Impro	52,126	550,000	897,873	-				
420-99-031 Rec Facilities Monument Signs	-	-	385,000	-				
420-99-033 City Hall - Turf Reduction	300,684	-	146,216	-				
420-99-034 Svc Ctr - Shed No. 3 Improvement	17,100	400,000	482,899	600,000				
420-99-035 Stocklmeir Hse-New Sewer Lateral	-	-	50,000	-				
420-99-036 2016 Bike Plan Implementation	159,319	4,779,762	8,430,333	1,800,000				
420-99-037 Bikeway Enhncmnts & Brnding Stdy	136	-	49,973	-				

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Capital Project Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	2018-19	5-Year Forecast 2019-20	2020-21	2021-22	2022-23
420-99-038 Fiber Network Ext to Svc Ctr	24,142	-	325,857	-				
420-99-039 Pedestrian Master Plan	67,453	-	52,547	-				
420-99-040 Retaining Wall Repair-Cordova Rd	581	-	299,418	-				
420-99-041 Retaining Wall Repl - Regnart Rd	31,313	-	468,686	-				
420-99-043 Svc Ctr-New Admin Bldg Feas Stdy	18,624	-	32,385	-				
420-99-045 Citywide Park & Recreation MP	90,853	-	288,323	100,000				
420-99-047 CIP Prelim Planning & Design	-	125,000	82,090	125,000	125,000	125,000	125,000	125,000
420-99-048 Capital Project Support	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000
420-99-049 Int'l Cricket Ground-Feasibility	-	20,000	20,000	-				
420-99-051 Inclusive Play Area - Planning	-	30,000	30,000	-				
420-99-054 Senior Ctr Walkway Replacement	-	64,000	64,000	-				
420-99-055 Outfall Rpr/Slope Stblz-Regnart	-	400,000	400,000	-				
420-99-056 St Light Install - Annual Infill	-	30,000	30,000	30,000	30,000	30,000	30,000	30,000
420-99-057 McClellan Sdwlk-RB to Hwy85 Over	-	430,000	430,000	-				
420-99-058 St Light Install-Randy & Larry	-	367,000	367,000	-				
420-99-059 Senior Center Repairs	-	200,000	200,000	-				
420-99-063 CW Bldg Condition Assess Impl	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
420-99-064 Creek Infall/Outfall Restoration	-	-	-	160,000	160,000	160,000		
420-99-065 DeAnza Med Islnd Landscaping Ph2	-	-	-	1,546,500				
420-99-068 Regnart Road Improvements	-	-	-	150,000	150,000	150,000	150,000	150,000
420-99-069 School Walk Audit Implementation	-	-	-	250,000	250,000	250,000	250,000	250,000
420-99-070 SCB/Bandley Signal & Median Imps	-	-	-	150,000				
420-99-072 St Light Replacement CW (labor)	-	-	-	200,000				
420-99-885 Golf Irrigation Upgrades	-	-	493,000	-				
TOTAL	**2,137,233**	**8,325,762**	**17,217,866**	**7,141,500**	**1,840,000**	**1,840,000**	**1,680,000**	**1,680,000**
CAPITAL RESERVE (FUND 429)								
429-90-001 Transfer to Capital Improvement	8,704,608	15,184,000	15,184,000	10,726,500	1,840,000	1,840,000	1,680,000	1,680,000
TOTAL	**8,704,608**	**15,184,000**	**15,184,000**	**10,726,500**	**1,840,000**	**1,840,000**	**1,680,000**	**1,680,000**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Capital Project Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
STEVENS CREEK CORRIDOR PARK (FUND 427)								
427-90-870 Stevens Creek Corridor Park-Phase 1	3,679	-	38,115	-	-	-	-	-
427-90-881 Stevens Creek Corridor Park-Phase 2	22,840	-	151,493	-	-	-	-	-
TOTAL	**26,518**	**-**	**189,608**	**-**	**-**	**-**	**-**	**-**
TOTAL CAPITAL PROJECT FUNDS	**10,868,360**	**23,509,762**	**32,591,474**	**17,868,000**	**3,680,000**	**3,680,000**	**3,360,000**	**3,360,000**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Enterprise Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
RESOURCE RECOVERY (FUND 520)								
520-81-801 Resource Recovery	2,991,181	3,269,762	3,663,889	3,501,101	3,501,101	3,501,101	3,501,101	3,501,101
TOTAL	**2,991,181**	**3,269,762**	**3,663,889**	**3,501,101**	**3,501,101**	**3,501,101**	**3,501,101**	**3,501,101**
BLACKBERRY FARM GOLF COURSE (FUND 560)								
560-63-616 Golf Course	597,405	708,461	746,467	687,939	687,939	687,939	687,939	687,939
560-90-885 CIP Golf Irrigation Upgrade	-	-	469,418	-	-	-	-	-
560-99-061 BBF Entrnc Rd Improv-Feasibility	-	-	-	75,000	-	-	-	-
TOTAL	**597,405**	**708,461**	**1,215,885**	**762,939**	**687,939**	**687,939**	**687,939**	**687,939**
SPORTS CENTER (FUND 570)								
570-63-621 Sports and Physical	1,940,802	2,448,037	2,453,787	2,460,735	2,460,735	2,460,735	2,460,735	2,460,735
570-87-836 Maintenance	212,055	484,623	484,623	490,076	490,076	490,076	490,076	490,076
570-99-032 Children's Play Area	-	-	470,000	-	-	-	-	-
TOTAL	**2,152,857**	**2,932,660**	**3,408,410**	**2,950,811**	**2,950,811**	**2,950,811**	**2,950,811**	**2,950,811**
RECREATION PROGRAMS (FUND 580)								
580-62-613 Youth Teen Recreation	1,632,661	2,214,409	2,222,181	2,040,825	2,040,825	2,040,825	2,040,825	2,040,825
580-63-620 Sports, Safety and Outdoor Recreation	1,040,212	1,451,700	1,455,828	1,598,350	1,598,350	1,598,350	1,598,350	1,598,350
580-90-884 Fenced Dog Park	-	-	5,000	-	-	-	-	-
580-90-896 Sports Center Sport Court	-	-	20,032	-	-	-	-	-
580-90-907 Wilson Ball Safety Net Screen	-	-	268	-	-	-	-	-
580-90-908 Wilson Bleacher Shade Canopy	-	-	12,873	-	-	-	-	-
580-90-909 Wilson Park - Renovation Master Plan	-	-	55,000	-	-	-	-	-
580-99-019 Blacksmith Forge Restoration	6,363	-	37,189	-	-	-	-	-
TOTAL	**2,679,235**	**3,666,109**	**3,808,371**	**3,639,175**	**3,639,175**	**3,639,175**	**3,639,175**	**3,639,175**
TOTAL ENTERPRISE FUNDS	**8,420,678**	**10,576,992**	**12,096,555**	**10,854,026**	**10,779,026**	**10,779,026**	**10,779,026**	**10,779,026**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Internal Service Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
INFORMATION TECHNOLOGY (FUND 610)								
610-30-300 Administration	295,478.28	515,134.00	515,134.00	405,034.00	405,034.00	405,034.00	405,034.00	405,034.00
610-34-310 Infrastructure	1,945,013	2,812,304	3,227,906	2,668,918	2,668,918	2,668,918	2,668,918	2,668,918
610-35-986 GIS	714,129	863,088	882,153	1,107,071	1,107,071	1,107,071	1,107,071	1,107,071
610-90-989 Network Upgrade	329,151	-	-	-	-	-	-	-
610-90-991 New Project Contingency	3,334	-	-	-	-	-	-	-
610-90-995 Planning Software	86,287	-	-	-	-	-	-	-
TOTAL	**3,373,392**	**4,190,526**	**4,625,193**	**4,181,023**	**4,181,023**	**4,181,023**	**4,181,023**	**4,181,023**
CITY CHANNEL (FUND 615)								
615-31-305 Government Channel	-	1,569,256	-	-	-	-	-	-
615-32-308 City Web Site	-	1,664,219	-	-	-	-	-	-
TOTAL	**-**	**3,233,475**	**-**	**-**	**-**	**-**	**-**	**-**
WORKERS' COMPENSATION (FUND 620)								
620-44-418 Workers Compensation Insurance	480,508	498,240	498,240	472,652	472,652	472,652	472,652	472,652
TOTAL	**480,508**	**498,240**	**498,240**	**472,652**	**472,652**	**472,652**	**472,652**	**472,652**
VEHICLE/EQUIPMENT REPLACEMENT (FUND 630)								
630-85-849 Equipment Maintenance	1,482,830	1,251,239	1,289,259	1,593,660	1,593,660	1,593,660	1,593,660	1,593,660
630-90-985 Fixed Assets Acquisition	5,217	1,029,200	1,313,398	538,000	538,000	538,000	538,000	538,000
TOTAL	**1,488,047**	**2,280,439**	**2,602,657**	**2,131,660**	**2,131,660**	**2,131,660**	**2,131,660**	**2,131,660**
COMPENSATED ABSENCE & LONG-TERM DISABILITY (FUND 641)								
641-44-419 Long Term Disability	129,419	83,883	159,783	162,266	162,266	162,266	162,266	162,266
641-44-420 Compensated Absence	273,984	435,014	435,014	422,772	422,772	422,772	422,772	422,772
TOTAL	**403,404**	**518,897**	**594,797**	**585,038**	**585,038**	**585,038**	**585,038**	**585,038**
RETIREE MEDICAL (FUND 642)								
642-44-414 Retiree Benefits	1,110,072	968,486	968,486	1,128,005	1,128,005	1,128,005	1,128,005	1,128,005
TOTAL	**1,110,072**	**968,486**	**968,486**	**1,128,005**	**1,128,005**	**1,128,005**	**1,128,005**	**1,128,005**

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - Internal Service Fund Expenditures

Program	2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
TOTAL INTERNAL SERVICE FUNDS	6,855,423	11,690,063	9,289,373	8,498,378	8,498,378	8,498,378	8,498,378	8,498,378

Fiscal Year 2018-19 Adopted Budget
Five-Year Forecast - All Funds Fund Balance/Retained Earnings

Fund Type		2016-17 Actuals	2017-18 Adopted	2017-18 Estimate	5-Year Forecast 2018-19	2019-20	2020-21	2021-22	2022-23
SPECIAL REVENUE									
	Beginning Balance	**33,775,116**	**41,593,695**	**33,776,349**	**4,219,674**	**3,095,568**	**3,332,050**	**3,568,532**	**3,805,014**
Assigned		33,776,349	33,215,916	4,219,674	3,095,568	3,332,050	3,568,532	3,805,014	4,041,496
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	**33,776,349**	**33,215,916**	**4,219,674**	**3,095,568**	**3,332,050**	**3,568,532**	**3,805,014**	**4,041,496**
DEBT SERVICE									
	Beginning Balance	**1,596,982**	**1,596,982**	**1,597,234**	**1,597,234**	**1,597,234**	**1,597,234**	**1,597,234**	**1,597,234**
Assigned		1,597,234	1,596,982	1,597,234	1,597,234	1,597,234	1,597,234	1,597,234	1,597,234
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	**1,597,234**	**1,596,982**	**1,597,234**	**1,597,234**	**1,597,234**	**1,597,234**	**1,597,234**	**1,597,234**
CAPITAL PROJECT									
	Beginning Balance	**15,344,191**	**18,568,230**	**25,305,975**	**13,588,436**	**4,771,936**	**2,931,936**	**1,091,936**	**(588,064)**
Assigned		25,305,975	3,384,230	13,588,436	4,771,936	2,931,936	1,091,936	(588,064)	(2,268,064)
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	**25,305,975**	**3,384,230**	**13,588,436**	**4,771,936**	**2,931,936**	**1,091,936**	**(588,064)**	**(2,268,064)**
ENTERPRISE									
	Beginning Balance	**9,411,357**	**6,810,995**	**11,051,458**	**8,174,527**	**4,664,901**	**3,946,267**	**3,227,633**	**2,508,999**
Assigned		11,051,458	4,118,003	8,174,527	4,664,901	3,946,267	3,227,633	2,508,999	1,790,365
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	**11,051,458**	**4,118,003**	**8,174,527**	**4,664,901**	**3,946,267**	**3,227,633**	**2,508,999**	**1,790,365**
INTERNAL SERVICE									
	Beginning Balance	**17,506,102**	**14,659,906**	**15,068,647**	**13,767,907**	**12,293,817**	**9,971,684**	**7,649,551**	**5,327,418**
Assigned		15,068,647	12,794,412	13,767,907	12,293,817	9,971,684	7,649,551	5,327,418	3,005,285
Unassigned		-	-	-	-	-	-	-	-
	Ending Balance	**15,068,647**	**12,794,412**	**13,767,907**	**12,293,817**	**9,971,684**	**7,649,551**	**5,327,418**	**3,005,285**

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Council and Commissions

City Council

Commissions

Council and Commissions

Budget Unit	Program	2019 Adopted Budget
City Council		**$ 528,695**
100-10-100	City Council	$ 417,912
100-10-101	Community Funding	$ 53,431
100-10-110	Sister Cities	$ 57,352
Commissions		**$ 419,957**
100-11-131	Technology, Information & Communications Commission	$ 6,640
100-11-140	Library Commission	$ 27,350
100-11-142	Fine Arts Commission	$ 44,349
100-11-150	Public Safety Commission	$ 28,945
100-11-155	Bicycle and Pedestrian Commission	$ 6,278
100-11-160	Parks and Recreation Commission	$ 40,690
100-11-165	Teen Commission	$ 71,571
100-11-170	Planning Commission	$ 127,478
100-11-175	Housing Commission	$ 36,565
100-11-180	Sustainability Commission	$ 30,091
Total		**$ 948,652**

Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 406,858
Total Expenditures	$ 948,652
Fund Balance	-
General Fund Costs	$ 541,794
% Funded by General Fund	57.1 %
Total Staffing	7.35 FTE

Organization

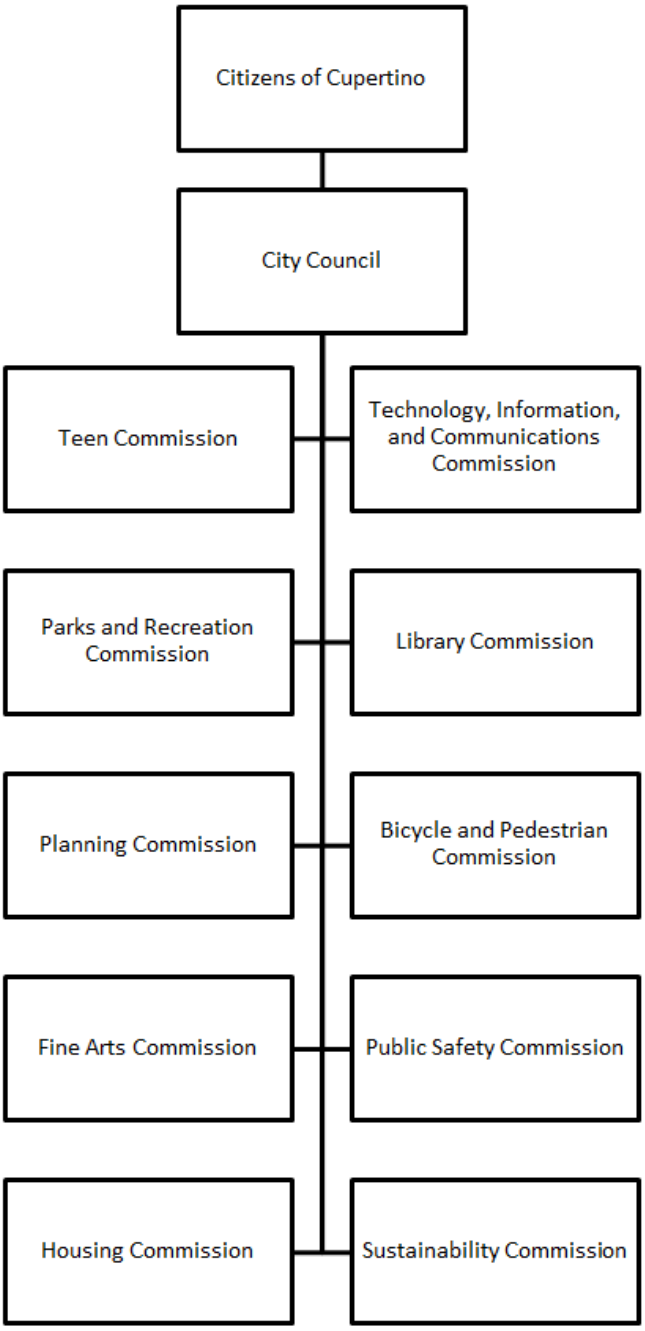
Darcy Paul, Mayor

Rod Sinks, Vice Mayor

Barry Chang, Council Member

Steven Scharf, Council Member

Savita Vaidhyanathan, Council Member

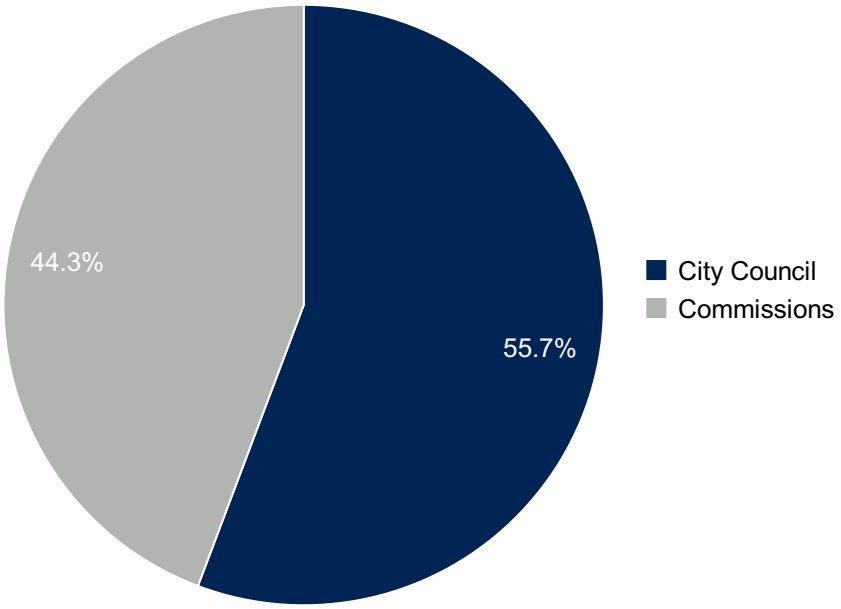


Adopted Budget

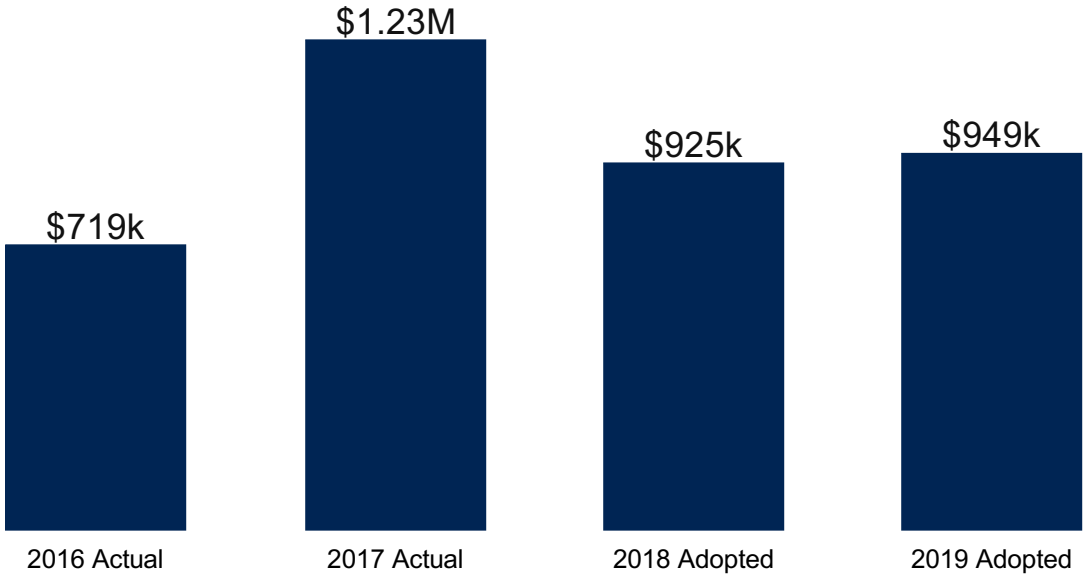
On June 5, 2018, City Council approved a budget of $948,652 for the Council and Commissions department. This represents an increase of $24,015 (2.6%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 31,416	$ 749,064	$ 535,636	$ 406,858
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 24,522	$ 586	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 55,938**	**$ 749,650**	**$ 535,636**	**$ 406,858**
Expenditures				
Employee Compensation	$ 182,893	$ 193,988	$ 271,219	$ 297,392
Employee Benefits	$ 147,952	$ 136,200	$ 190,421	$ 203,020
Materials	$ 126,845	$ 132,054	$ 149,566	$ 174,163
Contract Services	$ 98,765	$ 87,032	$ 120,912	$ 107,287
Cost Allocation	$ 162,780	$ 683,989	$ 176,865	$ 157,166
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 15,654	$ 9,624
Total Expenditures	**$ 719,235**	**$ 1,233,262**	**$ 924,637**	**$ 948,652**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 663,296**	**$ 483,612**	**$ 389,001**	**$ 541,794**

City Council

Budget Unit 100-10-100

General Fund - City Council - City Council

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 406,858
Total Expenditures	$ 417,912
Fund Balance	-
General Fund Costs	$ 11,054
% Funded by General Fund	2.6 %
Total Staffing	6.05 FTE

Program Overview

The Mayor and Council members, acting as the elected representatives of the residents of Cupertino, establish public policies to meet community needs and ensure orderly development of the City.

Service Objectives

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

Adopted Budget

On June 5, 2018, City Council approved a budget of $417,912 for the City Council program. This represents a decrease of $24,711 (-5.6%) from the FY 2018 Adopted Budget.

The decrease is primarily due to a change in allocation methodology for IT charges. The City has also decreased program contingencies from 8% of materials and contracts to 5%.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 31,416	$ 749,064	$ 535,636	$ 406,858
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 24,522	$ 86	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 55,938**	**$ 749,150**	**$ 535,636**	**$ 406,858**
Expenditures				
Employee Compensation	$ 73,688	$ 73,084	$ 123,793	$ 135,690
Employee Benefits	$ 107,545	$ 87,719	$ 128,237	$ 136,846
Materials	$ 96,790	$ 98,854	$ 86,500	$ 86,500
Contract Services	$ 493	$ 6,490	$ 387	$ 387
Cost Allocation	$ 151,740	$ 520,918	$ 94,665	$ 54,145
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 9,041	$ 4,344
Total Expenditures	**$ 430,255**	**$ 787,065**	**$ 442,623**	**$ 417,912**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 374,317**	**$ 37,915**	**$ (93,013)**	**$ 11,054**

Staffing

Total current authorized positions - 6.15

Staffing is being reallocated to better reflect actual staff time spent in the program.

Total recommended positions - 6.05

Community Funding

Budget Unit 100-10-101

General Fund - City Council - Community Funding

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 53,431
Fund Balance	-
General Fund Costs	$ 53,431
% Funded by General Fund	100.0 %
Total Staffing	0 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 Community Funding Policy adopted by City Council on April 2, 2013.

Adopted Budget

On June 5, 2018, City Council approved a budget of $53,431 for the Community Funding program. This represents an increase of $620 (1.2%) from the FY 2018 Adopted Budget.

This budget includes $52,000 in funding to support non-profit organizations as described in the table below:

Non-Profit Organization	FY 2018 Funding	FY 2019 Funding	Difference
Friends of Deer Hollow Farm	$15,000	$15,000	$0
Cupertino Historical Society	$15,000	$15,000	$0
Euphrat Museum of Art	$10,000	$10,000	$0
Cupertino Rotary	$12,000	$12,000	$0
Iranian Federated Women's Club	$400	$400	$0
Total	**$52,400**	**$52,400**	**$0**

In addition to the Community Funding program, the Cultural Events program provides funding for community festivals through waivers of fees and staff costs, and the Public Services Grants program provides funding for non-profit agencies serving low and very-low-income Cupertino residents.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	$ 70,000	$ 40,750	$ 52,400	$ 52,400
Cost Allocation	-	$ 403	$ 411	$ 1,031
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 70,000**	**$ 41,153**	**$ 52,811**	**$ 53,431**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 70,000**	**$ 41,153**	**$ 52,811**	**$ 53,431**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Sister Cities

Budget Unit 100-10-110

General Fund - City Council - Sister Cities

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 57,352
Fund Balance	-
General Fund Costs	$ 57,352
% 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.

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

Adopted Budget

On June 5, 2018, City Council approved a budget of $57,352 for the Sister Cities program. This represents an increase of $13,602 (31.1%) from the FY 2018 Adopted Budget.

The increase is primarily due to the addition of a Toyokawa Sister City adult delegation, which occurs every 5 years. Increased costs in cost allocation are due to increased use of services provided by finance.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 3,305	$ 3,540	$ 12,635	$ 13,702
Employee Benefits	$ 1,423	$ 1,588	$ 5,079	$ 5,456
Materials	$ 2,344	$ 962	$ 3,100	$ 4,100
Contract Services	$ 9,320	$ 9,320	$ 20,000	$ 25,000
Cost Allocation	-	$ 2,342	$ 2,936	$ 9,094
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 16,392**	**$ 17,753**	**$ 43,750**	**$ 57,352**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 16,392**	**$ 17,753**	**$ 43,750**	**$ 57,352**

Staffing

Total current authorized positions - 0.10

There are no changes to the current level of staffing.

Total recommended positions - 0.10

Technology, Information & Communications Commission

Budget Unit 100-11-131

General Fund - Commissions - Technology, Information & Communications Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 6,640
Fund Balance	-
General Fund Costs	$ 6,640
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

The Technology, Information & Communications Commission (TICC) advises the City Council and informs the community about issues relating to the rapidly changing fields of communication and technology. Commissioners also serve as a resource for the Planning Commission in offering technical guidance for antenna sightings. The Chief Technology Officer serves as staff liaison. The commission also supports public and educational access to cable services.

Service Objectives

- Continue to work with appropriate companies in bringing advanced services to interested residents.
- Monitor AT&T and Comcast services and revenue.
- Negotiate and manage public access provider KMVT to ensure maximum programming value for Cupertino residents.
- Work with Community Development and Public Works regarding antenna placement and negotiate agreements for communication services that serve Cupertino.

Adopted Budget

On June 5, 2018, City Council approved a budget of $6,640 for the Technology, Information & Communications Commission program. This represents a decrease of $4,285 (-39.2%) from the FY 2018 Adopted Budget.

The decrease is a result of a reduction in cost allocation and contingency.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 12,707	$ 3,230	-	-
Employee Benefits	$ 4,847	$ 1,518	-	-
Materials	-	$ 88	$ 750	$ 750
Contract Services	-	$ 10,000	-	-
Cost Allocation	$ 1,056	$ 9,538	$ 8,159	$ 5,852
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 2,016	$ 38
Total Expenditures	**$ 18,611**	**$ 24,374**	**$ 10,925**	**$ 6,640**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 18,611**	**$ 24,374**	**$ 10,925**	**$ 6,640**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Library Commission

Budget Unit 100-11-140

General Fund - Commissions - Library Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 27,350
Fund Balance	-
General Fund Costs	$ 27,350
% Funded by General Fund	100.0 %
Total Staffing	0.05 FTE

Program Overview

The Library Commission is a five-member commission appointed by the City Council to review and make recommendations related to the operations and services of the Cupertino Library. The Cupertino Library is operated by Santa Clara County Library Services. The building is provided by the City of Cupertino for which the County pays a rental fee. County Library management serves as Commission staff and Recreation and Community Services personnel serves as City liaison.

Service Objectives

- Monitor the various service activities of the library and make recommendations for improvements to appropriate bodies.
- Support library advocacy groups, including Friends of the Cupertino Library and Cupertino Library Foundation.
- Advocate library funding and service levels at the City, County, and state levels.
- Represent the Cupertino library in the local community.
- Participate in state and local library workshops and conferences.
- Participate in the long-range planning of quality library services for the City.
- Develop potential resources to expand volunteer efforts in the library.
- Investigate ways to expand access to non-traditional media.
- Continue library advocacy in Cupertino activities and with other organizations.
- Initiate and coordinate the Cupertino Poet Laureate program.
- Continue emphasis on integrating additional technology into library services.

Adopted Budget

On June 5, 2018, City Council approved a budget of $27,350 for the Library Commission program. This represents an increase of $3,456 (14.5%) from the FY 2018 Adopted Budget.

The increase is primarily due to increases in compensation and benefits due to negotiated salary and benefit changes due to take effect in July 2018. The budget also reflects increases in cost allocation due to increased costs of services provided by finance and human resources.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 1,284	$ 7,272	$ 7,612	$ 8,145
Employee Benefits	$ 627	$ 3,087	$ 3,413	$ 3,665
Materials	$ 180	$ 215	$ 700	$ 700
Contract Services	$ 1,225	$ 211	$ 4,700	$ 4,700
Cost Allocation	$ 528	$ 9,794	$ 7,253	$ 9,870
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 216	$ 270
Total Expenditures	**$ 3,844**	**$ 20,579**	**$ 23,894**	**$ 27,350**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 3,844**	**$ 20,579**	**$ 23,894**	**$ 27,350**

Staffing

Total current authorized positions - 0.05

There are no changes to the current level of staffing.

Total recommended positions - 0.05

Fine Arts Commission

Budget Unit 100-11-142

General Fund - Commissions - Fine Arts Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 44,349
Fund Balance	-
General Fund Costs	$ 44,349
% Funded by General Fund	100.0 %
Total Staffing	0.15 FTE

Program Overview

The Fine Arts Commission advances the arts in the City through a number of activities and programs. These include overseeing the "Quarter Percent for Art" requirement for developments over 50,000 square feet; promoting art in public places; making recommendations to City Council regarding arts opportunities; awarding grants to individuals and organizations; selecting winners for the "Energized by Art" Utility Box Contest to transform gray utility boxes into student eco-art canvasses; and selecting the "Distinguished Artist of the Year," the "Emerging Artist of the Year" and the "Young Artists of the Year."

Service Objectives

- Foster, encourage and assist the realization, preservation, advancement, and development of fine arts for the benefit of the citizens of Cupertino.
- Act as a catalyst for the promotion of fine arts activities and provide liaison and coordination between fine arts activities, groups, and facilities.
- Enhance the interaction between arts, local schools, private property owners and businesses through personal outreach.
- Review and approve public art proposals.
- Encourage and facilitate "art in unexpected places" through the donation of underutilized spaces, such as blank walls or utility screens, for private installation of art.

Adopted Budget

On June 5, 2018, City Council approved a budget of $44,349 for the Fine Arts Commission program. This represents an increase of $1,312 (3.0%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 14,509	$ 15,362	$ 16,275	$ 16,906
Employee Benefits	$ 5,615	$ 6,334	$ 6,820	$ 7,075
Materials	$ 1,793	$ 2,320	$ 7,200	$ 7,200
Contract Services	$ 170	$ 327	$ 950	$ 950
Cost Allocation	$ 1,572	$ 21,650	$ 11,492	$ 11,810
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 300	$ 408
Total Expenditures	**$ 23,659**	**$ 45,993**	**$ 43,037**	**$ 44,349**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 23,659**	**$ 45,993**	**$ 43,037**	**$ 44,349**

Staffing

Total current authorized positions - 0.15

There are no changes to the current level of staffing.

Total recommended positions - 0.15

Public Safety Commission

Budget Unit 100-11-150

General Fund - Commissions - Public Safety Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 28,945
Fund Balance	-
General Fund Costs	$ 28,945
% Funded by General Fund	100.0 %
Total Staffing	0.05 FTE

Program Overview

The Public Safety Commission (PSC), a five-member board appointed by the City Council, assists the Council by reviewing and recommending public safety services associated with police, fire, emergency planning, and traffic. The Sheriff's West Valley Patrol Division Commander, who is the City's Chief of Police, serves as staff liaison.

Service Objectives

- Review safety issues and concerns and make recommendations to the City Council.
- Promote public education programs concerning safety issues.
- Provide assistance in implementing public safety programs approved by the City Council.
- Work with various city departments to resolve issues and concerns related to public safety.

Adopted Budget

On June 5, 2018, City Council approved a budget of $28,945 for the Public Safety Commission program. This represents an increase of $11,893 (69.7%) from the FY 2018 Adopted Budget.

The increase is primarily due to the addition of staff support from the City Manager's office. In previous years, the Public Safety Commission was staffed by the Sheriff's Office. Moving forward, the City Manager's office will be staffing the Commission.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	$ 8,157
Employee Benefits	-	-	-	$ 3,097
Materials	$ 65	$ 690	$ 5,000	$ 5,000
Contract Services	$ 10,428	$ 15,059	$ 10,000	$ 10,000
Cost Allocation	-	$ 4,962	$ 1,148	$ 1,941
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 904	$ 750
Total Expenditures	**$ 10,494**	**$ 20,711**	**$ 17,052**	**$ 28,945**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 10,494**	**$ 20,711**	**$ 17,052**	**$ 28,945**

Staffing

Total current authorized positions - 0.00

Staffing is being reallocated to better reflect actual staff time spent in the program.

Total recommended positions - 0.05

Bicycle and Pedestrian Commission

Budget Unit 100-11-155

General Fund - Commissions - Bicycle and Pedestrian Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 6,278
Fund Balance	-
General Fund Costs	$ 6,278
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

The Bicycle and Pedestrian Commission (BPC) is a five-member board appointed by the City Council, which assists the Council by reviewing, monitoring, and making recommendations on City transportation matters pertaining to bicycle and pedestrian traffic, parking, education, and recreation within Cupertino. The City's Senior Civil Engineer serves as staff liaison.

Service Objectives

- Review and make recommendations on City transportation infrastructure, development standards, public and private development projects, and citizen outreach and education efforts as they affect bicycle and pedestrian traffic in the City of Cupertino.
- Promote safe, efficient, and enjoyable travel for bicycle and pedestrian traffic within Cupertino.

Adopted Budget

On June 5, 2018, City Council approved a budget of $6,278 for the Bicycle and Pedestrian Commission program. This represents an increase of $1,366 (27.8%) from the FY 2018 Adopted Budget.

The increase in cost allocation is due to a change in methodology for IT, finance and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ 6,442	-	$ 300	$ 300
Contract Services	$ 3,074	-	$ 4,000	$ 4,000
Cost Allocation	-	$ 1,623	$ 292	$ 1,763
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 320	$ 215
Total Expenditures	**$ 9,516**	**$ 1,623**	**$ 4,912**	**$ 6,278**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 9,516**	**$ 1,623**	**$ 4,912**	**$ 6,278**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Parks and Recreation Commission

Budget Unit 100-11-160

General Fund - Commissions - Parks and Recreation Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 40,690
Fund Balance	-
General Fund Costs	$ 40,690
% 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 the City Council to make recommendations pertaining to parks, recreation, and community services. The Director of Recreation and Community Services serves as staff liaison.

Service Objectives

- Engage the public in dialog regarding the design of new programs and facilities.
- Make recommendations regarding these projects to the City Council.
- Work with staff and the public to draft and/or revise policies for use of Recreation and Community Services facilities.
- Consider public input regarding the operation of Recreation and Community Services facilities and make recommendations for their improvement.
- Participate in special committees dealing with Recreation and Community Services.
- Serve as ambassadors for the Recreation and Community Services Department.

Adopted Budget

On June 5, 2018, City Council approved a budget of $40,690 for the Parks and Recreation Commission program. This represents an increase of $10,954 (36.8%) from the FY 2018 Adopted Budget.

The increase is primarily due to conference and meeting expenses to fund Commissioners' attendance at state and national parks and recreation conferences. This budget also adds costs associated with monthly Commission meetings.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 13,248	$ 6,922	$ 13,317	$ 14,283
Employee Benefits	$ 4,897	$ 2,836	$ 5,581	$ 6,120
Materials	$ 646	$ 326	$ 581	$ 9,981
Contract Services	$ 305	-	$ 500	$ 500
Cost Allocation	$ 528	$ 15,956	$ 9,670	$ 9,282
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 87	$ 524
Total Expenditures	**$ 19,625**	**$ 26,041**	**$ 29,736**	**$ 40,690**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 19,625**	**$ 26,041**	**$ 29,736**	**$ 40,690**

Staffing

Total current authorized positions - 0.10

There are no changes to the current level of staffing.

Total recommended positions - 0.10

Teen Commission

Budget Unit 100-11-165

General Fund - Commissions - Teen Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 71,571
Fund Balance	-
General Fund Costs	$ 71,571
% Funded by General Fund	100.0 %
Total Staffing	0.3 FTE

Program Overview

The Teen Commission is comprised of nine teens representing grades 8-11. The Teen Commission advises the City Council and staff on teen issues. A Recreation and Community Services Department Recreation Coordinator serves as the staff liaison.

Service Objectives

- Engage the public in dialog regarding the design of new programs, and make recommendations regarding these projects to City staff.
- Assist staff with the programming and promotion of the Teen Center.
- Assist staff with the evaluation of teen programming.
- Work with staff and the public to create new avenues to interact with teens.

Adopted Budget

On June 5, 2018, City Council approved a budget of $71,571 for the Teen Commission program. This represents an increase of $12,553 (21.3%) from the FY 2018 Adopted Budget.

The increase is primarily due to increased cost allocation costs, events such as Pizza and Politics and Hack Cupertino, and Teen Commission apparel. The increase in cost allocation is due to one-time project expenses and a change in allocation methodology for IT charges and increased costs associated with services provided by finance and human resources.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 500	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 500**	**-**	**-**
Expenditures				
Employee Compensation	$ 1,837	$ 21,916	$ 27,015	$ 25,377
Employee Benefits	$ 830	$ 9,226	$ 11,718	$ 11,751
Materials	$ 6,374	$ 5,181	$ 1,700	$ 15,897
Contract Services	-	-	$ 10,725	$ 1,100
Cost Allocation	$ 2,628	$ 26,324	$ 7,666	$ 16,596
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 194	$ 850
Total Expenditures	**$ 11,669**	**$ 62,647**	**$ 59,018**	**$ 71,571**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 11,669**	**$ 62,147**	**$ 59,018**	**$ 71,571**

Staffing

Total current authorized positions - 0.30

There are no changes to the current level of staffing.

Total recommended positions - 0.30

Planning Commission

Budget Unit 100-11-170

General Fund - Commissions - Planning Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 127,478
Fund Balance	-
General Fund Costs	$ 127,478
% Funded by General Fund	100.0 %
Total Staffing	0.3 FTE

Program Overview

The Planning Commission is a five-member citizen board appointed by the City Council. The functions of the Planning Commission are as follows:

- 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.

Service Objectives

- Conduct periodic reviews of the General Plan. These reviews test the fundamental goals and measure the performance of short-term objectives.
- Conduct public hearings for approximately 80 land development applications every year. Ensure that decisions are made fairly and expeditiously in accordance with adopted General Plan policies, zoning ordinances, development plans, and design guidelines.
- Review specific plans, zoning ordinance amendments, and amendments to the General Plan and make recommendations to Council.
- Serve on the Planning Commission Design Review Committee, the Environmental Review Committee, and in an advisory role to the Housing Commission and Economic Development Committee.

Adopted Budget

On June 5, 2018, City Council approved a budget of $127,478 for the Planning Commission program. This represents a decrease of $7,901 (-5.8%) from the FY 2018 Adopted Budget.

The decrease is mainly due to the fact that the $9,000 contract for transcription services is no longer necessary.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 48,482	$ 37,169	$ 44,529	$ 46,650
Employee Benefits	$ 16,847	$ 13,627	$ 15,051	$ 15,901
Materials	$ 11,614	$ 22,112	$ 35,260	$ 35,260
Contract Services	$ 3,750	$ 4,875	$ 17,250	$ 8,250
Cost Allocation	$ 3,156	$ 52,626	$ 20,717	$ 19,241
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 2,572	$ 2,176
Total Expenditures	**$ 83,849**	**$ 130,409**	**$ 135,379**	**$ 127,478**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 83,849**	**$ 130,409**	**$ 135,379**	**$ 127,478**

Staffing

Total current authorized positions - 0.25

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

Total recommended positions - 0.30

Housing Commission

Budget Unit 100-11-175

General Fund - Commissions - Housing Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 36,565
Fund Balance	-
General Fund Costs	$ 36,565
% Funded by General Fund	100.0 %
Total Staffing	0.15 FTE

Program Overview

The Cupertino Housing Commission (CHC) is a five-member board appointed by the City Council to assist the Planning Commission and the City Council in developing housing policies and strategies for implementation of General Plan Housing Element goals. The Commission also oversees the Community Development Block Grant (CDBG) program.

Service Objectives

- Develop housing policies and strategies for implementation of General Plan Housing Element goals.
- Develop affordable housing proposals, innovative approaches to affordable housing development and number and type of affordable units and the target groups to be served.
- Identify sources of funds to develop and build affordable housing.
- Evaluate funding requests from CDBG and the Affordable Housing funds, possible fee waivers or other incentives.
- Propose CDBG Action Plan.
- Review Cupertino's Housing Element.

Adopted Budget

On June 5, 2018, City Council approved a budget of $36,565 for the Housing Commission program. This represents an increase of $2,944 (8.8%) from the FY 2018 Adopted Budget.

The increase is mainly due to the increase in cost allocation for increased costs associated with services provided by the finance department.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 13,833	$ 12,116	$ 14,642	$ 15,705
Employee Benefits	$ 5,320	$ 5,717	$ 7,456	$ 7,899
Materials	$ 596	$ 243	$ 975	$ 975
Contract Services	-	-	-	-
Cost Allocation	$ 1,572	$ 17,853	$ 10,544	$ 11,937
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 4	$ 49
Total Expenditures	**$ 21,321**	**$ 35,929**	**$ 33,621**	**$ 36,565**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 21,321**	**$ 35,929**	**$ 33,621**	**$ 36,565**

Staffing

Total current authorized positions - 0.15

There are no changes to the current level of staffing.

Total recommended positions - 0.15

Sustainability Commission

Budget Unit 100-11-180

General Fund - Commissions - Sustainability Commission

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 30,091
Fund Balance	-
General Fund Costs	$ 30,091
% Funded by General Fund	100.0 %
Total Staffing	0.1 FTE

Program Overview

The Sustainability Commission is a five-member board appointed by the City Council to serve in an advisory capacity by providing expertise and guidance on major policy and programmatic areas related to the environmental, economic and societal goals noted within Cupertino's Climate Action Plan and General Plan Environmental Resources/Sustainability Element.

Service Objectives

- Monitor and update the CAP based upon quantified metrics to measure and evaluate mitigated impacts and community benefits.
- Suggest recommendations, review, and monitor the City's General Plan Environmental Resources/Sustainability Element and its intersections with the CAP.
- Advise the City Council how to strategically accelerate Cupertino's progress towards sustainability and recommend priorities to promote continued regional leadership in sustainability.
- 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 the 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.
- Make recommendations regarding the allocation of funds for infrastructure and technology improvements to elevate the operational performance of City facilities, businesses, educational institutions, and homes by reducing costs, improving public health, and serving community needs.
- 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.
- 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.
- Pursue any other activity or scope that may be deemed appropriate and necessary by the City Council.

Adopted Budget

On June 5, 2018, City Council approved a budget of $30,091 for the Sustainability Commission program. This represents an increase of $2,212 (7.9%) from the FY 2018 Adopted Budget.

The increase is due to negotiated salary and benefit changes due to take effect in July 2018 and increases in cost allocation. Since portions of the cost allocation plan are calculated based on the prior year budget, some charges were not included last year as it was the first year that the Sustainability Commission was budgeted.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	$ 13,376	$ 11,401	$ 12,777
Employee Benefits	-	$ 4,547	$ 7,066	$ 5,210
Materials	-	$ 1,064	$ 7,500	$ 7,500
Contract Services	-	-	-	-
Cost Allocation	-	-	$ 1,912	$ 4,604
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**-**	**$ 18,987**	**$ 27,879**	**$ 30,091**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 18,987**	**$ 27,879**	**$ 30,091**

Staffing

Total current authorized positions - 0.10

There are no changes to the current level of staffing.

Total recommended positions - 0.10

Administration

City Manager

City Clerk

City Manager Discretionary Fund

City Attorney

Administration

Budget Unit	Program	2019 Adopted Budget
City Manager		**$ 2,431,286**
100-12-120	City Manager	$ 993,118
100-12-122	Sustainability	$ 888,266
100-12-126	Public Affairs	$ 549,902
City Clerk		**$ 784,849**
100-13-130	City Clerk	$ 603,198
100-13-132	Duplicating and Mail Services	$ 98,911
100-13-133	Elections	$ 82,740
City Manager Discretionary		**$ 593,661**
100-14-123	City Manager Contingency	$ 593,661
City Attorney		**$ 2,129,992**
100-15-141	City Attorney	$ 2,129,992
Total		**$ 5,939,788**

Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 712,570
Total Expenditures	$ 5,939,788
Fund Balance	-
General Fund Costs	$ 5,227,218
% Funded by General Fund	88.0 %
Total Staffing	15.47 FTE

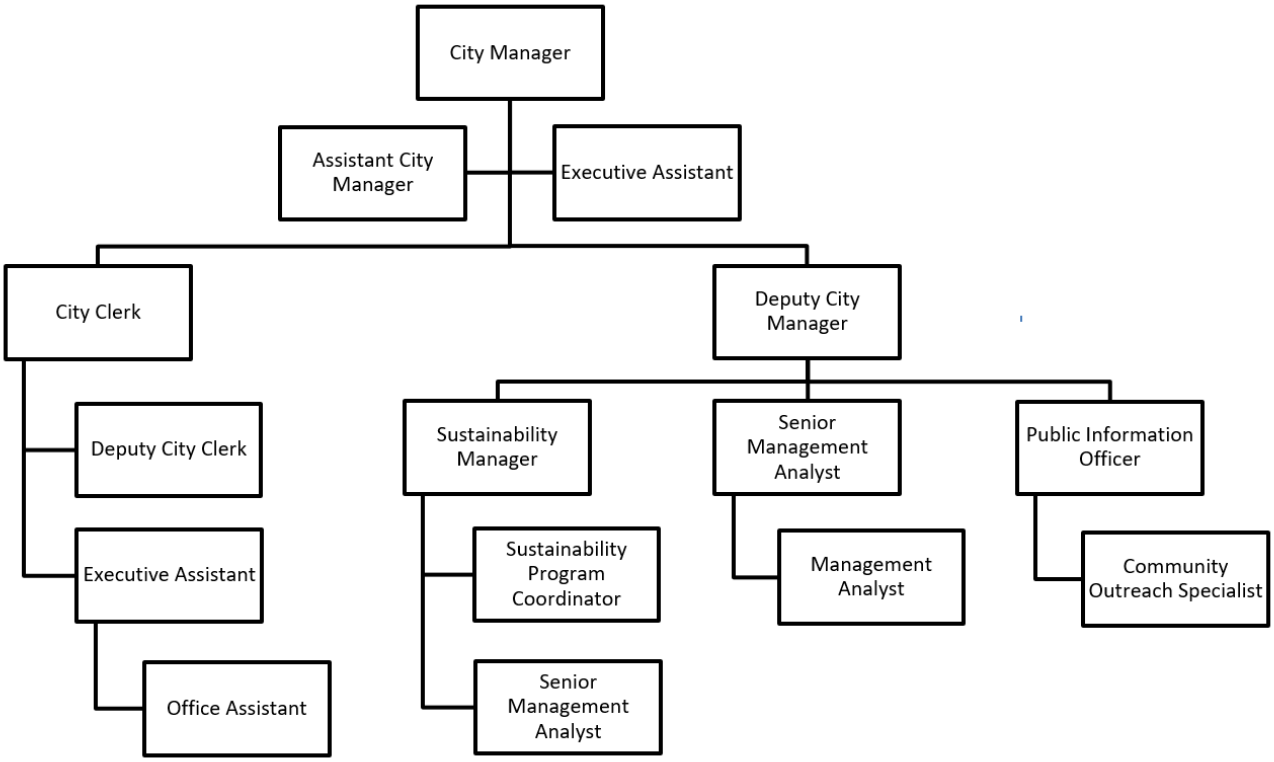
Organization

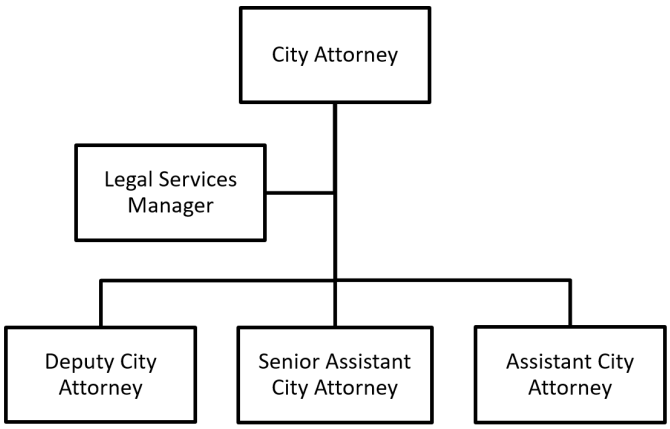
David Brandt, City Manager

Randolph Hom, City Attorney

Jaqui Guzmán, Deputy City Manager

Grace Schmidt, City Clerk





Performance Measures

City Clerk

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.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
City Council minutes for regular meetings presented for Council approval by the following regular meeting	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	100%	100%	100%
Public Record Act requests responded to by the Statutory deadline date	100%	100%	100%

Public Affairs

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.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
Social media engagement: total number of followers including City Hall Nextdoor, Facebook, Twitter, and Instagram accounts	19,250	20,700	10% annual increase
Social media engagement: average number of engagements (reactions, comments, shares, and clicks [1]) per post on City Hall Facebook account	39.6	44.9	10% annual increase
Cupertino 311: Average response time to customers organization-wide (in days) [2]:			
Construction:		1.45	
Graffiti:		0.29	
Trash:		2.00	
Parking /Abandoned Vehicle:		2.32	
Noise Disturbance:		1.06	
Animal Concern:	N/A	0.48	Respond within 2 days
Property Use Concerns:		3.18	
Tree/Landscape Issue:		2.70	
Roadway:		1.08	
Parks and Recreation:		5.14	
Stormwater:		3.71	
Homelessness:		4.79	
Other:		1.76	

[1] Clicks have now been added to the engagement metric, which will bump up the average number.

[2] The performance measure for "Access Cupertino: Average response time to customers organization-wide" was revised as Access Cupertino was replaced by Cupertino 311 in September 2017. The Cupertino 311 Application is administered through the IT Department, but each individual department is responsible for responding to its own requests. Response times are organized by request category.

Sustainability

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.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
% community-wide emissions reduced from baseline of 307,288 MT CO2e/yr [1]	2015 inventory: 13.1% decrease in emissions from baseline (294,281 MT CO2e/yr)		15% reduction by 2020 (261,195 MT CO2e/yr)
Initiate and implement all Climate Action Plan near-term measures:			
x% initiated	100%	100%	100%
x% complete or ongoing	45%	55%	100%
Increase the total number of Certified Green Businesses through the city's GreenBiz program to improve efficiency and conserve resources	63 Total 3 New 6 Re-cert	63 Total 1 Re-cert	100

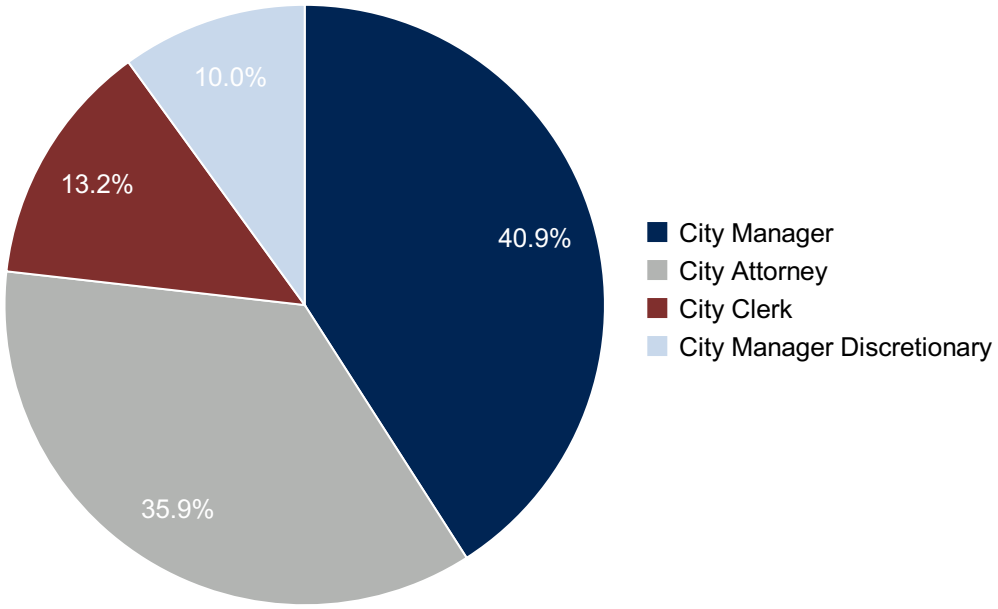
[1] Cupertino's GHG inventories are conducted roughly every 3-5 years.

Adopted Budget

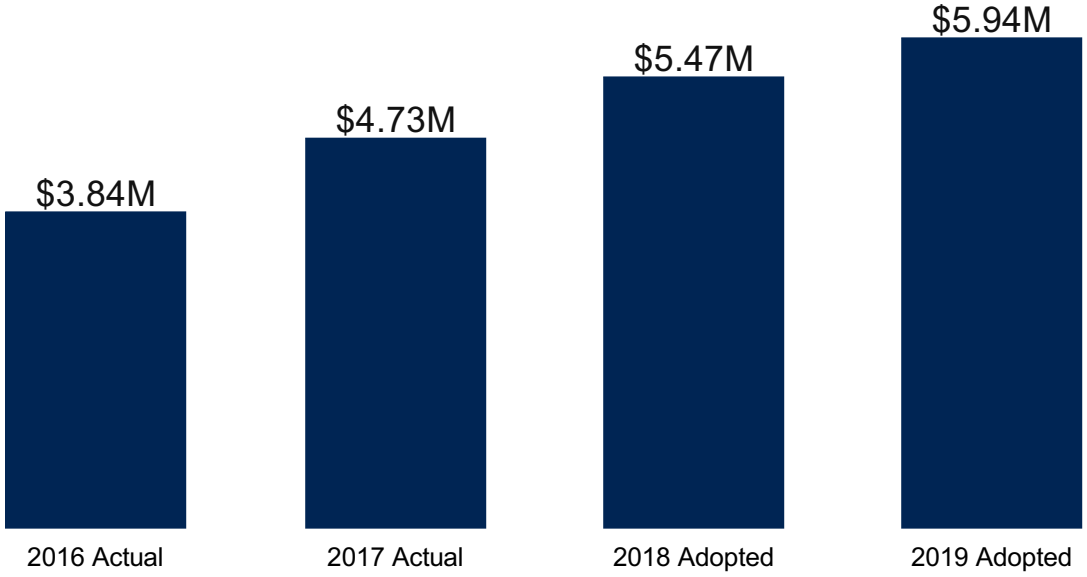
On June 5, 2018, City Council approved a budget of $5,939,788 for the Administration department. This represents an increase of $471,891 (8.6%) from the FY 2018 Adopted Budget.

This increase is primarily associated with negotiated employee compensation and benefits changes due to take effect in July 2018. This budget also includes costs associated with special projects in Sustainability and election costs which only occur in even years.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 338,580	$ 3,367,273	$ 844,929	$ 712,070
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 16,863	$ 53,958	-	$ 500
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 355,444**	**$ 3,421,231**	**$ 844,929**	**$ 712,570**
Expenditures				
Employee Compensation	$ 1,391,112	$ 1,712,430	$ 1,976,893	$ 2,301,666
Employee Benefits	$ 482,995	$ 614,505	$ 782,277	$ 940,051
Materials	$ 165,297	$ 273,460	$ 306,066	$ 327,766
Contract Services	$ 998,653	$ 1,121,824	$ 1,255,568	$ 1,021,775
Cost Allocation	$ 294,828	$ 979,665	$ 376,097	$ 422,346
Capital Outlay	-	-	-	-
Special Projects	$ 504,933	$ 25,242	$ 160,000	$ 264,470
Appropriations for Contingency	$ 113	$ 1,186	$ 610,996	$ 661,714
Total Expenditures	**$ 3,837,931**	**$ 4,728,312**	**$ 5,467,897**	**$ 5,939,788**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 3,482,487**	**$ 1,307,081**	**$ 4,622,968**	**$ 5,227,218**

City Manager

Budget Unit 100-12-120

General Fund - City Manager - City Manager

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 332,342
Total Expenditures	$ 993,118
Fund Balance	-
General Fund Costs	$ 660,776
% Funded by General Fund	66.5 %
Total Staffing	3.62 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. The City Manager oversees Sustainability and Public Affairs.

Service Objectives

- Accomplish the City Council's 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 financial conditions and needs of the City.
- Investigate all complaints concerning the operation of the City.
- 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $993,118 for the City Manager program. This represents an increase of $40,719 (4.3%) from the FY 2018 Adopted Budget.

The majority of the increase is due to negotiated increases in salaries and benefits due to take effect in July 2018.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 124,512	$ 1,027,154	$ 319,142	$ 332,342
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 124,512**	**$ 1,027,154**	**$ 319,142**	**$ 332,342**
Expenditures				
Employee Compensation	$ 469,105	$ 590,452	$ 622,201	$ 626,760
Employee Benefits	$ 163,567	$ 209,668	$ 235,855	$ 247,959
Materials	$ 38,229	$ 44,281	$ 44,380	$ 45,580
Contract Services	$ 26,024	$ 32,772	$ 14,540	$ 14,540
Cost Allocation	$ 108,180	$ 397,676	$ 31,937	$ 55,273
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	$ 868	$ 3,486	$ 3,006
Total Expenditures	**$ 805,105**	**$ 1,275,718**	**$ 952,399**	**$ 993,118**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 680,593**	**$ 248,564**	**$ 633,257**	**$ 660,776**

Staffing

Total current authorized positions - 3.37

The increase in staffing is due to staffing reallocations to better reflect time spent in this program.

Total recommended positions - 3.62

Sustainability

Budget Unit 100-12-122

General Fund - City Manager - Sustainability

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 888,266
Fund Balance	-
General Fund Costs	$ 888,266
% Funded by General Fund	100.0 %
Total Staffing	1.8 FTE

Program Overview

The Sustainability Division works to bring environmental awareness across departments and engage staff, students, residents, and businesses in building public good through activities that reduce greenhouse gas emissions, help to mitigate financial and regulatory risk, provide utility cost assurances, conserve 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 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 burgeoning state and federal regulations.
- 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.
- Work with schools to expand successful municipal programs into educational institutions through effective partnerships that empower students as environmental leaders.

Adopted Budget

On June 5, 2018, City Council approved a budget of $888,266 for the Sustainability program. This represents an increase of $109,391 (14.0%) from the FY 2018 Adopted Budget.

This increase is partially due to negotiated increases in compensation and benefits due to take effect in July 2018. In addition, the Sustainability Division will convert the current limited-term Environmental Program Assistant (Sustainability Program Coordinator) to a permanent position. This position will continue to be allocated to the Sustainability Division (75%) and Environmental Division Resource Recovery fund (25%). This position has become essential to the Sustainability Division in performing duties related to greenhouse gas inventory data tracking, climate action plan implementation tracking, program coordination, tracking utility expenditures and energy, natural gas, and waste usage, and community outreach and education.

Sustainability Division expenses for this year are attributed to continuing program services to implement the Climate Action Plan measures in the near term and reduce overall greenhouse gas emission. There is also an increase associated with special project requests outlined in the table below.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Residential Drought Tolerant Landscaping Pilot Program	$175,000		General Fund	Pilot to create a turnkey lawn removal and drought tolerant planting program for residents
Residential Energy Reduction & Efficiency Program	$6,000		General Fund	Home Energy Score, and Home Intel, CBSM program. Incentive $$ and marketing to homeowners and renters throughout the City
Utility Box Art Painting Round 4	$10,000		General Fund	Art contest and painting up to 5 utility boxes throughout the City
Employee Commute Program	$50,500		General Fund	Internal Employee Commuting program to encourage alternative commuting to work and encourage employee retention
Total	**$241,500**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 68,987	$ 103,442	$ 31,452	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 16,863	$ 53,658	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 85,850**	**$ 157,100**	**$ 31,452**	**-**
Expenditures				
Employee Compensation	$ 137,722	$ 151,981	$ 165,944	$ 210,120
Employee Benefits	$ 51,409	$ 66,474	$ 66,571	$ 89,005
Materials	$ 23,862	$ 27,475	$ 36,225	$ 36,225
Contract Services	$ 18,533	$ 77,637	$ 147,000	$ 147,000
Cost Allocation	$ 22,212	$ 125,220	$ 191,006	$ 155,255
Capital Outlay	-	-	-	-
Special Projects	$ 504,933	$ 25,242	$ 160,000	$ 241,500
Appropriations for Contingency	-	-	$ 12,129	$ 9,161
Total Expenditures	**$ 758,671**	**$ 474,029**	**$ 778,875**	**$ 888,266**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 672,821**	**$ 316,929**	**$ 747,423**	**$ 888,266**

Staffing

Total current authorized positions - 1.80

There are no changes to the current level of staffing. The current limited term Environmental Program Assistant (Sustainability Program Coordinator) will be converted to a permanent position.

Total recommended positions - 1.80

Public Affairs

Budget Unit 100-12-126

General Fund - City Manager - Public Affairs

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 122,318
Total Expenditures	$ 549,902
Fund Balance	-
General Fund Costs	$ 427,584
% Funded by General Fund	77.8 %
Total Staffing	2.15 FTE

Program Overview

The Public Affairs program is responsible for community outreach to ensure that residents have access to timely, useful, and important information. The Public Affairs program oversees and maintains many of the City's lines of communication with residents, including the City's website, social media accounts, monthly newsletter, videos, event tabling, flyers, and press releases. Public Affairs also acts as a liaison between various City departments and the community when it comes to 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

Adopted Budget

On June 5, 2018, City Council approved a budget of $549,902 for the Public Affairs program. This represents an increase of $78,956 (16.8%) from the FY 2018 Adopted Budget.

This increase is primarily due to negotiated salary and benefit changes due to take effect in July 2018 and changes in position allocations. At Mid-Year, a portion of the Recreation and Community Services Department's Community Outreach Specialist, a graphic designer, was reallocated to Public Affairs. This restructuring change will ensure that the Community Outreach Specialist supporting Recreation is up-to-date on broader community interests, concerns, and sensitivities; as well as ensuring alignment to City-wide branding and marketing strategies. Realigning the position also allows greater flexibility for both Public Affairs and Recreation in meeting marketing demands.

The Public Affairs Division is also continuing its Guideline Refresh project. The first phase was completed in Fiscal Year 2018 and included an updated style guide with clearly defined fonts, a new color palette, and logo elements. It also included new letterhead and staff report templates, fresh proclamation and press release documents, City-wide email signatures, and new PowerPoint layouts for meetings. Public Affairs will continue this project by creating a Grammar Style Guide, to ensure staff members are using a similar tone of voice and consistent spelling, and help various departments update their marketing materials to make sure they follow the new guidelines.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 97,618	$ 150,355	$ 121,818
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	$ 500
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 97,618**	**$ 150,355**	**$ 122,318**
Expenditures				
Employee Compensation	-	$ 164,032	$ 186,448	$ 226,234
Employee Benefits	-	$ 64,581	$ 80,449	$ 96,034
Materials	-	$ 92,562	$ 107,374	$ 122,874
Contract Services	-	$ 68,566	$ 18,000	$ 26,000
Cost Allocation	-	$ 56,787	$ 60,307	$ 70,741
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 18,368	$ 8,019
Total Expenditures	**-**	**$ 446,528**	**$ 470,946**	**$ 549,902**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 348,910**	**$ 320,591**	**$ 427,584**

Staffing

Total current authorized positions - 2.15

There are no changes to the current level of staffing. At Mid-Year, 0.3 FTE of a Community Outreach Specialist was allocated to Public Affairs.

Total recommended positions - 2.15

City Clerk

Budget Unit 100-13-130

General Fund - City Clerk - City Clerk

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 63,559
Total Expenditures	$ 603,198
Fund Balance	-
General Fund Costs	$ 539,639
% Funded by General Fund	89.5 %
Total Staffing	2.5 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; and compliance with Public Records Act requests.

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 for use on mobile devices.

Adopted Budget

On June 5, 2018, City Council approved a budget of $603,198 for the City Clerk program. This represents an increase of $3,236 (0.5%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 27,276	$ 453,952	$ 80,947	$ 63,559
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 300	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 27,276**	**$ 454,252**	**$ 80,947**	**$ 63,559**
Expenditures				
Employee Compensation	$ 263,000	$ 312,309	$ 323,903	$ 342,977
Employee Benefits	$ 106,264	$ 121,263	$ 134,875	$ 125,997
Materials	$ 21,478	$ 30,527	$ 25,441	$ 25,441
Contract Services	$ 34,192	$ 34,434	$ 57,531	$ 57,531
Cost Allocation	$ 91,560	$ 237,115	$ 53,590	$ 47,103
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 4,622	$ 4,149
Total Expenditures	**$ 516,494**	**$ 735,648**	**$ 599,962**	**$ 603,198**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 489,218**	**$ 281,396**	**$ 519,015**	**$ 539,639**

Staffing

Total current authorized positions - 2.70

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

Total recommended positions - 2.50

Duplicating and Mail Services

Budget Unit 100-13-132

General Fund - City Clerk - Duplicating and Mail Services

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 98,911
Fund Balance	-
General Fund Costs	$ 98,911
% Funded by General Fund	100.0 %
Total Staffing	0.4 FTE

Program Overview

The City Clerk's office provides mail service for all City Departments.

Service Objectives

- Administer mail service to each department and satellite facilities in a timely manner.
- Process and deliver routine incoming and outgoing mail and packages daily to each department and satellite facilities.
- Provide additional special deliveries as needed.

Adopted Budget

On June 5, 2018, City Council approved a budget of $98,911 for the Duplicating and Mail Services program. This represents an increase of $13,893 (16.3%) from the FY 2018 Adopted Budget.

The budget increase is due to a proposal to purchase postage and folder-insert machines. By purchasing rather than leasing, contract costs will be reduced by $8,000.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 16,287	$ 16,156	$ 22,953	$ 22,941
Employee Benefits	$ 849	$ 442	$ 11,198	$ 12,417
Materials	$ 33,371	$ 38,930	$ 33,000	$ 33,000
Contract Services	$ 14,557	$ 13,866	$ 14,000	$ 5,630
Cost Allocation	$ 6,300	-	-	$ 21
Capital Outlay	-	-	-	-
Special Projects	-	-	-	$ 22,970
Appropriations for Contingency	-	-	$ 3,867	$ 1,932
Total Expenditures	**$ 71,364**	**$ 69,394**	**$ 85,018**	**$ 98,911**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 71,364**	**$ 69,394**	**$ 85,018**	**$ 98,911**

Staffing

Total current authorized positions - 0.40

There are no changes to the current level of staffing.

Total recommended positions - 0.40

Elections

Budget Unit 100-13-133

General Fund - City Clerk - Elections

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 82,740
Fund Balance	-
General Fund Costs	$ 82,740
% Funded by General Fund	100.0 %
Total Staffing	0 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, as well as candidate biographies and photographs.
- Make election-related information available to the public and news media in a timely manner.

Adopted Budget

On June 5, 2018, City Council approved a budget of $82,740 for the Elections program. This represents an increase of $82,452 (28629.2%) from the FY 2018 Adopted Budget.

The increase is due to the General Municipal Election occurring in even years.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ 22	$ 6,484	$ 100	$ 5,100
Contract Services	$ 4,572	$ 307,736	-	$ 73,700
Cost Allocation	-	-	$ 188	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	$ 3,940
Total Expenditures	**$ 4,594**	**$ 314,220**	**$ 288**	**$ 82,740**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 4,594**	**$ 314,220**	**$ 288**	**$ 82,740**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

City Manager Contingency

Budget Unit 100-14-123

General Fund - City Manager Discretionary - City Manager Contingency

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 593,661
Fund Balance	-
General Fund Costs	$ 593,661
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

The City Manager Contingency fund was established to meet citywide unexpected expenses that may occur during the year. In FY 2014, an Appropriations for Contingency expenditure category was added to each General Fund department to serve as a contingency for any unexpected expenditures that might occur. This category is 5% of each program's budgeted materials and contract services. A second level of contingency was also established for unexpected expenditures that may occur over the 5% contingency. For all programs within the General Fund, 5% of the total budgeted materials and contract services were placed in this program. This brings total Appropriations for Contingencies for the General Fund to 10% of total budgeted materials and contract services. This percentage is consistent with best practices adopted by the Governmental Accounting Standards Board (GASB) which recommended 5-15% contingency. Any unspent contingency funds will go to fund balance at the end of the year.

Adopted Budget

On June 5, 2018, City Council approved a budget of $593,661 for the City Manager Contingency program. This represents an increase of $52,840 (9.8%) from the FY 2018 Adopted Budget.

The funding for the City Manager Contingency program is determined by taking 5% of all materials and contract services budgeted in the General Fund, excluding the contract with the Sheriff's Office. The increase is primarily due to increases in materials and contract services throughout the General Fund.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	$ 35,000	-
Cost Allocation	-	-	$ 821	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 505,000	$ 593,661
Total Expenditures	**-**	**-**	**$ 540,821**	**$ 593,661**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**-**	**$ 540,821**	**$ 593,661**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

City Attorney

Budget Unit 100-15-141

General Fund - City Attorney - City Attorney

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 194,351
Total Expenditures	$ 2,129,992
Fund Balance	-
General Fund Costs	$ 1,935,641
% Funded by General Fund	90.9 %
Total Staffing	5.0 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, 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, employment practices, code enforcement, or any administrative action arising out of City business.
- Manage all liability claims filed against 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, among other things.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,129,992 for the City Attorney program. This represents an increase of $90,404 (4.4%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 117,805	$ 1,685,107	$ 263,033	$ 194,351
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 117,805**	**$ 1,685,107**	**$ 263,033**	**$ 194,351**
Expenditures				
Employee Compensation	$ 504,998	$ 477,500	$ 655,444	$ 872,634
Employee Benefits	$ 160,906	$ 152,077	$ 253,329	$ 368,639
Materials	$ 48,335	$ 33,200	$ 59,546	$ 59,546
Contract Services	$ 900,775	$ 586,812	$ 969,497	$ 697,374
Cost Allocation	$ 66,576	$ 162,867	$ 38,248	$ 93,953
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	$ 113	$ 318	$ 63,524	$ 37,846
Total Expenditures	**$ 1,681,703**	**$ 1,412,775**	**$ 2,039,588**	**$ 2,129,992**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 1,563,897**	**$ (272,332)**	**$ 1,776,555**	**$ 1,935,641**

Staffing

Total current authorized positions - 5.00

There are no changes to the current level of staffing.

Total recommended positions - 5.00

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Law Enforcement

Law Enforcement

Budget Unit	Program	2019 Adopted Budget
Law Enforcement		**$ 12,988,353**
100-20-200	Law Enforcement	$ 12,304,029
100-20-201	Interoperability Project	$ 49,598
100-20-202	Code Enforcement	$ 634,726
Total		**$ 12,988,353**

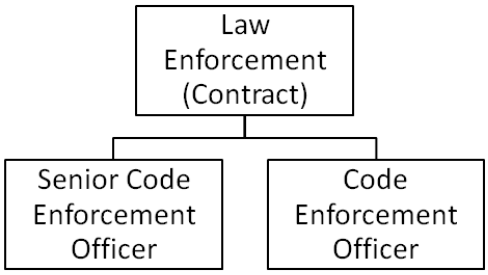
Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 775,000
Total Expenditures	$ 12,988,353
Fund Balance	-
General Fund Costs	$ 12,213,353
% Funded by General Fund	94.0 %
Total Staffing	2.0 FTE

Organization

Captain Rich Urena, Office of the Sheriff



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.

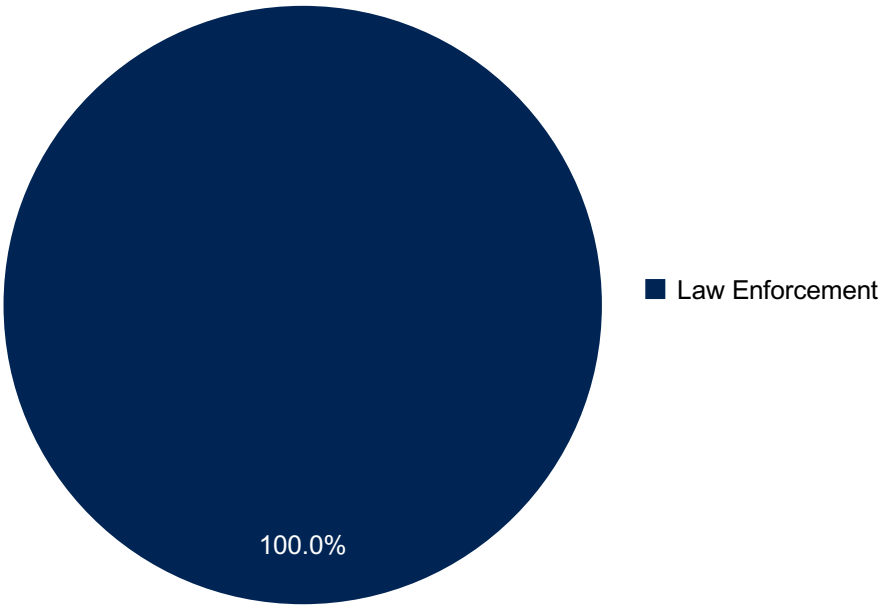
Measure		FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
response time for emergency calls				
	Priority 1	5.07	4.23	5 minutes
	Priority 2	8.00	7.49	9 minutes
	Priority 3	15.79	14.79	20 minutes
% programs maintaining minimum attendance				
	Teen Academy	85%	90%	80%
	Citizen Academy	55%	85%	80%

Adopted Budget

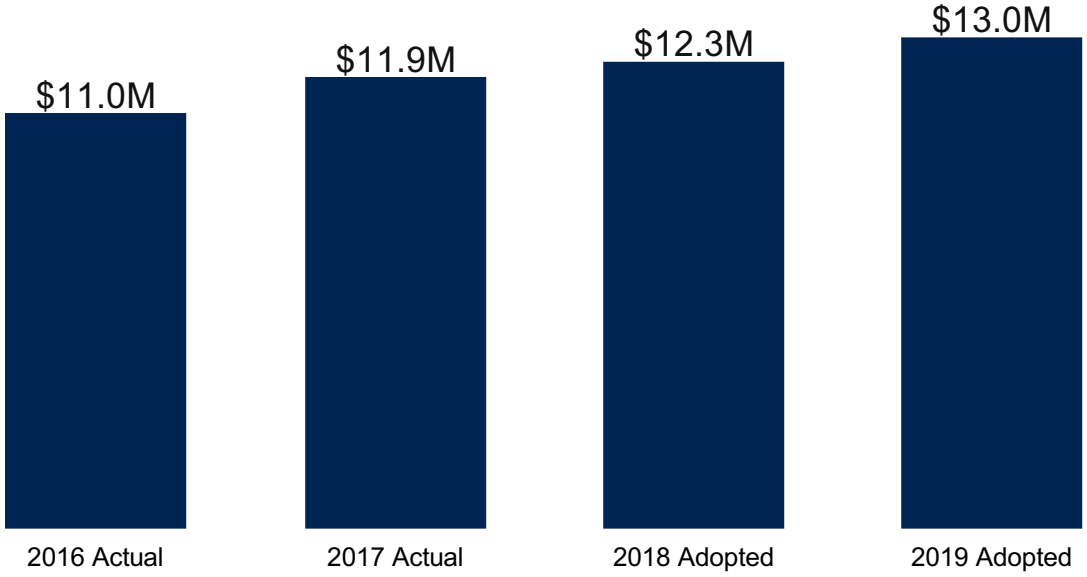
On June 5, 2018, City Council approved a budget of $12,988,353 for the Law Enforcement department. This represents an increase of $644,046 (5.2%) from the FY 2018 Adopted Budget.

The increase is primarily related to increases in the Law Enforcement contract with the Santa Clara County Sheriff's Office.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	$ 122,119	$ 129,324	$ 100,000	$ 100,000
Charges for Services	-	$ 292	-	$ 60,000
Fines and Forfeitures	-	$ 593,122	$ 600,000	$ 615,000
Miscellaneous Revenue	$ 93,682	$ 85,795	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 215,802**	**$ 808,534**	**$ 700,000**	**$ 775,000**
Expenditures				
Employee Compensation	$ 178,915	$ 226,592	$ 239,683	$ 243,838
Employee Benefits	$ 76,449	$ 86,879	$ 98,809	$ 101,379
Materials	$ 69,190	$ 61,638	$ 62,578	$ 68,578
Contract Services	$ 10,623,426	$ 11,390,392	$ 11,770,217	$ 12,482,024
Cost Allocation	$ 40,536	$ 173,593	$ 163,020	$ 72,847
Capital Outlay	-	-	-	-
Special Projects	-	-	-	$ 7,328
Appropriations for Contingency	$ 220	-	$ 10,000	$ 12,359
Total Expenditures	**$ 10,988,736**	**$ 11,939,094**	**$ 12,344,307**	**$ 12,988,353**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 10,772,934**	**$ 11,130,560**	**$ 11,644,307**	**$ 12,213,353**

Law Enforcement

Budget Unit 100-20-200

General Fund - Law Enforcement - Law Enforcement

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 510,000
Total Expenditures	$ 12,304,029
Fund Balance	-
General Fund Costs	$ 11,794,029
% Funded by General Fund	95.9 %
Total Staffing	0 FTE

Program Overview

The Law Enforcement program provides law enforcement, emergency communications, School Resource Officers, and the Youth Probation Program. 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. The County's Youth Probation Program, also managed by the Sheriff's Office, is funded through a partnership with the Cupertino Union School District and the City of Cupertino. 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 2017 school year.

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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $12,304,029 for the Law Enforcement program. This represents an increase of $668,143 (5.7%) from the FY 2018 Adopted Budget.

The increase is due to costs associated with changes in total compensation and retirement rate increases as outlined in the City's contract with the Santa Clara County Sheriff's Office. In addition, the Sheriff's Office has requested the addition of a K9 to assist the West Valley Cities. Costs for the K9 will be split between the agencies.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
K9	$7,328	$0	General Fund	K9 to assist West Valley Cities
Total	**$7,328**	**$0**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	$ 122,119	$ 129,324	$ 100,000	$ 100,000
Charges for Services	-	-	-	$ 60,000
Fines and Forfeitures	-	$ 332,383	$ 350,000	$ 350,000
Miscellaneous Revenue	$ 93,682	$ 85,795	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 215,802**	**$ 547,502**	**$ 450,000**	**$ 510,000**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ 51,633	$ 51,709	$ 51,803	$ 51,803
Contract Services	$ 10,368,255	$ 11,124,953	$ 11,513,428	$ 12,203,080
Cost Allocation	-	$ 68,322	$ 70,655	$ 41,818
Capital Outlay	-	-	-	-
Special Projects	-	-	-	$ 7,328
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 10,419,888**	**$ 11,244,984**	**$ 11,635,886**	**$ 12,304,029**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 10,204,087**	**$ 10,697,482**	**$ 11,185,886**	**$ 11,794,029**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Interoperability Project

Budget Unit 100-20-201

General Fund - Law Enforcement - Interoperability Project

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 49,598
Fund Balance	-
General Fund Costs	$ 49,598
% Funded by General Fund	100.0 %
Total Staffing	0 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.

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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $49,598 for the Interoperability Project program. This represents an increase of $785 (1.6%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	$ 48,359	$ 48,359	$ 48,539	$ 48,539
Cost Allocation	-	$ 268	$ 274	$ 1,059
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 48,359**	**$ 48,627**	**$ 48,813**	**$ 49,598**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 48,359**	**$ 48,627**	**$ 48,813**	**$ 49,598**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Code Enforcement

Budget Unit 100-20-202

General Fund - Law Enforcement - Code Enforcement

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 265,000
Total Expenditures	$ 634,726
Fund Balance	-
General Fund Costs	$ 369,726
% Funded by General Fund	58.2 %
Total Staffing	2.0 FTE

Program Overview

The Code Enforcement program provides enforcement of various provisions of the municipal code relating to parking citations, noise, animal control 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $634,726 for the Code Enforcement program. This represents a decrease of $24,882 (-3.8%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year and supports enforcement of the municipal code and the Santa Clara County Sheriff 's Office.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 292	-	-
Fines and Forfeitures	-	$ 260,739	$ 250,000	$ 265,000
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 261,032**	**$ 250,000**	**$ 265,000**
Expenditures				
Employee Compensation	$ 178,915	$ 226,592	$ 239,683	$ 243,838
Employee Benefits	$ 76,449	$ 86,879	$ 98,809	$ 101,379
Materials	$ 17,557	$ 9,929	$ 10,775	$ 16,775
Contract Services	$ 206,812	$ 217,081	$ 208,250	$ 230,405
Cost Allocation	$ 40,536	$ 105,003	$ 92,091	$ 29,970
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	$ 220	-	$ 10,000	$ 12,359
Total Expenditures	**$ 520,488**	**$ 645,483**	**$ 659,608**	**$ 634,726**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 520,488**	**$ 384,451**	**$ 409,608**	**$ 369,726**

Staffing

Total current authorized positions - 2.00

There are no changes to the current level of staffing.

Total recommended positions - 2.00

Innovation & Technology

Innovation & Technology

Video

Applications

Infrastructure

GIS

Innovation & Technology

Budget Unit	Program	2019 Adopted Budget
I&T Administration		**$ 405,034**
100-30-300	Innovation & Technology Administration	-
610-30-300	Innovation & Technology Administration	$ 405,034
100-30-304	Cupertino Scene	-
Video		**$ 1,631,075**
615-31-305	Video	-
100-31-305	Video	$ 1,557,572
100-31-307	Public Access Support	$ 73,503
Applications		**$ 2,083,188**
615-32-308	Applications	-
100-32-308	Applications	$ 2,083,188
Infrastructure		**$ 2,668,918**
610-34-310	Infrastructure	$ 2,668,918
GIS		**$ 1,107,071**
610-35-986	GIS	$ 1,107,071
Non-Departmental		**-**
610-90-989	Network Upgrade	-
Total		**$ 7,895,286**

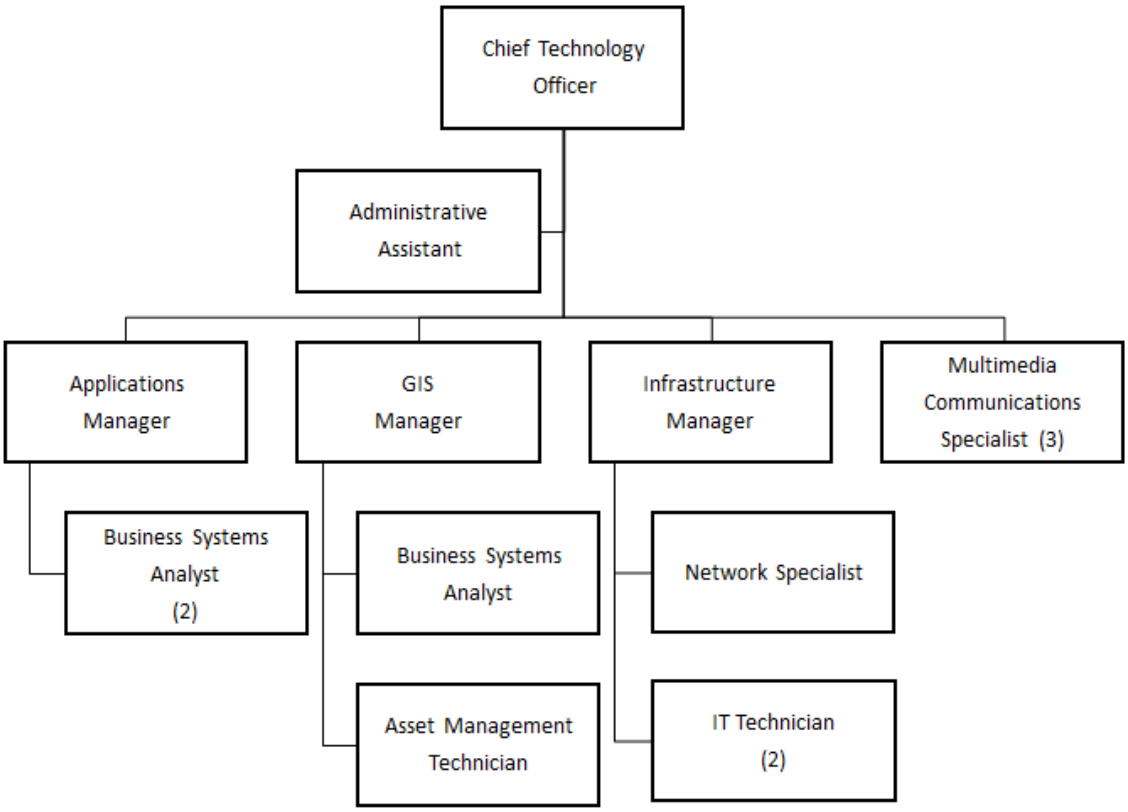
Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 3,753,928
Total Expenditures	$ 7,895,286
Fund Balance	$ (427,095)
General Fund Costs	$ 3,714,263
% Funded by General Fund	47.0 %
Total Staffing	15.05 FTE

Organization

Bill Mitchell, Chief Technology Officer



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.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
GIS: Open Data site visits per month	170	186	140
GIS: Number of annual requests (map, data, Web applications, Cityworks, schema, other) completed	325	158	400
GIS: Property Information site visits per month	190	220	200
GIS: Cityworks utilization - number of assets maintained / number of active users in the system	30/23	35/27	30/30
Video: Percentage of scheduled projects completed on time (on time/scheduled) [1]	93% (69/74) [2]	97% (67/69)	95%
Video: Percentage of accepted requests originating outside of Video Dept (external requests accepted/all external requests) [1]	93% (54/58)	98% (48/49)	95%
Infrastructure: Percentage based upon number of scheduled projects/Number of projects completed on time	84%	76%	80%
Infrastructure: Percentage based upon number of HelpDesk KACE tickets/SLA measurements	94%	96%	90%
Infrastructure: % Customer satisfaction based upon Satisfaction Rate from KACE tickets	100%	100%	85%
Infrastructure: % of network uptime (not including planned maintenance)	99.99%	99.99%	99.99%
Applications: % of citywide-enterprise application project management performed on time and on budget	95%	95%	95%
Applications: Number of website visits/hits [3]	1,001,398	329,978	600,000

[1] Reworded to explain ratios for clarity

[2] Tracking started in FY 2017 Q2

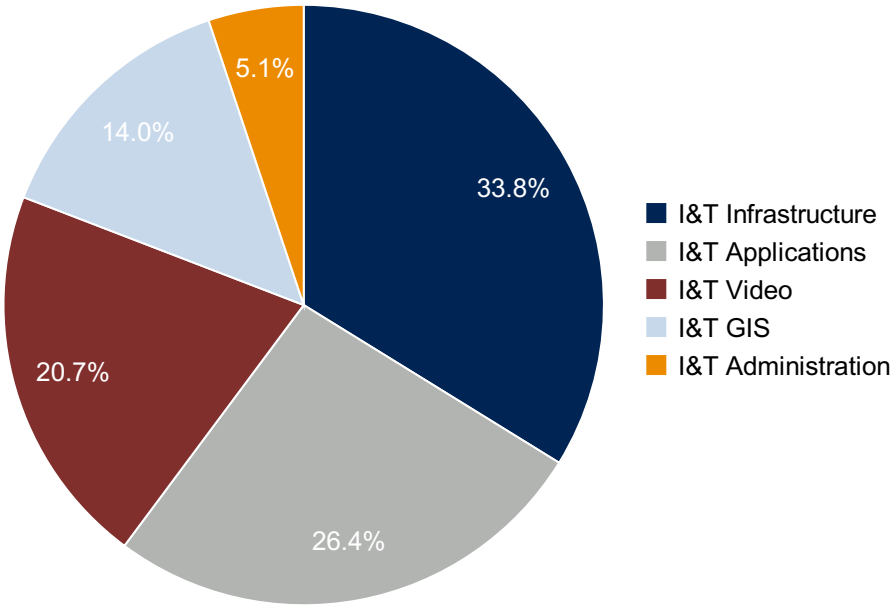
[3] Corrected to include total number of visits/hits

Adopted Budget

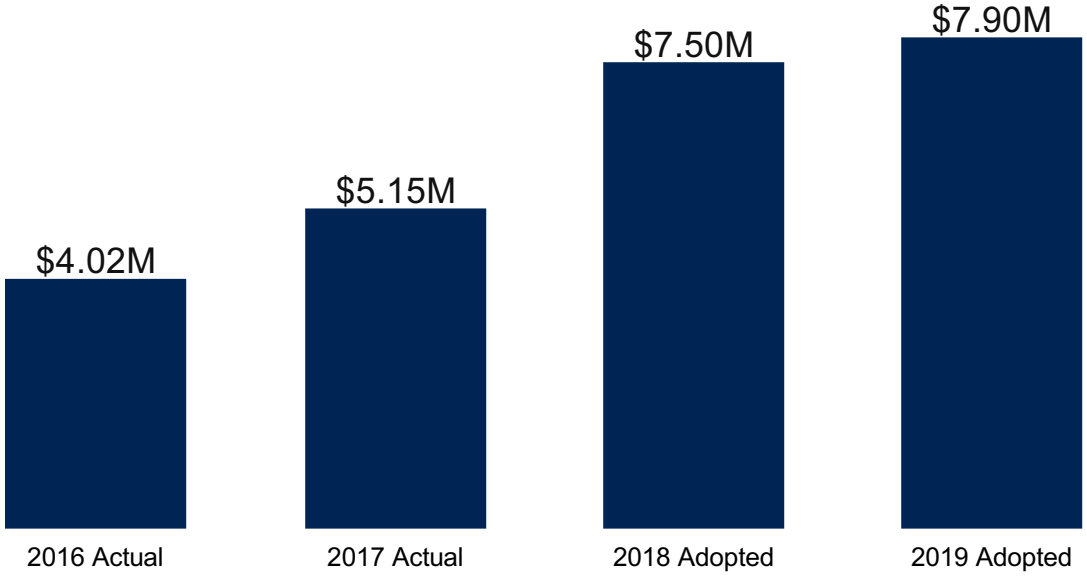
On June 5, 2018, City Council approved a budget of $7,895,286 for the Innovation & Technology department. This represents an increase of $398,850 (5.3%) from the FY 2018 Adopted Budget.

The increase is due to software and contract services for large projects within the Application and GIS Divisions.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 821,028	$ 113,150	-	$ 3,753,928
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 821,028**	**$ 113,150**	**-**	**$ 3,753,928**
Expenditures				
Employee Compensation	$ 1,340,171	$ 1,565,084	$ 2,037,051	$ 2,048,366
Employee Benefits	$ 459,595	$ 658,486	$ 741,122	$ 833,134
Materials	$ 282,078	$ 144,652	$ 1,064,067	$ 1,552,252
Contract Services	$ 1,295,203	$ 1,136,354	$ 1,072,322	$ 1,433,822
Cost Allocation	$ 490,055	$ 945,462	$ 1,018,780	$ 1,195,485
Capital Outlay	-	-	-	-
Special Projects	$ 151,222	$ 698,479	$ 1,342,730	$ 686,500
Appropriations for Contingency	-	-	$ 220,364	$ 145,727
Total Expenditures	**$ 4,018,322**	**$ 5,148,517**	**$ 7,496,436**	**$ 7,895,286**
Fund Balance	**$ (2,416,930)**	**$ (2,241,076)**	**$ (3,845,930)**	**$ (427,095)**
General Fund Costs	**$ 780,364**	**$ 5,150,664**	**$ 3,650,506**	**$ 3,714,263**

Innovation & Technology Administration

Budget Unit 100-30-300

General Fund - I&T Administration - Innovation & Technology Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2017, this program was largely split between Innovation & Technology Administration and the Public Affairs Program within the City Manager's Office as part of a department reorganization. A discussion of the Innovation & Technology Administration program can be found under Budget Unit 610-30-300. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 41,352	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 41,352**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 181,714	-	-	-
Employee Benefits	$ 54,642	-	-	-
Materials	$ 49,535	-	-	-
Contract Services	$ 56,041	-	-	-
Cost Allocation	$ 18,912	$ 3,880	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 360,844**	**$ 3,880**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 319,492**	**$ 3,880**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Innovation & Technology Administration

Budget Unit 610-30-300

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

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 359,741
Total Expenditures	$ 405,034
Fund Balance	$ (45,293)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0.7 FTE

Program Overview

The Innovation & Technology Department Administration Division is responsible for the management, strategic planning, governance, policy setting and leadership in the use of computer, video, radio, GIS, and telecommunications technologies to support the delivery of cost-effective services to the City of Cupertino. Additionally, Administration is responsible for budget development, procurement, and administrative services.

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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $405,034 for the Innovation & Technology Administration program. This represents a decrease of $110,100 (-21.4%) from the FY 2018 Adopted Budget.

This decrease is primarily due to the City Hall part-time front desk staff being reallocated to other departments and a decrease in contingency funds.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 111,225	-	$ 359,741
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 111,225**	**-**	**$ 359,741**
Expenditures				
Employee Compensation	-	$ 114,473	$ 171,763	$ 94,970
Employee Benefits	-	$ 51,036	$ 49,401	$ 45,504
Materials	-	$ 16,716	$ 17,901	$ 17,901
Contract Services	-	$ 12,435	$ 152,200	$ 152,200
Cost Allocation	-	$ 100,818	$ 20,080	$ 85,954
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 103,789	$ 8,505
Total Expenditures	**-**	**$ 295,478**	**$ 515,134**	**$ 405,034**
Fund Balance	**-**	**$ (43,523)**	**$ (515,134)**	**$ (45,293)**
General Fund Costs	**-**	**$ 140,730**	**-**	**-**

Staffing

Total current authorized positions - 0.85

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

Total recommended positions - 0.70

Cupertino Scene

Budget Unit 100-30-304

General Fund - I&T Administration - Cupertino Scene

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2017, the Cupertino Scene program was moved into Administration - Public Affairs as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-12-126. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 26,743	-	-	-
Employee Benefits	$ 11,705	-	-	-
Materials	$ 77,545	-	-	-
Contract Services	$ 336	-	-	-
Cost Allocation	$ 3,672	$ 479	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 120,001**	**$ 479**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 120,001**	**$ 479**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Video

Budget Unit 615-31-305

Government Channel and Website - Video - Video

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2018, this program was transferred to the General Fund. A complete discussion of this 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 542,520	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 542,520**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 325,174	-	$ 507,637	-
Employee Benefits	$ 109,555	-	$ 175,404	-
Materials	$ 69,648	-	$ 50,950	-
Contract Services	$ 52,585	-	$ 108,650	-
Cost Allocation	$ 189,176	-	$ 409,858	-
Capital Outlay	-	-	-	-
Special Projects	$ 52,076	-	$ 306,000	-
Appropriations for Contingency	-	-	$ 10,757	-
Total Expenditures	**$ 798,214**	**-**	**$ 1,569,256**	**-**
Fund Balance	**$ (255,694)**	**-**	**$ (205,109)**	**-**
General Fund Costs	**-**	**-**	**$ 1,364,147**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Video

Budget Unit 100-31-305

General Fund - Video - Video

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 1,557,572
Fund Balance	-
General Fund Costs	$ 1,557,572
% Funded by General Fund	100.0 %
Total Staffing	3.2 FTE

Program Overview

The primary goal of the Video Division is to increase public awareness, interest, understanding, and participation in the issues, programs, and services presented by the city of Cupertino. The staff promotes city services and programs through its 24/7 government access channel, radio station, digital signage network, city website, and numerous online video platforms. In addition, the video staff provides multimedia production services and technical support for all city departments. Video staff also oversees the design, maintenance, and engineering of the City's broadcast and audiovisual systems.

Service Objectives

Video staff works together to manage and maintain the following city services:

- City Channel, the government access television channel which provides 24/7 information to Cupertino residents, includes full coverage of city meetings, community events, town hall forums, press conferences, election coverage, and local speaker series, as well as educational programming and state government affairs programming
- Webcasting and video on demand services for live streaming city meetings, events and other programs of interest
- Radio Cupertino for emergency and community information for public service announcements, traffic alerts, and weather forecasts
- Digital signage to promote city programs and events via electronic displays in city facilities
- Multimedia production services and maintenance of city video equipment

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,557,572 for the Video program.

In FY 2018, the City consolidated the City Channel/Web internal service fund with the City's General Fund to better align with Governmental Accounting Standards. This change resulted in Budget Unit 615-31-305 being transferred to the General Fund under Budget Unit 100-31-305. This budget is relatively unchanged compared to

the 615-31-305 budget from last fiscal year and provides video support for services and programs throughout the city.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Conference Room Upgrade Phase II	$225,000		General Fund	Upgrading outdated conference rooms
iMac Video Editing Computers	$40,000		PEG Funds	Replacement/upgrades to video editing system
Live graphics system upgrade	$30,000		PEG Funds	Replacement of control room's live, on-air graphics system
Camera Gimble Stabilization System	$10,000		PEG Funds	New camera stabilization system for field video productions
SCALA Digital Signage Hardware Upgrade	$10,000		PEG Funds	Upgrade SCALA digital signage hardware
DSLR Camera System	$6,500		PEG Funds	New DSLR camera system
Total	**$321,500**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 1,925	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 1,925**	**-**	**-**
Expenditures				
Employee Compensation	-	$ 431,236	-	$ 493,990
Employee Benefits	-	$ 164,099	-	$ 187,251
Materials	-	$ 32,127	-	$ 78,050
Contract Services	-	$ 58,543	-	$ 121,900
Cost Allocation	-	$ 253,380	-	$ 344,883
Capital Outlay	-	-	-	-
Special Projects	-	$ 348,273	-	$ 321,500
Appropriations for Contingency	-	-	-	$ 9,998
Total Expenditures	**-**	**$ 1,287,658**	**-**	**$ 1,557,572**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 3,161,304**	**-**	**$ 1,557,572**

Staffing

Total current authorized positions - 3.25

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

Total recommended positions - 3.20

Public Access Support

Budget Unit 100-31-307

General Fund - Video - Public Access Support

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 73,503
Fund Balance	-
General Fund Costs	$ 73,503
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

The City assists in the funding of the KMVT Community Access Television Program.

Service Objectives

- Encourage Cupertino-based individuals and groups to use the community television production facilities for the purpose of expressing their interests, concerns, and ideas in a socially responsible manner.
- Provide professional training in hands-on video production by providing access to television equipment, computers, and software that would be otherwise out of reach of the average person.
- Provide workshops on all aspects of television production--including how to run a video camera, photography, editing, visual effects, social media, podcasting, and video blogging.
- Assist individuals and community groups to develop and produce programs for broadcast on the community access channel.

Adopted Budget

On June 5, 2018, City Council approved a budget of $73,503 for the Public Access Support program. This represents an increase of $1,068 (1.5%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year and supports stakeholder access to community television.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	$ 63,871	$ 65,586	$ 71,542	$ 71,542
Cost Allocation	-	$ 842	$ 893	$ 1,961
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 63,871**	**$ 66,428**	**$ 72,435**	**$ 73,503**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 63,871**	**$ 66,428**	**$ 72,435**	**$ 73,503**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Applications

Budget Unit 615-32-308

Government Channel and Website - Applications - Applications

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2018, this program was transferred to the General Fund. A complete discussion of this program can be found under Budget Unit 100-32-308. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 237,156	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 237,156**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 155,986	-	$ 407,623	-
Employee Benefits	$ 30,688	-	$ 149,570	-
Materials	$ 5,172	-	$ 718,040	-
Contract Services	$ 66,534	-	$ 225,250	-
Cost Allocation	$ 55,887	-	$ 84,240	-
Capital Outlay	-	-	-	-
Special Projects	-	-	$ 73,530	-
Appropriations for Contingency	-	-	$ 5,966	-
Total Expenditures	**$ 314,268**	**-**	**$ 1,664,219**	**-**
Fund Balance	**$ (37,112)**	**-**	**-**	**-**
General Fund Costs	**$ 40,000**	**-**	**$ 1,664,219**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Applications

Budget Unit 100-32-308

General Fund - Applications - Applications

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 2,083,188
Fund Balance	-
General Fund Costs	$ 2,083,188
% Funded by General Fund	100.0 %
Total Staffing	3.45 FTE

Program Overview

The Applications Division is responsible for the development, procurement, project management, implementation and ongoing maintenance of all enterprise level applications, e.g., Financial Enterprise Resource Planning (ERP), Land Based Management System, and Recreation Software. Additionally, the Applications Division is responsible for the City's website, Intranet, mobile apps and e-services applications.

Service Objectives

- Deliver business solutions that meet customer requirements and integrate within the City's application framework.
- Assist departments in developing streamlined and effective business processes that are easy to understand and translate into existing and new enterprise applications.
- Work closely with City staff and members of the community to ensure that the City's enterprise applications are relevant and provide value to all the stakeholders.
- Collaborate with various city departments to determine that the City's enterprise applications meet the functional requirements and long-term application implementation strategy of the organization.
- Create and maintain effective online and mobile user access to municipal information and services.
- Enable and facilitate the use of communication and technical resources by nontechnical staff and customers.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,083,188 for the Applications program.

In FY 2018, the City consolidated the Applications internal service fund with the City's General Fund to better align with Governmental Accounting Standards. This change resulted in Budget Unit 615-32-308 being transferred to the General Fund under Budget Unit 100-32-308. Compared to the prior 615-32-308 budget, there is an increase in software that reflects additional modules and functionality for the Recreation & Community Services and Land Management System enterprise applications. This budget reflects an increase in contract services for an Application Architecture Strategic Plan and an Electronic Content Management Roadmap. The increase in compensation and benefits is due to the reallocation of staff time and negotiated salary and benefit

changes due to take effect in July 2018. Cost allocation increases are due to one-time project expenses, a change in allocation methodology for IT charges and costs of services provided by Finance and Human Resources. There was also an increase in contingency due to an increased number of applications and cost of projects.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	$ 253,732	-	$ 495,445
Employee Benefits	-	$ 76,533	-	$ 203,014
Materials	-	$ 27,593	-	$ 824,604
Contract Services	-	$ 77,544	-	$ 357,800
Cost Allocation	-	$ 57,569	-	$ 143,205
Capital Outlay	-	-	-	-
Special Projects	-	$ 13,330	-	-
Appropriations for Contingency	-	-	-	$ 59,120
Total Expenditures	**-**	**$ 506,301**	**-**	**$ 2,083,188**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 987,103**	**-**	**$ 2,083,188**

Staffing

Total current authorized positions - 3.20

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

Total recommended positions - 3.45

Infrastructure

Budget Unit 610-34-310

Information Technology - Infrastructure - Infrastructure

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 2,284,031
Total Expenditures	$ 2,668,918
Fund Balance	$ (384,887)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	4.5 FTE

Program Overview

The IT Infrastructure Division is responsible for technology-related expenses for the citywide management of information technology services. The Infrastructure Manager and staff are responsible for computer helpdesk, network availability, and performance, security and compliance, incident response, disaster recovery and business continuity, project management of implementations and upgrades, purchasing and inventory control, technical training, and maintenance of systems. Infrastructure is also tasked with ensuring that the City continues to follow best practices in technology adoption and security practices.

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.
- 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.
- Continue innovation and outreach to ensure the City follows best IT practices relating to equipment, policy, and security practices.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,668,918 for the Infrastructure program. This represents a decrease of $143,386 (-5.1%) from the FY 2018 Adopted Budget.

This reduction is due to the completion of large special infrastructure projects such as the Network Refresh and Voice-Over-IP phone system replacement.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
HyperConverged - Phase II	$70,000		Internal Service Fund	Storage and memory expansion for servers
MFP Refresh - Phase II	$95,000		Internal Service Fund	Replacement of outdated multi-function printers
Campus Wireless LAN	$98,000		Internal Service Fund	Wireless upgrade for city facilities
Public Wireless Hotspots	$52,000		General Fund	Public wireless access around city facilities
Video Storage Area Network	$50,000		Depreciation	Video storage for the Video Division
Total	**$365,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	$ 2,284,031
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**$ 2,284,031**
Expenditures				
Employee Compensation	$ 461,832	$ 502,547	$ 580,473	$ 536,002
Employee Benefits	$ 182,286	$ 240,731	$ 235,555	$ 228,253
Materials	$ 79,988	$ 57,253	$ 256,116	$ 455,037
Contract Services	$ 984,204	$ 698,090	$ 304,600	$ 579,600
Cost Allocation	$ 222,408	$ 446,391	$ 406,174	$ 453,294
Capital Outlay	-	-	-	-
Special Projects	-	-	$ 946,000	$ 365,000
Appropriations for Contingency	-	-	$ 83,386	$ 51,732
Total Expenditures	**$ 1,930,718**	**$ 1,945,013**	**$ 2,812,304**	**$ 2,668,918**
Fund Balance	**$ (1,758,218)**	**$ (1,910,446)**	**$ (2,262,599)**	**$ (384,887)**
General Fund Costs	**$ 172,500**	**$ 34,567**	**$ 549,705**	**-**

Staffing

Total current authorized positions - 4.60

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

Total recommended positions - 4.50

GIS

Budget Unit 610-35-986

Information Technology - GIS - GIS

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,110,156
Total Expenditures	$ 1,107,071
Fund Balance	$ 3,085
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	3.2 FTE

Program Overview

The Geographic Information Systems (GIS) program captures, manages, analyzes, and displays all forms of geographically referenced information for the City of Cupertino. Through maps, globes, reports, and charts we provide ways to view, understand, question, interpret, and visualize, our City in ways that reveal relationships, patterns, and trends. The GIS Program works to help our staff, citizens, business, and development communities answer questions and solve problems by looking at our data in a way that is quickly understood and easily shared – on a map!

Service Objectives

- Cupertino GIS works to provide and support state-of-the-art GIS mapping services and applications in the rapidly evolving and expanding field of geospatial technology.
- Create, collect, maintain, and distribute high quality, up-to-date, and complete geospatial data.
- Ensure that the City's GIS systems and data are available for day-to-day City and regional purposes.
- Share the City's GIS data and services as widely as possible.
- Raise the awareness of GIS.
- Integrate spatial technology into Cupertino's business processes and applications.
- Support emergency planning, response, and recovery.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,107,071 for the GIS program. This represents an increase of $243,983 (28.3%) from the FY 2018 Adopted Budget.

This increase is mainly due to a growth in software license maintenance, Zonar's 3D back office implementation, and a park augmented reality app resulting in an increase in software costs. The increase in compensation and benefits reflects approved assimilation of 0.5 FTE from Public Works and reallocation of support staff. Increased cost allocation is due to one-time IT project expenses, a change in allocation methodology for IT charges, and cost of services provided by Finance and Human Resources.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	$ 1,110,156
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**$ 1,110,156**
Expenditures				
Employee Compensation	$ 188,721	$ 263,096	$ 369,555	$ 427,959
Employee Benefits	$ 70,720	$ 126,086	$ 131,192	$ 169,112
Materials	$ 189	$ 10,964	$ 21,060	$ 176,660
Contract Services	$ 71,631	$ 224,157	$ 210,080	$ 150,780
Cost Allocation	-	$ 82,103	$ 97,535	$ 166,188
Capital Outlay	-	-	-	-
Special Projects	$ 6,519	$ 7,725	$ 17,200	-
Appropriations for Contingency	-	-	$ 16,466	$ 16,372
Total Expenditures	**$ 337,780**	**$ 714,129**	**$ 863,088**	**$ 1,107,071**
Fund Balance	**$ (323,280)**	**$ 42,044**	**$ (863,088)**	**$ 3,085**
General Fund Costs	**$ 14,500**	**$ 756,173**	**-**	**-**

Staffing

Total current authorized positions - 3.15

The increase in staffing is due to a 50% FTE GIS Technician position that was shared with Public Works being reallocated to a 100% FTE GIS Asset Management Technician along with a reallocation of administrative support to better reflect actual time spent in this program.

Total recommended positions - 3.20

Network Upgrade

Budget Unit 610-90-989

Information Technology - Non-Departmental - Network Upgrade

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2018, this program was transferred into Infrastructure as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 610-34-310. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	$ 92,627	$ 329,151	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 92,627**	**$ 329,151**	**-**	**-**
Fund Balance	**$ (42,627)**	**$ (329,151)**	**-**	**-**
General Fund Costs	**$ 50,000**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Administrative Services

Administration

Finance

Human Resources

Administrative Services

Budget Unit	Program	2019 Adopted Budget
Administrative Services		**$ 966,135**
100-40-400	Administrative Services Administration	$ 966,135
Finance		**$ 1,484,115**
100-41-405	Accounting	$ 1,294,931
100-41-406	Business Licenses	$ 189,184
Human Resources		**$ 4,342,006**
100-44-412	Human Resources	$ 1,201,425
642-44-414	Retiree Benefits	$ 1,128,005
100-44-417	Insurance Administration	$ 954,886
620-44-418	Workers Compensation Insurance	$ 472,652
641-44-419	Long Term Disability	$ 162,266
641-44-420	Compensated Absences	$ 422,772
Total		**$ 6,792,256**

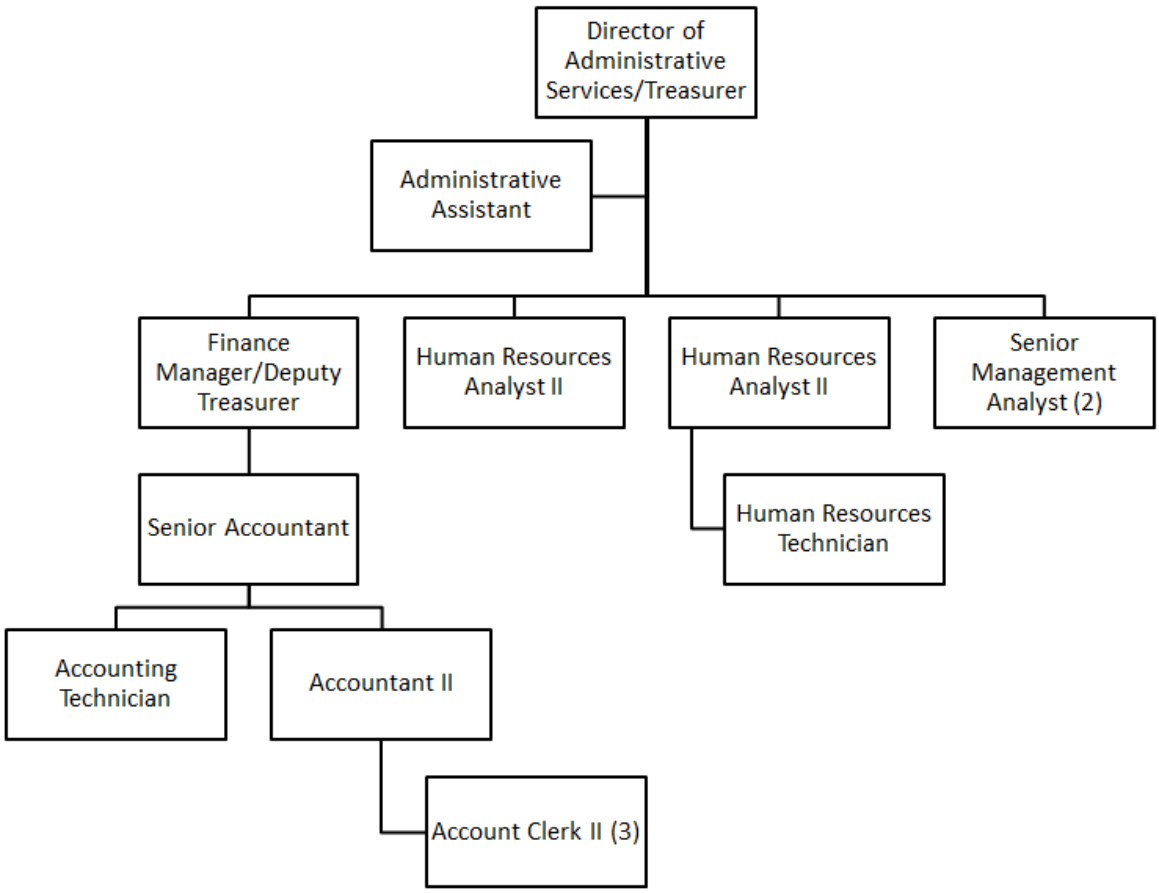
Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 3,304,912
Total Expenditures	$ 6,792,256
Fund Balance	$ (134,569)
General Fund Costs	$ 3,352,775
% Funded by General Fund	49.4 %
Total Staffing	14.0 FTE

Organization

Kristina Alfaro, Director of Administrative Services



Performance Measures

Finance

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.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
General fund balance as a % of budgeted appropriations	53%	61%	35%
Credit Rating	AA+	AA+	AA+
Funding allocated to high priority services (Public Works, Community Development, Law Enforcement)	49%	59%	63%
Actual revenue vs. budget (within x% budget)	24%	58%	10%
Actual expenditures (% below budget)	14%	68%	5%

Human Resources

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.

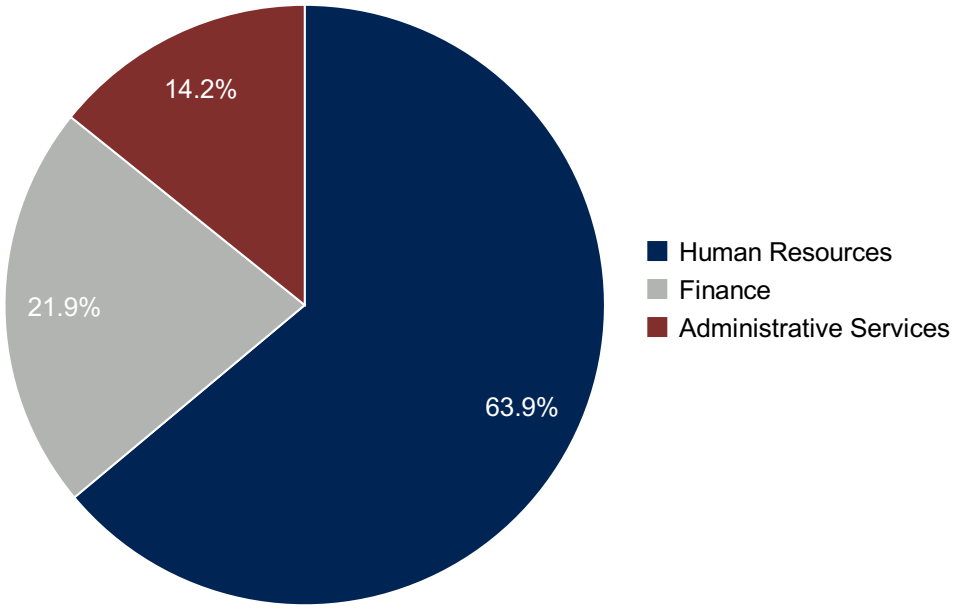
Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
# of Worker's Compensation Cases	12	7	0
Total Recordable Injury Rate YTD	5.2%	2.8%	0%
% absenteeism (% of total annual work hours)	2.3%	2%	2%
% turnover rate	9.06%	1%	1%
% employee satisfaction	N/A	N/A	100%
% employee participation in wellness activities	63%	55%	75%
Average # of applications received per recruitment	76	37	50
Recruitment timeline - # days from hiring request to offer letter	81	97	60
# of employees using the Telework program	17	16	17
% utilization of full-service employee portal	100%	100%	100%

Adopted Budget

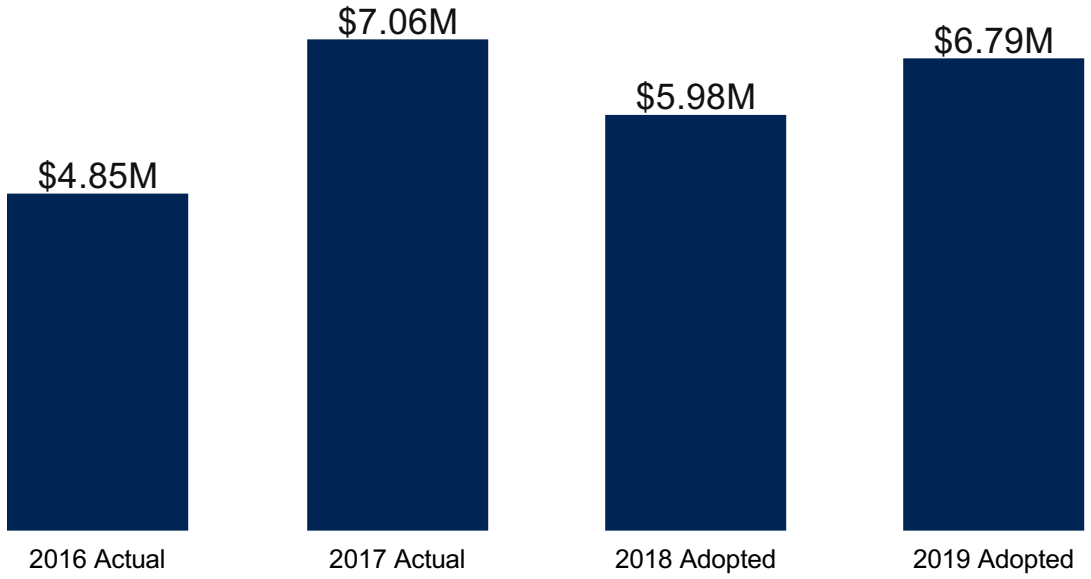
On June 5, 2018, City Council approved a budget of $6,792,256 for the Administrative Services department. This represents an increase of $812,449 (13.6%) from the FY 2018 Adopted Budget.

The increase is primarily due to negotiated employee compensation and benefits changes due to take effect in July 2018, the addition of a limited-term Senior Management Analyst, the addition of an Account Clerk I/II at Mid-Year, and reoccurring costs for part-time staffing. Furthermore, the increase is due to outsourcing the treasury investment function, the city's annual required contribution (ARC) for Other Post-Employment Benefits (OPEB), additional liability insurance, and short-term disability costs. The increases are partially offset by decreases in contingencies.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 359,148	$ 3,563,702	$ 3,002,232	$ 3,295,912
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 188,325	$ 3,488	-	$ 9,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 547,473**	**$ 3,567,191**	**$ 3,002,232**	**$ 3,304,912**
Expenditures				
Employee Compensation	$ 1,151,260	$ 1,336,351	$ 1,394,052	$ 1,758,713
Employee Benefits	$ 1,355,605	$ 1,734,876	$ 1,621,692	$ 1,951,996
Materials	$ 122,740	$ 148,459	$ 130,274	$ 130,274
Contract Services	$ 1,928,007	$ 2,139,135	$ 2,409,263	$ 2,519,543
Cost Allocation	$ 176,988	$ 1,689,699	$ 277,742	$ 299,513
Capital Outlay	$ 37,264	$ 8,783	-	-
Special Projects	$ 77,332	$ 7,505	-	-
Appropriations for Contingency	-	-	$ 146,784	$ 132,217
Total Expenditures	**$ 4,849,197**	**$ 7,064,808**	**$ 5,979,807**	**$ 6,792,256**
Fund Balance	**$ 107,616**	**$ (1,842,792)**	**$ 93,383**	**$ (134,569)**
General Fund Costs	**$ 4,409,339**	**$ 1,654,825**	**$ 3,070,958**	**$ 3,352,775**

Administrative Services Administration

Budget Unit 100-40-400

General Fund - Administrative Services - Administrative Services Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 49,347
Total Expenditures	$ 966,135
Fund Balance	-
General Fund Costs	$ 916,788
% Funded by General Fund	94.9 %
Total Staffing	3.8 FTE

Program Overview

The Administrative Services Administration program oversees and coordinates the Human Resources/Risk Management, Finance, Budget, and Treasury divisions. Staff support is provided to the Fiscal Strategic and Audit Committees.

Service Objectives

- Manage the City's investment portfolio to obtain safety of funds, liquidity and a reasonable rate of return.
- Provide short and long-term fiscal planning including the implementation of the Fiscal Strategic Plan.
- Perform special projects for the City Manager.
- Manage the City's Contract for Law Enforcement Services with the Santa Clara County Sheriff's Office.
- Manage the City's budget process.

Adopted Budget

On June 5, 2018, City Council approved a budget of $966,135 for the Administrative Services Administration program. This represents an increase of $175,625 (22.2%) from the FY 2018 Adopted Budget.

The increase is primarily due to the addition of a limited-term Senior Management Analyst to assist the department with current projects. The projects include CalPERS retirement analysis, efficiency improvements, budget analysis, and reporting in the City's Enterprise Resource Planning system. In addition, the Senior Management Analyst would continue to improve a tool to increase the efficiency of budget book publication. The tool enables staff to collaborate on the book and allows changes in budget or actual numbers to automatically populate the financial schedules, ensuring timely and accurate financial information. The increase is partially offset by a reduction in contract services.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 59,076	$ 266,505	$ 67,899	$ 49,347
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 59,076**	**$ 266,505**	**$ 67,899**	**$ 49,347**
Expenditures				
Employee Compensation	$ 241,226	$ 336,640	$ 378,630	$ 547,116
Employee Benefits	$ 94,416	$ 139,709	$ 174,269	$ 251,438
Materials	$ 41,661	$ 50,196	$ 31,924	$ 31,924
Contract Services	$ 26,855	$ 42,252	$ 147,827	$ 81,977
Cost Allocation	$ 35,184	$ 327,462	$ 55,459	$ 47,985
Capital Outlay	$ 37,264	$ 8,783	-	-
Special Projects	$ 45,200	-	-	-
Appropriations for Contingency	-	-	$ 2,401	$ 5,695
Total Expenditures	**$ 521,806**	**$ 905,041**	**$ 790,510**	**$ 966,135**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 462,730**	**$ 638,536**	**$ 722,611**	**$ 916,788**

Staffing

Total current authorized positions - 2.80

Staffing is increasing due to the addition of a limited-term Senior Management Analyst.

Total recommended positions - 3.80

Accounting

Budget Unit 100-41-405

General Fund - Finance - Accounting

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,206,427
Total Expenditures	$ 1,294,931
Fund Balance	-
General Fund Costs	$ 88,504
% Funded by General Fund	6.8 %
Total Staffing	6.4 FTE

Program Overview

The Finance Division oversees all financial accounting and treasury functions for the City. Accurate and timely maintenance of all City financial records, including financial reporting, revenue collection, banking and investments, disbursement of all funds, and payroll processing are handled by the Finance Division. All required Federal, State and other regulatory reporting with respect to the City's financial condition are prepared in the Accounting program of Finance. In addition, Finance monitors the City's two investment policies, manages budget-to-actual activities for both operational and capital budgets, performs all financial analyses, conducts research, and prepares reports on all fiscal matters of the City for internal and external customers.

Service Objectives

- Process all financial transactions of the City of Cupertino, including general ledger accounting, cash management and investment of City funds, payroll, accounts payable, revenue collections, banking, and miscellaneous billing.
- Record all City financial transactions prudently and within all regulatory requirements.
- Produce timely and accurate financial reports.
- Maintain a high level of professionalism when fulfilling the City's financial policies, processing its financial transactions, and representing the City to its residents.
- Respond promptly to inquiries from the public and other City departments.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,294,931 for the Accounting program. This represents an increase of $160,457 (14.1%) from the FY 2018 Adopted Budget.

Salary and benefits have increased in this program due to reoccurring part-time staffing to maintain operational efficiency and the addition of a full-time Account Clerk I/II at Mid-Year. In addition, contract services have increased to outsource the treasury investment function and to account for annual training and conferences for staff to attend.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 137,448	$ 1,156,570	$ 906,996	$ 1,197,427
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	$ 9,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 137,448**	**$ 1,156,570**	**$ 906,996**	**$ 1,206,427**
Expenditures				
Employee Compensation	$ 434,398	$ 541,522	$ 573,535	$ 667,528
Employee Benefits	$ 184,768	$ 231,570	$ 259,004	$ 293,358
Materials	$ 21,813	$ 23,839	$ 36,171	$ 36,171
Contract Services	$ 388,510	$ 324,623	$ 178,215	$ 205,104
Cost Allocation	$ 75,096	$ 569,026	$ 80,321	$ 80,706
Capital Outlay	-	-	-	-
Special Projects	$ 32,132	$ 7,505	-	-
Appropriations for Contingency	-	-	$ 7,228	$ 12,064
Total Expenditures	**$ 1,136,717**	**$ 1,698,085**	**$ 1,134,474**	**$ 1,294,931**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 999,269**	**$ 541,515**	**$ 227,478**	**$ 88,504**

Staffing

Total current authorized positions - 6.90

There are no changes to the current level of staffing.

Total recommended positions - 6.40

Business Licenses

Budget Unit 100-41-406

General Fund - Finance - Business Licenses

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 189,184
Fund Balance	-
General Fund Costs	$ 189,184
% 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $189,184 for the Business Licenses program. This represents a decrease of $24,751 (-11.6%) from the FY 2018 Adopted Budget.

Decreases in cost allocation are primarily due to decreased costs of services provided by the administrative services, human resources, and building maintenance programs.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 69,802	$ 41,361	$ 47,895	$ 48,757
Employee Benefits	$ 31,194	$ 20,451	$ 25,640	$ 22,941
Materials	$ 1,324	$ 1,026	$ 6,022	$ 6,022
Contract Services	$ 51,614	$ 87,866	$ 34,196	$ 34,196
Cost Allocation	$ 5,256	$ 106,815	$ 99,764	$ 75,257
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 418	$ 2,011
Total Expenditures	**$ 159,191**	**$ 257,519**	**$ 213,935**	**$ 189,184**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 159,191**	**$ 257,519**	**$ 213,935**	**$ 189,184**

Staffing

Total current authorized positions - 1.10

There are no changes to the current level of staffing.

Total recommended positions - 0.60

Human Resources

Budget Unit 100-44-412

General Fund - Human Resources - Human Resources

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 788,243
Total Expenditures	$ 1,201,425
Fund Balance	-
General Fund Costs	$ 413,182
% Funded by General Fund	34.4 %
Total Staffing	2.85 FTE

Program Overview

The Human Resources Division is responsible for the administration of a full range of human resource, employee benefit, and labor relations programs including personnel selection, classification, compensation, equal employment opportunity, labor negotiations, employee relations, employee development, benefits, and retirement. In addition, Human Resources administers risk management, safety and wellness programs, and a self-insured workers' compensation program. Funding for retiree medical insurance is also covered in the Human Resources budget.

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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,201,425 for the Human Resources program. This represents an increase of $222,543 (22.7%) from the FY 2018 Adopted Budget.

The increase is primarily due to increased part-time salary costs associated with a part-time Human Resources Manager position that was previously budgeted in the Administration budget of the department under contract services and increased benefit costs due to a change in the City's Rec Bucks Program resulting in increased use and costs. Finally, increased cost allocation costs are due to one-time project expenses and a change in allocation methodology for IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 162,624	$ 2,140,627	$ 708,222	$ 788,243
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 500	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 162,624**	**$ 2,141,127**	**$ 708,222**	**$ 788,243**
Expenditures				
Employee Compensation	$ 366,508	$ 376,686	$ 352,907	$ 453,609
Employee Benefits	$ 110,203	$ 181,240	$ 187,257	$ 249,068
Materials	$ 57,911	$ 73,377	$ 56,153	$ 56,153
Contract Services	$ 263,723	$ 234,705	$ 352,620	$ 363,761
Cost Allocation	$ 55,680	$ 657,056	$ 18,646	$ 57,838
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 11,299	$ 20,996
Total Expenditures	**$ 854,024**	**$ 1,523,064**	**$ 978,882**	**$ 1,201,425**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 691,400**	**$ (618,062)**	**$ 270,660**	**$ 413,182**

Staffing

Total current authorized positions - 2.85

There are no changes to the current level of staffing.

Total recommended positions - 2.85

Retiree Benefits

Budget Unit 642-44-414

Retiree Medical - Human Resources - Retiree Benefits

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 1,128,005
Fund Balance	$ 3,469
General Fund Costs	$ 1,131,474
% Funded by General Fund	100.3 %
Total Staffing	0 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,128,005 for the Retiree Benefits program. This represents an increase of $159,519 (16.5%) from the FY 2018 Adopted Budget.

The increase is due to an increase in the City's Annual Required Contribution (ARC) based on the City's latest actuarial valuation report.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	$ 919,219	$ 1,104,232	$ 957,466	$ 1,116,765
Materials	-	-	-	-
Contract Services	-	-	$ 5,495	$ 5,495
Cost Allocation	-	$ 5,840	$ 5,525	$ 5,745
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 919,219**	**$ 1,110,072**	**$ 968,486**	**$ 1,128,005**
Fund Balance	**$ 81,281**	**$ (1,110,072)**	**-**	**$ 3,469**
General Fund Costs	**$ 1,000,500**	**-**	**$ 968,486**	**$ 1,131,474**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Insurance Administration

Budget Unit 100-44-417

General Fund - Human Resources - Insurance Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 788,243
Total Expenditures	$ 954,886
Fund Balance	-
General Fund Costs	$ 166,643
% Funded by General Fund	17.5 %
Total Staffing	0.15 FTE

Program Overview

The Insurance Administration program manages Risk Management safety programs and self-insured Workers' Compensation and General Liability programs.

Service Objectives

- Satisfy statutory regulations regarding Workers' Compensation and employee safety.
- Promote work environment that emphasizes safe work practices.

Adopted Budget

On June 5, 2018, City Council approved a budget of $954,886 for the Insurance Administration program. This represents an increase of $78,503 (9.0%) from the FY 2018 Adopted Budget.

The increase is due to costs associated with additional liability insurance that was purchased by the City.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	$ 718,112	$ 788,243
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 188,325	$ 2,988	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 188,325**	**$ 2,988**	**$ 718,112**	**$ 788,243**
Expenditures				
Employee Compensation	$ 15,682	$ 16,575	$ 16,897	$ 17,133
Employee Benefits	$ 6,703	$ 7,629	$ 7,893	$ 8,059
Materials	$ 18	$ 8	$ 4	$ 4
Contract Services	$ 620,596	$ 660,798	$ 813,030	$ 875,230
Cost Allocation	$ 1,572	$ 2,103	$ 956	$ 10,698
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 37,603	$ 43,762
Total Expenditures	**$ 644,571**	**$ 687,114**	**$ 876,383**	**$ 954,886**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 456,246**	**$ 684,126**	**$ 158,271**	**$ 166,643**

Staffing

Total current authorized positions - 0.15

There are no changes to the current level of staffing.

Total recommended positions - 0.15

Workers Compensation Insurance

Budget Unit 620-44-418

Workers' Compensation - Human Resources - Workers Compensation Insurance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 472,652
Total Expenditures	$ 472,652
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
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.

Service Objectives

- Monitor costs associated with claims.
- Analyze and implement proactive measures to curtail costs.
- Implement a return to work policy.

Adopted Budget

On June 5, 2018, City Council approved a budget of $472,652 for the Workers Compensation Insurance program. This represents a decrease of $25,588 (-5.1%) from the FY 2018 Adopted Budget.

The decrease is primarily due to decreased contingency costs. The City has decreased the budget program contingencies from 8% of materials and contract services to 5% to better align with actual usage.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	$ 601,003	$ 472,652
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 601,003**	**$ 472,652**
Expenditures				
Employee Compensation	$ 23,644	$ 23,567	$ 24,188	$ 24,570
Employee Benefits	$ 9,102	$ 50,043	$ 10,163	$ 10,367
Materials	$ 13	$ 13	-	-
Contract Services	$ 57	$ 388,768	$ 400,780	$ 400,780
Cost Allocation	$ 4,200	$ 18,117	$ 13,442	$ 16,896
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 49,667	$ 20,039
Total Expenditures	**$ 37,016**	**$ 480,508**	**$ 498,240**	**$ 472,652**
Fund Balance	**$ (37,016)**	**$ (479,316)**	**$ 102,763**	**-**
General Fund Costs	**-**	**$ 1,192**	**-**	**-**

Staffing

Total current authorized positions - 0.20

There are no changes to the current level of staffing.

Total recommended positions - 0.20

Long Term Disability

Budget Unit 641-44-419

Compensated Absence/LTD - Human Resources - Long Term Disability

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 162,266
Fund Balance	$ (162,266)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

This program oversees claims and premiums associated with Long Term Disability.

Service Objectives

- Monitor employee injuries and provide proactive risk management for disability avoidance.
- Obtain and manages insurance policy.

Adopted Budget

On June 5, 2018, City Council approved a budget of $162,266 for the Long Term Disability program. This represents an increase of $78,383 (93.4%) from the FY 2018 Adopted Budget.

The increase is primarily due to short-term disability costs that were inadvertently missed from this program the prior fiscal year.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	$ 82,201	$ 128,812	$ 77,100	$ 153,000
Cost Allocation	-	$ 607	$ 615	$ 1,616
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 6,168	$ 7,650
Total Expenditures	**$ 82,201**	**$ 129,419**	**$ 83,883**	**$ 162,266**
Fund Balance	**$ (82,201)**	**$ (129,419)**	**$ (83,883)**	**$ (162,266)**
General Fund Costs	**-**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Compensated Absences

Budget Unit 641-44-420

Compensated Absence/LTD - Human Resources - Compensated Absences

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 422,772
Fund Balance	$ 24,228
General Fund Costs	$ 447,000
% Funded by General Fund	105.7 %
Total Staffing	0 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $422,772 for the Compensated Absences program. This represents a decrease of $12,242 (-2.8%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	$ 494,451	$ 271,311	$ 400,000	$ 400,000
Cost Allocation	-	$ 2,673	$ 3,014	$ 2,772
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 32,000	$ 20,000
Total Expenditures	**$ 494,451**	**$ 273,984**	**$ 435,014**	**$ 422,772**
Fund Balance	**$ 145,553**	**$ (123,984)**	**$ 74,503**	**$ 24,228**
General Fund Costs	**$ 640,004**	**$ 150,000**	**$ 509,517**	**$ 447,000**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Recreation and Community Services

Administration

Business and Community Services

Recreation and Education

Sports, Safety, and Outdoor Recreation

Senior Programs

Community Services

Recreation and Community Services

Budget Unit	Program	2019 Adopted Budget
Administration		**$ 2,041,192**
100-60-600	Leadership 95014	-
100-60-601	Recreation Administration	$ 804,138
100-60-634	Park Planning and Restoration	$ 267,549
100-60-636	Library Services	$ 969,505
Business and Community Services		**$ 2,456,224**
100-61-602	Administration	$ 923,993
100-61-603	Blackberry Farm Picnic Area	-
100-61-604	Community Hall Operations	-
100-61-605	Cultural Events	$ 646,618
100-61-607	Quinlan Community Center Operations	-
100-61-630	Facilities	$ 684,362
100-61-632	Community Outreach & Neighborhood Watch	$ 201,251
Recreation and Education		**$ 5,357,950**
100-62-608	Administration	$ 1,281,016
100-62-609	Youth Program	-
100-62-610	Teen Program	-
100-62-611	Teen Center	-
100-62-612	Park Facilities	-
580-62-613	Youth Teen Recreation	$ 2,040,825
100-62-623	Youth, Teen and Senior Adult Rec	$ 2,036,109
Sports, Safety and Outdoor Recreation		**$ 7,587,066**
100-63-612	Park Facilities	$ 2,382,394
100-63-615	Administration	$ 190,734
560-63-616	Blackberry Farm Golf Course	$ 687,939
100-63-618	Creekside Park Youth Sport	-
580-63-620	Outdoor Recreation	$ 1,598,350
570-63-621	Sports Center Operations	$ 2,460,735
100-63-633	Disaster Preparedness	$ 266,914
Total		**$ 17,442,432**

Budget Unit	Program	2019 Adopted Budget
100-63-637	Monta Vista Recreation Center	-
Senior Programs		**-**
100-64-622	Senior Adult Supervision	-
100-64-623	Youth, Teen and Senior Adult Rec	-
100-64-624	Senior Adult Recreation	-
100-64-630	Facilities	-
Community Services		**-**
100-65-632	Community Outreach & Neighborhood Watch	-
100-65-633	Disaster Preparedness	-
100-65-635	Neighborhood Watch	-
100-65-636	Library Services	-
Total		**$ 17,442,432**

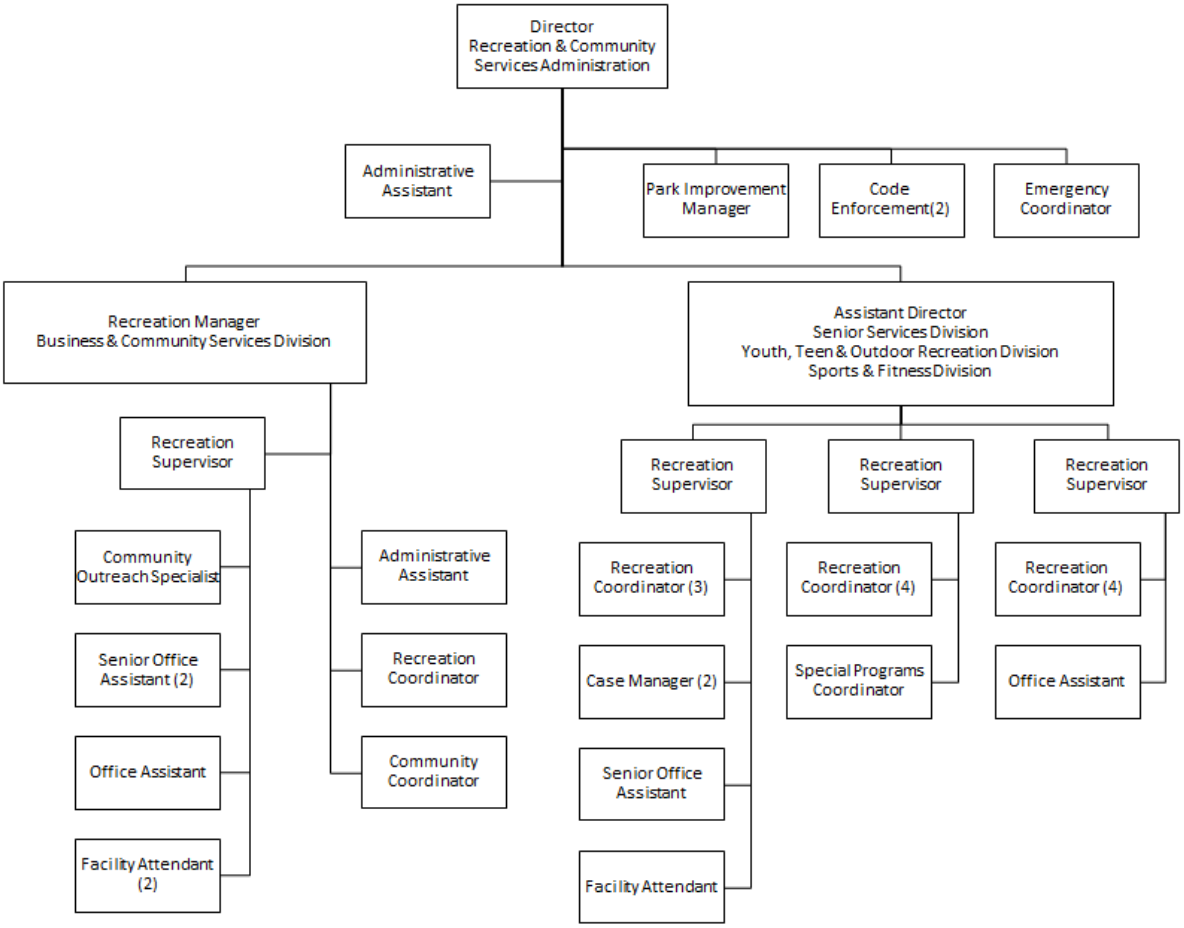
Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 6,736,332
Total Expenditures	$ 17,442,432
Fund Balance	$ (1,786,449)
General Fund Costs	$ 8,919,651
% Funded by General Fund	51.1 %
Total Staffing	34.8 FTE

Organization

Jeff Milkes, Director of Recreation and Community Services



Performance Measures

Goal: Create a positive, healthy and connected community.

Benefit: Cupertino has an exceptional system of parks & services that align with community values.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
% of Recreation and Community Services Department customers surveyed who rate services as good or excellent	95%	97%	85%
% of programs maintaining minimum registration	71%	69%	80%
% Department's total cost recovery for all (direct and indirect) costs	49%	63%	40%
# of new programs or events offered	132	87	50
% change in participants	-6%	-4%	+1%

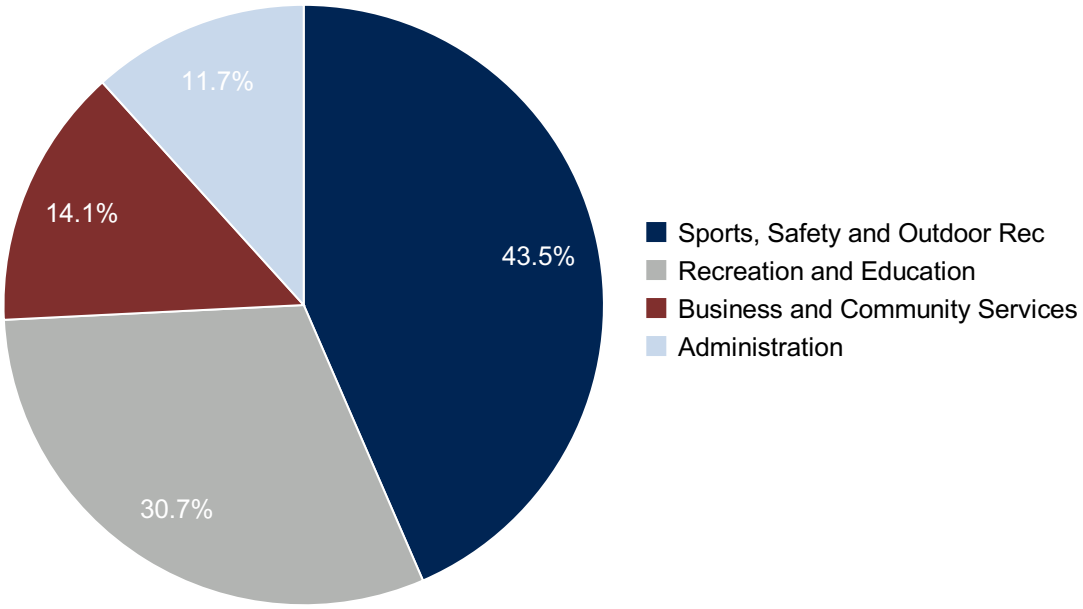
Adopted Budget

On June 5, 2018, City Council approved a budget of $17,442,432 for the Recreation and Community Services department. This represents an increase of $994,854 (6.0%) from the FY 2018 Adopted Budget.

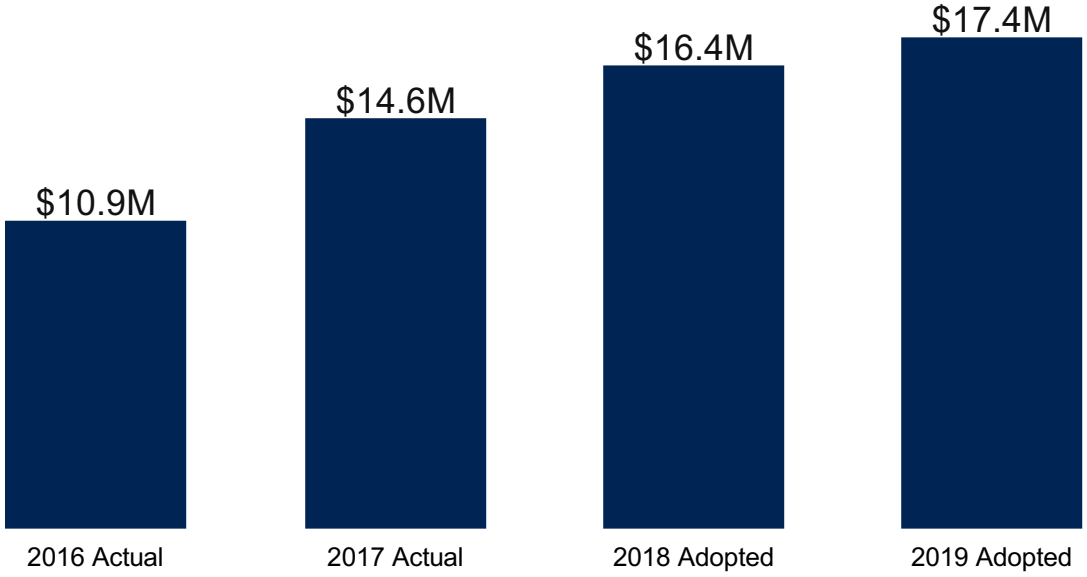
The department's net budget increase is primarily due to changes in how the City applies cost allocation charges. Increased cost allocation charges are due to one-time project expenses and a change in allocation methodology for IT charges as well as increased costs of services provided by finance, human resources, and building maintenance. This budget decreases revenues to more accurately reflect projected revenue receipts based on historical trends and current service levels.

Funding is increased in this budget for new outdoor concert, movies, and fitness programs in neighborhood parks as well as additional family and teen activities such as a Teen Leadership Academy. This budget includes decreases in budgeted costs in other program areas, a result of more accurately budgeting expenses to align with historical actual expenditures and current service levels.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 562,456	$ 676,453	$ 601,325	$ 754,500
Intergovernmental Revenue	$ (1,387)	-	$ 10,500	-
Charges for Services	$ 5,642,870	$ 6,185,732	$ 6,505,929	$ 5,925,832
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 58,928	$ 49,575	$ 63,000	$ 56,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 6,262,866**	**$ 6,911,760**	**$ 7,180,754**	**$ 6,736,332**
Expenditures				
Employee Compensation	$ 3,523,471	$ 3,770,679	$ 4,958,694	$ 5,185,708
Employee Benefits	$ 1,120,347	$ 1,185,469	$ 1,580,194	$ 1,583,600
Materials	$ 1,076,671	$ 869,264	$ 1,395,942	$ 1,062,056
Contract Services	$ 3,941,287	$ 3,659,175	$ 4,552,277	$ 4,756,614
Cost Allocation	$ 1,140,589	$ 4,998,615	$ 3,501,914	$ 4,461,823
Capital Outlay	$ 5,848	$ 313	-	-
Special Projects	$ 116,801	$ 91,082	$ 83,000	$ 133,000
Appropriations for Contingency	$ 14,135	-	$ 375,557	$ 259,631
Total Expenditures	**$ 10,939,149**	**$ 14,574,598**	**$ 16,447,578**	**$ 17,442,432**
Fund Balance	**$ 976,182**	**$ 678,906**	**$ (1,184,607)**	**$ (1,786,449)**
General Fund Costs	**$ 5,652,465**	**$ 8,341,743**	**$ 8,082,217**	**$ 8,919,651**

Leadership 95014

Budget Unit 100-60-600

General Fund - Administration - Leadership 95014

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to the Recreation and Education Division - Administration as part of a department reorganization. A complete discussion of the program can be found under Budget Unit 100-62-608. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 15,875	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 15,875**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 10,103	-	-	-
Employee Benefits	$ 4,012	-	-	-
Materials	$ 6,863	-	-	-
Contract Services	$ 13,865	-	-	-
Cost Allocation	$ 1,596	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 36,439**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 20,564**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Recreation Administration

Budget Unit 100-60-601

General Fund - Administration - Recreation Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 42,000
Total Expenditures	$ 804,138
Fund Balance	-
General Fund Costs	$ 762,138
% Funded by General Fund	94.8 %
Total Staffing	2.85 FTE

Program Overview

The Recreation Administration program provides overall department administration, as well as project management, community outreach, and support to the Parks and Recreation Commission. In addition, the program oversees a national accreditation process for the Department.

Service Objectives

- Provide overall department administration, budget control, and employee development and evaluation.
- Support the Planning and Public Works Departments in the development, renovation, and improvements of parks and open spaces.
- Complete long-term and strategic plans for the Department including the Parks and Recreation System Master Plan.
- Monitor and facilitate partnerships in regards to Library and other community organizations.
- Oversee community services functions to include code enforcement and the Office of Emergency Services.
- Outreach to the community in conjunction with programs and the Parks and Recreation System Master Plan.
- Promote partnerships with Cupertino Union School District, Fremont Union High School District, and De Anza College with quarterly meetings and joint projects.
- Continually evaluate the efficiency and effectiveness of the Department, working to receive national accreditation.

Adopted Budget

On June 5, 2018, City Council approved a budget of $804,138 for the Recreation Administration program. This represents an increase of $308,231 (62.2%) from the FY 2018 Adopted Budget.

The increase in compensation and benefits is primarily due to the reallocation of the Assistant Director position from 100-62-608 to this program budget. The increase also funds a part-time Administrative Assistant to support the national accreditation process and additional Department staff training opportunities (contract services).

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 42,980	$ 43,200	$ 42,000	$ 42,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 42,980**	**$ 43,200**	**$ 42,000**	**$ 42,000**
Expenditures				
Employee Compensation	$ 250,990	$ 145,714	$ 257,608	$ 462,975
Employee Benefits	$ 94,547	$ 78,966	$ 105,964	$ 186,440
Materials	$ 66,757	$ 72,451	$ 74,521	$ 74,521
Contract Services	$ 82,387	$ 27,960	$ 11,000	$ 40,500
Cost Allocation	$ 63,456	$ 658,797	$ 36,814	$ 35,426
Capital Outlay	-	-	-	-
Special Projects	-	$ 2,468	-	-
Appropriations for Contingency	$ 4,677	-	$ 10,000	$ 4,276
Total Expenditures	**$ 562,814**	**$ 986,356**	**$ 495,907**	**$ 804,138**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 519,834**	**$ 943,156**	**$ 453,907**	**$ 762,138**

Staffing

Total current authorized positions - 1.90

Increased staffing is due to reallocation of existing staff to better reflect time spent in this program.

Total recommended positions - 2.85

Park Planning and Restoration

Budget Unit 100-60-634

General Fund - Administration - Park Planning and Restoration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 267,549
Fund Balance	-
General Fund Costs	$ 267,549
% Funded by General Fund	100.0 %
Total Staffing	1.0 FTE

Program Overview

This program conducts park planning, renovation, outreach, and monitoring of Capital Improvement Projects and grant funding opportunities and works with other agencies and jurisdictions to identify potential partnerships for future park and trail expansion and collaboration opportunities.

Service Objectives

- Oversee the Parks and Recreation System Master Plan and assist with the Stevens Creek Corridor Master Plan and monitoring of the Stevens Creek Corridor Park & Restoration Phase 2 Project.
- Support the Public Works Department in the planning and development of new parks and restoration of existing parks.
- Promote partnerships with Santa Clara County (SCC), Santa Clara Valley Water District (SCVWD), Midpeninsula Regional Open Space District (MROSD) and other agencies.
- Identify and monitor grant funding opportunities.

Adopted Budget

On June 5, 2018, City Council approved a budget of $267,549 for the Park Planning and Restoration program. This represents an increase of $14,314 (5.7%) from the FY 2018 Adopted Budget.

This budget is relatively unchanged since last fiscal year and supports Citywide park planning. Increased costs in cost allocation are due to one-time project expenses and a change in allocation methodology for IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 141,510	$ 143,496	$ 151,209	$ 153,090
Employee Benefits	$ 51,924	$ 57,721	$ 63,864	$ 65,777
Materials	$ 5,914	$ 2,461	$ 11,500	$ 11,500
Contract Services	$ 55,601	-	$ 10,000	$ 10,000
Cost Allocation	-	$ 34,794	$ 16,662	$ 27,182
Capital Outlay	-	-	-	-
Special Projects	$ 5,866	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 260,816**	**$ 238,472**	**$ 253,235**	**$ 267,549**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 260,816**	**$ 238,472**	**$ 253,235**	**$ 267,549**

Staffing

Total current authorized positions - 1.00

There are no recommended changes to the current level of staffing.

Total recommended positions - 1.00

Library Services

Budget Unit 100-60-636

General Fund - Administration - Library Services

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 969,505
Fund Balance	-
General Fund Costs	$ 969,505
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

This budget augments the existing hours of library service currently provided to our community through the Santa Clara County (SCC) Library Joint Powers Authority.

Service Objectives

- Provide 12 extra hours per week of library service for our constituents.
- Explore partnerships with the SCC Library for recreation and community programs.

Adopted Budget

On June 5, 2018, City Council approved a budget of $969,505 for the Library Services program. This represents an increase of $180,613 (22.9%) from the FY 2018 Adopted Budget.

The increase in cost allocation is due to the reallocation of Library building maintenance costs to this program.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	$ 443,106	$ 454,871	$ 468,023
Cost Allocation	-	$ 715,712	$ 334,021	$ 501,482
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**-**	**$ 1,158,818**	**$ 788,892**	**$ 969,505**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 1,158,818**	**$ 788,892**	**$ 969,505**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Administration

Budget Unit 100-61-602

General Fund - Business and Community Services - Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 923,993
Fund Balance	-
General Fund Costs	$ 923,993
% Funded by General Fund	100.0 %
Total Staffing	6.05 FTE

Program Overview

The Business and Community Services Division supports department programs and services through the provision of customer service and analytical support, development, and administration of policies, managing marketing and social media functions, and administration of recreation management software. The division is also responsible for the department's community outreach programs, including community festivals and City events at Memorial Park, the Neighborhood Watch and Block Leader programs, and City neighborhood events. This division also manages Quinlan Community Center (QCC) and Community Hall, as well as facility and park picnic rentals.

Service Objectives

- Provide first-rate customer service through the implementation of consistent policies, procedures, and performance standards.
- Procure and implement a new recreation software system to streamline 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.
- Enhance program marketing and communications through an effective brochure, website, print materials, and social media.
- Increase participation at City events including 4th of July, Summer Concerts, Cinema at Sundown, Shakespeare in the Park, and the Tree Lighting Ceremony.
- 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.
- Facilitate connected, safe neighborhoods through the production of events in neighborhood parks, leveraging the input and support of Block Leader participants.

Adopted Budget

On June 5, 2018, City Council approved a budget of $923,993 for the Administration program. This represents an increase of $4,988 (0.5%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year and supports customer service, administrative and analytical, and marketing activities in support of department-wide activities. The increase in compensation and benefits is due to negotiated salary and benefit changes to take effect in July 2018.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 394,592	$ 363,454	$ 506,532	$ 495,491
Employee Benefits	$ 178,195	$ 178,886	$ 243,155	$ 252,608
Materials	$ 3,665	$ 14,163	$ 30,170	$ 30,170
Contract Services	-	$ 1,063	$ 8,500	$ 8,500
Cost Allocation	$ 57,756	$ 166,746	$ 130,188	$ 135,290
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 460	$ 1,934
Total Expenditures	**$ 634,208**	**$ 724,312**	**$ 919,005**	**$ 923,993**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 634,208**	**$ 724,312**	**$ 919,005**	**$ 923,993**

Staffing

Total current authorized positions - 6.05

There are no changes to the current level of staffing.

Total recommended positions - 6.05

Blackberry Farm Picnic Area

Budget Unit 100-61-603

General Fund - Business and Community Services - Blackberry Farm Picnic Area

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Sports, Safety, and Outdoor Recreation – Park Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-612. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 36,260	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 238,874	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 275,134**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 346,539	-	-	-
Employee Benefits	$ 52,930	-	-	-
Materials	$ 91,714	-	-	-
Contract Services	$ 81,551	-	-	-
Cost Allocation	$ 23,976	-	-	-
Capital Outlay	-	-	-	-
Special Projects	$ 10,243	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 606,953**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 331,819**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Community Hall Operations

Budget Unit 100-61-604

General Fund - Business and Community Services - Community Hall Operations

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Business and Community Services – Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-630. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 28,420	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 28,420**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 59,637	-	-	-
Employee Benefits	$ 25,903	-	-	-
Materials	$ 656	-	-	-
Contract Services	-	-	-	-
Cost Allocation	$ 9,588	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 95,784**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 67,365**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Cultural Events

Budget Unit 100-61-605

General Fund - Business and Community Services - Cultural Events

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 646,618
Fund Balance	-
General Fund Costs	$ 646,618
% Funded by General Fund	100.0 %
Total Staffing	0.77 FTE

Program Overview

The Business and Community Service Division's events program produces the City's special events including 4th of July festivities and those hosted at Memorial Park and Quinlan Community Center including the Summer Concert Series, Cinema at Sundown, Shakespeare in the Park, and Tree Lighting. This staff also serves as liaison and issues permits for community and cultural events at Memorial Park including the Cherry Blossom Festival, World Journal Festival, Kids 'N Fun Festival, Fall Festival, Veteran's Day Memorial Ceremony, Diwali Festival, and more. Expanded programs will be developed to provide and enhance neighborhood events to build community.

Service Objectives

- Provide a summer concert series at Memorial Park and in various neighborhood parks.
- Produce a summer movie series at Memorial Park and in various neighborhood parks.
- Partner with the San Francisco Shakespeare Company to produce Free Shakespeare in the Park in Cupertino.
- Organize and facilitate the 4th of July Independence Day celebration and fireworks show.
- 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $646,618 for the Cultural Events program. This represents an increase of $208,281 (47.5%) from the FY 2018 Adopted Budget.

This budget proposes enhancements to special events (Concerts and Movies) at Memorial Park and expanded events in neighborhood parks. Funding for Memorial Park enhancements includes $10,000 for a professional sound contractor to provide high-quality sound for concerts at Memorial Park. The expanded neighborhood events require ongoing costs of $154,000 for part-time staff to coordinate and execute the events and $20,000 for

contractual services for bands, performers, and movie licensing. To support these efforts, one-time funding of $40,000 is included for the purchase of projectors and movie screens. The increase in compensation and benefits is due to negotiated salary and benefit changes due to take effect in July 2018.

As the City greatly values community and cultural events, the City will waive costs totaling $119,847 to festival producers as detailed in the table below.

Festival	Date	Festival Producer	Recreation	Facility/Park/ Road Permits	Public Works	Sheriff	Materials	Total
Kids 'N Fun Festival	Aug. 11, 2018	Taiwanese Cultural and Sports Association	$1,598	$7,440	$2,803	$5,289		$17,130
Fall Festival	Sept. 15, 2018	Cupertino Rotary	$1,512	$5,938	$3,008	$5,289		$15,747
Diwali	October 13, 2018	Cupertino Chamber of Commerce	$1,564	$6,710	$3,031	$5,264		$16,569
Veteran's Day	Nov. 11, 2018	Cupertino Veteran's Memorial	$642	$1,000	$18		$1,593	$3,253
Egg Hunt	April 13, 2019	Home of Christ Church	$861	$1,000	$38			$1,899
Holi	April 7, 2019	Cupertino Chamber of Commerce	$984	$3,000	$18	$871		$4,873
Cherry Blossom	April 27-28, 2019	Toyokawa Sister City	$4,007	$17,466	$5,801	$4,356		$31,630
World Journal	May 11, 2019	World Journal/Cupertino Chinese School	$2,065	$4,960	$3,004	$4,356		$14,385
Tournament of Bands	October 13, 2018	Cupertino Tournament of Bands	$0	$3,150	$185	$3,500		$6,835
Heroes Run	November 3, 2018	County of Santa Clara	$0	$4,326	$3200			$7,526
Total			**$13,233**	**$54,990**	**$21,106**	**$28,925**	**$1,593**	**$119,847**

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Neighborhood Parks Special Events	$20,000		General Fund	Projectors, Stage, Generators
Neighborhood Parks Special Events	$20,000		General Fund	Movie Screens
Total	**$40,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	$ 5,000	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 5,000**	**-**
Expenditures				
Employee Compensation	$ 42,757	$ 90,421	$ 160,849	$ 264,053
Employee Benefits	$ 16,136	$ 33,619	$ 37,004	$ 45,493
Materials	$ 8,488	$ 3,717	$ 20,850	$ 23,850
Contract Services	$ 67,880	$ 85,402	$ 164,496	$ 217,496
Cost Allocation	$ 3,516	$ 37,289	$ 42,685	$ 45,209
Capital Outlay	-	-	-	-
Special Projects	-	$ 1,582	-	$ 40,000
Appropriations for Contingency	-	-	$ 12,453	$ 10,517
Total Expenditures	**$ 138,777**	**$ 252,030**	**$ 438,337**	**$ 646,618**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 138,777**	**$ 252,030**	**$ 433,337**	**$ 646,618**

Staffing

Total current authorized positions - 0.77

There are no changes to the current level of staffing.

Total recommended positions - 0.77

Quinlan Community Center Operations

Budget Unit 100-61-607

General Fund - Business and Community Services - Quinlan Community Center Operations

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Business and Community Services – Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-630. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 121,773	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 121,773**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 105,407	-	-	-
Employee Benefits	$ 29,096	-	-	-
Materials	$ 41,429	-	-	-
Contract Services	$ 7,423	-	-	-
Cost Allocation	$ 22,800	-	-	-
Capital Outlay	-	-	-	-
Special Projects	$ 40,371	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 246,527**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 124,754**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Facilities

Budget Unit 100-61-630

General Fund - Business and Community Services - Facilities

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 703,382
Total Expenditures	$ 684,362
Fund Balance	-
General Fund Costs	$ (19,020)
% Funded by General Fund	-
Total Staffing	2.68 FTE

Program Overview

Community Hall 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. The Quinlan Community Center houses the administrative office of the Recreation and Community Services Department and serves as facility space for rentals and a variety of recreational, social, and community activities.

Service Objectives

- 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, Parks & Recreation Commission and other City meetings.
- 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 the City's Emergency Operations Shelter in case of disasters.
- Develop a master plan for this facility with the Stevens Creek to McClellan Ranch Corridor that will serve the community's long-term goals for improvements or changes.

Adopted Budget

On June 5, 2018, City Council approved a budget of $684,362 for the Facilities program. This represents an increase of $104,615 (18.0%) from the FY 2018 Adopted Budget.

This budget includes one-time funding for the replacement of the department's portable speakers (speakers, stands, case, soundboard, microphones, cables) used for a variety of indoor and outdoor events. The current systems have reached the end of their useful life. The increase in compensation and benefits is due to negotiated salary and benefit changes due to take effect in July 2018 and the reallocation of part-time staffing for the City

Hall front desk (nights and weekends) which was previously budgeted in the Innovation and Technology Department. The increase in cost allocation is due to one-time project expenses and a change in allocation methodology for IT charges and increased costs of services provided by finance and human resources.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Quinlan Equipment	$10,000		General Fund	Portable Sound System
Total	**$10,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	$ 289,115	$ 142,000	$ 245,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 825,501	$ 489,379	$ 458,382
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 1,114,616**	**$ 631,379**	**$ 703,382**
Expenditures				
Employee Compensation	$ 5,126	$ 290,439	$ 301,728	$ 330,663
Employee Benefits	$ 1,454	$ 102,430	$ 101,702	$ 102,437
Materials	-	$ 51,386	$ 68,465	$ 68,465
Contract Services	-	$ 15,028	$ 17,000	$ 17,000
Cost Allocation	-	$ 546,269	$ 85,157	$ 151,524
Capital Outlay	-	$ 313	-	-
Special Projects	-	$ 5,694	-	$ 10,000
Appropriations for Contingency	-	-	$ 5,695	$ 4,273
Total Expenditures	**$ 6,580**	**$ 1,011,559**	**$ 579,747**	**$ 684,362**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 6,580**	**$ (103,057)**	**$ (51,632)**	**$ (19,020)**

Staffing

Total current authorized positions - 2.68

There are no changes to the current level of staffing.

Total recommended positions - 2.68

Community Outreach & Neighborhood Watch

Budget Unit 100-61-632

General Fund - Business and Community Services - Community Outreach & Neighborhood Watch

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 201,251
Fund Balance	-
General Fund Costs	$ 201,251
% Funded by General Fund	100.0 %
Total Staffing	0.8 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $201,251 for the Community Outreach & Neighborhood Watch program. This represents a decrease of $90,996 (-31.1%) from the FY 2018 Adopted Budget.

The decrease in compensation and benefits is due to the reallocation of existing management and administrative support 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	$ 127,900	$ 173,131	$ 99,003
Employee Benefits	-	$ 43,967	$ 47,406	$ 32,968
Materials	-	$ 9,588	$ 18,250	$ 19,250
Contract Services	-	$ 3,181	$ 9,500	$ 9,500
Cost Allocation	-	$ 51,725	$ 42,400	$ 39,142
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,560	$ 1,388
Total Expenditures	**-**	**$ 236,361**	**$ 292,247**	**$ 201,251**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 236,361**	**$ 292,247**	**$ 201,251**

Staffing

Total current authorized positions - 0.80

There are no changes to the current level of staffing.

Total recommended positions - 0.80

Administration

Budget Unit 100-62-608

General Fund - Recreation and Education - Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 34,000
Total Expenditures	$ 1,281,016
Fund Balance	-
General Fund Costs	$ 1,247,016
% Funded by General Fund	97.3 %
Total Staffing	3.2 FTE

Program Overview

This program includes administration activities in support of the coordination of youth, teen, and senior programs throughout the City. Program services focusing on youth include youth camps, special events, preschool, teens, leadership training opportunities, and volunteer coordination. Senior programs focus on enhancing a healthy lifestyle through quality education, recreation, travel, socials, and volunteer opportunities. The Leadership 95014 program provides a leadership training opportunity for adults living and working in the Cupertino community.

Service Objectives

- Provide management and supervision of all programs, activities, personnel, and facilities within the two designated divisions.
- Establish program goals and priorities.
- Educate participants on Cupertino's City government, schools, businesses, and nonprofit sectors.
- Enhance executive leadership skills to enable participants to make a positive impact.
- Ensure operational hours accommodate community usage.
- Provide community outreach to individual neighborhoods throughout the City.
- Coordinate Special Events at Main Street Park and at the Creekside Farmer's Market.
- Partner with Fremont Union High School District to provide social skills programming for Special Education high school students.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,281,016 for the Administration program. This represents an increase of $198,528 (18.3%) from the FY 2018 Adopted Budget.

The increase is primarily due to cost allocation increases for one-time project expenses, a change in allocation methodology for IT charges, and an increase in the cost of services provided for building maintenance. This budget also includes a $16,000 increase in general supplies for events at Main Street Park and the weekly Creekside Farmers' Market, and a new Special Education program. A $20,000 part-time staffing increase will support the new Special Education program.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	$ 5,017	$ 33,125	$ 20,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 6,375	$ 16,000	$ 14,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 11,392**	**$ 49,125**	**$ 34,000**
Expenditures				
Employee Compensation	$ 91,979	$ 430,150	$ 401,786	$ 358,084
Employee Benefits	$ 42,068	$ 197,044	$ 148,131	$ 144,312
Materials	$ 7,222	$ 20,666	$ 39,416	$ 53,851
Contract Services	$ 388	$ 10,216	$ 22,200	$ 30,750
Cost Allocation	$ 4,800	$ 494,790	$ 452,107	$ 690,664
Capital Outlay	-	-	-	-
Special Projects	-	-	$ 15,000	-
Appropriations for Contingency	-	-	$ 3,848	$ 3,355
Total Expenditures	**$ 146,457**	**$ 1,152,866**	**$ 1,082,488**	**$ 1,281,016**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 146,457**	**$ 1,141,474**	**$ 1,033,363**	**$ 1,247,016**

Staffing

Total current authorized positions - 3.45

Decreased staffing is due to reallocation of existing staff to better reflect time spent in this program.

Total recommended positions - 3.20

Youth Program

Budget Unit 100-62-609

General Fund - Recreation and Education - Youth Program

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 9,079	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 9,079**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 20,843	-	-	-
Employee Benefits	$ 7,823	-	-	-
Materials	$ 6,017	-	-	-
Contract Services	-	-	-	-
Cost Allocation	$ 2,136	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 36,819**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 27,740**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Teen Program

Budget Unit 100-62-610

General Fund - Recreation and Education - Teen Program

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 12,950	-	-	-
Employee Benefits	$ 5,664	-	-	-
Materials	$ 1,169	-	-	-
Contract Services	$ 1,208	-	-	-
Cost Allocation	$ 2,136	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 23,127**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 23,127**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Teen Center

Budget Unit 100-62-611

General Fund - Recreation and Education - Teen Center

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 2,000	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 1,844	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 3,844**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 40,634	-	-	-
Employee Benefits	$ 2,878	-	-	-
Materials	$ 13,721	-	-	-
Contract Services	-	-	-	-
Cost Allocation	$ 3,720	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 60,953**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 57,110**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Park Facilities

Budget Unit 100-62-612

General Fund - Recreation and Education - Park Facilities

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to the Sports, Safety, and Outdoor Recreation Division as part of a department reorganization. The Nature Classes/Camps were incorporated into Programs and McClellan Ranch Preserve was incorporated into Park Facilities. A complete discussion of this program can be found under Budget Unit 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 3,456	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 370	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 3,826**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 183,282	-	-	-
Employee Benefits	$ 60,206	-	-	-
Materials	$ 46,158	-	-	-
Contract Services	$ 4,163	-	-	-
Cost Allocation	$ 11,508	-	-	-
Capital Outlay	-	-	-	-
Special Projects	$ 28,000	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 333,317**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 329,491**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Youth Teen Recreation

Budget Unit 580-62-613

Recreation Program - Recreation and Education - Youth Teen Recreation

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,444,500
Total Expenditures	$ 2,040,825
Fund Balance	$ (596,325)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	1.6 FTE

Program Overview

This program encompasses fee-based youth and teen programs such as academic and enrichment classes, STEAM and STEM programming, recreational camps, preschool, and special events, as well as special interest and enrichment classes for adults.

Service Objectives

- Provide a preschool program, summer camps, and an extensive variety of contract classes for youth, teens, and adults, while collaborating with the Cupertino Union School District and Fremont Union High School District on select program offerings.
- Promote programs through social media to increase community awareness.
- Increase the number of youth and teen Science Technology Engineering Art Math (STEAM) programs offered.
- Expand all-day summer camp offerings to meet daycare needs of families.
- Provide family-oriented programs designed to bring the community together.
- Provide safe, fun, life-long learning activities that promote self-confidence, skill development, and personal growth.
- Coordinate a new spring special event (Bunny Brunch/Egg Hunt) targeting preschool and elementary youth and their families.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,040,825 for the Youth Teen Recreation program. This represents a decrease of $173,584 (-7.8%) from the FY 2018 Adopted Budget.

The decrease in compensation and benefits is due to a reallocation of existing staff to better reflect actual time spent in this program. In addition to staff cost savings, this program budget includes reductions in materials and supplies and contract services to reflect improved efficiencies and to address the changing needs of the Cupertino community. The decrease is partially offset by an increase in cost allocation due to increased costs of services provided by finance, human resources, and building maintenance. This budget also adds funding for

part-time staffing, supplies and materials, and contract services for a new family spring event, targeting preschool and young elementary school students, and the addition of Parent/Tot classes and a Creative Arts Toddler program.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 1,503,958	$ 1,441,395	$ 1,510,300	$ 1,444,500
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 1,503,958**	**$ 1,441,395**	**$ 1,510,300**	**$ 1,444,500**
Expenditures				
Employee Compensation	$ 428,178	$ 397,589	$ 530,720	$ 432,339
Employee Benefits	$ 84,793	$ (1,545)	$ 109,842	$ 71,556
Materials	$ 70,134	$ 71,123	$ 87,588	$ 79,988
Contract Services	$ 936,993	$ 859,700	$ 1,110,600	$ 1,049,500
Cost Allocation	$ 307,549	$ 305,794	$ 290,183	$ 351,973
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 85,476	$ 55,469
Total Expenditures	**$ 1,827,648**	**$ 1,632,661**	**$ 2,214,409**	**$ 2,040,825**
Fund Balance	**$ 258,058**	**$ 257,692**	**$ (704,109)**	**$ (596,325)**
General Fund Costs	**$ 581,748**	**$ 448,957**	**-**	**-**

Staffing

Total current authorized positions - 2.25

Decreased staffing is due to reallocation of existing staff to better reflect actual time spent in this program.

Total recommended positions - 1.60

Youth, Teen and Senior Adult Rec

Budget Unit 100-62-623

General Fund - Recreation and Education - Youth, Teen and Senior Adult Rec

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 581,550
Total Expenditures	$ 2,036,109
Fund Balance	-
General Fund Costs	$ 1,454,559
% Funded by General Fund	71.4 %
Total Staffing	5.2 FTE

Program Overview

This program includes the coordination and delivery of program services for youth, teen, and seniors at various sites such as elementary school sites, the Teen Center, the Senior Center, and Quinlan Community Center. Staff coordinates youth enrichment programs; volunteer opportunities for teens in the Cupertino community; a safe, comfortable, and well-maintained Teen Center for students in grades 6-12; a safe, comfortable, and well maintained Senior Center for adults age 50+; and senior adult recreation programs such as educational classes, presentations, group trips and travel, and social events. In addition, the Senior Center team leverages members to support programs and services through over 24,000 hours of volunteer service annually and also coordinates Case Management services to assist seniors in remaining independent and safe in their own homes.

Service Objectives

- Enhance partnerships with Cupertino Union School District, Fremont Union High School District, the Santa Clara County Library, the YMCA, and other local nonprofit agencies.
- Provide appreciation events for teen and senior volunteers who support the Recreation and Community Services Department throughout the year.
- Encourage youth development and leadership through volunteer efforts of teens in summer camps, aquatics, and outdoor park improvements through the Leader In Training program and the Cupertino Teen Leadership Academy.
- Maintain maximum operating hours for teens to drop in during non-school hours to partake in leisure and enrichment activities at the Teen Center in partnership with the Teen Commission.
- Provide multi-lingual senior case management services.
- Offer educational courses and presentations, group travel, and socialization opportunities to adults age 50+.
- Provide volunteer service opportunities for adults age 50+.
- Provide educational and performing arts community youth competitions such as a Spelling Bee, Geography Bee, and "CuperTeeno" Talent.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,036,109 for the Youth, Teen and Senior Adult Rec program. This represents a decrease of $170,775 (-7.7%) from the FY 2018 Adopted Budget.

The decrease is primarily due to changes in cost allocation charges and more accurately budgeting the Senior Center travel program to align with actual expenditures from the trend of the past few years. This decrease is partially offset by an increase in compensation and benefits due to negotiated salary and benefit changes due to take effect in July 2018 and an increase in part-time staffing. This budget includes a minor increase in part-time staffing at the Senior Center to support extended hours of operation and increased rentals. It also includes increases in part-time staffing for two new Staff Assistant positions and three college interns to assist with new and expanded Teen programs, such as the Teen Talent Show, Spelling and Geography Bees, and a Teen Leadership Academy.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	$ 4,788	$ 1,000	$ 3,500
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 572,307	$ 734,750	$ 578,050
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 577,095**	**$ 735,750**	**$ 581,550**
Expenditures				
Employee Compensation	-	$ 449,507	$ 649,620	$ 818,614
Employee Benefits	-	$ 142,146	$ 213,676	$ 238,292
Materials	-	$ 341,397	$ 585,723	$ 220,985
Contract Services	-	$ 98,398	$ 143,800	$ 317,220
Cost Allocation	-	$ 588,869	$ 552,901	$ 415,210
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 61,164	$ 25,788
Total Expenditures	**-**	**$ 1,620,317**	**$ 2,206,884**	**$ 2,036,109**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 1,043,222**	**$ 1,471,134**	**$ 1,454,559**

Staffing

Total current authorized positions - 5.00

Increased staffing is due to reallocation of existing staff to better reflect time spent in this program.

Total recommended positions - 5.20

Park Facilities

Budget Unit 100-63-612

General Fund - Sports, Safety and Outdoor Recreation - Park Facilities

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 374,000
Total Expenditures	$ 2,382,394
Fund Balance	-
General Fund Costs	$ 2,008,394
% Funded by General Fund	84.3 %
Total Staffing	3.43 FTE

Program Overview

Blackberry Farm provides the community with recreational space to swim, picnic, and enjoy the Stevens Creek Trail. McClellan Ranch Preserve offers environmental education classes/creek tours to school groups, nature programs, and is the location of the Community Garden program and non-profit operations such as Grassroots Ecology, Santa Clara Valley Audubon Society, UCCE Master Gardeners, and Rolling Hills 4-H Club. The Creekside Park building provides community members with facility space which can be used for a variety of activities. The Monta Vista Recreation Center is home to a diverse array of recreational activities including gymnastics classes and preschool.

Service Objectives

Blackberry Farm Picnic Grounds and Pools:

- Provide the community with two recreational pools for drop-in use.
- Offer a Junior Lifeguard course for teens, ages 12-15.
- Engage and provide the community with annual 4th of July and Pooch Plunge events.
- Partner with the Audubon Society to provide Wildlife & Harvest Day at Blackberry Farm.
- Increase residential usage of the facility.
- Implement Park Ranger-led activities such as interpretive walks, star-gazing events, and a Stevens Creek Corridor volunteer program.

McClellan Ranch Preserve:

- Continue to offer drop-in visitor hours at the Environmental Education Center and Blacksmith Shop on Saturdays, Sundays, and some school holidays. During summer months, offer extended drop-in hours on Friday evenings.
- Develop park management internship opportunities in partnership with the West Valley Community College Park Management Program.
- Partner with SCVAS, Grassroots Ecology, Watershed Stewardship Program Members, Santa Clara Valley Audubon Society, Rolling Hills 4H and UCCE Master Gardeners in providing public education programs.
- Expand programming opportunities for teens.
- Increase volunteer/docent opportunities at McClellan Ranch.

- Improve and increase community garden programming.

Creekside Park Building:

- Rent facility for nonprofit board meetings, birthday parties, school group picnics, and other similar activities.
- Provide contract and staff-run classes and camps.
- Provide space for year-round farmers' market

Monta Vista Recreation Center:

- Provide gymnastics classes via Twisters Sports Center.
- Offer department run preschool program.
- Provide contract and staff-run classes and camps.
- Make space available for co-sponsored clubs and rentals.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,382,394 for the Park Facilities program. This represents an increase of $414,216 (21.0%) from the FY 2018 Adopted Budget.

The increase in compensation and benefits is due to the reallocation of full-time positions to better reflect actual time spent supporting McClellan Ranch. In addition, the increase in cost allocation is due to one-time project expenses and a change in allocation methodology for IT charges and increased costs of services provided by finance, human resources, and building maintenance.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Grassroots Ecology	$68,000		General Fund	Habitat Restoration of Stevens Creek Corridor
Total	**$68,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 9,650	$ 69,631	$ 219,000	$ 199,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 152,130	$ 250,000	$ 175,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 9,650**	**$ 221,761**	**$ 469,000**	**$ 374,000**
Expenditures				
Employee Compensation	-	$ 586,441	$ 623,665	$ 730,520
Employee Benefits	-	$ 112,901	$ 128,654	$ 130,493
Materials	-	$ 96,656	$ 141,214	$ 136,073
Contract Services	-	$ 10,427	$ 31,550	$ 31,700
Cost Allocation	-	$ 815,707	$ 954,759	$ 1,277,319
Capital Outlay	-	-	-	-
Special Projects	-	$ 55,071	$ 68,000	$ 68,000
Appropriations for Contingency	-	-	$ 20,336	$ 8,289
Total Expenditures	**-**	**$ 1,677,203**	**$ 1,968,178**	**$ 2,382,394**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (9,650)**	**$ 1,455,442**	**$ 1,499,178**	**$ 2,008,394**

Staffing

Total current authorized positions - 2.73

Increased staffing is due to reallocation of existing staff to better reflect actual time spent supporting McClellan Ranch.

Total recommended positions - 3.43

Administration

Budget Unit 100-63-615

General Fund - Sports, Safety and Outdoor Recreation - Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 190,734
Fund Balance	-
General Fund Costs	$ 190,734
% Funded by General Fund	100.0 %
Total Staffing	0.5 FTE

Program Overview

This program supports all facets of the Sports, Safety, and Outdoor Recreation Division. It provides for the supervision and operation of the Cupertino Sports Center, Blackberry Farm Golf Course, Blackberry Farm picnic area and swimming pools, McClellan Ranch Preserve, Monta Vista Recreation Center and Creekside Park building. The Sports, Safety, and Outdoor Recreation Division includes a diverse offering of recreation programs for all ages including sports leagues, camps/classes, nature programs, volunteer opportunities, drop-in activities, and special events. Aquatics programs, golf, and specialty classes as offered seasonally.

Service Objectives

- Efficiently manage the Cupertino Sports Center, Blackberry Farm Golf Course, Blackberry Farm picnic sites and swimming pools, McClellan Ranch Preserve, Monta Vista Recreation Center, Creekside Park building, nine school sites and various City fields.
- Better coordinate park facilities and staff within the Stevens Creek Corridor in order to enhance customer service and experience for park visitors.
- Oversee marketing, budget development, and program plans for all locations.

Adopted Budget

On June 5, 2018, City Council approved a budget of $190,734 for the Administration program. This represents a decrease of $53,086 (-21.8%) from the FY 2018 Adopted Budget.

The decreased is due to the reallocation of existing staff to 100-63-612 to more accurately reflect actual time spent in these programs.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 194,537	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 194,537**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 32,867	$ 88,077	$ 101,931	$ 54,513
Employee Benefits	$ 19,272	$ 39,767	$ 47,714	$ 20,550
Materials	$ 507	$ 4,620	$ 6,755	$ 6,755
Contract Services	$ 81	$ 388	-	-
Cost Allocation	$ 6,384	$ 105,013	$ 87,147	$ 108,578
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 273	$ 338
Total Expenditures	**$ 59,110**	**$ 237,865**	**$ 243,820**	**$ 190,734**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (135,426)**	**$ 237,865**	**$ 243,820**	**$ 190,734**

Staffing

Total current authorized positions - 1.75

Decreased staff is due to reallocation of existing staff to better reflect actual time spent in this program.

Total recommended positions - 0.50

Blackberry Farm Golf Course

Budget Unit 560-63-616

Blackberry Farm - Sports, Safety and Outdoor Recreation - Blackberry Farm Golf Course

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 335,000
Total Expenditures	$ 687,939
Fund Balance	$ (352,939)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0.9 FTE

Program Overview

Blackberry Farm Golf Course provides a nine-hole golf facility and open space to the community that serves all ages.

Service Objectives

- Increase the golfer base through private golf instruction, family events, high school golf team partnerships, and marketing tools such as Groupon and Golf Now.
- Operate a golf course concession where customers may purchase golfing accessories and golf instruction.

Adopted Budget

On June 5, 2018, City Council approved a budget of $687,939 for the Blackberry Farm Golf Course program. This represents a decrease of $20,522 (-2.9%) from the FY 2018 Adopted Budget.

The increase in compensation is primarily due to golf instruction now provided under a part-time class instructor position. This same move has resulted in a decrease in contract services, as golf instruction was previously provided contractually. A $23,000 increase in materials and supplies will support merchandise concession, which is now operated by the City. An allocation of $10,000 for special projects will address pro shop facility maintenance needs.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Blackberry Farm Golf Course Facility Maintenance	$10,000		560 - Enterprise Fund	Facility maintenance backlog project
Total	**$10,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 14,650	$ 19,791	$ 22,000	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 199,707	$ 305,435	$ 381,000	$ 335,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 214,357**	**$ 325,226**	**$ 403,000**	**$ 335,000**
Expenditures				
Employee Compensation	$ 116,011	$ 147,505	$ 145,924	$ 150,811
Employee Benefits	$ 32,574	$ 47,658	$ 46,214	$ 37,632
Materials	$ 64,471	$ 24,148	$ 101,015	$ 124,693
Contract Services	$ 258,604	$ 267,036	$ 305,472	$ 244,200
Cost Allocation	$ 84,462	$ 88,300	$ 82,183	$ 102,158
Capital Outlay	-	-	-	-
Special Projects	$ 17,304	$ 22,758	-	$ 10,000
Appropriations for Contingency	$ 2,750	-	$ 27,653	$ 18,445
Total Expenditures	**$ 576,176**	**$ 597,405**	**$ 708,461**	**$ 687,939**
Fund Balance	**$ (99,811)**	**$ 60,753**	**$ (5,461)**	**$ (352,939)**
General Fund Costs	**$ 262,008**	**$ 332,931**	**$ 300,000**	**-**

Staffing

Total current authorized positions - 0.90

There are no changes to the current level of staffing.

Total recommended positions - 0.90

Creekside Park Youth Sport

Budget Unit 100-63-618

General Fund - Sports, Safety and Outdoor Recreation - Creekside Park Youth Sport

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Sports, Safety and Outdoor Recreation – Park Facilities as part of the department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-612. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 10,600	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 10,600**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 3,396	-	-	-
Employee Benefits	$ 141	-	-	-
Materials	$ 295	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 3,831**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (6,769)**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Outdoor Recreation

Budget Unit 580-63-620

Recreation Program - Sports, Safety and Outdoor Recreation - Outdoor Recreation

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,121,400
Total Expenditures	$ 1,598,350
Fund Balance	$ (476,950)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	2.45 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

- Operate a summer Red Cross learn-to-swim program for infants, children, teens, and adults.
- Coordinate spring, summer, and fall adult softball leagues.
- Provide sports, dance, fitness, and wellness classes for youth, teens, and adults.
- Offer a 5k, community walk, and kids' fun run in the spring.
- Manage user group field rentals under the Cupertino Union School District/City Joint Use Agreement.
- Increase nature and environmental classes for parent/child, teen, and adult demographics.
- Increase youth and teen activities to better accommodate working parents.
- Provide an afternoon summer nature program to provide all-day camp options for families.
- Offer fee-based gardening programs for youth and adults.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,598,350 for the Outdoor Recreation program. This represents an increase of $146,650 (10.1%) from the FY 2018 Adopted Budget.

The increase in compensation and benefits is due to negotiated salary and benefit changes due to take effect in July 2018. This budget also includes increased part-time salaries for additional staff for fee-based programs, including aquatic program expansion and the addition of afterschool and weekend Outdoor Education classes and camps at McClellan Ranch Preserve. Additional evenings of the adult softball program require an increase in part-time staff as well as general service agreements for umpires. The increase in cost allocation is due to one-time project expenses and a change in allocation methodology for IT charges and increased costs of services provided by finance and human resources.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	$ 287,318	$ 183,000	$ 287,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 901,067	$ 756,005	$ 855,500	$ 834,400
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 901,067**	**$ 1,043,324**	**$ 1,038,500**	**$ 1,121,400**
Expenditures				
Employee Compensation	$ 185,014	$ 168,563	$ 388,966	$ 401,676
Employee Benefits	$ 48,189	$ 64,633	$ 113,583	$ 113,131
Materials	$ 78,161	$ 102,762	$ 90,387	$ 90,367
Contract Services	$ 515,273	$ 498,388	$ 652,188	$ 701,125
Cost Allocation	$ 274,369	$ 205,271	$ 193,496	$ 253,026
Capital Outlay	-	-	-	-
Special Projects	-	$ 595	-	-
Appropriations for Contingency	-	-	$ 13,080	$ 39,025
Total Expenditures	**$ 1,101,007**	**$ 1,040,212**	**$ 1,451,700**	**$ 1,598,350**
Fund Balance	**$ (66,428)**	**$ 11,467**	**$ (413,200)**	**$ (476,950)**
General Fund Costs	**$ 133,512**	**$ 8,355**	**-**	**-**

Staffing

Total current authorized positions - 2.43

A minimal reallocation of existing staff is included to better reflect actual time spent in this program.

Total recommended positions - 2.45

Sports Center Operations

Budget Unit 570-63-621

Sports Center - Sports, Safety and Outdoor Recreation - Sports Center Operations

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 2,100,500
Total Expenditures	$ 2,460,735
Fund Balance	$ (360,235)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	2.27 FTE

Program Overview

The Cupertino Sports Center offers a variety of health and wellness activities including a full fitness center, child care, a Teen Center, and a wide assortment of fitness classes and racquet sports. In addition, the Sports Center houses contract tennis, table tennis, and badminton classes, camps, and programs.

Service Objectives

- Increase memberships, participation in fitness classes, and enrollment in contract camps.
- Market programs through social media, the recreation schedule, new signage on Stevens Creek, and the City website.
- Collaborate with Public Works to ensure successful implementation of Capital Improvement Projects.
- Explore new program offerings each quarter.
- Offer special classes for International Yoga Day and the annual Open House.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,460,735 for the Sports Center Operations program. This represents an increase of $12,698 (0.5%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year and supports the operations at the Cupertino Sports Center. This includes staffing, fitness programs, exercise classes, tennis, child care, racquetball, and a variety of camps and classes for all ages. Increased costs in cost allocation are due to one-time project expenses and a change in allocation methodology for IT charges and increased costs of services provided by finance and human resources.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Sports Center Health & Safety Equipment	$5,000			Signage and hand sanitizer stations
Total	**$5,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 1,257	$ 793	$ 1,200	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 2,130,534	$ 2,132,958	$ 2,285,000	$ 2,100,500
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 2,131,791**	**$ 2,133,751**	**$ 2,286,200**	**$ 2,100,500**
Expenditures				
Employee Compensation	$ 234,492	$ 305,387	$ 352,461	$ 340,112
Employee Benefits	$ 60,739	$ 86,232	$ 91,226	$ 91,817
Materials	$ 31,114	$ 39,705	$ 86,600	$ 86,600
Contract Services	$ 1,422,146	$ 1,338,511	$ 1,606,100	$ 1,606,100
Cost Allocation	$ 132,581	$ 170,485	$ 179,899	$ 246,571
Capital Outlay	$ 5,848	-	-	-
Special Projects	$ 11,532	$ 481	-	$ 5,000
Appropriations for Contingency	$ 6,708	-	$ 131,751	$ 84,535
Total Expenditures	**$ 1,905,160**	**$ 1,940,802**	**$ 2,448,037**	**$ 2,460,735**
Fund Balance	**$ 884,363**	**$ 348,994**	**$ (61,837)**	**$ (360,235)**
General Fund Costs	**$ 657,732**	**$ 156,045**	**$ 100,000**	**-**

Staffing

Total current authorized positions - 2.02

Increased staffing is due to the reallocation of existing staff to better reflect actual time spent in this program.

Total recommended positions - 2.27

Disaster Preparedness

Budget Unit 100-63-633

General Fund - Sports, Safety and Outdoor Recreation - Disaster Preparedness

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 266,914
Fund Balance	-
General Fund Costs	$ 266,914
% Funded by General Fund	100.0 %
Total Staffing	1.1 FTE

Program Overview

The mission of the Office of Emergency Services 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 Services.
- Maintain the City's Emergency Operations Center (EOC) in a perpetual state of operational readiness.
- Support Citizen Corps, Cupertino Amateur Radio Emergency Service (CARES), Medical Reserve Corps (MRC), and Community Emergency Response Team (CERT).
- 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $266,914 for the Disaster Preparedness program. This represents a decrease of $89,317 (-25.1%) from the FY 2018 Adopted Budget.

The decrease reflects reduced staffing costs, due primarily to a 0.50 Recreation Coordinator that is no longer allocated to the program. In addition, due to an oversight identified after the proposed budget was developed, part-time staff was not included in the budget but will be requested as a First Quarter Budget Adjustment ($37,000). The decrease in compensation and benefits is partially offset by an increase in cost allocation due to one-time project expenses, a change in allocation methodology for IT charges, increased costs of services provided by finance and human resources, and increased vehicle and equipment charges due to updated allocations to better identify the programs utilizing the items.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	$ 10,500	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 10,500**	**-**
Expenditures				
Employee Compensation	-	$ 36,036	$ 212,564	$ 93,764
Employee Benefits	-	$ 1,043	$ 82,059	$ 50,094
Materials	-	$ 14,421	$ 33,488	$ 34,988
Contract Services	-	$ 372	$ 5,000	$ 5,000
Cost Allocation	-	$ 13,054	$ 21,312	$ 81,069
Capital Outlay	-	-	-	-
Special Projects	-	$ 2,433	-	-
Appropriations for Contingency	-	-	$ 1,808	$ 1,999
Total Expenditures	**-**	**$ 67,359**	**$ 356,231**	**$ 266,914**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 67,359**	**$ 345,731**	**$ 266,914**

Staffing

Total current authorized positions - 1.10

There are no changes to the current level of staffing.

Total recommended positions - 1.10

Monta Vista Recreation Center

Budget Unit 100-63-637

General Fund - Sports, Safety and Outdoor Recreation - Monta Vista Recreation Center

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Sports, Safety, and Outdoor Recreation – Park Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-612. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 22,740	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 22,740**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 2,141	-	-	-
Employee Benefits	$ 84	-	-	-
Materials	$ 2,793	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 5,018**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (17,722)**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Senior Adult Supervision

Budget Unit 100-64-622

General Fund - Senior Programs - Senior Adult Supervision

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Recreation and Education – Administration as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-608. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 1,160	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 3,634	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 4,794**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 377,893	-	-	-
Employee Benefits	$ 164,475	-	-	-
Materials	$ 16,194	-	-	-
Contract Services	$ 278	-	-	-
Cost Allocation	$ 51,456	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 610,297**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 605,504**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Youth, Teen and Senior Adult Rec

Budget Unit 100-64-623

General Fund - Senior Programs - Youth, Teen and Senior Adult Rec

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Recreation and Education – Youth, Teen, and Senior Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 8,837	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 8,837**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 117,381	-	-	-
Employee Benefits	$ 49,147	-	-	-
Materials	$ 9,826	-	-	-
Contract Services	$ 3,994	-	-	-
Cost Allocation	$ 22,368	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 202,716**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 193,879**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Senior Adult Recreation

Budget Unit 100-64-624

General Fund - Senior Programs - Senior Adult Recreation

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Recreation and Education – Youth, Teen, and Senior Adult Recreation as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-62-623. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 635,835	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 73	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 635,908**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 199,129	-	-	-
Employee Benefits	$ 58,177	-	-	-
Materials	$ 454,755	-	-	-
Contract Services	$ 71,308	-	-	-
Cost Allocation	$ 46,440	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 829,810**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 193,902**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Facilities

Budget Unit 100-64-630

General Fund - Senior Programs - Facilities

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Business and Community Services – Facilities as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-630. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 115,954	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 115,954**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ 2,582	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 2,582**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (113,372)**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Community Outreach & Neighborhood Watch

Budget Unit 100-65-632

General Fund - Community Services - Community Outreach & Neighborhood Watch

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Business and Community Services – Community Outreach and Neighborhood Watch as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-632. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 62,983	-	-	-
Employee Benefits	$ 28,345	-	-	-
Materials	$ 7,648	-	-	-
Contract Services	$ 9,037	-	-	-
Cost Allocation	$ 7,992	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 116,005**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 116,005**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Disaster Preparedness

Budget Unit 100-65-633

General Fund - Community Services - Disaster Preparedness

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was added to the Sports, Safety, and Outdoor Recreation – Disaster Preparedness as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-63-633. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	$ (1,387)	-	-	-
Charges for Services	$ 9,132	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 7,745**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 31,577	-	-	-
Employee Benefits	$ 863	-	-	-
Materials	$ 35,536	-	-	-
Contract Services	$ 138	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	$ 3,484	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 71,599**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 63,854**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Neighborhood Watch

Budget Unit 100-65-635

General Fund - Community Services - Neighborhood Watch

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Business and Community Services – Community Outreach and Neighborhood Watch as part of a department reorganization. A complete discussion of this program can be found under Budget Unit 100-61-632. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 26,056	-	-	-
Employee Benefits	$ 713	-	-	-
Materials	$ 2,882	-	-	-
Contract Services	$ 79	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 29,730**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 29,730**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

Library Services

Budget Unit 100-65-636

General Fund - Community Services - Library Services

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

In FY 2016, this program was transferred to Recreation and Community Services – Library Services as part of a department reorganization. A complete discussion of the program can be found under Budget Unit 100-60-636. 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.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	$ 408,888	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 408,888**	**-**	**-**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 408,888**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

Total recommended positions - 0.00

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Planning and Community Development

Planning & Community Development

Planning

Housing Services

Building

Planning and Community Development

Budget Unit	Program	2019 Adopted Budget
Planning & Community Development		**$ 786,755**
100-70-700	Community Development Administration	$ 786,755
Planning		**$ 3,826,263**
100-71-701	Current Planning	$ 2,854,250
100-71-702	Mid and Long Term Planning	$ 739,478
100-71-704	Annexations	$ 903
100-71-705	Economic Development	$ 231,632
Housing Services		**$ 1,246,183**
260-72-707	CDBG Administration	$ 65,871
260-72-709	Affordable Housing	$ 210,892
260-72-710	Public Service Grants	$ 47,983
265-72-711	BMR Housing	$ 818,427
100-72-712	Human Service Grants	$ 103,010
Building		**$ 3,616,855**
100-73-713	General Building	$ 854,205
100-73-714	Building Plan Review	$ 1,341,586
100-73-715	Building Code Enforcement	$ 1,158,840
100-73-718	Muni Code Enforcement	$ 262,224
Total		**$ 9,476,056**

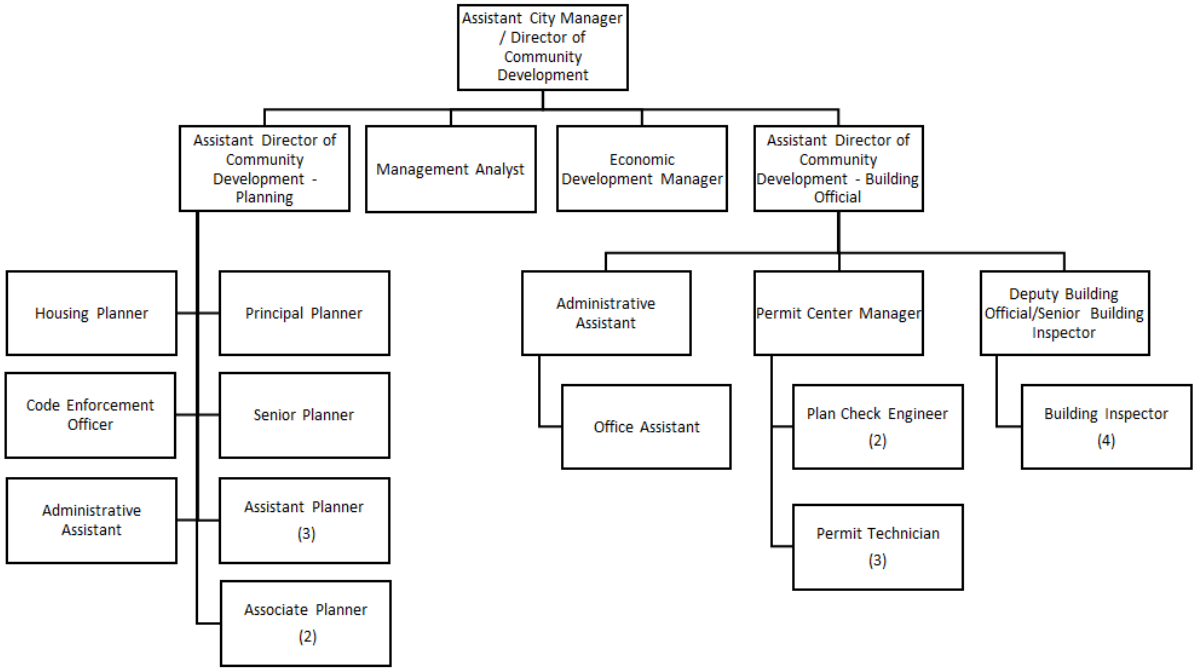
Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 4,656,408
Total Expenditures	$ 9,476,056
Fund Balance	$ (825,265)
General Fund Costs	$ 3,994,383
% Funded by General Fund	42.2 %
Total Staffing	28.13 FTE

Organization

Aarti Shrivastava, Assistant City Manager and Director of Community Development



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.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
Department cost recovery	93.18%	32.16% [1]	96%
Website Updates Completed on Schedule	N/A	100%	100%
Planning application reviews completed 5 days before 30 day deadline	65%	50%	50%
Building permit applications reviewed over-the-counter (OTC)	76.55%	78.73%	80%
Average number of days to initiate investigation of code complaints	0.97	2.39	< 7
Code enforcement cases resolved without issuance of citations	98.30%	96.55%	80%
Landlord-tenant counseling and dispute resolution cases provided	115	28	100 per year
Below market rate rental and purchase vacancies filled	22	20	15 per year
Housing resources and referrals provided	600	1200	400 per year
Economic Development Business Buzz Readers	489	462	700 in FY 2018
Economic Development Business Workshops & Events	15	10	12 per year

[1] During the first half of FY 2018, the Below Market Rate Housing Division paid out a $3,672,000 loan. If we remove that loan from the expense ledger, then cost recovery for the same period is 62.38%. Revenue from Apple Park contracts was delayed until the second half of the year.

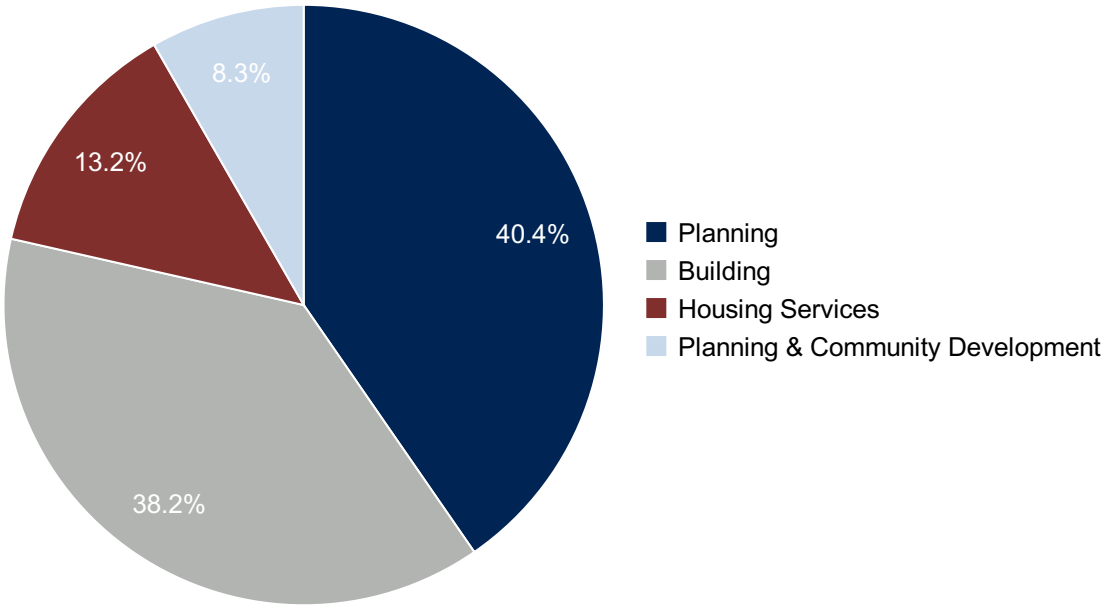
[2] We will be able to report the percentage of building plan reviews completed within 15 business days and the percentage of building inspections requested online when the new land use and permitting software goes live.

Adopted Budget

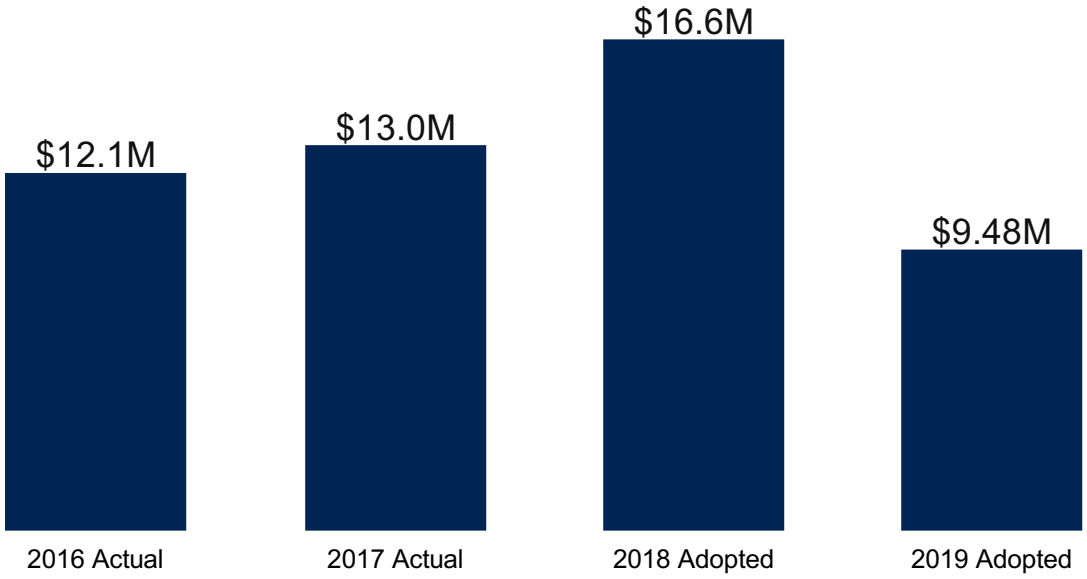
On June 5, 2018, City Council approved a budget of $9,476,056 for the Planning and Community Development department. This represents a decrease of $7,074,446 (-42.7%) from the FY 2018 Adopted Budget.

The decrease is mainly due to the fact that instead of budgeting the full grant amount made available through the Notice of Funding Opportunity (NOFA), the City of Cupertino will first assess NOFA applications and then amend the budget accordingly. While $8,000,000 was included in FY 2018 Adopted budget and offered through the NOFA in FY 2018, only $160,000 was granted and spent.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	$ 3,000	$ 1,000,000	$ 3,000
Licenses and Permits	$ 3,051,462	$ 2,513,489	$ 2,121,000	$ 2,661,000
Use of Money and Property	-	-	-	$ 2,966
Intergovernmental Revenue	-	-	$ 314,590	$ 311,942
Charges for Services	$ 11,231,682	$ 8,181,778	$ 4,005,000	$ 1,550,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 613,461	$ 866,473	$ 7,500	$ 127,500
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 14,896,605**	**$ 11,564,739**	**$ 7,448,090**	**$ 4,656,408**
Expenditures				
Employee Compensation	$ 2,611,412	$ 2,816,088	$ 3,481,608	$ 3,444,529
Employee Benefits	$ 1,003,679	$ 1,157,412	$ 1,420,103	$ 1,383,973
Materials	$ 764,944	$ 578,573	$ 771,912	$ 955,765
Contract Services	$ 1,240,920	$ 922,985	$ 668,151	$ 550,450
Cost Allocation	$ 481,860	$ 1,841,670	$ 1,926,627	$ 3,022,110
Capital Outlay	-	-	-	-
Special Projects	$ 5,951,008	$ 5,673,285	$ 8,175,000	$ 100,000
Appropriations for Contingency	-	-	$ 107,101	$ 19,229
Total Expenditures	**$ 12,053,824**	**$ 12,990,013**	**$ 16,550,502**	**$ 9,476,056**
Fund Balance	**$ (853,978)**	**$ (991,255)**	**$ (7,716,620)**	**$ (825,265)**
General Fund Costs	**$ (3,696,759)**	**$ 434,019**	**$ 1,385,792**	**$ 3,994,383**

Community Development Administration

Budget Unit 100-70-700

General Fund - Planning & Community Development - Community Development Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 786,755
Fund Balance	-
General Fund Costs	$ 786,755
% Funded by General Fund	100.0 %
Total Staffing	0.55 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $786,755 for the Community Development Administration program. This represents an increase of $441,078 (127.6%) from the FY 2018 Adopted Budget.

Community Development held a series of public events in Community Hall in FY 2018, which increased the department's share for facility cost allocation by $392,579. Another $100,000 in Contract Services is for credit card processing fees and was moved to Community Development Administration from Building Code Enforcement (100-73-715).

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 150,060	$ 89,927	$ 99,243	$ 103,703
Employee Benefits	$ 53,687	$ 48,437	$ 38,749	$ 40,676
Materials	$ 14,572	$ 14,222	$ 26,450	$ 30,450
Contract Services	$ 2,100	$ 2,215	$ 31,144	$ 107,000
Cost Allocation	$ 10,620	$ 65,577	$ 146,586	$ 498,053
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 3,505	$ 6,873
Total Expenditures	**$ 231,040**	**$ 220,378**	**$ 345,677**	**$ 786,755**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 231,040**	**$ 220,378**	**$ 345,677**	**$ 786,755**

Staffing

Total current authorized positions - 0.55

There are no changes to the current level of staffing.

Total recommended positions - 0.55

Current Planning

Budget Unit 100-71-701

General Fund - Planning - Current Planning

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,462,500
Total Expenditures	$ 2,854,250
Fund Balance	-
General Fund Costs	$ 1,391,750
% Funded by General Fund	48.8 %
Total Staffing	8.13 FTE

Program Overview

The Current Planning program serves to review projects and implement City ordinances and the General Plan goals and objectives through the permitting process.

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 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 an 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.
- Administer the review of projects including finalizing building permits related to Planning requirements.

Adopted Budget

On June 5, 2018, City Council approved a budget of $2,854,250 for the Current Planning program. This represents an increase of $703,242 (32.7%) from the FY 2018 Adopted Budget.

The increase is mainly due to the introduction of new accounts to better track pass-through expenses and recovery costs. Based on prior years, $750,000 is budgeted to cover contracts and expenses for routine Planning applications. All costs are recovered as revenue with a 15% administrative fee. In prior years, a shared pot of money was carried over but it was difficult to distinguish which funds were earmarked for which project.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 5,610,192	$ 2,696,004	$ 2,795,000	$ 1,350,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 107,395	$ 44,856	-	$ 112,500
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 5,717,587**	**$ 2,740,859**	**$ 2,795,000**	**$ 1,462,500**
Expenditures				
Employee Compensation	$ 620,399	$ 770,528	$ 1,057,462	$ 1,082,667
Employee Benefits	$ 228,977	$ 306,148	$ 410,435	$ 391,998
Materials	$ 16,774	$ 24,665	$ 41,830	$ 42,330
Contract Services	$ 58,346	$ 100,953	$ 15,098	$ 20,750
Cost Allocation	$ 114,708	$ 801,190	$ 601,827	$ 1,313,601
Capital Outlay	-	-	-	-
Special Projects	$ 595,353	$ 104,618	-	-
Appropriations for Contingency	-	-	$ 24,356	$ 2,904
Total Expenditures	**$ 1,634,558**	**$ 2,108,101**	**$ 2,151,008**	**$ 2,854,250**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (4,083,029)**	**$ (632,759)**	**$ (643,992)**	**$ 1,391,750**

Staffing

Total current authorized positions - 8.13

There are no changes to the current level of staffing.

Total recommended positions - 8.13

Mid and Long Term Planning

Budget Unit 100-71-702

General Fund - Planning - Mid and Long Term Planning

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 215,000
Total Expenditures	$ 739,478
Fund Balance	-
General Fund Costs	$ 524,478
% Funded by General Fund	70.9 %
Total Staffing	2.45 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.
- Review and implement policies in the General Plan, Housing Element, Zoning Ordinance, Specific, Conceptual and Master Plans.
- Coordinate with various regional, State and Federal agencies on projects.
- Facilitate the planning and implementation of the City Council's annual community development goals and objectives.

Adopted Budget

On June 5, 2018, City Council approved a budget of $739,478 for the Mid and Long Term Planning program. This represents an increase of $13,890 (1.9%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
General Plan Amendment Authorization Applications	$100,000	$115,000	General Fund	General Plan Amendment Authorization applications require contracts to assess potential impacts of the amendment. Staff estimates that up to $100,000 per year will be spent on these contracts. All expenses are cost-recovered from the applicant with a 15% administrative fee.
Total	**$100,000**	**$115,000**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 26,350	$ 1,050,000	$ 200,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 2,904	$ 7,500	$ 15,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 29,254**	**$ 1,057,500**	**$ 215,000**
Expenditures				
Employee Compensation	$ 239,185	$ 244,400	$ 325,830	$ 340,279
Employee Benefits	$ 90,909	$ 96,177	$ 133,055	$ 133,587
Materials	$ 4,576	$ 4,359	$ 8,110	$ 5,210
Contract Services	$ 238,141	$ 140,821	$ 103,350	$ 2,350
Cost Allocation	$ 39,876	$ 194,605	$ 151,267	$ 157,674
Capital Outlay	-	-	-	-
Special Projects	$ 608,259	$ 62,988	-	$ 100,000
Appropriations for Contingency	-	-	$ 3,976	$ 378
Total Expenditures	**$ 1,220,946**	**$ 743,350**	**$ 725,588**	**$ 739,478**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 1,220,946**	**$ 714,097**	**$ (331,912)**	**$ 524,478**

Staffing

Total current authorized positions - 2.50

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

Total recommended positions - 2.45

Annexations

Budget Unit 100-71-704

General Fund - Planning - Annexations

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 903
Fund Balance	-
General Fund Costs	$ 903
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

The Annexations program was created in FY 2014-15 to account for annexations of property from outside city limits.

Service Objectives

- Identify and process annexations

Adopted Budget

On June 5, 2018, City Council approved a budget of $903 for the Annexations program. This represents a decrease of $9,238 (-91.1%) from the FY 2018 Adopted Budget.

The decrease is mainly due to the decrease of $10,000 in the Appropriation for Contingency. Most of the funds associated with this program are encumbered for a specific annexation and are carried over to the next fiscal year.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	$ 837	$ 141	$ 903
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 10,000	-
Total Expenditures	**-**	**$ 837**	**$ 10,141**	**$ 903**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**$ 837**	**$ 10,141**	**$ 903**

Staffing

Total current authorized positions - 0.00

There are no changes to the current level of staffing.

Total recommended positions - 0.00

Economic Development

Budget Unit 100-71-705

General Fund - Planning - Economic Development

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 231,632
Fund Balance	-
General Fund Costs	$ 231,632
% Funded by General Fund	100.0 %
Total Staffing	1.0 FTE

Program Overview

The Economic Development program specifically targets business retention, expansion, and attraction with a focus on small business development. The Economic Development program was transferred to the City Manager Department in Fiscal Year 2014 but was transferred back to the Community Development Department in FY 2017 to allow for greater alignment and collaboration with relevant citywide planning and development activities.

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 and agencies to create a strong and cohesive network offering business 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $231,632 for the Economic Development program. This represents a decrease of $276,915 (-54.5%) from the FY 2018 Adopted Budget.

The decrease is mainly due to the decrease of $175,000 for Special Projects. The $175,000 was budgeted in FY 2018 for the Economic Development Specific Plan Implementation and contracts and any balance will be carried over into FY 2019. There is also a decrease of $109,482 in employee compensation to correct for over-budgeting in FY 2018.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 29,604	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 29,604**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 74,722	$ 87,571	$ 150,693	$ 79,390
Employee Benefits	$ 22,257	$ 26,680	$ 63,082	$ 24,903
Materials	$ 35,862	$ 32,981	$ 30,650	$ 40,570
Contract Services	$ 66,822	$ 403	$ 49,000	$ 49,000
Cost Allocation	$ 16,272	$ 2,345	$ 28,270	$ 33,676
Capital Outlay	-	-	-	-
Special Projects	-	-	$ 175,000	-
Appropriations for Contingency	-	-	$ 11,852	$ 4,093
Total Expenditures	**$ 215,934**	**$ 149,980**	**$ 508,547**	**$ 231,632**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 186,330**	**$ 149,980**	**$ 508,547**	**$ 231,632**

Staffing

Total current authorized positions - 1.00

There are no changes to the current level of staffing.

Total recommended positions - 1.00

CDBG Administration

Budget Unit 260-72-707

CDBG - Housing Services - CDBG Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 62,388
Total Expenditures	$ 65,871
Fund Balance	$ (3,483)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0.394 FTE

Program Overview

The General Administration of the Community Development Block Grant (CDBG) federal entitlement program consists of the overall program administration costs, including staff time and employee benefits. The CDBG program is a federal entitlement program which serves low and very-low income Cupertino residents.

Service Objectives

- Prepare and submit an Annual Plan yearly to the Department of Housing and Urban Development (HUD).
- Prepare and submit CAPER on annual basis to HUD.
- Prepare and submit to HUD a Consolidated Plan every 5-7 years.
- Meet quarterly with Santa Clara County CDBG Coordinators.
- Conduct two public hearings per year to allocate CDBG funding.

Adopted Budget

On June 5, 2018, City Council approved a budget of $65,871 for the CDBG Administration program. This represents a decrease of $22,943 (-25.8%) from the FY 2018 Adopted Budget.

The budget covers staff time and benefits to administer the CDBG grants and is determined by a percentage of total CDBG funding. The decrease is mainly due to the fact that the HUD CDBG entitlements change each year, and 20% of the total CDBG entitlement and program income can be used for administration expenses.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	$ 62,918	$ 62,388
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 62,918**	**$ 62,388**
Expenditures				
Employee Compensation	$ 39,957	$ 42,151	$ 54,531	$ 43,007
Employee Benefits	$ 16,071	$ 21,457	$ 29,215	$ 22,864
Materials	-	-	-	-
Contract Services	$ 295	$ 283	-	-
Cost Allocation	-	-	$ 5,068	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 56,323**	**$ 63,890**	**$ 88,814**	**$ 65,871**
Fund Balance	**$ (56,323)**	**$ (61,948)**	**$ (25,896)**	**$ (3,483)**
General Fund Costs	**-**	**$ 1,942**	**-**	**-**

Staffing

Total current authorized positions - 0.33

The position allocation for this program is determined by 20% of the CDBG entitlement, which varies year to year.

Total recommended positions - 0.39

Affordable Housing

Budget Unit 260-72-709

CDBG - Housing Services - Affordable Housing

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 205,729
Total Expenditures	$ 210,892
Fund Balance	$ (5,163)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

This portion of the CDBG program encompasses grants and loans to non-profit developers and agencies to purchase land and units for affordable housing.

Service Objectives

- Issue RFPs on an annual basis for affordable housing development projects.
- Make funding recommendations to Housing Commission and City Council.
- Coordinate entitlement process with the Planning Division for affordable development projects.
- Monitor project progress of grantees through the construction phase.
- Coordinate CEQA/NEPA process for all affordable developments.
- Review quarterly reports from developers and enter data into HUD IDIS program.
- Coordinate preparation of all grant and loan agreements, Deeds of Trust, Promissory Notes, and Regulatory Agreements.

Adopted Budget

On June 5, 2018, City Council approved a budget of $210,892 for the Affordable Housing program. This represents a decrease of $73,592 (-25.9%) from the FY 2018 Adopted Budget.

The decrease is mainly due to the fact that the HUD CDBG entitlements change each year and 65% of the entitlement and program income, as well as all of the loan interest income, can be used to support affordable housing programming.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	$ 2,966
Intergovernmental Revenue	-	-	$ 204,484	$ 202,763
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 204,484**	**$ 205,729**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ 366,928	$ 284,484	$ 284,484	$ 210,892
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 366,928**	**$ 284,484**	**$ 284,484**	**$ 210,892**
Fund Balance	**$ (366,928)**	**$ (284,484)**	**$ (80,000)**	**$ (5,163)**
General Fund Costs	**-**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Public Service Grants

Budget Unit 260-72-710

CDBG - Housing Services - Public Service Grants

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 46,791
Total Expenditures	$ 47,983
Fund Balance	$ (1,192)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

This portion of the City of Cupertino's CDBG entitlement is reserved for grants to nonprofit agencies serving low and very-low-income Cupertino residents. The agencies provide services such as food assistance, job training, emergency housing, legal assistance, etc.

Service Objectives

- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each sub-recipient awarded funding through this program.
- On a bi-annual basis, issue RFP for grants, review grant applications, and make funding recommendations.
- Present funding recommendations to City Council.
- On an annual basis, prepare grant agreements or amend grant agreements for each grantee.

Adopted Budget

On June 5, 2018, City Council approved a budget of $47,983 for the Public Service Grants program. This represents an increase of $795 (1.7%) from the FY 2018 Adopted Budget.

The increase is mainly due to the fact that the HUD CDBG entitlements change each year, and 15% of the total CDBG entitlement and program income can be used for public service expenses.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	$ 47,188	$ 46,791
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 47,188**	**$ 46,791**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ 45,982	$ 47,187	$ 47,188	$ 47,983
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 45,982**	**$ 47,187**	**$ 47,188**	**$ 47,983**
Fund Balance	**$ (45,982)**	**$ (47,187)**	**-**	**$ (1,192)**
General Fund Costs	**-**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

BMR Housing

Budget Unit 265-72-711

BMR Housing - Housing Services - BMR Housing

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 3,000
Total Expenditures	$ 818,427
Fund Balance	$ (815,427)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0.406 FTE

Program Overview

This program covers administration of the Below Market Rate (BMR) Housing program.

Service Objectives

- Contract with BMR Housing administrator on an annual basis.
- Prepare and monitor agreement for services between the City of Cupertino and administrator.
- Review quarterly reports submitted by the administrator.
- Process quarterly reimbursement requests from the administrator.
- Provide technical assistance to the administrator in the administration of the BMR program.
- Review lot book reports prepared by an independent contractor for each of the ownership BMR units in the BMR program.
- Review and maintain "Policy and Procedures Manual for Administering Deed Restricted Affordable Housing Units."
- Review and maintain Inclusionary Housing Program Manual.
- MidPeninsula below market rate (BMR) housing project.

Adopted Budget

On June 5, 2018, City Council approved a budget of $818,427 for the BMR Housing program. This represents a decrease of $7,792,297 (-90.5%) from the FY 2018 Adopted Budget.

The decrease is mainly due to the fact that instead of budgeting the full grant amount made available through the Notice of Funding Opportunity (NOFA), the City of Cupertino will first assess NOFA applications and then add those amounts to the budget accordingly. Although $8,000,000 was offered through the NOFA in FY 2018, only $160,000 was granted.

The increase in employee compensation and benefits is a result of a position reallocation approved in the FY 2018 Mid-Year Financial Report. The increase in materials is due to $175,000 in funding for a BMR Economic Feasibility Study to review increasing linkage fees for residential and non-residential projects. The fee increase would be used to provide funding for BMR affordable housing.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	$ 3,000	$ 1,000,000	$ 3,000
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 3,000**	**$ 1,000,000**	**$ 3,000**
Expenditures				
Employee Compensation	$ 34,382	$ 21,473	$ 28,779	$ 44,817
Employee Benefits	$ 13,522	$ 10,950	$ 14,883	$ 23,530
Materials	$ 239,411	$ 130,808	$ 227,580	$ 413,180
Contract Services	$ 96,279	$ 439,077	$ 336,900	$ 336,900
Cost Allocation	$ 1,152	-	$ 2,582	-
Capital Outlay	-	-	-	-
Special Projects	-	-	$ 8,000,000	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 384,745**	**$ 602,308**	**$ 8,610,724**	**$ 818,427**
Fund Balance	**$ (384,745)**	**$ (597,636)**	**$ (7,610,724)**	**$ (815,427)**
General Fund Costs	**-**	**$ 1,672**	**-**	**-**

Staffing

Total current authorized positions - 0.48

This account covers the balance of the Housing Planner position allocation that is not covered by the administration portion of the CDBG entitlement, which changes every year.

Total recommended positions - 0.41

Human Service Grants

Budget Unit 100-72-712

General Fund - Housing Services - Human Service Grants

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 103,010
Fund Balance	-
General Fund Costs	$ 103,010
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

The City of Cupertino sets aside $100,000 from its General Fund for non-profit agencies providing services to low and very-low-income Cupertino residents.

Service Objectives

- On a quarterly basis, monitor grants, disburse funding, and collect demographic information from each sub-recipient of this program.
- On a bi-annual basis, issue RFP for grants, review grant applications, and make funding recommendations.
- Present funding recommendations to City Council.
- On an annual basis, prepare or amend grant agreements for each grantee.

Adopted Budget

On June 5, 2018, City Council approved a budget of $103,010 for the Human Service Grants program. This represents an increase of $61,174 (146.2%) from the FY 2018 Adopted Budget.

Staff recommend an increase in grant availability from $40,000 in FY 2018 to $100,000 in FY 2019 due to the increase in homeless service needs in our community.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	$ 40,000	$ 100,000
Contract Services	$ 39,882	$ 39,999	-	-
Cost Allocation	-	$ 1,910	$ 1,836	$ 3,010
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 39,882**	**$ 41,909**	**$ 41,836**	**$ 103,010**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 39,882**	**$ 41,909**	**$ 41,836**	**$ 103,010**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

General Building

Budget Unit 100-73-713

General Fund - Building - General Building

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 460,000
Total Expenditures	$ 854,205
Fund Balance	-
General Fund Costs	$ 394,205
% Funded by General Fund	46.1 %
Total Staffing	2.9 FTE

Program Overview

The General Building program protects residents of Cupertino by enforcing standards to safeguard life, health, safety and welfare of residents, workers, and visitors to Cupertino through effective administration and enforcement of adopted codes and ordinances, which regulate the design, construction, use, occupancy, location and maintenance of all buildings and structures.

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

Adopted Budget

On June 5, 2018, City Council approved a budget of $854,205 for the General Building program. This represents an increase of $62,243 (7.9%) from the FY 2018 Adopted Budget.

The $55,286 increase in IT cost allocation is due to new one-time project expenses and a change in allocation methodology for IT charges. Increases in compensation and benefits are due to negotiated salary and benefit changes to take effect in July 2018.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	$ 1,978,792	$ 827,887	$ 721,000	$ 460,000
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 286	$ 599,583	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 125	$ 89,737	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 1,979,203**	**$ 1,517,206**	**$ 721,000**	**$ 460,000**
Expenditures				
Employee Compensation	$ 299,039	$ 329,712	$ 375,719	$ 394,220
Employee Benefits	$ 114,572	$ 132,365	$ 145,524	$ 156,152
Materials	$ 16,649	$ 20,740	$ 24,895	$ 23,900
Contract Services	$ 35,302	$ 7,200	$ 6,736	$ 7,850
Cost Allocation	$ 70,224	$ 193,138	$ 236,112	$ 270,495
Capital Outlay	-	-	-	-
Special Projects	$ 75,559	$ 27,020	-	-
Appropriations for Contingency	-	-	$ 2,976	$ 1,588
Total Expenditures	**$ 611,345**	**$ 710,175**	**$ 791,962**	**$ 854,205**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (1,367,858)**	**$ (807,031)**	**$ 70,962**	**$ 394,205**

Staffing

Total current authorized positions - 2.90

There are no changes to the current level of staffing.

Total recommended positions - 2.90

Building Plan Review

Budget Unit 100-73-714

General Fund - Building - Building Plan Review

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 751,000
Total Expenditures	$ 1,341,586
Fund Balance	-
General Fund Costs	$ 590,586
% Funded by General Fund	44.0 %
Total Staffing	5.9 FTE

Program Overview

The Building Plan Review program is responsible for the timely and accurate review and approval of plans and specifications 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 all governing codes.

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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,341,586 for the Building Plan Review program. This represents an increase of $57,732 (4.5%) from the FY 2018 Adopted Budget.

Increased costs in cost allocation are due to one-time project expenses and a change in allocation methodology for IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	$ 535,637	$ 200,000	$ 751,000
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 1,064,615	$ 847,914	$ 135,000	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 99,311	$ 127,187	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 1,163,926**	**$ 1,510,738**	**$ 335,000**	**$ 751,000**
Expenditures				
Employee Compensation	$ 510,584	$ 538,905	$ 631,006	$ 641,202
Employee Benefits	$ 196,911	$ 218,927	$ 269,478	$ 301,147
Materials	$ 8,960	$ 7,333	$ 10,475	$ 10,600
Contract Services	$ 136,128	$ 97,678	$ 9,167	$ 9,400
Cost Allocation	$ 54,312	$ 231,492	$ 322,065	$ 378,237
Capital Outlay	-	-	-	-
Special Projects	$ 1,043,616	$ 1,042,907	-	-
Appropriations for Contingency	-	-	$ 41,663	$ 1,000
Total Expenditures	**$ 1,950,512**	**$ 2,137,242**	**$ 1,283,854**	**$ 1,341,586**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 786,586**	**$ 626,504**	**$ 948,854**	**$ 590,586**

Staffing

Total current authorized positions - 5.90

There are no changes to the current level of staffing.

Total recommended positions - 5.90

Building Code Enforcement

Budget Unit 100-73-715

General Fund - Building - Building Code Enforcement

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,450,000
Total Expenditures	$ 1,158,840
Fund Balance	-
General Fund Costs	$ (291,160)
% Funded by General Fund	-
Total Staffing	5.15 FTE

Program Overview

The Building Inspection program is responsible for the construction inspection of all new and existing buildings and structures for conformity with approved plans and permits, and for compliance with state and local building code requirements. The program also responds to 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,158,840 for the Building Code Enforcement program. This represents a decrease of $190,757 (-14.1%) from the FY 2018 Adopted Budget.

The decrease is mainly due to the fact that $100,000 budgeted for credit card fees was moved to the Community Development Administration budget (100-70-700). There is also a $67,526 decrease in employee compensation and benefits due to the fact that a more experienced employee left Cupertino in FY 2018 and a new employee

was hired in his place.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	$ 1,072,670	$ 1,149,965	$ 1,200,000	$ 1,450,000
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 4,526,986	$ 4,011,928	$ 25,000	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 406,630	$ 601,789	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 6,006,285**	**$ 5,763,682**	**$ 1,225,000**	**$ 1,450,000**
Expenditures				
Employee Compensation	$ 535,388	$ 575,808	$ 628,356	$ 587,187
Employee Benefits	$ 221,719	$ 248,290	$ 259,949	$ 233,592
Materials	$ 13,584	$ 9,423	$ 22,500	$ 24,700
Contract Services	$ 537,990	$ 80,926	$ 109,456	$ 9,400
Cost Allocation	$ 109,560	$ 262,655	$ 321,872	$ 302,256
Capital Outlay	-	-	-	-
Special Projects	$ 3,628,220	$ 4,435,753	-	-
Appropriations for Contingency	-	-	$ 7,464	$ 1,705
Total Expenditures	**$ 5,046,460**	**$ 5,612,855**	**$ 1,349,597**	**$ 1,158,840**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (959,824)**	**$ (150,827)**	**$ 124,597**	**$ (291,160)**

Staffing

Total current authorized positions - 5.15

There are no changes to the current level of staffing.

Total recommended positions - 5.15

Muni Code Enforcement

Budget Unit 100-73-718

General Fund - Building - Muni Code Enforcement

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 262,224
Fund Balance	-
General Fund Costs	$ 262,224
% Funded by General Fund	100.0 %
Total Staffing	1.25 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $262,224 for the Muni Code Enforcement program. This represents a decrease of $48,858 (-15.7%) from the FY 2018 Adopted Budget.

The $42,948 decrease in cost allocation for equipment reimbursement is due to the winding down of vehicle and equipment purchases as the City completes the replacement of items that were past their useful life.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 107,697	$ 115,613	$ 129,989	$ 128,057
Employee Benefits	$ 45,053	$ 47,981	$ 55,733	$ 55,524
Materials	$ 1,647	$ 2,372	$ 7,750	$ 5,950
Contract Services	$ 29,636	$ 13,431	$ 7,300	$ 7,800
Cost Allocation	$ 65,136	$ 87,921	$ 109,001	$ 64,205
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,309	$ 688
Total Expenditures	**$ 249,168**	**$ 267,318**	**$ 311,082**	**$ 262,224**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 249,168**	**$ 267,318**	**$ 311,082**	**$ 262,224**

Staffing

Total current authorized positions - 1.25

There are no changes to the current level of staffing.

Total recommended positions - 1.25

Public Works

Administration

Environmental Programs

Developmental Services

Service Center

Grounds

Streets

Trees and Right of Way

Facilities and Fleet

Transportation

Fixed Asset Acquisition

Public Works

Budget Unit	Program	2019 Adopted Budget
Public Works Administration		**$ 1,088,583**
100-80-800	Public Works Administration	$ 1,088,583
Environmental Programs		**$ 4,221,886**
520-81-801	Resource Recovery	$ 3,501,101
230-81-802	Non-Point Source	$ 720,785
Developmental Services		**$ 2,037,012**
100-82-804	Plan Review	$ 1,297,073
100-82-806	CIP Administration	$ 739,939
Service Center		**$ 1,234,946**
100-83-807	Service Center Administration	$ 1,234,946
Grounds		**$ 4,530,150**
100-84-808	McClellan Ranch Park	$ 84,009
100-84-809	Memorial Park	$ 760,345
100-84-812	School Site Maintenance	$ 1,128,886
100-84-813	Neighborhood Parks	$ 1,629,502
100-84-814	Sport Fields Jollyman, Creekside	$ 665,541
100-84-815	Civic Center Maintenance	$ 261,867
Streets		**$ 11,543,751**
100-85-818	Storm Drain Maintenance	$ 476,503
270-85-820	Sidewalk Curb and Gutter	$ 1,195,876
270-85-821	Street Pavement Maintenance	$ 6,832,574
270-85-822	Street Sign Marking	$ 661,889
100-85-848	Street Lighting	$ 588,241
630-85-849	Equipment Maintenance	$ 1,593,660
100-85-850	Environmental Materials	$ 195,008
Trees and Right of Way		**$ 2,915,737**
100-86-824	Overpasses and Medians	$ 1,251,274
100-86-825	Street Tree Maintenance	$ 1,194,987
100-86-826	Weekend Work Program	$ 469,476
Total		**$ 34,629,686**

Budget Unit	Program	2019 Adopted Budget
Facilities and Fleet		**$ 4,099,897**
100-87-827	City Hall Maintenance	$ 619,750
100-87-828	Library Maintenance	$ 338,834
100-87-829	Service Center Maintenance	$ 262,132
100-87-830	Quinlan Community Center Maintenance	$ 466,416
100-87-831	Senior Center Maintenance	$ 241,686
100-87-832	McClellan Ranch Maintenance	$ 178,993
100-87-833	Monta Vista Community Center Maintenance	$ 227,890
100-87-834	Wilson Park Maintenance	$ 63,164
100-87-835	Portal Park Maintenance	$ 37,207
570-87-836	Sports Center Maintenance	$ 490,076
100-87-837	Creekside Park Maintenance	$ 65,790
100-87-838	Community Hall Maintenance	$ 251,328
100-87-839	Teen Center Maintenance	$ 96,024
100-87-840	Park Bathrooms Maintenance	$ 168,860
100-87-841	Blackberry Farm Maintenance	$ 556,114
100-87-852	Franco Traffic Operations Center	$ 35,633
Transportation		**$ 2,419,724**
100-88-844	Traffic Engineering	$ 1,446,695
100-88-845	Traffic Signal Maintenance	$ 526,530
100-88-846	Safe Routes 2 School	$ 446,499
Non-Departmental		**$ 538,000**
210-90-978	Minor Storm Drain Improvement	-
630-90-985	Fixed Assets Acquisition	$ 538,000
Total		**$ 34,629,686**

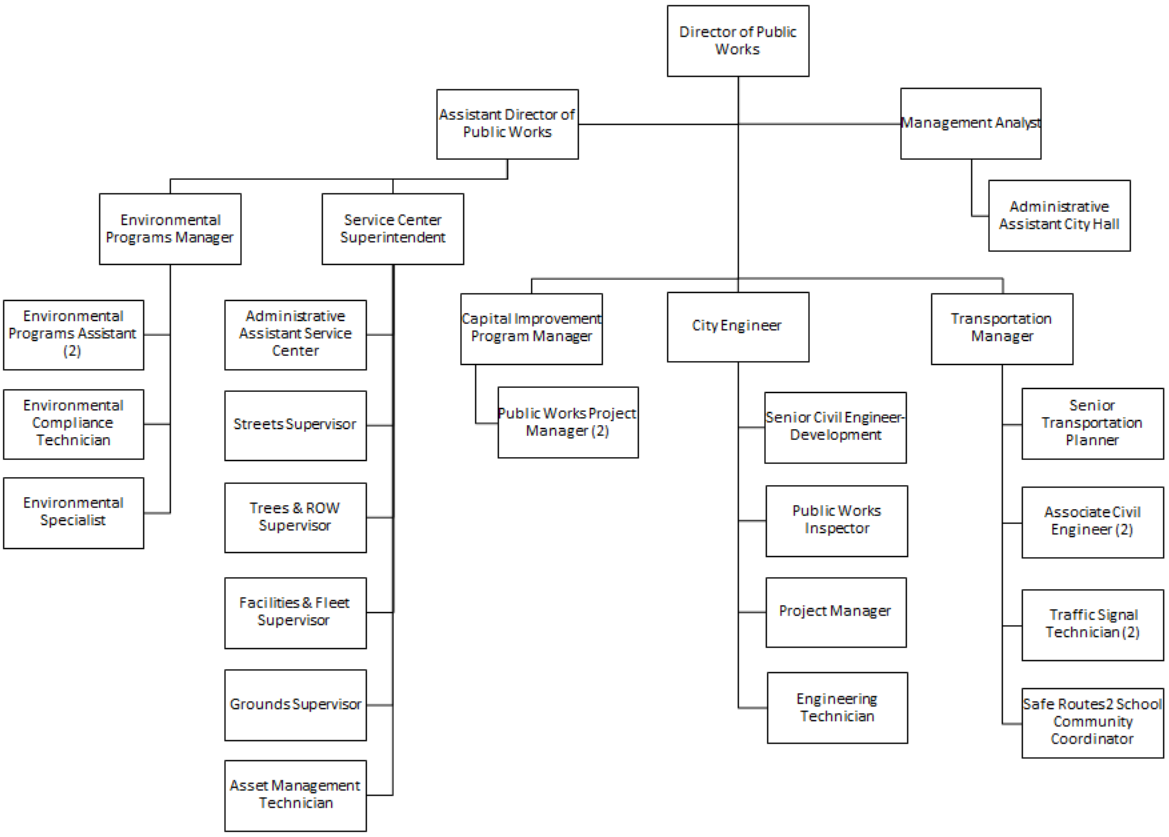
Department Overview

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 10,144,763
Total Expenditures	$ 34,629,686
Fund Balance	$ (3,011,554)
General Fund Costs	$ 21,483,369
% Funded by General Fund	62.0 %
Total Staffing	84.95 FTE

Organization

Timm Borden, Director of Public Works



Performance Measures

Capital Project Delivery

Goal: Deliver capital projects on time and within budget.

Benefit: Residents and businesses are assured their community is being improved by efficient use of taxes and fees.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
Projects are on budget	100% (5)	100% (7)	80%
Projects are on time	80% (4)	100% (7)	80%

Development Services

Goal: Provide timely review and permitting of privately completed improvements within the public right of way.

Benefit: Customers receive quality reviews and permitting on a defined schedule.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
Respond to complete plan submittals or applications within two (2) weeks	98%	99%	100%
Respond to public inquiries at the Public Works counter in City Hall within 15 minutes.	100%	100%	95%

Dependable Infrastructure

Goal: Maintain timely levels of service to meet community and environment requirements at optimal life-cycle costs.

Benefit: Cupertino has well maintained infrastructure and programs that meets the needs of the community.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
Pavement condition index (PCI) > or equal to 82	78	81	82
Respond to reported issues within one (1) business day:			
Storm drain system	100%	100%	100%
Street markings & signs	100%	100%	100%
Sidewalk and pathway	100%	100%	100%
Playground equipment	100%	100%	100%
Respond to reported issues within two (2) business days:			
Remove graffiti	100%	100%	100%
Streetlight outages	100%	100%	100%
Respond within one (1) hour on any reported safety issue regarding traffic signals	100%	100%	100%

Environment

Goal: Protect our natural environment for current and future generations.

Benefit: Current and future residents enjoy a healthy, sustainable environment.

Measure	FY 2017 Jul-Jun	FY 2018 Jul-Dec	Ongoing Target
Respond to reports of actual or potential discharge the same business day	97%	95%	80%
Percent of businesses in compliance during annual proactive inspections	87%	N/A [5]	75%
Tons of waste entering landfill (does not include self-haul or material to landfills other than Newby Island)	30,140	14,917	<= 27,000
Diversion Rates rate			
By employment [1]:	72%	N/A	75%
By population [1]:	56%	21%[3]	75%
Commercial only [2]:	47%	55%[3]	60%
Number of all business and multifamily accounts separating organics	28% (135/488)	30% (144/483)	50%
Number of outreach site visits, workshops, events and activities to inform residents and businesses	198	65	150
% of street, median, and park trees maintained according to the Urban Forest Workplan [4]	164%	68%	100%
Number of trees planted compared to number of trees removed	Removed: 68 Planted: 118 173%	Removed: 67 Planted: 53 79%	110%
All new vehicle purchases are to be hybrid and/or electric only models	90%	90%	90%

[1] CalRecycle has a 12 month lag in reporting. Data is for calendar year 2016.

[2] Does not include business donations, back haul, or other source reduction, etc.

[3] For FY 2018, Recology began breaking out multi-family from commercial tonnage. Our data for FY 2018 July-Dec displays the diversion rates for the multi-family and commercial sector respectively.

[4] Urban Forest Workplan Updated November 2016

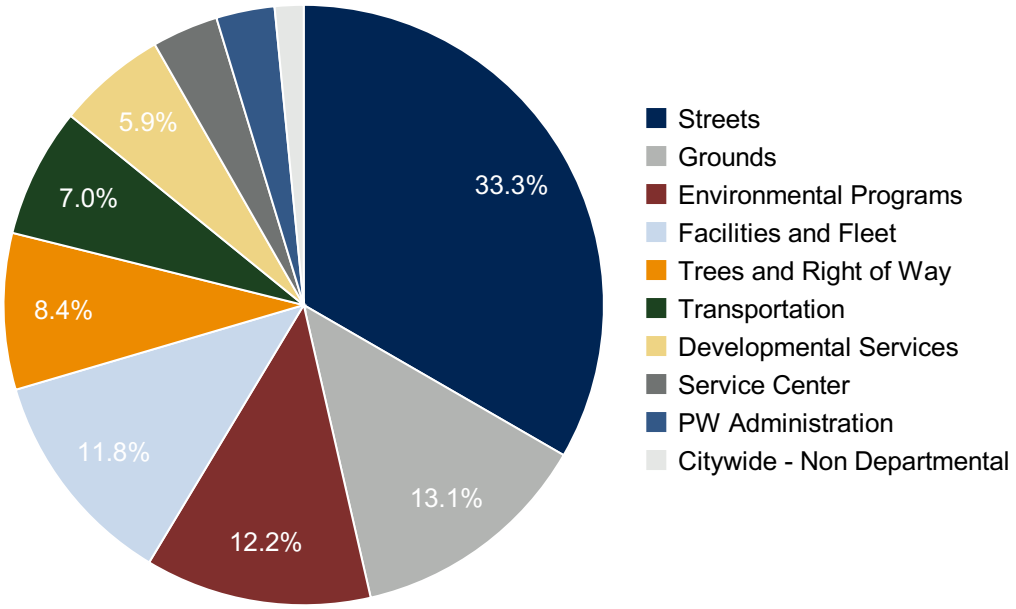
[5] Proactive inspections are primarily conducted during Q3 and Q4 each year

Adopted Budget

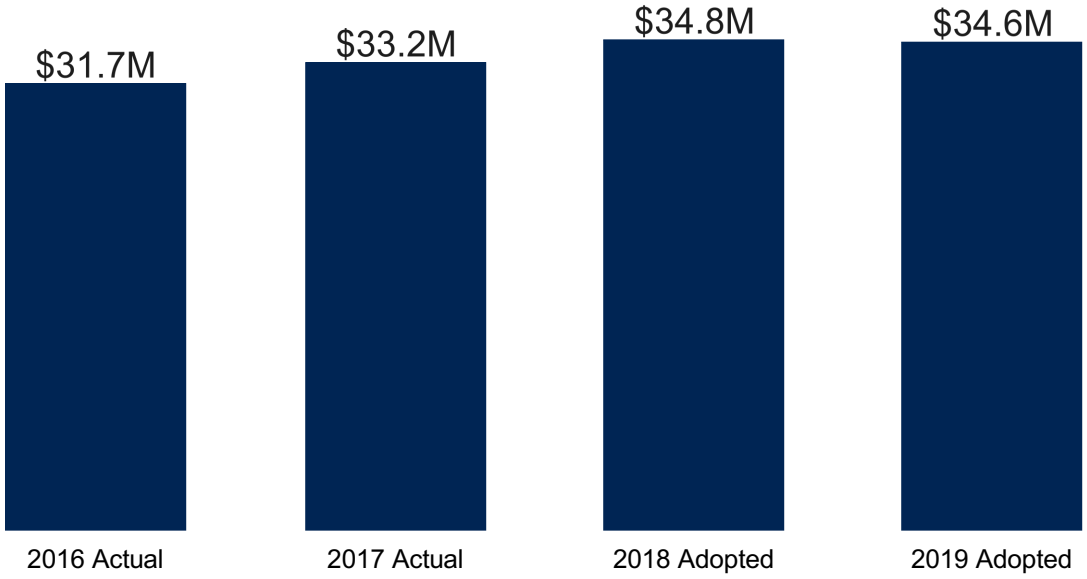
On June 5, 2018, City Council approved a budget of $34,629,686 for the Public Works department. This represents a decrease of $164,533 (-0.5%) from the FY 2018 Adopted Budget.

The decrease is primarily due to the completion of various special projects and changes in how the city applied cost allocation charges. This decrease is offset by the addition of a full-time Engineering Technician, increases in training and instruction, as well as gas, electric and water service rate increases. Capital outlay for the annual asphalt program is adjusted for SB1 grant revenue.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 177,122	$ 201,564	$ 236,700	$ 196,500
Intergovernmental Revenue	-	$ 245,288	$ 1,816,000	$ 2,547,439
Charges for Services	$ 5,853,628	$ 8,921,040	$ 6,821,074	$ 7,089,624
Fines and Forfeitures	$ 6,387	$ 10,071	$ 6,000	$ 9,000
Miscellaneous Revenue	$ 167,843	$ 778,328	$ 211,460	$ 302,200
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 6,204,979**	**$ 10,156,291**	**$ 9,091,234**	**$ 10,144,763**
Expenditures				
Employee Compensation	$ 6,638,218	$ 6,909,698	$ 7,944,977	$ 8,323,673
Employee Benefits	$ 3,096,342	$ 3,981,715	$ 3,721,114	$ 3,826,260
Materials	$ 2,689,509	$ 2,793,264	$ 3,558,012	$ 3,906,934
Contract Services	$ 4,436,018	$ 4,720,719	$ 5,273,301	$ 5,507,001
Cost Allocation	$ 2,667,888	$ 4,465,674	$ 3,470,186	$ 3,725,691
Capital Outlay	$ 768,785	$ 930,147	$ 1,969,400	$ 1,771,379
Special Projects	$ 11,403,533	$ 9,384,259	$ 8,436,269	$ 7,220,000
Appropriations for Contingency	-	-	$ 420,960	$ 348,748
Total Expenditures	**$ 31,700,292**	**$ 33,185,476**	**$ 34,794,219**	**$ 34,629,686**
Fund Balance	**$ (6,913,651)**	**$ (4,599,336)**	**$ (4,220,221)**	**$ (3,011,554)**
General Fund Costs	**$ 18,581,662**	**$ 18,429,849**	**$ 21,482,764**	**$ 21,483,369**

Public Works Administration

Budget Unit 100-80-800

General Fund - Public Works Administration - Public Works Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 1,088,583
Fund Balance	-
General Fund Costs	$ 1,088,583
% Funded by General Fund	100.0 %
Total Staffing	3.25 FTE

Program Overview

The Public Works Department is comprised of the following eight divisions:

- Development Services (including inspection services)
- Capital Improvement Program Administration
- Environmental Programs
- Transportation
- Facilities and Fleet
- Trees and Right-of-Way
- Grounds
- Streets

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 within 24 hours 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 and recycling programs.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,088,583 for the Public Works Administration program. This represents an increase of $321,868 (42.0%) from the FY 2018 Adopted Budget.

The increase in compensation and benefits is due to negotiated salary and benefit changes due to take effect in July 2018. This program is also adding a part-time Human Resources Technician to assist with Public Works recruitment, interviewing, onboarding and managing the Public Works Department training program. The increase in contract services is due to an adjustment for janitorial services for the minimum wage increase in January 2017 and $150,000 in funding for a conceptual study of automated guideway transit on State Route 85.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 209,628	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 209,628**	**-**	**-**
Expenditures				
Employee Compensation	$ 390,476	$ 443,380	$ 496,848	$ 548,195
Employee Benefits	$ 158,765	$ 199,386	$ 177,553	$ 181,962
Materials	$ 14,438	$ 15,171	$ 18,839	$ 24,339
Contract Services	$ 2,297	$ 2,073	$ 2,000	$ 254,800
Cost Allocation	$ 57,828	$ 801,902	$ 69,802	$ 72,830
Capital Outlay	$ 115,000	$ 18,077	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,673	$ 6,457
Total Expenditures	**$ 738,804**	**$ 1,479,987**	**$ 766,715**	**$ 1,088,583**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 738,804**	**$ 1,270,359**	**$ 766,715**	**$ 1,088,583**

Staffing

Total current authorized positions - 3.25

There are no changes to the current level of staffing.

Total recommended positions - 3.25

Resource Recovery

Budget Unit 520-81-801

Resource Recovery - Environmental Programs - Resource Recovery

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 2,268,000
Total Expenditures	$ 3,501,101
Fund Balance	$ (1,233,101)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	4.3 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; develops and implements programs and policy to comply with AB 939 source reduction and recycling mandates; manages the City's state-permitted residential household hazardous waste (HHW) door-to-door collection and disposal service; oversees the free compost giveaway at Stevens Creek Quarry and the associated property lease and trucking agreement for 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 AB 939 requirements to divert a minimum of 50% of Citywide waste from landfill and achieve the State (AB 341) goal of 75% diversion by 2020. Help businesses implement the City's Mandatory Organics Recycling ordinance (6.24.037) which ensures compliance with AB 1826. Assist businesses and multi-family properties with preparations to recycle organics. Provide landlords and property owners with support and educational materials for their tenants. Visit the management of each multi-family complex via a knock and talk campaign to distribute free kitchen pails and guidance to help residents sort kitchen waste for their central garbage and recycling area. Conduct waste characterization studies to determine future services.
- Provide contract oversight and customer service for garbage and recycling collection, yard waste processing, composting and household hazardous waste collection. Manage community events such as the citywide Garage Sale and the spring and summer 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $3,501,101 for the Resource Recovery program. This represents an increase of $231,339 (7.1%) from the FY 2018 Adopted Budget.

The increase is due primarily to special projects described in the table below. Increases in compensation and benefits are due to negotiated salary and benefit changes due to take effect in July 2018. Increases in cost allocations are due to a change in allocation methodology for IT charges.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Waste Characterization Study	$105,000	$105,000	Resource Recovery	Study to determine future services
Waste Tonnage Audit	$45,000	$45,000	Resource Recovery	Audit to more accurately track annual tonnage
Total	**$150,000**	**$150,000**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	$ 25,000	$ 30,000
Intergovernmental Revenue	-	-	$ 15,000	$ 15,000
Charges for Services	$ 2,514,936	$ 2,650,895	$ 2,150,000	$ 2,157,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	$ 56,000	$ 66,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 2,514,936**	**$ 2,650,895**	**$ 2,246,000**	**$ 2,268,000**
Expenditures				
Employee Compensation	$ 391,163	$ 436,602	$ 470,408	$ 512,003
Employee Benefits	$ 133,047	$ 287,981	$ 208,450	$ 218,021
Materials	$ 23,280	$ 22,872	$ 23,410	$ 28,410
Contract Services	$ 2,368,232	$ 2,087,822	$ 2,401,000	$ 2,406,000
Cost Allocation	$ 81,476	$ 155,904	$ 166,494	$ 186,667
Capital Outlay	-	-	-	-
Special Projects	-	-	-	$ 150,000
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 2,997,198**	**$ 2,991,181**	**$ 3,269,762**	**$ 3,501,101**
Fund Balance	**$ (482,262)**	**$ (287,072)**	**$ (1,023,762)**	**$ (1,233,101)**
General Fund Costs	**-**	**$ 53,215**	**-**	**-**

Staffing

Total current authorized positions - 4.30

There are no changes to the current level of staffing.

Total recommended positions - 4.30

Non-Point Source

Budget Unit 230-81-802

Env Mgmt Cln Creek Storm Drain - Environmental Programs - Non-Point Source

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 379,000
Total Expenditures	$ 720,785
Fund Balance	$ 94,215
General Fund Costs	$ 436,000
% Funded by General Fund	60.5 %
Total Staffing	1.9 FTE

Program Overview

The Non-Point Source program manages the City's compliance with its State-mandated Municipal Regional Stormwater NPDES Permit; provides program and policy development and implementation of state-mandated activities including complaint response and enforcement programs; conducts annual interdepartmental staff training, scheduled business and construction site inspections and review of private 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 articles in the Cupertino Scene, webpage development, visits to businesses and presentations at local schools, De Anza College and community events. Public participation events include two or more annual volunteer creek cleanup days, a water quality monitoring day at Blackberry Farm, 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.

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; postconstruction 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $720,785 for the Non-Point Source program. This represents a decrease of $40,935 (-5.4%) from the FY 2018 Adopted Budget.

The decrease in salary and benefits is due to the position reallocation of staff time 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 159,743	$ 380,000	$ 370,000
Fines and Forfeitures	$ 6,387	$ 10,071	$ 6,000	$ 9,000
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 6,387**	**$ 169,814**	**$ 386,000**	**$ 379,000**
Expenditures				
Employee Compensation	$ 164,321	$ 193,261	$ 225,172	$ 216,320
Employee Benefits	$ 72,062	$ 93,366	$ 135,524	$ 100,686
Materials	$ 6,119	$ 2,717	$ 8,027	$ 8,027
Contract Services	$ 201,567	$ 236,357	$ 307,000	$ 307,000
Cost Allocation	$ 52,980	$ 68,655	$ 66,387	$ 73,001
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 19,610	$ 15,751
Total Expenditures	**$ 497,048**	**$ 594,356**	**$ 761,720**	**$ 720,785**
Fund Balance	**$ (361,985)**	**$ (267,708)**	**$ (291,598)**	**$ 94,215**
General Fund Costs	**$ 128,676**	**$ 156,834**	**$ 84,122**	**$ 436,000**

Staffing

Total current authorized positions - 1.87

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

Total recommended positions - 1.90

Plan Review

Budget Unit 100-82-804

General Fund - Developmental Services - Plan Review

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 556,000
Total Expenditures	$ 1,297,073
Fund Balance	-
General Fund Costs	$ 741,073
% Funded by General Fund	57.1 %
Total Staffing	5.5 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, Service Center and Recreation and Community Services, as needed to facilitate private developments and public infrastructure projects.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,297,073 for the Plan Review program. This represents a decrease of $820,643 (-38.8%) from the FY 2018 Adopted Budget.

The decrease in special projects is attributed to the near completion of the Apple Campus 2 project. The increase in compensation and benefits is due to the addition of an Engineering Technician to assist the City Engineer with development and permit center tasks.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Apple Campus 2	$20,500	$20,500	Pass through revenues	Apple Campus 2
Total	**$20,500**	**$20,500**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 2,046,228	$ 1,372,398	$ 1,233,069	$ 531,500
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 129,330	$ 158,167	$ 141,460	$ 24,500
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 2,175,557**	**$ 1,530,565**	**$ 1,374,529**	**$ 556,000**
Expenditures				
Employee Compensation	$ 514,173	$ 499,174	$ 566,226	$ 703,106
Employee Benefits	$ 235,705	$ 240,399	$ 247,636	$ 321,042
Materials	$ 14,342	$ 14,163	$ 13,768	$ 18,868
Contract Services	$ 102,565	$ 148,639	$ 62,000	$ 58,400
Cost Allocation	$ 60,408	$ 162,021	$ 179,733	$ 171,369
Capital Outlay	-	-	-	-
Special Projects	$ 1,158,550	$ 1,024,916	$ 1,043,069	$ 20,500
Appropriations for Contingency	-	-	$ 5,284	$ 3,788
Total Expenditures	**$ 2,085,742**	**$ 2,089,312**	**$ 2,117,716**	**$ 1,297,073**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (89,815)**	**$ 558,746**	**$ 743,187**	**$ 741,073**

Staffing

Total current authorized positions - 4.50

The increase in staffing is due to the addition of a full-time Engineering Technician position to assist the City Engineer with development and permit center tasks.

In addition, the 3-year limited-term Associate Engineer position, funded 25% in this program, will be converted to a full-time permanent position.

In the 2016 Budget, a 3 year limited-term Associate Engineer position was created to manage and assist with various new active transportation efforts included in the adopted 2018 Pedestrian Master Plan, the Traffic Impact Fee development, and the Bicycle Transportation Plan implementation. In the 2018 Budget, the City Council added additional funding of $3 million to an already aggressive implementation schedule for the 2016 Bicycle Transportation Plan. This includes implementation of notable projects such as the McClellan Avenue Protected Bike Lanes, the Junipero Serra Trail, the UPRR Trail, the Regnart Trail, and the Bike Boulevard network. In the

fall of 2017, a donation of an additional $1.8 million was made for the implementation of the first phase of the Stevens Creek Boulevard Protected Bike Lanes. Additionally, with the completion of the Pedestrian Master Plan and follow-on projects, and the eventual programming of revenues generated from the Transportation Impact Fee, this position is necessary and sustainable within the organization for the foreseeable future.

Total recommended positions - 5.50

CIP Administration

Budget Unit 100-82-806

General Fund - Developmental Services - CIP Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 739,939
Fund Balance	-
General Fund Costs	$ 739,939
% Funded by General Fund	100.0 %
Total Staffing	3.0 FTE

Program Overview

The Capital Improvement Program (CIP) provides design and construction administration for all capital improvement projects including streets, storm drainage, buildings, parks, and other public facilities.

Service Objectives

- Ensure that all public improvements are designed and constructed in accordance with community expectations and City standards.
- Provide quarterly CIP status reports to Council and the community.
- 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $739,939 for the CIP Administration program. This represents a decrease of $114,490 (-13.4%) from the FY 2018 Adopted Budget.

This decrease is primarily attributed to reallocating preliminary planning and design funds to the Capital Improvement program fund. Increases in compensation and benefits are due to negotiated salary and benefit changes due to take effect in July 2018. Decreases in cost allocation are due to a change in methodology for equipment, IT, finance and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 6,750	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 6,750**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 383,109	$ 374,231	$ 476,833	$ 499,204
Employee Benefits	$ 131,209	$ 112,010	$ 155,321	$ 169,383
Materials	$ 8,365	$ 7,185	$ 13,300	$ 13,300
Contract Services	$ 199,300	$ 99,025	$ 103,000	$ 3,000
Cost Allocation	$ 44,796	$ 306,973	$ 87,944	$ 54,237
Capital Outlay	-	$ 5,000	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 18,031	$ 815
Total Expenditures	**$ 766,779**	**$ 904,424**	**$ 854,429**	**$ 739,939**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 760,029**	**$ 904,424**	**$ 854,429**	**$ 739,939**

Staffing

Total current authorized positions - 3.00

There are no changes to the current level of staffing.

Total recommended positions - 3.00

Service Center Administration

Budget Unit 100-83-807

General Fund - Service Center - Service Center Administration

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 50,000
Total Expenditures	$ 1,234,946
Fund Balance	-
General Fund Costs	$ 1,184,946
% Funded by General Fund	96.0 %
Total Staffing	2.55 FTE

Program Overview

The Service Center Administration program manages Public Works maintenance operations that include the major divisions of streets, grounds, trees, medians, facilities, and fleet, as well as the minor divisions of signs/markings, storm drain, sidewalk, curb and gutter, overpasses and storm water; provides administrative support for personnel timesheets, general training prioritization and assignment of service calls; provides oversight of various contracted services including street sweeping, janitorial and crossing guard in addition to the weekend work furlough program; 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.
- 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.
- Timely manage completion of employee performance reviews, as well as provide timely progressive discipline per City policy when necessary.
- Maintain, lead and implement all elements of the Injury and Illness Prevention Program.
- Maintain positive, accountable relations with employee bargaining groups.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,234,946 for the Service Center Administration program. This represents a decrease of $569,966 (-31.6%) from the FY 2018 Adopted Budget.

This decrease is primarily attributed to the crossing guard contract services moved to the Safe Routes 2 School program budget as well as a decrease in special project requests. Decreases in compensation and benefits are due to staff time being reallocated to better reflect actual time spent in this program.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Office Improvements (Capital Outlay)	$175,000	$175,000	General Fund	City-wide work area improvements
Total	**$175,000**	**$175,000**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 30,853	$ 58,706	$ 69,000	$ 25,000
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 410,000	-	$ 25,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 30,853**	**$ 468,706**	**$ 69,000**	**$ 50,000**
Expenditures				
Employee Compensation	$ 319,502	$ 319,515	$ 406,163	$ 369,310
Employee Benefits	$ 128,424	$ 171,300	$ 168,973	$ 135,667
Materials	$ 56,236	$ 61,268	$ 74,845	$ 84,045
Contract Services	$ 161,961	$ 239,519	$ 217,500	$ 121,000
Cost Allocation	$ 150,276	$ 554,100	$ 644,091	$ 339,672
Capital Outlay	$ 266	$ 239,087	$ 70,000	$ 175,000
Special Projects	-	-	$ 200,000	-
Appropriations for Contingency	-	-	$ 23,340	$ 10,252
Total Expenditures	**$ 816,665**	**$ 1,584,789**	**$ 1,804,912**	**$ 1,234,946**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 785,812**	**$ 1,116,084**	**$ 1,735,912**	**$ 1,184,946**

Staffing

Total current authorized positions - 2.55

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

Total recommended positions - 2.55

McClellan Ranch Park

Budget Unit 100-84-808

General Fund - Grounds - McClellan Ranch Park

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 84,009
Fund Balance	-
General Fund Costs	$ 84,009
% Funded by General Fund	100.0 %
Total Staffing	0.3 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 citizens 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 programs of garden plots.
- Provide logistical support to the Recreation and Community Services Department for all of the City's special events.

Adopted Budget

On June 5, 2018, City Council approved a budget of $84,009 for the McClellan Ranch Park program. This represents an increase of $1,162 (1.4%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 23,472	$ 26,137	$ 28,466	$ 29,587
Employee Benefits	$ 11,499	$ 14,777	$ 15,262	$ 14,587
Materials	$ 12,038	$ 13,072	$ 16,577	$ 18,713
Contract Services	$ 6,530	$ 18,750	$ 8,000	$ 8,000
Cost Allocation	$ 3,336	$ 4,228	$ 956	$ 11,786
Capital Outlay	-	-	$ 12,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,586	$ 1,336
Total Expenditures	**$ 56,875**	**$ 76,964**	**$ 82,847**	**$ 84,009**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 56,875**	**$ 76,964**	**$ 82,847**	**$ 84,009**

Staffing

Total current authorized positions - 0.30

There are no staffing changes to the current level of staffing.

Total recommended positions - 0.30

Memorial Park

Budget Unit 100-84-809

General Fund - Grounds - Memorial Park

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 760,345
Fund Balance	-
General Fund Costs	$ 760,345
% Funded by General Fund	100.0 %
Total Staffing	3.0 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 Recreation and Community Development Department for all the City's special events.
- Oversight of contracted tree trimming and fence repairs.

Adopted Budget

On June 5, 2018, City Council approved a budget of $760,345 for the Memorial Park program. This represents an increase of $13,248 (1.8%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year. The increase in compensation is due to a request to add one part-time position to provide continuity of service in the grounds division.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	$ 14,000	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 14,000**	**-**
Expenditures				
Employee Compensation	$ 201,483	$ 213,740	$ 238,386	$ 265,139
Employee Benefits	$ 98,722	$ 126,841	$ 126,360	$ 126,643
Materials	$ 134,821	$ 113,597	$ 166,231	$ 233,774
Contract Services	$ 7,821	$ 67,602	$ 37,550	$ 37,550
Cost Allocation	$ 49,668	$ 42,976	$ 29,474	$ 83,673
Capital Outlay	-	$ 6,829	$ 135,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 14,096	$ 13,566
Total Expenditures	**$ 492,515**	**$ 571,584**	**$ 747,097**	**$ 760,345**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 492,515**	**$ 571,584**	**$ 733,097**	**$ 760,345**

Staffing

Total current authorized positions - 3.00

There are no changes to the current level of full-time staffing positions. One part-time Maintenance Worker I position is requested to provide continuity of service in the Grounds Division.

Total recommended positions - 3.00

School Site Maintenance

Budget Unit 100-84-812

General Fund - Grounds - School Site Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 135,000
Total Expenditures	$ 1,128,886
Fund Balance	-
General Fund Costs	$ 993,886
% Funded by General Fund	88.0 %
Total Staffing	4.3 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 citizens 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,128,886 for the School Site Maintenance program. This represents an increase of $131,994 (13.2%) from the FY 2018 Adopted Budget.

This increase is due to a 3% cost of inflation increase on general supplies, an increase in training budget, and special projects described in the table below. Increases in cost allocation are due to a change in methodology for equipment and IT charges.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Baseball Field Renovation (Capital Outlay)	$35,000	$35,000	General Fund	Hyde, Kennedy and Regnart Schools
Total	**$35,000**	**$35,000**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	$ 135,000	$ 135,000
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 135,000**	**$ 135,000**
Expenditures				
Employee Compensation	$ 275,904	$ 269,451	$ 319,050	$ 321,950
Employee Benefits	$ 144,726	$ 160,860	$ 170,335	$ 170,579
Materials	$ 149,970	$ 250,176	$ 314,458	$ 437,660
Contract Services	$ 8,087	$ 12,000	$ 20,500	$ 33,500
Cost Allocation	$ 122,388	$ 60,537	$ 85,733	$ 106,639
Capital Outlay	$ 10,000	-	$ 25,000	$ 35,000
Special Projects	-	-	$ 50,000	-
Appropriations for Contingency	-	-	$ 11,816	$ 23,558
Total Expenditures	**$ 711,075**	**$ 753,023**	**$ 996,892**	**$ 1,128,886**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 711,075**	**$ 753,023**	**$ 861,892**	**$ 993,886**

Staffing

Total current authorized positions - 4.30

There are no changes to the current level of staffing.

Total recommended positions - 4.30

Neighborhood Parks

Budget Unit 100-84-813

General Fund - Grounds - Neighborhood Parks

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 1,629,502
Fund Balance	-
General Fund Costs	$ 1,629,502
% Funded by General Fund	100.0 %
Total Staffing	8.3 FTE

Program Overview

Neighborhood Parks include 14 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 Ave. Dog Park, Monta Vista, Portal, Somerset, Varian, Wilson, Three Oaks, Hoover, Canyon Oak (Little Rancho), Franco Park, Sterling/Barnhart, Oak Valley and Blackberry Farms.

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 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 Recreation and Community Services Department for all the City's special events.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,629,502 for the Neighborhood Parks program. This represents an increase of $74,704 (4.8%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Baseball Field Renovation (Capital Outlay)	$35,000		General Fund	Wilson Park
Cement mow band (Capital Outlay)	$12,000		General Fund	Sterling Barnhart Park
Total	**$47,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 1,755	$ 2,548	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 1,755**	**$ 2,548**	**-**	**-**
Expenditures				
Employee Compensation	$ 540,786	$ 508,284	$ 577,040	$ 596,485
Employee Benefits	$ 296,827	$ 307,028	$ 304,154	$ 303,765
Materials	$ 294,425	$ 288,310	$ 357,671	$ 400,798
Contract Services	$ 130,361	$ 152,412	$ 72,000	$ 72,000
Cost Allocation	$ 198,540	$ 115,540	$ 105,213	$ 165,814
Capital Outlay	-	$ 32,861	$ 110,000	$ 47,000
Special Projects	-	-	-	$ 20,000
Appropriations for Contingency	-	-	$ 28,720	$ 23,640
Total Expenditures	**$ 1,460,938**	**$ 1,404,435**	**$ 1,554,798**	**$ 1,629,502**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 1,459,184**	**$ 1,401,887**	**$ 1,554,798**	**$ 1,629,502**

Staffing

Total current authorized positions - 8.10

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

Total recommended positions - 8.30

Sport Fields Jollyman, Creekside

Budget Unit 100-84-814

General Fund - Grounds - Sport Fields Jollyman, Creekside

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 665,541
Fund Balance	-
General Fund Costs	$ 665,541
% Funded by General Fund	100.0 %
Total Staffing	3.1 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 Recreation and Community Services Department for all the City's special events.

Adopted Budget

On June 5, 2018, City Council approved a budget of $665,541 for the Sport Fields Jollyman, Creekside program. This represents an increase of $71,937 (12.1%) from the FY 2018 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes due to take effect in July 2018. The general supplies budget was increased by 3% to account for inflation. Contract services increased for tree work and concrete bench pads.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Cement mowband (Capital Outlay)	$10,000	$10,000	General Fund	Creekside Park
Total	**$10,000**	**$10,000**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 197,408	$ 174,057	$ 213,745	$ 221,793
Employee Benefits	$ 103,371	$ 101,740	$ 107,631	$ 108,479
Materials	$ 159,866	$ 151,535	$ 174,238	$ 223,972
Contract Services	$ 12,774	$ 38,038	$ 16,000	$ 22,000
Cost Allocation	$ 71,292	$ 40,885	$ 42,072	$ 66,998
Capital Outlay	$ 42,378	-	$ 28,000	$ 10,000
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 11,918	$ 12,299
Total Expenditures	**$ 587,088**	**$ 506,255**	**$ 593,604**	**$ 665,541**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 587,088**	**$ 506,255**	**$ 593,604**	**$ 665,541**

Staffing

Total current authorized positions - 2.90

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

Total recommended positions - 3.10

Civic Center Maintenance

Budget Unit 100-84-815

General Fund - Grounds - Civic Center Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 193,990
Total Expenditures	$ 261,867
Fund Balance	-
General Fund Costs	$ 67,877
% Funded by General Fund	25.9 %
Total Staffing	1.0 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 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 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $261,867 for the Civic Center Maintenance program. This represents an increase of $70,425 (36.8%) from the FY 2018 Adopted Budget.

The increase is primarily due to the 20% water service rate increase and a 3% cost of inflation increase for general supplies. Increases in cost allocation are due to a change in allocation methodology for equipment and IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 180,929	$ 175,467	$ 193,990
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 180,929**	**$ 175,467**	**$ 193,990**
Expenditures				
Employee Compensation	$ 74,304	$ 72,628	$ 82,966	$ 82,722
Employee Benefits	$ 39,124	$ 44,116	$ 46,850	$ 46,435
Materials	$ 31,089	$ 40,891	$ 48,760	$ 102,364
Contract Services	-	$ 5,800	$ 3,000	$ 3,000
Cost Allocation	$ 16,056	$ 368,947	$ 7,006	$ 22,078
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 2,860	$ 5,268
Total Expenditures	**$ 160,573**	**$ 532,383**	**$ 191,442**	**$ 261,867**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 160,573**	**$ 351,454**	**$ 15,975**	**$ 67,877**

Staffing

Total current authorized positions - 1.00

There are no changes to the current level of staffing.

Total recommended positions - 1.00

Storm Drain Maintenance

Budget Unit 100-85-818

General Fund - Streets - Storm Drain Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 476,503
Fund Balance	-
General Fund Costs	$ 476,503
% Funded by General Fund	100.0 %
Total Staffing	1.2 FTE

Program Overview

Maintenance of storm drain system to provide the efficient flow of stormwater and to comply with stormwater pollution prevention requirements.

Service Objectives

- Provide effective and timely inspection and maintenance of the storm drain system including inlet and outfall structures, 2,216 storm drain inlets and collection system.
- Provide annual cleaning and inspection of all inlets.

Adopted Budget

On June 5, 2018, City Council approved a budget of $476,503 for the Storm Drain Maintenance program. This represents an increase of $26,553 (5.9%) from the FY 2018 Adopted Budget.

The increase in cost allocation is due to a change in allocation methodology for equipment, IT, finance and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 1,259	$ 1,700	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 1,259**	**$ 1,700**	**-**
Expenditures				
Employee Compensation	$ 112,993	$ 131,084	$ 121,029	$ 127,538
Employee Benefits	$ 46,263	$ 62,203	$ 50,051	$ 51,389
Materials	$ 7,441	$ 7,408	$ 16,260	$ 16,720
Contract Services	$ 122,423	$ 176,410	$ 225,000	$ 225,000
Cost Allocation	$ 14,448	$ 31,359	$ 33,530	$ 43,770
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 4,080	$ 12,086
Total Expenditures	**$ 303,568**	**$ 408,465**	**$ 449,950**	**$ 476,503**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 303,568**	**$ 407,206**	**$ 448,250**	**$ 476,503**

Staffing

Total current authorized positions - 1.20

There are no changes to the current level of staffing.

One part-time Maintenance Worker I position is requested to provide continuity of service in the Storm Drain Maintenance program.

Total recommended positions - 1.20

Sidewalk Curb and Gutter

Budget Unit 270-85-820

Transportation Fund - Streets - Sidewalk Curb and Gutter

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,057,060
Total Expenditures	$ 1,195,876
Fund Balance	$ 661,184
General Fund Costs	$ 800,000
% Funded by General Fund	66.9 %
Total Staffing	1.3 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,195,876 for the Sidewalk Curb and Gutter program. This represents an increase of $110,351 (10.2%) from the FY 2018 Adopted Budget.

The increase is primarily due to special projects described in the table below. Increases in compensation and benefits are due to negotiated salary and benefit changes due to take effect in July 2018. A decrease in cost allocation is due to changes in allocation methodology for equipment, IT, city clerk, city manager, finance and human resources charges.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Annual Sidewalk Curb & Gutter Project	$850,000	$850,000	Transportation Fund	Annual sidewalk, curb and gutter maintenance
Sidewalk Grinding	$50,000	$50,000	Transportation Fund	Annual sidewalk, curb and gutter maintenance
Total	**$900,000**	**$930,000**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	$ 1,200	-
Intergovernmental Revenue	-	$ 21,104	$ 209,600	$ 1,057,060
Charges for Services	-	$ 19,183	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 40,288**	**$ 210,800**	**$ 1,057,060**
Expenditures				
Employee Compensation	$ 69,900	$ 71,599	$ 104,240	$ 129,339
Employee Benefits	$ 34,970	$ 39,037	$ 59,175	$ 67,319
Materials	$ 4,935	$ 142	$ 3,729	$ 3,729
Contract Services	-	-	-	$ 31,000
Cost Allocation	$ 66,816	$ 44,435	$ 68,111	$ 62,753
Capital Outlay	-	-	$ 850,000	-
Special Projects	$ 815,555	$ 825,140	-	$ 900,000
Appropriations for Contingency	-	-	$ 270	$ 1,736
Total Expenditures	**$ 992,176**	**$ 980,352**	**$ 1,085,525**	**$ 1,195,876**
Fund Balance	**$ (992,176)**	**$ (133,087)**	**$ (24,725)**	**$ 661,184**
General Fund Costs	**-**	**$ 806,977**	**$ 850,000**	**$ 800,000**

Staffing

Total current authorized positions - 1.30

There are no changes to the current level of staffing.

Total recommended positions - 1.30

Street Pavement Maintenance

Budget Unit 270-85-821

Transportation Fund - Streets - Street Pavement Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,525,379
Total Expenditures	$ 6,832,574
Fund Balance	$ (307,195)
General Fund Costs	$ 5,000,000
% Funded by General Fund	73.2 %
Total Staffing	3.35 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $6,832,574 for the Street Pavement Maintenance program. This represents an increase of $88,190 (1.3%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Pavement maintenance (Special Project)	$5,000,000	$5,000,000	Transportation Fund	Annual asphalt project
Pavement maintenance (Capital Outlay)	$978,379	$978,379	SB1 Grant Funding	Annual asphalt project
Total	**$5,978,379**	**$5,978,379**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	$ 224,184	$ 1,324,000	$ 1,340,379
Charges for Services	-	$ 3,096	$ 4,100	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 1,709	$ 148,639	-	$ 185,000
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 1,709**	**$ 375,919**	**$ 1,328,100**	**$ 1,525,379**
Expenditures				
Employee Compensation	$ 254,714	$ 254,147	$ 254,727	$ 289,040
Employee Benefits	$ 126,995	$ 138,331	$ 134,377	$ 141,026
Materials	$ 46,648	$ 37,675	$ 62,080	$ 62,080
Contract Services	$ 8,916	$ 137,388	$ 136,000	$ 176,000
Cost Allocation	$ 89,364	$ 149,849	$ 145,640	$ 174,145
Capital Outlay	$ 37,315	$ 51,830	-	$ 978,379
Special Projects	$ 8,192,611	$ 6,625,393	$ 6,000,000	$ 5,000,000
Appropriations for Contingency	-	-	$ 11,560	$ 11,904
Total Expenditures	**$ 8,756,565**	**$ 7,394,614**	**$ 6,744,384**	**$ 6,832,574**
Fund Balance	**$ (2,754,856)**	**$ (1,999,208)**	**$ 583,716**	**$ (307,195)**
General Fund Costs	**$ 6,000,000**	**$ 5,019,487**	**$ 6,000,000**	**$ 5,000,000**

Staffing

Total current authorized positions - 3.35

There are no changes to the current level of staffing.

Total recommended positions - 3.35

Street Sign Marking

Budget Unit 270-85-822

Transportation Fund - Streets - Street Sign Marking

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 661,889
Fund Balance	$ (661,889)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	3.5 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $661,889 for the Street Sign Marking program. This represents a decrease of $170,101 (-20.4%) from the FY 2018 Adopted Budget.

The decrease is primarily due to a change in cost allocation methodology for equipment, IT, finance and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	$ 800	-
Intergovernmental Revenue	-	-	$ 132,400	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**$ 133,200**	**-**
Expenditures				
Employee Compensation	$ 273,014	$ 272,138	$ 269,284	$ 268,072
Employee Benefits	$ 138,601	$ 149,858	$ 138,319	$ 145,723
Materials	$ 102,840	$ 98,676	$ 109,228	$ 109,228
Contract Services	$ 4,870	$ 8,596	$ 17,000	$ 17,000
Cost Allocation	$ 243,384	$ 116,492	$ 268,028	$ 115,555
Capital Outlay	-	-	-	-
Special Projects	-	-	$ 22,000	-
Appropriations for Contingency	-	-	$ 8,131	$ 6,311
Total Expenditures	**$ 762,709**	**$ 645,761**	**$ 831,990**	**$ 661,889**
Fund Balance	**$ (762,709)**	**$ (622,243)**	**$ (698,790)**	**$ (661,889)**
General Fund Costs	**-**	**$ 23,518**	**-**	**-**

Staffing

Total current authorized positions - 3.50

There are no changes to the current level of staffing.

Total recommended positions - 3.50

Street Lighting

Budget Unit 100-85-848

General Fund - Streets - Street Lighting

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 588,241
Fund Balance	-
General Fund Costs	$ 588,241
% Funded by General Fund	100.0 %
Total Staffing	0.95 FTE

Program Overview

Maintain city-owned streetlights (2,950), parking lot lights and park lighting.

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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $588,241 for the Street Lighting program. This represents a decrease of $17,119 (-2.8%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Street light pole replacement	$80,000		General Fund	
Park pathway light poles	$17,000		General Fund	Linda Vista & Wilson Parks
Total	**$97,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 14,385	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 14,385**	**-**	**-**
Expenditures				
Employee Compensation	$ 29,014	$ 32,362	$ 92,841	$ 90,688
Employee Benefits	$ 14,907	$ 16,544	$ 44,907	$ 44,497
Materials	$ 218,774	$ 237,323	$ 256,476	$ 277,769
Contract Services	$ 19,928	$ 3,367	$ 50,500	$ 24,000
Cost Allocation	$ 12,108	$ 19,259	$ 22,437	$ 39,199
Capital Outlay	$ 127,890	$ 35,260	$ 118,000	$ 97,000
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 20,199	$ 15,088
Total Expenditures	**$ 422,620**	**$ 344,115**	**$ 605,360**	**$ 588,241**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 422,620**	**$ 329,730**	**$ 605,360**	**$ 588,241**

Staffing

Total current authorized positions - 0.95

There are no changes to the current level of staffing.

Total recommended positions - 0.95

Equipment Maintenance

Budget Unit 630-85-849

Vehicle/Equip Replacement - Streets - Equipment Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,056,968
Total Expenditures	$ 1,593,660
Fund Balance	$ (536,692)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	3.0 FTE

Program Overview

The Fleet Division maintains all fleet equipment, including small power equipment. Equipment includes vehicles (103), rolling stock (55), trailers (19), riding mowers (12), and all power equipment (234). 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,593,660 for the Equipment Maintenance program. This represents an increase of $342,421 (27.4%) from the FY 2018 Adopted Budget.

The increase is primarily due to a change in cost allocation methodology for equipment, IT, finance and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	$ 1,056,968
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**$ 1,056,968**
Expenditures				
Employee Compensation	$ 174,354	$ 230,249	$ 275,327	$ 278,161
Employee Benefits	$ 89,303	$ 492,022	$ 121,280	$ 126,268
Materials	$ 252,632	$ 460,611	$ 323,639	$ 331,679
Contract Services	$ 125,268	$ 147,496	$ 140,000	$ 140,000
Cost Allocation	$ 470,242	$ 141,965	$ 358,774	$ 693,968
Capital Outlay	-	$ 10,486	-	-
Special Projects	$ 24,809	-	-	-
Appropriations for Contingency	-	-	$ 32,219	$ 23,584
Total Expenditures	**$ 1,136,608**	**$ 1,482,830**	**$ 1,251,239**	**$ 1,593,660**
Fund Balance	**$ (1,136,608)**	**$ (1,473,362)**	**$ (1,251,239)**	**$ (536,692)**
General Fund Costs	**-**	**$ 9,468**	**-**	**-**

Staffing

Total current authorized positions - 3.00

There are no changes to the current level of staffing.

Total recommended positions - 3.00

Environmental Materials

Budget Unit 100-85-850

General Fund - Streets - Environmental Materials

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 195,008
Fund Balance	-
General Fund Costs	$ 195,008
% Funded by General Fund	100.0 %
Total Staffing	0.65 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $195,008 for the Environmental Materials program. This represents an increase of $9,792 (5.3%) from the FY 2018 Adopted Budget.

The increase is primarily due to a change in cost allocation methodology for equipment, IT, finance and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 46,032	$ 46,095	$ 52,920	$ 56,542
Employee Benefits	$ 20,306	$ 21,334	$ 28,170	$ 28,383
Materials	$ 24,545	$ 29,460	$ 44,480	$ 44,480
Contract Services	$ 4,474	$ 5,354	$ 4,500	$ 5,000
Cost Allocation	$ 31,560	$ 21,986	$ 52,137	$ 58,129
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 3,009	$ 2,474
Total Expenditures	**$ 126,918**	**$ 124,230**	**$ 185,216**	**$ 195,008**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 126,918**	**$ 124,230**	**$ 185,216**	**$ 195,008**

Staffing

Total current authorized positions - 0.65

There are no changes to the current level of staffing.

Total recommended positions - 0.65

Overpasses and Medians

Budget Unit 100-86-824

General Fund - Trees and Right of Way - Overpasses and Medians

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 1,251,274
Fund Balance	-
General Fund Costs	$ 1,251,274
% Funded by General Fund	100.0 %
Total Staffing	6.3 FTE

Program Overview

The Overpasses and Medians program maintains 31.54 developed acres of median island hardscapes and softscapes as well as 21.69 undeveloped acres of city right-of-way 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,251,274 for the Overpasses and Medians program. This represents a decrease of $202,519 (-13.9%) from the FY 2018 Adopted Budget.

The decrease is primarily due to a reallocation of water service costs to better reflect costs in programs. Decreases in cost allocation are due to a change in allocation methodology for equipment, IT, finance and human resources.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 23,107	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 25,900	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 23,107**	**$ 25,900**	**-**	**-**
Expenditures				
Employee Compensation	$ 472,409	$ 433,708	$ 492,530	$ 474,434
Employee Benefits	$ 248,076	$ 240,466	$ 249,277	$ 250,023
Materials	$ 233,581	$ 149,526	$ 353,920	$ 201,920
Contract Services	$ 14,841	$ 67,654	$ 83,000	$ 83,000
Cost Allocation	$ 181,872	$ 298,283	$ 248,423	$ 227,651
Capital Outlay	-	$ 288	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 26,643	$ 14,246
Total Expenditures	**$ 1,150,779**	**$ 1,189,925**	**$ 1,453,793**	**$ 1,251,274**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 1,127,672**	**$ 1,164,025**	**$ 1,453,793**	**$ 1,251,274**

Staffing

Total current authorized positions - 6.30

There are no changes to the current level of staffing.

Total recommended positions - 6.30

Street Tree Maintenance

Budget Unit 100-86-825

General Fund - Trees and Right of Way - Street Tree Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 12,000
Total Expenditures	$ 1,194,987
Fund Balance	-
General Fund Costs	$ 1,192,987
% Funded by General Fund	99.8 %
Total Staffing	7.4 FTE

Program Overview

The Trees Division maintains the safety, health and appearance of approximately 14,000 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, spraying, 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 annual forestry work plan to document our urban forest and to establish goals and objectives be approved for the care and planting of trees.
- Affix and maintain tree identification badges on all City-owned and maintained street trees.
- Provide educational flyers to all residents with street trees adjacent to their property.
- Oversees stump grinding contracts.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,194,987 for the Street Tree Maintenance program. This represents a decrease of $56,155 (-4.5%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year. The decrease in cost allocation is due to a change in methodology for equipment, IT, finance, and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 5,880	$ 14,616	$ 10,000	$ 12,000
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 5,880**	**$ 14,616**	**$ 10,000**	**$ 12,000**
Expenditures				
Employee Compensation	$ 388,394	$ 442,495	$ 510,300	$ 503,748
Employee Benefits	$ 195,900	$ 247,231	$ 265,583	$ 296,273
Materials	$ 57,596	$ 110,534	$ 123,000	$ 118,000
Contract Services	$ 23,673	$ 18,241	$ 20,000	$ 27,400
Cost Allocation	$ 244,584	$ 104,808	$ 253,459	$ 232,296
Capital Outlay	$ 4,645	$ 8,107	-	-
Special Projects	$ 4,408	$ 5,315	$ 70,000	$ 10,000
Appropriations for Contingency	-	-	$ 8,800	$ 7,270
Total Expenditures	**$ 919,200**	**$ 936,730**	**$ 1,251,142**	**$ 1,194,987**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 913,320**	**$ 922,114**	**$ 1,241,142**	**$ 1,192,987**

Staffing

Total current authorized positions - 7.40

There are no changes to the current level of staffing.

Total recommended positions - 7.40

Weekend Work Program

Budget Unit 100-86-826

General Fund - Trees and Right of Way - Weekend Work Program

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 469,476
Fund Balance	-
General Fund Costs	$ 469,476
% Funded by General Fund	100.0 %
Total Staffing	2.3 FTE

Program Overview

The Weekend 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 Weekend Work Program for a variety of nonskilled 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $469,476 for the Weekend Work Program program. This represents an increase of $28,198 (6.4%) from the FY 2018 Adopted Budget.

The increase is primarily due to a change in cost allocation methodology for equipment, IT, finance, and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 217,292	$ 233,914	$ 249,050	$ 266,225
Employee Benefits	$ 109,488	$ 115,487	$ 103,848	$ 96,495
Materials	$ 9,674	$ 4,225	$ 10,760	$ 10,600
Contract Services	-	$ 45	-	$ 2,300
Cost Allocation	$ 63,516	$ 74,860	$ 76,840	$ 93,211
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 780	$ 645
Total Expenditures	**$ 399,971**	**$ 428,531**	**$ 441,278**	**$ 469,476**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 399,971**	**$ 428,531**	**$ 441,278**	**$ 469,476**

Staffing

Total current authorized positions - 2.70

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

Total recommended positions - 2.30

City Hall Maintenance

Budget Unit 100-87-827

General Fund - Facilities and Fleet - City Hall Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 303,250
Total Expenditures	$ 619,750
Fund Balance	-
General Fund Costs	$ 316,500
% Funded by General Fund	51.1 %
Total Staffing	1.0 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $619,750 for the City Hall Maintenance program. This represents a decrease of $9,988 (-1.6%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Partial exterior painting	$15,000		General Fund	City Hall
Total	**$15,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 718,539	$ 382,657	$ 303,250
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 718,539**	**$ 382,657**	**$ 303,250**
Expenditures				
Employee Compensation	$ 91,678	$ 92,865	$ 92,691	$ 99,201
Employee Benefits	$ 45,063	$ 49,491	$ 47,282	$ 46,712
Materials	$ 186,787	$ 172,426	$ 216,670	$ 229,935
Contract Services	$ 182,624	$ 114,738	$ 157,000	$ 157,000
Cost Allocation	$ 23,472	$ 58,577	$ 34,135	$ 52,555
Capital Outlay	$ 1,235	$ 4,300	$ 55,000	$ 15,000
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 26,960	$ 19,347
Total Expenditures	**$ 530,859**	**$ 492,397**	**$ 629,738**	**$ 619,750**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 530,859**	**$ (226,142)**	**$ 247,081**	**$ 316,500**

Staffing

Total current authorized positions - 1.00

There are no changes to the current level of staffing.

Total recommended positions - 1.00

Library Maintenance

Budget Unit 100-87-828

General Fund - Facilities and Fleet - Library Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 550,800
Total Expenditures	$ 338,834
Fund Balance	-
General Fund Costs	$ (211,966)
% Funded by General Fund	-
Total Staffing	0.8 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $338,834 for the Library Maintenance program. This represents an increase of $4,229 (1.3%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Window replacements	$10,000	$10,000	General Funds	Library
Granite polishing	$6000	$6000	General Funds	Library
Total	**$16,000**	**$16,000**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	$ 146,269	$ 142,858	$ 140,700	$ 141,500
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 2,700	$ 586,459	$ 152,921	$ 409,300
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 148,969**	**$ 729,317**	**$ 293,621**	**$ 550,800**
Expenditures				
Employee Compensation	$ 57,107	$ 60,200	$ 63,430	$ 65,911
Employee Benefits	$ 32,229	$ 35,744	$ 34,551	$ 34,540
Materials	$ 12,307	$ 3,406	$ 14,356	$ 14,356
Contract Services	$ 5,965	$ 47,863	$ 175,000	$ 175,000
Cost Allocation	$ 12,972	$ 263,432	$ 11,541	$ 23,259
Capital Outlay	$ 17,338	$ 113,890	$ 23,000	$ 10,000
Special Projects	$ 432	-	-	$ 6,000
Appropriations for Contingency	-	-	$ 12,727	$ 9,768
Total Expenditures	**$ 138,349**	**$ 524,536**	**$ 334,605**	**$ 338,834**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ (10,620)**	**$ (204,781)**	**$ 40,984**	**$ (211,966)**

Staffing

Total current authorized positions - 0.80

There are no changes to the current level of staffing.

Total recommended positions - 0.80

Service Center Maintenance

Budget Unit 100-87-829

General Fund - Facilities and Fleet - Service Center Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 323,466
Total Expenditures	$ 262,132
Fund Balance	-
General Fund Costs	$ (61,334)
% Funded by General Fund	-
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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $262,132 for the Service Center Maintenance program. This represents a decrease of $52,522 (-16.7%) from the FY 2018 Adopted Budget.

The decrease is primarily due to the completion of special projects as well as decreased costs in cost allocation for vehicle and equipment replacements and a change in allocation methodology for IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 511,696	$ 429,314	$ 323,466
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 511,696**	**$ 429,314**	**$ 323,466**
Expenditures				
Employee Compensation	$ 58,748	$ 58,659	$ 58,102	$ 59,410
Employee Benefits	$ 31,788	$ 33,395	$ 30,932	$ 30,638
Materials	$ 52,383	$ 59,199	$ 98,215	$ 103,269
Contract Services	$ 31,522	$ 35,366	$ 40,000	$ 40,000
Cost Allocation	$ 63,624	$ 65,008	$ 63,292	$ 21,652
Capital Outlay	$ 150,339	$ 3,149	$ 15,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 9,113	$ 7,163
Total Expenditures	**$ 388,404**	**$ 254,775**	**$ 314,654**	**$ 262,132**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 388,404**	**$ (256,921)**	**$ (114,660)**	**$ (61,334)**

Staffing

Total current authorized positions - 0.70

There are no changes to the current level of staffing.

Total recommended positions - 0.70

Quinlan Community Center Maintenance

Budget Unit 100-87-830

General Fund - Facilities and Fleet - Quinlan Community Center Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 181,950
Total Expenditures	$ 466,416
Fund Balance	-
General Fund Costs	$ 284,466
% Funded by General Fund	61.0 %
Total Staffing	0.8 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.
- Respond to requests made by Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $466,416 for the Quinlan Community Center Maintenance program. This represents a decrease of $38,231 (-7.6%) from the FY 2018 Adopted Budget.

The decrease is primarily due to the completion of special projects. Increased costs in gas, electric and water services are due to rate increases. Increases in cost allocation are due to a change in allocation methodology for equipment and IT charges.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Changing tables	$10,000		General Fund	
Automated bottle fillers	$12,000		General Fund	
Track lighting	$12,000		General Fund	Historical Society Museum
Office window	$15,000		General Fund	
Automatic door opener	$20,000		General Fund	ADA upgrade
Total	**$69,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 251,129	$ 228,304	$ 181,950
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 251,129**	**$ 228,304**	**$ 181,950**
Expenditures				
Employee Compensation	$ 61,616	$ 65,784	$ 64,479	$ 67,958
Employee Benefits	$ 31,274	$ 32,024	$ 31,176	$ 30,721
Materials	$ 130,898	$ 123,144	$ 142,962	$ 153,700
Contract Services	$ 96,777	$ 107,885	$ 100,000	$ 100,000
Cost Allocation	$ 10,872	$ 19,502	$ 8,793	$ 32,352
Capital Outlay	$ 30,464	$ 64,729	$ 140,000	$ 69,000
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 17,237	$ 12,685
Total Expenditures	**$ 361,901**	**$ 413,067**	**$ 504,647**	**$ 466,416**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 361,901**	**$ 161,938**	**$ 276,343**	**$ 284,466**

Staffing

Total current authorized positions - 0.80

There are no changes to the current level of staffing.

Total recommended positions - 0.80

Senior Center Maintenance

Budget Unit 100-87-831

General Fund - Facilities and Fleet - Senior Center Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 181,950
Total Expenditures	$ 241,686
Fund Balance	-
General Fund Costs	$ 59,736
% Funded by General Fund	24.7 %
Total Staffing	0.8 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $241,686 for the Senior Center Maintenance program. This represents a decrease of $6,971 (-2.8%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 270,705	$ 241,641	$ 181,950
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	$ 18,689	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 289,394**	**$ 241,641**	**$ 181,950**
Expenditures				
Employee Compensation	$ 57,197	$ 48,692	$ 58,731	$ 56,694
Employee Benefits	$ 29,359	$ 26,807	$ 32,192	$ 30,975
Materials	$ 54,039	$ 59,700	$ 61,040	$ 67,916
Contract Services	$ 55,048	$ 78,520	$ 60,000	$ 66,000
Cost Allocation	$ 9,888	$ 39,661	$ 1,912	$ 13,387
Capital Outlay	$ 8,984	$ 87,214	$ 26,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 8,782	$ 6,714
Total Expenditures	**$ 214,515**	**$ 340,595**	**$ 248,657**	**$ 241,686**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 214,515**	**$ 51,202**	**$ 7,016**	**$ 59,736**

Staffing

Total current authorized positions - 0.80

There are no changes to the current level of staffing.

Total recommended positions - 0.80

McClellan Ranch Maintenance

Budget Unit 100-87-832

General Fund - Facilities and Fleet - McClellan Ranch Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 1,700
Total Expenditures	$ 178,993
Fund Balance	-
General Fund Costs	$ 177,293
% Funded by General Fund	99.1 %
Total Staffing	0.6 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $178,993 for the McClellan Ranch Maintenance program. This represents an increase of $32,549 (22.2%) from the FY 2018 Adopted Budget.

The increase is primarily due to special projects described in the table below.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Repaint building exterior	$12,000		General Fund	Environmental Education Center
Rodent controls-gift shop	$30,000		General Fund	Building reinforcement
Total	**$42,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	$ 1,700
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**$ 1,700**
Expenditures				
Employee Compensation	$ 43,541	$ 45,976	$ 47,945	$ 47,885
Employee Benefits	$ 21,454	$ 23,585	$ 24,296	$ 23,964
Materials	$ 12,762	$ 11,378	$ 20,867	$ 22,392
Contract Services	$ 30,501	$ 35,456	$ 26,000	$ 26,000
Cost Allocation	$ 5,448	$ 8,432	$ 5,736	$ 12,832
Capital Outlay	$ 7,410	$ 10,942	$ 18,000	$ 12,000
Special Projects	-	-	-	$ 30,000
Appropriations for Contingency	-	-	$ 3,600	$ 3,920
Total Expenditures	**$ 121,116**	**$ 135,770**	**$ 146,444**	**$ 178,993**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 121,116**	**$ 135,770**	**$ 146,444**	**$ 177,293**

Staffing

Total current authorized positions - 0.60

There are no changes to the current level of staffing.

Total recommended positions - 0.60

Monta Vista Community Center Maintenance

Budget Unit 100-87-833

General Fund - Facilities and Fleet - Monta Vista Community Center Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 121,300
Total Expenditures	$ 227,890
Fund Balance	-
General Fund Costs	$ 106,590
% Funded by General Fund	46.8 %
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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $227,890 for the Monta Vista Community Center Maintenance program. This represents an increase of $77,203 (51.2%) from the FY 2018 Adopted Budget.

The increase is primarily due to an increase in special projects. The increase in cost allocation is due to a change in allocation methodology for equipment and IT charges.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Replace gymnastic area floors	$48,000		General Fund	Monta Vista Community Center
Preschool kitchenette remodel	$45,000		General Fund	Monta Vista Community Center
Total	**$93,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 166,597	$ 151,450	$ 121,300
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 166,597**	**$ 151,450**	**$ 121,300**
Expenditures				
Employee Compensation	$ 32,121	$ 33,138	$ 34,502	$ 35,911
Employee Benefits	$ 16,886	$ 18,101	$ 17,318	$ 16,993
Materials	$ 24,796	$ 23,784	$ 30,959	$ 33,573
Contract Services	$ 31,236	$ 31,084	$ 35,000	$ 35,000
Cost Allocation	$ 5,448	$ 23,099	$ 2,868	$ 9,984
Capital Outlay	$ 7,040	$ 11,849	$ 25,000	$ 93,000
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 5,040	$ 3,429
Total Expenditures	**$ 117,527**	**$ 141,055**	**$ 150,687**	**$ 227,890**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 117,527**	**$ (25,542)**	**$ (763)**	**$ 106,590**

Staffing

Total current authorized positions - 0.40

There are no changes to the current level of staffing.

Total recommended positions - 0.40

Wilson Park Maintenance

Budget Unit 100-87-834

General Fund - Facilities and Fleet - Wilson Park Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 63,164
Fund Balance	-
General Fund Costs	$ 63,164
% Funded by General Fund	100.0 %
Total Staffing	0.2 FTE

Program Overview

This program maintains Wilson Park pottery 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $63,164 for the Wilson Park Maintenance program. This represents a decrease of $4,327 (-6.4%) from the FY 2018 Adopted Budget.

The decrease is primarily due to the completion of special projects. The increase in cost allocation is due to a change in allocation methodology for equipment and IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 18,104	$ 17,999	$ 17,831	$ 18,167
Employee Benefits	$ 8,768	$ 9,890	$ 10,168	$ 10,361
Materials	$ 11,533	$ 12,594	$ 13,959	$ 15,217
Contract Services	$ 22,565	$ 12,506	$ 10,000	$ 10,000
Cost Allocation	$ 3,228	$ 2,814	$ 5,737	$ 8,158
Capital Outlay	-	$ 1,200	$ 8,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,796	$ 1,261
Total Expenditures	**$ 64,199**	**$ 57,002**	**$ 67,491**	**$ 63,164**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 64,199**	**$ 57,002**	**$ 67,491**	**$ 63,164**

Staffing

Total current authorized positions - 0.20

There are no changes to the current level of staffing.

Total recommended positions - 0.20

Portal Park Maintenance

Budget Unit 100-87-835

General Fund - Facilities and Fleet - Portal Park Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 37,207
Fund Balance	-
General Fund Costs	$ 37,207
% Funded by General Fund	100.0 %
Total Staffing	0.1 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $37,207 for the Portal Park Maintenance program. This represents a decrease of $21,559 (-36.7%) from the FY 2018 Adopted Budget.

The decrease is primarily due to the completion of special projects. The increase in gas and water services is due to rate increases. The increase in cost allocation is due to a change in allocation methodology for equipment and IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 8,887	$ 8,939	$ 8,815	$ 8,909
Employee Benefits	$ 4,336	$ 4,930	$ 5,084	$ 5,182
Materials	$ 4,424	$ 3,789	$ 7,613	$ 8,606
Contract Services	$ 2,955	$ 3,123	$ 8,251	$ 8,251
Cost Allocation	$ 2,112	$ 1,420	$ 2,869	$ 5,416
Capital Outlay	-	$ 2,200	$ 25,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,134	$ 843
Total Expenditures	**$ 22,713**	**$ 24,401**	**$ 58,766**	**$ 37,207**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 22,713**	**$ 24,401**	**$ 58,766**	**$ 37,207**

Staffing

Total current authorized positions - 0.10

There are no changes to the current level of staffing.

Total recommended positions - 0.10

Sports Center Maintenance

Budget Unit 570-87-836

Sports Center - Facilities and Fleet - Sports Center Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 490,076
Fund Balance	$ (490,076)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0.7 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $490,076 for the Sports Center Maintenance program. This represents an increase of $5,453 (1.1%) from the FY 2018 Adopted Budget.

This budget remains relatively unchanged from the prior fiscal year.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Paint lower level floor & stairwell	$30,000		Sport Center Enterprise Fund	
Paint racquetball and gym	$30,000		Sport Center Enterprise Fund	
Panel replacement in lower level	$15,000		Sport Center Enterprise Fund	
Total	**$75,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 65,935	$ 66,612	$ 63,612	$ 65,543
Employee Benefits	$ 27,338	$ 30,439	$ 34,254	$ 34,021
Materials	$ 101,913	$ (36,612)	$ 145,167	$ 158,778
Contract Services	$ 52,493	$ 67,112	$ 60,000	$ 60,000
Cost Allocation	$ 100,543	$ 68,055	$ 71,054	$ 86,476
Capital Outlay	$ 45,826	$ 16,450	$ 95,000	-
Special Projects	-	-	-	$ 75,000
Appropriations for Contingency	-	-	$ 15,536	$ 10,258
Total Expenditures	**$ 394,048**	**$ 212,055**	**$ 484,623**	**$ 490,076**
Fund Balance	**$ (394,048)**	**$ 192,562**	**$ (484,623)**	**$ (490,076)**
General Fund Costs	**-**	**$ 404,617**	**-**	**-**

Staffing

Total current authorized positions - 0.70

There are no changes to the current level of staffing.

Total recommended positions - 0.70

Creekside Park Maintenance

Budget Unit 100-87-837

General Fund - Facilities and Fleet - Creekside Park Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 60,650
Total Expenditures	$ 65,790
Fund Balance	-
General Fund Costs	$ 5,140
% Funded by General Fund	7.8 %
Total Staffing	0.2 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $65,790 for the Creekside Park Maintenance program. This represents a decrease of $70,123 (-51.6%) from the FY 2018 Adopted Budget.

The decrease is primarily due to the completion of special projects. The increases in electric and water service is due to rate increases. The increase in cost allocation is due to a change in allocation methodology for equipment and IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 89,958	$ 81,781	$ 60,650
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 89,958**	**$ 81,781**	**$ 60,650**
Expenditures				
Employee Compensation	$ 17,574	$ 18,722	$ 19,509	$ 20,025
Employee Benefits	$ 8,784	$ 9,813	$ 10,022	$ 9,616
Materials	$ 9,688	$ 8,889	$ 13,755	$ 16,324
Contract Services	$ 10,483	$ 13,168	$ 10,000	$ 10,000
Cost Allocation	$ 3,336	$ 12,290	$ 2,868	$ 8,509
Capital Outlay	$ 14,617	$ 192	$ 78,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,759	$ 1,316
Total Expenditures	**$ 64,481**	**$ 63,074**	**$ 135,913**	**$ 65,790**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 64,481**	**$ (26,884)**	**$ 54,132**	**$ 5,140**

Staffing

Total current authorized positions - 0.20

There are no changes to the current level of staffing.

Total recommended positions - 0.20

Community Hall Maintenance

Budget Unit 100-87-838

General Fund - Facilities and Fleet - Community Hall Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 202,167
Total Expenditures	$ 251,328
Fund Balance	-
General Fund Costs	$ 49,161
% Funded by General Fund	19.6 %
Total Staffing	0.5 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 City Hall staff.
- 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $251,328 for the Community Hall Maintenance program. This represents a decrease of $15,931 (-6.0%) from the FY 2018 Adopted Budget.

The decrease is primarily due to the completion of special projects. The increase in electric and water services is due to rate increases. The increase in cost allocation is due to a change in allocation methodology for equipment and IT charges. This budget includes $10,000 in annual maintenance for the Civic Center fountain.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 275,140	$ 250,130	$ 202,167
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 275,140**	**$ 250,130**	**$ 202,167**
Expenditures				
Employee Compensation	$ 35,133	$ 32,122	$ 36,837	$ 36,262
Employee Benefits	$ 19,576	$ 19,386	$ 20,717	$ 20,686
Materials	$ 41,646	$ 44,090	$ 59,800	$ 66,425
Contract Services	$ 23,102	$ 33,471	$ 95,000	$ 105,000
Cost Allocation	$ 5,556	$ 7,020	$ 3,825	$ 14,384
Capital Outlay	$ 1,410	$ 54,296	$ 45,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 6,080	$ 8,571
Total Expenditures	**$ 126,424**	**$ 190,385**	**$ 267,259**	**$ 251,328**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 126,424**	**$ (84,755)**	**$ 17,129**	**$ 49,161**

Staffing

Total current authorized positions - 0.50

There are no changes to the current level of staffing.

Total recommended positions - 0.50

Teen Center Maintenance

Budget Unit 100-87-839

General Fund - Facilities and Fleet - Teen Center Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 80,867
Total Expenditures	$ 96,024
Fund Balance	-
General Fund Costs	$ 15,157
% Funded by General Fund	15.8 %
Total Staffing	0.1 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $96,024 for the Teen Center Maintenance program. This represents an increase of $48,991 (104.2%) from the FY 2018 Adopted Budget.

The increase is primarily due to gas, electric and water service rate increases, special projects and cost allocation increases due to a change in allocation methodology for equipment and IT charges.

Special Projects

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

Special Projects	Appropriation	Revenue	Funding Source	Description
Painting	$30,000		General Fund	Teen Center
Carpet replacement	$20,000		General Fund	Teen Center
Total	**$50,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 44,312	$ 97,866	$ 80,867
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 44,312**	**$ 97,866**	**$ 80,867**
Expenditures				
Employee Compensation	$ 8,887	$ 9,270	$ 9,015	$ 9,009
Employee Benefits	$ 4,319	$ 4,981	$ 5,084	$ 5,182
Materials	$ 11,513	$ 11,581	$ 9,446	$ 10,173
Contract Services	$ 20,914	$ 19,411	$ 14,000	$ 14,000
Cost Allocation	$ 1,116	$ 6,082	$ 2,869	$ 3,951
Capital Outlay	-	-	$ 5,000	-
Special Projects	-	-	-	$ 50,000
Appropriations for Contingency	-	-	$ 1,619	$ 3,709
Total Expenditures	**$ 46,748**	**$ 51,325**	**$ 47,033**	**$ 96,024**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 46,748**	**$ 7,012**	**$ (50,833)**	**$ 15,157**

Staffing

Total current authorized positions - 0.10

There are no changes to the current level of staffing.

Total recommended positions - 0.10

Park Bathrooms Maintenance

Budget Unit 100-87-840

General Fund - Facilities and Fleet - Park Bathrooms Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 168,860
Fund Balance	-
General Fund Costs	$ 168,860
% Funded by General Fund	100.0 %
Total Staffing	0.2 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $168,860 for the Park Bathrooms Maintenance program. This represents an increase of $13,895 (9.0%) from the FY 2018 Adopted Budget.

The increase is due primarily to special projects. The increase in cost allocation is due to a change in allocation methodology for IT charges.

Special Projects

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

Special Projects	Appropriation	Revenue	Funding Source	Description
New floor, plumbing fixtures, paint and wallcovering	$30,000		General Fund	Creekside Park Restrooms
Total	**$30,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	$ 14,108	$ 15,689	$ 16,290	$ 16,897
Employee Benefits	$ 6,402	$ 7,346	$ 8,283	$ 8,477
Materials	$ 18,743	$ 26,196	$ 25,080	$ 25,080
Contract Services	$ 22,637	$ 28,604	$ 75,000	$ 75,000
Cost Allocation	-	$ 2,932	$ 1,912	$ 8,402
Capital Outlay	$ 2,000	$ 3,305	$ 20,400	$ 30,000
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 8,000	$ 5,004
Total Expenditures	**$ 63,889**	**$ 84,071**	**$ 154,965**	**$ 168,860**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 63,889**	**$ 84,071**	**$ 154,965**	**$ 168,860**

Staffing

Total current authorized positions - 0.20

There are no changes to the current level of staffing.

Total recommended positions - 0.20

Blackberry Farm Maintenance

Budget Unit 100-87-841

General Fund - Facilities and Fleet - Blackberry Farm Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 444,766
Total Expenditures	$ 556,114
Fund Balance	-
General Fund Costs	$ 111,348
% Funded by General Fund	20.0 %
Total Staffing	0.9 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 Recreation and Community Services Department staff.
- Manage and responsibly coordinate work completed by contractors.
- Perform improvements that responsibly conserve the resources of water, electricity, and gas.

Adopted Budget

On June 5, 2018, City Council approved a budget of $556,114 for the Blackberry Farm Maintenance program. This represents an increase of $257,906 (86.5%) from the FY 2018 Adopted Budget.

The increase is primarily due to gas, electric and water service rate increases, special projects and increases in cost allocation due to a change in allocation methodology for equipment charges.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Replaster pools	$200,000		General Fund	Blackberry Farm Park
Total	**$200,000**			

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	$ 380,515	$ 568,674	$ 444,766
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ 380,515**	**$ 568,674**	**$ 444,766**
Expenditures				
Employee Compensation	$ 52,402	$ 55,440	$ 64,595	$ 66,363
Employee Benefits	$ 27,040	$ 33,282	$ 37,810	$ 38,538
Materials	$ 100,054	$ 97,435	$ 95,882	$ 104,601
Contract Services	$ 63,569	$ 54,148	$ 55,000	$ 55,000
Cost Allocation	$ 2,220	$ 52,724	$ 8,606	$ 83,822
Capital Outlay	$ 57,988	$ 16,288	$ 25,000	$ 200,000
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 11,315	$ 7,790
Total Expenditures	**$ 303,273**	**$ 309,317**	**$ 298,208**	**$ 556,114**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 303,273**	**$ (71,198)**	**$ (270,466)**	**$ 111,348**

Staffing

Total current authorized positions - 0.90

There are no changes to the current level of staffing.

Total recommended positions - 0.90

Franco Traffic Operations Center

Budget Unit 100-87-852

General Fund - Facilities and Fleet - Franco Traffic Operations Center

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 35,633
Fund Balance	-
General Fund Costs	$ 35,633
% Funded by General Fund	100.0 %
Total Staffing	0 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $35,633 for the Franco Traffic Operations Center program. This represents an increase of $17,633 (98.0%) from the FY 2018 Adopted Budget.

The increase is due primarily to a change in allocation methodology for equipment and IT charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	$ 35,633
Capital Outlay	-	-	$ 18,000	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**-**	**-**	**$ 18,000**	**$ 35,633**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**-**	**$ 18,000**	**$ 35,633**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Traffic Engineering

Budget Unit 100-88-844

General Fund - Transportation - Traffic Engineering

Budget at a Glance

	2019 Adopted Budget
Total Revenues	$ 458,500
Total Expenditures	$ 1,446,695
Fund Balance	-
General Fund Costs	$ 988,195
% Funded by General Fund	68.3 %
Total Staffing	3.5 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $1,446,695 for the Traffic Engineering program. This represents an increase of $445,671 (44.5%) from the FY 2018 Adopted Budget.

The increase in compensation and benefits is due to negotiated salary and benefit changes due to take effect in July 2018. The increase in meeting and training costs will support staff development and certifications. The increase in cost allocation is due to a change in allocation methodology for IT, finance and human resources charges.

In addition, the budget includes $22,000 in funding for the RYDE (Reach Your Destination Easily) program which provides transportation services to seniors.

Special Projects

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

Special Project	Appropriation	Revenue	Funding Source	Description
Traffic Signal System Upgrade	$400,000		General Funds	Replace obsolete traffic signal hardware
AC2 Staff Time Pass Through	$20,500	$20,500	Pass Through	
Total	**$400,000**	**$20,500**		

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 1,230,461	$ 924,468	$ 282,000	$ 458,500
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 1,230,461**	**$ 924,468**	**$ 282,000**	**$ 458,500**
Expenditures				
Employee Compensation	$ 297,999	$ 395,224	$ 462,698	$ 466,791
Employee Benefits	$ 114,510	$ 165,368	$ 183,851	$ 193,270
Materials	$ 8,512	$ 8,492	$ 9,655	$ 11,555
Contract Services	$ 153,013	$ 271,058	$ 216,700	$ 236,800
Cost Allocation	$ 22,991	$ 82,633	$ 92,467	$ 106,461
Capital Outlay	-	-	-	-
Special Projects	$ 1,200,000	$ 898,279	$ 22,000	$ 420,500
Appropriations for Contingency	-	-	$ 13,653	$ 11,318
Total Expenditures	**$ 1,797,024**	**$ 1,821,054**	**$ 1,001,024**	**$ 1,446,695**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 566,563**	**$ 896,587**	**$ 719,024**	**$ 988,195**

Staffing

Total current authorized positions - 3.50

There are no changes to the current level of staffing. The 3-year limited-term Associate Engineer position, funded 75% in this program, will be converted to a full-time permanent position.

In the 2016 Budget, a 3 year limited-term Associate Engineer position was created to manage and assist with various new active transportation efforts included in the adopted 2018 Pedestrian Master Plan, the Traffic Impact Fee development, and the Bicycle Transportation Plan implementation. In the 2018 Budget, the City Council added additional funding of $3 million to an already aggressive implementation schedule for the 2016 Bicycle Transportation Plan. This includes implementation of notable projects such as the McClellan Avenue Protected Bike Lanes, the Junipero Serra Trail, the UPRR Trail, the Regnart Trail, and the Bike Boulevard network. In the fall of 2017, a donation of an additional $1.8 million was made for the implementation of the first phase of the

Stevens Creek Boulevard Protected Bike Lanes. Additionally, with the completion of the Pedestrian Master Plan and follow-on projects, and the eventual programming of revenues generated from the Transportation Impact Fee, this position is necessary and sustainable within the organization for the foreseeable future.

Total recommended positions - 3.50

Traffic Signal Maintenance

Budget Unit 100-88-845

General Fund - Transportation - Traffic Signal Maintenance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 526,530
Fund Balance	-
General Fund Costs	$ 526,530
% Funded by General Fund	100.0 %
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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $526,530 for the Traffic Signal Maintenance program. This represents a decrease of $187,203 (-26.2%) from the FY 2018 Adopted Budget.

Increases in compensation and benefits are due to negotiated salary and benefit changes due to take effect in July 2018. Decreases in contract services are due to reallocating budget to better reflect actual expenses in this program. Decreases in cost allocation are due to a change in allocation methodology for IT, finance, and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	$ 30,316	$ 89,777	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 30,316**	**$ 89,777**	**-**	**-**
Expenditures				
Employee Compensation	$ 202,968	$ 206,118	$ 215,420	$ 227,033
Employee Benefits	$ 88,927	$ 94,818	$ 92,563	$ 100,910
Materials	$ 43,855	$ 47,234	$ 56,690	$ 61,984
Contract Services	$ 104,728	$ 94,617	$ 201,000	$ 42,000
Cost Allocation	$ 68,124	$ 66,029	$ 127,856	$ 84,404
Capital Outlay	$ 36,499	$ 128,318	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 20,204	$ 10,199
Total Expenditures	**$ 545,100**	**$ 637,134**	**$ 713,733**	**$ 526,530**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 514,784**	**$ 547,357**	**$ 713,733**	**$ 526,530**

Staffing

Total current authorized positions - 2.00

There are no changes to the current level of staffing.

Total recommended positions - 2.00

Safe Routes 2 School

Budget Unit 100-88-846

General Fund - Transportation - Safe Routes 2 School

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 446,499
Fund Balance	-
General Fund Costs	$ 446,499
% Funded by General Fund	100.0 %
Total Staffing	1.0 FTE

Program Overview

Safe Routes 2 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 children by increasing the number of students who walk or bike to school.
- Develop partnerships with school administrators, staff, parents, and children.
- 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $446,499 for the Safe Routes 2 School program. This represents an increase of $299,738 (204.2%) from the FY 2018 Adopted Budget.

Safe Routes 2 School is a new program that was funded by the Traffic Engineering program in previous fiscal years. Increase in contract services is attributed to the crossing guard contract being moved from the Service Center Administration program. Increases in compensation and benefits are due to negotiated salary and benefit changes due to take effect in July 2018. In previous fiscal years, all materials and supplies were budgeted in 700-

702, general contract services. The increase in materials is due to the budget being reallocated to line items where the expenses actually occur. Increases in cost allocation are due to a change in allocation methodology for IT, finance and human resources charges.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	$ 86,924	$ 106,103
Employee Benefits	-	-	$ 36,495	$ 40,829
Materials	-	-	$ 2,200	$ 32,575
Contract Services	-	-	$ 9,800	$ 235,000
Cost Allocation	-	-	$ 9,562	$ 18,613
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	$ 1,780	$ 13,379
Total Expenditures	**-**	**-**	**$ 146,761**	**$ 446,499**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**-**	**-**	**$ 146,761**	**$ 446,499**

Staffing

Total current authorized positions - 1.00

There are no changes to the current level of staffing.

Total recommended positions - 1.00

Minor Storm Drain Improvement

Budget Unit 210-90-978

Storm Drain Improvement - Non-Departmental - Minor Storm Drain Improvement

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

This program provides funding for drainage repairs as needed in various locations.

Service Objectives

- Provide storm drain repairs throughout the City on an annual basis.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	$ 28,300	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**$ 28,300**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	$ 50,141	$ 4,000	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 50,141**	**$ 4,000**	**-**	**-**
Fund Balance	**$ (21,841)**	**$ (4,000)**	**-**	**-**
General Fund Costs	**-**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Fixed Assets Acquisition

Budget Unit 630-90-985

Vehicle/Equip Replacement - Non-Departmental - Fixed Assets Acquisition

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 538,000
Fund Balance	$ (538,000)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

This program purchases 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $538,000 for the Fixed Assets Acquisition program. This represents a decrease of $491,200 (-47.7%) from the FY 2018 Adopted Budget.

The decrease is attributed to replacement of several vehicles in past fiscal years. Replacement vehicles and equipment are described in the table below.

Special Projects

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

Replacement Vehicles	Cost
Replace #37 Crown Victoria	$35,000
Replace #23 Ranger	$55,000
Replace #44 F350	$55,000
Replace #26 Crown Victoria	$35,000
Replace #43 Crown Victoria	$50,000
Replace #33 F250	$45,000
Replace #1 F150	$35,000
Replace #164 Dingo	$30,000
Replace #39 F350	$80,000
Replace #84 F350	$80,000
Total Replacement Vehicle	**$500,000**
Replacement Equipment	
Replace #146 mower	$25,000
Replace #105 aerator attachment	$13,000
Total Replacement Equipment	**$38,000**
Grand Total	**$538,000**

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	-	-	-	-
Capital Outlay	-	-	-	-
Special Projects	$ 7,167	$ 5,217	$ 1,029,200	$ 538,000
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 7,167**	**$ 5,217**	**$ 1,029,200**	**$ 538,000**
Fund Balance	**$ (7,167)**	**$ (5,217)**	**$ (1,029,200)**	**$ (538,000)**
General Fund Costs	**-**	**-**	**-**	**-**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

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Non-Departmental

Non-Departmental

Budget Unit	Program	2019 Adopted Budget
Non-Departmental		**$ 25,254,850**
100-90-001	Transfers Out	$ 11,358,912
429-90-001	Transfers Out	$ 10,726,500
365-90-500	Facility Lease Debt Service	$ 3,169,438
100-90-502	Employee Housing Assistance	-
Total		**$ 25,254,850**

Department Overview

Budget at a Glance

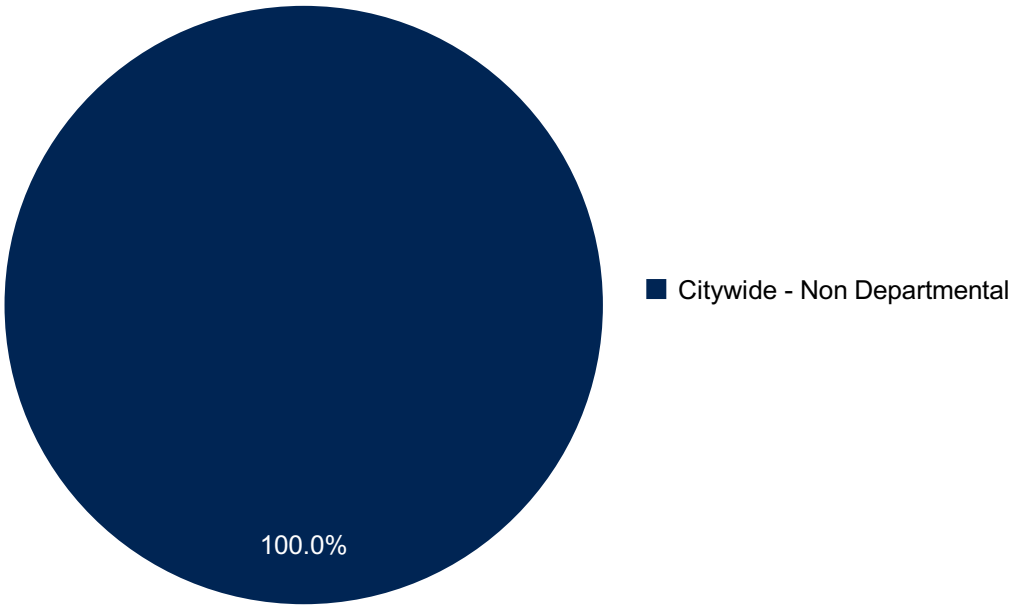
	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 25,254,850
Fund Balance	$ (10,726,500)
General Fund Costs	$ 14,528,350
% Funded by General Fund	57.5 %
Total Staffing	0 FTE

Adopted Budget

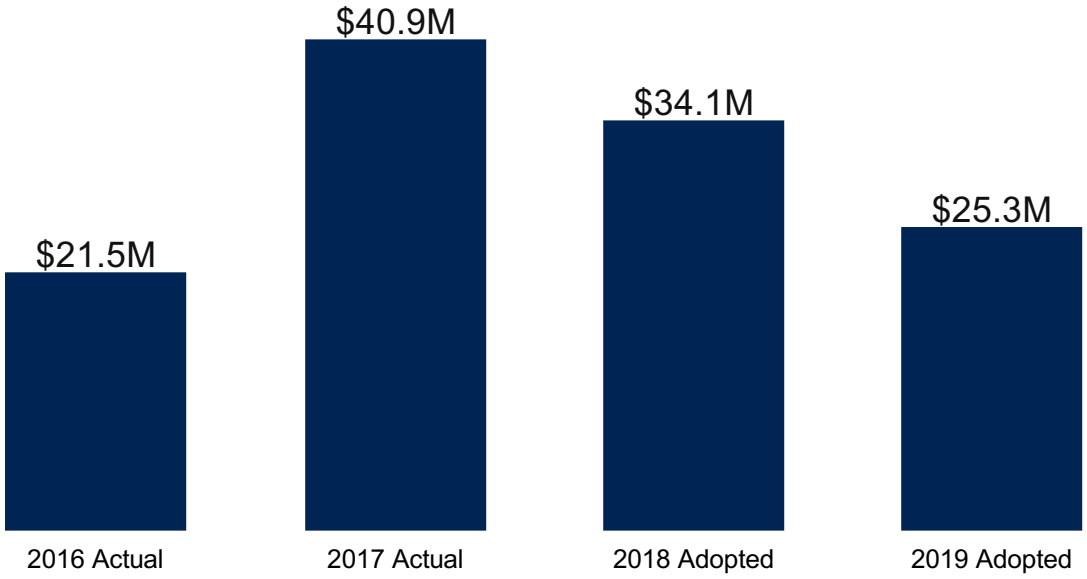
On June 5, 2018, City Council approved a budget of $25,254,850 for the Non-Departmental department. This represents a decrease of $8,864,422 (-26.0%) from the FY 2018 Adopted Budget.

The decrease is primarily due to a decrease in Enterprise and Internal Service funds requiring subsidies from the General Fund to meet the 15% minimum projected fund balance for the fiscal year. In addition, there is a decrease in transfers out from the Capital Reserve due to the costs of projects and alternative funding available for those projects.

Adopted 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	$ (44,388)	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ (44,388)**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ (384,004)	$ 7,471	$ 10,000	-
Contract Services	-	-	-	-
Cost Allocation	$ 21,883,803	$ 40,842,577	$ 34,109,272	$ 25,254,850
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 21,499,798**	**$ 40,850,047**	**$ 34,119,272**	**$ 25,254,850**
Fund Balance	**$ (5,927,306)**	**$ 6,246,305**	**$ (15,184,000)**	**$ (10,726,500)**
General Fund Costs	**$ 15,572,493**	**$ 47,140,740**	**$ 18,935,272**	**$ 14,528,350**

Transfers Out

Budget Unit 100-90-001

General Fund - Non-Departmental - Transfers Out

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 11,358,912
Fund Balance	-
General Fund Costs	$ 11,358,912
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources and 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.

Service Objectives

Transfers out are evaluated each year to ensure funds outside of the General Fund remain with a minimum fund balance of 15% of budgeted operating expenses. These transfers are normally for Special Revenue and Enterprise funds requiring a subsidy due to revenues falling short of full program costs. In addition, the City has reoccurring transfers to the Transportation Fund of $5.8 million annually for pavement maintenance costs in addition to funding the total budget costs associated with Annual Debt Payment, Compensated Absences, and Retiree Health.

Adopted Budget

On June 5, 2018, City Council approved a budget of $11,358,912 for the Transfers Out program. This represents a decrease of $4,398,822 (-27.9%) from the FY 2018 Adopted Budget.

The General Fund transfers out for FY 2019 are as follows:

Transfer Out from the General Fund	Description	Amount
Special Revenue	Storm Drain, Non Point Source, Sidewalk, Curb and Gutters Maintenance	$6,611,000
Debt Service	Annual Debt Payment	$3,169,438
Internal Service Funds	General Fund subsidy of Compensated Absences and Retiree Medical	$1,578,474
	Total General Fund Transfers Out	**$11,358,912**

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ (391,424)	-	-	-
Contract Services	-	-	-	-
Cost Allocation	$ 13,163,945	$ 28,965,731	$ 15,757,734	$ 11,358,912
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 12,772,521**	**$ 28,965,731**	**$ 15,757,734**	**$ 11,358,912**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 12,772,521**	**$ 28,965,731**	**$ 15,757,734**	**$ 11,358,912**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Transfers Out

Budget Unit 429-90-001

Capital Reserve - Non-Departmental - Transfers Out

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 10,726,500
Fund Balance	$ (10,726,500)
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

Transfers represent transfers of monies between various funds. These transfers provide subsidies and resources and 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.

Service Objectives

Transfers out from the Capital Reserve vary from year to year depending on the projects selected in the Capital Improvement Plan. 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.

Adopted Budget

On June 5, 2018, City Council approved a budget of $10,726,500 for the Transfers Out program. This represents a decrease of $4,457,500 (-29.4%) from the FY 2018 Adopted Budget.

The Capital Reserve transfers out for FY 2019 are as follows:

Transfer Out from the Capital Reserve	Description	Amount
Special Revenue	Fund Capital Improvement Projects	$1,600,000
Capital	Fund Capital Improvement Projects	$9,051,500
Enterprise	Fund Capital Improvement Projects	$75,000
	Total Capital Reserve Transfers Out	**$10,726,500**

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	$ (44,388)	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**$ (44,388)**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	$ 5,549,993	$ 8,704,608	$ 15,184,000	$ 10,726,500
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 5,549,993**	**$ 8,704,608**	**$ 15,184,000**	**$ 10,726,500**
Fund Balance	**$ (2,758,268)**	**$ 6,251,004**	**$ (15,184,000)**	**$ (10,726,500)**
General Fund Costs	**$ 2,791,725**	**$ 15,000,000**	**-**	**-**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Facility Lease Debt Service

Budget Unit 365-90-500

Public Facilities Corp - Non-Departmental - Facility Lease Debt Service

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	$ 3,169,438
Fund Balance	-
General Fund Costs	$ 3,169,438
% Funded by General Fund	100.0 %
Total Staffing	0 FTE

Program Overview

The Debt Service Program provides 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.

Service Objectives

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/community center - $10 million.

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.

Schedule of Lease Payments

Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payment
12/15/12		687,643.15	687,643.15	
6/15/13	1,920,000.00	567,778.75	2,487,778.75	3,175,421.90
12/15/13		564,418.75	564,418.75	
6/15/14	2,040,000.00	564,418.75	2,604,418.75	3,168,837.50
12/15/14		559,318.75	559,318.75	
6/15/15	2,055,000.00	559,318.75	2,614,318.75	3,173,637.50
12/15/15		538,768.75	538,768.75	
6/15/16	2,090,000.00	538,768.75	2,628,768.75	3,167,537.50
12/15/16		517,868.75	517,868.75	
6/15/17	2,135,000.00	517,868.75	2,652,868.75	3,170,737.50
12/15/17		496,518.75	496,518.75	
6/15/18	2,180,000.00	496,518.75	2,676,518.75	3,173,037.50
12/15/18		474,718.75	474,718.75	
6/15/19	2,220,000.00	474,718.75	2,694,718.75	3,169,437.50
12/15/19		441,418.75	441,418.75	
6/15/20	2,290,000.00	441,418.75	2,731,418.75	3,172,837.50
12/15/20		407,068.75	407,068.75	
6/15/21	2,355,000.00	407,068.75	2,762,068.75	3,169,137.50
12/15/21		371,743.75	371,743.75	
6/15/22	2,425,000.00	371,743.75	2,796,743.75	3,168,487.50
12/15/22		335,368.75	335,368.75	
6/15/23	2,500,000.00	335,368.75	2,835,368.75	3,170,737.50
12/15/23		297,868.75	297,868.75	
6/15/24	2,575,000.00	297,868.75	2,872,868.75	3,170,737.50
12/15/24		259,243.75	259,243.75	
6/15/25	2,655,000.00	259,243.75	2,914,243.75	3,173,487.50
12/15/25		219,418.75	219,418.75	
6/15/26	2,730,000.00	219,418.75	2,949,418.75	3,168,837.50
12/15/26		178,468.75	178,468.75	
6/15/27	2,815,000.00	178,468.75	2,993,468.75	3,171,937.50
12/15/27		136,243.75	136,243.75	

Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payment
6/15/28	2,900,000.00	136,243.75	3,036,243.75	3,172,487.50
12/15/28		92,743.75	92,743.75	
6/15/29	2,985,000.00	92,743.75	3,077,743.75	3,170,487.50
12/15/29		47,968.75	47,968.75	
6/15/30	3,070,000.00	47,968.75	3,117,968.75	3,165,937.50
Total	**43,940,000.00**	**13,133,759.40**	**57,073,759.40**	**57,073,759.40**

Adopted Budget

On June 5, 2018, City Council approved a budget of $3,169,438 for the Facility Lease Debt Service program. This represents an increase of $1,900 (0.1%) from the FY 2018 Adopted Budget.

This budget remains 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 for two prior fiscal years, the Adopted Budget for the prior fiscal year, and the Adopted Budget for the current fiscal year:

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	-	-	-	-
Contract Services	-	-	-	-
Cost Allocation	$ 3,169,038	$ 3,172,238	$ 3,167,538	$ 3,169,438
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 3,169,038**	**$ 3,172,238**	**$ 3,167,538**	**$ 3,169,438**
Fund Balance	**$ (3,169,038)**	**$ (4,700)**	**-**	**-**
General Fund Costs	**-**	**$ 3,167,538**	**$ 3,167,538**	**$ 3,169,438**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Employee Housing Assistance

Budget Unit 100-90-502

General Fund - Non-Departmental - Employee Housing Assistance

Budget at a Glance

	2019 Adopted Budget
Total Revenues	-
Total Expenditures	-
Fund Balance	-
General Fund Costs	-
% Funded by General Fund	-
Total Staffing	0 FTE

Program Overview

The recruitment and hiring of top quality department heads are essential to the efficient operation of the City. Housing costs in Silicon Valley tend to act as a disincentive to persons relocating to the area, and therefore, as an obstacle to the recruitment, hiring, and retention of such top quality personnel. To assist in this end, the Council adopted the housing assistance program for department heads.

Service Objectives

The housing assistance program for department heads provides housing loans for their primary residence at interest rates indexed with the 11th District cost of funds with an optional deferred interest feature for the first five years. There is assistance with half of the closing costs. The City may assist in the purchase by acquiring up to thirty percent of the equity share in the residence.

Adopted Budget

There is no budget requested for this program.

The City anticipates closing out the only loan under this program in Fiscal Year 2018 and this budget will be phased out in future years should no additional employees choose to participate.

Revenues and Expenditures

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

Category	2016 Actual	2017 Actual	2018 Adopted Budget	2019 Adopted Budget
Revenues				
Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Use of Money and Property	-	-	-	-
Intergovernmental Revenue	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Interdepartmental Revenue	-	-	-	-
Total Revenues	**-**	**-**	**-**	**-**
Expenditures				
Employee Compensation	-	-	-	-
Employee Benefits	-	-	-	-
Materials	$ 7,419	$ 7,471	$ 10,000	-
Contract Services	-	-	-	-
Cost Allocation	$ 827	-	-	-
Capital Outlay	-	-	-	-
Special Projects	-	-	-	-
Appropriations for Contingency	-	-	-	-
Total Expenditures	**$ 8,246**	**$ 7,471**	**$ 10,000**	**-**
Fund Balance	**-**	**-**	**-**	**-**
General Fund Costs	**$ 8,246**	**$ 7,471**	**$ 10,000**	**-**

Staffing

Total current authorized positions - 0.00

There is no staffing associated with this program.

Total recommended positions - 0.00

Personnel Summary

Fiscal Year 2018-19 Adopted Budget
Personnel Summary

	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	Change	FY 18-19
CITY COUNCIL/COMMISSIONS								
City Council	0.50	0.50	0.50	0.45	0.30	1.15	-0.10	1.05
Sister Cities	0.00	0.00	0.10	0.05	0.05	0.10	0.00	0.10
Fine Arts Commission	0.10	0.10	0.15	0.15	0.15	0.15	0.00	0.15
Technology, Information & Communications Commission	0.10	0.10	0.10	0.10	0.10	0.00	0.00	0.00
Parks and Recreation Commission	0.10	0.10	0.05	0.10	0.10	0.10	0.00	0.10
Teen Commission	0.15	0.25	0.25	0.25	0.30	0.30	0.00	0.30
Housing Commission	0.05	0.05	0.15	0.15	0.15	0.15	0.00	0.15
Library Commission	0.07	0.05	0.05	0.05	0.05	0.05	0.00	0.05
Sustainability Commission	0.00	0.00	0.00	0.00	0.10	0.10	0.00	0.10
Public Safety Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.05
Planning Commission	0.45	0.42	0.30	0.30	0.25	0.25	0.05	0.30
	1.52	**1.57**	**1.55**	**1.60**	**1.55**	**2.35**	**0.00**	**2.35**
ADMINISTRATION								
City Manager	1.40	2.55	2.55	3.30	3.02	3.37	0.25	3.62
Sustainability	0.00	0.60	0.60	1.55	1.55	1.80	0.00	1.80
Public Affairs	0.00	0.00	0.00	0.00	0.00	1.85	0.30	2.15
City Clerk	0.00	3.60	3.60	3.00	3.00	3.10	-0.20	2.90
Community Outreach	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic Development	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
City Attorney	2.90	3.00	3.00	3.00	3.00	4.00	1.00	5.00
	5.05	**10.75**	**10.75**	**10.85**	**10.57**	**14.12**	**1.35**	**15.47**
INNOVATION & TECHNOLOGY								
Administration	1.60	1.80	1.80	1.15	2.45	0.85	-0.15	0.70
Video (formerly Government Channel)	3.20	3.15	3.15	2.95	3.40	3.25	-0.05	3.20
Applications (formerly City Website)	0.95	0.95	0.95	0.95	0.80	3.20	0.25	3.45
GIS	0.00	0.00	0.00	2.00	2.30	2.65	0.55	3.20
Infrastructure (formerly Information Technology)	0.00	4.00	4.00	4.00	4.70	4.60	-0.10	4.50
Cupertino Scene	0.35	0.35	0.35	0.35	0.30	0.00	0.00	0.00
Community Outreach	0.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00
Environmental Affairs	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	6.90	**11.00**	**10.25**	**11.40**	**13.95**	**14.55**	**0.50**	**15.05**
ADMINISTRATIVE SERVICES								
Administration	1.93	2.70	1.80	2.50	2.50	2.80	1.00	3.80
Accounting	4.33	4.50	5.60	5.20	5.75	5.40	1.00	6.40
Business Licensing	0.50	0.50	0.50	1.10	0.55	0.60	0.00	0.60
City Clerk	2.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Duplicating and Printing	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Human Resources	3.50	2.95	3.75	3.15	3.15	2.85	0.00	2.85
Insurance Administration	0.50	0.35	0.35	0.35	0.35	0.35	0.00	0.35
Code Enforcement	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	22.26	**11.00**	**12.00**	**12.30**	**12.30**	**12.00**	**2.00**	**14.00**
RECREATION AND COMMUNITY SERVICES								
Administration	2.00	2.05	3.05	2.95	2.85	2.90	0.95	3.85
Business and Community Services	9.60	9.80	9.85	8.85	9.55	10.60	-0.30	10.30
Recreation and Education	4.88	4.58	4.53	5.58	11.85	10.70	-0.70	10.00
Sports, Safety and Outdoor Recreation	6.00	6.05	6.00	6.00	8.83	10.93	-0.28	10.65
Senior Center/Stevens Creek Trail/Blue Pheasant	7.05	7.00	7.10	8.10	0.00	0.00	0.00	0.00
Blackberry Farm	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Outreach	0.00	0.00	0.75	0.70	0.00	0.00	0.00	0.00
	29.53	**29.48**	**31.28**	**32.18**	**33.08**	**35.13**	**-0.33**	**34.80**

Fiscal Year 2018-19 Adopted Budget
Personnel Summary

	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	Change	FY 18-19
COMMUNITY DEVELOPMENT								
Administration	1.39	1.41	0.90	0.90	0.55	0.55	0.00	0.55
Planning	7.89	8.84	9.10	8.60	10.63	10.63	-0.05	10.58
Housing Services	0.68	0.68	0.80	0.80	0.80	0.80	0.00	0.80
Building	11.90	12.25	12.25	13.30	13.95	13.85	0.10	13.95
Economic Development/RDA Successor Agency	2.04	0.00	0.00	1.00	1.00	1.00	0.00	1.00
Muni/Building Code Enforcement	0.00	1.65	1.75	2.70	1.25	1.25	0.00	1.25
	23.90	**24.83**	**24.80**	**27.30**	**28.18**	**28.08**	**0.05**	**28.13**
PUBLIC WORKS								
Administration	3.25	10.15	3.25	3.25	3.25	3.25	0.00	3.25
Environmental Programs	3.17	3.67	4.17	6.22	6.22	6.27	-0.07	6.20
Development Services	6.82	0.00	7.40	7.40	7.40	7.50	1.00	8.50
Service Center	2.00	2.00	2.30	2.70	3.70	3.05	-0.50	2.55
Grounds	18.95	18.75	19.75	19.75	19.75	19.60	0.40	20.00
Streets	11.25	13.15	13.10	13.65	13.65	13.95	0.00	13.95
Trees and Right of Way	16.80	15.40	16.40	16.40	16.40	16.40	-0.40	16.00
Facilities and Fleet	7.20	7.15	7.15	8.15	8.15	8.00	0.00	8.00
Transportation	4.15	3.85	3.60	4.60	5.60	6.50	0.00	6.50
	73.59	**74.12**	**77.12**	**82.12**	**84.12**	**84.52**	**0.43**	**84.95**
LAW ENFORCEMENT								
Code Enforcement	0.00	2.00	2.00	2.00	2.00	2.00	0.00	2.00
	0.00	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**0.00**	**2.00**
Total Benefitted Positions	**162.75**	**164.75**	**169.75**	**179.75**	**185.75**	**192.75**	**4.00**	**196.75**
Total Benefitted Positions (including councilmembers)	**167.75**	**169.75**	**174.75**	**184.75**	**190.75**	**197.75**	**4.00**	**201.75**